

The relationships between service problems and perceptions of service quality, satisfaction, and behavioural intentions of Australian public sports and leisure center customers

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Executive Summary

Minimizing customer service problems and reducing dissatisfaction are important in the retention of customers (Anderson & Sullivan, 1990; Fornell & Wernerfelt, 1987; Parasuraman, Zeithaml, & Berry, 1988). Indicators of customer retention include customers' intention to repurchase, their willingness to recommend the service to other prospective customers, and their intention to increase the volume of their purchases. Ultimately any increase in customer retention should have a positive impact on organizational profitability (Cannie & Caplin, 1991; Horovitz, 1990; Jones & Sasser, 1995; Reichheld & Sasser, 1990).

Several researchers claim that successful resolution of problems will improve loyalty and strengthen relationships between customers and the organization (Jones & Sasser, 1995; Lovelock, 1994; Parasuraman, Berry, & Zeithaml, 1991). In contrast, it has also been found that service failure weakens the association between the customer and the organisation, with service recovery efforts regaining only some ground in terms of improving customers' perceptions of the organization (Bolton & Drew, 1992; Spreng, Harrell, & Mackoy, 1995; Zeithaml, Parasuraman, & Berry, 1996).

This theme provides the focus for this study of individuals using 30 Australian public sports and leisure centers (n = 5,2835,343 respondents). ANOVA and t-test analyses were employed to determine if significant differences existed between levels of satisfaction, service quality, and behavioural intentions of customers in respect to their experience of problems at the center, and how well these problems were resolved.

Consistent with the work of Bolton & Drew, 1992; and Zeithaml et al., 1996, results from this study support the position that service recovery efforts regain only some ground in customers' satisfaction, perceptions of service quality and willingness to recommend the service. Customers who have never experienced a problem recorded higher ratings of satisfaction, service quality and recommendation than those who have had problems resolved satisfactorily. However, customers who had problems resolved successfully recorded higher ratings of satisfaction, service quality and recommendation than those who had not had their problems resolved satisfactorily.

These findings reinforce the importance of minimizing problems for customers. In addition, how an organization deals with complaints can significantly influence customers' overall satisfaction, their perceptions of service quality and their word-of-mouth communication to other customers.

Key words: problem resolution, satisfaction, service quality, level of recommendation