

STUDING SERVICE QUALITY IN UNIVERSTY AND ITS RELATIONSHIP WITH SATISFACTION AND LOYALTY OF STUDENTS (CASE STUDY: ISLAMIC AZAD UNIVERSITY OF KERMAN)

Masoud Poorkiani and *Mahdieh Sheikhpour

Department of Management, Kerman Branch, Islamic Azad University, Kerman, Iran

**Author for Correspondence*

ABSTRACT

At the present time, competitiveness and internationalization are among characteristics of universities. Most universities using strategies such as quality assurance try to succeed in competition. A look at current developments in higher education, it is suggested that higher education must consider increased quantity crisis and financial constrain in addition to maintain and improve quality. This study aims to evaluate and rank the quality of services at Islamic Azad University of Kerman as one of the important sectors of country education and studying its relationship to student satisfaction and loyalty was performed in order to improve service quality using SERVQUAL model. Statistical population of this study included students of Engineering and Architecture Faculty, Islamic Azad University of Kerman and statistical sample was 280 of these students. Findings by Spss software indicated that there is significant positive relationship between quality of services and satisfaction and loyalty of students.

Keywords: *Service Quality, Customer Satisfaction, Customer Loyalty, SERVQUAL Model*

INTRODUCTION

Competitiveness and internationalization are among characteristics of universities. Most universities using strategies such as quality assurance try to succeed in competition (Tofiqi and Noorshahi, 2005). Higher education system as a dynamic, intelligent and purposeful system that faces new challenges has two quantitative and qualitative dimensions. Sustainable development requires harmonious, balanced and proportion growth of both quantitative and qualitative dimensions in parallel. Quantitative expansion of higher education, regardless of quality development will have outcomes such as academic failure, academic affiliation and brain drain, lack of entrepreneurship and weakness of knowledge (Ashrafi and Rajabi, 2005). According to UNESCO, quality of higher education is a multidimensional concept that is dependent on university system environment (context), mission or requirements and standards related discipline (Bazargan, 2001). Higher education system is responsible for major responsibilities in the areas of economic, social, political, cultural and educational development of communities. Higher education in our country has the important task of training skilled manpower for various sectors in order to achieve self-sufficiency in scientific, technological, industrial, agricultural fields (Pakaryan, 1990). A look at the current developments in higher education suggests that higher education must consider quality enhancement crisis and financial constraints in addition to maintain, improve and promote the quality (Hashemi, 1993). There are different evidences that this system will meet its tasks and duties when it has better status in educational quality. Due to this, the necessity of finding ways that can increase quality of education becomes clear. Therefore, evaluation of service quality is one of the basic steps in developing quality improvement program (Roudbar and Kebriaei, 2005). Due to the fact that constant lack of resources is one of the major obstacles for implementing quality programs, this assessment enables management to prevent the loss of quality and allocate available limited financial resources so that improve organizational performance and improve quality of services (Karydis and Komboil-Kodovazeniti, 2001).

In this study, we measure and examine service quality of university based on SERVQUAL model and its relationship with loyalty, so that we can study results and suggest strategies and suggestions for improvement and promote quality of educational services.

Research Article

Statement of Problem

The success of all organizations and institutions such as production or profit, public or private is influenced by many factors, one of the most important one is the satisfaction of customers. Customer satisfaction is one of the basic requirements of quality systems and international standards. Since, increased supply of goods and services to increased demand and growing competition in domestic and international markets and choice of goods and services by customer has prompted new organizations to meet the expectations of customers in order to constantly improve the quality of their goods and services and to be diligent. That's why most successful organizations have chosen customer-oriented model and ideal to develop their activities. This requires flexibility, speed, quality and affordable prices features in response to expectations of customers. Referring to the importance of customer and necessity of maintaining it we may remind that the cost of attracting a new customer is between five to eleven times retaining current customers (Mohammadi, 2003). Dissatisfied customers will tell at least to nine persons about their dissatisfaction, and thirty percent of dissatisfied customers will transfer reasons for their dissatisfaction to twenty ones (Hayes and Dredge 1998). It is clear that negative advertising can change consumer attitudes toward the company and its products unfavorably (Kotler, 1997). In the new era, growth and development of customer loyalty are among important factors in marketing strategies that result in maintaining existing customers (Haqiqi and Mazlumi, 2010). The success of a service provider depends on quality of relationship with customers that determine customer satisfaction and loyalty (Kheng, 2010). As a result of severe competition pressures, one of the important strategies that service organizations through which can achieve sustainable competitive advantages is to improve the quality of services (Musharraf and Rezaie, 2010). A variety of evidences suggests that this system will meet its tasks and goals when educational quality is in good condition. Due to this, the necessity of finding ways that can increase the quality of education becomes clear. In this context, evaluation of service quality is among basic steps to develop quality improvement programs. Evaluation of customer service quality is a concept that Parasuraman has offered. This concept is the result of comparing customer expectations of service quality and his perceptions of service quality. Different scales are used in order to evaluate the quality of different services. The most well-known scale is "SERVQUAL service quality scale" provided by Parasuraman *et al.*, (Monavvarian and Amiri, 2005).

Due to the fact that constant lack of resources is one of the major obstacles for implementing quality programs, this assessment enables management to prevent the loss of quality and allocate available limited financial resources so that improve organizational performance and quality of services (Karydis and Komboil-Kodovazeniti, 2001). Therefore, in this study, given the extraordinary importance of customer service especially in education and number and nature of education service providers, this study in Iran examines and measures service quality in Azad universities and its relationship with loyalty. The main problem of this research is as follows: "How is prioritization of service quality and relationship among three concepts of service quality, satisfaction and loyalty of students at Islamic Azad University of Kerman?"

Literature

Quality of Services

The concept of root quality is in industrial professionals work. The importance of quality in industry was considered in decades 1940-50. In fact, it is quality of accommodating product / service with customer demands. Quality is the most efficient and effective way of using resources to meet client needs without delay, error in limit frames of law.

Service definition by Moin dictionary is to work for person/ agency against receiving wages. Service is a product that has a considerable proportion in trading and has high quality and quantity development in the third millennium. Service and quality has become a key to achieve competitive differentiation and promoting customer loyalty that is focused by marketing and accounting management researches. Seyyed and Kimasy (2005) believe that according to Kronerz service is process, including a series of more or less intangible activities that normally but not necessarily, provides a solution in interactions between customers and staff or physical resources or goods or service provider systems.

Research Article

Quality is a multidimensional phenomenon. So defining quality of services is not possible without identifying key aspects of quality. Gronroos in his discussion of service quality presents three dimensions of technical quality output, quality of duty service and mental image. Lehtinen and Lehtinen have mentioned physical dimensions, interactive quality and organizational quality as three dimensions of service quality (ibid. 99). Service quality is defined as degree of difference between normative expectations of students for services and their understanding form service performance (Şahin *et al.*, 2012). Gefen (2002) defines service quality as a subjective comparison that customer provides between service qualities that he wants and what he receives really (Sharifzade and Vakili, 2005). Parasuraman (1996) has defined quality service as sustainable consistency with customer expectations and understanding customer expectations of services (Husseini and Ahmadinejad, 2010).

Customer Satisfaction

Japanese companies believe that customer is king (Foxall and Brown, 1998). Customer satisfaction effects on their purchasing patterns (Cho and Park, 2001). The results indicate that five percent reduction in the number of customers will result in loss of 85 per cent and five per cent increase in retaining existing customers will result in 25% to 125% profits (Reichheld and Sasser, 1990). Customer satisfaction leads to behavioral outcomes such as commitment, desire to stay, increased tolerance of customer to failures in services and promotions.

Customer satisfaction is an introduction to customer loyalty and maintenance and satisfied customer naturally becomes a loyal customer (Ostrowski and Geoffrey, 1993). An interesting point in concept of loyalty and customer satisfaction is that customer satisfaction does not depend on type of business activity or organization position in market, but customer satisfaction and loyalty depend on organization's ability to meet the customer's quality expectations (Shoemaker and Lewis, 1999). According to Kotler and Armstrong, customer satisfaction is customer's perception that compares prior buying expectations to post buying expectations (Ragavan and Mageh, 2013).

Researches show that there is significant positive relationship between customer satisfaction and customer loyalty (Kheng, 2010). Thus, in this study, customer satisfaction acts as a mediator between service quality and customer loyalty.

Customer Loyalty

Loyalty in service businesses refers to customer commitment to do business with a particular organization, to buy frequently products and recommend their products to others. Customer loyalty is actually the result of organization benefit or students so that they maintain or increase their purchases of organization (Onwonga, 2012)

Loyalty is a passion for brands and behavioral responses during which person prefers a particular brand over other brands and decides on it as a mental commitment (McMullan, 2008).

Components of SERVQUAL model in order to measure the quality of services

SERVQUAL scale in its original form includes 5 dimensions and 22 components that half of components measures consumer expectations of special service and other half measures perceived level of service quality offered by organization. Service quality is measured by difference between scores, customer perception and expectation level of customers from services. Service quality formula can be expressed as follows: (Georgi, 2008)

Service quality= consumer expectations of services - consumer understanding of services

Dimensions of service quality based on SERVQUAL model are as below:

A) Physical dimensions: physical dimension includes facilities, equipment, personnel and communication goods (Kheng, 2010). In other words, these factors include modern facilities, impressive physical facilities, staff with tidy and neat appearance, orderly records (such as leaflets, Ring binder, bills, etc.) (Sobhani and Akhavan, 2011).

B) Reliability: ability to perform the Services is in a reliable and safe way, so that customer expectations are supplied (Kheng, 2010). Reliability factors include: performin promised works or services on time, showing a sincere interest in solving customer problems, doing reforms in services in the first time, providing serves on time, providing reports with no errors (Sobhani and Akhavan, 2011).

Research Article

C) Accountability: Accountability is willingness to cooperate and assist customer. This dimension of services quality focuses on showing sensitivity and awareness against requests, questions, or customer complaints, (Kheng, 2010). These factors include: employees say clients what exactly they do, employees provide emergency services to customers (on-time), staff always are willing to help customers, however, employees are available to answer customer questions (Sobhani and Akhavan, 2011).

D) Assurance: Assurance presents competence and ability of organization employees in order to induce a sense of customer confidence to organization (Kheng, 2010). Assurance factors include the following: employee behavior creates trust in customers, customers feel secure in their interaction with their organization, employees always behave courteously towards their customers and employees have sufficient knowledge to answer customer questions (Sobhani and Akhavan, 2011).

E) Empathy: this means that people are treated specifically according to their mood, so that customers convinced that organization has understood them and they are important for organization (Kheng, 2010). Empathy factors include the following: person attention to clients, appropriate work hours for all customers, employees show customers personal attention, employees demand the best interests of customers and Employees understand the specific needs of clients (Sobhani and Akhavan, 2011). The conceptual model is as below.

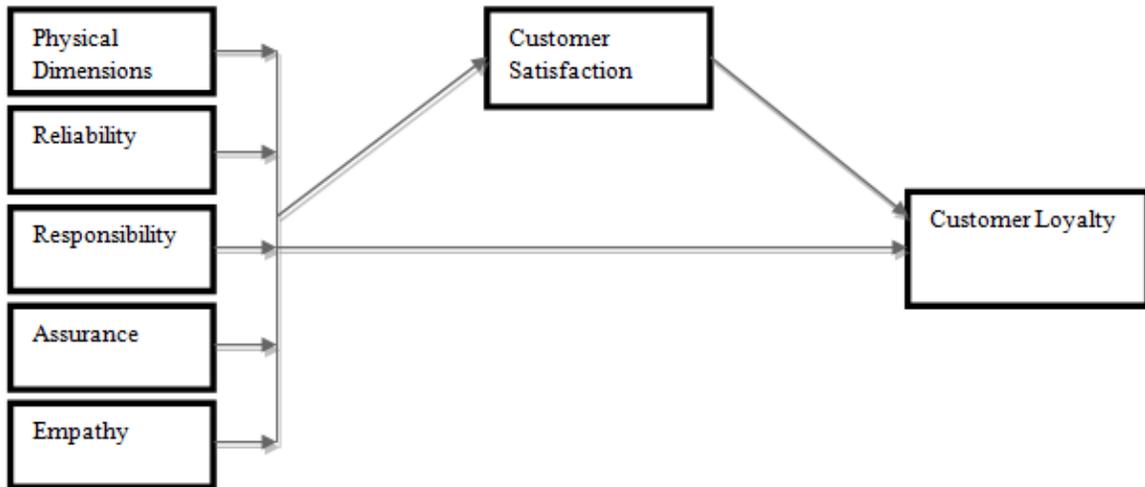


Figure 1: conceptual model of research

Hypotheses

1. There is relationship between physical dimensions and student satisfaction.
2. There is relationship between reliability and student satisfaction.
3. There is relationship between responsibility and student satisfaction.
4. There is relationship between assurance and student satisfaction.
5. There is relationship between empathy and student satisfaction.

MATERIALS AND METHODS

Since the aim of present study is to present ways to improve education service quality of Kerman Azad University through examining quality service, it can be said that study is functional due to aim. This study is survey- descriptive in terms of nature and method, since this research studies the characteristics and traits of society people and studies the current state of society in multi-attribute or variable form. On the other hand, it is descriptive- correlation as it examines the relationship between variables.

The statistical population of research includes all Literature students of Kerman Azad University. In this study, sample size was calculated by Cochran formula according to the fact that variables are multi-valued with ordinal scale and population size is infinite:

Research Article

$$n = \frac{z^2 pq}{d^2} = 280$$

Sample size was calculated 280 according to statistical confidence level of 95 percent that equals to 1.96, sampling error rate of 0.05 and highest variance for successes proportion of $p = 0.05$ and failure ratio of $p = 0.05$ and non failure ratio of $q = 0.05$.

In this study, we use a questionnaire to collect data, as one of the most common assessment tools used in surveys. The questionnaire consisted of 29 questions which were adjusted to 5 range Likert scale. First section included questions on demographic characteristics, second section included questions on assessment of education quality from students' point of view, and third section included questions on student satisfaction from education services and final section included questions related to student loyalty. Since the questionnaire items were extracted from standardized questionnaires, as a result it has high content validity. Cronbach's alpha was used to confirm the validity and results show that questionnaires have good reliability.

Table 1: Cronbach's alpha coefficient variables

Cronbach's alpha coefficient	Variable
0.936	Physical Dimensions
0.911	Reliability
0.898	Responsibility
0.890	Assurance
0.802	Empathy
0.978	Service quality
0.902	Customer Satisfaction
0.930	Customer Loyalty

RESULTS AND DISCUSSION

First question: How is the prioritization of education service quality dimensions at Islamic Azad University of Kerman? Friedman test were used to prioritize variables in order to answer these questions, and according to results assurance, physical dimensions, accountability, reliability and empathy variables are ranked from first to fifth, respectively.

Table 2: Results of Friedman test to check the status of variables

Ranking	Average rating	Variable
2	3.12	Physical Dimensions
4	2.78	Reliability
3	2.89	Responsibility
1	3.85	Assurance
5	2.40	Empathy

Table 3: Significance of Friedman test

280	Number
115.9	Chi-Square
4	Degrees of freedom
.000	Significance level

Second Question: Is there significant relationship among three concepts of service quality, satisfaction and loyalty of student at Islamic Azad University of Kerman?

Research Article

Here the correlation test is performed with following assumptions:

H0: There is no relationship between dimensions of service quality and dependent variable of loyalty (or satisfaction).

H1: There is relationship between dimensions of service quality and dependent variable of loyalty (or satisfaction).

Pearson's correlation coefficient was used in order to examine the extent to which service quality dimensions are associated with satisfaction and loyalty. Correlation coefficients of satisfaction and loyalty are calculated with quality service dimensions in Tables No. (4) and (5).

Table 4: The correlation coefficients of service quality and student satisfaction dimensions

Test results	Significance level	Correlation coefficients	Service quality dimensions
H0 rejected	.000	0.730	Physical Dimensions
H0 rejected	.000	0.720	Reliability
H0 rejected	.000	0.70	Responsibility
H0 rejected	.000	0.820	Assurance
H0 rejected	.000	0.81	Empathy

Table 5: The correlation coefficients of service quality and loyalty of student dimensions

Test results	Significance level	Correlation coefficients	Service quality dimensions
H0 rejected	.000	0.713	Physical Dimensions
H0 rejected	.000	0.789	Reliability
H0 rejected	.000	0.750	Responsibility
H0 rejected	.000	0.825	Assurance
H0 rejected	.000	0.865	Empathy

The table results show that as the significance level is less than 0.05, the relationship among all five dimensions of service quality and dependent variable of satisfaction and customer loyalty is significant separately at confidence level of 95 percent. In addition, since the correlation coefficient is positive, the relationship between variables is direct; this means that increased (decreased) service quality will result in increased (decreased) satisfaction and loyalty.

Conclusion

The results of prioritizing service quality dimensions show that given the status of variables and amount of points, assurance factor is at first priority and empathy is at ultimate priority. This ranking states on which dimensions managers focus their plan. The results of this study indicate that there is a significant positive relationship among all five dimensions of service quality, satisfaction and loyalty and thus the quality of services is one of the determinants of satisfaction and loyalty. It can be argued that improving each of five dimensions of service quality it can be expected that students will increase satisfaction and loyalty.

Thus, based on the arguments, we can say that, in general, Islamic Azad University of Kerman has been successful to cover part of students' demands and must always attempt to bridge and minimize the gap between customer expectations of services and their perceptions of services in order to maintain and increase loyalty of students and increase satisfaction and loyalty of students.

ACKNOWLEDGEMENT

We are grateful to Islamic Azad University, Kerman branch authorities, for their useful collaboration.

REFERENCES

- Ashrafi B and Rajabi AA (2005).** A New Approach for quality assurance in Higher Education. Proceedings of fifty-first meeting of universities, scientific and research center heads. Tehran.
- Bazargan A (2001).** *Educational Evaluation, Concepts, Models, and Practical Process* (Samt Publication) Tehran.
- Berry L, Zeithaml VA and Parasuraman A (1988).** SERVQUAL: a multi-item scale for measuring customer perceptions of service. *Journal of Retailing* **64**(1) 20-32.
- Cutler F and Gary A (1997).** *Principles of Marketing*, translated by Foruzande Isfahan (Atropat Book) **1** 220-221.
- Carana Y and Corbett M (2006).** Developing zones of tolerance for managing passenger rail. service quality. *International Journal of Quality & Reliability Management* **24**(5) 7-31.
- Cho N and Park S (2001).** Development of electronic commerce user- consumer satisfaction index (ECUSI) for Internet shopping. *Industrial Management & Data Systems* **101**(8) 400-406.
- Foxall GR, Goldsmith RE and Brown S (1998).** *Consumer Psychology for Marketing* **1**, Cengage Learning.
- Gorji MB (2008).** Studying the service quality and its relationship with effectiveness. *Journal of Management* **5**(12) 1-11.
- Hashemi Golpayegani M (1993).** Crises and Challenges in Higher Education system of world. *Journal of Research and Planning in Higher Education*.
- Hayes J and Dedge F (1998).** *Managing Customer Service* (Gower Publishing Company).
- Hosseini MH and Ahmadinejad M (2010).** Review and evaluation of service quality and its relationship to student satisfaction, Case Study of Tejarat Bank. *Business Studies* **42**.
- Haqiqi Kaffash M and Mazlumi N (2010).** Effective Factors on Insurer Fidelity, Case Study: Iranian insurance. *Journal of Education* **1**(2) 75-95.
- Haqiqi M and Moghimi SM (2003).** Service loyalty: the effects of service quality and mediating role of customer satisfaction. *Journal of Management Knowledge* **60-61**(87) 53-72.
- Khaki GH (2011).** *Research Methods in Management*, sixth edition (Bazatab Publication) Tehran.
- Karydis A, Komboil-Kodovazeniti M, Hatzigeorgiou D and Panis V (2001).** Expectations and perceptions of Greek patients regarding the quality of dental care. *International Journal for Quality in Health Care* **13**(5) 4-16.
- Kebriaei A and Roudbari M (2005).** The quality gap in educational services at Zahedan University of Medical Sciences: based on student' perceptions and expectations. *IJME* **5**(1) 53-62.
- Kheng LL (2010).** The Impact of Service Quality on Customer Loyalty: A Study of Banks in Penang, Malaysia. *International Journal of Marketing Studies* **2**(2) 57-66.
- Mohammadi A (2003).** *Customer- orientation, Respect for Client*, First Edition, Tehran, Rasa Institute of cultural Services 43-78.
- MMosharraf MH and Rezaei H (2010).** Studying Service Quality, Case Study: Iranian Insurance. *Business Management* **29**(2) 19-26.
- Monavvarian A and Amiri S (2005).** Assessment of insurance quality services from students perspective. *Journal of Education* **4**(78) 5-44.
- McMullan R (2005).** A multiple-item scale for measuring customer loyalty development. *Journal of Service Marketing* **19**(7) 470- 481.
- Mosahab R, Mahamad O and Ramayah T (2010).** Service Quality, Customer Satisfaction and Loyalty: A Test of Mediation. *International Business Research* **3**(4) 72-80.
- Mostafa MM (2005).** An empirical study of patient's expectations and satisfactions inception hospitals. *International Journal of Health Care Quality Assurances* **18**(7) 516-532.

Research Article

- Newman R (1998).** Survey of service quality with use of servqual model. *Journal of Business and Industrial Marketing* **8**(6) 148-171.
- Onwonga Auka D (2012).** Service quality, satisfaction, perceived value and loyalty among customers in commercial banking in Nakuru Municipality, Kenya. *African Journal of Marketing Management* **4**(5) 185-203.
- Ostrowski PL, Terrence VO and Geoffrey LG (1993).** Service Quality and customer loyalty in the commercial airline industry. *Journal of Travel Research* **32**(2) 16-24.
- Pakaryan S (1990).** Evaluation of enhanced educational quality factors in Isfahan University and suggestions for improvement. MS Thesis. Isfahan: Education College of Isfahan University.
- Ragavan N and Mageh R (2013).** A Study on Service Quality Perspectives and Customer Satisfaction in New Private Sector Banks. *IOSR Journal of Business and Management* **7**(2) 26-33.
- Reichheld FF and Sasser Jr WE (1990).** Zero Defections: quality comes to service. *Harvard Business Review* **68**(5) 105.
- Şahin A, Zehir C and Kitapçı H (2012).** The effects of brand experience and service quality on repurchase intention: The role of brand relationship quality. *African Journal of Business Management* **6**(45) 190-201.
- Shoemaker S and Lewis RC (1999).** Customer loyalty: the future of hospitality marketing. *International Journal of Hospitality Management* **18**(4) 345-370.
- Sobhani Fard Y and Akhavan Kharazian M (2011).** Determining strategic priorities in order to improve the quality of banking customer service. *Strategic Management Studies* **5**(2) 149-164.
- Seyyed Javadin SR and Kimasi M (2005).** *Quality Management of Services* (Publication of Nashre Negah). Tehran
- Sadraei SA (2010).** Customer loyalty in banking industry. *Journal of Management* **7**(20) 1-12.
- Souki GQ and Filho CG (2008).** Perceived Quality, Satisfaction and Customer Loyalty: an empirical study in the mobile phones sector in Brazil. *International Journal of Internet and Enterprise Management* **5**(4) 298- 312.
- Tofiqi J and Noorshahi N (2005).** The necessity of quality assurance in higher education, *Proceedings of fifty-first Meeting of Universities*. Scientific and research center heads, Tehran.
- Tabibi S J and Qohar MR (2012).** Investigating the relationship between service quality and loyalty of services provided to outpatients attending clinics of selected hospitals in Tehran. *Journal of Paramedics Faculty of Tehran University of Health Sciences (Health)* **6**(3) 194-203.