

CHAPTER 5

RECOMMENDATION

This chapter begins with an overview of the study, discussing the dimensionality of the questionnaire and the correlation of customer satisfaction to other factors. Then implications of the study to business are presented. The implication of customer satisfaction correlation to other factors and the results of competitive study are discussed. Finally suggestion for future research and a conclusion are given.

OVERVIEW OF THE STUDY

Dimensionality of Service Quality

The research results show that Parasuraman, Zeithaml and Berry (1988) five dimensions are not consistent. This may due to two factors. Firstly the multiple item scale SERVQUAL had been modified to include items specifically designed for copier users. SERVQUAL on the other hand, was originally designed and tested for pure service industry. In this study it was used on an industry that offer both product and service. Secondly the survey environment is in Malaysia, where the respondents'

working values, culture, ethnic background may develop a different set of expectations and judgment standards. As customer perceived quality is viewed as an attitude of the customer, the customer's background and environment will affect his attitude.

The factor analysis produces mainly two dimensions, a dimension on service quality, and the other dimension on goods quality. The results confirm Dabholkar, Thorpe and Rentz (1996) research that the five dimensions identified by Parasuraman (1988) are not generic to all service industry. Furthermore, Cronin and Taylor (1992) confirmed the adoption of unidimension study for service quality. This implies that future studies on industry that provide both goods and service have to either redesign their questionnaire (Dabholkar, Thorpe & Rentz 1996), or apply a one dimensional approach.

Relationship Between Quality, Satisfaction and Repurchase

Customer satisfaction is found to have strong positive correlation with customer likelihood to repurchase. Consequently, service quality is a more significant contributor than product quality in affecting customer satisfaction. The survey results also shows that SERVPERF scale is superior than SERVQUAL scale in measuring service quality. All these have major implication to the businesses in the copier market.

IMPLICATION OF THE STUDY

The first confirmation on the strong positive correlation between satisfaction and customer retention should send a strong message to all copier marketers that more efforts should be put in satisfying their existing customer in order to retain them. It has been found to be cheaper and easier to retain the existing customers, and yet most company seldom place this responsibility under the marketing department for overall long term planning. Existing customer satisfaction need to be constantly monitored, for it shows early sign for good or bad business. Customer communication program should be established and maintained by marketing department, to ensure the customers are in touch with the company's offering and activities. Through this a relationship is build between customer and company. The marketers may even ask customer to join a user club, where the customer membership build a closer relationship.

Service quality was found to be more influential than goods quality. This should remind the marketers in spending more efforts and resources in designing the service process and training, motivating the service personnel. Relying alone on goods quality will cause lesser in customer satisfaction.

The fact that SERVPERF scale is superior than SERVQUAL in measuring service quality should be a good new to all marketers. They may now develop shorter questionnaire by asking on customer perceived quality alone, as compared to

SERVQUAL scale that requires both expected and perceived scores. The SERVPERF questionnaire shall be a shorter, simpler and yet more reliable tool for all marketers.

Performance of Competing Brands

The paired t-test results shows that all four competing brands has significant gap between expected quality and perceived quality in majority of the attributes. The intense market competition may cause every marketer in the industry to over promise their customer on service offered, otherwise they may loose the business opportunities altogether. However copier marketers may improve the situation by putting more effort in analyzing internal quality performance level, then develop plans to identify the present problems and their root causes, follow by a step-by-step implementation of improvement measures.

Companies in the service industry have seen how manufacturing firms succeeded in improving their quality through quality activities such as Quality Control Circle, ISO 9000 system certification, benchmarking and process re-engineering. Successful service firms such as Federal Express, Marriot Hotel Chain, Florida Power and Light, and Scandinavian Airlines have achieved tremendous successes in quality as well as revenues and profit through emphasizing on quality activities. These service firms such as Federal Express promise "over night delivery" and they deliver that promise every time, all the time. Thus customer expectations are met

every time they use Federal Express's services, and this leads to customer satisfaction or even customer loyalty.

Comparing the service performance level demonstrated by the four major marketers, we see SERVQUAL results show that Xerox is the overall leader in most of the attributes and Ricoh is getting the poorest scores. However Ricoh did not score lowest in Customer satisfaction and likelihood to repurchase. On the other hand, Canon scored poorest in overall SERVPERF score and most of the attributes in SERVPERF scores. It also has lowest score in customer satisfaction and likelihood to repurchase. This confirms again SERVPERF scale is superior that SERVQUAL in determining service quality and satisfaction.

Using SERVPERF scale, Xerox still leads in most of the items as well as overall score, but Minolta is posing to be a strong competitor in appearance of tangible elements and service assurance. Thus as a leader in service quality, Xerox needs to continuously strive to set a higher performance level to maintain its leadership. It could benchmark its performance against leaders in other industry to study their best practices and looking for ways to improve its service processes and service products. It should also standardize all its business processes in order to maintain its performance standard.

For the competitors like Minolta and Ricoh, they should capitalize on their strength and improve on their weaknesses. Minolta could strengthen its tangible appearance and service

assurance and improve on staff courtesy. On the other hand, Ricoh should capitalize on its staff courtesy but improve on the appearance of its employees and presentation materials. It should stress on employee dress code and hire professionals to improve the presentation materials.

Canon on the whole has fare poorest score in most of the attributes. It also scores lowest in overall SERVPERF score. It is a surprise to find out that the worldwide No. 2 leader in the industry is scoring lower than competitors like Ricoh and Minolta. It prompts an early warning sign to Canon for it to take action immediately before real damages to customer satisfaction and repurchase business have set in. Canon may need to conduct a satisfaction survey immediately to confirm the findings, since the sample size of this survey is still too small. All the quality activities such as Quality Control Circle, Management Improvement Teams can be utilized to investigate the root causes to its quality problems and the management has to take action to correct the problem.

Profile of High Satisfaction Customers

The one-way ANOVA results shows that no specific company or user characteristics has particular higher satisfaction than the other. The only difference in satisfaction group is found in machine type and machine age. Higher speed machines were found to better satisfy the users. This has importance implication to the copier marketers. Because of intense

competition, sales executives from different competing company often use price as competing elements, thus the sales executives may disregard actual customer requirement and propose a lower speed machine that come with a lower price tag. The sales executives may win the deal, but because the machine cannot cope with customer daily usage volume, it breaks down easily, and create lots of dissatisfaction. On this matter, Xerox's policy on recommending the right equipment to customer may help it in reducing break down and complaints in the long run.

The findings on machine age pose another important message to marketers that they should monitor their existing machine and competitors' machine in the field. Machines with more than 4 years old are sources of customer dissatisfaction and thus pose as potential prospect for trade-in or upgrades businesses.

SUGGESTION FOR FUTURE RESEARCH

This study has been limited to a small sample of business customers in Klang Valley. The surveyed customer expectation and behaviour may not resemble the other region in Malaysia. And the scope of research has been too wide for this scale of survey. A focus study that concentrate on two brands and perhaps one machine speed type only may produce results that are able to evaluate the findings of this paper.

Due to the inconsistency of the five service quality dimensions identified by Parasuraman, Zeithaml and Berry (1988), future research should avoid adopting the entire SERVQUAL 22 items. Instead, it should design questionnaire that focus on the needs and expectation of the specific industry's customers. Questions for copier industry would include exactly how much service response time would be considered as adequate or ideal. The specific quantitative results will help the marketers to design its service specifications closer to customer requirements.

CONCLUSION

The research study has produced valuable insight into Malaysian business customers view on service and product quality, and how these are affecting their satisfaction and likelihood to repurchase. The study on quality comparison between brands and among high and low satisfaction users also brought business insight and opportunities for improvements.