

# **Final Project 1**

Code: MGM 496-PMG496

## **Project Template**

Faculty of Management  
Midocean University

**Midocean University**

**Faculty of Management**

**Organizational Effectiveness & Development**



**Project title**

**Designing a Customer Satisfaction Enhancement Model  
for a Saudi Service Company**

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**21 February 2026 – 1**

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## **Chapter 1: Introduction**

### **1.1 Research Background**

Customer satisfaction has become a critical performance indicator for service organizations operating in Saudi Arabia. With increasing competition and rising customer expectations, organizations are no longer competing solely on price or product, but rather on the quality of service and overall customer experience. Saudi Vision 2030 places strong emphasis on improving service quality, transparency, and customer-centric practices across both public and private sectors.

Despite significant investments in digital platforms, CRM systems, and service automation, many Saudi service companies continue to face challenges in sustaining high customer satisfaction levels. These challenges include inconsistent service delivery, limited employee empowerment, and the absence of integrated measurement frameworks that link customer satisfaction to organizational performance.

### **1.2 Research Problem**

Many Saudi service organizations struggle to maintain consistent customer satisfaction due to fragmented service processes, ineffective complaint handling, and limited use of customer feedback data in decision-making. Although customer satisfaction is recognized as a strategic objective, it is often managed in isolation rather than as an integrated organizational system.

Main Research Question:

How can a Saudi service company design and implement a comprehensive customer satisfaction enhancement model that improves loyalty and organizational performance?

### **1.3 Research Significance**

At the theoretical level, this study contributes to service management literature by integrating customer satisfaction drivers within the context of Saudi Arabia and Vision 2030.

At the practical level, the proposed model offers actionable guidance for managers to improve service quality, employee engagement, and customer retention through structured measurement and continuous improvement.

### **1.4 Research Questions**

1. What are the key factors influencing customer satisfaction in Saudi service companies?
2. How does service quality impact customer loyalty?
3. What role does complaint management play in enhancing customer satisfaction?

### **1.5 Research Objectives**

1. Analyze customer satisfaction challenges in Saudi service organizations.
2. Identify key service quality drivers.

3. Develop a customer satisfaction enhancement model.
4. Propose measurable KPIs to evaluate service performance.

### **1.6 Research Hypotheses**

H1: Service quality has a positive impact on customer satisfaction.

H2: Effective complaint management positively influences customer loyalty.

H3: Customer satisfaction mediates the relationship between service quality and organizational performance.

### **1.7 Research Model**

Independent Variables: Service Quality, Employee Responsiveness

Mediating Variable: Complaint Management

Dependent Variables: Customer Satisfaction, Customer Loyalty, Organizational Performance

### **1.8 Research Methodology**

The study adopts a descriptive-analytical research design. Data will be collected through customer surveys, service reports, and organizational records. Statistical analysis tools such as SPSS and Excel will be used to analyze the data.

### **1.9 Scope of the Study**

Geographic Scope: Saudi Arabia.

Sectoral Scope: Service sector.

Functional Scope: Customer satisfaction and service quality management.

### **1.10 Suggested Project Structure**

Chapter 1: Introduction

Chapter 2: Literature Review

Chapter 3: Research Methodology

Chapter 4: Model Design and Discussion

Chapter 5: Conclusions and Recommendations

## **Chapter 2: Literature Review**

### **2.1 Introduction**

This chapter reviews relevant literature related to customer satisfaction, service quality, and customer loyalty. It provides the theoretical foundation supporting the proposed research model.

### **2.2 Independent Variable**

Service quality is widely recognized as a primary determinant of customer satisfaction. Parasuraman et al. identified key dimensions of service quality including reliability, responsiveness, assurance, empathy, and tangibles.

### **2.3 Dependent Variable**

Customer satisfaction reflects the degree to which customer expectations are met or exceeded. High satisfaction levels are associated with increased loyalty, repeat business, and positive word-of-mouth.

### **2.4 Relationship Between Variables**

Previous studies indicate a strong positive relationship between service quality and customer satisfaction. Complaint management acts as a mediating factor by restoring customer trust and strengthening loyalty when service failures occur.

### **2.5 Conclusion**

The literature confirms that customer satisfaction is a multi-dimensional construct influenced by service quality, employee behavior, and organizational systems. However, limited studies focus on the Saudi service context, highlighting the importance of this research.