# SERVICE QUALITY AND CUSTOMER SATISFACTION OF THE BEAUTY-CARE SERVICE INDUSTRY IN DHAKA: A STUDY ON HIGH-END WOMEN'S PARLORS

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The beauty-care service industry is one of the flourishing industries in Dhaka, the capital and largest city, in terms of population density, in Bangladesh. The growing number of beauty-conscious women and their demand for variety of services cater to the growth and importance of this industry. This study aims at measuring the service quality and customer satisfaction level of high-end women's parlors in Dhaka. Other purposes of this study are to assess the importance of different attributes of customer's preference, evaluate the service quality level and the extent of customer satisfaction and reveal the final factors that create customer satisfaction. This study includes in-depth interviews of beauticians and executives and questionnaire survey of 260 customers of high-end beauty parlors of Dhaka city. The findings show that customers put utmost importance in issues such as the service provider's behavior, knowledge, environment, counseling system and affordability of the parlors. The customers of the high-end parlors are highly satisfied with the environment, executive's politeness, complaint handling system, trustworthiness and materials. The politeness of the service providers, knowledge level of the executives and safety and hygiene issues are also satisfactory. Factor analysis (Principal Component Analysis) has been carried out by taking sixteen variables and the result indicates that four service quality factors are creating customer satisfaction. These factors are Support & Facility Factor, Employee

# *Performance Factor, Customer Relation Factor and Communication Factor.*

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. At the social level, physical beauty is an advantage, as being beautiful gives a person much more confidence (Young 2011). It has even been shown that being attractive can give a person up to a tenfold increase in the chance of getting married (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). Thus, like any other service industry in Bangladesh, quality of service is the most important concern for the beauty-care service industry. There has been evidence that, when customers' perceptions of service quality are positive, the behavioral intentions are favorable, which strengthens their relationship with the organization (Zeithaml & Bitner 2003). On the other hand, when service-quality assessments are negative, the customers' behavioral intentions are unfavorable (Kouthouris & Alexandris 2005).

According to Stevenson (2002), quality refers to the ability of a product or service to meet or exceed customer expectations consistently. Schoenberger (1990) found twelve dimensions that customers associate with quality products and services, although not all the dimensions of quality are relevant to all products and services. These dimensions are *conformance to specification, performance, quick response, quick-change expertise, features, reliability, durability, serviceability,* 

*aesthetics, perceived quality, humanity,* and *value.* For the success of any service organization, quality is critical and of paramount importance to service providers (Bebko 2000), because services are the intangible outcomes of a tangible or intangible process. Services are becoming commodity-like and quality is becoming more critical in a service organization. That's why it can offer a source of competitive advantage (Chowdhury, Iqbal & Miah 2010).

Quality and customer service have been identified as critical strategic issues for the organizations (Donnelly et al., 1995). As Wang, Lo and Hui (2003) mentioned, delivering quality service is essential for gaining competitive advantages. Through quality services, the organizations can differentiate in the market and satisfy the customer needs. A customer's satisfaction with individual service encounters affects the customer's satisfaction/dissatisfaction with the overall service experience (Johnston 1995). 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. So it can be certainly ascertained that, in the beauty care industry, customer satisfaction and loyalty can be secured through high quality services. This paper takes a first step towards exploring the service quality and customer satisfaction at the beauty care service industry in Dhaka, the capital city of Bangladesh, through investigating the high-end beauty parlors.

It should be noted that most of the high-end parlors are located at Dhaka, because of the availability of high-end customers. Thus the broad objective of this research is to measure the service quality and customer satisfaction level of high end women's parlors in Dhaka. The specific objectives are (a) to assess the importance of different attributes that the

customers consider when choosing a parlor, (b) to evaluate the service quality level by ranking the SERVQUAL criteria and to measure the extent of customer satisfaction, and (c) to reveal the specific service quality variables, which are working as the components of the final factors that create customer satisfaction. This attempt can facilitate the performance of beautycare service providers in Bangladesh in terms of enhancing service quality and creating loyal customers.

# **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).

Customer satisfaction is one of the important outcomes of marketing activity (Oliver 1980, Mick & Fournier 1999). According to Zeithmal 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 & Schlesinger 1997). As a result, many organizations are paying increasing attention to improved service quality (Gupta, McDaniel & Herath 2005). "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). Thus service quality is widely regarded as a driver of corporate marketing and financial performance (Buttle 1996).

According to Siddiqui and Khandaker (2007), quality of service is an elusive and imprecise construct and is difficult to measure, because services are intangible, heterogeneous, inseparable and perishable (Lovelock 1996). The conceptualization of service quality has its roots in expectancy disconfirmation theory (Collier & Bienstock 2006). 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 (Parasuraman, Zeithaml & Berry 1988).

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 SERVOUAL 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 (Siddiqui & Khandaker 2007), etc.

With the growing importance of physical beauty and attractiveness, beauty parlors and spas are mushrooming up in Bangladesh (Star Lifestyle 2009). A beauty salon or beauty parlor is an establishment dealing with cosmetic treatments for men and women. Beauty salons provide generalized services related to skin health, facial aesthetic, foot care, aromatherapy, (*i.e.*, massage, facial, manicure, pedicure, waxing, etc.) — even meditation, oxygen therapy, mud baths, and innumerable other services (Schwer & Daneshvary 2000). According to the

industry experts, "high-end parlor" can be explained as a parlor that offers specialized services along with regular services equipped with all the modern facilities and this type of parlor sets the beauty trends of the industry. They usually target the high profile beauty conscious customer segments. 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 woman to become a beautician, and her parlor *Living Doll* appeared in the business. After that, in the 1980s, Bollywood (Mumbai, formerly known as Bombay, based Indian film industry) actresses created an image of women with complete makeover. Since the 1990s, as satellite TV was spreading its beauty enigma on urban women, second-generation beauticians started to enter into the industry with sophisticated and educated grooming. 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 Zahid (2007) found in her study that 88.3 percent 2009). women of "upper" socioeconomic class (having a gross monthly income from Tk. 50,000 to Tk. 200,000 or USD 700 to USD 3000; per capita income in Bangladesh is about Tk. 2200 or USD 30 per month) in Dhaka have the habit of going to beauty parlors regularly. With the clientele becoming increasingly well-informed, the beauty-care industry in Bangladesh is under pressure to raise the quality of its services (Star Lifestyle 2009).

# Methodology

Both primary and secondary data were used for the research. Primary data were collected by in-depth interview of the beauticians and customer-care executives and questionnaire survey on clients. A discussion guide was used for conducting

the in-depth interview and a structured questionnaire was used for data collection.

The discussion guide focused on the service-quality and customer-satisfaction issues from a subjective point of view and thus included information such as the industry trend, practices, availability and variety of services, customer complaints, service provider's behavior and reasons behind that, way of improvement and future thoughts. The survey questionnaire started with customer profile and continued towards variable specific questions.

The first set of questions was related to the importance rating of the attributes that the customers consider when choosing a parlor. A 5-point (1 for "Least Important" and 5 for "Highly Important") Likert scale was used for these questions. The second set of questions was designed to identify the responses regarding the performance of the parlors on servicequality criteria. These questions were also asked through a 5point Likert scale, where 1 stands for "Highly Dissatisfied" and 5 stands for "Highly Satisfied." The other questions addressed issues such as switching tendency, complaints handling process, service requirement, communication and customer care of the high-end parlors. The research procedure included preparation of questionnaire, pre-testing of questionnaire, data collection, data decoding, data analysis, interpretation and findings.

Ten in-depth interviews were conducted for this study. The sample included four beauticians and six customer-care executives. The sample frame for data collection was the existing customers of the high-end women's beauty parlors of Dhaka. The sample size was 260 and it included the customers of three leading high-end women's beauty parlor in Dhaka. The non-probability, convenience sampling technique had been used to collect the primary data from the respondents. The descriptive statistics were used mainly to analyze the collected data. The scales used in this research were tested against reliability. Reliability is the extent to which a variable or set of variables is consistent in what it is intended to measure (Hair, Black, Babin, Anderson & Tatham 2007). The current study applies the internal consistency method, because multiple items in all constructs are used here. The Cronbach alpha, with acceptable cut-off point 0.70, demonstrates that all attributes are internally consistent (Fujun, Hutchinson, Li & Bai 2007, Pallant 2010). The scale of performance rating had good internal consistency, with a Cronbach alpha coefficient reported of 0.876. This value is above 0.7, so the scale can be considered reliable with the sample.

|                          | Product Width |            |                   |                   |                 | •                    |                    |
|--------------------------|---------------|------------|-------------------|-------------------|-----------------|----------------------|--------------------|
| 1                        |               | Threading  | Hair              | Facials           | Make-<br>ups    | Touch-ups            | Personal<br>Care   |
|                          |               | Eye Brows  | Hair Cuts         | Quick             | Bridal          | Contact<br>Lenses    | Bleach             |
|                          |               | Upper Lips | Hair Dressing     | Herbal            | Engage-<br>ment | Eye Lashes           | Waxing             |
|                          |               | Lower Lips | Hair Color        | Special           | Holud           | Eye Make Up          | Fair polish        |
| Produc<br>Line<br>Length | luct          | Chin       | Perm              | Fruit             | Model           | Foundation/-<br>Base | Skin polish        |
|                          |               | Cheeks     | Re-bonding        | Galvanic          | Party           | Two Hands<br>Base    | Pedicure           |
|                          | Í             | Forehead   | Straightening     | Biotic            |                 | Lipstick             | Manicure           |
|                          |               | Full Face  | Hair<br>Treatment | Seaweed           |                 | Tip                  | Nails care         |
|                          |               |            |                   | Aloe-vera         |                 | Eye Liner            | Mehendi            |
|                          |               |            |                   | Marrow            |                 | Mascara              | Piercing           |
|                          |               |            |                   | Pigmen-<br>tation |                 | Hand Art             | Bridal<br>packages |
|                          |               |            |                   | Treatment         |                 |                      | Body<br>massage    |

**Table 1: Services Offered by the High-End Parlors** 

# **Findings and Discussion**

#### Services Offered by High-End Parlors

The high-end parlors in Dhaka provide a wide range of services to the women. Table 1 shows a summary of the services usually offered by the high-end parlors.

#### Profile of the Respondents

The study covered the customers of high-end parlors of Dhaka. Among the interviewed respondents, 66% were regular clients and 34% were irregular clients of the parlor. Fifty-seven percent of the respondents had been coming to the beauty parlor for one to five years and 31% for less than one year, while 13% of them had been coming for five years or more.

The age distribution of the customers shows that the highest number, 41% respondents, was from the 26-35 years age group, 36% from the 15-25 age group, and 15% from the 36-45 age group. The remaining 7% were from the 46-55 group and only 2% were 55 or above. The average age of the customers was 30. Thus the major portion of the customers was young. The in-depth interview revealed that service requirement varies among age groups: young girls were used to do regular services, such as threading and haircut, etc., while older women concentrated more on personal caring services.

## Importance Rating of the Attributes

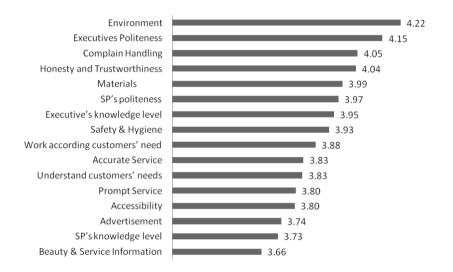
The customers considered a number of issues when choosing a specific parlor. Table 2 shows that the customers put highest importance for the Service Provider's behavior, which had an average score of 4.53 out of 5. The next important aspect was Service Provider's knowledge, with a score of 4.46, followed by the Environment of the parlor, with 4.29. Counseling and information dissemination and affordability were also required for the customers and they had average scores of 4.29 and 3.97, respectively. Around 85% of the respondents mentioned that the service provider's knowledge and behavior were important to highly important. Counseling and information dissemination was highly important for 45% of respondents and important for 37%, while environment was highly important for 45% and important for 42% of respondents. Thirty-one percent of respondents mentioned affordability as highly important and 31% mentioned it as important.

| Attributes                   | Average Rating (in 5) |
|------------------------------|-----------------------|
| Service Provider's Behavior  | 4.53                  |
| Service Provider's Knowledge | 4.46                  |
| Environment                  | 4.29                  |
| Counseling & Information     | 4.27                  |
| Affordability                | 3.97                  |

 Table 2: Average Importance Rating

#### Service Quality Measurement/ Performance

In this article, the service quality of the high-end parlors and their customer satisfaction rate were measured by using the SERVQUAL model. The ten dimensions (tangibility, reliability, responsiveness, competence, courtesy, credibility, feel secure, access, communication and understand the customer) were covered through sixteen questions. Tangibility was measured through criteria such as environment, raw materials, and advertising materials; reliability was tested through accurate service delivery; and competence was assessed through knowledge level of service providers and customer-care executives. Delivering prompt service and complaint handling constituted the responsiveness dimension, while politeness of the executive and service providers dimension constituted



#### **Figure 1: Service Quality Performance**

courtesy. The other five issues – credibility, feel secure, access, communication and understand the customer – were measured respectively by assessing criteria such as honesty and trustworthiness, safety and hygiene, accessibility, beauty and service information availability and understanding customers' need and work accordingly. Figure 1 shows the result of the customers' satisfaction level.

The result showed that all the criteria got above average scores, which means the service performance on those criteria was more or less satisfactory to the customer. The average score was highest, 4.22 out of 5, in the case of environment, which was followed by executive's politeness (4.15), complaint handling (4.05) and trustworthiness (4.04). Among the other issues, materials scored 3.99, SP''s politeness scored 3.97, executive's knowledge level scored 3.95 and Safety & Hygiene scored 3.93. Without making significant differences, the rest of criteria scored closely. Work according customers' need scored 3.88, accurate service scored 3.83, understand customers' needs scored 3.83, prompt service scored 3.80 and accessibility scored 3.80. The lowest scored criteria were beauty-service information with 3.66, service provider's (SP) knowledge level with 3.73, and advertisement with 3.74.

#### Factors Creating Customer Satisfaction

This study performed the principal component analysis (PCA) with Varimax rotation to extract the service quality factors that determine the customer satisfaction of the high-end parlors. PCA is used in those instances when the primary concern is to determine the minimum number of factors that would account for maximum variance in the data (Malhotra 2004). In order to measure the appropriateness of the factor analysis, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was examined. The value of KMO was 0.849, which was an indication of sampling adequacy.

According to the factor analysis, there are four factors that create customer satisfaction in the high-end women's parlor. These are Support & Facility Factor (SFF), Employee Performance Factor (EPF), Customer Relation Factor (CRF) and Communication Factor (CMF).

Table 3 shows that the Eigen value of Support & Facility Factor is 3.073, which implies that the variance explained by the first factor was 19.209%. The Employee Performance Factor explained 17.191% variances, the Customer Relation Factor explained 13.457% variances and the Communication Factor explained 9.446% variances. The result of the factor analysis shows that these four factors collectively produce about 59% variance in the data set. Table 4 showed the total variance explained by each of the factors with initial Eigen values.

|         |   |       | Sums of Sq | uared Loadings   |
|---------|---|-------|------------|------------------|
| Eastana | Name of Foster                          | Eigen | % of       | Currentations 0/ |
| Factors | Name of Factor                          | Value | Variance   | Cumulative %     |
| 1       | Support &<br>Facility Factor<br>(SFF)   | 3.073 | 19.209     | 19.209           |
| 2       | Employee<br>Performance<br>Factor (EPF) | 2.751 | 17.191     | 36.400           |
| 3       | Customer<br>Relation Factor<br>(CRF)    | 2.153 | 13.457     | 49.857           |
| 4       | Communication<br>Factor (CMF)           | 1.511 | 9.446      | 59.303           |

Table 3: Factors Creating Customer Satisfaction in HighEnd Women's beauty parlor

Extraction Method: Principal Component Analysis

## Components of Support & Facility Factor (SFF)

The Support & Facility Factor had six elements; those were prompt service, environment, materials, accurate service, complaint handling and safety.

The associated factor loading of the first element, the variable prompt service, was 0.771 (see Table 6), which implies that it was highly correlated with the first factor, Support & Facility Factor. Factor loading represents the correlations

|            |         | Initial Eigenvalues | alues   | Ext     | Extraction Sums of Squared<br>Loadings | of Squared<br>gs | Rot   | ation Sums of<br>Loadings | Rotation Sums of Squared<br>Loadings |
|------------|---------|---------------------|---|---------|--|------------------|-------|---------------------------|--------------------------------------|
| Component  | Total   | % of<br>variance    | Cumulative%                                     | Total   | % of<br>vanance                        | Cumulative%      | Total | % of<br>variance          | Cumulative%                          |
| 1          | 5.702   | 35.638              | 35.638  | 5.702   | 35.638                                 | 35.638           | 3.073 | 19.209                    | 19.209                               |
| 2          | 1.444   | 9.027               | 44.665  | 1.444   | 9.027                                  | 44.665           | 2.751 | 17.191                    | 36.400                               |
| 3          | 1.225   | 7.654               | 52.319  | 1.225   | 7.654                                  | 52.319           | 2.153 | 13.457                    | 49.857                               |
| 4          | 1.117   | 6.984               | 59.303  | 1.117   | 6.984                                  | 59.303           | 1.511 | 9.446                     | 59.303                               |
| 5          | 0.961   | 6.008               | 65.311  |         |  |                  |       |                           |                                      |
| 9          | 0.851   | 5.318               | 70.628  |         |  |                  |       |                           |                                      |
| 7          | 0.771   | 4.819               | 75.448  |         |  |                  |       |                           |                                      |
| 8          | 0.639   | 3.996               | 79.444  |         |  |                  |       |                           |                                      |
| 6          | 0.599   | 3.744               | 83.188  |         |  |                  |       |                           |                                      |
| 10         | 0.549   | 3.434               | 86.622  |         |  |                  |       |                           |                                      |
| 11         | 0.497   | 3.105               | 89.727  |         |  |                  |       |                           |                                      |
| 12         | 0.422   | 2.635               | 92.362  |         |  |                  |       |                           |                                      |
| 13         | 0.404   | 2.523               | 94.885  |         |  |                  |       |                           |                                      |
| 14         | 0.335   | 2.091               | 96.976  |         |  |                  |       |                           |                                      |
| 15         | 0.278   | 1.739               | 98.715  |         |  |                  |       |                           |                                      |
| 16         | 0.206   | 1.285               | 100.000   |         |  |                  |       |                           |                                      |
| Extraction | Method: | Principal           | Extraction Method: Principal Component Analysis | nalysis |  |                  |       |                           |                                      |

# Table 4: Total Variance Explained by theFactors of Service Quality

|                                       |      | Comp | onent |      |
|---------------------------------------|------|------|-------|------|
|                                       | 1    | 2    | 3     | 4    |
| Environment                           | .742 |      |       |      |
| Materials                             | .709 |      |       | .214 |
| Accurate Service                      | .698 | .203 | .220  |      |
| Prompt Service                        | .771 |      |       |      |
| Complaint Handling                    | .520 | .398 |       |      |
| Service Provider's                    | .399 | .485 |       |      |
| Knowledge<br>Executive's Knowledge    |      | .639 |       | .237 |
| Service Provider's                    | .283 | .743 | .294  |      |
| Behavior                              |      |      |       |      |
| Executive's Behavior                  |      | .770 | .200  |      |
| Credibility                           | .265 | .557 | .236  |      |
| Safety                                | .459 | .345 |       | .233 |
| Accessibility                         |      | .412 |       | .636 |
| Advertisement                         |      |      |       | .815 |
| Service Information                   |      |      | .590  | .455 |
| Understanding Client's Need           |      | .248 | .843  |      |
| Working According to<br>Client's Need |      | .213 | .842  |      |

 Table 5: Rotated Component Matrix

Note: Extraction Method: Principal Component Analysis Rotation Method: Varimax with Kaiser Normalization

between the variables and the resulting factor and loadings greater than 0.5 collectively construct the factor (Aaker & Day 1990). The SFF was also highly correlated with environment with loading 0.742, materials with loading 0.698 and complaint handling with loading 0.520. The variable safety had a factor loading of 0.459. The factor loading associated with each of the element or variable is presented in the rotated component matrix in Table 5.

| Variable<br>Number | Name of the Variable | Factor Loading |
|--------------------|----------------------|----------------|
| 4                  | Prompt Service       | 0.771          |
| 1                  | Environment          | 0.742          |
| 2                  | Materials            | 0.709          |
| 3                  | Accurate Service     | 0.698          |
| 5                  | Complaint Handling   | 0.520          |
| 11                 | Safety               | 0.459          |

# Table 6: Sources of Support & Facility Factor

## Components of Employee Performance Factor (EPF)

The second factor Employee Performance Factor was the result of five elements or variables. These were executive's behavior, service provider's behavior, executive's knowledge, credibility and service provider's knowledge.

 Table 7: Sources of Employee Performance Factor

| Variable<br>Number | Name of the Variable            | Factor Loading |
|--------------------|---------------------------------|----------------|
| 9                  | Executive's Behavior            | 0.770          |
| 8                  | Service Provider's<br>Behavior  | 0.743          |
| 7                  | Executive's Knowledge           | 0.639          |
| 10                 | Credibility                     | 0.557          |
| 6                  | Service Provider's<br>Knowledge | 0.485          |

The variable executive's behavior had the highest correlation with the Employee Performance Factor, as indicated by its factor loading of 0.770. This factor was also highly correlated with variables such as service provider's behavior, executive's knowledge, credibility and service provider's

knowledge. The associated loadings for those four elements or variables were 0.743, 0.639, 0.557 and 0.485 respectively (see Table 7).

#### Components of Customer Relation Factor (CRF)

Understanding client's need, working according to client's need and service information were the three variables that created the third factor – Customer Relation Factor.

| Variable<br>Number | Name of the Variable   | Factor Loading |
|--------------------|------------------------|----------------|
| 15                 | Understanding Client's | 0.843          |
|                    | Need                   |                |
| 16                 | Working According to   | 0.842          |
|                    | Client's Need          |                |
| 14                 | Service Information    | 0.590          |

 Table 8: Sources of Customer Relation Factor

The Customer Relation Factor was highly correlated with the variable understanding client's need, which had a factor loading of 0.843. The other elements or variables that made up the third factor were working according to client's need, with loading 0.842, and service information, with loading 0.590 (see Table 8).

| Table 9: | Sources of | <b>Communication Factor</b> |
|----------|------------|-----------------------------|
|          |            |                             |

| Variable<br>Number | Name of the Variable | Factor Loading |
|--------------------|----------------------|----------------|
| 13                 | Advertisement        | 0.815          |
| 12                 | Accessibility        | 0.636          |

# Components of Communication Factor (CMF)

The fourth factor – Communication Factor – comprised two variables – Advertisement and Accessibility. The variables advertisement and accessibility had factor loading of 0.815 and 0.636, respectively, which explains why they were highly correlated with the Communication Factor (see Table 9).

#### **Managerial Implications**

The study explored the important factors associated with service quality in the high-end parlors of Dhaka city. It can be beneficial for the female-beautification industry of Bangladesh; in particular, the high-end female clienteles can be better satisfied through the improvement of service quality based on the study results. On the whole, the beauty salons should emphasize improving their service quality based on the criteria that were identified as less satisfactory according to the customers. Customers are the driving forces for increasing revenue and market share, so satisfying the customers through higher quality services is the way not only to achieve competitive advantages, but also to make those advantages sustainable. Moreover, the study provided an opportunity to identify the service quality variables the customers consider together for choosing the beauty care services. This enhanced the scope of enriching the service quality based on customer preferences and Undoubtedly, all these together can create a requirements. satisfactory and loyal group of clientele for the high-end beauty salons in Bangladesh and other developing countries. As the beauty-care sector remained almost unexplored in Bangladesh in terms of research, this study can be used as a base for both academicians and practitioners.

#### **Conclusion and Recommendations**

In Bangladesh, the beauty-care service industry is now booming. As a business, as well as an opportunity, this sector already started to contribute in the economic growth. Along with the increase of disposable income, the expenditure of the

customers in this sector significantly increases. Today beauty care service is not just a luxury, it is a necessity. Along with this growing significance, the issues of service quality and customer satisfaction have also become burning questions.

The findings of the study indicated that, when choosing a specific parlor, the customer gave importance to the service provider's behavior and knowledge, the environment of the parlor, counseling facilities and information-dissemination system, and affordability. This article also reveals that customers of the high-end parlors were highly satisfied with the environment, the executive's behavior, the complaint-handling system and trustworthiness. The use of materials, service provider's behavior, executive's knowledge level, safety and hygiene issues were also satisfactory. Though the customers were to some extent accepting of such factors as service accuracy, understanding customers' need, prompt service and accessibility, there was still room for improvement.

The findings of the study indicated that 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.

Most of the clients of the high-end parlor are regular, so the parlor must ensure the continuity and consistency of its services in order to gain customer satisfaction. Around 77% of the customers belong to the age group of 15-35, who are more eager to adopt new fashion and style. Thus the latest haircut, make up and advanced hair and skin treatments should be introduced. The service requirement varies by age group, so parlors could offer different service packages to attract different customer groups. The customers perceived that service quality of service providers varies in the high-end parlors and they also mentioned that, despite the quality of the services, SP's behavior influenced the satisfaction level. Therefore, to ensure the same quality of service from the employees, parlors must arrange proper training for them, in terms of both skill and behavior.

Customers also believed that providing information can enhance reliability. Therefore, the parlors should improve their communication process by sharing beauty service information and counseling. Service provider's knowledge level and advertisement must be improved to match the customer's expectation level. For the high-end parlors, image portrayal is highly significant and it contributes positively towards satisfaction. Therefore, tangible elements of the parlors, such as sufficient space, better quality of material and proper maintenance of environment, should be improved. The parlors could also guarantee prompt services by introducing a prior appointment system and by assigning more employees to the rush hours.

The study might open up the avenue for further research in this field of interest. The survey for the study was conducted only in Dhaka. Future studies can be conducted outside Dhaka city to investigate these issues. The results of the study could be different in different geographic locations. There is scope for classifying the variables for further details. Some of the variables have multiple dimensions and relationships with other aspects. Further research can look into those specific areas. This type of study can also be done for other service organizations.

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