

Literature reveiw on customer service essay sample

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



A literature review is a “ systematic, explicit and reproducible method for identifying, evaluating, and synthesizing the existing body of completed recorded work produced by researchers, scholars, and practitioners” (Fink and Lundqvist et al., 2010). The purpose of this chapter is developing a comprehensive understanding of the topic and theories that surround it.

A review of a literature should draw conclusions and implications for the proposed research programme. The literature review should make clear to the reader just how the proposed research relates to the existing body of literature. (Veal, 1997)

Jesson and Matheson et al., 2012 explained why we do a literature review as an academic task. The literature review is where you show that you are both aware of and can interpret what is already known and where eventually you will be able to point out the contradictions and gaps in existing knowledge.

2. 1 Overview of the Pet Industry

Firstly, the definition of pet used for this research project is: “ Any domesticated or tamed animal that is kept in the home as a companion and treated kindly” (Dictionary. cambridge. org, 2014)

In 2013 it is estimated that 13 million (45% of) households have pets. The pet population has increased by 4 million to almost 71 million – that’s 24. 5 million excluding fish (Pfma. org. uk, 2014).

According to PMFA, 2014 each region in the UK has a varying pet population and below is the regional data based on research 2011-2013 for the South

East - showing the percentage of the population with each pet type: Indoor

Fish: 9%

Outdoor Fish: 8%

Cats: 21%

Dogs: 21%

Rabbits: 2%

Guinea Pigs: 1%

Indoor Birds: 3%

Hamsters: 1%

Sample Size: 864

These statistics have allowed pet stores in the south east to see what the most popular animals are and how they can increase sales and marketing.

Within the pet industry there are items of absolute necessity including pet food, accessories and insurance. Pet food is the largest item accounting for three quarters of the whole industry (Maitland, 2014). This is likely to decline over time, although changes in brands and quality may change.

Therefore, a place to purchase these items and get the right advice is essential to the owners and their pets.

3. 0 Service Quality

Parasuraman et al. (1985) defined service quality as " the global evaluation or attitude of overall excellence of services". So, service quality is the difference between customer expectation and perceptions of services

delivered by service firms. Nitecki et al. (2000) defined service quality in terms of “ meeting or exceeding customer expectations, or as the difference between customer perceptions and expectations of service”. (Wang and Shieh, 2006, pp. 193—209)

In the services sector literature, strong emphasis is placed on the significant importance of service quality perceptions and the association between service quality and customer satisfaction (Cronin, & Taylor, 1992; Taylor, & Baker, 1994). Therefore, some organizational researchers concluded that service quality is an important indicator of customer satisfaction intentions. (Mohsan and Nawaz et al., 2011, p. 16)

As you can see from the diagram below, the concept of service is determined by both the organisation and the customer. What the customer expects from the business and what the business proposes to deliver have a direct correlation:

Figure 1 Johnston & Clark, *Service Operations Management*, 2nd edition © Pearson Education Limited 2005

Figure 2

The above model is an example of the servqual method which is used to determine customer service in an industry and will be extremely transferable into the pet industry.

This model shows the zone of tolerance where most customer service is acceptable but not out of the ordinary. It would not be enough to necessarily gain customer loyalty.

3. 1 How it applies to the Pet Shop industry

There is a gap in this literature which is the lack of these theories being carried out in a pet shop. A pet shop is a place for owners to buy essential products for their animals and have the confidence in their advice, training and recommendations.

Being able to apply these theories to a local pet shop will fill the gap in the literature and enable a thorough investigation into whether the service quality can be measured by the models and theories above.

4. 0 Customer Loyalty

In Meeting Customer Needs by Ian Smith, 1994, Chapter 8 describes why measuring the market is so important. There are reasons why we must measure the market to meet customer needs: 1. Maintain and improve quality - ensures good reputation 2. Increase efficiency and improve performance

3. Maximise value for both you and your customers - comparative measure, what you get out of what you put in 4. Increase and secure customer satisfaction - knowing what customers get from what you supply. Based on expectations as well as experience 5. Develop and maintain customer commitment - success is based on securing tomorrows customer today

Customer loyalty presents a paradox. Many see it as primarily an attitude-based phenomenon that can be influenced significantly by customer relationship management initiatives such as the increasingly popular loyalty and affinity programs. However, empirical research shows that loyalty in competitive repeat-purchase markets is shaped more by the passive acceptance of brands than by strongly-held attitudes about them. (Uncles and Dowling et al., 2003, pp. 294—316)

Checklist of Loyalty Measures:

Customer Satisfaction

Recency

Frequency

Monetary Value

Customer Longevity

Formal and Informal referral activity

Share of spend

Willingness to repurchase

(Frazer-Robinson, 1999)

Customer satisfaction - many organisations will measure the level of satisfaction expressed by their customers and use this to guide improvements in their products and services. Some also use the measure to help them identify groups with different types of relationships with the organisation. Communications, reward systems and offers are then based on which group the customer is in. (Smith, 1994)

Customer Loyalty – rewarding loyalty often means rewarding use in terms of frequency and/or value but this is also divided into product or service preference and some indicators regarding the customer's personal circumstances (known income, marital status, children, social class, etc). Loyalty is often determined by a combination of other characteristics: market size, needs, image, aspiration and fit. (Smith, 1994)

Companies in many different industries have established loyalty programs, loyalty marketing and many other ways to keep customers continuing to shop at their facilities (Humphrey, 2011).

Figure 4 Customer Loyalty Model

4. 1 How it applies to the pet industry

Customer loyalty has always been a key factor in any business, they can determine and influence buying and merchandising decisions (Hunter, 2014). It is therefore beneficial to fill a gap in the industry and literature by determining customer loyalty within the pet shop sector. To find a correlation between service quality and customer loyalty within the pet sector will be extremely valuable to research available for the animal industry in general. It will create a basis for any shops or animal related sectors to gain information from and gain an insight to research already conducted.

6. 0 Brief overview of consumer behaviour in the pet industry

Consumer behaviour is a complex subject and there are thousands of research papers and books on the issue. But it is essential to grasp a small understanding in relation to the pet industry.

An effect on consumer behaviour is personality. Balderjahn (1988) researched into the influence of personality on spending behaviour. This suggests it may be due to the individual rather than the price or quality of pet products, it could just be nature over external influences.

Another consumer behaviour trait is motivation. Maslow's hierarchy of needs (Maslow and Stephens, 2000) shows that factors in people's feelings and personal lives have a direct effect on all other areas. Although owners do not use pet product themselves they may still develop feelings of perhaps boredom from buying the same foods or from the same place. Or they may feel the need for stability of buying from the same place and maintaining the same foods and costs. Consumer behaviour can have a direct effect on customer service and loyalty.

6. 0 Summary

In order to find a gap in the customer service sector, it was key to investigate the main factors: service quality and customer loyalty. It was then possible to find a place for the pet sector within there.

By researching customer loyalty and service quality, also adding in the correlation between the two, within the pet shop industry there can be an

established paper for the whole animal industry to look back at and begin new research based on its findings.

By looking at the main aspects that create the two factors, it begins to build a base for research and investigation: Loyalty is often determined by a combination of other characteristics: market size, needs, image, aspiration and fit. (Smith, 1994) Service quality as “ the global evaluation or attitude of overall excellence of services”. So, service quality is the difference between customer expectation and perceptions of services delivered by service firms (Parasuraman et al. 1985) It is now possible to move onto the methodology based on these factors.

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