

## Relationship Between Customer Responsiveness, Service Performance And Satisfaction Among Airline Passengers In Kenya

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### Abstract

Customer responsiveness has been conceptualized as a dimension of service performance where market intelligence is used to meet the needs of customers. This study introduces another facet, as “the way a customer behaves towards oneself when an employee approaches them”. Rational choice theory is applied. Conceptual model is developed through exploratory research and the test is done through hierarchical regression model where airline passengers were interviewed. Results show that customers are satisfied when they respond to employees and that service performance mediates the relationship between customer responsiveness and satisfaction. A customer is an essential part of the process in a service performance and its evaluation. Customer responsiveness is very important for service industry that when handled properly can be an asset in the point of distribution in the aviation sector. Managerial and research implications based on these findings are also presented.

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**Keywords:** customer responsiveness, service performance, customer satisfaction, airline passengers, marketing services

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### INTRODUCTION

The service industry is a very delicate area to deal with, especially when it comes to what the customer needs and whether those needs have been met. The aviation industry is no exception, needs and wants of service customer’s change all the time. Since organisations are willing to meet customer needs (Bolumole et al., 2016) it poses a challenge in balancing the needs of the customer and the goals of the service provider.

A customer true to their feelings and with right and enough persuasion nudges the feelings to tilt towards satisfaction. To find out if the service provider has rendered their services optimally and that the services have met the needs of the customer satisfactorily is beyond the scope of this study. This study explores the responsiveness of the customer towards the employees of a service provider in the aviation industry where evaluation of the service is based on the information provided by the employees. Consumer use of information (Kahle et al., 2017) is important in customers making decisions and evaluations based on their responsiveness from their perspective. This study implies that when customers seek service providers and the services are performed according to the information as provided and the rationalization of the customer, then the evaluation of the service is favourable and hence satisfaction. Although previous researchers have studied the concept of service performance and satisfaction, no researcher has attempted to combine

service performance, customer satisfaction and customer responsiveness.

Organisations specialized in services industry apply different distribution channels, unlike goods manufacturers, that require physical distribution channels to move from factory to destinations for customers to purchase (Melin & Uyoga, 2018). Services organisations more so, aviation industry, requires use of electronic channels to make the distribution of the service reach the customers and where their responsiveness is tested. For instance, in the airline industry, the distribution of the service is handled electronically to ascertain the availability of a seat in the plane. In this case, either the customer or a sales representative comes into contact with the point of distribution of the services provided by the organisation. Aviation industry has specific points where the customer and the customer oriented employees come into contact and where information is provided, rationalized and decisions made based on the information provided and later when the service has been performed, evaluations are then made.

Satisfying airline customers is not a choice any longer but rather a way of building sustainable competitive advantage that enables airlines to retain customers despite intense competition (Hussain, 2016). Customer satisfaction in airline operations has become critically

important (Baker, 2013; Dennett, Ineson, Stone, & Colgate, 2000) since competition created by deregulation has become more intense and provision of quality services that reflects what the customer wants keeps changing and requires constant modification and update. This study is grounded on the rational choice theory with the premise that people can act rationally when approached by customer oriented employees affecting their responsiveness or the lack of it. The main distinguishing aspect of rational choice theory is that it denies the existence of any kind of action apart from the justification of rational and calculative action. Customer's responsiveness is rationalized to result in evaluation of services performed based on the choices presented in the information provided by employees.

The view of the rational choice theory is that the interaction of responsiveness of the customer and customer oriented employee through exchange can lead to economic action of purchase of the service. The evaluation of the performed and consumed service results in rewards (satisfaction) or costs of their actions (dissatisfaction). Responsive customers base their behavior on rational calculations and that their choices are aimed at optimization of their own pleasure which can cause them to respond to customer oriented employees.

Although customer satisfaction is well researched, there is scarcity of literature on customer responsiveness. Pehrsson, (2011) called for a deeper understanding of the concept of customer responsiveness. Some authors (e.g Kohli & Jaworski, 1990; Kohli et al., 1993; Rodriguez Cano et al., 2004; Kirca et al., 2005) explained customer responsiveness as the action taken in response to market intelligence concerning individual needs of target customers and it being an activity of market orientation that has been established as a major antecedent of performance. According to Nemkova et al., (2015) orientation leads to greater performance and results in greater responsiveness. Where, market orientation is defined as the organizational activities related to a firm's generation and dissemination of market intelligence and the firm responding to market intelligence (Kohli and Jaworski, 1993), hence continuous assessments of needs of customers (Pehrsson, 2014; Deshpande' and Farley, 1998).

Other authors (e.g Schlegelmilch and Ambos, 2004; Matthyssens & Vandenbempt, 2008; Storbacka & Nenonen, 2009; Pehrsson, 2014) described customer responsiveness as how the organisation involve customers in their decision making in value addition activities like solving customers' problems, building relationships, and customizing service offering. In this context the organisation respond to the customer needs. While Grandey., et al, 2011, looks at responsiveness as

a central dimension of service quality which becomes the responsiveness of employees to attend to customers' needs, requests and helping customers promptly.

According to Daugherty et al., (1995) and Parasuraman et al., (1991) customer responsiveness is meeting customer requirements through market intelligence, that involves reacting to or anticipating the wants of the customers which becomes an externally focused tool used by firms to improve customer relations and enhance overall service/quality appropriate and substantial goals to gain efficiency. Responsiveness to customers is considered an important predictor of service quality (Mittal & Lassar, 1996), and driver of customer satisfaction (e.g Andaleeb & Basu, 1994; Handfield & Bechtel, 2002; Tiedemann et al., 2009), benefits of responsiveness is enough for competitiveness (Schonberger & Brown, 2017) yields positive performance (e.g. Langerak, 2003; Norman et al., 2007; Sorensen, 2009).

This study takes on the perspective of customer responsiveness on how customers respond to approaches made by customer oriented employees. Some customers can choose to respond positively by actively getting information and using the provided information to make rational choice. Alternatively, the customer can respond negatively by rebuffing the approaches made by employees and the information will not be used to make their choice. Against this backdrop, this study takes on the direction of customer responsiveness having a positive impact on customer satisfaction mediated by service performance on the perspective of the customer. A responsive customer will peg their evaluation on the choices on information provided by the service employees after rationalization that can lead to either satisfaction or dissatisfaction. Customers themselves are important resources in the service process in which they should know their role in performing in the system. The four parts of the interactive system, including the customer as one part, have an impact on each other.

The systems and the physical resources used have a direct influence on the quality perception of customers, as have the attitudes and behaviors of the contact personnel (Grönroos, 1997; Lehtinen, 1983), distinctly, service performance is the behavioral outcomes on the choices made by customers. Even when employees are able and willing to perform to standards set by management, customers may create problems in performance by not fulfilling their roles in the process, for instance not coming to appointments on time, not reading instructions, and not providing the required information to the service provider (Parasuraman et al, 1992).

Performance of a service to the perceptions and expectations of the customers, lead to positive evaluation of the service, hence an overall satisfaction with the service transaction. Clearly, there is a link between service performance and satisfaction which was ascertained that, measuring satisfaction with service performance depict an overall satisfaction with the services provided (Chen et al, 2014; Lee, Yoon & Lee, 2007; Yuksel, 2007; Ajzen & Driver, 1992). Most importantly, if performance is adequate, customers will be satisfied (Johnston, 1995).

Oliver (1999) defined satisfaction as a customer's judgment that the consumption of a product or service is providing a pleasurable level of fulfillment of the customers' needs, desires, and goals. Customer satisfaction is identified as a function of consumers' service quality perceptions (Brady & Cronin, 2001; Athanassopoulos, 2000; Chenet, Tynan & Money, 1999; Fornell et al, 1996; Hallowell, 1996). Satisfaction refers to an emotional state resulting from a customer's interactions with a service provider (Crosby et al, 1990). Satisfaction is an emotional reaction to the difference between customers' expectation and what they actually receive (Subramanian et al, 2014; Geng & Chu, 2012). Customer satisfaction is a judgment made on the basis of a specific service encounter (Gures et al, 2014; Cronin & Taylor, 1992; Bolton & Drew, 1991).

Further, satisfaction is being in part, the totality of the purchase situation relative to expectations (Westbrook & Oliver, 1991). For more than two decades, customer satisfaction has been an intensively discussed subject in the areas of consumer behaviour and marketing research. Consequently, customer satisfaction has developed extensively as a basic construct for monitoring and controlling activities in the marketing concept. This is exemplified through the development and publication of a large number of company wide information, industry wide and even national satisfaction indices (Hennig-Thurau & Klee, 1997; Fornell et al., 1996; Anderson, Fornell & Lehmann, 1994) where firms are more successful when they focus on customer needs (Fornell, 1992).

Many researchers have ascertained that an organisation that puts customer satisfaction at the forefront becomes the main source of attracting customers and the most important source of gaining competitive advantage especially for service organisations (Zafar et al, 2012; Zeithaml et al., 1996; Bolton & Drew, 1991; Parasuraman et al., 1991, 1988).

There has been considerable debate as to whether customer satisfaction is an attitude or a relatively transient consumption specific construct, or whether it is an outcome or an evaluation (McDougall &

Levesque, 2000). A further debate has considered whether service quality is a cause of satisfaction (Cronin & Taylor, 1992; Parasuraman et al., 1985) or a consequence of satisfaction (Bolton & Drew, 1991; Bitner, 1990). Some scholars have argued that satisfaction is an emotional reaction to the difference between customers' expectation and what they actually receive (Geng & Chu, 2012). This study does not address any issues regarding these debates. This study has taken the perspective of satisfaction being the customers' fulfillment response and is considered an evaluation process that is based on an individual's positive consumption experience (Lin & Worthley, 2012; Oliver, 1997; Oliver, 1981) of the service. This variable of customer satisfaction has attracted the most attention from both the practitioners and the researchers (Chen et al., 2014).

Customer satisfaction can be influenced by two factors, which are expectations and experiences obtained during the process of service performance. Service performance is said to be influenced by the customer's perception of the service and when it has been put across by employees, and this being their own customer experience of the service when it has been performed.

Satisfied customers maintain their consumption pattern of the same service or in some instances consume more of other services offered by the same organisation; hence their satisfaction becomes an important indicator of the quality of the service provided. This concept in consumer behavior, and in particular the concept of customer satisfaction, began to receive researchers' attention in the 1990s (for example, Jani & Han, 2015; Bagozzi et al., 1999; Liljander & Strandvik, 1997). Service process indicates that customers may be involved in the co - production of the services and that people may be part of that service experience (Lin & Worthley, 2012; Lovelock & Wirtz, 2011).

Customer satisfaction is often considered the most important factor for organisations thriving in today's highly competitive business world. Services have unique characteristics that distinguish them from the physical goods that make it for service organisations to differentiate themselves in the market. Today's organizations face tough competition and it will only get hard for them to succeed in today's fiercely competitive markets. This has led to the need for companies to move from a product and selling philosophy to a customer and markets philosophy, where the customer's opinion matter. To win in today's competitive market place; companies must be customer - centered (Adams et al., 2016) in order to enhance customer satisfaction. Customer satisfaction is an important aspect for marketing managers, particularly those in service industries (Adams et al., 2016; Bennett & Rundle -

Thiele, 2004). Satisfaction of customers have taken the forefront in attention from both the practitioners and the scholars since customer satisfaction is perceived as being an evaluation by the customer after a service encounter. According to an argument by Kotler and Keller (2006) it asserts that a person's feeling of pleasure or disappointment results from comparing a service performance in relation to the customer's expectation. This clearly shows that satisfaction varies from one person to the other, since each individual has different expectations from a service. Further a service that has been provided at one time cannot be duplicated at another time either to the same customer or to other customers of the same service, hence occurrence of variation on customer experience. Therefore, service organisations strive to maximize the satisfaction of their customers by being customer oriented, so that it becomes the responsibility of the customer to determine whether they are satisfied with the services that have been offered and consumed. This view of satisfaction now becomes the perspective of the customer on the services offered by the service organisation.

Satisfaction of customers is a goal for service organisations that want to have a competitive advantage of satisfying their customers for longevity of their businesses by delivering services that best reflect customer preference (Adams et al., 2016). Customers are satisfied when they are happy with their calculated choice outcome. It is believed that satisfied customers maintain contact with the organisation and purchase more services more frequently than the customer who is not satisfied (Paul, Mittal & Srivastav, 2016).

Customer satisfaction is one of the goals of an organization's marketing activity and it is an essential element in marketing hence a fundamental concern (Hapsaria, Clemesa & Deana, 2016; Hapsaria, Clemesa & Deana, 2016; Tam, 2004b; Williams & Uysal, 2003; Brady & Robertson, 2001; Cronin, Brady & Hult, 2000b) to organisations and important in fulfilling the needs and wants of customers (Hapsaria, Clemesa & Deana, 2016; Han & Ryu, 2009; Kueh & Boo, 2007; Churchill & Surprenant, 1982).

Recent interpretations in customer satisfaction according to the perspective of the customer now express satisfaction as a fulfillment response where goals can be and frequently are modified and updated in various ways (Baker, 2013) making the threshold of satisfaction to shift from one point to the other. Therefore, consumer researchers have moved away from the literal meaning of satisfaction from the customer's perspective and now pursue this concept as defined by the customer commitment and the customer experience. Satisfaction as explained by Oliver (1997) is the consumer's fulfillment response which is from a

judgment that a service was provided at a pleasurable level of consumption - related happiness.

Satisfaction according to Zineldin (2000) is the emotional reaction to the difference between what customers anticipate and what they actually receive. When customers receive a service as they had anticipated their reaction becomes positive thus evaluating the service positively and hence customer satisfaction. Customer satisfaction is mainly influenced by the interaction between the customer and customer oriented employees (Baker, 2013; Boshoff & Tait, 1996) which becomes the experience of the customer during the service encounter. Although examining employee behavior is important in order to ascertain that they exhibit customer oriented behaviour, but also getting the perspective of the customer on their satisfaction of the service is crucial. Customer satisfaction is more inclusive, that is, satisfaction is determined by the perception of service quality, product quality, price, situation factors and personal factors (Zeithaml & Bitner, 2003).

Scholars and researchers have demonstrated the fact that to maintain a satisfied customer who remains with the organisation is easier and cheaper, since it costs more to gain a new customer (Baker, 2013; Blodgett, Wakefield, & Barners, 1995; Gummesson, 1994). High customer satisfaction and excellent provision of service are the most important challenges facing the service industry (Amin et al., 2013; Hung, Huang, & Chen, 2003). The true measure of a company's success lies in its ability to satisfy its customer needs and wants continually and consistently where customers have become increasingly more demanding over the value for their money in terms of both the price and the quality of the service that they are consuming (Amin et al., 2013).

Customer satisfaction is the result of cognitive processes, new conceptual developments suggest that affective processes may also contribute substantially to the explanation and prediction of customer satisfaction (Homburg & Giering, 2001; Oliver, 1997; Westbrook & Oliver, 1991; Fornell & Wernerfelt, 1987; Westbrook, 1987;). Based on this review, customer satisfaction is defined as the result of a cognitive evaluation, where some comparison standard is compared to the actually perceived performance (Homburg & Giering, 2001). Many researchers argue that there is a distinction between consumer satisfaction as related to tangible products, and as related to service experiences. Previous research has found that customer perceptions of other forms of employee interpersonal behaviors (e.g. familiarity, care, commercial friendship, listening behavior, customer orientation) affect customer satisfaction (Delcourt et al, 2013; Dagger et al, 2007; Dean, 2007; de Ruyter & Wetzels, 2000;

Price & Arnould, 1999; Gremler & Brown, 1998). Customer satisfaction is a concept for the evaluation of how successfully these services are fulfilling the needs and desires of customers (Grönroos, 1998).

Customer satisfaction is identified as a function of consumers' service quality perceptions (Brady & Cronin, 2001; Athanassopoulos, 2000; Chenet, Tynan & Money, 1999; Fornell et al, 1996; Hallowell, 1996). Many researchers argue that there is a distinction between consumer satisfaction as related to tangible products, and as related to service experiences. This is due to the inherent intangibility and perishability of services, as well as the inability to separate production and consumption (Zeithaml et al, 1990). Responsive customers base their evaluation of a service performed on the rational choices made on information provided by customer oriented employees. Therefore the following hypotheses were formulated:

*Hypothesis 1: Customer responsiveness is positively associated with customer satisfaction beyond the effect of purpose of travel*

*Hypothesis 2: Service performance mediates the relationship between customer responsiveness and customer satisfaction beyond the effect of purpose of travel.*

### **Control Variables**

Past studies suggest that certain reasons and activities can impact the key constructs in the study hence confusing the relationship amongst the constructs. Therefore, to allow for better delineation of the relationship and to provide a more rigorous test of the theoretical linkages, the author included one control variable. The control variable is the purpose of travel which is subdivided into three sections that include travelling for business, leisure or visiting friends and relatives. For a business traveller, choices and decisions are removed from them, the leisure traveller choices and decisions solely falls on them, while a person visiting friends and relatives the choices and decisions may either fall on them or their friends or relatives.

### **Research Methods**

The dependent variable customer satisfaction was measured using a five item unipolar adjective scale adapted from Westbrook and Oliver (1991). Since satisfaction is considered to be primarily an affective construct, the adjectives used were emotive in nature (Oliver, 1997). Respondents were asked to report the degree to which they were happy, pleased, and delighted. Five items were used. The independent variable was customer responsiveness 5 items were used, where respondents were asked to rate their perceived responsiveness to self and service provider. The rating was made on a five-point Likert scales ranging from 1="strongly disagree" to

5="strongly agree" (Cronbach's alpha=0.746) which exceeds the recommended reliability estimate of 0.7 (Nunnally, 1978).

The concept of predicted and expectation gap in service performance represent a comparison with a norm, and not representing a difference between predicted and received service. By exceeding the norm it means that high quality of the service is received and similarly, falling short of the norm means that low quality is received (Teas, 1993). Service performance is measured by using a slightly modified version of Teas (1993) five-item bipolar adjective scale statements which concern the performance of the company. These items will provide an overall assessment of the quality of the services being evaluated. The items came from dimensions that were identified in previous research.

To collect customer data, 600 randomly selected customers from the lobby of Eldoret International Airport were approached and given the paper and pen questionnaires. 426 usable questionnaires were collected, yielding a response rate of 71 per cent.

### **RESULTS**

The responses collected from purpose of travel of customers were either travelling for business or for leisure or visiting friends and relatives. The results clearly show that the frequencies for the response on the purpose of travel show that the majority of the passengers interviewed were on a business travel and it accounted for a percentage of 57 of the total passengers interviewed (see Table 1). A bivariate correlation matrix for all variables can be found in Table 2.

To test the hypothesis, we carried out procedures developed by Baron & Kenny (1986). Baron and Kenny's procedure requires that (a) the independent variable significantly affects the mediator, (b) the independent variable significantly affects the dependent variable, and (c) the mediator variable affects the dependent variable when both the independent and the mediator variable are in the model. If these conditions hold in the hypothesized direction, then the effect of the independent on the dependent variable should be less in the third regression equation than in the second (Baron & Kenny 1986). Furthermore, perfect mediation holds if the independent variable has no effect on the dependent variable when the mediator is controlled. The effect of the service performance variable mediating the effect of customer responsiveness (independent variable) on customer satisfaction (dependent variable) was evaluated using the above procedures. All the variables were at the unit level, accordingly hierarchical linear regression analyses with pairwise deletion was used in order to test for the predictions. First examined was whether customer responsiveness was associated with customer satisfaction, while controlling for purpose of travel

(Hypothesis 2). Second was testing for mediation through service performance (Hypothesis 2) via the conservative mediation approach (Baron & Kenny 1986) and a Sobel test was also done on the mediation effect.

Hypothesis 1 proposed that customer responsiveness would be directly related to customer satisfaction beyond the purpose of travel (control variables). In the regression analysis, purpose of study was first included explained an insignificant significant amount of variance in customer satisfaction ( $\Delta R^2 = 0.003$ ,  $\beta = 0.39$ ,  $p < .01$ ), with customer responsiveness has a significant positive effect on customer satisfaction ( $\Delta R^2 = 0.267$ ,  $\beta = 0.345$ ,  $p < .01$ ). Thus, Hypothesis 1 is supported (see Table 2).

Hypothesis 2 proposed that service performance mediates the relationship between customer responsiveness and customer satisfaction. The first step of mediation was demonstrated by Hypothesis 1 test. The next step was to assess the relationship of customer responsiveness on service performance which is the potential mediator. The control variable (purpose of travel) explained 3% of the variance. Predicting customer satisfaction was assessed to find out whether adding service performance had a unique effect and reduced the impact of customer responsiveness on customer satisfaction. Service performance had a unique significant effect ( $\Delta R^2 = 0.161$ ,  $\beta = 0.436$ ,  $p < .01$ ) which is shown by the reduction of change in R square. The results supported that customer responsiveness had a significant indirect effect on customer satisfaction through service performance. The Sobel test was further done and it showed the effect size of 0.428 which shows that service performance can mediate customer responsiveness and customer satisfaction. Therefore mediation was supported (Hypothesis 2).

## CONCLUSION

Customer responsiveness has been neglected in the service industry. Instead practitioners have concentrated their energies on what the customer wants and making the products to suit what the customer needs. The information obtained from the customer about their needs and wants so that the organisations can make those needs and wants according to what the customer requires, are obtained from the customer. What the information fails to capture is how that customer responds to the employee of the service provider when they are approached. This responsiveness affects the entire needs and wants of that customer and hence the products and services procured that were supposedly made to suit that customer's needs and wants. The demonstrations from this study are three fold in nature, that; (1) customer responsiveness is real and robust and worth pursuing further (2) customer responsiveness has a positive

effect on customer satisfaction (3) perceptions of the customers are important in order to arrive at a common ground on what entails a good service performance for the customer to evaluate it positively.

Aviation services require exchange of relevant information between the service provider and the customer, more so, the point of distribution for the aviation services must be equipped with information that the customer requires to make rational choices. Hence the service provider gains a competitive advantage when the needs and wants for their customers are known, met and satisfied. Given the scarcity of research reported in customer responsiveness this points a finger to a tremendous opportunity for theory building, empirical testing, and application and replication of findings in all areas as this study was carried out in a service sector.

This study greatly assists managers to understand how their customers assess their service experiences. Essentially, three basic issues are addressed: (1) what customers looking for in a service set up, (2) how do employees proffer services in the eyes of the customer especially with the service characteristic of inseparability (3) strategies to be put in place to enhance customer satisfaction thus gain competitive advantage, most importantly, how do customers respond to your employees? These three factors require managerial attention in efforts to improve customer perceptions of service performance and customer satisfaction. Therefore, this study can guide managers as they strive to enhance customers' service experiences.

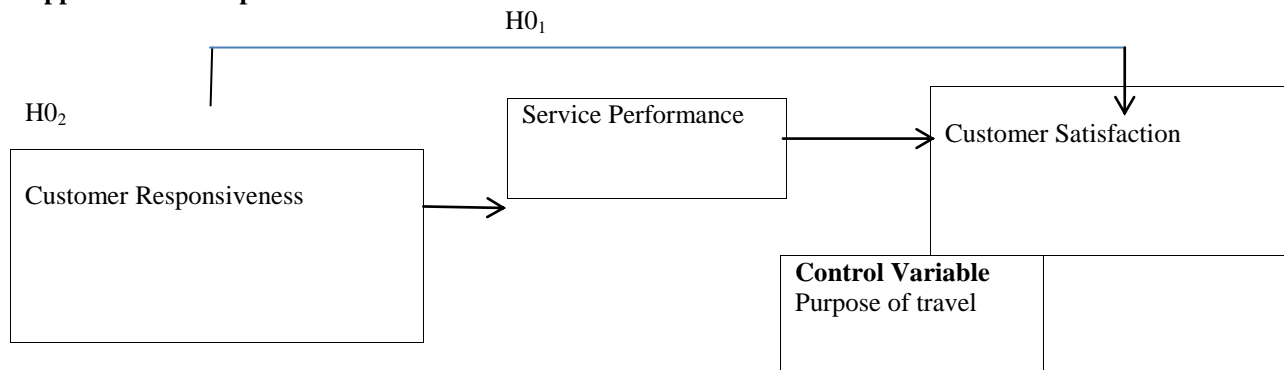
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**APPENDIX:  
Appendix I: Conceptual Model**



**Appendix II: Tables**

**Table 1: Purpose of travel**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	243	57.0	57.0	57.0
	Leisure	83	19.5	19.5	76.5
	VFR	100	23.5	23.5	100.0
	Total	426	100.0	100.0	

Note: VFR – Visiting friends and relatives

Table 2: Correlations

		Customer Responsiveness	Customer Satisfaction	Service Performance
Customer Responsiveness	Pearson Correlation	1	.517**	.394**
	Sig. (2-tailed)		.000	.000
	N	426	426	426
Customer Satisfaction	Pearson Correlation	.517**	1	.574**
	Sig. (2-tailed)	.000		.000
	N	426	426	426
Service Performance	Pearson Correlation	.394**	.574**	1
	Sig. (2-tailed)	.000	.000	
	N	426	426	426

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

Table 2b: mediated regression analysis

Variables	Service Performance		Customer Satisfaction	
	Beta	ΔR2	Beta	ΔR2
(Control) Purpose of travel	0.53*	-	0.32*	0.003*
Customer Responsiveness	0.517*	-	0.345*	0.267*
Service Performance	-	0.268*	0.436*	0.161*

Significant values of standardized regression coefficients, \*p<0.01