



**IMPACT OF SERVICE QUALITY ON THE CUSTOMER
SATISFACTION IN TRAVEL AGENCIES: A CASE
STUDY IN KURDISTAN REGION OF IRAQ**

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Abstract

The aim of this research was to investigate the main determinants of service quality in travel agencies sector in Kurdistan Region of Iraq. To do this, we have conducted a questionnaire, ServQual that has been developed by Parasuraman, Zeithaml, and Berry (1988) to 197 travel agency customers. The obtained data has been analyzed by proposing regression analysis. Further strategic advices has been given to the travel agency managers and investors in the conclusions part. It has been found that tangibles, assurance, reliability & responsiveness dimensions had significant impact on the customer satisfaction while empathy didn't. The results indicate that managers must care initially about tangibles of the travel agencies in order to increase customer satisfaction in travel agencies.

Keywords: ServQual, Service Quality, Hospitality Management, Travel Agencies

INTRODUCTION

Travel agencies role is emerging as long as the world is becoming globalized. Especially in such countries that online reservations utilities are limited, purchasers visit travel agencies in order to get a flight ticket, make a hotel reservation, visa applications, insurance applications...etc. Hence, number of travel agencies in those countries have been increasing and the market becomes more competitive. Once the number of options for customers increase, they select travel agencies which conforms their expectations more. For this reason, travel agencies must remain competitive through understanding the customers' expectations and conforming them timely (Demir, 2019). Further, they must increase their service quality in order to continuously satisfy customer satisfaction.

Quality is conforming the customers' expectations continuously and reliably (Demir and Mukhlis, 2017; Demir, 2017). Further, service quality can be considered as the perception of customer(s) about meeting his/her expectations from the concerning service provision. If the service quality is the perception of the customers (Parasuraman, Zeithaml, and Berry, 1988; De Jong et al., 2005; Aydinli and Demir, 2015; Yee et al., 2013, Grönroos 1998; Demir and Aydinli, 2016). As companies one of the most crucial aim is to satisfy customers' expectation, this can be done only what they understand and expect from the quality (Budur, 2018; Demir, Talaat, and Aydinli, 2015; Demir and Guven, 2017). Besides, service quality includes various factors and dimensions which show change from culture to culture, country to country, even sometimes from a city to another city. Thus, service quality at every sector must be re-analyzed in every culture to see the similarities and differences with other cultures and develop an appropriate

strategic plan. ServQual (Parasuraman, 1988) is the mostly used scale in this field. The scholar has evaluated service quality mainly under empathy, responsiveness, assurance, reliability, and tangibles dimensions. The constructs have been used in many fields at service sector.

Kurdistan region is one of the locations that online banking system is limited (Demir and Fakhir, 2017). Thus, travelers should visit travel agencies most of the times in order to purchase flights tickets, hotel reservations, insurance applications...etc. Besides, number of travel agencies are increasing in the market. For this reason, it is very important to understand the main determinants of service quality in this sector in the region and develop and follow a strong strategy in order to keep competitiveness.

The research aims to investigate the main determinants of service quality in travel agencies sector in Kurdistan Region of Iraq. To do this, we have conducted a questionnaire, ServQual that has been developed by Parasuraman, Zeithaml, and Berry (1988) to 197 travel agency customers. The obtained data has been analyzed by proposing regression analysis. Further strategic advices has been given to the travel agency managers and investors in the conclusions part.

LITERATURE REVIEW

Service Quality

Service quality can be considered as the perception of customer(s) about meeting his/her expectations from the concerning service provision. If the service quality is the perception of the customers (Demir and Eray, 2015). In recent years, companies tend to improve the quality of service offices of the travel agencies (Demir, Eray, and Erguvan, 2015). The crucial question is what are the expectations and customers and how the service quality can be improved in this sector based on the expectations?

In the last three decades service quality became very important to be studied. Service quality can be defined as "*the evaluation of the standard of service*" (Zeithaml, 1998), also it can be said as "*it's the total asses excellence of an organization service determined by the consumer*" (Bitner & Hubbert, 1994, p.77). In order to measure the service quality, a lot of models have been elaborated. According to Gronoos (1984), service quality paradigm was the first paradigm was used to measure service quality. Gronroos's model was expanded by Rust and Oliver (1994) by adding new aspect: service environment. Parasurman, Zeithaml, and Berry (1985) did a very significant study on how to develop of SERVQUAL. In the first study they found ten categories that affect the customer satisfaction. Later on they did another study and they reduced the ten to only five dimension i.e responsive, assurance, tangibles and empathy, the purpose of finding SERVQUAL model was found to know the gap between the expected

quality and received service in these five determinants. Their model have been used by many researchers.

Akbar and Pervez (2009) have proposed a research on telecommunication industry and tested the impact of service quality, trust and customer satisfaction on loyalty they found that reliability has significant impact on customer while responsibility, assurance, empathy, and reliability didn't have significant effect on customer satisfaction. Further, Lam and Zhang (1999) have studied a research in Hong Kong testing the impact of service quality of travel agencies on customer satisfaction. They found that responsiveness , reliability , empathy , assurance and tangibility have significant impact on customer satisfaction. Marinkovic, et al., (2011) have studied the impact of service quality on customer in Serbian travel agencies. They have found that tangible, reliability responsiveness and empathy had significant effect on customer while assurance didn't. Setó-Pamies, D. (2012) studied customer loyalty to service provide determine the role of service on customer satisfaction. In that study, found that tangibility, reliability responsiveness, assurance, empathy had significant impact on the customers' satisfaction. Lastly, Kuo, Chang, et al, (2012) have proposed a research in Taiwan and about effect of service quality on customer loyalty in travel agency. Moreover, they found that empathy, reliability and responsiveness, tangible qualities had significant impact on the customer satisfaction and loyalty.

So as to pick up a competitive advantage in the travel industry, travel offices have to concentrate their focuses on service quality, in light of the fact that improved administration quality prompts upgraded client satisfaction, rehash support, and expand benefits and keep clients loyal(Lobo, Maritz, and Mehta, 2007). Service quality, consumer loyalty, and faithfulness have been viewed as significant develops as far back as the most punctual investigations of the movement business travel (Caro and Garcia, 2008).

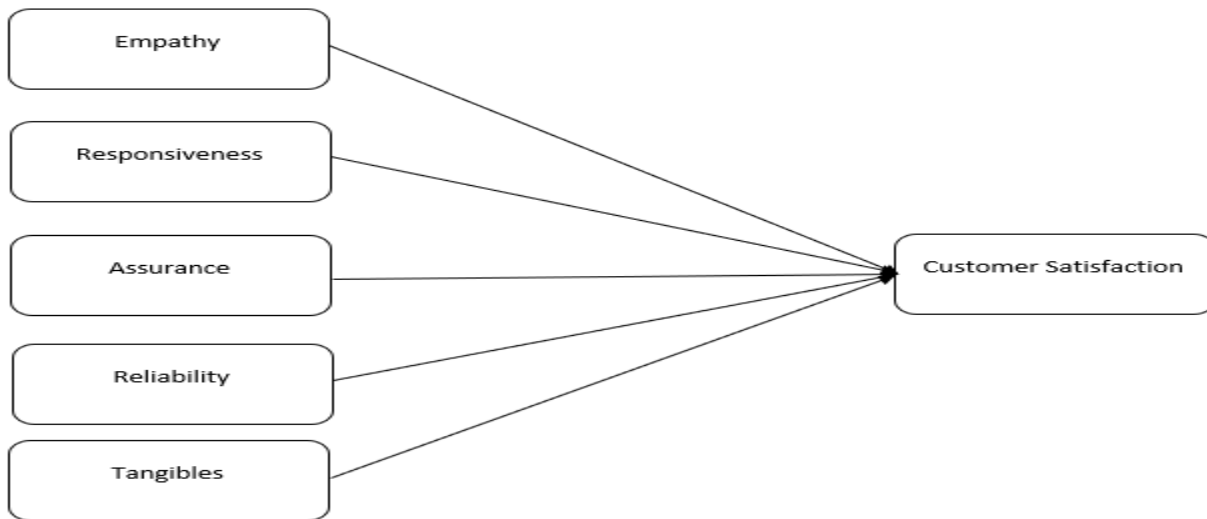
Customer Satisfaction in Travel agencies

Cardozo (1964), Olshavsky and Miller (1972) and Anderson (1973) are considered to be the pioneers of customer satisfaction concept. Those scholars have firstly used this concept there by basic theories which has leded a lot of researchers in the literature. There are many definitions of customer satisfaction. However, all those definitions describe it as key dimension for retention, loyalty, behavioral intention to repurchase...etc. It is considered as the psychological result and feeling that human receives when they feel that the service or product quality of the concerning good is as well as they have been expecting (Oliver, 1996).

On one hand customer has an expectation about the service s/he want to obtain. On the other hand, there is really service that is served to the customer. In case the real service equals

or exceeds the expectations, customer feels satisfaction (Kotler, 1997; Looy et al., 2003; Aydinli and Demir, 2015). In order to increase service quality above what the customer expects, a firm must investigate market and target customer population’s expectations whether what they are doing fulfills customers’ demands or not. By this way a company catches customers’ loyalty. The model of the study is shown in the Figure 1.

Figure 1 Model of the study



METHODOLOGY

The aim of this paper is to investigate the main determinants of service quality at travel agencies service sector. The target population of the study is the customers who have purchased at least one ticket from one of the travel agencies in Kurdistan Region of Iraq. In this range, we have randomly selected 197 customers to fill survey questionnaire which has been developed by Parasuraman et al. (1988). The details of the sample population has been declared in the Table 1. Initially, reliability analysis have been proposed to validate the questionnaire. Secondly, we have proposed regression analysis in order to indicate the determinants of service quality which significantly impact the customer satisfaction.

Table 1 Demographic distribution of the sample population

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	126	64.9	64.9	64.9
	Female	68	35.1	35.1	100.0
	Total	194	100.0	100.0	

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	87	44.8	44.8	44.8
	26-35	78	40.2	40.2	85.1
	36-45	21	10.8	10.8	95.9
	46-55	7	3.6	3.6	99.5
	55+	1	.5	.5	100.0
	Total	194	100.0	100.0	

Table 1...

Nationality		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Kurdish	184	94.8	94.8	94.8
	Arabic	9	4.6	4.6	99.5
	Other	1	.5	.5	100.0
	Total	194	100.0	100.0	

ANALYSIS AND FINDINGS

First, Cronbach's Alpha was estimated in order to test the reliability of the questionnaire. In order to accept a construct as reliable, it must hold minimally 0.7 Cronbach's Alpha (Demir and Bulut, 2018). In this study it has been observed that the Cronbach's Alpha levels of all construct are between 0.771 and 0.924 which is well above the threshold. The Table 2 presents the detailed results.

Table 2 Reliability analysis of the questionnaire

Cronbach's Alpha	N of Items	Empathy		
		Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation
.903	4			
				Cronbach's Alpha if Item Deleted
Q1		14.753	19.866	.737
Q2		15.113	17.977	.784
Q3		14.536	19.338	.801
Q4		14.701	18.718	.814

Cronbach's Alpha	N of Items	Responsiveness and Reliability		
.924	8			
		Item-Total Statistics		
	Scale Mean if	Scale Variance if	Corrected Item-	Cronbach's Alpha if
	Item Deleted	Item Deleted	Total Correlation	Item Deleted
Q6	36.526	75.774	.712	.916
Q7	36.624	76.267	.752	.913
Q8	36.454	76.736	.723	.915
Q9	36.418	74.524	.765	.912
Q10	36.562	74.859	.733	.915
Q11	36.273	74.801	.794	.910
Q12	36.510	77.578	.741	.914
Q13	36.505	77.754	.725	.915
Cronbach's Alpha	N of Items			
.771	3	Assurance		
		Item-Total Statistics		
	Scale Mean if	Scale Variance if	Corrected Item-	Cronbach's Alpha if
	Item Deleted	Item Deleted	Total Correlation	Item Deleted
Q14	10.438	6.755	.613	.684
Q15	10.485	5.857	.663	.623
Q16	10.531	7.028	.544	.756
Cronbach's Alpha	N of Items			
.778	4	Tangibles		
		Item-Total Statistics		
	Scale Mean if	Scale Variance if	Corrected Item-	Cronbach's Alpha if
	Item Deleted	Item Deleted	Total Correlation	Item Deleted
Q17	15.531	14.737	.567	.733
Q18	15.309	13.313	.617	.707
Q19	15.294	13.877	.614	.709
Q20	15.119	14.323	.536	.749
Cronbach's Alpha	N of Items			
.910	3	Customer Satisfaction		
		Item-Total Statistics		
	Scale Mean if	Scale Variance if	Corrected Item-	Cronbach's Alpha if
	Item Deleted	Item Deleted	Total Correlation	Item Deleted
Q21	10.603	8.593	.791	.893
Q22	10.655	8.466	.840	.854
Q23	10.505	7.940	.829	.863

Subsequently, we proposed the regression analysis in order to determine the significantly effecting constructs of service quality on the customer satisfaction. Initially it was observed that the service quality explained 70 percent of the overall variance. This shows that service quality is the main determinant of customer satisfaction beside other factors in travel agency service sector in the region. Another observation that has been revealed from the analysis was that Reliability, responsiveness, assurances, and tangibles all had the significant impact on the customer satisfaction. Beside this, taking the standardized beta values, tangibles of the travel agencies were the main determinant of the service quality perceptions of the customers. Besides, empathy dimension didn't have a significant impact on the customer satisfaction. Table 3 shows the further details.

Table 3 Results of the model

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	.190	.287		.663	.508
Empathy	.126	.090	.123	1.395	.165
Reliability & Responsiveness	.261	.110	.229	2.371	.019
Assurance	.197	.089	.169	2.211	.028
Tangibles	.482	.068	.412	7.129	.000

CONCLUSIONS

Travel agencies play a basic role in the development of hospitality and tourism sector in Kurdistan Region of Iraq. Besides, market is becoming competitive day by day with the continuous increase in number of travel agency firm. In this context, firms needs to remain competitive in order to keep their customers loyal and increase their market share. Thus, the aim of this research was to investigate the main determinants of service quality which impact the customer satisfaction significantly.

We conducted a survey questionnaire to 197 customers who at least once purchased a service from one of the travel agencies. The obtained data has been analyzed by regression analysis to indicate the significant determinants of service quality in travel agencies.

The results indicate that excluding empathy, reliability, responsiveness, assurance, and tangibles are the significant determinants of service quality which effects customer satisfaction positively. The results show us that among the significant influencers, tangibles are the most effective determinant that effects the customer satisfaction than any other construct

With these results, it can be suggested to the travel agencies in Kurdistan Region of Iraq that they need to;

- Select their office furniture and equipment from modern and aesthetics ones.
- They need to keep offices clean and neat every time
- They need to wear clean and professionally every time
- They need to seem neat and modern by means of moustache, hair, nails...etc.
- They need to design their offices and outside of their offices stylish, clean, and neat.

The research has been studied in Kurdistan Region of Iraq. Thus, data belongs to and reveals results only about the region and cannot be generalized. For the further researches, authors can select those determinants to benchmark service quality among travel agencies in the region.

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