The impact of Umrah service quality on customer satisfaction towards Umrah travel agents in Malaysia

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1. Introduction

Service quality (SQ) is one of the key factors and result oriented strategies to satisfy customers and convince them to become loyal customers by delivering quality based products and services to reach their needs and desires. To overcome any uncertainties and win the competitions marathon within the industry; a nonstop and continual improvement in the quality of offered products and services is needed. According to Rajaratnam et al. (2014) in the industry of Umrah travel most of the agents deliver their customers with some common services but different service quality is the key factor in gaining competitive advantage. Due to the fact that there are many organizations offering Umrah travel services to offer their services, the customers have the opportunity to choose the agents with quality-based services with comparatively lesser prices. To succeed in the industry the Umrah travel agents need to improve their responsibilities along through offering better services (Hassan et al., 2016). While according to Othman et al., (2018) the services of Umrah traveling is many Muslim countries is managed by the governments their
self and many of them have less competent human resources and budgets. Further with regret this may lead to customer’s dissatisfaction. Maula (2016) argues that customer’s satisfaction is achieved when the quality of services provided meets the customer’s expectations. Thus according to Kant and Jaiswal (2017), service quality actually is a quality service where clients, users or customers perceived when measured against their expectations before receiving buying the service. So, the Malaysian Umrah travel agencies must pay attention to find a solution to increase the customer satisfaction and decrease the dispute cases or customers dissatisfaction. Travel agents acts as an intermediary between consumers (traveller’s perspectives) and producers (such as airlines, hotels). The industry in Malaysia has seen some considerable alliances and mergers, but still some of the agencies are working independently and running their small businesses which gets most of the revenue from commission paid by producers. The customer or prospective travellers who deal with an agency often get effective and good personal service, the travellers can also benefit from the agents’ expertise (Othman et al. 2019). Therefore, the intention of this paper is to discover the perception of Umrah travel agents regarding the impact of service quality (SQ) on customer satisfaction (CS) in Malaysia.

2. Literature Review

The role of the service quality in the Umrah travel service customers has widely been discussed in the literature so far. This part of the papers provides some up to date knowledge and information regarding SQ and CS the existing literature.

2.1 Service Quality

According to Kumar (2018) providing services is a nonstop process of interaction between service providers and the customers, these services consist of various intangible activities for the solutions of customers’ problems, in exchange of either systems useful financial or physical resources. Maula (2016) argues that the key to gain competitive advantage is to offer premium service quality in the services industry. According to Muala (2016); Ngo and Nguyen, (2016) and Parasuraman et al. (1988), the customers level of satisfaction is totally dependent on their perception and opinion regarding service quality after experiencing it and on the trust of its provider. By offering customers with qualitative services firms revive the customers’ perception regarding the quality of services.

Specifically, in the industry of Umrah travelling, if premium service quality is offered it sends a good signal to the customers in the performance evaluation of both the services and it is an important key in gaining competitive advantage. Further Umrah travel agents can easily get competitive advantage through building long term relationship with the customers and by providing premium quality services. According to Kant and Jaiswal (2017); Kumar (2018); Saghier and Nathan, (2013); the literature is full of evidences in the support of the fact that there is a substantial correlation between CS and SQ. Parasuraman et al. (1988) developed a scale named SERVQUAL which is the most famous scale to measure the SQ. It measures and classifies the service quality in five dimensions. SERVQUAL scale has been widely used to measure the SQ. SERVQUAL scale has been widely and constructively deployed in various and many private research studies (Parasuraman et al., 1991, 2002). According to Muhammad et al. (2011), Vanniarajan and Gurunathan (2009), Khan and Fasih (2014) and Mahfooz (2014) the scale is widely and positively discussed in various prominent published research studies and Ashdaq et al. (2015); Jain and Gupta (2004); Omar et al., (2015); Thongthip and Polyorat (2015) insure its reliability and validity. On the basis of criticism made on SERVQUAL scale, proper and well defined refinements were made (Parasuraman et al., 1991).

Following are its dimension.

2.1.1 Tangibles

Tangible things are all things possessing a physical existence or appearance while we can see and touch them. According to Ngo and Nguyen (2016) based on SQ, equipment, Information and Communications
Technology (ICT), physical facilities and appearance (ambience, lighting, air-conditioning, seating arrangement); organizations services providing personnel are all tangibles things. Organizations arrange tangibles things randomly and integrate it to render services to its customers who after its usage access it.

2.1.2 Reliability

In this case, Ngo and Nguyen (2016) termed reliability as the ability of service provider to offer the committed products and services consistently and truthfully. Customers are satisfied in a case they are provided with trustworthy services which they can rely.

2.1.3 Responsiveness

According to Parasuraman et al. (1985), Responsiveness is the employee’s readiness or willingness in providing the services to customers. It involves services timeliness. It also deals with understanding the customer’s needs, wants and desires, the staff attention given to employees, the convenient operating hours, properly attending and solving the customers problems, ease and safety in their transaction (Izogo & Ogba, 2015).

2.1.4 Assurance

Employees’ knowledge and courtesy is the key factor towards assurance when customers render the services, and employees ability to create confidence and trust in customer (Izogo & Ogba, 2015).

2.1.5 Empathy

Empathy is about customer care by giving attention to each and every desire problem (Izogo & Ogba, 2015) and lesioning to the problems properly and effectively addressing the needs and concerns and finally solving it.

2.1.6 Customer Satisfaction

According to Arsanam and Yousapronpaiboon (2014) literature is evident that the key to long-term business success is CS. Organizations must offer quality based products and services to outperform its competitors to ensure and gain CS to protect, gain and sustain its market shares (Khan & Fasih, 2014). The industry of Umrah travelling must focus and understand customers service requirements and must learn how it impacts the service delivery and customer’s attitude which according to Han and Hyun (2015), is the key factor to CS which in turn leads to customer retention and loyalty (Muala, 2016). Companies can determine the actions requirement while understanding the customer’s perceptions to meet and fulfil the customers’ needs.

Companies in industries like Umrah service agents must study and identify their strengths and weaknesses and compare themselves with their competitors at present and suggest strategies for improvements and progress in future (Saghier & Nathan, 2013). The key element towards CS achievement is the products or services provider relationship with their customers specifically in the industry of Umrah travelling. Hence the offering of quality-based services and products are the key elements in retaining and satisfying valued customers (Kant & Jaiswal, 2017). According to Muala (2016) the offering and delivery of qualitative services to customers give the firms an opportunity to compare and differentiate themselves in highly competitive markets (Muala, 2016).

2.1.7 Service Quality and Customer Satisfaction

In the industry of Umrah traveling, one of the most important aspects and factors in CS premium customer experience is SQ. Most of the organizations regularly check and monitor their SQ to ensure the maximum CS and to retain and maintain their pool of customers and enhance their loyalty towards their products and services in a positive way. According to Omar et al. (2015) organizations monitor customer
desires, demands and expectations and then accordingly provide the services and products to the customers on market standards to bring and enhance CS. The feeling of customers about the products or services is totally based on consumption and usability experience of the customer. However, with CS it is not mandatory that a repurchase will occur, the same is the case with loyalty and customers’ retention. Several organizational researchers consider SQ as one of a major and strong predictor in CS and costumers retention. While according to Namukasa (2013), SQ is the main driver in the CS which has an impacts on customer loyalty. SQ is an impact factor in bringing and enhancing CS. Muala (2016) argues that for Umrah travel agents it is necessary and important tool for augmenting their market share and income. From the previous discussion, the five hypotheses are proposed as follows:

1) The relationship between tangibles and Umrah customer satisfaction

Jabnoun and Hassan (2003) found that banks with better ambience enhance customer satisfaction in a better way. Association between service quality and customer satisfaction in banking sector of Sweden is examined by Zineldin (2005). A study found that by combining tangible and intangible attributes of premium quality in products and services provided by travel services, it is possible to create a strong and long-term relationship with customers.

This service quality dimension comprises of travel services, service equipment, human resources (staff) and the means of communication. In simple words tangibles are about creating foremost impressions. All organizations desire that their consumers get an exceptional and positive foremost impression. Focusing on this particular dimension will help them gain maximum benefit (Swar et al., 2012).

Rajaratnam et al. (2014) concisely explain the idea of tangibles role in travel sector. Service quality is the key tool to achieve customer’s attention. Varying behaviours and attitudes of customers demand high service quality to attain their perception of service. Service quality has linear relationship with success and profitability of business.

Environment and culture of different areas serve as a guide for businesses on how to adapt their policies in global perspective for a particular area. They have to make changes to setup the outlets and branches. travel industry mostly follows identical office ambience setups and installs similar service equipment all over the globe to maintain a standard (Rajaratnam et al. 2014). But adapting according to cultural needs of particular areas up to some extent will make customers feel more comfortable and loyal (Ganguli & Roy, 2011). The above literature reviews will lead to the development of the following hypotheses:

H1: There is a significant relationship between tangible and Umrah customer satisfaction.

2) The relationship between reliability and Umrah customer satisfaction

The association between dimensions of service quality and customer satisfaction was investigated by Ibáñez et al. (2006). They found a significant relationship between reliability of services on the satisfaction level of customers. The literature reveals an increased degree of positive relationship between service quality, customer satisfaction and performance (both financial and non-financial) where face-to-face conversation between customer and employee is the only focus. Technology expansion has had a great impact on the choice of service delivery standard and services marketing strategies. This has yielded many prospective competitive advantages including augmenting of productivity and enhanced revenue creation from new services (Muyeed, 2012). Reliability depends on handling customer service issues, performs the services right the first time; offers services on time, and maintain a record of error-free. Moreover, they define reliability as the most significant factor in conventional service (Parasuraman et al., 1988). Reliability also consists of the right order fulfilment; accurate records; accurate quote; right in the bill; keep the promises on services. It is also mentioned that reliability is the most significant factor in travel
services (Muala, 2016), more specifically, in a study by Parasuraman et al. (1985). The above literature reviews will lead to the development of the following hypotheses:

H2: There is a significant relationship between reliability and Umrah customer satisfaction.

3) The relationship between responsiveness and Umrah customer satisfaction

Responsiveness is defined as “the willingness to help customers and provide prompt service” (Parasuraman et al., 1988). Furthermore, Johnston (1997) defines responsiveness such as speed and timeliness of service delivery. This consists of processing speed and service capabilities to respond promptly to customer service requests, and wait a short and queuing time. Zeithaml et al. (1996) defined responsiveness as the interests shown in providing prompt service to customers when required. Further, it is researched that willingness or readiness of employees to provide the required customer service without any inconvenience at any time will strongly influence the level of customer satisfaction (Parasuraman et al., 1988). Customers get satisfied when banks provide individual attention and the employees are paying attention to problems experienced by customers regarding safety in transaction (Ngo & Nguyen, 2016). More specifically, responsiveness is defined as the willingness or readiness of employees to provide services. It contains the timeliness of service (Parasuraman et al., 1985). It also contains understanding the needs and requirements of the customer, easy operation time, individual attention provided by the staff, attention to the problem and customers' safety in their dealings (Ngo & Nguyen, 2016). Finally, in this research, responsiveness is the readiness for travel services (Ashdaq et al., 2015). The above literature reviews will lead to the development of the following hypotheses:

H3: There is a significant relationship between responsiveness and Umrah customer satisfaction.

4) The relationship between assurance and Umrah customer satisfaction

In addition to tangibles, reliability and responsiveness; assurance has been identified as a significant dimension of service quality by Parasuraman et al. (1988). They proposed that all of these dimensions significantly enhance customer satisfaction. It is believed that if the employees of travel services display trustworthy behaviour, the satisfaction level of customers can be enhanced significantly (Ashdaq et al., 2015). It may also positively influence repurchase intention of customers (Ndubisi, 2006; Ndubisi & Wah, 2005). The above literature reviews will lead to the development of the following hypotheses:

H4: There is a significant relationship between assurance and Umrah customer satisfaction.

5) The relationship between empathy and Umrah customer satisfaction

A positive and significant relationship is found between empathy and customer satisfaction by Iglesias and Guillén (2004). It was proposed in another research study, that customers may remain unsatisfied with service quality if a gap is left in empathy. It was also established by Al-Marri et al. (2007) that customer satisfaction is significantly impacted by empathy. It makes customers contended and in the long-run serves as an important predictor in improving the financial performance of the organization. Wieseke et al. (2012) empirically investigated the role of empathy in service quality and its impact on customer satisfaction. It was established that customers treated emphatically are more often visitors and prone forgive any mistakes that may occur. Empathy creates an emotional relationship with customer, providing customer a touch of importance for business. This leads to retention and creation of new customer’s pool. Rajaratnam et al. (2014) has also studied the correlation between service quality dimensions and customer satisfaction in travel industry. It was found that customer loyalty can be won through empathy. Empathy can play role in improvement of service quality, customer loyalty and finally satisfaction. Karatepe (2011) explored the service environment impact with empathy and reliability on loyalty. Empathy works as a moderator between quality and customer satisfaction. Empathy can change the behavior of customer ultimately. The above literature reviews will lead to the development of the following hypotheses:

H5: There is a significant relationship between empathy and Umrah customer satisfaction.
2.2 Research Framework

Fig. 1 shows details of the proposed study of this paper.

2.3 Research Hypotheses

H1: An excellent service quality provided by Umrah travel agents will lead to Umrah customer satisfaction.

H11: An excellent tangibles provided by Umrah travel agents will lead to Umrah customer satisfaction.

H12: Reliable services provided by Umrah travel agents will lead to Umrah customer satisfaction.

H13: Responsiveness actions provided by Umrah travel agents will lead to Umrah customer satisfaction.

H14: Excellent assurance provided by Umrah travel agents will lead to Umrah customer satisfaction.

H15: Empathy provided by Umrah travel agents will lead to Umrah Customer satisfaction.

3. Research Methodology

This part discusses how the research is conducted and tells us about population, sample size, research design, reliability of the questionnaire and finally analysis method of the data. All Malaysian people who performed the Umrah more than once in their lives consist the population size for the research. In this survey, 500 questionnaires were distributed and 384 of the responded questionnaires were considered valid and fit for the study and they were used in the analysis portion of this paper. Sekaran (2003) believes that data from 200 and more responses are enough for a research analysis. The valid questionnaires were at 77% response rate and the questionnaire was set on 5 points Likert scale which was (1 = strongly disagree, 2 = disagree, 3 = undecided, 4 = agree, 5 = strongly agree). The questionnaire consists of three portions (1) demographic variables and it contains (18) items; (2) service quality and its dimensions contains (27) items which were adapted from (Parasuraman et al., 1994); while (3) CS contains (6) items which were adopted from Eisingerich et al. (2014). For comprehensive sampling, convenience sampling procedure was followed and used, it is a common form and mostly used of sampling design in social science research. To perform the analysis of the data, structural equations modelling SEM was used which depends on the partial least squares approach “PLS” to test the search model.
4. Results

4.1 Reliability Test

We have calculated the reliability of the questionnaire and the reliability for all variables lied in the acceptable range according to Nunnally’s (1978) minimum threshold of 0.70. Table 1 shows us the Cronbach’s Alpha (coefficient alpha) of each factor which shows that all the factors show a high and acceptable reliability. This table shows that in the questionnaires SQ had five independent factors and one dependent factor of CS that the researcher examined.

Table 1
Reliability results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Item</th>
<th>Loading</th>
<th>Cronbach Alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Quality</td>
<td>SQ</td>
<td>0.978</td>
<td>0.979</td>
<td>0.979</td>
<td>0.647</td>
</tr>
<tr>
<td></td>
<td>ASS1</td>
<td>0.863</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ASS2</td>
<td>0.914</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ASS3</td>
<td>0.928</td>
<td>0.943</td>
<td>0.957</td>
<td>0.815</td>
</tr>
<tr>
<td></td>
<td>ASS4</td>
<td>0.931</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ASS5</td>
<td>0.875</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assurance</td>
<td>EMP1</td>
<td>0.850</td>
<td>0.904</td>
<td>0.933</td>
<td>0.776</td>
</tr>
<tr>
<td></td>
<td>EMP2</td>
<td>0.896</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMP3</td>
<td>0.889</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EMP4</td>
<td>0.888</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td>RES1</td>
<td>0.864</td>
<td>0.941</td>
<td>0.953</td>
<td>0.771</td>
</tr>
<tr>
<td></td>
<td>RES2</td>
<td>0.846</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RES3</td>
<td>0.899</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RES4</td>
<td>0.894</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RES5</td>
<td>0.900</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RES6</td>
<td>0.866</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsiveness</td>
<td>REL1</td>
<td>0.883</td>
<td>0.933</td>
<td>0.949</td>
<td>0.788</td>
</tr>
<tr>
<td></td>
<td>REL2</td>
<td>0.899</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REL3</td>
<td>0.866</td>
<td></td>
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<tr>
<td></td>
<td>REL4</td>
<td>0.908</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>REL5</td>
<td>0.883</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Reliability</td>
<td>TAN1</td>
<td>0.758</td>
<td></td>
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<tr>
<td></td>
<td>TAN2</td>
<td>0.858</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAN3</td>
<td>0.868</td>
<td>0.920</td>
<td>0.938</td>
<td>0.715</td>
</tr>
<tr>
<td></td>
<td>TAN4</td>
<td>0.850</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAN5</td>
<td>0.860</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TAN6</td>
<td>0.874</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibles</td>
<td>CS1</td>
<td>0.909</td>
<td>0.931</td>
<td>0.951</td>
<td>0.795</td>
</tr>
<tr>
<td></td>
<td>CS2</td>
<td>0.906</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>CS3</td>
<td>0.896</td>
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<tr>
<td></td>
<td>CS5</td>
<td>0.874</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Customer Satisfac-</td>
<td>CS6</td>
<td>0.871</td>
<td></td>
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<td>tion</td>
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</tbody>
</table>

4.2 Demographic Variables

The results show that among all the respondents, 57.3 % were male while only 42.7% were female. In the age portion, 26.3% of the respondents aged between 31 years to 40 years of age. 35.4 % of the respondents possessed a bachelor’s degree while 23.7 % had a diploma. Moreover, among the total respondents 21.6% earned salaries less than 2000 RM while 22.1% earned in between 2001-3000 RM

4.3 Hypothesis Test

In the support of Hypothesis (1) the results of data analysis show that SQ positively and significantly affects CS of the total sample (Beta=0.302, p=.000). The results of the data also show that the assurance dimension positively and significantly affect the CS of the total sample (Beta=0.069, p=.000). Therefore, the evidences are enough to support all Hypotheses of the study. Therefor it is concluded that SQ and its dimensions affect the CS significantly and positively.
Table 2
Hypothesis results

<table>
<thead>
<tr>
<th>Path</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>SQ → CS</td>
<td>0.302</td>
<td>0.306</td>
<td>0.076</td>
<td>3.983</td>
<td>0.000</td>
</tr>
<tr>
<td>ASS → CS</td>
<td>0.069</td>
<td>0.070</td>
<td>0.017</td>
<td>4.007</td>
<td>0.000</td>
</tr>
<tr>
<td>EMP → CS</td>
<td>0.048</td>
<td>0.048</td>
<td>0.012</td>
<td>3.882</td>
<td>0.000</td>
</tr>
<tr>
<td>RES → CS</td>
<td>0.077</td>
<td>0.079</td>
<td>0.020</td>
<td>3.945</td>
<td>0.000</td>
</tr>
<tr>
<td>REL → CS</td>
<td>0.065</td>
<td>0.066</td>
<td>0.016</td>
<td>3.954</td>
<td>0.000</td>
</tr>
<tr>
<td>TAN → CS</td>
<td>0.070</td>
<td>0.071</td>
<td>0.017</td>
<td>4.033</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Note: SQ = service quality; TAN = tangible, REL = reliability; RES = responsiveness; ASS = assurance; EMP = empathy; CS = customer satisfaction

5. Conclusions

In this research paper the researchers have tried to examine the effect of Umrah travelling SQ dimensions (Tangibility, Reliability, Empathy, Responsiveness, Assurance) on CS in Malaysia. The study has accomplished using the partial least squares approach “PLS” and the results of the path analysis show us that all the dimensions of SQ affect CS. Among all the independent variables, tangible among the dimension of SQ shows the highest effect on CS. On the basis of these results, the researchers have concluded and recommended that Umrah travel agent should consider improving the responsiveness and the assurance dimensions of the SQ in order to satisfy their customers and to enhance their buying decision and behaviour of the Umrah travel service.

6. Limitations and Future Research

The first and most important limitation of this research paper is that the sample was taken from few parts of Malaysia, only from some states, namely Johor, Selangor, Sabah, Penang states, which affects the generalizability of the findings of the research paper. Secondly, foreign Umrah user were not considered and studied in this research. In future, researchers must examine a wider and diverse range of sample covering Umrah customers from all walks and portions of life. Thirdly, this study only considered the impact of one factor (service quality) SQ on CS in the industry of Umrah travel agents.

There can also be other situational issues and factors such as price, repurchase intention advertising, and word-of-mouth recommendation. In future empirical studies, researches should focus and look at the impact of factors like these on CS. Finally, the findings of our research paper were based on the results which came from the analysis of responses which were selected through convenience sampling, hence our study should be considered starting point and pilot study which will help in providing direction for future research and also for its generalization to the considering of wider portion of the population of the Umrah travel industry in future.

References


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