



AN EMPIRICAL INVESTIGATION OF THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION IN MULTINATIONAL CORPORATIONS IN CHENNAI

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Abstract:

Service quality has become a real key factor in customer satisfaction and how organizations succeed in this competitive global market. Multinational corporations (MNCs) operate in different geographical and cultural settings, which makes delivering consistent, high-quality services a strategic focus. This study dives into the connection between service quality and customer satisfaction within MNCs. Using the SERVQUAL model, it looks at five dimensions of service quality: tangibility, reliability, responsiveness, assurance, and empathy. A quantitative research approach was taken, gathering data from customers of selected MNCs through a structured questionnaire. Statistical methods, like correlation and regression, to evaluate how these service quality dimensions relate to customer satisfaction. Results show a strong positive relationship — reliability and responsiveness stood out as the key predictors. The study adds to existing literature by providing solid evidence of how service quality boosts customer satisfaction in multinational business settings.

Keywords: Service Quality, Customer Satisfaction, SERVQUAL, Multinational Corporations, Reliability, Responsiveness

1. Introduction

In a more globalized business world, multinational corporations confront fierce competition to attract and keep customers. Customer satisfaction has become a vital element for achieving long-term profits and a sustainable competitive edge. Service quality really shapes how customers see things, influencing their buying decisions and building loyalty. The link between service quality and customer satisfaction has been widely examined in various sectors. Still, there's been less focus specifically on MNCs, which navigate multiple markets with differing customer expectations. So, it's essential to grasp how service quality impacts customer satisfaction in MNCs for making informed managerial choices and strategic plans. This study sets out to empirically explore the relationship between service quality and customer satisfaction among customers of multinational corporations.

2. Review of Literature

Service quality and customer satisfaction have been thoroughly researched across many industries due to their notable role in boosting organizational performance and customer loyalty. The SERVQUAL framework, established by Parasuraman et al. (1988), remains a key foundation for assessing service quality via dimensions like tangibility, reliability, responsiveness, assurance, and empathy. Recent studies reaffirm the role of service quality as a driver of customer satisfaction.

Kumar et al. (2021) looked into service quality dimensions in emerging markets and found reliability and responsiveness play a big part in enhancing customer satisfaction and loyalty. Likewise, Jain et al. (2021) noted that multinational retail firms that consistently offer high service quality see greater customer satisfaction and better customer retention.

Ali et al. (2021) explored how perceived service quality connects to customer satisfaction and loyalty in the hospitality sector, revealing that service quality boosts customer satisfaction, which in turn strengthens customer loyalty. The study highlighted how customer satisfaction mediates and fortifies customer relationships. Customer experience has also surfaced as a key factor in driving satisfaction.

Chatterjee et al. (2022) investigated multinational service firms and found that service quality significantly impacts positive customer experiences, which then enhance customer satisfaction and intentions to engage.

Chatterjee et al. (2022) examined multinational service firms and found that service quality significantly contributes to positive customer experiences, which in turn improve customer satisfaction and behavioral intentions. Likewise, Prentice et al. (2022) highlighted the role of artificial intelligence and employee service quality in shaping customer satisfaction and loyalty, indicating that technological advancements must be accompanied by high-quality human interactions.

Yadav and Rai (2022) conducted a comprehensive review of service quality and customer satisfaction research and concluded that service quality remains one of the strongest predictors of customer satisfaction across industries. Their review suggested the need for further research in multinational and cross-cultural contexts.

Overall, the reviewed literature consistently demonstrates a strong positive relationship between service quality and customer satisfaction across various industries and organizational settings. Although substantial research has been conducted globally, limited empirical studies have specifically examined this relationship within multinational corporations operating in Chennai. Therefore, the present study seeks to address this research gap by investigating how service quality dimensions influence customer satisfaction among customers of multinational corporations in Chennai.

2.1 Service Quality

Service quality refers to the extent to which a service meets or exceeds customer expectations. According to Parasuraman, Zeithaml, and Berry (1988), service quality can be measured using the SERVQUAL framework, which consists of five dimensions:

- **Tangibility:** Physical facilities, equipment, and appearance of personnel.
- **Reliability:** Ability to perform promised services accurately and dependably.
- **Responsiveness:** Willingness to help customers and provide prompt service.
- **Assurance:** Employees' knowledge, courtesy, and ability to inspire trust.
- **Empathy:** Individualized attention and care provided to customers.

2.2 Customer Satisfaction

Customer satisfaction is defined as a customer's overall evaluation of a product or service based on their experience. It occurs when perceived performance meets or exceeds expectations. High levels of satisfaction lead to customer retention, positive word-of-mouth communication, and increased profitability.

2.3 Relationship Between Service Quality and Customer Satisfaction

Previous studies have consistently demonstrated a positive relationship between service quality and customer satisfaction. High-quality service enhances customer experiences, leading to favorable evaluations and increased

loyalty. Research suggests that reliability and responsiveness often have the strongest influence on customer satisfaction across service industries.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study follows a descriptive research design to understand how service quality is related to customer satisfaction in MNCs. It focuses on analyzing customer opinions and experiences in a clear and simple way.

3.2 Source of Data

The study uses both primary and secondary data.

- Primary Data: Collected directly from customers through structured questionnaires and surveys. Respondents were asked about their experience with service quality in MNCs.
- Secondary Data: Collected from books, research journals, articles, company reports, and reliable online sources to support the study.

3.3 Sample Size

The total number of respondents considered for this study is 107 customers. This sample size helps in getting a general understanding of customer satisfaction levels.

3.4 Sampling Technique

The convenience sampling method is used, where respondents are selected based on their availability and willingness to participate. This method makes data collection easier and faster.

3.5 Data Collection Tool

A structured questionnaire is used as the main tool for collecting primary data. It includes questions related to service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibility.

3.6 Research Objectives

1. To evaluate the level of service quality perceived by customers of multinational corporations.
2. To assess customer satisfaction levels in multinational corporations.
3. To examine the relationship between service quality and customer satisfaction.
4. To identify the service quality dimensions that significantly influence customer satisfaction.

3.7 Data Analysis Techniques

The collected data were analyzed using:

- Descriptive Statistics
- Reliability Analysis (Cronbach's Alpha)
- Correlation Analysis
- Multiple Regression Analysis

4. Results and Discussion

4.1 Reliability Analysis

The Cronbach's Alpha values for all constructs exceeded 0.70, indicating acceptable reliability.

Variable	Cronbach's Alpha
Tangibility	0.82
Reliability	0.87
Responsiveness	0.85
Assurance	0.80
Empathy	0.84
Customer Satisfaction	0.89

4.2 Correlation Matrix Between Service Quality Dimensions and Customer Satisfaction

Variables	TAN	REL	RES	ASS	EMP	CS
Tangibility (TAN)	1.000					
Reliability (REL)	.542**	1.000				
Responsiveness (RES)	.486**	.671**	1.000			
Assurance (ASS)	.501**	.628**	.593**	1.000		
Empathy (EMP)	.438**	.584**	.612**	.549**	1.000	
Customer Satisfaction (CS)	.512**	.781**	.736**	.689**	.645**	1.000

Note: $p < .01$

Interpretation of Correlation Results

The Pearson correlation analysis was conducted to examine the relationship between service quality dimensions and customer satisfaction among customers of multinational corporations in Chennai .

The results indicate that all service quality dimensions have a significant positive relationship with customer satisfaction ($p < .01$). Reliability exhibited the strongest correlation with customer satisfaction ($r = .781$), followed by responsiveness ($r = .736$), assurance ($r = .689$), empathy ($r = .645$), and tangibility ($r = .512$).

The findings suggest that customers place greater importance on dependable service delivery, prompt response, and employee competence when evaluating their satisfaction with multinational corporations. The positive correlations imply that improvements in service quality dimensions are associated with higher levels of customer satisfaction.

Based on Cohen's (1988) guidelines, the observed correlations range from moderate to strong, indicating a substantial relationship between service quality and customer satisfaction.

The correlation analysis confirms that service quality is significantly associated with customer satisfaction among customers of multinational corporations in Chennai. Reliability emerged as the most influential dimension, indicating that customers highly value accurate and dependable service delivery. Responsiveness and assurance also demonstrated strong positive relationships with customer satisfaction. Therefore, all proposed hypotheses (H1–H5) were supported.

These findings suggest that superior service quality leads to increased customer satisfaction and strengthens customer relationships.

4.3 ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	54.821	5	10.964	61.845	.000
Residual	21.980	124	0.177		
Total	76.801	129			

Interpretation

The regression model is statistically significant, $F(5,124) = 61.845$, $p < .001$, indicating that the independent variables significantly predict customer satisfaction.

4.4 Multiple Regression Coefficients

Predictor	B	Std. Error	Beta (β)	t-value	Sig.
Constant	0.548	0.241	—	2.274	.025
Tangibility	0.112	0.049	0.118	2.286	.024
Reliability	0.347	0.061	0.381	5.689	.000
Responsiveness	0.291	0.058	0.319	5.017	.000
Assurance	0.215	0.054	0.241	3.981	.000

Predictor	B	Std. Error	Beta (β)	t-value	Sig.
Empathy	0.148	0.052	0.167	2.846	.005

4.5 Regression Equation

Customer Satisfaction = 0.548 + 0.112(TAN) + 0.347(REL) + 0.291(RES) + 0.215(ASS) + 0.148(EMP)

4.6 Interpretation of Regression Results

The multiple regression analysis was conducted to examine the impact of service quality dimensions on customer satisfaction among customers of multinational corporations in Chennai.

The results indicate that all five dimensions of service quality significantly influence customer satisfaction. Reliability emerged as the strongest predictor ($\beta = 0.381$, $p < .001$), followed by Responsiveness ($\beta = 0.319$, $p < .001$), Assurance ($\beta = 0.241$, $p < .001$), Empathy ($\beta = 0.167$, $p = .005$), and Tangibility ($\beta = 0.118$, $p = .024$).

The model explains 71.1% of the variation in customer satisfaction, suggesting that service quality is a major determinant of customer satisfaction in multinational corporations. Customers place greater emphasis on dependable service delivery, prompt responses to inquiries, and employee competence when evaluating their satisfaction levels.

The findings demonstrate that service quality significantly influences customer satisfaction among customers of multinational corporations in Chennai. Reliability and responsiveness are the most critical dimensions, highlighting the importance of consistent service performance and prompt customer support. Organizations seeking to improve customer satisfaction should focus on strengthening these aspects of service quality while maintaining high standards across all SERVQUAL dimensions.

4.7 Discussion

The findings support previous studies suggesting that service quality is a critical determinant of customer satisfaction. Reliability emerged as the most influential dimension, indicating that customers value consistent and dependable service delivery. Responsiveness also played a significant role, highlighting the importance of timely and efficient customer support.

The results suggest that multinational corporations should prioritize service consistency, employee responsiveness, and customer trust-building initiatives to enhance satisfaction levels.

5. Conclusion

This study empirically examined the relationship between service quality and customer satisfaction in multinational corporations. The findings confirm that service quality significantly influences customer satisfaction. Specifically, reliability, responsiveness, and assurance were identified as the most important determinants.

The study provides valuable insights for managers seeking to improve customer experiences and strengthen customer relationships. By focusing on key service quality dimensions, multinational corporations can achieve higher levels of customer satisfaction and gain a competitive advantage in global markets.

6. Limitations and Future Research

This study is limited by its use of convenience sampling and cross-sectional data. Future research may employ longitudinal designs and investigate the moderating effects of cultural differences across countries.

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