THE IMPACT OF QUALITY OF SERVICES IN THE CAR RENTAL COMPANIES ON CUSTOMER SATISFACTION

Tareq N. Hashem

Marketing Department, ISRA University, Amman, Jordan

Abstract

This study aims to investigate the impact of Quality of Services in the Car Rental Companies on Customer Satisfaction. The researcher uses the descriptive analytical approach, where theoretical framework depends on books, periodicals, and electronic articles, while fieldwork is covered by designing a questionnaire. The study population includes customers who rent cars in Amman, Jordan. The study depends on a convenience sample that consisted of 400 employees. 357questionnaires were returned, which represent 89.25% of the total sample.The study results indicated that there is an impact for the quality of services in the Car Rental companies in all its dimensions on customer satisfaction. Reliability dimension has the highest impact on customer satisfaction.

Key words: *Quality of Services, Car Rental Companies, Customer Satisfaction*

The Concept of Quality of Service

The US Federal Institute has defined the quality as "Doing the right thing from the first moment". (Haksever et al, 2000), but American Society for Quality has defined it as a "the body and overall characteristics of the product (good or service) that illustrate and reflect the product's ability to satisfy the explicit and implied needs" (Heizer and Render, 2004). The service is defined as "An intangible commodity containing the performance of a given work or effort, but it can not be owned, and usually services are offered through the effort of persons or through mechanical effort toward certain people". (Pride & Ferrell, 2006: p138).

Service quality has become nowadays more important than ever because the service providers have realized that they must provide aware value to the customer if they want to stay in business, and as competition is increasing day after day, that the client has a lot of alternatives to choose from, making it natural that the quality of service to be one of the priorities for their spending money, especially that they are trying to maximize the value and satisfaction as well as for any monetary unit they spend. In this context (Dehghan,2006: p32) considers service quality as objective comparison between the service quality desired by the customer and quality of service they have received actually. (Zeithaml & Bitner, 2006, p76) see quality of service as the concentrated evaluation that reflects the awareness of customers to specific dimensions of the service such as: reliability, responsiveness, confirmation, good handling, and physical evidence. When customers recognizing is mentioned, it is conducted by the assumption based on the different dimensions of quality and roads that are used by clients to assess this quality, whether they are internal clients (workers) or external clients (individuals, organizations). (Lovelock & Wirtz, 2004) have defined quality of service as containing different concepts and meanings according to the different customers, and how they realize the quality of the service provided to them. (Kang and James, 2004) indicates that the quality of the service includes several benefits such as increased customer satisfaction and keeping it, reduced labor turnover, reduced operating costs, increased market share and increased profitability.

Quality of service is one of the parameters used to determine the performance level of the service institutions, because they contribute by its impact on customer satisfaction, and therefore the customers recognizing of the quality of service depends on the difference between the expected service and service perceived by customers, and in the light of that, the quality of service is measured as follows: (Kotler & Keller, 2006, p424).

1. If the expected service quality is greater than the perceived quality of service, the satisfaction will be a little bit and unacceptable from customers.
2. If the expected service quality is equal to the perceived quality of the service, service quality will gain the customer satisfaction.
3. If the expected service quality is less than the perceived quality of the service, there is a high degree of customer satisfaction.

Service Quality Measurement

SERVQUAL scale is one of the tools used to measure the quality of service. The question that arises here is: Is this tool effective in measuring the quality of service? And what is the effectiveness of this tool in measuring the quality of something that has abstract mean such services?. Zeithaml& Bitner (2006) has identified three levels of expectations that you can use them to compare the quality, as follows:

1. The desired level of service: a level that reflects the desire of what customers want from the service.
2. The adequate level of service: a level that customers do not mind to accept and are satisfied of what is offered to them.
3. The expected level of service: it is what they think that it is most likely to be actually.

The concept of customer satisfaction

(Kotler and Killer, 2006, p.144) has defined satisfaction as "a person's sense of happiness or disappointment resulting from the comparing the perceived performance of the product (output) to his expectations. If the performance is below expectations, the customer is not satisfied, if performance agrees expectations, the customer is satisfied, and if the performance exceeds expectations, the customer is very satisfied.

In addition, customer satisfaction can be defined as the evaluation process carried out by the customer in order to ascertain whether the service provided has achieved their needs and desires and what they expect (Zeithaml & Bitner, 2006). It should be noted here that the failure to meet these needs (expectations) will lead to the absence of customer satisfaction and thus switch to another institution. Customer satisfaction is one of the best studied areas in marketing, because it has become a key factor in achieving organizational goals, and it is considered a basic standard of performance and possible level of the excellence for any organization (Munusamy and Chelliah, 2011). The slogan that "the customer is always right" highlights the high priority and importance of customer satisfaction (Fecikova, 2004).

Customer satisfaction is the feeling resulting from the process of evaluating what has been received in return the expected, the decision to purchase itself and meeting the needs and desires (Armstrong and Kotler, 2009). Fecikova (2004) describes that knowledge of the term or word of satisfaction affects the activities carried out by the customer to be diluted. Researchers have defined the customer satisfaction from the multi-dimensional layer and considered the overall satisfaction as the function of satisfaction with multiple experiences with the service provider. (Sarina, p20, 2009).

(Lee et al, 2001) see that there are certain common factors in the quality of service and customer satisfaction, as satisfaction is considered more broadly than evaluating the quality of service and therefore the perceived quality of service is one of the elements of satisfaction.

The Importance of Customer Satisfaction

Rowley (2005) has pointed out that the client satisfaction is for the benefit of service providers, as it works to reduce the client's sensitivity to price and reduce expenses of attracting customers and works to improve the profitability of the enterprise. Rowley (2005) adds that customers can demonstrate satisfaction using one of the following ways: they can test to stay with the service provider whether this staying is defined as a relationship or not, or they can increase the number of purchases or repeat their purchases, or both. They can also defend the relevant organization by playing an active role in making the decision of others.

Study Problem

Customer satisfaction with the service can be highlighted when the company can provide benefits to customers that exceed their expectations. This is considered as added value. If the customers are satisfied with product or service, their purchases increase and repeat more often. Customer satisfaction is a key goal for each company that provides services to customers. Customer service and satisfaction can be a critical factor in the success of the entire process. Hence, the problem of the study has emerged to answer the main question:

Does the quality of services in the car rental companies in all its dimensions have an impact on customer satisfaction?

1. Is there a statistically significant effect at the level of significance ($\alpha \leq 0.05$) for the tangibility as one of the dimensions of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction?
2. Is there a statistically significant effect at the level of significance ($\alpha \leq 0.05$) for reliability as one of the dimensions of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction?
3. Is there a statistically significant effect at the level of significance ($\alpha \leq 0.05$) for safety as one of the dimensions of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction?
4. Is there a statistically significant effect at the level of significance ($\alpha \leq 0.05$) for sympathy as one of the dimensions of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction?
5. Is there a statistically significant effect at the level of significance ($\alpha \leq 0.05$) for response as one of the dimensions of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction?
6. Is there a statistically significant effect at the level of significance ($\alpha \leq 0.05$) for confidence as one of the dimensions of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction?
7. Is there a statistically significant effect at the level of significance ($\alpha \leq 0.05$) for commitment as one of the dimensions of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction?
8. Is there a statistically significant effect at the level of significance ($\alpha \leq 0.05$) for communication as one of the dimensions of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction?

Objectives of the study

This study seeks to achieve a number of goals, including the following:

1. Identifying the impact of the quality of services in the Car Rental companies in all its dimensions on customer satisfaction

2. Providing a range of important recommendations on the subject

Importance of the study

This study focuses on the analysis of the relationship or the impact of service quality on consumer satisfaction and loyalty in the Car Rental companies, which is a subject of vital importance for the company that seeks through the application of quality strategy to attract the largest possible number of customers. The importance of the study has come from the researcher's belief that the issue of service quality and its impact on customer satisfaction has not received much attention from the theoretical and practical studies and in particular in the car rental companies at the local level. Although there are many foreign studies on the impact of the quality of service on the consumer satisfaction in the organizations of different services, findings of these studies cannot be relied significantly or applied on the Jordanian consumer in the first place and Car Rental companies in Jordan due to the economic, cultural, social and demographic differences. The results of this study could benefit Car Rental companies in identifying strengths and weaknesses and working to strengthen the first and avoid the second.

This study derives its importance from the following:

1. The study attempts to identify the quality of services provided by Car Rental companies and the level of customer satisfaction with these services
2. The study could contribute to the development of a perception of quality indicators and applying them in the Car Rental companies in Jordan
3. The study will contribute to clarify some of the concepts related to the dimensions of service quality especially that are with regard to the rapid developments that are related to the focus on the customer as marketing strategy.
4. Such a study could help officials in the Car Rental companies to identify opinions of customers about the services offered by car rental companies and identify weaknesses and try to avoid them

There is no impact for the quality of services in the Car Rental companies in all its dimensions on customer satisfaction.

Methodology

In this study, the researcher uses the descriptive analytical approach, where theoretical framework depends on periodicals, books, and electronic articles, while fieldwork is covered by designing a questionnaire to serve the study objectives.

Data Collection Methods

1 – **Primary source**: the study questionnaire that was designed and distributed to sample subjects.

2 – **Secondary sources**: books, references, previous studies on that handle study topic.

Population and Sampling

The study population includes customers who rent cars in Amman, Jordan. The study depends on a convenience sample that consisted of 400 employees. 357questionnaires were returned, which represent 89.25% of the total sample.

It is illustrated that 31.9% of the sample has a diploma or less, 74.6% of the sample has bachelor degree, and the rest have higher studies. Also, it shows that there are more males (67.2% of the sample) than females.. With respect to Income, the table shows that that (65.5% of the sample is Jordanians and the rest is non Jordanian. Finally, it is found that the majority of the sample (50.4%) is between 25-35 years old.

Reliability Test

A Cronbach Alpha test has been used to ascertain instrument reliability. The value has been = 0.893 for the questionnaire. All values are accepted since they are more than 60% (Malhotra, 2004).

Questionnaire Design

The questionnaire has consisted of two main sections; the first has included participants' demographic (education, gender, Nationality and Age), while the second section has included information that are regarding the service quality dimensions, and the customer satisfaction.

5-points (Likert) scale has been used as follows: (5) points strongly agree, (4) points agree, (3) points neutral, (2) points disagree, (1) point strongly disagrees.

Statistical Treatment Methods

To analyze the collected data through the questionnaire, “SPSS” statistical package program has been used. The following statistical methods have been used:

- Frequencies and percentages
- Means and standard deviations
- Multiple Regression test

Analysis and Discussion

Table 1. Means and Standard Deviations for sample’s responses toward Service Dimensions

		Mean	S. Deviation
Tangibility		3.4902	1.35949
1	Services in Car Rental companies are high-class “advanced”	3.1933	1.47609
2	The appearance of the staff in the Car Rental companies is elegant	3.8067	1.19416
3	Physical requirements associated with the provision of services in Rental Car Companies are of attractive appearance	3.4090	1.64751
4	Car Rental companies have modern cars	3.5518	1.36189
Reliability		3.8074	.79159
1	When you experience a problem, the car rental companies show sincere interest to resolve this problem	3.7759	1.27649

2	Rental car companies accomplish their services on time and correctly from the first time	3.5770	1.51132
3	Rental car companies accomplish or implement services at the time they promise.	3.8683	.91001
4	Rental car companies will be obliged to document information without errors.	4.0084	.67244
Response		3.8662	.53113
1	Staff of rental car companies tell you about the time of completion of service accurately.	3.7283	.83573
2	Staff of rental car companies are giving you instant services	3.8824	.97014
3	Staff of rental car companies are always willing to assist you	3.8627	.60956
4	Staff of rental car companies are never late to meet your requests	3.9916	.56830
Credibility (Safety)		3.7024	.91195
1	Staff of Car Rental companies and their behaviors make you feel confident, comfortable and reassuring	3.4734	1.15023
2	With Car Rental companies, you feel safe and secure	3.5602	1.05994
3	Staff of rental car companies are dealing with customers courteously and gently.	3.8291	1.10486
4	Staff of rental car companies have the knowledge to answer your questions	3.9468	1.07053
Sympathy		3.7682	.62740
1	Staff of rental car companies are able to pay attention to each one of customers	3.5938	.82467
2	Working hours of rental car companies are suitable for each customer	3.8207	1.02020
3	Staff of rental car companies are able to provide the personal attention for you	3.8263	.67714
4	Rental car companies put your interests at the heart of their priorities	3.8319	.62691
Confidence		3.7899	.59837
1	Rental car companies are a source of confidence for you	3.6415	.77551
2	Your confidence of rental cars companies are very high	3.8739	.97053
3	Based on your past experiences, Car Rental companies can be trusted	3.8543	.59593
Commitment		4.2269	.72910
1	Rental car companies provide all your needs and desires	4.1317	1.02334
2	Rental car companies put your best desires at the heart of their concerns	3.9720	1.05963
3	Rental car companies will be obliged to provide information about their services on an ongoing basis	4.3782	1.12423
4	Rental car companies do not hesitate to clarify and support the right decision for their customers	4.4258	1.09041
Communication		3.9517	.67894
1	Rental car companies are always in touch with their customers	3.7983	.93538

2	If there is any problem that is detrimental to the customer's relationship with the company, the company responds rapidly to address the problem	4.2633	.62989
3	The means of communication with Car Rental companies to exchange information on an ongoing basis with its customers are excellent	3.7983	1.10347
4	Rental car companies provide you constantly with information about their services that are of high credibility	3.9468	1.17558

This table (2) indicates that there are positive attitudes toward the above questions because their means are above the mean of the scale (3). The grand mean also reflects that there are positive attitudes toward all the questions.

Table 2. Means and Standard Deviations for sample's responses toward Customer Satisfaction

	Mean	**S. Deviation**
1. Depending on your experiences, how satisfied are you with the services provided in the car rental companies.	3.8095	1.36473
2. Depending on your experiences, how satisfied are you with workers in the Car Rental companies.	3.9160	1.26478
3. Based on previous experiences, how satisfied are you with the period of service provision in the car rental companies.	3.7227	1.51170
4. How satisfied are you with responding speed to the requests of customers.	3.9580	.92465
5. How would you rate your opinion about car rental companies in Jordan	3.9664	.91737
Grand Mean	3.8745	.93120

Table 2 indicates that there are positive attitudes toward the questions because their means are above the mean of the scale (3). The grand mean also reflects that there are positive attitudes toward all the questions.

HYPOTHESES TESTING

There is no impact for the quality of services in the Car Rental companies in all its dimensions on customer satisfaction.

Table 3. Test of hypothesis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.822[a]	.676	.669	.53609

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	208.687	8	26.086	90.769	.000[b]
	Residual	100.011	348	.287		
	Total	308.698	356			

Multiple regression is used to test this hypothesis, the results of regression the independent variables against customer satisfaction can be seen in table 3

Table 3, shows that R (0.822) is the correlation of the independent variables and customer satisfaction.

Also it is found that R Square (0.676), which is the explained variance, is actually the square of the multiple R (0.822)2. What the results mean is that (67.6%) of the variance (R-Square) in the customer satisfaction has been significantly explained by the independent variables.

The ANOVA table shows that the F value of (90.769) is significant at (0.05) level. Thus, hypothesis is rejected. So that there is an impact for the quality of services in the Car Rental companies in all its dimensions on customer satisfaction.

By using stepwise regression it is found that Reliability dimension has the highest impact on customer satisfaction.

DISCUSSION

Results of the analysis indicated that the arithmetic mean for the customer satisfaction is high . Also it can be seen that the study sample is satisfied with the services offered by the car rental companies in Jordan.

As the results of the data showed the presence of the impact of the quality of services in the Car Rental companies in Jordan in all its dimensions on customer satisfaction combined analysis, and the reliability dimension has the highest impact on customer satisfaction .

This result agreed with the result of a study (Xiaoli, Yinghong and Zijian, 2006) which indicated that the quality of service, trust, credibility, and the low rate of routine helps in customer satisfaction, and the study of Mohammad and Noorjahan, 2009), which indicated that the effects of the perceived quality of service to customers, trust, customer satisfaction and customer loyalty. The study (Angeloss and Konslatinos, 2008) found that physical elements of the service are more important in determining customer satisfaction ratings.

RECOMMENDATIONS

- Improve the quality of services provided and the level to avoid deficiencies.
- Improve the performance of employees (service providers), and control of the negatives that prevent Quality Car Rental Services.
- Improve the quality of complementary services supporting the core of the service.
- Future field studies are suggested to test the impact of the quality of services in the Car Rental companies in Jordan in all its dimensions on customer Loyalty.

References

Angelos Pantouvakis, Konstantinos Lymperopoulos, (2008) "Customer satisfaction and loyalty in the eyes of new and repeat customers: Evidence from the transport sector", **Managing Service Quality**, Vol. 18 Iss: 6, pp.623 – 643

Armstrong, G. & Kotler, P. (2009) **Marketing. An Introduction**. 9th ed. Prentice Hall

Dehghan, Ali,(2006), **Relationship between Service Quality and Customer Satisfaction**, Luella University of Technology, Master Thesis.

Fecikova, I. (2004), ‘‘An index method for measurement of customer satisfaction’’, **The TQM Magazine**, Vol. 16 No. 1, pp. 57-66

Haksever, C., Render, B, Russell, R.S., and Murdick, R.G., (2000),**Service Management and Operations**, 2nd Edition, Prentice Hall,Upper Saddle River, New Jersey.

Heizer J & Render B. 2004. **Operations Management**. 7th Edition. International Edition. New Jersey:Prentice Hall. Pearson Education

Kang, G. and James, J. (2004), Service Quality Dimensions: an Examination of Gronroos Service Quality Model, **Managing Service Quality**, Vol.14, No.4, pp.266-277

Kotler, P.and Keller,K.L(2006), **Marketing Management**, Prentice-hall,12th Edition

Lee, H., Lee, Y. and Yoo, D. (2000), "The determinants of perceived service quality and its relationship with satisfaction", **Journal of Services Marketing**, Vol. 14 No. 3, pp. 217-31.

Lovelock, C. & Wirtz, J. (2004). **Service Marketing People, Technology**, Strategy,United States of America, Hamilton Printing Co,pp106-107**.**

Malhotra, N. K. (2004). **Marketing Research**. New Jersey: Prentice Hall

Mifflin Company

Mohammad Muzahid Akbar and Noorjahan Parvez (2009), the effects of customers' perceived service quality, trust, and customer satisfaction on customer loyalty, **ABAC Journal Vol. 29, No. 1**, pp.24-38

Munusamy, J., Chelliah, S. and Pandian, S. (2011), "Customer satisfaction delivery in airline industry in Malaysia: a case of low cost carrier", **Australian Journal of Basic and Applied Sciences**, Vol. 5 No. 11, pp. 718-723.

Pride, W.M. & Ferrell, O.C. 2006. Marketing Concepts and Strategies. Boston: Houghton

Rowley Jennifer , (2005) "The four Cs of customer loyalty**", Marketing Intelligence & Planning**, Vol. 23 Iss: 6, pp.574 - 581

Sarina , I. (2009**), The effect of Customers' Satisfaction Towards Customer loyalty among mobile Telecommunication Providers in Malysia**, Unpublished MSC , Utara University, Malaysia

Taylor, S. A. , Celuch, K. &Goddwin, S. (2004) " The importance of community Promotion & Brand Loyalty In Virtual communities: Evidence From Free Software Communities Interactional". **Journal Of Information Management** , PP. 1-11.

Xiaoli X., Yinghong Wan, Zhijian Huan, Hui Liu, (2006), "The impact of service quality, satisfaction, value and switching barrier on customer loyalty in Chinese airline industry", **Journal of Services Marketing**, 2, pp.1316-1321

Zeithaml, V. A., Bitner, M. and Gremler, D. D. (2006), **Services Marketing**, 4th Edition, McGraw Hill