A CUSTOMER SERVICE DESIGN CASE STUDY: INSIGHTS ON CUSTOMER LOYALTY IN THE BRAZILIAN FOOD SECTOR

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SUMMARY EXECUTIVE

Marketing managers of local and international food companies have realized that their offers to customers go well beyond the characteristics and attributes of the products their companies manufacture and market. The present research brings light to a key marketing issue: the connection between the customer service experience through the use of a costumer care team and its impact on consumer satisfaction and loyalty.

Customer service perceived quality, customer satisfaction and customer retention were measured and a positive association among these constructs was established. Also, these relationships were found to vary in intensity, the strongest ones being between perceived quality and customer satisfaction and between intention to purchase the product again and intention to recommend the product to others. These results imply that customer service in the B2C market may have a role in establishing overall customer satisfaction and loyalty from clients that have actually used this service. This research analysis also allowed identifying which aspects of customer service are more influent in determining a better quality perception.

Though providing end clients with one of the key services from food companies, consumer service has been seldom investigated in the service literature. What makes it the main object of this research is its crucial importance, mainly for companies dealing with food quality. This paper examines the extent to which the perception of the quality of this service is truly relevant to customer satisfaction and loyalty. The service management literature was used as a theoretical base, in conjunction with the script theory. The strong relationship between perceived quality and satisfaction supports previous studies like that by Woodside et al (1989) about hospitals and the work by Cronin and Taylor (1992).
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ABSTRACT

Marketing managers of local and international food companies have realized that what they offer to customers go well beyond the characteristics and attributes of the products their companies manufacture and market. Service has become an integral part of the offer (Grönroos, 1993); a high service quality improves the company competitiveness, builds customer trust, supports the company brand and other product attributes (Berry & Parasuraman, 1991, p. 12). This paper seeks to investigate whether customer care service perceived quality in the food sector is truly relevant to customer satisfaction and loyalty.

Key words: quality service evaluation, consumer service, loyalty, food industry
INTRODUCTION

In recent research, Allen et al (2006) found out that 80 percent of the managers interviewed believed they offer a superior experience to their customers. A contradiction merged, since their customers thought otherwise, i.e., a mere 8% of the companies were found to deliver what their customer expected. In a fiercely competitive world numbers like those raise a question: how can loyalty be built based on a weak experience of consumption? Companies today clearly recognize that their offers to customers go well beyond the characteristics and attributes of the product they manufacture. Service has become an integral part of the offer (Grönroos, 1993), even in consumer goods, directly influencing customer satisfaction (Parasuraman, Zeithaml & Berry, 1985; Heskett, Sasser & Schlesinger, 1997). A high service quality improves company competitiveness, builds customer trust, supports a company’s brand and other product attributes (Berry & Parasuraman, 1991, p. 12). Indeed, prior studies support that customer satisfaction is directly linked to customer retention, repeated purchases and customer loyalty (Reichheld, 1996; Corrêa & Caon, 2002, p. 93; Bateson & Hoffman, 2001, p. 363).

One of the main concerns in the food business is to meet consumers’ expectations of food quality. Not only do they expect a product in perfect condition for consumption, but also with an extra something that gives them a sense that the product is safe and healthy. In order to keep track of consumers’ satisfaction and complaints and also to offer them detailed information and clarify doubts about products, food companies have maintained customer service departments, which establish a link with customers, mainly through telephone contact.

Given that customer care service is rarely investigated and no studies were found establishing a connection between quality perception of this type of service and customer satisfaction and retention especially in the food sector, this research innovates insofar as it brings some insights on customer loyalty for food marketing managers.

The investigation integrates two research methodologies: a qualitative study through in-depth interviews with customers from diverse food companies and a survey on 364 customers who used the customer service of a multinational food company, a historical player in the Brazilian food market. Customer service perceived quality, customer satisfaction and customer retention were measured and a positive relationship among these constructs was established. This implies that the customer service in the food business may have a role in establishing overall customer satisfaction and retention of those clients who actually used the service.

The analysis also allowed identifying which aspects of customer service are more influential in determining a better quality perception. This has significant managerial importance since it can be used to better design new customer service centers or improve existing ones, linking this activity to the overall company objective of satisfying and retaining customers.

In order to understand the nature of the problem investigated and create a framework to analyze it, next section presents the concept of service and its characteristics, within the scenario of customer care service in the Brazilian food market. Aspects of quality perception and loyalty will be reviewed next. Service management literature was used as a theoretical foundation and, more particularly, the script theory by Woodside et al (1989).
LITERATURE REVIEW

The idea of service has been gradually changing since its initial days, when it was construed as something of a totally different nature from products. But although early literature treats services and products dichotomously, recent authors have tended to see a continuum between services and products (Gianesi & Corrêa, 1994; Sasser, 2002; Fitzsimmons & Fitzsimmons, 2002; Lovelock & Wright, 2001).

Berry and Parasuraman (1991, p.24) indicate that all offers have tangible and intangible elements contributing to the main benefit perceived by the customer. The relative weight of the tangible and intangible elements should determine a classification into product and service.

Four aspects are generally used to characterize services: intangibility, joint production and consumption, greater heterogeneity and perishability. Service is intangible because it cannot be seen, smelled, tasted or touched in the same way as a physical good. The inseparability of production and consumption relates to the fact that services are usually first sold and only later simultaneously produced and consumed, while goods are usually first produced, then sold and subsequently consumed. Heterogeneity regards the potential increased variability in service performance. Perishability concerns the fact that services cannot be stored, thereby appending additional constraints in the attempt to match supply and demand (Parasuraman, Zeithaml & Berry, 1985; Norman, 1993). These authors added the characteristics of heterogeneity and perishability to the set of attributes developed by Grönroos (1978, 1980, 1988) and highlighted the fact that the consumer does not have ownership due to the intangibility characteristic of service.

Customer service in Brazilian food market

Customer service is a support activity to the company’s main products and includes replies to doubts expressed by customers about a product and its utilization, taking orders and organizing maintenance and repair. It involves interactions with customers which can in person, by phone, by mail or by any other electronic means (Zeithaml & Bitner, 2000; Lovelock 1983). These transactions aim to improve operational efficiency and customer satisfaction (Lovelock, 1983). Bowen et al. (1989), Grönroos (1993) and Heskett et al. (1997) emphasized the role of customer service in companies’ competitiveness. This activity can attract and help retain customers since it has the potential to modify, positively or negatively, the perceived value of the company offer (Bolton & Lemon, 1999). Customer service can also be a source of valuable primary information about customers (Albrecht & Bradford, 1992).

Besides the strategic aspect of the consumer care service, in recent years it became mandatory for food companies to invest in this type of service in order to respond properly to consumer legislation. In Brazil, the first state agency created to defend consumer rights, named PROCON, was implemented in 1976 by the government of the state of Sao Paulo, the most important state in Brazilian economy. Since this initiative combined with the sanction of Federal Law 8.078, known as Consumer Defense Code, in the 90’s, consumers’ perception of quality and their conviction in their rights have become important issues to all companies.

Since its creation, the number of complaints and consults addressed to PROCON has increased steadily. In 1977 the number of requests was 1,542 going to around 368,000 in 2003. From this total, 12% were complaints, which were forwarded to the companies (PROCON FOUNDATION, 2004). In comparison to other economic sectors, in first two quarters of 2006 food companies received 220 complaints, being 3,444 for products and 4,910 for services (PROCON FOUNDATION, 2006). In
essence, consumers’ access to this type of institution occurs under two main circumstances: i) when the company does not solve the problem or doubt, or ii) the company does not have a call center to respond to the consumer’s requests. Based on the numbers, it might be understood that consumers are accessing more effectively the food companies. Therefore, accessing the call center is just a piece of the service quality perception puzzle.

Quality in complaint management and consumer loyalty

Loyalty is identified as the current currency in the 21st century by Singh and Sindershmu (2000), once the relationships between companies and their consumers have been more frugal each day. The key questions are: how to convert sporadic consumers into heavy users? How to make them the announcers of the benefits of a product to other potential consumers?

The power of loyalty has been associated to the quality of service delivered by the companies to their consumers (Guns, 2002; Santos and Rossi, 2002; Brei and Rossi, 2005). And given that consumer care is an important service delivered by companies, it is clear to understand the pivotal role it plays in consumer satisfaction. Through a nationally representative survey of 22,300 customers of a variety of products and services in Sweden, Andersen and Sullivan (1993) tested important hypotheses from the satisfaction literature. Their conclusions assert that “an important component of managing satisfaction is the ability to control the impact of negative disconfirmation through complaint handling and effective customer service”.

Service quality is directly related to consistency in customers’ expectations of what is specified or promised and what is in fact delivered. It is the result of the match or mismatch between customers’ expectations and customers’ perception of what was delivered (Johnston & Clark, 2000, p. 126). Following this line, Zeithaml and Bitner (2000, p. 69) identified the existence of four types of expectations: a) the desired service, or what the customer wants; 2) the adequate service, or what the customer is prepared to accept; 3) the expected service, or what the customer is seeing as the most likely result of the service interaction. The difference between the expected service and the perceived service is the gap to be minimized.

Moller (1997, p. 156) identified that the perception of a service customer is affected by two types of quality: one objective or technical and another subjective, related to the person providing the service. This technical or objective quality is related to the product performance or, more precisely, to the tangible content of the service. Consumers judge the quality of a service, however, not only by this objective element, but also by the way the service is delivered. Zeithaml and Bitner (2000, p. 81) use the example of an architect who can have exceptional technical knowledge, but limited relationship capability. Another professional with much lower technical level can be regarded as providing better quality service if s/he treats the customer with courtesy, kindness, and proves to be understanding to customer problems.

The understanding of customers’ expectations and their perception of service is the first step to deliver a high quality service (Zeithaml & Bitner, 2000). This reinforces the importance of front line personnel to service quality. They should be chosen and trained to have the capabilities to deal with several types of customers (Fitzsimmons & Fitzsimmons, 2002, p.223; Castelli, 2000, p. 29).

The interaction between customer and service provider determines what Normann (1993) has defined as “the moment of truth”, which for Albrecht and Bradford (1992, p. 28) has become the anathema of service management. Embedded in the moment of truth, complaint management assumes a crucial role in effectively designing a long term relationship (Berry and Parasuraman, 1991; Tax et al, 1998), which is a key driver for loyalty.
The service management


Solomon (1996) defined the concept of service script, describing a coherent sequence of expected events during a service encounter. Lovelock and Wright (2001, p. 325) assert that the theories of roles and scripts are useful to service providers. They regard service as a theatrical experience where both employees and customers act following predetermined roles. The role is a set of standard behaviors, learned by experience and communication, and played by the individual in a certain social interaction to achieve better efficiency. Congruency of roles determines satisfaction to both parties. The more experienced a consumer is with a company, the more familiar the script becomes and so any deviation from this script has the potential to frustrate both customer and employee. Script definition is a good way to elaborate a service flowchart and can help to identify potential or existing problems.

Each type of service must be analyzed to identify related and expected acts and events (Shostack, 1987). The Woodside et al (1989) model tried to establish a relationship between the judgment of each service act/event and the final service quality judgment by the customer. In their original work, service in hospitals was decomposed into acts such as: a) patient admission; b) nursing service; c) meals service; d) cleaning service. For each of these events, the authors identified acts to be evaluated in terms of quality. In the case of nursing service, for example, the following attributes were included in the model: quality of information provided by nurses; convenient scheduling of services and promptness in dealing with requests. Besides measuring each event, the authors proposed a quality evaluation and a customer satisfaction evaluation for each act. Finally, the model integrates this into the overall quality assessment and customer satisfaction, as well as customer intention to use the service again.

This idea of service script was used to define a generic sequence of customer service activities, allowing a more structured way to evaluate its quality. As this generic sequence was not available in the literature, an exploratory research was developed to define it.

RESEARCH METHOD

The research was developed in two phases. Firstly, a qualitative exploratory study was accomplished to understand the process as a preparation for the second phase. Secondly, a quantitative survey with consumers was done.

A convenience sample of ten interviews was selected for the first phase. Consumers who had contacted a customer service department of a consumer food product company during the previous month were interviewed. Interviews tried to identify component elements of the service script. They were taped, content analysis was used to build units of analysis (Bardin, 1977), and a matrix was produced (Denzin & Lincon, 2000, p. 785) to better understand the subject and develop the final model.

In the second phase, the sample included consumers with different types of enquiries and complaints who had contacted the customer service department of a large Brazilian consumer food product multinational. Considering the time and financial resources constraint of the research, it was decided to run a random sample of 1600 cases. From this sample, 364 customers responded the interview, providing a response rate of 22.8%. Sample characteristics are shown in Table 1. The respondents were asked to evaluate quality service using seven variables measured through a Likert type scale of five points. This research chose this scale based on McDaniel and Gates (2003) studies on
the applicability of scales in phone call interviews. In their cases, the authors evaluated that five points was the maximum that could be successfully handled by the interviewers.

Table 1: Sample characteristics – quantitative study

<table>
<thead>
<tr>
<th>Origin - State</th>
<th>%</th>
<th>Nature of contact</th>
<th>%</th>
<th>Gender</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sao Paulo</td>
<td>61.5</td>
<td>Complaint</td>
<td>51</td>
<td>Male</td>
<td>85</td>
</tr>
<tr>
<td>Rio de Janeiro</td>
<td>12.6</td>
<td>Information request</td>
<td>31</td>
<td>Female</td>
<td>15</td>
</tr>
<tr>
<td>Parana</td>
<td>6.5</td>
<td>Other requests</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minas Gerais</td>
<td>6.3</td>
<td>Suggestions</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rio Grande do Sul</td>
<td>4.9</td>
<td>Compliment</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pernambuco</td>
<td>4.4</td>
<td>Criticism</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bahia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RESULTS AND ANALYSIS

First phase – qualitative analysis

Following the method proposed by Bardin (1977), our analysis had three different stages: pre-analysis; material exploration; and treatment of results. Categories were established after several readings of the material that would allow interpreting the interviews.

To better understand the concept of service quality in this setting, the three following questions were asked:

“What first comes to your mind when I talk about quality in customer service?”
“What do you expect from a high quality customer service?”
“What are the elements that make up a high quality customer service?”

Responses to these three questions were grouped into typical categories, the results of which are shown in Table 2, illustrated by actual quotes that represent the concepts. The “E” at the end of the sentences stands for the number of the interviewee who made that statement. Drawing upon these results, a questionnaire to be used in the second phase was prepared and pre-tested. After the pre-test, minor adjustments were made to facilitate data collection.

Table 2: Categories related to concept of service quality

<table>
<thead>
<tr>
<th>SUBCATEGORY</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAVING THE PROBLEM EFFECTIVELY SOLVED</td>
<td>“that actually finds a solution to my problem” E9</td>
</tr>
<tr>
<td></td>
<td>“so a quality service is the person to know what is happening ... and solve the problem” E10</td>
</tr>
<tr>
<td></td>
<td>“... is that customer service where you call and have a satisfactory reply to your request” E8</td>
</tr>
<tr>
<td></td>
<td>“when you call you expect a solution” E2</td>
</tr>
<tr>
<td></td>
<td>“I associate it to finding a solution...” E3</td>
</tr>
</tbody>
</table>
| KINDNESS DEMONSTRATED BY THE ATTENDENT | “to talk to a kind person” E9  
“notice that the people are concerned about helping you” E1  
“people are very friendly when talking to you” E4  
“to talk with a friendly and kind person” E5  
“...being polite...” E1 |
|---|---|
| DISPOSITION TO LISTEN | “...they listened to me, I think it is important to listen to your customers” E7  
“That the person listens to you” E7  
“They have to listen to me...” E5  
“Quality is having their attention... feel that the company gives attention to the problem...” E2  
“...that the person pays attention...” E9 |
| BEING WELL ATTENDED TO | “...is being well attended to...” E2  
“...that I will be well attended through this number I am calling” E7  
“...is to be well attended to...” E3 |
| RECEIVING A REPLY FROM THE COMPANY | “...the company is explaining to you what happened”. E3  
“...mainly having a proper explanation concerning what you need to know about the product...” E9  
“...because you always want to get a reply”. E3 |
| RECEIVING A FOLLOW UP FROM THE COMPANY | “...shows the company cares about you...” E1  
“... the company must be proactive in making follow up contact to know whether the product was satisfactory replaced...” E5  
“if it is not possible to get all information once they should call back...” E10 |
| DISPOSITION TO REPLACE THE PRODUCT | “...replacing the product.” E8  
“quality comes with the product replacement” E6 |
| PRODUCT IMPROVEMENT | “...product has to be improved...” E6  
“...make an adaptation in their products so that it improves and evolves.” E5  
“I think it is quite interesting to know from your own customer why he is not happy with the product.” E7 |
| QUICKNESS | “...good service is something quick...” E6  
“is the one where you call asking for something and you are dealt with no delay...” E8 |
| ATENDANT’S KNOWLEDGE | “is the person to know what is going on...” E10 |
| CONSUMER RIGHTS | “it is important for us to know through the service what rights we have, who is responsible and liable.” E4 |
| ADDITIONAL SERVICES | “we call not only to clarify doubts, but also to get hints, recipes. We end up creating a relationship, becoming friends...” E4 |
| TRAINED ATTENDANTS | “trained people...”E4 |

The qualitative phase allows identifying the main criteria associated with consumer satisfaction when a consumer service is experienced:
- Effectiveness of the service in solving the consumer problem, allied with a prompt response attitude;
- The main role of the attendant in giving attention to the consumer problem, showing commitment in solving it and establishing a connection between the company and the consumer;
• The sense of justice through the perception that the consumers’ rights were protected.

Santos and Rossi (2002)’s research concluded that a strong relationship exists between consumer trust, complaint management and sense of justice. The results of their studies indicate that the basis for long relationship might be established through a satisfactory and fair treatment of the consumers’ requests, which, mainly in case of conflicts, seem mandatory. They add that “investments in complaint management effectiveness will promote consumer’s reliability in the company, improve the quality service evaluations, increase the number of transactions, and finally, strengthen the relationship between the company and its consumers” (Santos & Rossi, 2002, p.18).

Second phase – quantitative analysis

The results can be divided into two groups: i) quality service evaluated through the application of the script model and ii) satisfaction and loyalty aspects analyzed through overall consumer satisfaction evaluation.

In order to evaluate the quality, the service was decomposed in three acts, following the model of Woodside et al (1989). The first act corresponds to initial contact and is evaluated by the attribute easiness of contact. The second act corresponds to the interaction with the attendant trying to understand and diagnose the problem. It is evaluated by the attributes attendant courtesy, disposition to listen and attendant’s knowledge. The third act is the final solution and outcome of the interaction; it is evaluated by the attributes received reply/problem solution and time used in the contact.

Table 3 summarizes the results for all variables investigated and shows that all had means higher than four, except for only two variables: received reply/problem solution and product substitution which presented means of 3.97 and 3.85, respectively. The highest scores were obtained for disposition to listen with 4.76 and attendant courtesy with 4.71, indicating that the front line personnel of the company under investigation was achieving a good performance concerning these variables.

Our qualitative study indicated these variables as important elements for the composition of a high quality customer service. Front line personnel is widely recognized as being relevant for service quality in general, thus selection and training are crucial to provide them with capabilities to handle all types of customers (Fitzsimmons & Fitzsimmons, 2002, p. 223).

<table>
<thead>
<tr>
<th>Table 3: Service evaluation</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of responses</td>
<td>(364)</td>
</tr>
<tr>
<td>Easiness of contact</td>
<td>4.66</td>
</tr>
<tr>
<td>Attendant courtesy</td>
<td>4.71</td>
</tr>
<tr>
<td>Disposition to listen</td>
<td>4.76</td>
</tr>
<tr>
<td>Attendant’s knowledge</td>
<td>4.52</td>
</tr>
<tr>
<td>Received reply / problem solution</td>
<td>3.97</td>
</tr>
<tr>
<td>Time used</td>
<td>4.41</td>
</tr>
<tr>
<td>Product substitution</td>
<td>3.85</td>
</tr>
</tbody>
</table>
When the means above are analyzed taking in consideration the nature of contact, some
differences are observed. As shown in Table 4, these means were subjected to a basic ANOVA
analysis. Customers who contacted the service for information and criticism rated *attendant courtesy*
higher than customers who contacted the service for a complaint. Customers who contacted the service
for information rated the received reply/problem solution higher than those who contacted the service
for a complaint or criticism. It is thus inferred that when the service is contacted for information, the
level of emotional involvement is probably lower than if it is dealing with a complaint or criticism.

<table>
<thead>
<tr>
<th>Table 4: Service evaluation by type of contact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Easiness of contact</td>
</tr>
<tr>
<td>Attendant courtesy</td>
</tr>
<tr>
<td>Disposition to listen</td>
</tr>
<tr>
<td>Attendant’s knowledge</td>
</tr>
<tr>
<td>Received reply/ problem solution</td>
</tr>
<tr>
<td>Time used</td>
</tr>
</tbody>
</table>

Note: contacts related to other requests, suggestions and compliments were not analyzed
due to a limited number of occurrences.

Prior studies have shown that there is a strong connection between effective complaint
management and re-purchase intentions and the real re-purchase act by the complainers (Kelly, 1979;
Gilly & Gelb, 1982; Martin & Smart, 1994). This study corroborate that complaint management
appears as key element underlying the consumer-company relationship.

The results obtained for the variables relating to overall quality service assessment, customer
satisfaction, intention to re-purchase the product, and intention to recommend the product to others are
presented in Table 5. All means were above four, and considering the top two boxes of these grades
(five and four), practically all variables had more than 75% of their evaluations within this range,
thereby indicating a good performance of the service investigated.

<table>
<thead>
<tr>
<th>Table 5: Overall customer evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Overall quality</td>
</tr>
<tr>
<td>Customer satisfaction</td>
</tr>
<tr>
<td>Intention to repeat the purchase</td>
</tr>
<tr>
<td>Intention to recommend to others</td>
</tr>
</tbody>
</table>

These results were then subjected to a correlation analysis to identify the relationships between
those variables. The variables overall quality, customer satisfaction, intention to repeat the purchase,
and intention to recommend to others exhibited positive and statistically significant correlations at 1%
level as can be seen in Table 6. The strongest correlation is between intention to repeat the purchase
and intention to recommend to others (0.77) followed by that between overall quality and customer
satisfaction (0.71). Other correlations were also positive, but with a lower $R^2$, - in the range of 0.3 and
0.4.
Cronin and Taylor (1992) found in their investigation that service quality is an antecedent of satisfaction and has a significant effect on the intention to repeat the purchase. The results of our research support this through the strong correlation between overall quality and customer satisfaction, though the correlation found between overall quality and intention to repeat the purchase was much smaller indicating a weaker relationship.

Table 6: Correlations between overall customer evaluation variables

<table>
<thead>
<tr>
<th></th>
<th>Overall quality</th>
<th>Customer satisfaction</th>
<th>Intention to repeat the purchase</th>
<th>Intention to recommend to others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall quality</td>
<td>1</td>
<td>0.718(**)</td>
<td>0.323(**)</td>
<td>0.348(**)</td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>0.718(***</td>
<td>1</td>
<td>0.322(***</td>
<td>0.322(***</td>
</tr>
<tr>
<td>Intention to repeat the purchase</td>
<td>0.323(***</td>
<td>0.322(***</td>
<td>1</td>
<td>0.771(***</td>
</tr>
<tr>
<td>Intention to recommend to others</td>
<td>0.348(***</td>
<td>0.322(***</td>
<td>0.771(***</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: ** correlation significant at the level of 0.01 (2-tailed).

A summated scale, averaging the scores given to each attribute, was used to give an evaluation of each act. Table 7 presents the correlation matrix between the quality evaluation of each act and the overall quality perception by the customer. Correlations are all positive and statistically significant at 1% level. The strongest correlation occurs between the evaluation of the third act and the overall quality assessment, which reaches 0.702.

Table 7: Correlation matrix of overall quality and quality evaluation per act

<table>
<thead>
<tr>
<th></th>
<th>Overall quality</th>
<th>Act 1</th>
<th>Act 2</th>
<th>Act 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall quality</td>
<td>1</td>
<td>0.286(***</td>
<td>0.583(***</td>
<td><strong>0.702(</strong>*</td>
</tr>
<tr>
<td>Act 1</td>
<td>0.286(***</td>
<td>1</td>
<td>0.371(***</td>
<td>0.329(***</td>
</tr>
<tr>
<td>Act 2</td>
<td>0.583(***</td>
<td>0.371(***</td>
<td>1</td>
<td>0.490(***</td>
</tr>
<tr>
<td>Act 3</td>
<td><strong>0.702(</strong>*</td>
<td>0.329(***</td>
<td>0.490(***</td>
<td>1</td>
</tr>
</tbody>
</table>

Note: **Correlations significant at the level of 0.01 (2-tailed).

CONCLUSION

The present research sheds new light on an important subject of marketing issues: the relationship between the service experienced through the use of a costumer care service and its impact on consumer satisfaction and loyalty. The strong relationship between perceived quality and satisfaction supports previous studies like the one by Woodside et al (1989) about hospitals and the work by Cronin and Taylor (1992).

In terms of managerial applications, the results reiterate the importance of the customer care service as a competitive advantage component of food companies. Once the study concluded that the high quality of the service is related to consumer satisfaction and, to a lesser extent, to repurchase, firms should consider costumer care as a strategic piece of their marketing plans. As Christopher (1999, p. 10) states, the competitive advantage is no longer founded only on strong brands, corporate image,
advertising and price. Service also counts, even the customer service in the consumer products business.

A positive significant relationship was verified between perceived quality and customer satisfaction, and between repurchase intention and intention to recommend the product to others. The strongest relationships were between perceived quality and customer satisfaction and between intention to purchase the product again and intention to recommend the product to others. Those results indicate that the effectiveness of the costumer service can serve as an important antecedent to overall satisfaction and loyalty. Although it was not possible to establish a strong correlation between consumer satisfaction and re-purchase, the positive and strong correlation between satisfaction and intention to recommend lead us to infer that loyalty can be perceived through consumer satisfaction related to customer care service and intention to recommend the product to others.

Oliver (1999) asserts that loyalty has not only a behavioral aspect characterized by the repurchase process, but also a psychological element. Therefore, the formation of loyalty encompasses four phases: i) cognitive, ii) affective, iii) commitment and iv) action. Regarding consumer service, it is feasible to state that the cognitive and affective phases are strongly embedded in this type of service due the emotional interaction between the attendant and the consumer, mainly in complaints request, and also the sense of justice, as an ex-ante consumer perception.

Bateson and Hoffman (2001, p.363) also assert that service quality can contribute to repeated purchases and that quality and satisfaction are interrelated concepts, both influencing intention to purchase. The main contribution of this research is thus to confirm these relationships for the case of customer service activity in consumer products.

This study has also contributed to better understand which variables most influence the perceived quality of a customer service activity. An exploratory qualitative research identified the main attributes consumers consider while evaluating the customer service activity. By dividing the service into three sequential acts, using the model of Woodside, Frey and Daly (1989) based on the scrip concept of Solomon (1994), it was possible to analyze the relevance of each act. The last act, or the one related to the actual solution to the problem proved to be the one with the strongest correlation to overall customer satisfaction. Courtesy, easiness to respond and other usual concerns have their weight, but actually solving the problem or producing a solution or compensation is the key element to achieve a high perceived quality by the customer.

This work has clear limitations. Firstly, its analysis focused on only one company, thus resulting in low external validity. Secondly, the statistical analysis presented here is rather limited and should be expanded through multivariate techniques. And, thirdly, additional control variables, like product characteristics, could be explored.

Customer service, nevertheless, is shown to play a fundamental role in producing customer loyalty. Once loyalty has antecedents in consumer satisfaction, and considering satisfaction as a complex process combining several types of contacts between consumers and companies, costumer service assumes a partial responsibility for overall satisfaction. Although the present and previous studies have shown that it is mandatory that the service experience should create reliability and sense of justice, the process of conquering and maintaining a client is ceaseless. As Bulton (1998) asserts, when the first experience is no longer satisfactory, consumers will tend to breach the relationship.
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