

Investigating the Impact of SERVQUAL Dimensions on Customer Satisfaction: Evidence from Outbound Travelers in Sri Lanka

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Abstract

As a result of the intricacy and globalization of today's competitive business climate, service quality has emerged as one of the most critical sources of value in the tourism industry. One method of determining service quality is to assess client satisfaction. The purpose of this paper is to investigate the impact of the service quality dimensions of Travel Agencies on customer satisfaction of outbound travelers in Sri Lanka. It will assist in steering contemporary online travel agencies and potential newcomers to have a thorough understanding of customer satisfaction in their domain. The researchers suggest a model to identify the factors influencing customer satisfaction based on a thorough literature review. The data was collected from a sample of 384 outbound travelers using a convenient sampling method through online questionnaires in order to achieve the identified objectives. The reliability of the data was evaluated using the Cronbach Alpha method. Both descriptive and inferential statistics were analyzed using SPSS (version 21) software to accomplish the objectives of this quantitative study. The five SERVQUAL Model dimensions—tangibility, responsibility, reliability, assurance, and empathy—were introspectively examined during the research. The correlation analysis demonstrated a significant correlation between customer satisfaction and the service quality dimensions. Nevertheless, the outcome of the regression analysis showed that tangibility, reliability, responsiveness, and empathy have a significant impact on customer satisfaction. It is recommended that travel agencies make sure that the services provided to customers are completed with accuracy and the assurance of meeting tour schedules on time. Reliability was the most important service quality dimension with the strongest predicting power on customer satisfaction. The study's findings also indicated that improving customer satisfaction requires ensuring that the tangibles, physical environment, and virtual environment of the travel agency are visually appealing and that quick responses are guaranteed through a reliable information system and practical communication channels.

I. Introduction

The corporate climate has altered dramatically as a result of globalization. As a result, there is fierce competition among organizations. To successfully combat and overcome these challenges, firms must provide better services that leave customers completely satisfied. Companies may earn or lose market share based on customer reactions (Panditharatne & Gamage, 2019). Customers who are satisfied help the company win the market, whereas dissatisfied customers cause the company to lose the market. As a result, it is critical that they pay careful attention to their customers' satisfaction (Hirbo, 2018).

The tourism business is a service industry, which the customer is the main character who plays an important part in the industry (Al-Dmour et al., 2016). Industry can function best and achieve their vision by maximizing service quality and customer satisfaction. When examining the service sector, it is rather difficult to optimize a client's happiness in the tourism business due to their various nationalities, faiths, thoughts, languages, interests, beliefs, rules and regulations, and so on (Shahin & Janatyan, 2011). As a result, in high-involvement industries such as tourism, perceived service quality plays a large impact. To thrive in the competitive travel agency business, travel agencies should provide their customers with more than they expect from the company (Marinković, et al., 2013). The

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needs of clients in the tourism industry change frequently, thus businesses must be strategically focused to capture the dynamic wants by providing services accordingly (Shahin and Janatyan 2011).

Quality has received a lot of attention in the tourism sector during the last decade. Many studies have shown that offering good service to consumers retains them, attracts new customers, increases business image, positive word-of-mouth recommendation, and, most importantly, ensures survival and profitability (Guo, et al., 2020). It is more difficult to determine the customer's expectations. However, in today's corporate environment, it is critical to have a good sense of the customer's mindset and to provide a flexible service (Manani et al., 2013). Travel agents may detect these many types of wants and objectives, and if they can provide a better service for each customer as expected, that firm can maintain a high level of customer loyalty (Shahin & Janatyan, 2011).

Better service leads to happier customers, and happier customers lead to customer loyalty. However, the European and American customer satisfaction index models indicate that service quality is a component of satisfaction. "SERVQUAL," a standardized questionnaire developed by Parasuraman, Berry, and Zeithaml, measures respondents' "expectations" and "performance" scores and calculates service quality as the difference between them (Vryoni, Bakirtzoglou, & Ioannou, 2017). As the travel agency industry is more service oriented than other industries, it can offer a source of competitive advantage (Panditharatne & Gamage, 2019). The purpose of the study is to identify the impact of service quality on customer satisfaction in Travel Agencies in Sri Lanka. The specific objectives of the current study are as follows:

- To investigate the most significant dimension(s) of service quality that impact on customer satisfaction.
- To investigate mean difference of Customer Satisfaction based on demographic factors.

Literature Review

Customer Satisfaction

Customer satisfaction is a mental state that contrasts the performance perceptions made after a purchase with the results of the customer's expectations prior to making the purchase. Customers are happy when they are pleased with the results of their purchases, accomplish their objectives, and have a hassle-free experience. It is thought that happy customers keep in contact with the business and make more frequent purchases of goods or services than unhappy ones (Paul et al., 2016). Customers who have experienced a hotel's performance and had their expectations met are said to be satisfied. The positive relationship between customer satisfaction and service quality has been demonstrated by many academics (Ali & Anwar, 2021). Customers are the most significant stakeholders in organizations and their satisfaction is a majority to management. In recent years, organizations are appreciative to concentrate more services in addition to their offers. The quality of service has become a major feature of customer satisfaction (Agbor, 2011).

Service Quality

Quality is a theory that is evasive and muddled (Abdullah & Afshar, 2019). Since they have different qualities, it is crucial to distinguish between goods and services. The former is a more tangible thing, whereas the latter is an intangible, legit performance (Abdullah & Rahman, 2015).

The degree of inconsistency between consumers' desires and expectations for service and their insights of service performance also can be defined as Service Quality (Vryoni et al., 2017). Service quality and customer satisfaction are vital concepts that each and every companies must recognize if they want to endure competitive and grow. In now a day, competitive business environment the key for a sustainable competitive advantage is providing high quality service to the consumers (Angelova & Zekiri 2011). Over the last few decades, many researches have been giving their consideration on quality in the tourism industry. Quality is become as a global concept that is applied to tourist destinations, regions or nations and also same as individual private enterprises. In the contemporary era consumers are demanding higher quality in products and services which they use than ever before (Kant & Jaiswal, 2017). Therefore, in now a day without any hesitation service Quality has become as the most significant consumer trend. The aggressive and growing competition and speedy deregulation have made number of businesses in the service sector to pursue profitable ways and becoming competitive. To succeed in their business it's a good strategy for a business providing high quality services to their customers (Angelova & Zekiri 2011).

The SERVQUAL Model

One of the most widely used indicators of service quality, SERVQUAL has been used in a number of different industries, including the travel and tourism sector. Studies which had examined the determinants of travel agencies' service quality were reviewed as part of a

process to determine whether SERVQUAL would be a suitable indicator of the level of service provided by travel agencies (Ryan & Cliff, 2008). As long as service quality is acknowledged as the foundation for customer satisfaction, a high level of service quality must be provided by the service provider in order to achieve a high level of customer satisfaction (Hussain et al., 2015). Perceived service quality is the customer's assessment of the overall excellence or superiority of the service based on a comparison of their desires or expectations and the actual received service (Liu & Lee, 2016).

Dimensions of service quality

Tangibility

Many researchers defined Tangibility in number of ways. Tangibility is defined as the appearance of physical facilities, equipment, personnel and written materials (Ananth et al., 2011). Based on the definitions established researchers define tangibility as the physical appearance, modern looking equipment and the appearance of the personnel of an organization.

Reliability

According to Shahin and Janatyan (2011) reliability is capability to accomplish the assured service consistently and accurately. Reliability depends on managing consumer's services difficulties, services delivered right the first time, offer services at the assured time and continuing error-free record. Moreover, they indicated reliability as the most vital aspect in conventional service. Reliability also comprises of exact order contentment, perfect record, perfect quote, accurate in billing, exact calculation of commission, keep services assurance (Bharwana et al., 2013). Reliability as existing of the organization, firm and the workers to carry out services promised and correct manner. Studying the above stated definitions, the researchers define the reliability as the capability to provide the service to the potentials or the customers to in assured and accurate manner.

Responsiveness

Responsiveness can be defined as the willingness of workforces to offer service (Shahin & Janatyan, 2011). It contains appropriateness of services. It is also comprising identifying desires and expectations of the consumer, appropriate effective hours, individual consideration given by the staff, courtesy to problems and customers protection in their transaction. defined responsiveness as giving prompt response to the customer requests and willingness to provide better service (Shahin & Janatyan, 2011). By considering above definitions the researchers define responsiveness as providing prompt service by giving immediate response to the customers' requests and the willingness to help for their problems.

Assurance

Knowledge and politeness of employees and their capability to encourage trust and confidence defined as Assurance. In some circumstances, Assurance define as the well-mannered and friendly staff, provision of financial advice, inside comfort, eases of access to account information and knowledgeable and experienced management team (Sadek et al., (2010). Assurance also defined as awareness and courtesy of workers and their capability to motivate trust and confidence. Also mentioned that assurance consist competence, courtesy, credibility and security (Shahin and Janatyan 2011). Based on the above stated definitions the researchers defines assurance as the knowledge and politeness of employees in the firm as well as their capability to deliver trust and confidence.

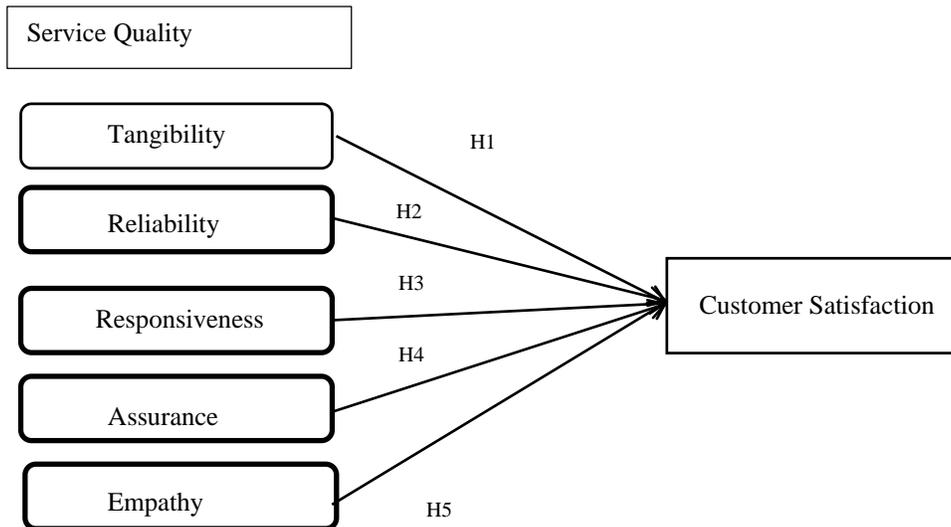
Empathy

Empathy can be defined as the providing of considerate, individualized attention to customers. Empathy contains the ensuing features: friendliness, sensitivity and effort to know the customer's needs. It comprises paying customers' individual attention and workers who recognize the desires and expectations of their customers and convenience business hours. This has argued with elements such as ease of access, good communications, identifying the customer desires and expectations, and friendliness (Saghier and Nathan 2013). As same as Empathy defined as Considerate, individualized attention that the firm provides to its customer including access, communication and understanding the customer's desires and expectations (Shahin & Janatyan, 2011). By considering above statements researchers define empathy as giving individualized attention to the customers by understanding their desires and expectations to create best interest on their mind.

II. Methodology

Conceptual framework

Based on the literature survey this study is conducted to investigate the impact of service quality on customer satisfaction. Independent variable is service quality and the five-dimensions are: tangibility, reliability, responsiveness, assurance and empathy. These five dimensions are used to measure the service quality and the dependent variable is customer satisfaction



Source: Developed by researchers based on the Previous Literature

Accordingly, following hypotheses were constructed.

- H1: There is a significant impact of Tangibility on customer satisfaction in Travel Agencies in Sri Lanka.
- H2: There is a significant impact of Reliability on Customer Satisfaction in Travel Agencies in Sri Lanka.
- H3: There is a significant impact of Responsiveness on Customer Satisfaction in Travel Agencies in Sri Lanka.
- H4: There is a significant impact of Assurance on Customer Satisfaction in Travel Agencies in Sri Lanka.
- H5: There is a significant impact of Empathy on Customer satisfaction in Travel Agencies in Sri Lanka.

Sekaran (2013) stated that there are two types of business researches namely applied researches and basic researches. Applied research is commonly used to solve a current problem faced by the manager in the work setting. Basic research is creating a body of knowledge by trying to realize how certain problems that arise in organizations can be solved. Therefore, this study falls into the category of applied research due to this study investigate the impact of service quality on customer satisfaction in travel agencies in Sri Lanka. Moreover, the current research is explanatory research which defines as an attempt to connect ideas to understand cause and effect meaning researchers want to explain what is going on. This study employed a co relational research design in order to explore the relationship between service quality (independent variable) and customer satisfaction (dependent variable) in Travel Agencies. The unit of analysis in this study is individual outbound traveller. In addition to that, the population of this study is all the outbound travelers from Sri Lanka . In this study researchers used, the convenient sampling method. Sekaran (2013) mentioned if population was exceeding 1000000. Therefore, researchers selected 384 outbound travelers.

III. Analysis and Results

Sample Profile

The data was collected from 384 outbound travelers who had obtained service from travel agencies in Sri Lanka. The personal information gender, age, province of the travel agency that the service obtained from, country visited, time period, duration, purpose of the travel and with whom travel are presented.

Table 4.1 Sample profile of demographic factors

Demographic Factors		Frequency	Percent
Gender	Male	194	50.5
	Female	190	49.5
Age	18 – 29 Years	255	66.4
	30 – 39 Years	78	20.3
	40 – 49 Years	40	10.4
	50 – 59 Years	08	2.1
	Above 60 Years	03	0.8
Province of the Travel Agency that the service obtained from	Central Province	131	34.1
	Southern Province	38	9.9
	Western Province	84	21.9
	North Province	19	4.9
	Eastern Province	04	1.0
	North Central Province	18	4.7
	Uva Province	32	8.3
	North Western Province	34	8.9
	Sabaragamuwa Province	24	6.3
Country Visited	India	76	19.8
	Singapore	70	18.2
	Malaysia	54	14.1
	Thailand	70	18.2
	Japan	23	6.0
	China	15	3.9
	Maldives	07	1.8
	Australia	22	5.7
	New Zealand	03	0.8
	European countries	11	2.9
	American countries	01	0.3
	Middle East Countries	15	3.9
	Other	17	4.4
Travelling Period	January	38	9.9
	February	31	8.1
	March	51	13.3

	April	51	13.3
	May	19	4.9
	June	31	8.1
	July	33	8.6
	August	26	6.8
	September	19	4.9
	October	09	2.3
	November	27	7.0
	December	49	12.8
Duration of the tour	01 – 03 Days	66	17.2
	04 – 06 Days	160	41.7
	01 – 03 Weeks	101	26.3
	01- 03 Months	17	4.4
	More than 03 Months	40	10.4
Purpose of the tour	Family leisure tour	235	61.2
	Business	42	10.9
	Medicine	4	1.0
	Honeymoon	12	3.1
	Other	91	23.7
With whom travelled	Individually	70	18.2
	Spouse	45	11.7
	Family	161	41.9
	Friends	98	25.5
	Other	10	2.6
Services that obtained from travel agency	Tour Packages	180	46.9
	Visa	151	39.3
	Air Tickets	219	57.0

Source: Survey Data 2021

The research sample consist both parties which are males and females. According to the “Table 4.1” shows that almost 50.5% are male respondents and out of total 49.5% are female respondents who responded to the questionnaire. Majority of the respondents in the sample belongs to age between 18 – 29 years (66.4%) with 225 respondents out of total and the minor respondents belong to age above 60 years (8%) with 3 respondents. Other age groups 30 – 39 years, 40 – 49 years and 50 – 59 years represented the sample 20.3%, 10.4% and 2.1% respectively. In addition to that most of the respondents obtained services from the travel agencies which are located in Central Province (34.1%) and the least represented the Eastern Province (1.05) out of total. When considering the above table most of the respondents who visit India show 19.8% (N= 76) out of total and least of the respondents in the sample visited American countries show 0.3%. Other than India 18% of respondents was visited Singapore and Thailand. Further 14.1% respondents were visited Malaysia. All the countries represent one-digit percentages of respondents.

According to the survey, researchers found that most of the respondents were travelled in March (13.3%) and April (13.3%). The minor respondents were travelled in October 2.3%. Further 12.8% respondents were travelled in December. Also, the majority of the respondents were travelled for family leisure purposes (61.2%). A minority of respondents of the sample were traveled for medicinal purposes. Based on survey data 2021, “Table 4.1” shows with whom travellers were travelled. Its majority of the respondents represent 41.9% travelled with their families. Minority travelled with others such as team members, office mates etc. Other than those respondents of sample were travelled with their friends, individually and with their spouses which show 25.5%, 18.2% and 11.7% respectively.

Reliability Test

Cronbach’s Alpha Test of Reliability was used to measure the internal consistency among the indicators and the variables. According to the Cronbach’s Alpha model, the coefficient alpha value 0.80-0.95 is considered as very good reliability. And the coefficient alpha value of 0.70-0.80 is considered as good reliability while the coefficient value of 0.60-0.70 is considered as fair reliability. And when the value is below 0.60, it is considered as week reliability (Sekaran, 2013).

“Table 4.2” shows the reliability of the independent variable, service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy and the dependent variable customer satisfaction.

Table 4.2 Reliability test

Variable	Cronbach's Alpha	No. of Items
Tangibility	0.832	4
Reliability	0.872	4
Responsiveness	0.778	3
Assurance	0.794	3
Empathy	0.813	3
Customer Satisfaction	0.928	6

Source: Survey Data 2021

According to the “Table 4.2” Cronbach’s Alpha value for five dimensions of the independent variables were tangibility alpha value is 0.832, reliability alpha value is 0.872, responsiveness alpha value is 0.778, assurance alpha value is 0.794 and empathy alpha value is 0.813. Dependent variable or customer satisfaction alpha value is 0.928. The entire items alpha values were more than 0.7 Therefore, above all dimensions (tangibility, reliability, responsiveness, assurance, and empathy) can be identified as providing good support to the customer satisfaction.

Descriptive Analysis

Descriptive statistics for Independent Variables

To identify the basic nature of the independent variables, descriptive statistics were calculated. “Table 4.3” shows the descriptive analysis with mean, standard deviation and skewness.

Table 4.3 Descriptive Analysis - Independent Variables

Variable	Mean	Std. Deviation	Skewness	
	Statics	Statistics	Statistics	Std. Error
Tangibility	3.5677	.75702	-.881	.125
Reliability	3.6478	.81103	-1.046	.125
Responsiveness	3.6502	.74517	-.943	.125

Assurance	3.6693	.72962	-.931	.125
Empathy	3.4826	.84461	-.558	.125

Source: Survey Data 2021

According to the above survey data 2021, mean value for tangibility showed that customer satisfaction is relatively high (M=3.56, SD=0.75). As same as the respondents mean value for reliability (M=3.64, SD=0.81), responsiveness (M=3.65, SD=0.74), assurance (M=3.66, SD=0.84), empathy (M=3.65, SD=0.83) exceeded the 3. It means that the respondents of the sample have normally responded to dimensions in between “Moderate” and “Agree” where the Likert Scale value for “Moderate” equals 3 and “Agree” equals 4. The Skewness of tangibility, reliability, responsiveness, assurance, empathy is -0.881, -1.046, -.943, -.931, -and .558 respectively.

Correlation analysis

The Pearson Correlation can display strength of the relationship between variables. Pearson correlation value is spread between the value (+01) and (-01). Significant value describes the significance of the relationship between dependent and independent variables. In 99% confidence level it value must be a below 0.01 and also in 95% confidence level it value must be a below 0.05.

99% confidence level = <0.01

95% confidence level = <0.05

Table 4.21 Correlation Analysis

Variable	TAN	REL	RES	ASS	EMP	CS
Tangibility	1	.706**	.591**	.632**	.642**	.693**
Sig. (2 – tailed)		.000	.000	.000	.000	.000
Reliability		1	.719**	.720**	.722**	.817*
Sig. (2 – tailed)			.000	.000	.000	.000
Responsiveness			1	.697**	.670*	.715**
Sig. (2 – tailed)				.000	.000	.000

Continued table 4.21s

Variable	TAN	REL	RES	ASS	EMP	CS
Assurance				1	.677**	.696**
Sig. (2 – tailed)					.000	.000
Empathy					1	.772**
Sig. (2 – tailed)						.000
Customer Satisfaction						1

** Correlation is significant at the 0.01 level (2-tailed).

Source: Survey Data 2021

The Pearson’s Correlation Coefficient was calculated for the purpose of defining the relationship between Service quality and customer satisfaction in Travel Agencies Sri Lanka. As shown in Table 4.21, all five independent variables are significant with the Customer Satisfaction variable at the 0.05 level. Correlation coefficient for the relationship between customer satisfaction and tangibility is 0.693 that is significant at 0.01(P<0.05). This result found that there is a strong positive and significant relationship between tangibility and customer satisfaction.

Correlation coefficient for the relationship between customer satisfaction and reliability is 0.817 that is significant at 0.01(P<0.05). Therefore it can be concluded that there is a strong positive relationship between reliability and customer satisfaction. As shown in

Table 4.21, correlation coefficient for the relationship between customer satisfaction and responsiveness is 0.715 that is significant at 0.01($P < 0.05$). Therefore it can be concluded that there is a strong positive and significant relationship between customer satisfaction and assurance. Correlation coefficient for the relationship between customer satisfaction and assurance is 0.696 that is significant at 0.01($p < 0.05$). Therefore it can be concluded that there is a strong positive relationship between customer satisfaction and assurance.

Correlation coefficient for the relationship between customer satisfaction and empathy is 0.772 that is significant at 0.01($P < 0.05$). Therefore it can be concluded that there is a strong positive and significant relationship between customer satisfaction and empathy. According to the above table it can be concluded that all the individual variables have a significant positive relationship ($P < 0.05$) towards customer satisfaction.

Hypothesis Testing

By conducting normality test researchers found that data was normally distributed. Resulting study proceed parametric tests to explore research objectives.

Regression analysis

Regression analysis was used to identify the impact of independent variables on the dependent variable of the study. Customer satisfaction is the dependent variable and dimensions of Tangibility, Reliability, Responsiveness, Assurance and Empathy are the independent variables. Table 4.13 presents the summary of the model

Table 4.22 Summery of model

Model	R	R Square	Adjusted R Square	Std. Error
1	.870 ^a	.756	.753	.41393

Source: Survey Data 2021

The R Square value is 0.753. It means 75.3% of customer satisfaction can be explained by the Tangibility, Reliability, Responsiveness, Assurance and Empathy.

Table 4.23 Regression Analyses – ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	200.905	5	40.181	234.509	.000 ^b

Source: Survey Data 2021

According to the “Table 4.23” The P value from the ANOVA table is less than 0.001 and F Value is 234.509 the model can use to explain the customer satisfaction.

Table 4.24 Regression Analyses – Coefficient Table a

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.033	.120		.273	.785

Tangibility	.135	.042	.123	3.238	.001
Reliability	.401	.047	.391	8.473	.000
Responsiveness	.152	.045	.136	3.357	.001
Assurance	.054	.047	.047	1.153	.250
Empathy	.284	.040	.288	7.097	.000
a= Dependent Variable: Customer Satisfaction					

Source: Survey Data2021

H1: There is a significant impact of Tangibility on customer satisfaction in Travel Agencies in Sri Lanka

According to the survey data 2021, the regression coefficient of tangibility indicates that it has a significant impact on customer satisfaction ($\beta = 0.135, P < 0.001$). Therefore, the first hypothesis (H1) of the study is accepted. This result further supports the first hypothesis (H1) of the study. Increase of tangibility by 1%, lead to increase of customer satisfaction by 13.5% when other independent variables remain constant. This is further supported by Shahin and Janatyan (2011), Jamal and Anastasiadou (2009) and Manani et al. (2013)

H2: There is a significant impact of Reliability on Customer Satisfaction in Travel Agencies in Sri Lanka

The coefficient of $\beta = 0.401$ of reliability shows that it has a significant influence on customer satisfaction, ($\beta = 0.401, P < 0.000$). According to the above analysis the second hypothesis (H2) of the study is accepted. Increase of reliability by 1%, lead to increase of customer satisfaction by 40.1% when holding other variables constant. Further this is supported by Manani et al. (2013) and (Jamal & Anastasiadou, 2009).

H3: There is a significant impact of Responsiveness on Customer Satisfaction in Travel Agencies in Sri Lanka

The regression coefficient of responsiveness shows that it has a significant impact on customer satisfaction ($\beta = 0.152, P < 0.001$). According to the above analysis the third hypothesis (H3) of the study is accepted. This result further supports the third hypothesis (H3) of the study. Increase of responsiveness by 1%, lead to increase of customer satisfaction by 15.2% when other variables remain constant. This is further supported by previous studies. (Johns et al., 2004; Manani et al., 2013; Yuen & Thai, 2015)

H4: There is a significant impact of Assurance on Customer Satisfaction in Travel Agencies in Sri Lanka

The coefficient of assurance also indicates that there is no significant impact on customer satisfaction ($\beta = 0.054, p < 0.250$). Therefore, the fourth (H4) hypothesis is rejected. This result further supports the fourth hypothesis (H4) of the study. Increase of assurance by 1%, lead to increase of customer satisfaction by 5.4% when other variables remain constant. But there is an insignificant impact with 0.250 values.

H5: There is a significant impact of Empathy on Customer satisfaction in Travel Agencies in Sri Lanka

And also regression coefficient of empathy indicates that it has a significant impact on customer satisfaction ($\beta = 0.284, p < 0.000$). By through the above analysis the fifth (H5) hypothesis is accepted. This result also supports the fifth hypothesis (H5) of this study. Increase of empathy by 1%, lead to increase of customer satisfaction by 28.4% when other variables remain constant. Further this is supported by Shahin and Janatyan (2011) and Johns et al. (2004)

By considering all, the researchers found that tangibility, reliability, responsiveness and empathy significantly impact on customer satisfaction and assurance insignificantly impact on customer satisfaction in travel agencies in Sri Lanka.

Further researchers found that reliability as the most significant dimension ($\beta = 0.401, p < 0.000$). Increase of reliability by 1%, lead to increase of customer satisfaction by 40.1% when holding other variables constant.

IV. Conclusion

The research was conducted to investigate the impact of service quality of travel agencies on customer satisfaction in Sri Lanka. By using convenient sampling method researchers collected data from 384 outbound travelers who were obtained services from travel

agencies in Sri Lanka. Both female and male included in the sample profile. Most of the respondents were under 18 – 29 age group and most of respondents obtained services from the travel agencies which located in Central Province. Also, researchers conclude that based on the analysis most of respondents visited India mostly in March and April. Further they travel for 04 – 06 days for the purpose of family and leisure travel along with families.

Based on the research objectives researchers investigate mainly the impact of service quality of travel agencies on customer satisfaction in Sri Lanka using service quality dimensions. According to the normality test the data were normally distributed and researchers used parametric tests such as regression, correlation assesses the objectives.

The researchers carried out the regression analysis with the aim of achieving the main objective of the current study. As well as there was a strong positive relationship could be found between tangibility, reliability, responsiveness, assurance and empathy and customer satisfaction. According to the correlation analysis all the relationships were significant at the 0.01 significant levels. Therefore, it can be concluded that the service quality dimensions have direct and positive relationship with customer satisfaction in travel agencies in Sri Lanka.

According to the regression analysis, service quality dimensions such as tangibility, reliability, responsiveness and empathy significantly impact on customer satisfaction in travel agencies in Sri Lanka with the p values were lower than 0.05. Further assurance was not significantly impact on customer satisfaction in travel agencies in Sri Lanka. In this research, researchers found that assurance insignificantly impact on customer satisfaction in travel agencies in Sri Lanka with 0.250 value. The researchers conclude that it happens due to the technological development. Customers have good awareness of the services that they obtained from the travel agencies through new technology. Further in contemporary era most of the customers looking for low budgeted products than considering other factors such as reputation.

According to this research, commonly researchers can express reliability and empathy as the most significant dimensions, and Secondly tangibility and responsiveness also important for the improvement of the customer satisfaction in the travel agencies in Sri Lanka. Further researchers concludes that 75.3% customer satisfaction can be defined by service quality dimensions namely tangibility, reliability, responsiveness, assurance and empathy.

Further researchers conclude that Reliability as the most significant dimension of the service quality which is significantly impact on customer satisfaction in travel agencies in Sri Lanka.

To investigate the mean difference researchers conducted ANOVA and t- test. According to the analysis researchers concluded that there is no significant mean difference of customer satisfaction based on demographic factors such as gender, age group, province of the travel agency, country visited, time period, duration of the tour, purpose of the tour and with whom travel. But there is an insignificant mean difference based on in between travel individually and travel with families and travel individually and travel with friends.

V. Recommendations

Tangibility

According to the findings of the study, tangibility has positive and significantly impact on customer satisfaction in travel agencies in Sri Lanka. If travel agencies want to improve their performance, researchers can recommend following actions for them.

- Maintain customer attract environment in the travel agency premises both inside and outside with clean, neat and attractive manner.

Means maintain the premises cleanly and neatly without dusts and unnecessary documents on the tables. Nice tourism related paintings, boards also can display.

- Further, researchers can recommend travel agencies should locate in places, which are convenient to the customers and also their parking.

Most of customers are looking convenience for them. If there is no car parking either good location customers were unsatisfied. Therefore, it's a good advantage locate the travel agency in remote areas where the customers captured easily.

- And also researchers can recommend to the travel agency they should recruit the young, active and smart employees to the staff.

By hiring smart, active young employees to the staff will increase the performance of the agency by providing services in actively.

- Visually appealing are very essential. If customers come to the travel agency if materials such as promotional brochures, markets they handled are visible to them, it is very useful to the customer. So researchers can recommend travel agencies should have materials in visible compactable places.

Researchers also recommend to use visual appealing such as brochures, itineraries, tour packages, market display boards that travel agency handle.

Reliability

According to the findings of the study, reliability has positive and significantly impact on customer satisfaction in travel agencies in Sri Lanka. If travel agencies want to improve their performance, researchers can recommend following actions for them.

- It's important to complete the tasks which travel agency had promised to their customers. If failure to complete the promised task it's negatively affected the travel agency. Therefore researchers recommend to the travel agencies complete the tasks to maximize the satisfaction of the customer based on their requirements.
- Mostly travel agency services highly depend on the specific time duration with specific date. Therefore it's important to provide the service on time. If travel agency wants to improve their performances researchers recommend, travel agencies should provide the services on time to the customers.
- Travel agencies provide travel and tourism services and its necessary to meeting the tour schedules. If not it may be negatively affect to the performance of the travel agency. Therefore if travel agencies want to improve their performance researchers recommend, travel agencies should give their attention to meeting the tour schedule that they will provide from beginning to the end of the tour with accuracy.

Responsiveness

According to the findings of the study, responsiveness has positive and significantly impact on customer satisfaction in travel agencies in Sri Lanka. If travel agencies want to improve their performance, researchers can recommend following actions for them.

- Most of the customers expect the quick responses from the travel agencies. Therefore, researchers recommend to the travel agencies should establish proper departments, information systems and allocate employees to respond to the customers.
- Also travel agencies handled international markets. Sometimes customers have to face many problems before of within their tours, visa problems, air ticket problems. On that kind of situations travel agencies should have to involve solving the problems. Therefore researchers recommend travel agencies should pay attention to the customer problems to resolve them.
- As well as travel agencies' staffs should maximize their customer's needs even they are busy.

Assurance

According to the findings of the study, assurance has positive insignificant impact on customer satisfaction in travel agencies in Sri Lanka. Researches assume that in Sri Lankan context most of the outbound travelers were depend on budget than reputation and others. Further researchers assumed that due to the technological development most of the travellers aware about the destinations and travelling procedures.

Empathy

According to the findings of the study, empathy has positive and significantly impact on customer satisfaction in travel agencies in Sri Lanka. If travel agencies want to improve their performance, researchers can recommend following actions for them.

- It's important to pay individual attention to the customers to identify their specific requirements to maximize their satisfaction. Researchers recommend employees should give their highest attention to the customers and their preferences.
- Researchers also recommend to travel agencies allocating required time for customers to provide better service.

Suggestions for Future Research

- This research study is limited to the travel agencies in Sri Lanka. It can wide as tour operators, destination management companies to assess the tourism industry.

- Researchers followed SERVQUAL Model for this research. Further researchers can apply another different models or different dimensions for the study. Such as conventions, security and understanding the customers etc.
- Researchers can find impact of view point about service quality and customer satisfaction based on demographic factors. Also, future study could carry out to test these same variables in an airline or hotel sector.

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