



# **IMPACT OF PRODUCT AND SERVICE QUALITY OF GATED COMMUNITIES ON THE REPURCHASE INTENTIONS: CASE STUDY IN KURDISTAN REGION OF IRAQ**

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## **Abstract**

*The investments on gated communities in Kurdistan Region of Iraq is emerging day by day. The relation between customer and seller doesn't end after selling a house, it continues with the services provided by the city management. So that the investors need to understand the main determinants of customer service quality in the concerning gated communities. Thus, this research aims to investigate the impact of service and product quality on the customer satisfaction in the gated communities in Kurdistan Region of Iraq. To do this, we have conducted a survey questionnaire to the customers of the houses in various gated communities. 320 data have been collected to propose regression analysis. The results show that both product and the service quality impact the customer satisfaction. Based on these results, managers of the gated communities must improve their service quality in order to increase the satisfaction of the customers which will result repurchase intention later.*

*Keywords: Product Quality, Service Quality, Gated Communities, Repurchase Intentions*

## INTRODUCTION

Repurchase is the customer's behavior that results in the customer's desire to purchase the same item more than once. When a customer purchases an item, they are considered as a customer that can potentially be a repetitive purchaser, Consumers usually buy the same items from the same place and the same supplier, one purchase might result a continuous purchasing instead of just a one-time buying. Repurchasing is an important viable in marketing relationships. The actual action of buying is the repurchasing while, repurchasing intent is the desire of the customer for willing to buy from the same dealer or seller. There are two parts of repurchase; one of them is the intention a customer has to re-buy and the other form is the intention of recommending to acquaintances. This is especially important for the gated community sellers in order to continue their businesses and make new investments. There are two main parameters in gated communities that attract customers' attention. These parameters are product quality and service quality.

Service quality is the perceptions of customers after purchasing the concerning service (Demir and Aydinli, 2016). By another meaning, it's an action that is offered by the seller to the customer. Service quality is how the customer sees the items being delivered to them. It's the perception of the customer on the care they are receiving and that perception depends on several things such as how fast the service is or how accurate they are at delivering the products, the quality of the service delivered...etc. could be some reasons for the customer to re-buy products from the same place or not (Aydinli and Demir, 2013). If a customer perceives inappropriate service, they wouldn't like to repurchase from the same place again (Demir and Guven, 2017). Gated communities should deliver the best service they have to satisfy their customers because the residents inside the community would make not very positive word of mouth marketing about the services and it would impact the sales of gated community negatively.

Product Quality is the measure of how good and reliable your product is, and how it keeps itself functioning over time. A product could be anything from furniture to groceries and all of those things have good and bad qualities. Customers would be willing to purchase a good quality product and might make this a measure of how good a store is, good product equals to satisfied customers. Moreover, satisfied customers mean that they will return and repurchase even if the price was more some customers would be willing to pay more for better quality products. Good product results in building of trust between the customer and the seller and that results in having customer loyalty.

Gated communities are residential neighborhoods that are isolated or in other words gated or fenced, these gated communities have a different level of security which is obviously

higher security compared to a normal neighborhood and the people in these communities usually have a different lifestyle and they are in the same level of socio-economic class (Demir and Mukhlis, 2017). These communities do not permit the entrance of everyone into the gated community unless the person is living there or has a valid reason for going in. Gated communities have increased majorly in Kurdistan since the past few years. The first gated community in Kurdistan was "Dream City" in Hawler. It's thought that gated communities cause the formation of a form of some sort of social superiority among the people that live in these communities.

This study is done to know whether the service quality or the product quality is more important and which one of those has more effect on a customer and what makes a customer want to come and repurchase in the same place, it is important to understand what service and product quality are and to know exactly how a seller can satisfy their customers perfectly to have a better profit and for the business to last longer, it is important for the seller to know just how important the service quality and product quality are and to work on them more and make them the highlight of their marketing strategies.

This research has been conducted in five different gated communities, a survey questionnaire was prepared and it was randomly given to the residents in this five gated community to answer, this was done by visiting each of these residents' houses, knocking on their doors and asking them to fill the survey, until the Data reached 300 to 350 data in total in all the five gated communities. Finally, 320 data have been gathered and analyzed by regression analysis. Suggestions have been given to the managers and investors in the gated communities.

## **LITERATURE REVIEW**

### **Product Quality**

There are various descriptions and measurements of product high-quality. Quality has been presented in four classes, greatness, in particular, price for money, congruity to shed importance and collect the customer's necessities (Reeves & Bendar, 1994). Eight simple possibilities have been made for item first-rate and used by the researchers (Flynn et al., 1994; Zeitz at al., 1997). They are beat management, quality info availability, quality figures use, employee organizing, worker involvement, Item/process plan, supplier and customer satisfaction.

(Garvin 1987) made a device of considering nearly the first-rate of stock by way of showing the basic mechanisms of product high-quality in eight dimensions. Gavin (1987) noted that first-rate multidimensional which every one of its measurements may be used strategically

to obtain competitive leverage. The taking after can be a summary of Garvin's eight dimensions of product quality:

- 1) Implementation mentions to an item's principal working features.
- 2) Highlights are extra features that elaborate on the offer of the product to the consumer.
- 3) Sturdy quality is the possibility that a product won't fall flat interior at a precise time span when put into use.
- 4) Conformance is the preciseness with which the product or provider meets the exact standards.
- 5) Sturdiness measures the span of an item's working lifetime.
- 6) Serviceability consists of the swiftness, ease, and costs with which the product may be put back into work when it crashes.
- 7) Aesthetics allude to the way the item appears, textures, echoes, etc. it can also be a count of personal decision and an analysis of individual liking.
- 8) Perceived unusually is the quality qualified by the suggestions of the customer, noting that appreciation is currently not continuously a reality.

### **Service quality**

Parasuraman et al.'s, (1988) growth a gap investigation portrays the grade that has an effect on the carrier palatable based totally on the coordinates of the customer-company connection. This show portrays five often-seen measurements of advantage quality, in particular, unmistakable and strong quality, receptiveness, confirmation, and empathy. For instance, customers see that the implementation of high-quality dimensions in performing everyday work will clearly grant their wishes and needs, this condition may furthermore be the reason for motivated good quality customer behavior. The soul of this notion received help from the carrier best examination writing.

A number of thoughts at the moment had been implemented into the use of a coordinate results show to have a look at the provider best in unusual advantage based totally manager such as 357 sufferers at dental care in Australia (Baldwin & Soha, 2003), a hundred and five held up residents in Penang (Allameh et al., 2015).

The high-quality provider may get the customer purposeful in order to use the provider once more. These will hold the trustworthiness of the customer to the trade (Demir, 2019). Advantage pleasant came as a most advantaged feature to the customer and gets customer loyalty (Zeithaml, Berry & Pasuraman 1996; Demir, Eray, and Erguvan, 2015) and there are studies that investigate relationships between service quality and customer loyalty (Kuo, Wu & Deng 2009; Saura et al. 2008).

The charge fine of the provider will persuade the customer to repeat the request for profit (Demir, Talaat, and Aydinli, 2015). It portrays supporter interaction closer to profit the provider. The quality of the provider which accomplishes purchaser's expectations, will attain loyalty (Demir and Eray, 2015; Demir, 2017). This goal will make consumer's preferred slant an advantage relative to varied corporations, providing the break even with advantage (Kaura, Prasad & Sharma 2015).

### **Repurchase intention**

A number of creators portray loyalty (Oliver, 1999) as a customer's loyalty to a one of a kind organization, but Oliver's analysis of seeing is one which is largely recognized. Therefore, reliability has largely held a loyalty to re-purchase or re-patronize a favored item/service dependability within the future, in spite of situational effects and advertising activities having the ability to explain replacing conduct (Oliver, 1999). As a result, a re-buying is sensible with creating and supervising connections with customers by the ways of adjusting the organization's giving and through incessantly showing the price and moving forward.

All purposes of a faithful customer, that is, an accomplice, are mounted through persistent preparation of more noticeable fulfillment. An example of the characteristics of a for-all purposes unfaltering customer is the ability to grasp beat rate dedication (Dick, Basu 1994; Griffin, 1997). This kind of reliability is branded through tall buying patronage and self-indulgent relative attitude in the face of the organization. A number of industries are more productive in making reliability and faithful customers. These are perceived as loyalty pioneers. Their ability to leverage and uphold faithful customers is dependent wholly on providing the most reliable, esteemed, right customers and suitable work team as pleasantly as a lasting commitment to extend reliability.

Customer reliability may be investigated through re-buying eagerly (Dick, Basu, 1994; Jones, Taylor, 2007). Looking into behavioral outcomes of customer reliability can be perceived as having the goal to purchase or use an organization's item/service more noticeable routinely in the future (Zhang, Bloemer, 2008). Therefore, when pointing out the increase of eager purchasing, organizations should central point not as if it were an irrelevant, hasty purchase with specific limited time, at any rate, effort to provoke in customers a loyalty and ideal mindset and outlook on their organization.

By making remarkable environment conditions, spare surroundings strengthen investing and the number of purchased items. It strengthens the customers more to continue to be longer in a particular shop, and to find the stock portrayed in the store (Donovan, Rossiter, 1982). All of this adds to refining re-buying enthusiastically. The climate has an effect on the time spent in

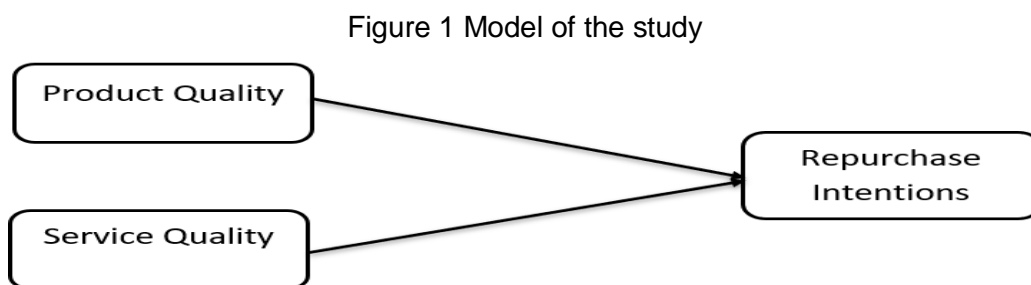
there and enjoying the place (Spies et al. 1997), as enjoyable as the customer's nature. Different excited states such as satisfaction (Hogg, Penz, 2008) have an effect on the keenness to come back to the shop. As well as happiness and excitement, which have a very large effect on money gone through the place (Sherman et al., 1997). Consequently, fervent states refresh purchasing as suitably as buying eagerly.

## METHODOLOGY

This research aims to investigate the impact of service and product quality on the customers repurchase intentions. To do this, we have gathered data from 320 residents in 5 different gated communities. The data has been collected via conducting a survey questionnaire. The survey questionnaire contained 18 questions in total where nine questions belonged to product quality, eight questions belonged to service quality, and two questions were for repurchase intentions. Thus hypothesis can be sequenced as;

H1: Product quality has significant impact on the repurchase intentions in gated communities

H2: Service quality has significant impact on the repurchase intentions in gated communities



The population has been selected from five different gated communities. The gated communities have been located in Sulaimani, Kurdistan Region of Iraq.

Table 1 Demographic information about the sample population

City Name		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Goizha III	75	23.4	23.4	23.4
	Goizha II	42	13.1	13.1	36.6
	Char Chra	67	20.9	20.9	57.5
	Garden City	86	26.9	26.9	84.4
	Doctors City	50	15.6	15.6	100.0
	Total	320	100.0	100.0	

<b>Gender</b>		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	Male	124	38.8	39.1	39.1
	Female	193	60.3	60.9	100.0
	Total	317	99.1	100.0	
<b>Missing</b>	System	3	0.9		
<b>Total</b>		320	100.0		

<b>Age</b>		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	18-25	74	23.1	23.8	23.8
	26-35	101	31.6	32.5	56.3
	36-45	86	26.9	27.7	83.9
	46-55	40	12.5	12.9	96.8
	55+	9	2.8	2.9	99.7
	6	1	0.3	0.3	100.0
	Total	311	97.2	100.0	
<b>Missing</b>	System	9	2.8		
<b>Total</b>		320	100.0		

<b>Monthly Income</b>		Frequency	Percent	Valid Percent	Cumulative Percent
<b>Valid</b>	1000-2000\$	126	39.4	42.4	42.4
	2001-3000\$	137	42.8	46.1	88.6
	3001-4000\$	26	8.1	8.8	97.3
	4000+\$	8	2.5	2.7	100.0
	Total	297	92.8	100.0	
<b>Missing</b>	System	23	7.2		
<b>Total</b>		320	100.0		

Table 1...

## ANALYSIS AND FINDINGS

In this section, we have initially proposed Cronbach's Alpha analysis in order to test the reliability of the questionnaire. Secondly, we have proposed confirmatory factor analysis in order to check the validity of the questionnaire. Finally, we have proposed structural equations modeling in order to test whether service quality or product quality is important for the residents in gated communities.

In order to accept a construct as reliable, it must hold minimally 0.7 Cronbach's Alpha. In this study, product quality dimension showed the Cronbach's Alpha level as 0.770, service quality 0.790, and repurchase intention 0.70.

Secondly, confirmatory factor analysis has been proposed to validate the questionnaire. Confirmatory factor analysis has been proposed by IBM AMOS 23. In order to accept confirmatory factor analysis, model fit indexes must be at acceptable levels. In this study, we have observed that the CMIN/DF was 3.131 which is the lower than threshold, five. Secondly, good fit index (GFI) was 0.9, CFI was 0.87, and RMSEA was 0.08 which are at the acceptable levels. Finally, it has been observed that product quality construct had minimum item load 0.51 and maximum 0.780. Further, service quality had minimally 0.54 and maximally 0.80 item load. The results reveal that the structural equations modeling can be proposed with these constructs (Table 2).

Table 2 Results of SEM

			Estimate	S.E.	C.R.	P	Label
Repurchase	<---	Product Quality	0.541	0.132	3.798	***	Accepted
Repurchase	<---	Service Quality	0.264	0.079	2.114	0.02	Accepted

It has been observed that product quality and service quality both significantly impacted the repurchase intentions of the residents in gated communities. Besides, product quality had more positive effect that service quality does. Hence, H1 and H2 have been accepted.

## CONCLUSIONS

This study aimed to investigate the impacts of service and product quality on the customers repurchase intentions in gated communities. The study has been conducted in Sulaimani, Kurdistan Region of Iraq know whether the service quality or the product quality is more important and which one of those has more effect on a customer and what makes a customer want to come and repurchase in the same place, it is important to understand what service and product quality are and to know exactly how a seller can satisfy their customers perfectly to have a better profit and for the business to last longer, it is important for the seller to know just how important the service quality and product quality are and to work on them more and make them the highlight of their marketing strategies.

Consumers are always aware of the quality and the services of what they are doing and re-purchasing. The aim of the project is to let the user and reader understand whether the service is important or the quality in order to have an impact on the consumer's re-purchasing. To illustrate, I have collected 320 surveying data in five gated communities, such as Goizha II, Goizha III, Garden City, Doctor City, and New Chwar Chra. Then, the



Regression data analysis has been implemented in order to reach a result of the adjusted R square and T statistic.

Also, another analysis had to be done which is the correlation the strengths and weakness of the relationship between two variables in order to reach results of how the relationship between the product quality and service quality and re-purchasing intention. Finally, the covariance method gave a result of the direction which means if the two variables are increasing or decreasing together.

As the result shows that product quality had significant impact on repurchase intention with coefficient value of 0.541. Secondly, service quality also had significant impact on repurchase intention with the coefficient value of 0.264.

Beside this, comparing product quality and service quality impact on a customer's repurchase intention as Adjusted R square of product quality more than Adjusted R square of service quality we can conclude that the product quality is more important for the customers repurchase intention than the service quality. On the other hand, as both had significant impact on the customer repurchase intentions, managers are supposed to;

- Carefully select durable and quality products while constructing a building.
- Care about the aesthetics of the buildings, gardening, design and layout of the cities.
- Select durable products that last long.
- Select green products which are friendly with the environment
- Be careful with the services in the city such as garbage collection, water and electricity supply and costs.
- Make empathy about the residents in case they have any complaint or problem.
- Behave proactively to prevent problems and provide comfort for the residents

As a result of benchmarking it was seen that the customers garden city they have higher repurchase intention than the other cities, beside Goizha II they having very low repurchase intention which means that if Goizha II owners or investors made another city the customers will be willing to purchase from them because of low service quality and product quality.

There are a couple of limitations of the current study. First, the research contains only 320 data which could have been increased further. Second, the research scopes only 4-5 gated community in Kurdistan Region of Iraq where there are already more than 20 gated communities currently. Due to the lack of availabilities and resources a long with the reluctance of residents to fill the questionnaire, we couldn't scope more gated community in the study. The further studies can consider this point.

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