

# Mismanagement of customer

[Business](#), [Management](#)



The paper “ Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments” by Cronin, Brady and Hult attempts to conceptualize the effects of quality, satisfaction and value on consumers' behavioral intentions. It highlights a gap in past literature with respect to service and satisfaction. No research has simultaneously compared the relative influence of three important constructs on service encounter outcomes namely quality, value and satisfaction. This paper identifies this gap and aims to examine the direct effects of quality, value and satisfaction.

There is partial consensus that customer satisfaction is the result of a customers' perception of the value received where value equals perceived service quality to price. There is also a partial consensus that the first determinant of customer satisfaction is perceived quality and the second determination is perceived value. Finally, there is partial consensus that customer satisfaction is recognized as being highly associated with value and is based conceptually on the amalgamation of service quality attributes with such attributes as price.

However, there is one untested element which is the indirect effects of service quality and values on behavior intentions. The model proposed in this paper aims to test this element and finds that both service quality and service value lead to satisfaction. This stresses the importance of value as a strategic objective and also suggests that service quality perceptions are an important determinant of customer satisfaction. There is however an unexpected finding: the value of a service product is largely defined by perceptions of quality.

Thus, consumers place great importance on the quality of a service than they do on the costs associated with acquiring that service. Once again, this emphasizes the importance of quality as an operational tactic and strategic objective and further supports the fact that service quality is an important decision making criterion for service consumers. The findings also reveal that efforts to improve quality, value and satisfaction collectively serve as a means of improving customer service perceptions.

Thus, the results emphasize the importance of assuming a simultaneous, multivariate analytical approach. Improving only one of these variables is an incomplete strategy if the effects of the others are not considered. Service quality and service value also have an indirect effect on consumers' behavioral intentions. This is because the consumers' decision making process is fairly complex and comprehensive and there are several indirect paths that lead to a consumers' purchase decision.

Thus, service managers that only consider the effect of a service quality initiative are in error if they do not consider the impact of such a strategy on the value and satisfaction attributed to their firm' services. Similarly, value-added strategies should incorporate the indirect effects on customers' behavioral intentions. These four articles all talk about the importance of service quality and its impact on customer satisfaction. These articles also attempt to establish a relationship between loyalty and profitability and explain the extent of this relationship.

While the article by Reinartz and Kumar emphasize the proper management of customer loyalty, Dabolkar, Cronin and Mainess present new and advanced models of measuring customer satisfaction and also highlight

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research areas that have yet to be investigated with respect to service quality and satisfaction. Overall, all these four papers provide in-depth knowledge on the subject of customer loyalty, satisfaction and value.

Bibliography 1. Cronin, J. J. , Brady, M. K. , and Hult, G. T. M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218. 2. Dabholkar, P. A. , Shepherd, C. D. and Thorpe, D. I. (2000). A comprehensive framework for service quality: An investigation of critical conceptual and measurement issues through a longitudinal study. *Journal of Retailing*, 76(2), pp. 139-173. 3. Mai, L-W. and Ness M. R. (2006). A structural equation model of customer satisfaction and future purchase of mail-order specialty food. *The Journal of Business Science and Applied Management*, 4. Reinartz, W. and Kumar, V. (2002). Mismanagement of customer loyalty. *Harvard Business Review*, 80 (7) July, 86-94.