

Investigating the Impact of Service Quality in Distribution System on Customer Satisfaction

(Case Study: Dairy Products Company Distribution System in West of Guilan (Iran))

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Abstract

In nowadays turbulent environment, the competition to acquire and satisfy customers become a requirement for organizations and this issue is dedicated a very important part in company strategy. By measuring customer satisfaction, organizations will be able to determine their real success rate in providing desired products and need of their customers and in the market. Service and quality are factors that has closely related to customer satisfaction. When role of service was evident in everyday life, as well as categories of service quality was considered as main feature competition between organizations. So that considering service quality has distinguished the organization from its competitors and gains a competitive advantage. Actually quality of service is closely related to customer satisfaction. By improving service quality increase the likelihood of customer satisfaction. This study has been developed to investigate the impact of service quality on customer satisfaction of dairy products distribution systems in the west of Guilan. Research method is descriptive - analytical, a data collection method is field and a tool of data collection is questionnaire. Statistical population of this research is the owners of supermarket in west of Guilan systems are composed of 340 and sample size was estimated 181. Data analysis was conducted by SPSS software and by using regression testing. The results of testing the research hypotheses show that the main hypothesis of research was confirmed and this means that distribution system service quality on customer satisfaction has a significant positive impact. Also review of the sub hypotheses show that dimensions of service quality (reliability, responsiveness, credibility, empathy and tangibility) affect customer satisfaction.

Keywords: Service Quality, Customer Satisfaction, Distribution System

1. Introduction

In today's competitive market, responding to market changes and meet customer needs is a prerequisite for manufacturing and service companies (Kazemzadeh et al., 2009). In recent years, attention to customer satisfaction and meet the needs of them has been growing rapidly (Xu et al., 2009). In fact customer satisfaction is an introduction to maintain and her/his loyalty (Jamal, 2009) and organizations will be successful that to be able to provide more customer satisfaction than other competitors and suppliers because the customer is the most important asset of any organization (Kazemi & Mohajer, 2009). It can say that customer satisfaction is main factor in the success of many organizations (Fernandez-Gonzalez and Prado, 2007). Customer satisfaction is their evaluation after buying a service that gained from experience of consumption. Customer satisfaction can be considered as the ultimate basis in modern marketing, so that the firm's success depends on identifying and satisfying customer needs somehow better or superior of competitors (Ranjbarian, Barari, 2009). In this context, quality of service and products that promote customer satisfaction is known a vital principle (Chang, 2008). Nowadays customer satisfaction and service quality are being considered life issues in many manufacturing and service industries. One of ways that companies can distinguish their services from the competition is that continuously, offer quality services higher than other competitors to customers. Supply of high quality product and services to customers continually create a competitive advantage, increase customer loyalty and... . Hence nowadays, companies and service organizations have understood that focus on customer needs means attention quality and to provide service to customers because quality begins with the customer's needs and ends with his/her Satisfaction (Taleghani & Taghizadeh, 2010).

The quality of service is result of comparing services perceived by the customer and the service expected from them. Quality should be formed based on customer needs and expectations. Therefore amount of providing expectations and satisfaction is the best customer criteria and standards for judging the quality and customer satisfaction (Golzar Adabi, 2010).

2. Problem Statement

In today's turbulent environment, the competition to acquire and satisfy customers become to a requirement for organizations and this issue has dedicated a very important part in the strategy of company. Customer satisfaction is largely dependent on the customers' expectations from product and whether the product produced by the company meets their expectations or not. By measuring customer satisfaction, organizations will be able to determine their real success rate in providing products our customers want and need in the market (Munteanu, et al., 2010). Researchers have found that customer satisfaction is effective part to do a successful business and almost any business cannot survive without customer satisfaction (Yuksel et al., 2010).

Nowadays achieving customer satisfaction has been allocated a crucial role in targets of organizations and managers as well know their success in achieving the overall goals of the organization is dependent on customer satisfaction. In recent decades, the importance of customer in organizations increased so that orientation of organizations has changed from product orientation to customer orientation. Unlike in the past, customers have found the opportunity that compare different products in high number and variety from the around world, together (Taleghani, Rastegar, 2012). Service and its quality have closely relationship with customer satisfaction (Firman and Bo, 2003). Ever since role of service was revealed in daily life, categories of service quality were considered main characteristic competition among organizations. Attention to service quality has distinguished the organization from its competitors and is caused to gain a competitive advantage (Hosseini & Ghaderi, 2010). Gronroos defines service such: a service is an activity or series of activities of more or less intangible that usually but not necessarily is done in the interaction between customer and employees or physical resources or goods or systems of services supplier but are provided as solutions to customer problems (Gronroos, 2001). Based on view of Parasuraman (1985), Quality of service based on a comparison between what the customer feels should be offered to them and what is actually provided for them. In elsewhere he defined service quality as sustained compatibility with customer expectations and understanding customer expectations from particular service (Yeh Shao and Li, 2009). He in 1985 and 1988 showed that services quality through the difference between the service received and customer service expectations measured through five dimensions that mentioned dimensions are:

- Reliability: the ability of the distribution system in services delivery as accurate and up to date promised.
- Responsiveness: Willingness to help customers and provide prompt service to them.
- Credibility: Knowledge and courtesy of employees and their ability to build confidence and trust of customers.
- Empathy: important and behavior with customers.
- Tangibility: aspects and physical elements of distribution channels for provide services to customers (Tsoukatos and Rand, 2007).

Actually quality of service has closely related to customer satisfaction. So that by improving service quality increases the likelihood of customer satisfaction. Increasing customer satisfaction leads to behavioral outcomes such as commitment, a desire to remain, a two-way link between providing the service and the customer, increasing the customer's tolerance to failures in service delivery and positive oral advertising about organization (Firman and Bo, 2003). Nowadays quality of service plays a vital role in the success of the organization in competitive edge and increasing competitive power (Rod and Shao et al., 2009) and according to material provided of the conceptual model is as follows:

Independent variable (x): Service Quality of distribution systems

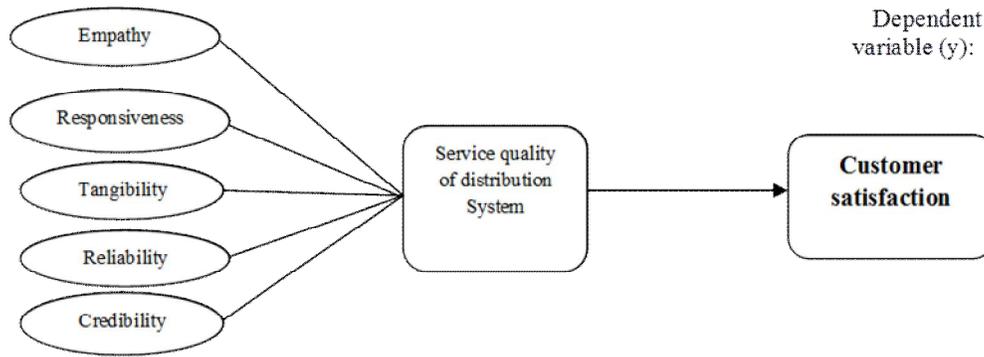


Figure 1) the conceptual model of research (SERVQUAL model) (Parasuraman et al., 1985)

According to above contents and also considering the conceptual model of research, research hypotheses are as follows:

- 1- The service quality of distribution system affects customer satisfaction.
- 2- The Reliability of distribution system affects customer satisfaction.
- 3- The responsiveness of distribution system affects customer satisfaction.
- 4- The empathy of distribution system affects customer satisfaction.
- 5- The tangibility of distribution system affects customer satisfaction.
- 5- The credibility of distribution system affects customer satisfaction.

Customer Satisfaction

Purpose of customer satisfaction is a state that different dimensions of product or service to meet customers' needs reply to the expectations or beyond their expectations. Customer satisfaction is the ultimate criterion for determining the actual quality of goods or services supplied to customers (Bandarian, 2011).

Service Quality

Service quality is difference between customer expectations and perceptions from service (Othman and Iynn, 2002). In this research in order to assess the quality of service in distribution systems have been used SERVQUAL model that includes the following dimensions:

Reliability

- 1 - Perform the work or service promised in the specified time.
- 2 - Doing service reform as soon as possible.
- 3 - Showing a sincere interest in solving customer problems.

Responsiveness

- 1- Determining services that employees provide to customers.
- 2 - Providing services in the shortest possible time.
- 3 - Responding employees to customer questions under any conditions

Credibility

- 1 - Building trust in customers through good behavior.
- 2 - Customers feel safe in their interaction with distribution systems.

1 - Behaving politely and respectfully with customers.

Empathy:

- 1 - Personal attention to customers
- 2 - Understanding customers' needs
- 3 - Demanding the best benefits for customers

Tangibility

- 1 - Modern equipment
- 2 - Significant physical facilities
- 3 - Employees clean and tidy appearance (Hosseini & et al, 2010).

3. Research Methodology

This study based on the design is descriptive-analytical and based on objective is applied. The statistical population of this research is 340 owners of large supermarkets in the east region of Guilan province (Iran) and among them 181 as the sample were selected. Questionnaires were used to collect data and information that have two sections include customer satisfaction and service quality dimensions (the dimensions of reliability, responsiveness, credibility, empathy and tangibility). Content method was used to determine the validity of questionnaires and Cronbach's alpha coefficient was used for reliability. In this research, for statistical data analysis, data by using the software spss 18 converts the frequency distribution tables and histograms and in inferential section is used Regression analysis test

4. Data Analysis

Table 1) regression test of main hypothesis

hypothesis	Variables	R	R ²	Sig	Result
Main hypothesis	The service quality of Distribution system and customer satisfaction	0/463	0/214	0/000	Confirmed

Main hypothesis: According to the results of hypothesis testing, it is identified that the service quality of distribution system affects customer satisfaction. Also according to beta can say that mentioned impact is positive, means increase the service quality of distribution system will increase customer satisfaction. Meanwhile, R² between two variables is equal to 0/214 .This suggests that the service quality can predict 21/4% customer satisfaction.

Table 2) summary of regression test

Sub-hypotheses	Variables	R	R ²	Sig	Result
1	Reliability and customer satisfaction	0/357	0/127	0/000	Confirmed
2	Responsiveness and customer satisfaction	0/225	0/50	0/002	Confirmed
3	Empathy and customer satisfaction	0/235	0/055	0/001	Confirmed
4	Tangibility and customer satisfaction	0/536	0/288	0/000	Confirmed
5	Credibility and customer satisfaction	0/373	0/139	0/000	Confirmed

First sub-hypothesis: According to the results of hypothesis testing, it is identified that the reliability of distribution system affects customer satisfaction. Also according to beta can say that mentioned impact is positive, means increase the reliability of distribution system will increase customer satisfaction. Meanwhile, R^2 between two variables is equal to 0/127 .This suggests that the reliability can predict 12/7% customer satisfaction.

Second sub-hypothesis: According to the results of hypothesis testing, it is identified that the responsiveness of distribution system affects customer satisfaction. Also according to beta can say that mentioned impact is positive, means increase the responsiveness of distribution system will increase customer satisfaction. Meanwhile, R^2 between two variables is equal to 0/50 .This suggests that the responsiveness can predict 50% customer satisfaction.

Third sub-hypothesis: According to the results of hypothesis testing, it is identified that the empathy of distribution system affects customer satisfaction. Also according to beta can say that mentioned impact is positive, means increase the empathy of distribution system will increase customer satisfaction. Meanwhile, R^2 between two variables is equal to 0/055 .This suggests that the empathy can predict 5.5% customer satisfaction.

Fourth sub-hypothesis: According to the results of hypothesis testing, it is identified that the tangibility of distribution system affects customer satisfaction. Also according to beta can say that mentioned impact is positive, means increase the tangibility of distribution system will increase customer satisfaction. Meanwhile, R^2 between two variables is equal to 0/288 .This suggests that the tangibility can predict 28.8% customer satisfaction.

Fifth sub-hypothesis: According to the results of hypothesis testing, it is identified that the credibility of distribution system affects customer satisfaction. Also according to beta can say that mentioned impact is positive, means increase the credibility of distribution system will increase customer satisfaction. Meanwhile, R^2 between two variables is equal to 0/139 .This suggests that the credibility can predict 13.9% customer satisfaction.

5. Conclusions and Recommendations

In order to increase customer satisfaction from quality of service, distribution system should make more active the distribution unit and have more monitoring and control and comments in this section. Strong and close relationship of distribution department with department of production and sales can quickly increase the inquest to complaint raised by customers and minimize the number of complaints. Improving the quality of the services provided and transparency to meet the needs and demands of clients by creating teams to respond and handling customer questions and complaints can reveal the strengths of distribution system. Also it be establishes measurement system of customer satisfaction through the use of constructive feedback and suggestion of customers as a key opportunity, a direct dialogue with customers and surveys them. Customer comments be raised in company and be planned to increase customer satisfaction. Innovation and continuous improvement in service quality provide through identify values, expectations of customers in different locations.

In relation to first sub hypothesis that the reliability of the distribution system has been proven on customer satisfaction, distribution system should have high reliability to enhance customer satisfaction and for this purpose it is necessary, services and promises perform at the set time, if there is a defect in service, shall be resolved as soon as possible and distribution personnel to resolve problems customers be enthusiastic.

In relation to the second sub-hypothesis that the responsiveness of the distribution system has been proven on customer satisfaction, in result can say that responsiveness of distribution system is one of factor that is strongly influenced customer satisfaction, for this reason personnel of distribution must be responsiveness to customer questions under any circumstances, accurately describe about services provided to customers and also perform services delivery in the shortest possible.

In relation to the third sub-hypothesis that the empathy of the distribution system has been proven on customer satisfaction, therefore personnel of distribution system should be considered special attention to customers, understand their needs and they also demand the best and highest interests, in this case empathy is created among personnel of distribution system and customers and this empathy can affect and increase customer satisfaction.

In relation to the fourth sub-hypothesis that the tangibility of the distribution system has been proven on customer satisfaction, this result is obtained that for distribution system, the use of modern equipment, cleaning machines, and refrigerators and also having employee with clean and tidy appearance is necessary to increase their customer satisfaction. Therefore distribution system should always consider important to enhance customer satisfaction.

In relation to the fifth sub-hypothesis that the credibility of the distribution system has been proven on customer satisfaction, in order to establish ensure between customers and distribution system, personnel behavior of distribution system should be such that can create a sense of trust and security in customer. Personnel of Distribution system should always have be respectful and courteous behavior with customers.

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