

# Service Quality Measurement and Improvement Strategy to Increase Customer Satisfaction

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## ABSTRACT

Service quality management is essential to maximize customer satisfaction and increase their loyalty. In various industrial sectors, companies must choose the right method to measure and increase service quality. Some commonly used measurement tools are Service Quality (SERVQUAL), Net Promoter Score (NPS), and Customer Satisfaction Index (CSI). This method helps companies to get a clear picture of customer satisfaction and areas for repaired. Besides to proper measurement, companies also need to focus on employee training, the use of technology, and the implementation of policies that support sustainable service quality repair. Technology allows companies to provide more efficient and personalized services, but the human touch is still necessary for certain sectors such as hospitality and healthcare. Regular monitoring of service quality and the implementation of structured quality management systems, such as ISO 9001, are also important factors in creating consistent and satisfactory service to customers. With the right approach and understanding of customer needs, companies can increase their service quality and further maximize customer satisfaction and loyalty.

## INTRODUCTION

Service quality management is one of the most important aspects of business continuity, especially in industries that rely heavily on direct interaction with customers. Consistent, responsive service that meets customer expectations is a crucial factor in creating a positive impression. Good service quality management can act as a key to building customer loyalty and increasing the competitiveness of the company. Many organizations have adopted certain methods and tools to measure and increase service quality, such as CSI, NPS, and various other technology-based tools (Masashi et al., 2021). The implementation of these tools allows companies to map service touchpoints more precisely, identify problem areas, and design improvements based on real data and customer behavior. Proper implementation of service quality management principles can affect the effectiveness of internal processes and have a direct impact on customer satisfaction (Zeithaml et al., 2006). Well-managed services not only increase customer satisfaction, but also create more efficient workflows, reduce service errors, and boost employee morale.

More specifically, service quality may vary depending on the industry sector and the type of service provided. Each sector has different customer characteristics and expectations, so service quality indicators vary. For example, in the hospitality or restaurant sector, aspects of customer experience such as staff friendliness and facility comfort are key elements in assessing service quality. While in technology or software-based services, quality is often measured by the effectiveness and reliability of existing systems (Hole et al., 2019). Companies must adjust their management approach in order to meet customer expectations and remain relevant in a competitive market (Parasuraman et al., 1988). The gap between customer expectations and perceptions of actual service must be proactively managed to maintain customer satisfaction. This approach requires a deep understanding of consumer behavior and relevant service standards. In an increasingly competitive and dynamic market, a company's ability to align its service quality approach with its sectoral context is key to maintaining relevance, strengthening differentiation and driving sustainable competitive advantage.

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One of the main problems faced by many companies in service quality management is the mismatch between customer expectations and the reality of the experience received. This is often caused by differences in understanding between the service provider and the customer regarding the desired quality standards (Kefalas, 2019). When organizations fail to understand and meet customer expectations, satisfaction levels decrease, which can have a direct impact on reputation and customer loyalty (Santos, 2003). Failure to manage service quality can also result in decreased revenue and loss of customers who prefer to switch to competitors (Ali et al., 2021).

Many companies struggle to measure service quality effectively and objectively. While there are various measurement tools such as customer satisfaction surveys and NPS, inaccurate or biased data collection can lead to results that do not reflect reality. Reliance on certain measurement tools that do not match the characteristics of the service can also lead to errors in decision-making that are detrimental to the company (Buttle, 2004). This is further exacerbated by the difficulty in implementing structured and sustainable repair to the results of service quality evaluations conducted (Mejia et al., 2021). To overcome this challenge, companies need to implement a more holistic approach to service quality measurement, including the use of a combination of qualitative and quantitative methods to get a more complete picture of the customer experience (Ghotbabadi et al., 2015). By integrating direct customer feedback and in-depth data analysis, companies can identify specific areas of repair and formulate more effective strategies to increase customer satisfaction and loyalty (Faasen, 2015).

It is important to observe service quality management because of its direct influence on customer satisfaction and loyalty. In an era where information travels fast and customer reviews are easily accessible online, a single negative experience can have a huge impact on a company's reputation. In an increasingly competitive climate, customers have more choices and are more discerning in choosing services that meet their needs. They demand not only a good product or service, but also an experience that is pleasant, consistent, and in line with expectations. Poor service quality can quickly destroy a company's reputation and lead to loss of customers. This encourages companies to not only meet minimum service standards, but also continue to innovate in providing added value for customers. A better understanding of how to measure and increase service quality will give organizations a sustainable competitive advantage.

This research aims to identify the most effective methods and tools in measuring and increasing service quality in various industry sectors. The main focus is to analyze the impact of service quality measurement on customer satisfaction, as well as to explore the relationship between service quality repair and improvement customer loyalty. It is hoped that this research can provide useful insights for companies in optimizing service quality management strategies.

## RESEARCH METHOD

This research uses a literature study approach that aims to analyze various previous studies related to service quality management, measurement tools used, and their impact on customer satisfaction. This literature study will collect, evaluate, and classify various existing theories and models to understand how service quality is measured and repaired in various industries. According to Tranfield et al. (2003), literature studies allow researchers to gain an understanding of the phenomenon under study by analyzing pre-existing evidence. This approach also helps identify knowledge inequality that can serve as a foundation for further research.

In this study, various relevant publications, including journal articles, books, and research reports, will be analyzed to identify various service quality measurement methods such as SERVQUAL, CSI, and NPS. This research will also explore how the results of such service quality measurements affect the level of customer satisfaction and subsequently impact customer loyalty and retention. For example, research by Gounaris (2005) shows that proper service quality measurement can increase customer satisfaction, which leads to improvements in loyalty and positive recommendations. The literature research approach allowed the researcher to dig up and synthesize previous research results in one comprehensive analysis to provide a clearer understanding of best practices in service quality management.

## RESULT AND DISCUSSION

In today's highly competitive world, service quality is one of the key factors that determine a company's success and competitiveness. Various industry sectors, be it hospitality, technology, retail or healthcare, rely heavily on their ability to deliver services that meet and exceed customer expectations. Accurate measurement of service quality is an important first step in the quality management process, which serves to assess the extent to which the service provided matches customer expectations.

Efforts to continuously increase service quality are crucial to maintaining customer satisfaction and loyalty (Al-Ababneh, 2017).

Effective measurement of service quality requires the right approach, taking into account various factors that can affect the customer experience. This cannot be done haphazardly, as customer experience is influenced by many factors, including direct interaction with staff, comfort of facilities, ease of access, as well as perceptions of service value. In this regard, various tools and models have been developed to make it easier for organizations to evaluate and increase their service quality. One widely used method is the SERVQUAL model, which measures service quality based on five key dimensions: reliability, responsiveness, assurance, empathy, and physical evidence. Other methods such as NPS and CSI are also frequently used to gain insight into customer loyalty and their level of satisfaction with the service provided (Demirkan, 2016). With the right approach, companies are not only able to retain existing customers, but also build a strong reputation and attract new customers through superior service experiences.

Measuring service quality is about collecting data, and analyzing that data to understand what needs to be increased. This data can be obtained through various channels such as customer surveys, interviews, online reviews, and real-time feedback systems. This analysis forms the basis for evidence-based decision-making, so that improvement efforts are not only reactive, but also proactive and targeted. It engages the active engagement of the entire organization, especially in terms of employee training, the use of appropriate technology, as well as the implementation of policies that support the development of service quality. With the right approach, companies can maximize customer satisfaction, which will further enhance their reputation, loyalty, and long-term profits (Arora, 2019).

Measuring and increasing service quality is an important aspect of management to maximize customer satisfaction. Each industry sector has a different approach to measuring service quality, depending on customer characteristics and expectations. To achieve effective measurement and improvement, companies must first choose a method that suits the characteristics of the service and the customers they serve. One approach that is often used in measuring service quality is the SERVQUAL model, which measures five main dimensions: reliability, responsiveness, assurance, empathy, and physical evidence (Parasuraman et al. 1988). This model provides a comprehensive picture of the quality of service received by customers based on their expectations and perceptions.

Identifying and understanding customer needs and expectations in various industry sectors is a fundamental step in service quality management. Customers from different sectors have very diverse priorities and expectations of the services they receive. For example, in the hospitality industry, customers rate service quality more based on first-hand experience, such as staff friendliness and facility comfort. Meanwhile, in the technology sector, customers prioritize quality in terms of system functionality and reliability. In this case, appropriate measurement methods must be customized to reflect the values that customers consider important in each industry (Grönroos, 1984). Service quality measurement relies on a single measurement tool, and must combine several techniques to obtain more valid and comprehensive data. In the long-term, such an approach will improve the accuracy of service improvement strategies and ensure that innovations are truly aligned with customer needs and expectations in each industry sector.

One of the most popular measurement tools is NPS, which measures customer loyalty by assessing the extent to which they are willing to recommend the service to others (Reichheld, 2003). While NPS has limitations, such as not measuring all dimensions of service quality in depth, it provides a clear picture of overall customer satisfaction levels and can be an important indicator in increasing service quality. Organizations can also use the more specific CSI to measure the level of customer satisfaction with different aspects of service directly (Lee, 2018). The combination of NPS and CSI can form a more comprehensive service evaluation system. NPS to capture macro loyalty and CSI to extract operational micro feedback. So that companies can develop service improvement strategies that are more accurate, measurable and directly impact the customer experience.

Besides to using appropriate measurement methods, companies must also understand that service quality is strongly influenced by internal factors such as employee skills and motivation, as well as policies implemented (Faltejsková et al., 2016). Employees who are not only skilled, but also feel motivated and valued, tend to exhibit proactive and empathetic service behaviors. If the internal organization is not supportive, such as inflexible policies or lack of incentives, then efforts to improve service quality will be hampered. A company that has highly trained and committed human resources to provide the best service will find it easier to achieve the desired quality standards (Ladhari, 2009). Sustainable employee training and regular performance monitoring are essential to increase service quality.

Improvement in service quality can also be done by actively paying attention to customer feedback. Customers who provide both positive and negative feedback provide valuable information on areas that need improvement. Customers who voluntarily provide feedback actually show high engagement and a desire to see improvements. It is important for companies to not only collect data from customers, but also really listen and understand the meaning behind each comment given. In this case, companies need to implement a system that allows customers to easily provide feedback, for example through online surveys, social media platforms, or direct interaction with staff. This ensures that every customer voice, including those from casual interactions, can be recorded and considered in service evaluation. Customer feedback received should be acted upon immediately, by repairing areas that are deemed inadequate to increase customer satisfaction (Homburg et al., 2017). Companies should also provide feedback to customers, for example by informing them that their complaints have been addressed, to build trust and closer relationships.

Technology has become a strategic pillar in efforts to improve service quality, enabling companies to work more efficiently and be responsive to customer needs. With technology, companies can utilize customer data to customize the services offered. This data is the foundation for developing services that are not only reactive, but also proactive. For example, by using big data, companies can analyze customer behavior to design more personalized and relevant service experiences. This is especially important in sectors such as e-commerce and app-based services, where personalization can be a key factor in retaining customers and increasing their satisfaction (Lemon & Verhoef, 2016). Chatbots, for example, can provide quick answers to basic customer questions 24/7, while automation in transaction processing speeds up service and reduces human error. Technology enables companies to deliver services faster, more efficiently, and more accurately, which ultimately contributes to quality improvement.

In using technology to increase service quality, companies must be careful not to neglect the human aspect of service interactions. While technology can increase efficiency, the human touch is still important in certain sectors such as healthcare or hospitality. Employees who are able to provide empathetic and responsive service remain a key factor in creating a satisfying service experience for customers (Meyer & Schwager, 2007). A combination of technology and human-based approaches must be maintained to optimize service quality.

Continuous monitoring and evaluation of service quality is a crucial step in ensuring that service standards are maintained and able to adapt to changing customer needs. Measuring service quality is not a one-off activity, but should be a sustainable process. In a competitive and dynamic business world, customer expectations are constantly changing, so companies must actively follow these developments to remain relevant. Regular quality monitoring can be done using a monitoring system based on clear key performance indicators (KPIs), such as response time, customer satisfaction rate, or customer complaint rate. Without an ongoing monitoring process, companies will find it difficult to maintain consistency and responsiveness to service issues. By monitoring these indicators, companies can quickly identify emerging problems and take appropriate corrective action to repairing them (Kotler & Keller, 2016). Any findings from the service evaluation should be the subject of strategic reflection that can be used to refine processes, retrain employees, or even overhaul the service system if necessary.

The implementation of a structured quality management system, such as ISO 9001, can also be an effective way to increase overall service quality. ISO 9001 is an international standard that specifies quality management system requirements and is designed to help organizations meet customer needs consistently, while complying with relevant regulations. This system helps companies to set clear quality standards, increase operational efficiency, and ensure that every part of the organization contributes to achieving the desired quality objectives. Implementation of ISO 9001 enables companies to systematically manage and monitor service quality, which in turn leads to improvement in customer satisfaction (Oakland, 2014). Customers will benefit from more systematic service, faster response times, and more effective complaint handling.

It is important to consider aspects of organizational culture in increasing service quality. A company culture that focuses on quality and customer satisfaction will encourage employees to always give their best in every interaction with customers. Organizational culture is formed from shared beliefs that are continuously reproduced in concrete actions, so a culture that supports excellent service will result in employees who are more caring, initiative, and responsible for the customer experience. Commitment from management to the importance of service quality will create an environment that supports quality improvement initiatives, as well as strengthen the relationship between the company and customers (Schein, 2010). A strong company culture that supports service quality will facilitate the achievement of long-term goals in terms of customer satisfaction and loyalty.



The internal communication factor plays a crucial role in maintaining and improving service quality as it is the bridge between the company's strategic vision and its implementation at the operational level. Effective communication between departments in the organization will ensure that the quality standards set can be carried out consistently. For example, marketing and customer service teams should work together to ensure that claims made in marketing campaigns are in line with actual customer experiences. Without a smooth and accurate flow of information, even the best service strategies can fail to translate into consistent practices on the ground. Consistency between promise and reality can increase customer trust and satisfaction (Koumenta & Vassilaki, 2015). Good communication also strengthens employee engagement as they feel like an important part of the service value chain. This creates synergy between teams, improves operational efficiency, and ultimately results in a better customer experience.

To achieve effective measurement and improvement of service quality, companies also need to pay attention to differences in market segmentation. Different customers may have different expectations of service quality. Companies should be able to tailor their service strategies to the various market segments. This segmentation can be based on age, lifestyle, geographical location, education level, and technology consumption patterns. For example, younger market segments may value speed and convenience more, while older market segments may value personal attention and quality of direct interaction more (Berry, 2000). This adjustment will help the company to be more precise in meeting the expectations of each customer, which can further increase overall satisfaction.

Measuring and increasing service quality to maximize customer satisfaction requires the right approach, which engages the right measurement methods, the use of technology, employee training, and a supportive company culture. The use of appropriate measurement methods, such as SERVQUAL, NPS, or CSI, which provides an overview of the extent to which the services provided meet customer expectations. With a digital system, companies can monitor customer data in real-time, conduct behavioral analysis, and customize services more personally. A company culture that supports customer orientation and service quality is the foundation for the success of all these initiatives. By using a variety of appropriate measurement tools and proactively repairing areas that are lacking, companies can create satisfying service experiences and build long-term relationships with their customers (Maričić et al., 2012).

Measuring and increasing service quality is a journey that never stops, as customer expectations and preferences continue to develop over time. This is due to constant changes in customer preferences, behaviors and expectations, which are heavily influenced by technological developments, social trends and economic conditions. In this context, companies cannot rely on static approaches, but rather must build adaptive and responsive systems. Over time, customer expectations for services will increase, both in terms of speed, convenience, personalization, and the added value offered. Companies must always be ready to adapt to these changes and proactively repairing various aspects of their services. As already explained, measurement tools such as SERVQUAL, NPS, and CSI can provide very useful insights in this process. Such measurement tools are only effective if used with an understanding of customer needs and the characteristics of the service provided (Angelova & Zekiri, 2011). Using tools without understanding who your customers are and what they value most can result in inaccurate or irrelevant data.

Companies should also ensure that service quality improvement is done on an ad hoc basis, and as part of the larger organizational culture. By making service quality a core value of the company, improvements are no longer dependent on specific situations, but rather become a natural part of the organization's daily workings. Commitment to quality must come from all levels of the organization, from top management to staff who interact directly with customers. If only some parties in the company care about service quality, there will be inconsistencies in service delivery, which in turn can damage the company's reputation in the eyes of customers. Investment in employee training and development, as well as the use of appropriate technology, will contribute greatly to creating a positive and consistent customer experience (Alfalah, 2017). The combination of human resource development and technology utilization will enable the company to provide consistent and high-value services, while building strong long-term relationships with customers.

Finally, maintaining high service quality is one of the best ways to retain customers and develop business in a competitive market. When customers feel valued and satisfied with the service they receive, they are more likely to remain loyal and recommend the service to others. Measuring and increasing service quality should be a top priority for any company that wants to survive and develop in an increasingly demanding global marketplace.

## CONCLUSION

Service quality management is an aspect that cannot be ignored by companies in any industry. Various measurement methods such as SERVQUAL, NPS, and CSI have proven effective in helping companies assess and increase the quality of the services they provide. These measurements must be balanced with the right approach, which relies on measurement tools, and engages employee training, the use of appropriate technology, and the active engagement of all elements in the organization. Companies must adapt measurement methods to each industry's service characteristics and customer expectations to maximize satisfaction.

To achieve these aims, companies are advised to rely on data obtained from surveys and measurement tools, and should pay attention to customer feedback and listen carefully to their needs. Technology can be leveraged to better understand customer behavior and create more personalized services, but human interaction is still important, especially in sectors that require emotional and personal attention, such as healthcare and hospitality. It is important to create a balance between technology and the human touch, and ensure that the company culture supports a commitment to consistent service quality.

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