

Does Service Quality Dimensions Affect Interpersonal Relationships? An Empirical Investigation

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Abstract—Customers today are well-informed, updated and the companies in turn look forward to a long-term, mutually fruitful association. Service quality has now emerged as a strategic issue and the literature of service quality has transformed and enriched with time with related variables. The role of the interpersonal relationship in strengthening customer's affiliation towards the company's products and services is a less researched area. The aim of the paper has been to analyze the relationship between the different variables of service quality and interpersonal relationship.

In this empirical paper, 158 customers were surveyed from various sources from Lucknow region, India. Results and future research implications have been discussed.

Keywords: customers; interpersonal relationship; reliability; service quality, SERVQUAL,

1. INTRODUCTION

Service quality is one of the pivotal success factors that has a profound impact on the strategic advantage of the company. It has now become imperative for companies to continuously measure and monitor the service quality by developing a long-term interpersonal relationship. The objective of this paper has been to evaluate and determine the relationship between the attributes of Service Quality and interpersonal relationship.

2. REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

Service quality

Service quality is considered as an attribute that is a vital factor affecting the success of the company [1]; [2]. There have been a volume of literature that has demonstrated that service quality has positively affected customer satisfaction [3]; [4]; [5], customer trust [6]; and customer perceived value [3]. It has been widely accepted that service quality should be analyzed by considering the customer angle [7]; [8]. In a way service quality is the customer examination on the supremacy of service performance provided by a service company [9]. The organizations with high service quality meet the customer

needs and also remain most economical in terms of competition as improved service quality also makes the firm more competitive. High service quality is achieved by knowing operational process through identifying problems in service and defining measures for service performances & outcomes as well as level of customer satisfaction [10].

Interpersonal relationship

The idea that business relationships require both the service firm and the customer to benefit from the relationship has recently stimulated academic interest on the types of benefits consumers receive as a result of engaging in long term relationships with sellers [11]; [12]. As a result Interpersonal relationship is becoming more important in today's global markets, especially in terms of finding out the compatibility levels of individuals [13].

[14] define a switching barrier as any factor which makes it difficult or costly for consumers to change providers. In their empirical study they examined three types of switching barriers: strong interpersonal relationships (the strength of the personal bonds that may develop between the employees of a supplier and the customer), high switching costs (the customers perception of the time, money and effort associated with changing supplier) and attractiveness of alternatives, which refers to whether viable alternatives exist in the market.

The long term interpersonal relationship between the company and customers offers a lot of benefits to the customers: social benefits such as fellowship and personal recognition, psychological benefits such as reducing anxiety and credit, economic benefits such as discount and time-saving, and finally customization benefits such as customer management [15]; [16]. Hence the role of interpersonal relationship is significant in understanding the relationship between the company and the customers and consequently explains customer retention and the switching barriers.

The social dialogue perspective of communication that entails exchange of emotions and feelings is the key thrust of

interpersonal relationship. Researchers in this area [17]; [18]; [19] had discussed the importance of this aspect in marketing at a broader level. This view has been reinforced by the service-dominant approach of marketing [20]. The interpersonal chemistry has a crucial role in communication and interpersonal relationship [21].

Research in marketing demonstrates that interpersonal relationships can play an important role for the formation of bonds with customers and the company that ultimately influence the positive word-of-mouth [22]; [23]; [24]; [25]; [11]; [26]; [27]. According to [27] interpersonal relationships exist through social interaction between customers and service personnel. Several researchers concluded that consumers or customers experience includes every point of contact at which the customer interacts with the business, product or service [28]; [29]. On the other hand, [30] consider it to be both an internal and subjective responses that consumers have to any direct or indirect contact with a company. They claim that direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the consumer. In addition, indirect contact involved unplanned encounters with representations of the company's brand, products or services in the form of promotional elements such as personal recommendations, advertising, public relations, news reports, reviews. Strong interpersonal relationships may help service providers overcome temporal and short-term fluctuations in their service quality [14].

Based on the above literature, the following hypotheses were formulated:

- There is a significant positive relationship between tangibility and interpersonal relationship
- There is a significant positive relationship between responsiveness and interpersonal relationship
- There is a significant positive relationship between assurance and interpersonal relationship
- There is a significant positive relationship between reliability and interpersonal relationship
- There is a significant positive relationship between empathy and interpersonal relationship.

The following is the proposed model:

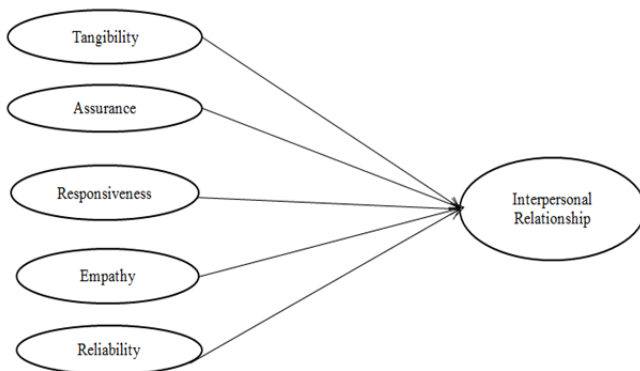


Fig. 1: Proposed Research Model

This paper will investigate the relationship between the various Service Quality dimensions and Interpersonal relationship.

3. RESEARCH METHODOLOGY

Procedure

Customers were surveyed from multi-brand outlets, company-owned showrooms and malls for home appliances category. A total of 300 questionnaires were distributed, among which 172 questionnaires were returned (response rate was 57%). 14 questionnaires were rejected due to incomplete information. The number of completely filled up questionnaires were 158. The respondents were 83% males and 17% females. Age was measured in its actual term.

The questionnaire was initially pre-tested with a number of customers of various age groups to elicit feedback regarding the clarity of the instructions and the questions in the instrument. Comments and suggestions obtained from the pretest served as a basis for fine-tuning items, for evaluating the time necessary to complete the survey, and the final presentations of the questionnaire.

Measures

The SERVQUAL model developed by [31], was used to collect customer's perception of various variables of service quality using a 7-point scale to rate their level of agreement or disagreement (1- strongly disagree and 7- strongly agree), on which the higher numbers indicate higher level of expectation or perceptions.

Tangible: It is related with physical facilities provided by a particular store, equipment used and appearance of store personnel. 4 question were asked to determine this factor. Question used such as "Physical facilities are virtually appealing" and "Employees are well dressed and appear neat". The reliability alpha value was 0.746.

Reliability: It is related to the ability to perform the promised service dependably and accurately. 5 questions were taken such as "They provide their services at the time they promise to do so" and "When they promise to do something by a certain time, they do it". The reliability alpha value was 0.834.

Responsiveness: It is associated with employee's willingness to help customers and provide prompt service. 4 questions were asked to measure this dimension. Questions were asked such as "Employees give prompt services to customers" and "Employees are always willing to help customers". The reliability alpha value was 0.733.

Assurance: It is related with the knowledge and courtesy of employees and their ability to inspire trust and confidence. 4 questions were asked such as "The behaviour of employees instill confidence in customers" and "Customers feel safe in their transactions with the employees". Reliability alpha value was 0.744.

Empathy: It is associated with caring individualized attention the firm provides to its customers. 5 questions were asked to measure this dimensions. Questions were like “Employees of stores give customers personal service” and “Employees of grocery stores understand the specific needs of their customers”.

Interpersonal relationships. It is measured with the scales proposed by [14] and [32]. The interpersonal relationships are measured with 3 items associated with the relationship between customers and employers, such as “good friendship with employees”, “my friends are employees” and” personal familiar employees” at a Likert scale of 1 to 5 (1= strongly disagree and 5 = strongly agree).The reliability alpha vale was 0.746.

Results

Correlations were done which was followed by Linear Regression Analysis.

Table 1: Correlation among key variables

Spearman's rho	Mean	SD	Age	Tangible	Reliability	Responsiveness	Assurance	Empathy	Int. Relations
Age	32.11	4.56	1.00						
Tangible	3.33	1.58	.207**	(0.746)					
Reliability	3.58	1.65	.181*	.740*	(0.834)				
Responsiveness	2.99	1.49	.465**	.396*	.537*	(0.733)			
Assurance	3.06	1.55	.770**	.165*	.169*	.395**	(0.744)		
Empathy	3.11	1.44	-.215**	-.157*	-.201*	-.147	-.070	(0.732)	
Int. Relations	2.43	1.11	.091	.692*	.735*	.490**	.083	.063	(0.746)

** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Age was found to have positive significant relationship with tangible (0.207**), reliability (0.181*), responsiveness (0.465**) and assurance (0.770**) whereas it has negative relationship with empathy (0.215**) and has no relationship with interpersonal relationships .Tangible has positive significant relationships with reliability (0.740**), responsiveness (0.396**), assurance (0.165*) and interpersonal relationship (0.692**) whereas it has negative relationship with empathy (0.157*). Reliability has positive significant relationship with responsiveness (0.537**), assurance (0.169*), interpersonal relationship (0.735**) and

has negative relationship with empathy (0.201*). Responsiveness has positive significant relations with assurance (0.395**), interpersonal relationship (0.490**) and has no relation with empathy. Assurance has no relationship with empathy and interpersonal relationship whereas empathy has no relationship with interpersonal relations.

Further to ascertain the strength of the relationship between service quality sub factors & interpersonal relationships and to test hypotheses, linear regression was performed.

Table 2: Regression Analysis

Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.177	.194		-.909	.365
Tangible	.263	.049	.379	5.390	.000
Reliability	.255	.049	.383	5.164	.000
Responsiveness	.162	.043	.220	3.795	.000
Assurance	-.055	.036	-.075	-1.535	.127
Empathy	.163	.035	.214	4.666	.000

Interpersonal relationship was entered as dependent variable whereas sub factors of service quality were entered as independent variables. The F value was 68.950 and was significant at <0.001 which is less than the 0.05 significance level. It can be stated that there is significant relationship between interpersonal relationships and sub factors of service quality.

The beta value for tangible is (0.263) at significance <0.05. It can be stated that there is a significant relationship between tangible and interpersonal relationship. The beta value for reliability (0.255) and significant. The hypothesis that there is a significant relation between reliability and interpersonal relationship is accepted.

Responsiveness's beta value was (0.162) and significant, further it can be stated that there is positive significant relationship between responsiveness and interpersonal relationship. The beta value for empathy was (0.163), was significant at the significance <0.05. The hypothesis that there is a significant relationship between empathy and interpersonal relationship is accepted.

The beta value for assurance was (0.055) but it is negative and is not significant. The hypothesis that there is a significant relationship between assurance and interpersonal relationship is rejected.

4. DISCUSSION

There is a growing recognition by the industry for maintaining and improving service quality. Service quality itself is a vast field, to pin point the appropriate factor, it was further segregated in tangible, assurance, empathy, responsiveness and reliability. Tangibility is related with physical facilities

provided by a particular store, equipment used and appearance of store personnel, reliability is related to the ability to perform the promised service dependably and accurately, responsiveness is associated with employee's willingness to help customers and provide prompt service and assurance is related with the knowledge and courtesy of employees and their ability to inspire trust and confidence whereas empathy is associated with caring individualized attention the firm provides to its customers. Based on the analysis, it can be stated interpersonal relationship has positive association with tangible, reliability, empathy and responsiveness whereas it has no relationship with assurance. It might be possible that assurance is one of the most common variable and most of the store sales team provide assurance of best possible services to all, it fails to provide an impact on the customer relations.

When a person visits any particular store, he/she carries the first impression and experience for rest of his/her life, whether store was clean, had the product he/she is looking for, sales staff behaviour & response, reliability generated, responsiveness of the sales staff to serve, individualized services or responses, all such factors pave the way for strong interpersonal relationship.

5. LIMITATIONS OF THE STUDY & FUTURE IMPLICATIONS

The study has some limitations. Firstly, the sample size was comparatively small and the customers were from a particular city in India, a larger size of the sample is suggested for future studies. Also a larger area needs to be covered to collect effective responses.

Secondly, the study was cross-sectional in nature, there should be longitudinal studies in future. Finally, the study focused on two variables, future studies should encompass other variables like switching cost, attractiveness of alternatives and test for moderation and mediation also.

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