

Service Quality, Customer Satisfaction, and Customer Loyalty: A Comprehensive Literature Review (1993-2016)

Syedhossein Nikou^{#1}, Harihodin Bin Selamat^{#2}, Rasimah Che Mohd Yusoff^{#3}

Mohsen Malekalketab Khiabani^{#4}

#1, #2, and #3: Advanced Informatics School, University Technology Malaysia, 54100 Kuala Lumpur, Malaysia

#4 International Business School, University Technology Malaysia, 54100 Kuala Lumpur, Malaysia

Correspondence: hnseyed3@live.utm.my

Abstract

The importance of service quality in service industries is inevitable and relationships among service quality, customer satisfaction, and customer loyalty have been investigated by previous scholars and their consistencies have been supported by Stimuli-Organism-Response (SOR) theory proposed by (Mehrabian and Russell 1974). The major purpose of present review article is to review some selective studies of which have been conducted by scholars on the relationship among service quality, customer satisfaction and customer loyalty in different service industries in different countries. In order to achieve this, various valid studies from 1993 to 2016 will be searched and reviewed in details by authors of this article. Then, SOR theory will also be explained. Findings of this scientific review article indicate information about each reviewed study and what can be found there and how can help. It is noteworthy to mention that this article will be really beneficial for those academics and individuals who would like to start a research on this research era which is considerable relationship among service quality, customer satisfaction, and customer loyalty. Hopefully, this review article will bring initial insights into managers' perspectives in different kinds of service industries in order to inject them importance of service quality and its determination on customer satisfaction and consequently customer loyalty.

Keywords: Service quality, customer satisfaction, customer loyalty, service industry, SOR theory

Corresponding Author: (Syedhossein Nikou) email: hnseyed3@live.utm.my

1. Introduction

In a competitive era, all business entities are looking for a way to gain a competitive advantage and dominate the market or even survive them. Among different kinds of business industries, service industries are known and can be recognized by offering high quality of services and attracting consumer's intention and loyalty. Therefore, it can be stated that customer service in service industry is everything.

By reviewing literature, it can be asserted that since study by (Parasuraman, Zeithaml et al. 1988), many scholars have conducted studies on the relationship among service quality, customer satisfaction, and loyalty of which will be reviewed in the literature review part of this scientific article. It is notable that prediction of service quality on attracting behavioral intention, satisfaction, and loyalty to the service industries has also attracted researchers' attention. The examples here are: according to the (Taylor and Baker 1994)'s research "Service quality and customer satisfaction are widely recognized as key influences in the formation of consumers' purchase intentions in service environments. Besides, the results of study by (Gotlieb, Grewal et al. 1994) supported that perceived quality affects satisfaction and behavioral intentions are affected by satisfaction. To sum up, authors of this article can deduce that role of service quality on satisfying consumers and their loyalty to the service industries is unavoidable.

In the present scientific review article, firstly; selective studies from 1993 to 2016 will be reviewed. Secondly, SOR theory will be stated. Thirdly, sources of data in order to achieve a sufficient bibliography for completion of this review article will be explained. Finally, article will be finalized by conclusion part and stating conclusion and comparison of findings of reviewed studies and then, stating originality and value of present scientific review article.

2. Literature Review

2.1 Review of Selective Studies from 1993 to 2016

At this stage, it is significant to emphasize that customer loyalty has attracted researchers' attention in service industry and many studies have been conducted by scholars in order to investigate the determinants of customer loyalty in service industry. Therefore, in this section, authors of this article have a logical plan to select studies of which have been conducted in service industry such as automobile industry, hospitality industry and etc.; and review them in depth including stating authors, year, scope or location, research problem, research model, methodology, kind of data analysis, findings and contribution of each research to the service industry, in order to achieve a comprehensive literature review.

(Boulding, Kalra et al. 1993) conducted an exploratory study entitled "A dynamic process model of service quality: from expectations to behavioral intentions". The purpose of this investigation by (Boulding, Kalra et al. 1993) was to develop a behavioral process model of perceived service quality. The model developed by (Boulding, Kalra et al. 1993) was tested by them firstly with data from longitudinal laboratory experiment. Secondly, development of a method for estimating the model one-time survey data. Thirdly, re-estimating the model using such data collected in a field study. Empirical findings from testing the model developed by (Boulding, Kalra et al. 1993) supported that service quality positively affect intended behaviors.(Boulding, Kalra et al. 1993).

(Anderson and Sullivan 1993) conducted a study entitled “The Antecedents and Consequences of Customer Satisfaction for Firms”. The research aimed to investigate antecedents and consequences of customer satisfaction. (Anderson and Sullivan 1993) developed a model to link explicitly the antecedents and consequences of satisfaction in a utility-oriented framework. They estimated and tested the model against alternative hypotheses from the satisfaction literature. In the process, a unique database was analyzed: a nationally representative survey of 22,300 customers of a variety of major products and services in Sweden in 1989–1990. Several well-known experimental findings of satisfaction research were tested in a field setting of national scope. For example, (Anderson and Sullivan 1993) found out that satisfaction is best specified as a function of perceived quality and “disconfirmation”—the extent to which perceived quality fails to match pre-purchase expectations. Surprisingly, expectations did not directly affect satisfaction, as was often suggested in the satisfaction literature. In addition, (Anderson and Sullivan 1993) found out quality which falls short of expectations had a greater impact on satisfaction and repurchase intentions than quality which exceeds expectations. Moreover, (Anderson and Sullivan 1993) found out that disconfirmation was more likely to occur when quality was easy to evaluate. Finally, in terms of systematic variation across firms, (Anderson and Sullivan 1993) found out the elasticity of repurchase intentions with respect to satisfaction to be lower for firms that provide high satisfaction. This implies a long-run reputation effect insulating firms which consistently provide high satisfaction.(Anderson and Sullivan 1993)

(Gotlieb, Grewal et al. 1994) conducted a study under the title “Consumer satisfaction and perceived quality: complementary or divergent constructs?” The study discusses the conflicting models those exist in the literature of the process through which perceived quality and/or satisfaction affect behavioral intentions. In 1994, virtually no theoretical framework had been explicitly developed to help integrating perceived quality models with satisfaction models. (Gotlieb, Grewal et al. 1994) applied a theoretical framework to help building a model that attempts to explain the relationships among disconfirmation of expectations, perceived quality, satisfaction, perceived situational control, and behavioral intentions. The study compared the ability of two models to help explain the relationship among these variables. The results of the study suggested that the focal and contextual dimensions of disconfirmation of expectations affect perceived quality enroute to their influence on behavioral intentions. Additionally, the results supported that perceived quality affects satisfaction and behavioral intentions are affected by satisfaction.(Gotlieb, Grewal et al. 1994)

(Taylor and Baker 1994) conducted a study entitled “An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions”. According to the (Taylor and Baker 1994)’s research “Service quality and customer satisfaction are widely recognized as key influences in the formation of consumers' purchase intentions in service environments. However, a review of the existing literature suggests that the specific nature of the relationship between these important constructs in the determination of consumers' purchase intentions continues to elude marketing scholars (Bitner, Hubbert et al. 1994); (Bolton and Drew 1994); (Dabholkar 1996); (Oliver, Rust et al. 1997). The study was designed to aid in the understanding of these relationships by empirically assessing the nature of the relationship between service quality and consumer satisfaction in the formation of consumers' purchase intentions across four unique service industries. The results of the current research, coupled with the weight of the evidence in the emerging services literature, suggested that consumer

satisfaction is best described as moderating the service quality/purchase intention relationship”(Taylor and Baker 1994).

(Bei and Chiao 2001) conducted a study in Taiwan in order to examine the direct effect of perceived product quality and perceived fairness price on customer loyalty. Furthermore, the scholars examined the effects of perceived product quality, perceived service quality and perceived fairness price on customer loyalty through customer satisfaction. The research problem in this study is referred to customer loyalty in Taiwanese automobile companies which are three major auto firms Mitsubishi, Nissan and Toyota. It is worthwhile noting that Taiwan's car market has been dominated by these mentioned firms. (Bei and Chiao 2001) took quantitative approach and survey was conducted on 495 customers in 15 repair centers of three major auto firms Mitsubishi, Nissan and Toyota. Data analysis was processed through powerful technique Structural Equation Modeling (SEM) via LISREL program by running confirmatory factor analysis (CFA). The finding of the study indicated that perceived service quality mainly affects customer loyalty through customer satisfaction. the results was in line with scholars (Boulding, Kalra et al. 1993), (Taylor and Baker 1994), and (Parasuraman, Zeithaml et al. 1988) those who believed that service quality has positive effect on customer loyalty thorough customer satisfaction but, the findings were in consist with scholars such as Anderson and Sullivan (1993) and (Gotlieb, Grewal et al. 1994) those who revealed that service quality has a direct effect on customer loyalty.

(Al-Rousan and Mohamed 2010) conducted a study entitled “Customer Loyalty and the Impacts of Service Quality: The Case of Five Star Hotels in Jordan” to examine the effect of tourism service quality at five star hotels in Jordan. The purpose of their study was to show the relationship between dimensions of tourism service quality and customer loyalty in the Jordanian Five stars hotels. The applied questionnaire for service quality was a self-administered questionnaire which was an adopted model of SERVQUAL scale (Parasuraman, Berry et al. 1991). Questionnaire design was based on the five dimensions of service quality (including tangibility, reliability, responsiveness, assurance, and empathy) with 23 items of SERVQUAL model (Parasuraman, Berry et al. 1991). The questionnaire of loyalty with seven items was adopted from (Zeithaml, Berry et al. 1996) and (Ndubisi 2003). The measurement grades of scale were based on five point Likert scale. They distributed their questionnaires among the tourists who stayed in three Marriot hotel located in three cities during the summer of 2008, for three months, in Jordan (Al-Rousan and Mohamed 2010). 322 questionnaires were completed in the presence of the scholars. In order to analyze the data, SPSS version 16.0 was used and also various statistical techniques including: factor analysis, validity, reliability, and multiple regression analyses were performed to test and analyze the data. The findings showed that the four dimensions of service quality involving tangibility, empathy, reliability, and responsiveness predict customer loyalty significantly but assurance with $\beta = .072$, $p > 0.05$; $t\text{-value} = 1.431$ didn't have significant relationship with the customer loyalty. Furthermore, the findings of the study indicated that tangibility was the most remarkable factor in predicting the evaluation of tourism service quality which followed by empathy, reliability, and responsiveness respectively (Al-Rousan and Mohamed 2010).

(Gupta and Srivastava 2011) conducted a study in India in order to propose a method for evaluating hotel service quality in India especially case of Taj Lake Palace hotel which is located in Udaipur, India. (Gupta and Srivastava 2011) based the research model of their study on

American Customer Satisfaction Index Model (ACSI model). The ACSI model contains drivers of satisfaction on the left side (customer expectations, perceived quality, and perceived value), satisfaction (ACSI) in the center, and outcomes of satisfaction on the right side (customer complaints and customer loyalty, including customer retention and price tolerance). Combined ACSI model with the feature of hotel industry, a hotel service quality based on Customer Satisfaction model (HSQ-CS model) was built by (Gupta and Srivastava 2011) to acquire the customer perceived hotel service quality. Authors took quantitative approach and distributed 250 questionnaires among guests of Taj Lake Palace hotel which is located in Udaipur, India. From 250 questionnaires, 182 of them were returned. It is notable to mention that after proposing HSQ-CS model, questionnaire was designed. (Gupta and Srivastava 2011) utilized SPSS software and conducted reliability tests for variables, descriptive statistics for demographic part. Then, used series of mathematic methods such as Analytic Hierarchy Process (AHP) to value the weights of variables, coefficient analysis and discriminant analysis were applied in the analysis of survey data. The results of testing HSQ-CS model in the Taj Lake Palace hotel that is a five-star hotel which can be regarded as luxury hotel represented that: 1) Service quality of reception hall was most important for customer satisfaction compared with those of guestroom and restaurant. 2) "Technique of attendants", "Service initiative of attendants" and "Environment and decoration of reception hall" were key variables for customer satisfaction of reception hall. 3) For guestroom, "Decoration of room", "Safety of room" and "Courtesy of attendants" had most powerful influences. 4) For restaurant, key variables were "Taste and variety of food", "Service flexibility of waiters/waitresses" and "Environment of restaurant". The study by (Gupta and Srivastava 2011) was an practical method for hotel managers in order to maximize and improve hotel service quality.

(Es 2012) conducted a research entitled "The Relationship between Service Quality and Customer Loyalty, and its Influence on Business Model Design, A study in the Dutch Automotive Industry" in order to identify the effect of service quality on customer loyalty as dependent variable or research problem in study, directly and through customer satisfaction. The purpose of this study was to find a well-argued answer to the main research question: To what extent does service quality influence on customer loyalty? Also, this study sought to know whether the relationship between service quality and customer loyalty can be mediated by customer satisfaction. To present an answer to the main research question, service quality and customer loyalty are operationalized within the Dutch business-to-business automotive industry. This research used five dimensions to measure service quality: tangibles, empathy, reliability, assurance and responsiveness (Parasuraman, Zeithaml et al. 1988). Data analysis was run through SPSS software by running correlation and regression analysis. The results of the study indicated that there is a direct and positive relationship between service quality and customer loyalty. Moreover, the results of mediating test suggest that there is a relative small mediation effect of customer satisfaction. However, the Sobel test, which calculates the significance of this mediation effect, shows that the small mediation effect is not significant. The study concluded that customer satisfaction has no added value in the relationship between service quality and customer loyalty.

(Li and Jarinto 2012) conducted a study in the Yunnan province of China entitled "Service Is Power: Exploring Service Quality in Hotel's Business, Yunnan, China" with the purpose of evaluating the quality of service in Yunnan's hotel industry and to investigate the effects of changes in service quality on customer satisfaction, customer loyalty and hotel brand image. (Li

and Jarinto 2012) took mixed method approach involving qualitative and quantitative methodologies. The research model in the study by (Li and Jarinto 2012) consisted of service quality, customer satisfaction, customer loyalty, and brand image. (Li and Jarinto 2012) formulated hypotheses of their study in relation with research model and relevant literature which support consistency amongst variables. In order to test hypotheses and achieving research objectives, qualitative data collection was applied via face-to-face interviews with 10 to 15 customers at one of the target hotels. It is notable to mention that interview took 30 to 45 minutes per person. For the case of quantitative methodology, (Li and Jarinto 2012) distributed 800 questionnaires in total and 412 complete copies were returned. In order to achieve the results and testing hypotheses, SEM technique which is a powerful method for data processing was utilized by (Li and Jarinto 2012). The findings indicated that: Firstly, service quality has a positive effect on customer satisfaction, customer loyalty and negative impact on brand image. Secondly, customer satisfaction has positive effects on customer loyalty and brand image. Thirdly, customer loyalty has a positive effect on brand image. The research conducted by (Li and Jarinto 2012) brought practical and helpful insights for hotels' managers in the Yunnan province of China.

(Haq 2012) conducted a study in Pakistan entitled "Satisfaction towards Customer Loyalty in Auto-Mobile Industry of Pakistan" with the purpose of investigating the factors affecting the brand loyalty of the customers of Auto-mobile industry in region of Pakistan with the use of European Customer Satisfaction Index (ECSI) model. The research problem in the study by (Haq 2012) is referred to customer loyalty in automobile industry in Pakistan. Authors in the study took quantitative approach involving distribution of 226 questionnaires among respondents. It is notable that a number of 226 respondents filled the questionnaires. The average respondent was 35 years of age, and had 14 years of schooling. Out of 226 respondents 197, that is 87%, were male respondents. Out of total respondents, 103 Individual clients, 24 Institutional clients, 46 big clients, 36 Medium clients and only 7 Small clients participated in the study. Data analysis was run through SEM via AMOS program by running CFA. Firstly, the results indicated that customer expectation positively and directly influences on perceived quality, perceived value and customer satisfaction. Secondly, Perceived quality has an insignificant effect on customer satisfaction. Thirdly, Customer trust has a negative impact on customer loyalty. Fourthly, Customer education has a positive impact on customer loyalty and customer satisfaction. And finally the customer satisfaction has a direct and strong relation with customer loyalty. More satisfied customers are more loyal to the firm(Haq 2012).

One of the studies that have been conducted in the field of service quality is the study of (Prentice 2013) entitled "Service quality perceptions and customer loyalty in casinos". The purpose of this study was to investigate, in an Asian casino; the relationship among service quality of casino, player segments, and customer loyalty. This casino located in South-east Asia. As this study had an exploratory nature so (Prentice 2013) applied a qualitative approach through group interviews with gamblers in different segments such as General, International, and VIP Gaming Room. In order to investigate player or gambler perception of casino service quality, (Prentice 2013) adopted 22 performance-based items of SERVQUAL with five dimensions including tangibles, reliability, responsiveness, assurance, and empathy. Also, to suit the context of research, she reworded the items and conducted semi-structured interviews for the focus groups. In general, the interview results of study was shown the negative perceptions of respondents about the overall service quality of casino. Additionally, the findings of this study

have clarified that the effects of different dimensions of service quality on customer loyalty differed across various segments.

(Saleem and Raja 2014) In the study presented by them entitled “The Impact of Service Quality on Customer Satisfaction, Customer Loyalty and Brand Image: Evidence from Hotel Industry of Pakistan”. The hotel industry of Pakistan was considered for conducting the purpose of this study which was to investigate the influence of service quality on customer satisfaction and loyalty, and brand image. 250 questionnaires distributed among the customers of 8 hotels from 3 to 5 stars in different cities of Pakistan. A quantitative method was taken to collect the data also, to measure and analyze these data SPSS 19 and structural equation modeling (SEM) technique was applied. (Saleem and Raja 2014) employed the questionnaire with 52 questions which was used by (Li and Jarinto 2012). The findings indicated the positive and significant link between service quality and satisfaction of customer as well as service quality and customer loyalty. Besides, it was found a significant impact of customer satisfaction on customer loyalty. Also, customer satisfaction and brand image had the positive relationship as well as customer loyalty and brand image. Therefore, (Saleem and Raja 2014) stated that the service quality of the hotels can increase the customer loyalty and ,in turn; the loyalty of customers can enhance the perception of the brand image.

“Service quality, service convenience, price and fairness, customer loyalty, and the mediating role of customer satisfaction” was a study conducted by (Kaura, Durga Prasad et al. 2015). The aim of this study was to examine the impact of service quality, perceived price and fairness, and service convenience on customer loyalty by considering the mediating role of customer satisfaction variable in Indian retail banking sector. For this purpose, 445 urban customers of retailing bank in public and new private banks located in Rajasthan in India were chosen. The selected customers had some criteria including: who have frequently visited bank premises for their transactions; who have maintained their accounts in at least two banks; that were using at least one IT-based service such as mobile and internet banking, ATM and so on. Out of 445 respondents, 234 were from public banks and 211 customers were from new private banks. The designed method to conduct the study had a quantitative approach. To measure customer satisfaction, a three-items scale developed by (Cronin, Brady et al. 2000); and for measuring service quality with three dimensions involving: employee behavior, tangibility, and IT, 15-items scale based on (Lenka, Suar et al. 2009) and (Sureshchandar, Rajendran et al. 2001) were used. Furthermore, to measure service convenience with its five dimensions including: decision, access, transaction, benefit and post-benefit convenience, 17-items scale developed by (Colwell, Aung et al. 2008) was applied. The other measurement scale was for perceived price and fairness with six-items. Three of them adopted from (Hallowell 1996) and the next three items developed by the author (Kaura, Durga Prasad et al. 2015). Finally, customer loyalty scale with five-items adopted from (Zeithaml, Berry et al. 1996). SPSS was used for data analysis and data were analyzed through factor analysis and regression analyses (Kaura, Durga Prasad et al. 2015). The results of this research revealed the influence of service quality, perceived price and fairness, and service convenience on customer loyalty. Moreover, the mediating role of customer satisfaction was shown between its antecedents and loyalty of customer. Regarding the dimensions, employee behavior and IT had positive impact on customer satisfaction and loyalty; while tangibility did not show significant effect on customer satisfaction and loyalty. Also, perceived price, access, transaction, benefit, and decision convenience had significant effect on customer satisfaction and loyalty. But post-benefit convenience did not have influence on customer

loyalty. In addition, customer satisfaction was shown as mediating variable between its antecedents (except two dimensions, tangibility and post-benefit convenience) and customer loyalty (Kaura, Durga Prasad et al. 2015).

(Izogo and Ogba 2015) In their study on “Service quality, customer satisfaction and loyalty in automobile repair services sector” tried to explore the dimensional structure of SERVQUAL scale in the services of Nigerian automobile repair sector and, to establish the influence of dimensions of service quality on customer satisfaction and loyalty as twofold purpose of their research. A quantitative method and SPSS were employed to conduct the study. Out of the 32 items of the questionnaire, 22 items was to measure service quality, 5 items for measuring customer satisfaction, and five items was measured customer loyalty. All measures employed in this questionnaire adopted and modified from current scales based on (Parasuraman, Zeithaml et al. 1994); (Zeithaml, Berry et al. 1996); (Brady, Cronin et al. 2002); (Olorunniwo and Hsu 2006). The results obtained from 215 questionnaires. To measure scale suitability, usability and strength/direction of association, data analyzed by using exploratory factor analysis, Cronbach’s α internal consistency and γ test, respectively. The outcomes suggested that in the automobile services sector, the dimensional structure of the SERVQUAL scale did not match the results of previous reports. In reality, commitment was shown as a new different dimension of service quality. Besides, the outcomes revealed that service quality dimensions were significant predictors of customer satisfaction and loyalty. Also the commitment as a new dimension had the greatest degree of this impact.

A study in the Thailand telecommunications industry was carried out by (Quach, Thaichon et al. 2016) entitled “Internet service providers' service quality and its effect on customer loyalty of different usage patterns”. (Quach, Thaichon et al. 2016) expressed the objectives of study as: to find the link between the specific dimensions of service quality for residential internet services and customer loyalty in both behavioral and attitudinal loyalty; Besides, to evaluate the differences between these users as light, medium and heavy users and finally, provide some managerial implications to internet service providers (ISP’s). Light users were who spent less than 9 hour on the internet every week; heavy users were who spent more than 29 hour on the internet weekly; and medium users were who used internet between 9 to 29 hour per week. Furthermore, ISP’s service quality dimensions involved network quality, customer service, information quality security and privacy. In order to design the online survey, the authors used four different scales related to information and website included: connection quality scale adopted from (Vlachos and Vrechopoulos 2008), the customer service scale taken from (Wolfenbarger and Gilly 2003), information quality scale selected from (Kim and Niehm 2009), privacy scale selected from (Vlachos and Vrechopoulos 2008); also, loyalty scale adopted from (Kim and Niehm 2009) for measuring attitudinal loyalty, also behavioral loyalty scale and complaining behavior scale selected from (Zeithaml, Berry et al. 1996). Data collected from 1231 residential internet users in Thailand in 2013. To examine the research model, SEM technique was applied and AMOS version 20 was employed to analyze the data. The findings of study showed that all dimensions of service quality related to attitudinal and behavioral loyalty except customer service and technical support; while information and website support was the best predictor of both attitudinal and behavioral loyalty of customers. Moreover, the positive and significant impact of information and website support on behavioral loyalty of both light and heavy internet users through attitudinal users was manifested; while among medium users, information and website support showed a direct and significant negative impact on behavioral

loyalty. In addition, the relationship between the dimensions of ISP's service quality was mediated by attitudinal loyalty (Quach, Thaichon et al. 2016).

For further clarification, table 1 contains summarized information related to selective studies from 1993 to 2016.

Table 1: Summarized Information of Reviewed Studies

NO	Author(s)/Date/ Country	Title	Research Problem	Research Model	Research Method	Research Results
1	(Boulding, Kalra et al. 1993)	A dynamic process model of service quality: from expectations to behavioral intentions	Behavioral intentions of consumers	Developing behavioral process model of perceived service quality	data from longitudinal laboratory experiment	Service quality positively affects intended behaviors.
2	(Anderson and Sullivan 1993)	The Antecedents and Consequences of Customer Satisfaction for Firms	Consumer behavior	antecedents and consequences of satisfaction in a utility-oriented framework	a nationally representative survey of 22,300 customers of a variety of major products and services in Sweden in 1989–1990	Expectations did not directly affect satisfaction, as was often suggested in the satisfaction literature. <i>(Contradiction in the results in comparison with other studies)</i>
3	(Gotlieb, Grewal et al. 1994)	Consumer satisfaction and perceived quality: complementary or divergent constructs?	Consumer behavior	Disconfirmation of expectations, perceived quality, satisfaction, perceived situational control, and behavioral intentions	integrating perceived quality models with satisfaction models by (Gotlieb, Grewal et al. 1994)	Disconfirmation of expectations affect perceived quality enroute to their influence on behavioral intentions. And perceived quality affects satisfaction and behavioral intentions are affected by satisfaction
4	(Taylor and Baker 1994)	An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions	Consumer behavior including purchase intentions	Service quality and customer satisfaction as key influences in the formation of consumers' purchase intentions in service environments.	empirically assessment across four unique service industries	Consumer satisfaction is best described as moderating the service quality/purchase intention relationship.
5	(Bei and Chiao 2001)/Taiwan	An integrated model for the effects of perceived product, perceived service quality, and perceived price fairness on consumer satisfaction and loyalty	Customer loyalty as dependent variable in three major auto firms Mitsubishi, Nissan and Toyota in Taiwan	perceived product quality, perceived fairness price, Perceived service quality and customer satisfaction as mediation	Quantitative approach, 495 customers in 15 repair centers of three major auto firms Mitsubishi, Nissan and Toyota.	Perceived service quality mainly affects customer loyalty through customer satisfaction.
6	(Al-Rousan and Mohamed 2010)/ Jordan	"Customer Loyalty and the Impacts of Service Quality: The Case of Five Star Hotels in Jordan"	Customer loyalty as dependent variable at Five Star Hotels in Jordan	Service quality as independent variable and Customer loyalty as dependent variable	Quantitative approach using a self-administered questionnaire	All dimensions of service quality predict customer loyalty significantly except assurance In addition tangibility was the most remarkable factor in predicting the evaluation of tourism service quality
7	(Gupta and Srivastava 2011)/India	ANALYSIS OF CUSTOMER SATISFACTION IN HOTEL SERVICE QUALITY USING ANALYTIC HIERARCHY PROCESS (AHP)	Customer intended behavior(customer satisfaction, customer loyalty, and customer complaint)	HSQ-CS model based on ACSI model	Quantitative approach, distribution of 182 questionnaires among guests of Taj Lake Palace hotel which is located in Udaipur, India	As stated in review of article earlier
8	(Es 2012)/Dutch	The Relationship between Service Quality and Customer Loyalty, and its Influence on Business Model Design, A study in the Dutch Automotive Industry	Customer loyalty as dependent variable in the Dutch Automotive Industry	Service quality, customer satisfaction and customer loyalty	Quantitative approach using a self-administered questionnaire	Direct and positive relationship between service quality and customer loyalty. And small mediation effect of customer satisfaction
9	(Li and Jarinto	Service Is Power:	Brand image and	service quality, customer	mixed method	Positive impact and

	2012)/ Yunnan province of China	Exploring Service Quality in Hotel's Business, Yunnan, China	customer loyalty as determinant of brand image	satisfaction, customer loyalty, and brand image	approach involving qualitative and quantitative methodologies	supporting hypotheses of the study except negative impact of service quality on brand image
10	(Haq 2012)/Pakistan	Satisfaction towards Customer Loyalty in Auto-Mobile Industry of Pakistan	Customer loyalty as dependent variable in Auto-Mobile Industry of Pakistan	As illustrated in figure of review of related article	Quantitative approach involving distribution of 226 questionnaires	As stated in review of article earlier. Perceived quality has an insignificant effect on customer satisfaction. <i>(Contradiction in the results in comparison with other studies)</i>
11	(Prentice 2013)/south-east Asia	"Service quality perceptions and customer loyalty in casinos"	Customer loyalty as dependent variable in an Asian casino	Service quality as independent variable and Customer loyalty as dependent variable	Qualitative approach	the negative perceptions of respondents about the overall service quality of casino and The loyalty level of players differed in different segments.
12	(Saleem and Raja 2014)/ Pakistan	"The Impact of Service Quality on Customer Satisfaction, Customer Loyalty and Brand Image: Evidence from Hotel Industry of Pakistan"	Brand image as dependent variable in hotel industry of Pakistan. Customer loyalty is also as predictor of brand image	Service quality, customer satisfaction, and customer loyalty as independent variables and brand image as dependent variable	Quantitative approach	Service quality of the hotels can increase the customer satisfaction and loyalty and, in turn, the loyalty of customers can enhance the perception of the brand image.
13	(Kaura, Durga Prasad et al. 2015)/India	"Service quality, service convenience, price and fairness, customer loyalty, and the mediating role of customer satisfaction"	Customer loyalty as dependent variable in Indian retail banking sector	Service quality, service convenience, price and fairness as independent variable and Customer loyalty as dependent variable And customer satisfaction as mediating variable	Quantitative approach	The significant influence of service quality, perceived price and fairness, and service convenience on customer loyalty through mediating variable of customer satisfaction
14	(Izogo and Ogba 2015)/Nigeria	"Service quality, customer satisfaction and loyalty in automobile repair services sector"	Customer loyalty as dependent variable in Nigerian automobile repair services	Service quality as independent variable and Customer satisfaction and customer loyalty as dependent variables	Quantitative approach	Service quality dimensions were significant predictors of customer satisfaction and loyalty also the commitment as a new dimension had the greatest degree of this impact.
15	(Quach, Thaichon et al. 2016)/ Thailand	"Internet service providers' service quality and its effect on customer loyalty of different usage patterns"	Customer loyalty as dependent variable in the Thailand telecommunications industry	Service quality as independent variable and Customer loyalty as dependent variable	Quantitative approach	all dimensions of service quality related to attitudinal and behavioral loyalty except customer service and technical support And There was positive and significant impact of information and website support on behavioral loyalty of light and heavy users

2.2 Stimulus-Organism-Response (SOR) Theory

(Mehrabian and Russell 1974) Proposed (SOR) theory, the paradigm posits that stimuli from environments affect an individual's cognitive and affective reactions, which in turn lead to some behavior (Mehrabian and Russell 1974). This paradigm has been widely applied to consumer behavior studies. The SOR paradigm has been used to investigate shopping outcomes of online stores. The atmospheric cues work as the stimuli that influence shoppers' emotional and cognitive states, and then lead to the response. The approach/avoidance behavior (Eroglu, Machleit et al. 2003). A similar model (also based on the SOR) was constructed recently to

examine the effects of web atmospheric cues on users' emotional responses on their purchasing intentions in e-commerce. It is found that vividness and interactivity have significant positive effects on users' valence and arousal rates (Sheng and Joqinapelly 2012).

In the model "S" as stimulus of environmental features to "R" as response for approach or avoid behavioral intention (BI) via the "O" which is organism as emotions of customers that is internally generated. Emotional organism is a mediator that discourages the approach or avoids behavioral intention (Chow, Tan et al. 2012, Kumar and Barani 2012). The SOR model of linked (Mehrabian and Russell 1974) physical environment to the individual behavioral intention effect. Baker *et al.*(1992) and Donovan and Rossiter (1982) implemented this model in retail environments like service centers and customer repurchase behavior.

Such behavioral intention includes patronage and search via word-of-mouth. The assertion is supported by other researchers who stated that clients use tangible environment such as employee service to evaluate service quality (Chow, Lau et al. 2007, Ryu and Han 2011). The vital attributes result on client's perceptions of high quality of service, in turn; enhances customer satisfaction and customer loyalty for patronage. A good quality of service is no longer an attraction even with low price for business success (Luk, Sharma et al. 2013), most especially in hotel industry where customers desire and use tangible environment. Today's customers are now sophisticated and are familiar with hotel service such that it takes more than the normal service quality to satisfy them. Thus, there is no room for poor service in the service jobs rendered to customers. This implies that an overall excellent servicing experience via good excellent atmosphere as well as high-quality employee service is needed to achieve customer satisfaction. Hotel service quality and customer satisfaction are prerequisites for customer's loyalty, repeat servicing and word-of-mouth in a positive manner (Han and Ryu 2009, Liu and Jang 2009). The intense market competitiveness is presumed as a key to gain competitive advantage depending on high-quality service delivery that leads to customer satisfaction (Han and Ryu 2009). In retail business, the variables of atmosphere are the stimuli that drive clients' internal emotional state of organism to influence behavioral intention response (Kim and Lennon 2010).

The avoidance behavior is to escape from the environment by ignoring other services (Donovan and Rossiter 1982). Previous studies had applied (Mehrabian and Russell 1974)'s model based on the role of environmental stimuli as a predictor of emotional response, like arousal or pleasure as well as customer behaviors' predictor, such as more purchases on cosmetic accessory or spare parts (Donovan, Rossiter et al. 1994, Wakefield and Blodgett 1996). Although (Mehrabian and Russell 1974)'s model had contributed greatly to literature, it is still insufficient when it comes to the use of environment as stimuli for customers' perception of quality, which is a subset of service stimuli.

Furthermore, other services also have vital roles as well. For instance, in a service center for automobile, genuine spare parts and the mechanic's skill of installation are a set of stimuli couple with physical workshop environment will be a predictor to emotional response for future behavior (Tseng 2007, Halinen 2012). For that hedonic or pleasure nature of quality of service in hotel industry, there is an influence of inclusion, control and affection to moderate satisfaction creation for future revisit intention. Hence, the service provider's employees are another

component of service quality for hotel industry. Figure 1 shows the SOR theory as suggested by (Mehrabian and Russell 1974).

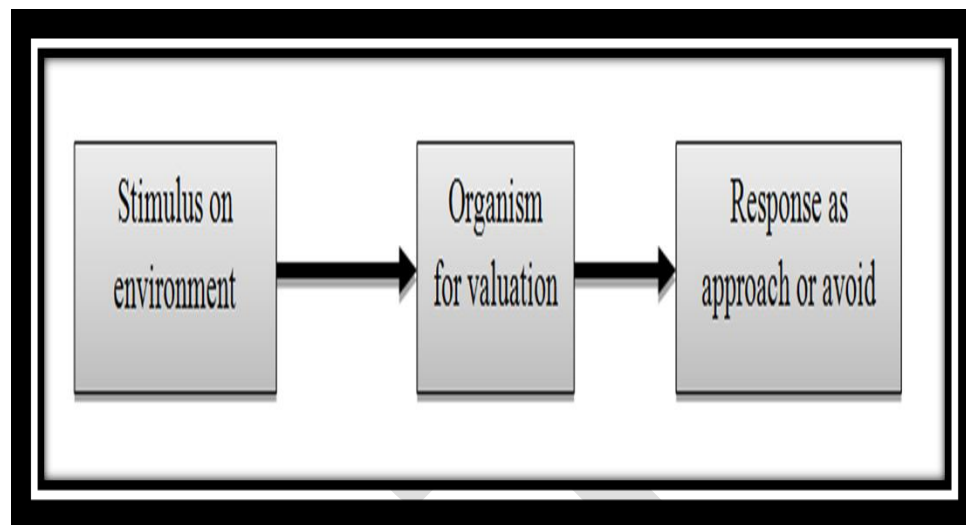


Figure 1: SOR Theory Adapted from (Mehrabian and Russell 1974)

3. Sources of Data

As the nature of research on service quality and its impact on customer satisfaction and loyalty is difficult to confine to specific disciplines, the relevant materials are scattered across various journals. Hospitality, Consumer behavior, Retailing, Business and Management, Business Research and Marketing Studies are some common academic disciplines for mentioned research. Consequently, the following online journal databases were searched to provide a comprehensive bibliography of the academic literature for this scientific review article:

- Academic Search Premier;
- Business Source Premier;
- Emerald Full text and Emerald insight;
- Taylor & Francis;
- Sage Publication;
- EBSCO;
- Web of Knowledge and Google Scholar;
- ProQuest (USA Thesis);
- Directory of Open Access Journals (DOAJ);

As can be seen in the literature review (section 2.1), selective articles were reviewed in-depth from 1993 to 2016 and SOR theory was explained in (Section 2.2) in order to achieve a comprehensive literature involving review of relevant studies and background of theoretical knowledge.

4. Conclusion

The above review of relevant previous studies was an in-depth review in literature on identifying determination of service quality on customer loyalty in service industries exclusively from 1993 to 2016. Determination of service quality and its dimensions introduced by (Parasuraman, Zeithaml et al. 1988) of which is a highly cited study, and based on review of previous studies as done earlier in literature review part of this review article; it can be asserted that many scholars have followed studies by (Parasuraman, Zeithaml et al. 1988) in order to measure service quality and its prediction on customer satisfaction and customer loyalty. Service quality is significant determinant and presumably the most important ones of which has attracted researchers' attention in different service industries in different countries within different scopes since introducing SERVQUAL model by (Parasuraman, Zeithaml et al. 1988).

In addition, by reviewing the above literature, it can be deduced that customer loyalty has attracted researchers' attention and many scholars have focused on the significant role of customer loyalty in different service industries such as airlines, hospitality industries, and telecommunication industries, banking industries and other service industries.

Therefore, it can be stated that studies conducted by scholars have had their own contribution to the body of knowledge in this research era and have had provided initial insights for managers in different service industries as mentioned in each reviewed study.

According to the reviewed studies, it is worthwhile noting that many studies conducted by scholars supported that service quality leads to customer satisfaction and consequently customer loyalty. However, there are some inconsistencies among results of reviewed studies as (Anderson and Sullivan 1993, Haq 2012). Therefore, it can be stated that results of all studies are not synchronized. And there are inconsistencies among results of them. But findings of many of them support the notion that service quality has strong prediction on customer satisfaction and satisfied customer will bring loyalty of customer to the service industries.

Finally, authors of article would like to state that originality and contribution of this review study, which is really beneficial and practical for academics, individuals, and managers within service industries that are willing to implement a basic strategy in order to increase profitability and revenue of their industries through role of service quality and enhancing the level of offering services.

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