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Faculty of Management  
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**Midocean University**

**Faculty of Management**

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**The Impact of Service Quality on Customer  
Satisfaction  
in Cosmetic Clinics in Saudi Arabia**

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## **Chapter 1: Introduction**

## 1.1 Research Background

Customer satisfaction is important for service organizations, especially when there's a lot of competition. It's not just about the main service they provide, but also about how employees communicate, if appointments are reliable, if information is clear and if the physical space is nice. People also care about getting quick responses and feeling like they can trust the organization.

For many companies, making customers happy is a top goal because it can lead to loyalty, good word of mouth and better financial results over time. When customers get what they expect or even more, they're usually happy and will stick with the company. But if the service isn't what they expected, they might get unhappy and go to a competitor. In a lot of service industries, customers judge how good the service is based on how they're treated by employees and how fast they get what they need. These experiences help build trust and make customers want to come back because they had good experiences before. Things like employee communication and the physical environment play a big role in shaping the customer's experience. If customers feel comfortable and supported throughout the process, they're more likely to be satisfied. On the other hand, if they encounter problems or feel like they're not being heard, they might get frustrated and take their business elsewhere. Companies need to pay attention to these details and make sure they're doing everything they can to make customers happy. It's also worth noting that customer satisfaction can vary from person to person. What one person considers good service, another might not. But overall, companies that prioritize customer satisfaction tend to do better in the long run. They build a loyal

customer base and get more positive word of mouth, which can lead to even more customers and better financial results. So, it's really important for service organizations to focus on making their customers happy and to keep working to improve their services over time. By doing so, companies can create a positive feedback loop where happy customers lead to more business, which in turn leads to even happier customers. This can be a key factor in a company's success and sustainability, especially in competitive markets. As customers become more satisfied, they're more likely to recommend the company to others and to continue doing business with them. This can lead to a loyal customer base and a reputation for providing high-quality service, which can be a major competitive advantage.

When it comes to customer satisfaction, service quality plays a huge role. It's all about how customers see the quality of a service, and it usually covers five key areas: reliability, responsiveness, assurance, empathy and tangibles. Let's break it down - reliability is about delivering what you promise, accurately and consistently. For instance, if a company says they'll have your package delivered in three days, they should stick to that. Responsiveness is being willing to help customers and provide quick service, like responding to their queries in a timely manner. Assurance involves the knowledge and courtesy of employees, and their ability to build trust with customers. If customers feel like they can trust a company, they're more likely to come back. Empathy means offering caring and individualized attention, like understanding a customer's specific needs and concerns. And then there are tangibles, which refer to the physical aspects of the service setting, such as the facilities, equipment, and staff appearance. All these elements work together to create a positive experience for customers.

The connection between service quality and customer satisfaction has been widely

studied across sectors such as banking, hospitality, education, healthcare and retail. Many findings show that higher perceived service quality leads to greater customer satisfaction. This link is especially important in healthcare, where customers often have high expectations and where trust, safety, communication, privacy and professional care are essential. While healthcare customers may assess the technical outcome of a procedure, they also consider non-technical aspects, like how they were treated, the clarity of explanations, and whether their time and concerns were respected.

Cosmetic clinics form a distinctive segment within the healthcare and beauty service sector. Customers visiting cosmetic clinics usually seek services that affect their appearance, self-confidence and sense of well-being. As a result, their expectations are often sensitive and highly personal. A customer might not judge the clinic solely by the final aesthetic result, but also by the consultation process, the explanation of risks and expected results, the professionalism of the staff, the cleanliness of the clinic, how appointments are managed, after-care instructions, and follow-up communication. These factors make service quality especially important in cosmetic clinics.

In Saudi Arabia, demand for cosmetic and aesthetic services has risen in recent years. Social media, changing lifestyles, increased awareness of skincare and aesthetic procedures, and the growth of private healthcare have all contributed to the expansion of cosmetic clinics. This growth has led to strong competition among clinics, especially in larger cities. Consequently, clinics must set themselves apart not only through the medical procedures they offer but also through the quality of the customer experience. Saudi Arabia's ongoing development plans have encouraged improvements in service sectors, including healthcare and private

sector involvement. In this context, cosmetic clinics are expected to deliver services that meet customer expectations and uphold professional standards. Customers today have access to online reviews, social media recommendations and a variety of clinic options. This means that a negative experience can quickly harm a clinic's reputation, while a positive experience can foster loyalty and attract new customers through recommendations.

Despite the importance of customer satisfaction in cosmetic clinics, many organizations still focus mainly on clinical procedures and pricing, paying less attention to the dimensions of service quality. In reality, customers may feel dissatisfied not because of the treatment itself, but due to long waiting times, unclear communication, poor follow-up, lack of empathy, or weak coordination. These issues can lower customer satisfaction even when the technical service is acceptable. Therefore, understanding how service quality affects customer satisfaction can help clinic managers pinpoint areas that need improvement.

This study examines the impact of service quality on customer satisfaction in cosmetic clinics in Saudi Arabia. It aims to investigate how the main dimensions of service quality influence customer satisfaction. By exploring this topic, the study seeks to provide both academic and practical knowledge relevant to management and cosmetic clinic operations. The findings are expected to help managers enhance service delivery, build stronger customer relationships, and improve the competitiveness of cosmetic clinics in the Saudi market.

## **1.1 Research Problem**

Cosmetic clinics in Saudi Arabia operate in a competitive setting where customers

have many options and high expectations. Even though many clinics invest in advanced technologies, skilled doctors, and appealing marketing, customer satisfaction can still be influenced by the quality of service throughout the customer journey. Customers may judge their experience based on appointment scheduling, reception, consultation, waiting time, communication, cleanliness, privacy, staff behavior, follow-up, and their overall sense of confidence and care.

The main problem addressed in this study is that some cosmetic clinics may not fully understand which aspects of service quality most strongly affect customer satisfaction. When service quality is inconsistent, customers may become dissatisfied even if the clinic offers advanced treatments. This can result in negative reviews, decreased loyalty, and the loss of potential customers. Therefore, it is important to examine the link between service quality and customer satisfaction in cosmetic clinics in Saudi Arabia.

What makes customers happy with the service they get at cosmetic clinics in Saudi Arabia? To answer this, we need to look at how the quality of service affects how satisfied customers are. So, the main question we're trying to answer is: how much does the quality of service impact customer satisfaction at these clinics?

### **1.1.1 Theoretical Gaps**

Lots of research has been done on how service quality affects customer satisfaction in areas like banking, hospitality, education, and healthcare. But not as much has been done on cosmetic clinics, where people go for both medical and aesthetic reasons. What's interesting is that customers of cosmetic clinics might have different expectations than those in regular healthcare, because their satisfaction is

influenced by how they feel emotionally, personally, and about their appearance. For instance, someone going to a cosmetic clinic might be looking for a specific outcome that makes them feel more confident, which is different from someone going to a regular doctor's office. This means that cosmetic clinics need to consider these unique expectations when trying to provide good service and keep their customers happy.

Here's how service quality works in cosmetic clinics in Saudi Arabia. We know that service quality is important, but we're not really sure how it applies to this specific area. The usual way to measure service quality is by using something called SERVQUAL, which looks at things like how well a service is delivered, how reliable it is, and how it makes customers feel. But what's important can vary depending on the type of service and the culture of the place. For example, when it comes to cosmetic services, customers want to feel like they can trust the people helping them, and that they're getting personalized attention. This study helps us understand more about how service quality works in cosmetic clinics in Saudi Arabia, which can be really useful for people who run these clinics and want to make sure their customers are happy.

### **1.1.2 Practical Gaps**

When it comes to running a cosmetic clinic, managers often find it tough to figure out what areas of service quality need a boost. Some clinics might put all their energy into having the latest equipment and flashy ads, but they might be neglecting the behind-the-scenes stuff that really matters to customers. Things like how long people have to wait, how appointments are managed, how staff communicate with each other and with customers, and whether they follow up with

patients after treatments - all these things can make or break a customer's experience. If a clinic gets these operational details right, customers are more likely to leave happy and come back for more. But if they get it wrong, customers might end up feeling frustrated and take their business elsewhere.

There is also a practical need for clear recommendations that can help cosmetic clinics improve customer satisfaction. By studying the effect of service quality on customer satisfaction, this research can help managers understand how customers judge service experiences and which quality aspects should be given priority. This can support better decision-making, staff training, service design, and customer relationship management.

## **1.2 Research Significance**

The importance of this study lies in the growing relevance of customer satisfaction in the cosmetic clinic sector. As competition intensifies, cosmetic clinics must deliver high-quality services that meet customer expectations. This study is significant because it connects service quality, a key managerial factor, with customer satisfaction, a crucial outcome for organizational success. Understanding this relationship can help clinics create better customer experiences and maintain a strong market position.

This study is also significant because it sheds light on the expanding service sector in Saudi Arabia, particularly in the cosmetic clinic industry. As these clinics become increasingly popular and competitive, consumers are now more informed about their options. By exploring this area, the study can offer useful insights for both scholars and professionals in the fields of management and healthcare

services, ultimately contributing to better understanding and improvement of these services.

### **1.2.1 At the theoretical level**

Theoretically, this study contributes to the literature on service quality and customer satisfaction by applying these concepts to cosmetic clinics in Saudi Arabia. It offers a foundation for understanding how service quality dimensions may affect satisfaction in a sector that combines healthcare, beauty, and customer experience. The study may also support future research by providing a framework that can be expanded in later stages of the graduation project.

Moreover, the study clarifies the relevance of service quality theory in a specific service setting. While the SERVQUAL model has been used in various sectors, its application to cosmetic clinics can highlight the importance of reliability, responsiveness, assurance, empathy, and tangibles in shaping customer satisfaction. This adds to the academic discussion on whether service quality dimensions have the same effect across all service industries or if their impact varies depending on the nature of the service.

### **1.2.2 At the practical level**

This study can really help managers of cosmetic clinics figure out what needs to be improved when it comes to serving their customers. If it's clear that the quality of service affects how happy customers are, then clinics can work on making their appointment systems better, improving how staff talk to customers, reducing waiting times, making follow-up procedures smoother, respecting customer

privacy, and making the physical space more welcoming. By making these changes, clinics can increase customer satisfaction and encourage customers to come back. For example, a clinic might focus on streamlining their appointment system to reduce wait times, or provide staff with training on effective communication to improve customer interactions. By prioritizing these areas, clinics can create a better experience for their customers and build loyalty.

This research can also be useful for training staff at beauty clinics. When customers come in, they meet lots of people - the ones at the front desk, the coordinators, nurses, doctors, and those who help with questions. How well these staff treat customers can make a big difference in how happy customers are. So, the results of this study might help clinics create training that makes their staff better at listening, being kind, acting professional, and talking to customers in a way that's clear and helpful.

This study can really help cosmetic clinics stand out from the crowd. When customers are happy, they're more likely to tell others about their great experience and recommend the clinic. In an industry where social media and customer reviews play a big role, making sure the service is top-notch can lead to a better reputation and more success in the long run. By focusing on what customers want and need, clinics can build a loyal following and stay ahead of the competition.

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