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Behind the Mask: The Impact of Service Quality on Consumer Satisfaction and Loyalty Intentions

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Abstract: In recent years, due to rapid economic growth, increase of National Income and advance of lifestyle, the tendency of meeting customer's satisfaction needs to be related to the idea of service quality and association in hospitality area has been a subject of debate for many years. This study critically examines various factors from service quality and its effect on consumer satisfaction. Human relation scholars have agreed on the basic principle that the issue of customer satisfaction and its importance of the application to the hospitality industry. The underlying service quality mechanism symbolizes a chain of events where persons from all over the world can mimic varied feelings as well as synchronize their facial expressions, body movements and verbal vocalizations with those of other people. Therefore, through unconscious or conscious induction of emotional states, this service quality means differently and eventually reaches a large group of people. From the service point of view, the same case applies to service providers who choose to wear unfriendly faces which are easy to excite a cold consumer atmosphere; moreover, this might seriously worsen customer relations leading to low profits and customer dissatisfaction. On the contrary, a service provider with lovely and friendly mood is easy to create quality and lasting consumer relations and further better marginal profits.

Key words: Customer satisfaction, loyalty intentions, service quality, service interaction, customer-service provider rapport

INTRODUCTION

Nowadays, the hospitality industry is regarded as a global industry with a mass of customers around all over the world, especially in Taiwan, there are a lot of restaurants appearing in a short time and also are fast disappearing. Therefore, in modern hospitality, marketing managers of travelling or restaurants are more and more interested in understanding various motivating factors behind the customers' post-purchase behaviour, specifically, what is the reason for customers love to come back for enjoying or experimenting experienced and similar services over and over again? In accordance with Bui *et al.* (2011), two concerns are strongly related to this issue. First of all, the hardware equipment and the software circumstances under which the consumers are satisfied with waitress' or waiters' delivered services and, secondly, when they regret having adopted the same services and how this influences their further marketing relations (Bui *et al.*, 2011; Andrade and Cohen, 2007). Thus, the main purpose of the study is to determine the range of emotional factors and how they influence customer satisfaction.

With the characteristic of being automatic and easily spreading out within the whole group, emotional contagion can be likened to a contagious process. People offer different opinions with the topic that whether a service provider expresses a certain emotional behaviour towards other colleagues would influence the atmosphere within the entire workplace (Barsade, 2002; Bechtoldt *et al.*, 2011; Belkin 2009; Du *et al.*, 2011). Therefore, the study examines key customer consequences that remain of interest to any service firm, including the impact of employee emotions on customer satisfaction, customer employee rapport and customers' future loyalty intentions, all of which constitute prior untested relationships (Biedenbach *et al.*, 2011; Bogomolova, 2011; Curtis and Upchurch, 2008; Jasmand *et al.*, 2012; Skarlicki *et al.*, 2008).

With the above statement, it is necessary for us to examine whether factors related to consumer perception of service quality influences consumer satisfaction and

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post-purchase relations. The hypothesis is that there are a number of underlying factors which either lead to negative or positive benefits between consumers and service providers with the key being a strong culture of positive emotional contagion (Smith and Bolton, 2002; Gountas and Gountas, 2007; Bui *et al.*, 2011; Scott and Barnes, 2011; Soderlund and Rosengren, 2010; Schoefer and Diamantopoulos, 2009; Trougakos *et al.*, 2011). To sum up, adopting the model of extended marketing approach and in comparison to what other scholars have found out, the study examines various issues linked to emotional contagion including various concepts in emotional service interactions namely primitive and conscious emotional contagion and customer consequences that emerge from service satisfaction and customer rapport. All these mentioned issues lead to some important propositions which are also discussed in the study to emphasize the gravity of the matter (Smith and Bolton, 2002).

LITERATURE REVIEW AND PROPOSITION DEVELOPMENT

The study is to illustrate constructs and discussions in relation to service interactions based on the following literature review:

Customer consequences of service interactions: In view of the fact that consumers today are more informed about their preferences, product choices and that they influences most of the firm outcomes, Biedenbach *et al.* (2011) noted that it is a vital necessity to acknowledge consumers and as active stakeholders. Even so, unique needs among consumers have posed significant challenges for service provider firms that struggle to ensure that all their customers experience a pleasant consumption experience. This way, majority of the companies have struggled to differentiate themselves from others by embracing and providing high quality products and services (Grandey *et al.*, 2011, 2005). This is particularly important in line with DeWitt and Brady (2003) who have observed that it is more profitable to retain current consumers than obtaining new ones. As far as customers' needs are concerned, the differences exist between quality and unsatisfied service quality plays a vital role in influencing customers' satisfaction.

The rationale for customer consequences of service interactions is enveloped in broad views that customer services should promote an element of satisfaction which, at the end of the experience, multiplies and promotes the consumer's desire to seek for the same services in the future (Bui *et al.*, 2011). Gountas *et al.* (2007) also reached similar observations that most sales and marketing managers have concentrated in understanding and

evading loopholes that may lead to poor customer experience during service provision. Another concern is that, the sales persons are always encouraged to ensure that clients have a final authentic perception and reported satisfaction, post-service experience, as opposed to regret (Dallimore *et al.* 2007; Luong, 2005).

In other studies, the prominence of consumer consequences has led many researchers to a number of conclusions that service providers remain the primary key to consumer experience (Allen *et al.*, 2010; Curtis and Upchurch, 2008). The manner of service delivery remains the first line on how consumers evaluate services and that service operations are under the care of employees who markets it while consumers rate its effectiveness (Bui *et al.*, 2011; George, 1998).

Nonetheless, despite such important observations, it remains apparent that it is not all the firm employees that are basically consumer and service oriented. Rather, majority differ in frequency and extent with which they rightfully fulfil and identify consumer needs in an ethical, timely and courteous manner (Groth *et al.*, 2009). In Susskind *et al.* (2003) and Soderlund and Rosengren (2008), it has been reported that this observed differences in employee customer service interaction, largely depend on dispositional variables that are closely corelated to personality characteristics and job variables, where each service provider specializes in their specific line of action.

Besides ensuring consumer service satisfaction, Schoefer and Diamantopoulos (2009) have also argued that another crucial goal that comes with customer service consequences has been attributed to promotion of customer loyalty. This aim has a particular consequence to service providers in that it dictates whether or not there will be a sustainable success to an organization. In the workplace affective management, Lapointe *et al.* (2012) has supported similar notions that the primary outcome of each service-customer interaction should be customer loyalty which they believe to be one of the powerful competive advantages. Prior study has found that acquiring loyal customers is too critical because the same will repeatedly come back, they become word-of-mouth advitizers as they brag about high quality services (Biedenbach *et al.*, 2011; DeWitt and Brady, 2003; Grandey *et al.*, 2011). They can always pay more for the same services offered elsewhere and that in an event of a mistake, loyal customers are more understanding and forgiving. To sum it all, it has been noted that loyalty is created depending on the type of emotional connection (Belkin 2009; Barger and Grandey, 2006). Therefore, when service providers presents unfriendly emotions, consumers may get low quality services prompting them to take their expectations and businesses elsewhere (Soderlund and Rosengren, 2007).

Customer satisfaction: Measuring customer satisfaction plays a vital role in academic marketing (Churchill and Suprenant, 1982; Fornell, 1992; Hauser *et al.*, 1994) and in business field (Honomichl, 1993; Kandampully and Suhartanto, 2000). Also, the understanding of customer satisfaction is an important access to make good impact on customer loyalty (Cronin and Taylor, 1992) and further enhance word-of-mouth promotion (Oliver, 1997). From the personal perspective, everyone has different feeling form the same hospitality experience, with customers having different expectations, demands, purposes and past experiences; those will influence their experience during the service process. Therefore, as previously argued out, failure by a service provider company to meet the people's expectations will only scavenge one's business and result in customer and profit loses. Nyer (1999) suggested that when customers feel dissatisfied, they are tempt to argue about the shortage in their expectations and try to find other compensation for their failed purchase experience. If management don't find a way to recover the damage, customers will experience a serious cognitive falling and feel much more disappointment. What is even worse is that Gountas and Gountas (2007) report that dis-satisfied customers will relay, just like satisfied customers Lapointe *et al.* (2012), a word of mouth about an organization's poor services to 10 or even more potential consumers. In other words, the customer may spread negative word-of-mouth comments as a protest against the gap between their original expected recognition and their actual experience during the service. Therefore, consumer satisfaction that comes with the level of service excellence pays off dramatically, positively or negatively, at the end of customer experience in every organization (Susskind *et al.*, 2003; Gountas and Gountas, 2007).

In assessing the reasons behind such a success or failure, Pugh (2001) propounds that the first line of satisfaction should not start with consumers, but rather, the employees because satisfied employees will always offer high quality services. Similar concerns have also been raised by Biedenbach *et al.* (2011) who have also observed that when service providers themselves are satisfied, they will express more positive affect and self confidence and inevitably attracting consumer attention through emotional contagion type of mechanisms. Consumers will judge whatever services they get and link them as the exact replica that represent the very image and symbol of a given organization (Barger and Grandey, 2006).

From such a generalized moral reasoning, frontline employees have a primary task of linking an organization to consumer satisfaction and financial performance. One possible way this may happen is through psychological

and physical contact where service provider attitudes tend to converge with those of the consumers and depending on their primary nature, positive or negative, consumer evaluation of service quality is reached (Huang and Dai, 2010). In a nutshell, outstanding service providers are aware of the power of emotions and as a result tend to manage them appropriately so as to realize maximal consumer satisfaction and little of the negatives.

With the reality that retaining customers is more cost-effective than developing the new potential customers (Torres and Kline, 2006; Kolter and Amstrong, 2001), the hospitality management must turn the emphasis on their examining a customer's perception of service quality, satisfaction and loyalty. In order to ensure their repeat patronage and recommendations, the research looks more carefully into the link between customer satisfaction and the likelihood of recommendations and repeat patronage (Cronin and Taylor, 1992).

Rapport of customer and service provider: In DeWitt and Brady (2003) about re-thinking of customer recovery strategies, they researchers have reached a joint confirmation that when service providers administer high level services-customer rapport, the move leads to a greater increase in customer's satisfaction during service encounters. Besides, a high level of customer-service provider rapport leads to a greater increase in customer's future loyalty intentions as earlier discussed. This is mainly because a number of factors are mainly related to customer perception of service provider behaviour in terms of the consumer perceived role ambiguity, the role that work overload plays and customer-employee rapport that mainly influence the development of service quality and professionalism (Harris *et al.*, 2011; Gremler and Gwinner, 2000). Research findings by Lloyd and Luk (2011), Susskind *et al.* (2003) and Biedenbach *et al.* (2011) argue that service-customer associations are affected by a structural model that has result in a negative model on perceived loyalty and quality, while there is a positive correlation between service-customer rapport in the enhancement of business to business service quality.

Tan *et al.* (2004) and Schoefer (2008) have clearly argued out on the various roles of constructs that service employee behaviour and consumer-employee rapport and why they are deemed important in sales and service marketing context. In line with the findings by Lloyd and Luk (2011) that role ambiguity and the employee workload mere explanation of employee's own perceptions and performance. Tan *et al.* (2004) and Schoefer (2008) indicated that consumer-employee rapport gives more details about customer retention and subsequent loyalty intentions (Biedenbach *et al.*, 2011). Out of this discussion the following propositions emerge:

- **Proposition 1:** Service providers' emotional displays relate positively service satisfaction
- **Proposition 2:** A high level of customer-service provider rapport leads to a greater increase in customer's satisfaction during service encounters
- **Proposition 3:** A high level of customer- service provider rapport leads to a greater increase in customer's future loyalty intentions

CONCLUSION

The hospitality industry is a highly competitive industry that provides similar products and services. In other words, the management of hospitality have to find solutions to make their products and services of quality excellence and also quite different from others.

The aim of this study is to determine the factors of service quality influencing customer's satisfaction and loyalty intentions. From the theoretical part, the influence of service providers' emotional displays plays a critical part in consumers' positively service satisfaction. Especially with lovely and friendly service, customer will experience truly warm feeling from their heart. Naturally, a quality customer service provider rapport leads to a greater increase in customer's satisfaction during service encounters. Moreover, customer's satisfaction during service encounters leads to their future loyalty intentions, including recommendation and post purchase behavior. However, from the practical part of real world in restaurants, service is intangible. It is an interaction between the customers and the service-providers; If providers would like to please their customers, then they should pay more attention in satisfying customers' needs; however, situations are sometimes more complex than the theory. Because of a number of emotional expression and receiving situations are always happening within the service process. Under such circumstances, managers or employees are at least supposed to hide their true feeling of unhappy for the sake of maintaining the customer's self-esteem and their post purchase intention.

According to the propositions, management of staff service and value are substantial determinants of customer's overall satisfaction which plays an important role in influencing customer's intention to return for purchase and being prepared to recommend it to others. In other words, it is important to find exceptional employees who are willing to voluntarily contribute passion and efforts toward the goal for their employees. Without passion, service provider are not willing to smile from their heart, what they did is only from the appearance acting; hence, the customer cannot feel the truly warm caring and treatment and then will also respond to this

with negative feedback. From this point of view, customers should behave cooperatively in order to elevate customer-consumer rapport, a tendency which might finally leads to unexpectedly maximal service satisfaction; and moreover, positive influence customers' future loyalty intentions. However, concerns on whether or not interpersonal and intra personal relationships change original emotional contagion, remains to be further exploration in the future.

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