The themes of customer-employee relations and customer satisfaction have drawn the attention of many researchers, especially from the field of management science with a focus on marketing and market relations. Services have been studied extensively and the idea of linking service value and customer satisfaction has existed for a long time. Customer satisfaction has been studied and recognized as an important factor in the management literature for the past few decades. Now it has also become an important subject matter for sociological analysis. Studies indicate that there are links among customer satisfaction, customer loyalty, and profitability. During recent years, there have been studies that have established mechanisms that attempt to link customer satisfaction and customer loyalty.

Many studies additionally attempt to establish connections between service quality, customer satisfaction, customer loyalty, and profitability (Gronroos, 1978; Gronroos, 1980; Gronroos, 1982; Parasuraman et al., 1985; Reichheld and Sasser, 1990; Sewell and Brown, 1990; Jones and Sasser, 1995; Heskett et al, 1997; Anderson and Mittal, 2000). Many studies related to customer loyalty during the 1990s have been conducted in the area of consumer markets that have frequently concentrated on such topics as relationship marketing. Even though there are many studies in the area of services, generally, the after sales services and after sales activities have got an overlooked area of the management literature and only a few researchers have paid attention to it. For the most part, issues related to after sales activities and after sales services have been given only partial attention in those studies. Nevertheless, the importance of after sales service can be
significant to customer satisfaction in a business, if the customers’ capital expenditure on
the equipment is significant, as is the case of mobile telecommunications. It is expected
that the importance of well-managed services in after sales phase, i.e., care phase will
increase, particularly in environments where high capital investments are required and
such investments are made over longer periods of time. Gronroos (1980) noted that
academics and practitioners at the time were not paying much attention to the service
marketing issues. Lele and Karmarkar (1983) claim that product support is a business
opportunity for many companies. A central question is how to manage the customer
relationship in order to gain satisfied and loyal customers. The customers’ and suppliers’
opinions on customer satisfaction cannot be explained simply as customer and supplier
views. The customer-supplier relationship is more complex. This relationship consists of
individual views of individuals that together form the customer-supplier relationship,
which is a network of relationships between several customers and supplier employees.

The service management literature frequently emphasizes the pivotal role of the front-line
employees (FLE). For example, Mattila and Enz (2002: 268) write: “The behaviors of
frontline service providers are crucial to customer evaluations of service”. Considering
the high-contact, labor-intensive nature of many services, it is not surprising that
numerous services management publications highlight the critical influence of the human-
interaction element of service production. The recognition of interaction failure as a
major source of service failure has also been important in focusing attention on the
service encounter. Bitner et al. (1990) found interactional failures responsible for 32 per
cent of unsatisfactory service incidents while Keaveney (1995) found interaction failures
to represent 34 percent of the factors behind customer switching.
The front-line employees are well recognized because they do play a wide range of roles to fulfill the needs of the customers. These include: competent service performance; customization of the service; personalization of the service; being perceived as authentic; maintaining suitable standards of civility; appropriate personal appearance; and effective service recovery actions (Price et al, 1995). The realization of such objectives relies upon suitable human resource management, for example, in selection and training activities, reward systems and job design, so as to develop the desired technical and behavioural employee performance. Improved understandings of the role of front-line employees, together with increasingly competitive service markets, have made managing service interactions a key managerial concern.

Non-verbal behaviour of the service provider greatly affects the service evaluation (Gabbott Mark, 2000). For example, the quality of interaction between customer and service provider influences customers’ perception of service quality. In services, a single employee may affect service efficiency and consequent customer satisfaction with the service (Barnard, 2002). Even customers own involvement and participation in the service delivery affect customer satisfaction (Kelly et al., 1982).

The Customer satisfaction has received considerable attention from researchers in marketing (e.g., Oliver, 1980; Churchill and Suprenant, 1982; Oliver and DeSarbo, 1988; Yi, 1991; Fornell, 1992; Anderson and Sullivan, 1993). A review of this research suggests that customer satisfaction is generally construed to be a post-consumption evaluation dependent on perceived quality or value, expectations, and confirmation/disconfirmation - the degree (if any) of discrepancy between actual and expected quality (Yi, 1991). Moreover, the customer satisfaction may concern a specific
transaction or pertain to an overall evaluation of a particular brand or firm (Oliver, 1980; Johnson and Fornell, 1991; Anderson and Fornell, 1993).

If there is a single phenomenon common to the studies of customer satisfaction, it is confirmation / disconfirmation (Yi, 1991). This suggests that customers compare the quality they experience with a norm or standard, such as pre-purchase expectations about a particular product. Any perceived discrepancy between the two leads to increased or decreased satisfaction (Oliver, 1980). Moreover, as might be expected from prospect theory, quality that falls short of expectations is found to have a greater effect on satisfaction than quality that exceeds expectations (Anderson and Sullivan, 1993).

Expectation is a second direct antecedent of customer satisfaction. Oliver (1980) argues that expectations provide an anchor and confirmation / disconfirmation provides an adjustment in determining customer satisfaction. In addition, expectations contain information about future quality affecting customer satisfaction and likelihood of repurchase (Anderson et al, 1994). For example, expectations regarding the continued reliability of an automobile, prompt service for insurance claims, or anticipated but unforeseen benefits of owning a personal computer may affect current satisfaction with a particular supplier.

A third antecedent of customer satisfaction is quality. As might be expected, quality has been shown to have a positive effect on customer satisfaction (Churchill and Suprenant, 1982; Oliver and DeSarbo, 1988; Fornell, 1992). In fact, several studies suggest that quality's effect on customer satisfaction is often greater than the effect of either
confirmation / disconfirmation or expectations (Churchill and Suprenant, 1982; Oliver and DeSarbo, 1988; Anderson and Sullivan, 1993).

If there is a strong match between producers' offerings and customers’ ideal points, then expectations should be higher and more important in determining satisfaction (Anderson and Sullivan, 1993). Obviously, under these conditions, quality, expectations, and satisfaction should also be higher (Johnson and Fornell, 1991). Competitiveness, as measured by degree of concentration, may affect the level of satisfaction in an industry, as well as the importance of the various antecedents. For example, Fornell and Robinson (1983) find that greater concentration reduces satisfaction. Conversely, as competition increases, firms should deliver higher quality to customers and, consequently, higher satisfaction. Moreover, as concentration decreases, satisfaction should increase as customers may search for higher-quality products over time (Anderson and Sullivan, 1993).

Frequency of usage and accumulated experience should influence customer satisfaction. Frequency of usage should imply that customers have relatively accurate priorities and have learned which products match their preferences. Hence, disconfirmation should be lower, and quality, satisfaction, and repurchase intentions should be higher (Anderson and Sullivan, 1993). Moreover, these latter variables should be higher due to customer avoidance of products they dislike over time, as well as habituation and familiarity (Johnson and Fornell, 1991).

Repurchase intentions should also be higher when switching costs are high (Fornell, 1992; Anderson and Sullivan, 1993). Moreover, demand should be less sensitive to
customer satisfaction. Hence, firms should have less incentive to provide high quality, and satisfaction should be correspondingly lower. Quality is lower, repurchase intention is higher, and repurchase is less sensitive to satisfaction when switching costs are high. When switching costs are low, demand is likely to be more sensitive to satisfaction, and firms will invest accordingly. When switching costs are high, firms will invest fewer resources in improving quality and satisfaction (Fornell, 1992).

There is a substantial body of literature on consumer culture that analyses cultural differences and looks into reasons for consumption in a cultural context (Featherstone, 1991; Cross, 1993; Lury, 1998). Culture affects the entire structure of consumption. Sociology studies why people buy products and find various answers to that simple question: products provide function; products should comply with people’s preferences about the form in which the product function could be delivered; products become symbols of meaning in society (Solomon, 1983). The importance of values is described by a theory of consumption values (Sheth et al., 1991). The authors propose that consumer choice is influenced by functional value, conditional value, social value, emotional value, and epistemic value. Changes of values are usually explained from a life-cycle perspective (people grow older and their values change) or from a generational perspective, suggesting that values of all generations are being replaced by values of the leading generation.

As Sahoo and Vyas (2007) define, customer loyalty as a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive behaviour reflecting purchase of the brand despite situational influences and marketing efforts having the potential to cause a switching behavior. Loyalty is, in
simpler terms, a reliance on a particular brand or company even though numerous satisfactory alternatives may exist. Loyalty helps build relationships. It requires that companies view customers as people first and consumers second. Trust, commitment, ethical practices, fulfillment of promises, mutual exchange, emotional bonding, personalization and customer orientation have been reported to be the key elements in the relationship building process (Levitt, 1986; Gronroos, 1994; Morgan and Hunt, 1994; Gummesson, 1994; Bejou et al, 1998).

Customers are more likely to be loyal to a group of brands than to a single brand. This is particularly true if the chosen brand is the category leader and costs more. In contrast to the one-brand-for-life mentality of the past, today’s consumers are blatant in their divided loyalties, for their own safety and pleasure (Sahoo and Vyas, 2007).

When a consumer buys a product with an intention to share its consumption with others, the situation is akin to that of gift giving, as sharing is similarly goal-driven. For example, while purchasing a product to share with friends, in addition to personal goals, the buyer will need to take into account the perceived goals of others. Ariely and Levav (2000) propose that the consumer choices in some cases represent a balance between two general goal classes: those goals independent of the presence of others, termed “individual-alone” goals (e.g., satisfying one’s taste) and those goals triggered by the existence of a group, termed “individual-group” goals (e.g., the desire to portray oneself as interesting and unique). Differences between individual goals and group expectations can act as sources of anxiety among givers (Green and Alden, 1988). The nature of the situation (such as the number of people present) can influence the level of anxiety experienced in terms of the concern felt about the comparative worth of an individual’s offering (Wooten, 2000).
Gift-giving and sharing can in fact be thought of as serving a communication function, and requires the preparation of the offering, and the preparation of the individual, in the “service of impression management” (Sherry, 1983:164).

Scholars interested in culture and consumption have also focused on exchange in markets. The sociology of consumption (Bourdieu, 1984; Csikszentmihalyi & Rochberg-Halton, 1981; Slater, 1997; Zelizer, 1983, 1994 & 1997) focuses on what products mean for people and how people use money and markets to establish meaning, status, and morality. For these scholars, culture is deeply implicated in market exchange. Products are cultural objects imbued with meaning based on shared understandings and are themselves symbols or representations of these meanings. Consumption reproduces the material lives of consumers and provides them the means to express their identities and affiliations with status groups. But most importantly for these scholars, the meanings attached to products that are negotiated by consumers and producers shape the interpersonal relations of embedded market exchange and, in turn, are shaped by them.

Stiff competition in the service market forces service firms looking for the best approach to attract and create a group of loyal customers. Relationship marketing is a strategy used by many service providers to maintain long-term relationship. Moreover, relationship quality is the manifest of successful relationship marketing activities. Good implementation of relationship marketing strategy can be seen from good relationship quality built between customer and service provider (Bojei and Alwie, 2010).

Research shows members who trust their organization appear much happier with their membership and enjoy it more (Garbarino and Johnson, 1999; Morgan and Hunt, 1994).
Affective commitment has been shown to have the strongest relationship with participation (Gruen et al, 2000) and retention (Bansal et al, 2004). Members also enjoy their membership more if they are satisfied that their membership meets their needs and expectations. Moreover, a number of studies have found a fairly strong interrelationship between trust and satisfaction (Bansal et al, 2004; Garbarino and Johnson, 1999).

There is strong support that expectation of continuity is influenced by trust (Anderson and Weitz, 1989; Ganesan, 1994; Doney and Cannon, 1997), commitment (Fullerton, 2005; Bansal et al, 2004; Garbarino and Johnson, 1999), satisfaction, as well as by relationship quality (Palmatier et al, 2006; Crosby et al, 1990). A strong positive link between relationship quality and expectation of continuity suggests that relationship quality may encourage long term relationships by assuring customers that the organization will continue to meet their expectations.

Customers who develop a strong relationship with positive emotional bonds to an organization are the most profitable customers, as they tend to trust the organization and consume more of its products and services (Zeithaml et al, 1996; Parasuraman et al, 1991; Siguaw et al, 1998).

Word of mouth (WOM) recommendations can be very influential in any purchase decision (Gremler et al, 2001). Only customers who have found cause to develop a strong relationship with an organization would risk their own reputation by providing a referral of the seller (Palmatier et al, 2006). Providing customers with perceived value or satisfaction is widely recognized as a means of improving loyalty intentions (Fornell et al,
One of the ways to increase customer satisfaction may be through developing a better understanding of acceptable time standards. Waiting time is considered a key factor for customer satisfaction (Lee & Lambert, 2005) across a variety of service settings. Research has noted that when customers enter a service system, they have specific expectations regarding the acceptable wait time that may lead to satisfaction (Taylor, 1994). Other research suggests that time dimensions need to be managed carefully as some customers may place different levels of importance on their waiting experiences for each service stage including the arrival, greeting, seating, ordering, serving, receiving check, and payment processing (Hwang & Lambert, 2005). A better understanding of ‘what different customers believe is an acceptable wait time for the various stages of the restaurant experience’ is very important in attaining their satisfaction. It is therefore an area of managerial interest that has received little empirical attention.

The notion of time as a valued commodity has been well established. The concept of time has been studied throughout a variety of disciplines including economics, psychology, sociology and cultural anthropology (Mosakowski & Early, 2000). Recently, socio-cultural aspects and recent academic literature shows an increasing concern with time and time-related benefits associated with certain products and services. In the hospitality segment, the concept of time is a valued commodity, and has been a primary factor in the rapid expansion and success of quick service restaurant chains (Becker & Murrmann, 1999).
However, there is no absolute one level of acceptable customer satisfaction (Hwang & Lambert, 2008) as preferences may vary based on a variety of individual characteristics. Therefore, it is important to analyze whether time preferences vary based on sub-culture characteristics, such as rural and urban location. When customers enter a service system, they have specific expectations regarding the acceptable waiting time that leads to satisfaction (Taylor, 1994). Research suggests that an important managerial challenge is to make sure the actual wait or the perceived wait is well managed so that any negative aspects of the service experience can be minimized (Dickson et al, 2005). However, little research exists as to the suggested timing standards.

One of the issues pertaining to service expectations which might be particularly influenced by cultural factors involves the element of time (Becker & Murrellmann, 1999). Anecdotal information suggests that time, particularly the customer’s propensity to spend time waiting, may be conditioned and reinforced as a function of culture (Hofstede, 1983). The evolution of time studies suggests that different consumers do not plan, prioritize, value, maximize, minimize, estimate, or experience time in uniform ways (Guy et al, 1984). Other research has expressed the belief that time perceptions are not contingent upon an individual’s national culture as they are upon an individual’s operating culture (Guy et al, 1984). A recent study researched a summary of time expectations (Kimes et al, 2002), but did not examine each component of the service encounter from a preferred time preference. This research was significant as it did reveal that mean expected dining time varied significantly by nationality.

If sub-culture factors play a meaningful role in the determination of how individuals assess and experience time, then this information could prove meaningful for operations
which serve diversified global markets (Becker & Murrmann, 1999). Studies to date have addressed the concept of time from a number of perspectives; however a few studies have explicitly examined how long customers think a service encounter should last. Satisfaction with a service has been investigated as it varies based on a rural or urban location for such services as nursing (Elder et al, 2003) and marketing (Davis & Vollman, 1990), where both studies found a statistically significant difference. The services marketing study found that suburban vs. city location was significant in affecting the relationship between waiting time and satisfaction (Davis & Vollmann, 1990).

Understanding which customer service improvement initiatives that the customer considers valuable, is critical (Butcher et al., 2009) and this may be understood more thoroughly by examining the expressed customer importance of employee behaviors typically displayed during the service exchange. While in the last few years there has been a plethora of research on service quality, customer satisfaction, and the service encounter, little research has systematically explored what these components really mean to the consumer in terms of actual behaviors of the service delivery personnel (Winsted, 1997). Research for this area is crucial as the frontline personnel are instrumental in creating satisfactory service encounters within the hospitality industry (Kim et al., 2003). Another article suggested future research needs to specifically examine what about employee behavior is important to customers (Wall & Berry, 2007).

The topic of service quality has engaged many academics and led to a significant amount of debate over its conceptualization (Andaleeb & Conway, 2006). Service quality has been defined as the extent of differences between customer expectations of a service and
their perceptions of the service delivered and is perceived and assessed by customers during the service delivery process (Parasuraman et al., 1985).

According to Vavra (1995), quality is: Consistently delivering products and services that fully meet consumer needs and expectations. Quality is defined by Stonebraker and Leong (1994) in the following terms: Product or service quality requires a total system, which identifies customer requirements, which designs the product/service to those requirements, and which establishes a production or service delivery system to produce in conformance with the specifications.

Gronroos (1988) has identified a list of six criteria of good perceived quality: professionalism and skills, attitudes and behaviour, accessibility and flexibility, reliability and trustworthiness, recovery, and reputation and credibility. The first is outcome-related, reputation and credibility are image-related, and the rest are process-related. Storbacka et al (1994) and Holmlund and Strandvik (1999) note that relationship quality can be seen as an antecedent to many other perception concepts, for example, value, satisfaction, trust, and commitment.

The service quality model of Parasuraman et al (1985) identified five key gaps that can cause problems in service delivery. These gaps are:

1. **Research gap** – between customer expectations and management’s perception of those expectations
2. **Planning and design gap** – between management's perception of what the customer wants and the designed capabilities of the system that management develops to provide the service

3. **Implementation gap** – between what the service system is designed to provide and what it actually provides

4. **Communication gap** – between what the service system provides and what the customer is told it provides.

5. **Reality gap** – between customers' service expectations and their perception of that service

A company should always pay attention to the customer perceptions and expectations. If there is a difference between customer expectations and perceptions, there is a gap and in practice, it does not matter whether the gap is based on facts or feelings, but how the customer perceives service matters (Friday and Cotts, 1995).

In studies of customers' expectations of service quality and their actual experiences, the following five elements are seen as the most important to a buyer (Parasuraman and Grewal, 2000):

- **Reliability** – ability to provide what was promised
- **Assurance** – knowledge and courtesy of employees and their ability to convey trust and confidence
- **Tangibles** – physical facilities, equipment and the appearance of the personnel
- **Empathy** – caring and individual attention
- **Responsiveness** – willingness to help and provide prompt service

Two critical dimensions are reliability and responsiveness. Generally, reliability is the most important for customers when they assess service (Parasuraman and Grewal, 2000). Responsiveness means anticipating problems before they occur, rather than fixing problems quickly. Companies must work at making sure that problems will not occur at all. Once the customer is sure about the quality of the product and responsiveness of the employees, the probability of a customer becoming a loyal customer increases.

According to Friday and Cotts (1995), customers evaluate services based on the purpose of the service, necessity, importance, results, cost, and risk. In order to have appropriate expectations, a customer should have a full picture of the purpose of a job.

According to Naumann (1994), determinants of service quality are:

- **Reliability** – consistency of services
- **Responsiveness** – willingness or readiness of employees to provide service
- **Competence** – possession of required skills
- **Access** – approachability and ease of contact
- **Courtey** – politeness, respect, consideration, and friendliness
- **Communication** – keeping customers informed and listening
- **Credibility** – honesty, trustworthiness
- **Security** – freedom from danger, risk, or doubt
• **Understanding/knowing the customer** – making the effort to understand a customer's needs

• **Tangibles** – physical evidence of the service

Products are made up of two elements: basic features such as components, ingredients and performance, and such added value components as image, service, styling, and support. Every product additionally entails services. Customers do not always differentiate between product and service quality, but regard these elements as a package. Research shows (Naumann, 1994) that improving tangible product quality is easier than improving service quality for most companies. Its implication is that service quality is more difficult to replicate, as service quality derives from corporate culture and therefore it can be a more permanent competitive advantage (Naumann, 1994, Stenberg, 1997).

In the customer evaluation process (Heskett et al., 1990), it has been reported that customers perceive greater risk when purchasing services than products, rely more on information from personal sources, and use price and physical facilities as the major cues to service quality.

Customers define quality frequently through their subjective and preconceived values. The measures of quality in service organizations are generally more subjective than in the manufacturing environment. Therefore, the manufacturing view of quality does not apply in isolation, but must be seen in the context of the customer service environment in which the product is delivered (Stonebraker and Leong, 1994).
In addition, service quality is based on the overall attitude of customer’s encounters with the service provider. Satisfaction, while linked to service quality, is generally viewed as a broader concept and service quality is a component of satisfaction (Zeithaml & Bitner, 2000). The satisfaction judgment requires a transaction specific experience with the service, while quality can be perceived without a consumption experience or as an overall evaluation (Oliver, 1993). According to the expectancy-disconfirmation paradigm, a customer judges satisfaction by comparing previously held expectations with the perceived product of service performance. In addition, a positive or negative affect arises from the cognitive process of confirmation/ disconfirmation which contributes to the corresponding satisfaction of dissatisfaction (Oliver, 1993; Oliver, Rust, & Varki, 1997).

Within the area of satisfaction, definitions include service-encounter satisfaction and overall satisfaction. Service-encounter, or transaction-specific satisfaction, is a customer’s evaluation of his or her experience with and reactions to a particular transaction or service encounter (Olsen and Johnson, 2003). Overall satisfaction refers to the customer’s overall evaluation of a product or service provider (Johnson, Anderson, & Fornell, 1995).

As service quality and customer satisfaction have been an avidly researched topics for hospitality, tourism, and marketing researchers as well as practitioners over the past few decades, various dimensions have been identified. The work of Parasuraman et al., (1988; 1991) has led to the identification of five dimensions of service quality: reliability, responsiveness, assurance, tangibles, and empathy, which have been widely used throughout the service industry and literature. Reliability is defined as the ability to perform the promised service dependably and accurately. Responsiveness is the willingness to help customers and provide prompt service. Assurance is the knowledge
and courtesy of employees and their ability to convey trust and confidence. Empathy is
the caring, individualized attention provided to the customer, and tangibles are the
appearance of physical facilities, equipment, personnel, and communication materials.
Different individuals evaluate components of the service independently and differently
(Chang, 2008), and it is thus important to research how different groups view the different
components, which, within the hospitality sector, are often delivered through customer
contact employees.

As noted by Becker et al., (1999) because the essence of service is the performance and
not the facilitating product, the focus on the intangible elements provided through the
service delivery are very important. Hospitality services are labor intensive, and the social
nature of the face-to-face encounters between hospitality service providers and their
customers is an essential feature of hospitality service (Becker et al., 1999). Customer
contact employees serve as a link between the external customer and/or the environment
and the internal operations of the organization (Zeithaml & Bitner, 2000). In addition,
customer contact employees serve the critical function in understanding, filtering, and
interpreting information and resources to and from the organization and its external
constituencies (Kee-Fu & Ap, 2007), i.e. the customer.

It is believed that the success and failure of service delivery can largely depend on the
attitudes and behaviors of the contact employees (Kee-Fu & Ap, 2007). In order to
enhance customer satisfaction, the contact employee can play an important role in making
each service encounter a memorable experience (Van Dolen, de Ruyter, & Lemmink,
2004). A recent study found that employee behavior was, by far, the most influential
factor in shaping customer’s perceptions of their high- and low-preferences (Berry &
Lampo, 2004). Another study found that humanistic clues dominate mechanic clues in influencing service quality perceptions for the casual-dining restaurant surveyed (Wall & Berry, 2007). Similarly, other researchers agree that employee behaviors can affect customer satisfaction (Kim et al., 2009) and that employee behaviors during interactions with customers have either a positive or negative impact on customer perceptions of service quality (Bitner et al., 1990).

Satisfaction in exchanges is not a universal phenomenon and people will get different responses out of the same hospitality experience, as customers have different needs, objectives, and cultural backgrounds that usually affect their perceptions and therefore their satisfaction (Davis, Lockwood, & Stone, 1998). Communication between guests and front-line employees involves more than spoken words; it involves an understanding of deeper cultural differences as well (Heo et al., 2004).

Some research has suggested that employee behavior during a service provides powerful clues that contribute to customers’ perceptions of service quality (Zeithaml, Berry, & Parasuraman, 1993; Zeithaml, Parasuraman, & Berry, 1988). More recent research has refined the notion stating that behavioral responses of customer contact employees are a major factor in affecting service quality and customer satisfaction (Kee-Fu & Ap, 2007).

Employees display different affective characteristics such as friendliness, responsiveness, and enthusiasm. These can positively influence customers’ overall evaluation of service consumption experiences and perceptions of service quality (Sundaram & Webster, 2000). The development of definitive and actionable standards requires the identification of those characteristics of style and substance that customers actually use when assessing
service performances (Czepiel, 1990). A behaviorally based measurement instrument would minimize ambiguity inherent in the use of evaluation criteria that rely on subjectively interpreted concepts (Becker et al, 1999). As noted by Becker et al. (1999) the use of an agreement scale to assess the degree in which a behavioral measure is a characteristic of service excellence provides service managers with ambiguous information. For example, the concept of courtesy (empathy, responsiveness, personal attention, promptness) is equivocal and varies depending on the service context.

Prior research shows that different cultures differ in their preferences for modes of communication and that the behavioral norms and attitudes that reflect the consumer’s ideal of quality service might be largely dependent on cultural orientation (Winsted, 1997; Mattila, 1999). Some cultures have a preference for high-context communications (nonverbal, indirect, and implicit) while other cultures prefer low-context communication (explicit, direct, and unambiguous) (Mattila, 1999). In addition, common non-verbal behaviors used in the hospitality sector, especially restaurants, such as facial expressions, eye contact, gestures, body movement, posture, physical appearance, and touching are interpreted differently between cultures (Holtzman, Murphy, & Gordon, 1991).

It is important to note that service encounters involve not just social interaction but also sensory engagement, visually, olfactory, and aurally. One specific non-verbal behavioral dimension that has received some attention in recent literature is employee appearance and cleanliness. Attempts to determine employee appearance are regarded as legitimate managerial interventions for companies aiming to provide the desired service encounter (Warhurst & Nickson, 2007) and the results found that appearance is an integral part of hospitality work. The practice of doing a uniform check or employee lineup is becoming
increasingly more common throughout the hospitality industry. Practitioners believe that employee appearance matters and those employers are concerned with developing and maintaining the desired appearance image through the use of uniforms, dress codes, and grooming standards (Warhurst & Nickson, 2007). The importance of employee appearance as part of employer strategy to gain customer satisfaction needs further research (Warhurst & Nickson, 2007). Some customers may perceive a service as being comparatively unimportant while for others it is critical (Nasution & Movando, 2008).

Research has argued that it is necessary to take into account the socio-structural factors and socialization experiences through which people form their attitudes and behaviors. It has been argued that one way to measure the potential differences in socio-structural factors and socializations experiences may be achieved through the study of rural and urban samples (Berenguer, Corraliza, Martin, 2005). The conceptual rational is that values are, in part, sub-culturally determined and it would be of great interest to investigate differences in sub-cultures, such as a rural and urban sample (Schopphoven, 1991; Becker & Murrmann, 1999). Furthermore, it has been stated that an understanding of differing nature of business in rural and urban areas is of crucial importance (Westhead & Wright, 1998) and that a comparison between rural and urban consumers can offer much needed insight (Sun & Wu, 2004) which can specifically be applied to the customers that engage in service exchange settings. Only a few studies have explored the regional (geographical) variations in consumer characteristics and their implications (Sun & Wu, 2004). One such study found that there was a significant difference between customers’ satisfaction of wait times based on rural or urban location (Davis & Vollman, 1990).
The variability between and within service encounters is difficult to evaluate and quantify (Bitner, 1990; Tansik, 1990). However, excellent quality interactions in customer service encounters contribute significantly to a service organisation’s competitive advantage (Zeithaml and Bitner, 1996). Research has established that a customer’s loyal purchase behaviour is often influenced by the quality of the interactions between the customer and service provider (Bitner, Booms and Mohr, 1994). Since the interaction in the encounter derives both from the customer and the provider, all the antecedents of the interactive incidents in a service encounter are of great interest to marketers.

In highly competitive market, firms are competing to attract potential customers and try to retain them. To achieve that, firms head toward developing relationship with current and also potential customers. In business, relationship or known as business relationship is not a new phenomenon when the interaction between a customer and a supplier or the firm has economic consequences that go beyond the simple transfer of products for money in a single transaction. Relationships between both business parties emerge when each transaction between these two parties is affected by their previous dealings and it might affect their future dealings with each other (Ford, et al., 1998).

The highly competitive market requires industry players to find a way to maintain long-term relationship with their customers, which is called relationship marketing (RM) or some books called it as customer relationship management. RM is very crucial in service sectors because of its intangibility characteristic, which is difficult for customers to evaluate services visually. success of activities can be translated into a good relationship quality between the customer and the service provider (Hennig-Thurau, Gwinner and Gremler, 2002), which leads to customers’ loyalty. Although most previous researchers
acknowledged the importance of relationship quality in influencing customer loyalty, very few studies try to combine interpersonal factors as a dimension of relationship quality.

Relationship quality (RQ) is an extended issue of relationship marketing. RQ refers to a customer’s perceptions of how well the whole relationship fulfills the expectations, predictions, goals, and desires the customer has concerning the whole relationship (Jarvelin and Lehtinen, 1996). RQ is a manifest of positive relationship outcomes that reflect the strength of a relationship which meets the need and expectation of involved parties (Smith, 1998). This relationship forms the overall impression that a customer has concern about the whole relationship that they have with any service providers (Wong and Sohal, 2002).

RQ in service sectors can be divided into two; professional relation and social relation (Gummesson, 1987). Professional relation is grounded on the service provider’s demonstration of competence, whereas social relation is based on the effectiveness of the service provider’s social interaction with the customer (Wong and Sohal, 2002). In other words, RQ can be seen from professional and/or social relations. To be successful in building this relationship, the service provider should not only focus on professional relation, but at the same time emphasize on customer’s social interactions. This is crucial because customer sees RQ can be achieved through the salesperson or service employee’s ability to reduce perceived uncertainty (Zeithaml, 1981) through interpersonal interaction.

Business identified two factors that might influence relationship satisfaction, viz. instrumental factors and interpersonal factors (Abdul-Muhmin, 2005). Between these two
factors, interpersonal factors are the most influential factor compared to instrumental factors in influencing relationship satisfaction. The author argues that the instrumental factors work as a basis for developing or starting the relationship. They develop the foundation of relationship. On the other hand, the interpersonal factors help to cement the relationship. Good interpersonal relationship helps to strengthen the relationship between the customer and service employee, and develop trust between them (Auh, 2005). However, interpersonal relationships are not being developed in a day; it needs time and effort to do that. Interpersonal interactions lead to identification of variables like trust, fairness, shared values, relational social norms and communication as determinant of relationship in business context or in service sectors.

Most of the previous researchers believed that one of the important factors influencing the success of RQ is the relationship between the customers and first-line employees or service employees. For instance, Gummesson (1987) and Abdul-Muhmin (2005) argue that interpersonal or social interactions are important in developing good relationship with the customers. Service employees form close relationship with customers because employees and customers often work together in the creation of many services (Moira, 1997). This is because service is produced by employees and consumed by customer simultaneously (Berry, 1980; Lovelock, 1981). In addition, the intangibility of services make it difficult for customers to evaluate the service they receive, and since such as an evaluation often seem desirable, customers would tend to evaluate what they can sense and sometimes, customers often rely on employees’ behaviour in forming opinion about the service offering (Gronroos, 1983; Shostack, 1977a, 1977b). Because of these two functions, employees actually become part of the service in the customer’s eyes (Lovelock, 1981).
Hsieh and Hiang (2004), found that the interaction quality between customer and service employee has a positive impact on RQ (trust and satisfaction). Service employees should portray high customer orientation that they serve their customers, as this becomes an important indicator for customer satisfaction (Hennig-Thurau, 2004). In other words, employees’ social skills and their motivation to fulfill customer needs exert a strong influence on satisfaction and commitment, and develop stable relationship with customers. The ability of service employee in delivering a reliable and quality service has strong influence on customers’ trust as well as their loyalty (auh, 2005).

Based on the dimensions of RQ in various study settings, Hennig-Thurau et. al. (2002) argued that customer satisfaction with the service provider’s performance, trust in the service provider and commitment to the relationship with the service firm are identified as key components of RQ (Baker, Simpson and Siguaw, 1999; Crosby, Evans and Cowles, 1990; Dorsch, Swanson and Kelley, 1998; Garbarino and Johnson, 1999; Palmer and Bejou, 1994; Smith 1998). These three key components contribute to RQ at firm level, whereas the RQ between customer and service employee works at interpersonal level.

In previous studies on RQ, some researchers link their study on relationship with loyalty, which act as dependent variable (Shamdasani and Balakrishnan, 2000; Hennig-Thurau, et al., 2002; Roberts, Varki and Brodie, 2003; Liang and Wang, 2004; Guenzi and Pelloni, 2004; Lin and Ding, 2005). The purpose of doing so is to demonstrate that a good RQ will contribute to customer loyalty. Yet, the conceptualization of loyalty varies among researchers. For example, some of researchers see loyalty in terms of behavioral loyalty or attitudinal loyalty (“mental state”) or both, i.e., in the sense that customers can express
their loyalty in many ways, e.g. repeat purchase, willing to recommend, increase usage, etc. Moreover, loyalty is the final output of good RQ between customer and service provider in either credential services or experience services.

Creating long-term relationships with customers is the key to the survival and growth of service operations (Duffy, 1998). Trust is important in any relationship because it can be considered as a foundation of any relationship. Trust is the main component of long-term business as well as personal relationships, and widely studied in the social exchange and also in marketing literature (Morgan and Hunt, 1994; Johnson and Grayson, 2005; Wong and Sohal, 2002; Sharma and Patterson, 1999; Roberts et. al., 2003; Hennig-thurau and Klee, 1997). An empirical study by Coulter and Coulter, (2002) found that at the early stage of service relationship, person-related factors have a greater effect on trust as compared to offer-related factors. Trust in relationship is very vulnerable because the outcomes of this relationship are both uncertain and important to the trusting party (Doney and Cannon, 1997; Moorman, Deshpande and Zaltman, 1992). In addition, customer-company relationships require trust and effective service marketing that depend on the management of trust because customers typically must buy a service before experiencing it (Berry and Parasuraman, 1991). Therefore, the importance of trust is higher in developing any relationship, especially for service firms.

Importantly, commitment from both parties is crucial in business relationship, without which the relationship will not sustain, and finally relationship should contribute to the satisfaction of involved parties. Commitment was widely studied in the interaction between the buyer and the seller (Beloucif, Donaldson and Kazani, 2004). Relationship commitment exists when the exchange partner believes that an ongoing relationship with
another partner is so important as to warrant maximum effort to maintain it. The committed party believes that the relationships are worth working on to ensure that it endures indefinitely (Morgan and Hunt, 1994). Hennig-Thurau and Klee (1997) stated that commitment as a customer’s long-term ongoing orientation toward a relationship grounded on both emotional bond to the relationship (affective aspect) and on the conviction that remaining in the relationship will yield net benefits than terminating it (cognitive aspect). A high level of commitment is achieved if both relational bond (net benefits) and affective bond (emotional tie) exist in the relationship. For example, Liang and Wang (2004) found the importance of commitment in relationship (as in Morgan and Hunt, 1994; Garbarino and Johnson, 1999), and the importance of commitment will increase in future when the firms realize the importance of relationship marketing in their daily marketing activities as opposed to marketing mix (Gronroos, 1994). Morgan and Hunt (1994) proposed that relationship commitment has a positive effect on acquaintance and cooperation and negative effect on propensity to leave the relationship.

Customer satisfaction has gained new attention within the context of the paradigm shift from transactional marketing to relational marketing (Gronroos, 1994). Satisfaction has been treated as a necessary premise for holding customers (Hennig-Thurau and Klee, 1997). Kotler (1997) stated that the key to customer retention is customer satisfaction. In fact, customer satisfaction has been widely explored in marketing literature, with special concern to its link with customers’ loyalty towards the firm (Bitner, 1995; Crosby et. al., 1990). Oliver (1997:13) defined “satisfaction as the consumer’s fulfillment response. It is a judgment to a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment”. Satisfaction with delivered products or services has been
suggested and empirically proven influencing the buyer’s decision to continue the relationship (Anderson, et al., 1994; Fornell, 1992). Importantly, satisfaction also has been found to have a significant impact on both trust and continuity of the relationship (Smith, 1998).

The importance of service quality is seen in the effect that it has on the organization as a whole. It is seen in the following ways: 1) Service quality has an effect on customer satisfaction (Arasli et al., 2005; Zeithaml and Bitner, 2003; Kandampully, 1998). Using the confirmation model, satisfaction will be experienced by the customer, if the perceptions (of the actual experience) exceed the expectations of customers. 2) Service quality has an effect on customer loyalty (Heskett, 2002; Kandampully, 1998). Loyalty is experienced by the organization when the perceived service quality experienced by the customers exceeds that which is offered by the competitors. The delivering of service quality to customers is required in the long term if the organization is to experience the benefits of customer loyalty (Kandampully, 1998). 3) Service quality creates competitive advantage for organizations and is associated with successful organizations (Kandampully, 1998). It has been said that many organizations sell a similar product of similar quality, and that the differentiator between them is the service quality that is offered to the customer (Arasli et al., 2005). 4) Service quality affects relationships and relationship marketing, as customers are willing to build relationships with organizations that provide service quality (Zeithaml and Bitner, 2003). 5) Service quality has an effect on profitability and costs (Buttle, 1996). As service quality impacts on customer satisfaction, this also impacts on customer retention, reduction of costs and increased profitability (Zeithaml et al., 2006).
The perspective of the customers as well as that of the employees regarding a service situation is well emphasized by most of the studies as reviewed above. As far as landline customers are concerned, servicing is not uncommon and a variety of services are required and provided both face-to-face and over phone. Taking the studies reviewed here into consideration, the present study aims to explore the various aspects of the services provided to the landline customers by the BSNL, and to study the customers’ satisfaction. The data pertaining to sample customers and employees are analyzed in order to have a better understanding of various issues related to the Telecom services and customer satisfaction. In a way, this study differs in several respects from the studies reviewed in their chapter.