

# Measuring Customer Satisfaction through SERVQUAL Model: A Study on Beauty Parlors in Chittagong

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## Abstract

Everyone wants to be beautiful. One's beauty can be enriched with proper nourishment, treatment and care. For that reason beauty parlors have been established in cities and towns. It's a flourishing business in service sector. This study attempts to measure customer satisfaction on parlors in Chittagong city. A structured questionnaire is developed on SERVQUAL model. The survey is conducted among 100 respondents in 5 most popular beauty parlors in Chittagong. The purpose of the study is to identify customer perception on tangibility, reliability, responsiveness, assurance and empathy in beauty parlors in Chittagong and to evaluate the effect of service quality on customer satisfaction. The statistical tools SPSS is used to calculate the mean and linear regression analysis. The findings show that tangibility has the highest mean score among five factors. Moreover, tangibility factor has significant influence on customer satisfaction. Beauty parlors should consider these factors more to satisfy customer.

**Keywords:** Customer Satisfaction, SERVQUAL Model, Beauty Parlors

## 1. Introduction

“Mirror mirror on the wall, who is the fairest of them all?”- Fairy tale

Women are the most beautiful creature of Almighty. Beauty lies in their eyes, smile, hair, skin and heart. Many poets wrote huge literatures on women's beauty, many musicians made songs and lyrics on women's beauty, many wars happened for women's beauty. It is said beauty lies in the eyes of the beholder but a beautiful and attractive face always get privileges everywhere. It creates a positive image on the person standing in front of her.

Whenever women go out either for work, for shopping, for party or for just hang out with friends, they take time to get ready by doing make up, hair styling, and using perfume. These things give her a fresh look and soothe others eyes. A person always likes the presence or company of a pretty woman and compliments her without any hesitation.

At social level, physical beauty is an advantage as being beautiful gives a person much more confidence. Even it has been shown that being attractive can give a person up to 10 folds increases in getting marry (Young, 2011). Physically attractive job candidates whose qualifications are similar to those of less attractive candidates are more likely to be hired for the same job (Gilmore, Beehr & Love 1986). Further, the beautiful are more likely to get promoted to higher positions and to be paid more (Young 2011).

Women have been aware of their external appearance since ages. One can change her look in various numbers of ways now days. In olden times people used herbal treatment to beautify themselves. Even now the desire is the same, but with newer and convenient tools. A beauty parlor or salon's job is to take care of women's cleanliness, freshness, relaxation and beauty. Beauty salons provide generalized services related to skin-facial, bleach, pedicure, manicure, body massage, spa, make up; hair-hair cut, oil massage, ozone treatment, spa, color; piercing, plucking, henna, waxing and different type of therapy. Many entrepreneurs identified the needs of women and established parlors to beautify them. Now women tend to spend more time, energy and money on beautification by visiting beauty parlors or salons (Schwer & Daneshvary 2000; Joy, Sherry, Troilo & Deschenes 2010).

May Fair, the first beauty parlor in Dhaka, was established in 1965. There was no Bangladeshi-owned salon up until 1977. In that year, Zerina Asgar, the first Bangladeshi beautician established her parlor Living Doll. She also started the movement of recruiting Bengali employees earlier which happened to be only Chinese employees. This might have improved the employee – customer communication and eventually started drawing attention of women form middle class as well. Asgar is always attributed for her contribution in bringing Bengali women to the business. By the mid 80s, visiting beauty salons became a regular affair for the urban women. The 90s saw another trend, the advent of satellite TV gave more exposure to the customers on fashions and style and so they became conscious on grooming and styling.

This new generation of beauticians has turned the hobby of homemakers into a profession (Parveen 2006). As a result, there are over 2,000 parlors and salons across the country (Rahman 2010). Now mothers, housewives, students, professionals and brides – all kinds of women from the age group of 18-40 – visit beauty salons and spas for beauty and health care services (Pritom 2009).

Beauty is now a USD 10 billion plus industry in Bangladesh, providing employment for an estimated 100,000 women (Akter 2009). Thousands of beauty-care service providers or beauty parlors/salons have sprung up all over the country in the last decade (Akter 2008, Akter 2009), as the significance of being beautiful is

increasing. The economy of Bangladesh has grown 5-6% per year since 1996. More than half of GDP is generated through the service sector. The beauty care industry is one of the fastest growing industries of our country. Lifestyles have changed; people are realizing the importance of good health and presentation and thus becoming more and more concerned about their health and beauty. People have more access to information and media, which makes them more conscious about their well-being, leading to a change in perception. Personal care industry is now a USD 10 billion plus industry in Bangladesh, providing employment for an estimated 100,000 women (Aker, 2009).

## 2. Literature Review

The worldwide trend toward service quality was initiated in the 1880s, when businesses realized that maintaining competitive advantage is not guaranteed by a quality product, standing alone (van der Wal, Pampallis & Bond 2002). Quality of services can be the difference between success and failure in both service and manufacturing firms (Gupta, McDaniel & Herath 2005). Service quality, customer satisfaction and customer value have become the main concerns in both manufacturing and service organizations (Wang, Lo & Yang 2004), as many researchers recognize that service quality can bring an organization a sustainable competitive advantage (Moore 1987, Lewis 1989).

Service quality and customer satisfaction are very important concepts that companies must understand if they want to remain competitive and grow. The quality of services provided and customer satisfaction are critical success factors in any business. (Biljana Angelova and Jusuf Zekiri 2011). Quality and customer service have been identified as critical strategic issues for the organizations (Donnelly *et al.*, 1995).

There is an agreement on the link between perceived service quality, customer satisfaction, and loyalty (Oliver, 1999; Rahim, Osman, & Ramayah, 2010; Wallace, Giese, & Johnson, 2004)

Perception about services quality is usually can be briefly defined as, the extent to which service delivery is able to match up with or exceed the expectations of consumers. (Laroche, Ueltschy, Abe, Cleveland, & Yannopoulos, 2004).

Research has demonstrated the strategic benefits of quality in contributing to market share and Return on Investment (ROI), as well as lowering manufacturing costs and improving productivity (Anderson & Zeithaml 1984, Garvin 1982). That's why delivering superior service quality is a prerequisite for success and survival in today's competitive business environment (Gilbert & Wong 2006) as it can ensure increased customer satisfaction.

### 2.1 Customer Satisfaction

Cardozo (1965) firstly introduced the concept of customer satisfaction into the field of marketing. Thereafter, many scholars started to research on this concept.

Customer satisfaction is a well-known and established concept in several areas like marketing, consumer research, economic psychology, welfare-economics, and economics. The most common interpretations obtained from various authors reflect the notion that satisfaction is a feeling which outcome of the process of evaluating what has been received against what was expected, including the purchase decision itself and the needs and wants associated with the purchase. However, satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations (Bitner & Zeithaml, 2003).

According to Zeithaml and Bitner (2003), "satisfaction is the consumer fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment" (p. 86). According to Kumar, Kee and Manshor (2009) high quality of service can result in high customer satisfaction and increases customer loyalty.

Thus customer satisfaction is the outcome of service quality (Parasuraman, Zeithaml & Berry 1988, Naeem & Saif 2009), which can further stimulate the profit and growth of the businesses through increased customer loyalty that is a direct result of customer satisfaction (Heskett, Sasser & Schle-singer 1997).

According to Cengiz (2010), customer satisfaction is a key issue for all organizations that wish to create and keep a competitive advantage in today's highly competitive world.

Customer satisfaction is an expression of customers' feelings in positive ways towards the experiences after using the service, of which each of service and situation had met their expectations. Those feelings can be classified into several levels based on the environment and conditions of service at a time (Nantapaiboon, 2008). Customer's satisfaction would be resulted in positive customer loyalty (Chaniotakis & Lympelopoulou, 2009).

Armstrong *et al.* (1997) have said that early service quality research posited that service quality is the gap or difference between "perceptions and expectations".

Customer satisfaction is typically defined as a post consumption evaluative judgment concerning a specific product or service (M. G. Gundersen, M. Heide and U. H Olsson, 1996). It is the result of an evaluative process that contrasts pre-purchase expectations with perceptions of performance during and after the consumption experience (R.L. Oliver, 1980). Studies show that customer satisfaction may have direct and indirect impacts on business results and concluded that customer satisfaction has a positive effect on business profitability

(E.W.Anderson, C. Fornell and D.R. Lehmann 1994; M. C. H Yeung, L. Ging, and C. T. Ennew 2002; X. Luo, and C. Homburg 2007)

## 2.2 Service Quality

Quality has been defined differently by different authors. Some prominent definitions include ‘conformance to requirements’ (Crosby, 1984), ‘fitness for use’ (Juran, 1988) or ‘one that satisfies the customer’ (Eiglier and Langedard, 1987). As per the Japanese production philosophy, quality implies ‘zero defects’ in the firm’s offerings. According to Stevenson (2002), quality refers to the ability of a product or service to meet or exceed customer expectations consistently. “Service quality” is considered a more important order winner than “product quality” in some manufacturing industries (Ghobadian, Speller & Jones 1994), as service-quality improvements can lead to customer satisfaction and cost management that result in improved profits (Stevenson 2002).

Being inherently and essentially intangible, heterogeneous, perishable, and entailing simultaneity and inseparability of production and consumption, services require a distinct framework for quality explication and measurement. As against the goods sector where tangible cues exist to enable consumers to evaluate product quality, quality in the service context is explicated in terms of parameters that largely come under the domain of ‘experience’ and ‘credence’ properties and are as such difficult to measure and evaluate (Parasuraman, Zeithaml and Berry, 1985; Zeithaml and Bitner, 2001).

One major contribution of Parasuraman, Zeithaml and Berry (1988) was to provide a terse definition of service quality. They defined service quality as ‘a global judgment, or attitude, relating to the superiority of the service’, and explicated it as involving evaluations of the outcome (i.e., what the customer actually receives from service) and *process of service act* (i.e., the manner in which service is delivered). In line with the propositions put forward by Gronroos (1982) and Smith and Houston (1982), Parasuraman, Zeithaml and Berry (1985, 1988) posited and operationalized service quality as a difference between consumer expectations of ‘what they want’ and their perceptions of ‘what they get.’ Based on this conceptualization and operationalization, they proposed a service quality measurement scale called ‘SERVQUAL.’

The SERVQUAL scale constitutes an important landmark in the service quality literature and has been extensively applied in different service settings.

Parasuraman, Zeithaml and Berry (1988) held that when perceived or experienced service is less than expected service, it implies less than satisfactory service quality.

## 2.3 SERVQUAL

Many early marketing researchers adopted this theory as the foundation for measuring service quality (Grönroos 1984, Parasuraman, Zeithaml & Berry 1985, Parasuraman, Zeithaml & Berry 1988). One of the first service-quality models is the SERVQUAL model, demonstrated by Parasuraman, Zeithaml, and Berry (1985), with ten components for measuring and managing service quality, which are (1) reliability; (2) responsiveness; (3) competence; (4) access; (5) courtesy; (6) communication; (7) credibility; (8) security; (9) understanding/knowing the customer; (10) tangibles. Later, in their 1988 work, these components were redefined as five dimensions; reliability, assurance, tangibles, empathy, responsiveness (Parasuraman, Zeithaml & Berry 1988). These researchers posited that measuring service quality as “disconfirmation,” that is, the difference between perceptions and expectations, is valid (Wang, Lo & Hui 2003). The descriptions provided for each of the SERVQUAL dimensions are as follows:

- 1. Reliability:** Ability to perform the promised service dependably and accurately.
- 2. Responsiveness:** Willingness to help customers and provide prompt service.
- 3. Assurance:** Employees’ knowledge and courtesy and their ability to inspire trust and confidence.
- 4. Empathy:** Caring, individualized attention given to each customer.
- 5. Tangibles:** Appearance of physical facility, equipment, personnel and written materials.

Though the SERVQUAL model has many limitations, its framework has guided numerous studies in the service sector, which focuses on banks, repair and maintenance services, telephone companies, physicians, hospitals, hotels, academic institutions and retail stores (Parasuraman Zeithaml & Berry 1988, Carman 1990, Boulding, Kalra, Staelin & Zeithaml 1993, Kouthouris & Alexandris 2005). In fact, Siddiqi (2010) concluded in his recent study that the SERVQUAL model is still suitable as an assessment tool to measure the service quality perceptions. In Bangladesh, the SERVQUAL model has been used by some researchers to measure the service gap, such as in private universities (Chowdhury, Iqbal & Miah 2010), in advertising agencies (Khan 2010), in Small and Medium Enterprises (SMEs) and in retail banking (Siddiqi 2010), in hospitals (Siddiqi & Khandaker 2007), etc.

Nakashima, Keiko, Putro, Utomo Sarjono, Mulyono, Nur Budi, Takeshi, Arai (2010) , demonstrated that both exploratory and explanatory study to service quality can help an organization to understand the factors affecting service quality and customer perception of service quality. Both of them are closely related with different city situation and customer value and life style.

Parisa and Ayesha (2011), stated that when choosing a specific parlor, the customer gives importance to the service provider's behavior and knowledge, the environment of the parlor, counseling facilities, information-dissemination system and affordability. The findings of the study indicated that customers of the high-end parlors were highly satisfied with the environment, the executive's behavior, the complaint-handling system and trustworthiness and the common service-quality variables that were creating customer satisfaction could be categorized into four broad groups; these are Support & Facility Factor, Employee Performance Factor, Customer Relation Factor and Communication Factor. The variables covered issues such as environment, materials, accurate service, prompt service, complaint handling, service provider's knowledge, executive's knowledge, service provider's behavior, executive's behavior, credibility, safety, accessibility, advertisement, service information, understanding client's need and working according to client's need.

Parisa and Ayesha (2012) assessed that along with the increase of disposable income and growing concerns of male about being good looking, the expenditure of the customers in this sector significantly increased. The findings of the study indicated that, male used to start their regular practice of beauty care at a comparatively young age and the majority of the clients had age between 15 and 35. The middle, upper middle and upper class people were the main clients of these salon and they had different occupation like students, service holder, businessman and professionals. Consumers give highest importance to attributes like quality of services, service provider's behavior, variety of services, service provider's skill and environment and physical facilities. The other attributes were location, price, brand name, advertisement and promotion etc. It is also indicated that the selection criteria or variables that are important for customers' choice of salon could be categorized into three broad groups; these are Service Value Factor, Marketing Communication Factor and Marketing Mix Factor. The variables covered issues like variety of service, quality of service, location, environment & physical facilities, price, skill of the service provider, behavior of the service provider, advertisement & promotion and brand name.

Ayesha and Parisa (2013) studied another study and revealed that the service quality in terms of the female beauty parlors in Bangladesh by using SERVQUAL model. The study revealed considerable difference between the service expectation and service perception of the female clients of the beauty parlors in terms of reliability, responsiveness, empathy, assurance and tangibles dimensions of service quality. So the beauty care providers may try to eliminate the service gaps by improving these aspects of service quality.

Sumi Azad (2015) researched that customers are perceived on an average level. This perception affects the customer's satisfaction. The findings reveal that among the five factors, four factors have insignificant influence on customers' satisfaction. The beauty parlor should give more concentration on these four factors as well as other factors which the customer consider more important such as beauty parlors service price. And marketing managers in the beauty parlor should focus on assurance, reliability, tangibility, empathy and responsiveness rather than focusing on profit making.

Syeda Shaharbanu Shahbazi, Husain Salilul Akareem (2013), researched that educational qualification and monthly expenditure have strong correlation with all other variables.

Savla Swati Jayeshl and Manjrekar Pradip (2014) concluded that one of the main reasons for the popularity of beauty salons is the rising disposal income along with the changing lifestyles of the masses. Even now with less time and more work women feels beauty salon are necessary so they can pamper there self. At very young age women have started using beauty services for personal hygiene.

M.Chitra A.R.Shanmuga Priya Dr.B.Kalpna Dr.Krishan Raj (2014), beauty care industry is flourishing industry with a growing number of beauty conscious women and their demand for variety of services cater to the importance and growth of this industry. Thousands of beauty care services providers have sprung up all over the country in the last decade (Akter, 2008, Akter 2009) as a significance of being beautiful is increasing. At the social level, physical beauty is an advantage as being beautiful gives a person much more confidence (Young, 2011). The beauty services industry in India has been witnessing increased number of international players in which is earlier women centric has started concentrating on male grooming which resulted in unisex salons. The middleclass segment has upgraded their consumption lifestyle and increased their willingness to buy beauty products and services. In this study the increasing disposable income and lifestyle are emphasized.

Dr. S. Sukumar (2015) emphasized on the customer satisfaction towards the services of Green Trends in Trichy city will be highly useful to the organization in reviewing its services regarding the customer satisfaction and brand strategy. The experience gained by the researcher through this study will facilitate going along way in his life and the researcher is grateful to each and every individual who has made it possible.

M. Sureka , K. Sahayajenci and A.K.Subramani (2015), Through the research paper entitled "Customer satisfaction towards Naturals parlor, "defining more accurately the role of satisfaction on repurchase and defining the intervention between customer satisfaction and repurchase intention and loyalty. The findings from this study are relevant to practitioners. It also helps extend the notion of customer awareness and identifying the customer behavior which leads to repeat purchase and loyalty. Therefore, for the practitioners, it is quite clear that in this service that overall satisfaction is an important factor in retaining customers. For developing customer retention strategies, effort should be put on satisfying the customers in order to achieve the highest level of repurchase

intention and subsequent of retention

Khahan Na-Nan, Ekkasit Sanamthong and Madaoh Sulong (2015) analyzed that the employee engagement has a direct influence on the quality of service at statistical significance of 0.05, in which; is consistent with the defined hypothesis.

The quality of service has a direct influence on customer satisfaction at statistical significance of 0.05, in which; is consistent with the defined hypothesis. The findings from this study also in consistent with the research of Mohammad and Alhamadani (2011), the quality of service influenced on the customer satisfaction statistical significantly. They mentioned that customer satisfaction derived from the customers' perception to the quality of service that caused the customer assesses after purchasing commodity or using that particular service.

Dr. G. Rabia Jahani Farzana and R. Banu Priya (2016) concluded that one of the main reasons for the popularity of beauty salons is the rising disposable income along with the beauty conscious of people. The perception of below 25years and 26-36 years of people are of opinion that there is necessity of beauty salon and they want to pamper their self. At below 25 years of age group of people have started using beauty services for personal hygiene. In an age where looking and feeling beautiful is given prime importance, beauty service industry is growing steadily, although at a slow stride.

### 3. Objectives of the Study

1. To study customer perception on tangibility, reliability, responsiveness, assurance and empathy in beauty parlors in Chittagong using SERVQUAL model.
2. To evaluate the effect of service quality on customer satisfaction.

### 4. Limitations of the Study

- The study is conducted in few popular parlor located in Chittagong city with 100 respondents.
- The respondents' response may have the biasness, which may not give true picture about the chosen research topic.
- Lack of co-operation and negligence.
- Inability to reach every potential sample.

### 5. Research Methodology

#### 5.1 Sample size:

Random sampling method was used in this study. The questionnaire was personally prepared with SERVQUAL criteria's and surveyed among 100 customers in 5 most popular beauty parlors in Chittagong city. These are: Persona, Lucy, Alviras, Fair Touch and New Look.

#### 5.2 Data Collection:

##### 5.2.1 Primary data:

In order to fulfill the research objectives requirements, empirical research was conducted with the primary data collected though questionnaire. It contains 22 items combined with service quality factors (Tangibility – (4), Reliability – (5), Responsiveness – (4), Assurance – (4), Empathy – (5). 5-point Likert scale ranging from 1- Strongly Disagree to 5- Strongly Agree is used to measure these variables.

##### 5.2.2 Secondary data:

Many local and international articles, websites related to customer satisfaction and service quality of beauty parlors have been used as secondary sources of data.

#### 5.3 Profile of the Respondents

5.3.1 Age Group: Information collected about age of respondents is classified into four different group.

Age group	Frequency	Percentage (%)
15-24	55	55
25-34	37	37
35-44	6	6
45-54	2	2
<b>Total</b>	<b>100</b>	<b>100 (%)</b>

5.3.2 Target group: The sample size is classified mainly on three groups. These are given below:

Target group	Frequency	Percentage (%)
Student	54	54
Employed	36	36
Homemaker	10	10
<b>Total</b>	<b>100</b>	<b>100 (%)</b>

5.3.3 *Pattern of consumption of services:* A beauty parlor provides numerous services. Here, the most common services are selected and given below:

Services	Frequency	Percentage (%)
Threading	39	39
Hair cut	77	77
Facial	55	55
Pedicure & Manicure	23	23
Make up	52	52
Spa & Body massage	3	3
Piercing	6	6
Hair treatment	34	34
Hair color	13	13
<b>Total</b>	<b>302</b>	<b>302 (%)</b>

5.3.4 *Marital Status:* Information collected about marital status is separated as unmarried and married.

Marital Status	Frequency	Percentage (%)
Unmarried	60	60
Married	40	40
<b>Total</b>	<b>100</b>	<b>100 (%)</b>

5.4 *Study period:*

June 2016- September 2016

5.5 *Statistical Tools:* Statistical Package for Social Science (SPSS)

## 6. Analysis and Findings:

6.1 *Mean:*

The arithmetic mean of the perceptions on 22 variables of service quality is measured and shown below:

**Table: 1 Perception of the customers on 22 variables of service quality**

Sl. No	Reliability	Mean Score
01.	The parlor delivers the promised service.	3.95
02.	Whenever you face any problem, the parlor authority shows a sincere interest in solving it.	3.75
03.	The parlor provides service correctly.	3.85
04.	The parlor delivers service timely.	3.26
05.	The parlor maintains error-free records.	3.33
	<b>Responsiveness</b>	
01.	The parlor informs customers when the services will be performed.	3.74
02.	The service provider provides prompt service to customers.	3.58
03.	The service providers are always willing to help you.	3.66
04.	The service providers respond to your request promptly.	3.74
	<b>Assurance</b>	
01.	The behaviors of service provider grow confidence in you.	3.59
02.	You feel safe in your dealing with this parlor.	4.04
03.	Employees of this parlor are courteous to you.	3.69
04.	Employees of this parlor have enough knowledge to answer your questions.	3.60
	<b>Empathy</b>	
01.	This parlor gives you individual attention.	3.59
02.	The employee deals customers with care.	3.65
03.	The company has your best interest at heart.	3.49
04.	Employees of this parlor understand the customers' requirements.	3.82
05.	The parlor has convenient operating hours.	3.56
	<b>Tangibility</b>	
01.	The parlor has modern equipments and facilities.	4.14
02.	The parlor has appealing physical facilities.	3.89
03.	The parlor has visually appealing materials.	3.80
04.	Employee's appearances are neat and tidy.	3.75

Source: primary and computed data

The mean of the perceptions of customers of service quality dimensions is measured and the result of SERVQUAL model is shown below sequentially:

**Table: 2 Perception of customers on service quality dimensions**

Sl. No.	Service quality dimensions	Mean
1	Reliability	3.67
2	Responsiveness	3.68
3	Assurance	3.74
4	Empathy	3.63
5	Tangibility	3.87

Source: primary and computed data

From this table, it is revealed that the tangibility (3.87) has the highest value then assurance (3.74) and responsiveness (3.68) and reliability (3.67) respectively. Then, empathy (3.63) has the lowest value.

The findings of the assessment are; First, customers are highly satisfied with the tangibility factor which includes modern equipments, appealing physical facilities and employee appearance. That means, physical materials attract customers most in beauty parlors in Chittagong. Second, customers are quite satisfied with assurance which includes image of service provider and employee behavior. Third, customers are moderately satisfied with responsiveness and reliability which includes prompt, promised and correct service from service providers. That means customer wants quick service from parlors in Chittagong. Fifth, customers are dissatisfied with empathy which includes special care and attention to customers every time. So, empathy dimensions need to emphasized more to enhance the satisfaction level of customers in beauty parlors in Chittagong.

### 6.2 Multiple Regression analysis

The following hypothesis is developed to evaluate the influencing factors on customer satisfaction.

- H<sub>1</sub> : There is association between reliability and customer satisfaction concerning beauty parlors.
- H<sub>2</sub> : There is association between responsiveness and customer satisfaction concerning beauty parlors.
- H<sub>3</sub> : There is association between assurance and customer satisfaction concerning beauty parlors.
- H<sub>4</sub> : There is association between empathy and customer satisfaction concerning beauty parlors.
- H<sub>5</sub> : There is association between responsiveness and customer satisfaction concerning beauty parlors.

To examine the influence of these five factors on customer satisfaction in beauty parlors in Chittagong, the linear regression model is used. Therefore, the equation is explained as:

$$CL = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

CL= Customer satisfaction

$\beta_0$  = Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$  = Estimated coefficients for the given factors

X<sub>1</sub> = Reliability

X<sub>2</sub> = Responsiveness

X<sub>3</sub> = Assurance

X<sub>4</sub> = Empathy

X<sub>5</sub> = Tangibility

E= error

**Table: 3 Result of Linear Regression Model**

Factors	Standardized coefficient	Significance
(Constant)		.000
Reliability	.083	.306
Responsiveness	.172	.054
Assurance	.277	.001
Empathy	.216	.009
Tangibility	.118	.000
R <sup>2</sup>	.610	
Adjusted R <sup>2</sup>	.590	
F statistics	29.434	

Source: Primary and computed data

The above table shows that among all the five factors tangibility factor has significant influence on customer satisfaction at 99% level of confidence.

The results indicate that the coefficient of multiple determinations (R<sup>2</sup>) is 0.610 and adjusted R<sup>2</sup> is 0.590 indicating the regression model is moderately fit. It is inferred that about 59.00 per cent of the variation in dependent variable (Customer Satisfaction) is explained by the independent variables. The F-value of 29.434 is significant at twenty nine per cent levels indicating that the variation explained by independent variables (reliability,

responsiveness, assurance, empathy, tangibility) on dependent variable of customer satisfaction is significant and the model fit is good. (Appendix)

The significance level is 0.0005 that means it is 5% significant. The Cronbach's Alpha is .799 which is expressing maximum level of data validity

## 7. Recommendations

### 7.1 *Quick and prompt service*

Customers always prefer quick and spontaneous service. So parlors can recruit more employees in peak season to not make them wait for long time. They also should maintain proper sequence of customers otherwise customers would be dissatisfied.

### 7.2 *Error-free records*

Managers should create database to keep error-free records of each of its customers. This will help the employee to be more informed about their customers' choices of services and can add variety on that. Moreover, keeping proper data records in computer system is more accurate than manually.

### 7.3 *Experienced and courteous employees*

Employees should be given more training to improve their people skills as courtesy and professionalism by showing care and friendly behavior with customers. Employees should not be annoyed with customers' requirement. Otherwise customers would be dissatisfied and that would harm the brand value of the parlor.

### 7.4 *Price and quality*

Customers want value must be equal to price. So parlors should provide quality service with reasonable price. Otherwise they would lose customers for long term business.

### 7.5 *Promotional activities*

Parlors can introduce some promotional activities on festivals like religious festivals. Some parlors put special package for students or bride occasionally. They can introduce some special promotional offer on national holidays, international women's day and mother's day etc.

## 8. Conclusion

Customer satisfaction is the positive experience after taking any service. In this study, the influencing factors of customer satisfaction are measured. There are five factors such as reliability, responsiveness, assurance, empathy and tangibility. Among these, in this study it is shown that, tangibility has maximum influence on customer satisfaction. It means physical facilities attracts customers more now a days and people are tend to take service in appealing environment. Other four factors have insignificant influence on customer satisfaction. So, beauty parlors authorities in Chittagong should concentrate on these others factors to increase customer satisfaction level. Managerial implications are necessary here. There may be some other situational factors which can effect on customer satisfaction such as demographic, social, cultural and political factors. The current study is only based on a few popular parlors in Chittagong city. So, further study can be suggested in near future.

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## 10. Appendix

### Descriptive Statistics

	Mean	Std. Deviation	N
Customer Satisfaction	3.8100	1.03177	100
Reliability	3.6700	.56524	100
Assurance	3.7375	.60862	100
Responsiveness	3.6750	.65279	100
Empathy	3.6300	.63652	100
Tangibility	3.8725	.68025	100

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	Tangibility, Assurance, Empathy, Reliability, Responsiveness <sup>b</sup>	.	Enter

a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781 <sup>a</sup>	.610	.590	.66105

a. Predictors: (Constant), Tangibility, Assurance, Empathy, Reliability, Responsiveness

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	64.313	5	12.863	29.434	.000 <sup>b</sup>
	Residual	41.077	94	.437		
	Total	105.390	99			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Tangibility, Assurance, Empathy, Reliability, Responsiveness

### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
(Constant)	-2.528	.543		-4.654	.000	
1	Reliability	.152	.148	.083	1.029	.306
	Assurance	.470	.134	.277	3.508	.001
	Responsiveness	.271	.139	.172	1.950	.054
	Empathy	.351	.131	.216	2.684	.009
	Tangibility	.453	.118	.299	3.844	.000

a. Dependent Variable: Customer Satisfaction

### Reliability Statistics

Cronbach's Alpha	N of Items
.799	5

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