

# **EFFECT OF SERVICE QUALITY ON CUSTOMER LOYALTY OF FOOD AND BEVERAGES COMPANIES IN KADUNA STATE**

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## **ABSTRACT**

*Service quality in beverage industry is relatively more challenging to measure than in other service industries, in which system and work processes consist of distinct but inter-related tasks. This study is to examine the effect of service quality on customer loyalty of food and beverages companies in Kaduna State. The main objective of this study is to examine the effect of service quality on customer loyalty of food and beverages companies in Kaduna State. The source of data collection for this study was primary source. The method for data analysis was multiple regression. The findings of the study indicate that Interactive Quality is found to have positively and significantly impacted on the customer loyalty at five percent level of significance. The study concludes that interactive quality has impact on customer loyalty of listed food and beverages company in Kaduna. The study recommends that the management of the companies should develop policies that will neutralizes the dominance of one interactive quality against the other and also adopt best international*

*practices in improving service quality in their organizations.*

**Keywords:** Service Quality, Interactive Quality and Customer Loyalty

## INTRODUCTION

Service quality has become a key strategic factor for companies to differentiate their products and services from other competitors by using service quality. Many researchers recommend that customers assess service quality by comparing what they feel a seller should offer against the seller's actual service performance. Service quality plays a vital role in every organization or a nation as it decides growth and survival of the organizations in this hugely competitive market in the modern era. Service quality has been revealed as a key factor in search for sustainable competitive advantage, differentiation and excellence in the service sector (Grönroos, 2012).

Loyalty of customer towards a particular organization is an important aspect for various organizations by which organizations become more profitable. Hence it is vital for an organization to handle the grievances of customers so that customers remain attracted to the organization. Customer loyalty is simply a buyer's deeply held commitment to stick with a product, service, brand or organization consistently in the future, despite new situations or competitive overtures to encourage switching. Loyalty is measured by taking into account the probability of repurchase (Gursoy, Chen & Kim, 2005).

Service quality in beverage industry is relatively more challenging to measure than in other service industries, in which system and work processes consist of distinct but inter-related tasks (Gilbert & Wong, 2003). A review of literature about service marketing reveals that the direction of causality and relationships among service quality and loyalty is an important, unresolved subject matter characterized by inconsistencies and controversies. For instance, Anand, and Selvaraj (2012) have viewed service quality and customer loyalty as complementary or divergent constructs. Other researches further established the causal reciprocity of service quality and customer loyalty, which creates further confusion (Saha & Theingi, 2009; Ryals, Knox & Maklan, 2000). Considering this focus and the expected faster growth rate of beverages industries in developing countries, it appears that the sector has been given relatively less research attention than it merits. This study seeks to address the industry gap by investigating the interrelationships among service quality and customer loyalty in the Nigerian food and beverages industry also known as the consumer goods

sector. It is also on this premise that the study seeks to fill the gap in literature and also the variable inclusion gap.

The main objective of this study is to examine the effect of service quality on customer loyalty of food and beverages companies in Kaduna State.

Other specific objectives are to:

- i. Determine the impact of interactive quality on customer loyalty in food and beverages companies in Kaduna State
- ii. Determine the impact of physical environment quality on customer loyalty in food and beverages companies in Kaduna State

To achieve the above mentioned objectives, the following hypotheses were formulated in null forms:

- Ho<sub>1</sub>: Interactive quality does not have a significant impact on customer loyalty in the Nigerian food and beverages companies in Kaduna State.
- Ho<sub>2</sub>: Physical environment quality does not have a significant impact on customer loyalty in the Nigerian food and beverages companies in Kaduna State.

## LITERATURE REVIEW

### Theoretical Foundation

#### Service Quality Theory (SERVQUAL)

The prevailing theory for measuring service quality is the SERVQUAL theory conceived by Parasuraman, Zeithaml, and Berry (1985). The SERVQUAL theory is a multiple-item measure that can be used to identify and deduce customer perceptions and service expectations. It is considered to be reliable and valid for evaluating service quality in a number of industries. To develop the SERVQUAL scale, Parasuraman, Zeithaml, and Berry (1985) gathered empirical data from five different service industries: appliance renovation and maintenance companies, retail banking, long distance telephone, security, brokerage, and credit cards. The SERVQUAL theory initially acknowledged ten dimensions of service quality (tangible, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding, knowing customers, and access). Subsequently, these ten dimensions were suppressed into five (reliability, responsiveness, tangible, assurance and empathy).

The SERVQUAL theory hinges on gaps in service quality, which addresses differences in service quality expectations and perceptions. Hutton and Richardson (1995) state that the broader the gap, the lesser the perception of quality appears in consumer minds, and vice-versa. According to Seth and Desmukh (2004), SERVQUAL is most often applied to evaluate the presence and degree of Gap-5, which expresses the difference between customer expectations and perceptions of service quality. Mohammed (2006) notes that of the five service quality Gaps, only Gap 5 can be examined exclusively from the customer's viewpoint; that is, analyses of other Gaps require information from the service provider.

### **Hierarchical Service Quality Theory (HSQM)**

Cronin and Brady (2001) proposed a new hierarchical theory by developing previous models. They adopted the idea that service quality perception is multilevel and multidimensional. They tried to develop SERVQUAL dimensions by refining its dimensions to what should be reliable, responsive, empathic, assured, and tangible. Brady and Cronin believed that SERVQUAL dimensions need to be specifically defined. They adopted two dimension from Homans (1961) theory; interaction quality between consumers and employees (i.e., functional quality) and outcome (i.e., technical quality). The third dimension adopted from Rust and Oliver (1994) is service environment.

Because of the theoretically strong support for multidimensional and multilevel of service quality, they suggested three sub-dimensions for each dimension; attitude, behavior, and expertise for interaction quality dimension, ambient condition, design, and social factors for environment quality, and waiting time, tangibles, and valence for outcome quality dimension. By specifying these factors, they determined what should be reliable, responsiveness, and empathy as suggested in SERVQUAL theory. This theory developed a new way of measuring service quality by having strong literature support and combining several theories.

### **Concept of Service Quality**

Service quality can be defined as a consumer's overall impression of the efficiency of the organization and its services (Park, Robertson & Wu, 2004) or as a chain of services in which the entire service delivery is divided into a series of processes (Chen & Chang, 2005). Most definitions of service quality depend on the context and therefore focus on meeting the customers' needs and

requirements and how well the service delivered matches the customers' expectations of it. Service quality is composed by the act of interactions between customers and employees, in which employees try to seek an advantage to influence customers' perceptions and the image of the carriers (Gursoy, 2005).

The service quality is derived from customers' cognitive evaluations of a service and viewed as a transaction-specific level or a global level (Chiou, 2004). Service quality is a multi-dimensional concept. There are differences between objective quality (based on the product) and perceived quality (based on the user) (Boonlertvanich, 2011). Beverage industry must ensure the implementation of services in an instant way to profit citizens (Ltifi & Ghardi, 2012). According to (Gijzel, 2015), perceived service quality is a form of attitude and a comparison of expectations with perceptions of performance. It is referred to the judgment of consumer on an entity's excellence or superiority. Ltifi and Ghardi, (2012) define service quality as the difference between consumers' perceptions of services and their expectations about such services offered by a firm.

### **Concept of Customer Loyalty**

According to Oliver (1999) customer loyalty is the commitment formed for being a steady customer or purchasing again in the future for the preferred product or service regardless of the marketing efforts or situational effects. Gronroos, (2001) posits that customer loyalty that is related to our purpose in this study which is the degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider and considers using only this provider when a need for this service exists.

Customer loyalty can be defined in two distinct ways. First, loyalty is an attitude. Different feelings create an individual's overall attachment to a product, service, or organization. These feelings define the individual's (purely cognitive) degree of loyalty. The second definition of loyalty is behavioral. Examples of loyalty behaviour include continuing to purchase services from the same supplier, increasing the scale and or scope of a relationship, or the act of recommendation (Yeh & Chang 2009).

Customer Loyalty is a consumer who intends to repurchase from the same service firms, to keep an optimistic attitude towards the service firm, and to willingly refer the service to others (Kandampully & Suhartanto, 2000). Bowen and Chen (2001) stated that loyalty occurs when the customer feels so strongly that you can best meet his or her relevant needs that your competition is virtually

excluded from the consideration set, while Reichheld & Sasser (1990) defined a loyal customer as one who values the relationship with the firm adequately to make the firm a preferred provider. Loyal customers do not switch to other service providers with small differences, such as price or service. Instead, loyal customers provide truthful and productive feedback, they combine the volume of their category purchases with the firm, they never mistreat firm employees, and they enthusiastically provide referral to their relatives and friends (Shoemaker & Bowen, 2003).

### **Empirical Review of Related Studies**

A study was carried out by Ogunnaike and Ogbari (2011) in Nigeria on the impact of customer service on customer satisfaction with empirical evidences from Nigerian Banking Industry. The study investigated performance of service that creates true customers: customers who buy more and who influence others to buy. Two hypotheses were formulated in the study and multiple regression and correlation statistical techniques employed to test the hypotheses. Findings of the study discovered that there is a relationship between customer service and customer satisfaction. The results also show that there is a relationship between gender and customer service. The study recommended that the banks should focus more on their customers rather than on the products and services, which they sell because customers are the true business of every company.

Wu (2011) examined satisfaction, inertia, and customer Loyalty in the varying levels of the zone of tolerance and alternative attractiveness in Taiwan. The study aimed to develop and test a more comprehensive model of the antecedents of customer loyalty, including satisfaction and inertia. Also, the study considered how the effects of satisfaction and inertia on customer loyalty vary with differing levels of the zone of tolerance (ZOT), and how these are likely to change due to customer alternative attractiveness. Hierarchical moderated regression analysis was used to test the hypotheses of this study, and the mobile communication industry was chosen as the point of analysis in this industry in Taiwan. Findings of the study showed that a wider level of the zone of tolerance (ZOT) strengthens the positive effect of inertia on customer loyalty, while also reducing the positive effect of satisfaction. Also, the findings indicated that the negative moderating effect of the zone of tolerance (ZOT) on the relationship between inertia and customer loyalty will reduce as alternative attractiveness increases. The study recommended that customers with higher perception of alternative attractiveness are likely to experience changes in the influence of the ZOT on their loyalty decisions.

Study by Chris, Elliot and Burton (2012) on the modeling of customer satisfaction and loyalty using survey data against data mining. The study examined the nature of this association in retail banking, an issue that has not been tested empirically using survey methodology to examine bank customers' attitudes, perceptions, and behavior with sample of 200 respondents. The study found non-linear relationship between customer satisfaction and customer loyalty. The study also found that predictors of loyalty were associated with customers' intentions to remain with their bank. The results also indicated that market conditions such as switching costs, benefits and recent consumer behavior add explanatory power. The study also contrasted a full model explaining 56.9 percent of the variation in loyalty with a model based only on variables known to banks, which explained only 8.4 percent. The study recommended that the models of the study can be used by banks to profile customers who are likely to remain loyal, allowing practitioners to implement proactive marketing action to reward such loyalty

In another study, Obidat (2012) on the impact of perceived service quality on customer loyalty in the internet service providers industry in Jordan. The authors utilized perceived service quality as an independent variable which was measured by using five dimensions: tangibility, reliability, responsiveness, assurance and empathy, While, customer loyalty represents the dependent variable. The study was conducted by distributing 420 questionnaires to the customers and by using the multiple regression analysis. The results showed that perceived service quality in terms of tangibility; reliability, responsiveness, assurance and empathy significantly affect customer loyalty. Also, the results showed that the empathy is the strongest predictor of customer loyalty internet service providers in Jordan. The study recommended that service providers should try their best to offer better service quality to their customers to win back their loyalty.

Awwad (2013) in a separate study was conducted on the Application of the American customer satisfaction Index (ACSI) in the Jordanian mobile phone sector. The study investigated customers' satisfaction with mobile phone service in Jordan by using the American customer satisfaction index to examine the causal relationships among customer expectations, perceived quality, perceived value, customer satisfaction, customer complaint and loyalty using questionnaire to 447 respondents in Jordanian universities. The findings revealed that customers' expectations, perceived quality and perceived value are

important predictors to customer satisfactions and hence shows significant impact in Jordan. The study recommended that customers who are dissatisfied should be encouraged to complain in order to satisfy their needs and thus turn them into loyal customers.

Juliet (2013) conducted a research on the influence of airline service quality on passenger satisfaction and loyalty in Uganda: The case of Uganda airline industry. The research examined the influence of airline service quality on passenger satisfaction and loyalty using random sample consisted of 303 respondents on international flights using Entebbe International Airport. Findings of the study showed that the quality of pre-flight, in-flight and post-flight services had a statistically significant effect on passenger satisfaction. Moreover, the study found that passenger satisfaction as a mediating variable had a significant impact on passenger loyalty. The study also found that passenger satisfaction differed from individual to individual in Uganda Entebbe international Airport. The study recommended that airline management should consider developing various strategies for implementing service quality based on demographic characteristics of the customers such as occupation, age, gender and education levels.

Another study by Chodzaza and Gombachika (2013) was conducted in Malawi on the quality, customer satisfaction and loyalty among industrial customers of a public electricity utility. The study examined the relationship between service quality, customer satisfaction and loyalty among industrial customers of the public electricity utility organization in Malawi by using models of correlation and regression analysis. The population of the study consisted of 286 industrial customers of the public electricity utility organization in the southern region of Malawi: data were collected from 92 respondents, as a sample using a questionnaire. The finding showed that the service quality is poor, irrespective of demographic characteristics of the industrial customer and this simply leads to customer dissatisfaction and disloyal. The study recommended that public electricity utility must direct its resources in order to satisfy its industrial consumers.

Makhlouf (2014) investigated the mediating effects of customer value and customer satisfaction. The main objective of the study is to investigate the mediating effect of customer satisfaction on relationship between customer perceived value and customer loyalty, a self-administrative questionnaire was designed according to study questions and hypotheses. 300 questionnaires were



distributed over the convenience sample. (10) customers from each lady beauty center were chosen from (30) ladies beauty centers in Amman-Abdoun. The collected data were analyzed and the research hypotheses were tested by using SPSS and Amos Ver.21. Findings of the results confirm a positive and strong impact of service quality, customer value, and customer satisfaction on customer loyalty. Also, the results indicate that service quality has a positive and significant impact on customer perceived value and customer satisfaction as well as, customer perceived value has a positive impact on customer satisfaction. In addition, the results provide evidence that the mediating effect of customer satisfaction has a positive and significant impact on relationship between service quality and customer loyalty. Furthermore, the results reveal that there is a significant mediating impact of customer perceived value on relationship between service quality and customer satisfaction.

Similarly, Ibojo (2015) investigated the impact of Customer Satisfaction on Customer Retention in a Reputable Bank in Nigeria. The study evaluated the relationship between customer satisfaction and customer retention, and also examined the impact of customer satisfaction on customer retention using survey research design. The study used Primary and secondary sources of data. The primary data includes a structured questionnaire used to elicit information from the target respondents who were customers of the reputable bank in Oyo while the secondary data encompass the use of related materials, journals and periodicals. Anova and t-statistics were used to test the hypotheses while regression analysis was used to analyze the data. The findings showed the  $R^2$  value of 0.717 which reveals that customer satisfaction independently accounts for 71.7% of the variation in customer retention. The study concluded that the effective satisfaction of customers will give room for customer retention. More so, there is a significant relationship between customer satisfaction and customer retention. The study recommended that organizations should embrace and adopt the marketing concepts that allows for being more effective than competitors in creating, delivering and communicating superior customer value in their chosen target markets.

Rahim (2016) examined the perceived service quality and customer loyalty: the mediating effect of passenger satisfaction in the Nigerian Airline Industry. The author examined the relationship among service quality, customer satisfaction and loyalty in the Nigerian airline industry using cross-sectional survey research design in order to collect the primary data on structured questionnaire. Convenience sampling was adopted to draw a sample of 800 respondents. The

data collected were analyzed using correlation and multiple regression analysis. The findings of this study largely support the hypothesized relationships proposed in the conceptual framework. The results specifically revealed that perceived service quality is positively related to both passengers' satisfaction and loyalty. The relationship between passenger satisfaction and loyalty towards the airlines was also found to be positive. The mediating effect of customer satisfaction between perceived service quality and customer loyalty is also found to be positive and partially supported. The research concluded that perceived service quality does influence passenger satisfaction, and by extension, loyalty to the airlines. Thus, improvement of service quality is an adjuvant factor to sustainable differentiation and competitiveness in the airline industry. The study also recommended that airline operators develop and implement market-oriented service strategies to identify customers' needs and expectations in order to serve them better. The study further recommended that airline operators should measure service quality regularly to assure that they are keep meeting passengers' expectations, and consider customizing their products and services (as needed) to enhance customer satisfaction and loyalty.

## METHODOLOGY

In other to examine the effect of service quality on customer loyalty in Kaduna, an explanatory research design, also known as Causal research was used. It is the investigation of (research into) cause-and-effect relationships. This research obtained information for the study using the survey that covers the primary data collection with the use of questionnaire. The questionnaire for data collection was a combination of the modified versions of the questionnaire on service quality, Harsandaldeep and Hermeen (2012) questionnaire on customer loyalty while Anand and Selvaraj (2012) questionnaire on customer satisfaction. The population of the study is infinite retail customers of Nigerian Breweries PLC, Kaduna (Author, 2019). Availability study sampling used in the sample sizing of the population is through the statistical use of 343 retailed customers of the company. The Kerjcie and Morgan (1970) sample size determination table was used to determine the sample of this study.

In order to examine the effect of service quality on customer loyalty in Kaduna, the parametric technique was employed using ordinary least regression analysis for this study, because this analysis is a way of statistically sorting out which of those variables certainly have an impact and it also helps to determine how well the independent variable predict the value of the dependent variable.

The study used models for this study and they are as follows:

The model is captured from (Brady & Cronin, 2001) study on Hierarchical service quality model but modified by the researcher to include:

In functional form:

$$C U S L = f(HSQ) \dots\dots\dots 3.1.1$$

The dependent variable customer loyalty is a function of the independent variable which is service quality.

In equation form is represented as follows:

$$CUSL = \alpha + B_1 INTV\_Q + B_2 PHYE\_Q + B_3 OUTC\_Q + E_i \dots\dots\dots 3.1.2$$

Where:

CUSL = customer loyalty

INTV\_Q = interactive quality

PHYE\_Q = physical environmental quality

OUTC\_Q = outcome quality

E = Standard Error of Estimate

$\alpha$  = Constant or Intercept

$B_1 - B_3$  = Coefficient of independent Variables

The technique of analysis used in the study is the correlation and regression analysis simply because, correlation analysis was used to explain the relationship between the mediating, dependent and independent variables in terms of association.

## DATA ANALYSIS AND RESULTS

### Descriptive Statistics

The descriptive statistics of the data collected for the study is presented and discussed in this section. The summary of the descriptive statistics of the data collected is presented in Table 1 as follows:

**Table 1: Descriptive Statistics of the Variables**

	N	Minimum	Maximum	Mean	Std. Deviation
CUSL	343	1	5	2.69	1.443
INTVQ	343	1	5	2.98	1.438
PHYEQ	343	1	5	2.98	1.469
Valid N (listwise)	343				

**Source:** Field output, 2020

Table 1 shows that the measure of customer loyalty (CUSL) has a minimum value of 1 and 5 as the maximum value, this indicates that 1 is the lowest value in the data set while 5 is the highest value in the data set which signifies that there is no serious outlier issues in the data set. The average value of the CUSL is 2.69 with standard deviation of 1.447, signifies that the data deviate from both side of the mean value by 1.447 approximately. This implies that there is a bit dispersion of the data from the mean, because of the value of standard deviation which is close to the mean.

The results from the table also indicate that the minimum and maximum values of the transparency on interactive quality (INTVQ) are 1 and 5 respectively; this indicates non-existence of outliers' issues from the data set. The mean value of 2.98 and standard deviation of 1.438 in the data implies that there is dispersion from the mean value by approximately 1.44. The results from table 1 also indicate that the minimum and maximum values of the transparency physical environment quality (PYHEQ) are 1 and 5 respectively; this indicates non-existence of outliers' issues from the data set. The mean value of 2.98 and standard deviation of 1.469 in the data implies that there is dispersion from the mean value by approximately 1.47.

### **Correlation Matrix**

In this section, the result of the Pearson correlation Coefficients of the variables of the study is presented in Table 2 as follows;

**Table 2: Correlation matrix of the dependent and independent variable of the first model**

	CUSL	INTVQ	PHYEQ
CUSL Pearson Correlation	1		
INTVQ Pearson Correlation	.051	1	
PHYEQ Pearson Correlation	.479	-.301	1

**Source:** Field output, 2020

The correlation matrix is used to determine the degree of association between independent variables and the dependent variable. It is also used identify whether there is a relationship between independent variables themselves, to detect the possibility of multicollinearity amongst the explanatory variables. This is necessary so that a broader picture than we could have got when regressed separately against performance would be obtained.

Customer loyalty (CUSL) has a weak positive relationship with transparency interactive quality (INTVQ) as denoted by the value 0.051. Interactive quality (INTVQ) has a moderate positive relationship with customer loyalty (CUSL) with the value of 0.479; while interactive quality (INTVQ) has a moderate and positive relationship with physical environment quality (PHYEQ).

### Summary of Regression Results

In this section, the regression results of the models of the study are presented and interpreted. The hypotheses formulated for the study are also tested from the results as presented in Table 3.

**Table 3 summary of Regression Result**

Variables	Coefficient	t-values	p-values
Coefficient	1.233	1.434	0.159
INTVQ	0.239	1.739	0.090
PHYEQ	0.321	2.247	0.007
R <sup>2</sup>	0.308		
Adjusted R <sup>2</sup>	0.257		
F-stat	6.079		
F-sig			0.002

**Source:** Field output, 2020

### Service Quality and Customer Loyalty

The result shows that three explanatory variables have significant impact on customer loyalty at 1% and 5% levels of significance. Cumulatively the R<sup>2</sup> (0.308) which is the combined coefficient of determination indicates the extent to which the independent variables explain the total variation in the dependent variable and the remaining 69% is explained by the other factors not captured by the model of this study. Thus, it signifies that 31% of the total variation in customer loyalty is by INTVQ and PHYEQ. This indicates that the explanatory variables are well selected and combined because the R<sup>2</sup> is positive and satisfies the minimum rule of thumb. The F-statistics of 6.079, which is significant at one percent level of significance indicates that the model of the study is fit. The value of F-statistics which is statistically significant at one percent level of significance (0.002) means that there is a 99 percent probability of confidence that the association amongst the variables of the study is not just by chance.

### Testing of Hypothesis

This section shows the analysis carried out with a view to testing the hypotheses formulated in chapter one.

### Interactive Quality and Customer Loyalty

**H<sub>01</sub>:** Interactive Quality does not have a significant impact on customer loyalty.

Interactive Quality is found to have positively and significantly impacted on the customer loyalty at five percent level of significance. From table 4.3, it is clearly

seen that the t-value for culture is 1.739 and a coefficient value of 0.239 with a significant value of 0.090 (at 5% significance level). This signifies that interactive quality is positively and significantly impacting on the customer loyalty. Therefore, interactive quality can improve customer loyalty. With this, the null hypothesis is therefore rejected and the alternate hypothesis is accepted.

### **Physical Environment Quality and Customer Loyalty.**

**Ho2:** Physical Environment Quality does not have a significant impact on Customer Loyalty.

Physical Environment Quality is found in this study to be positive and significant. Based on the regression result in table 4.3, ethnicity has a coefficient value of 0.321, t-value of 2.247 and a significance value of 0.07. This implies that Physical Environment Quality is positively and significantly influencing the Customer Loyalty. This is in contrast with the expectation as well as results from some existing studies. This result shows that there is a positive and significant relationship between Physical Environment Quality and customer loyalty.

### **FINDINGS, CONCLUSION AND RECOMMENDATIONS**

Interactive Quality has been found to have positive influence with a p-value of 0.090 on customer loyalty. Considering the nature of the variable, it may not be surprising that individuals with higher interaction quality tend to affect the customer loyalty to the organization. Physical Environment Quality results have been found to have positive influence with a p-value of 0.007 on customer loyalty. Looking at the nature of the variable, it should be understood that individuals with extremely higher Physical Environment Quality trait tend to boost the organization by incurring huge customer loyalty.

Service quality remains a significant organizational challenge, managers must learn how to engage their employees in service managerial skills needed in a multicultural work environment. Supervisors and managers must be prepared to teach themselves and others within their organizations to value multi-dynamic environment and the differences in both associates and customers so that everyone is treated with dignity. The following conclusions were therefore reached in this study:

- i. It has been observed that interactive quality has impacts in the customer loyalty of listed food and beverages company, Kaduna.
- ii. Physical environment quality is a very strong key driver of customer loyalty of listed food and beverages company, Kaduna.

Consequently, the following recommendations are made:

- i. The management of the companies should develop a policy that will neutralizes the dominance of one interactive quality against the other and also adopt best International practices in service quality in an organization.
- ii. The management should minimize the use of physical environment quality in determining organization policies in making major decisions that will affect the generality of the organization.

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