

The Role of Customer Service Quality in Enhancing Customer Satisfaction and Loyalty: A Conceptual Paper

Mohd Erfanishah Abdullah¹, Noraini Saro²

¹Faculty of Business Administration, European International University, Paris

²Faculty Education & Humanities, UNITAR, International University, Kelana Jaya

*Corresponding Author

DOI: <https://doi.org/10.47772/IJRISS.2026.10200237>

Received: 08 January 2026; Accepted: 13 January 2026; Published: 03 March 2026

ABSTRACT

In a market that is becoming increasingly competitive, businesses are coming to the realization that providing great customer service is very important for getting new customers and keep the ones they already have. Client satisfaction is a crucial factor that promotes client loyalty, and high-quality customer service is a big contributor to customer satisfaction. The purpose of this article is to investigate the impact that the quality of customer service plays in increasing customer happiness and loyalty, with a particular emphasis on the contributions that different Human Resources (HR) practices make to the development of a culture that is centered on the customer. This conceptual paper presents a framework for understanding how organizations can improve the quality of customer service, increase customer satisfaction, and encourage customer loyalty. This framework is comprised of a study of existing literature as well as the utilization of qualitative methodologies such as documentation analysis. The findings underscore the necessity of HR-driven activities such as recruitment, training, and employee engagement to accomplish these outcomes.

Keywords: Customer service, Client satisfaction, Customer loyalty, Human Resources (HR) practices Employee engagement

INTRODUCTION

In the contemporary company environment, characterized by intense rivalry and escalating consumer demands, the quality of customer service has become a pivotal factor for success. Exceptional customer service not only aids in retaining current clients but also bolsters company reputation and attracts new clientele. Organizations that deliver exemplary customer service can differentiate themselves, foster pleasant customer experiences, and cultivate enduring relationships with their clients. As enterprises progress, they acknowledge that customer pleasure and loyalty are intrinsically linked to exceptional service quality (Baker S, Rojon C., 2021). Consumer satisfaction is seen as a crucial metric for assessing a business's ability to meet or surpass consumer expectations. Content customers are more inclined to exhibit loyalty, engage in repeat transactions, and serve as brand proponents. Loyalty, consequently, guarantees sustained success for a corporation by minimizing client attrition. A business's capacity to consistently fulfill customer requests, swiftly address problems, and foster pleasant experiences during the service process is crucial in influencing these outcomes (Kurniawan, A., Hidayatun, U. S., Tasrim, Jayanti, A., Septyarini, E., & Sudiby, T. D. (2025).

Sheth, J. N., Jain, V., & Ambika, A. (2023) assert that customer support service is increasingly recognized as a crucial element of exceptional customer experiences; yet, it is frequently regarded as a post-purchase interaction. A scarcity of research initiatives examines the diverse functions of customer support services throughout customer experience journeys (CEJs). This study employs the principles of customer journey and customer experience by utilizing the mental models of 46 prominent industry practitioners via the theories-in-use (TIU) approach, while examining customer viewpoints through two focus group studies. The framework derived from the essential insights indicates that customer support must be integrated into the business strategy, emphasizing

support requirements at each stage of the Customer Experience Journey (CEJ). The study delineates the essential functions of customer support services, including the provision of information and insights, facilitation of decision-making, relationship cultivation, and value-enhancing upselling, reselling, and cross-selling along the customer journey. This research aids in the creation of a support framework tailored to the customer journey, aimed at delivering an enhanced support experience.

The relationship between customer service quality, satisfaction, and loyalty is intricate yet thoroughly established in scholarly literature. Nonetheless, the function of Human Resources (HR) in cultivating a culture of exceptional customer service is still inadequately examined. The Human Resources department is accountable for recruiting, educating, and incentivizing personnel who interact directly with customers. Consequently, HR strategies are essential in equipping customer service teams with the requisite skills, knowledge, and disposition to provide outstanding service. Success in providing quality services and achieving client loyalty relies not solely on sales but also on various elements associated with product, service, and support. Relationship marketing began to dominate the marketing profession in the latter decade of the 20th century (Tan Cheng Man, Masri Abdul Lasi, Nurun Najah, 2023). According to, Shimi, R. A., Pelanivilo, N. A., Sundran, S. A., Elencovan, V. A., Adonis, I. D. B. A., & Khairuddin, M. N. Bin, (2025), in the banking sector, customer confidence in services and products significantly influences the client's initial interaction with the financial institution. A crucial factor influencing client loyalty is the reliability and consistency of the products and services provided. However, the banks' failure to retain consumers illustrates their lack of comprehension of customer demands and expectations, adversely impacting their capacity to maintain clientele, especially within the local banking sector. The data indicate that the hypotheses regarding responsiveness, assurance, and tangibility were all rejected, however the hypothesis concerning reliability was the sole one approved.

This article examines the importance of customer service quality in improving customer happiness and loyalty. It underscores the function of HR in cultivating a customer-centric staff. By amalgamating theoretical frameworks on customer service with pragmatic HR strategies, enterprises can guarantee that their customer service activities yield enhanced customer pleasure and loyalty.

LITERATURE REVIEW

The Role of Customer Service

Because it is frequently the initial point of encounter between a company and its consumers, customer service is an essential touchpoint in the process of molding the perceptions of customers. Providing excellent customer service involves several different aspects, such as being responsive, having empathy, being reliable, and providing assurance. These aspects are essential to guarantee that consumers have the experience of being respected, listened to, and cared for during their contacts with the company. According to Nugroho, D. A. (2025), customer loyalty plays a significant part in the continuity of a firm. This is since loyal customers tend to make purchases more frequently, provide recommendations, and have a high lifetime value. When there is a huge selection of products and services that are comparable to one another, businesses need to preserve client loyalty to keep a competitive advantage. This is because business rivalry is becoming increasingly tough. The deployment of Customer Relationship Management (CRM) is one method that may be utilized to sustain the loyalty of customers. To sustain client loyalty, the purpose of this study is to investigate the role that CRM plays. In this study, qualitative methodology is utilized, and data gathering methods are gathered by literature reviews. Following the collection of the data, an analysis of the data is carried out by filtering the data that is relevant to the investigation and presenting the data, and then a conclusion is reached. According to the findings of the survey, customer relationship management (CRM) is an essential investment for businesses that wish to be loyal to their customers. CRM enables businesses to better understand the requirements of their customers, to deliver individualized experience, and to enhance the quality of their services. CRM makes it easier for businesses to develop robust, long-term connections with their customers, which ultimately has a beneficial impact on the growth of the business and the sustainability of the firm. As a result, the implementation of customer relationship management (CRM) can serve as an efficient business strategy for organizations operating in an increasingly competitive market.

Relationship Between Customer Service and Customer Satisfaction and Loyalty

Customer satisfaction is characterized as the comprehensive sentiment of contentment or discontent arising from a customer's interaction with a service or product (Wattoo, M. U., Du, J., Shahzad, F., & Kousar, S. (2025)). It is universally recognized that satisfied customers are more inclined to become repeat purchasers and brand proponents. Customer satisfaction motivates individuals to take part in actions that enhance business performance, including repeat purchases, brand recommendations, and positive feedback provision. Loyalty transcends mere satisfaction. It denotes the profound emotional allegiance a customer possesses towards a brand, leading to enduring partnerships. Devoted customers are inclined to overlook infrequent errors or service shortcomings, underscoring the significance of customer happiness in cultivating loyalty. Loyal customers possess a greater lifetime value, as they are less inclined to transition to competitors and more predisposed to participate in upselling or cross-selling opportunities.

Customer Relationship Management (CRM) facilitates the establishment of enduring client relationships by overseeing interactions and gaining a deeper understanding of their demands (Walenta et al., 2023). CRM enables organizations to document and evaluate customer data, encompassing purchase history, preferences, and prior interactions, so facilitating the provision of more tailored and responsive service. This fosters client appreciation, thus enhancing trust in the organization and fortifying a long-term, sustainable relationship (Ngelyaratan & Soediantono, 2022). The study by Abdella, R. A., & Indradewa, R. (2024) reveals that all hypothesis tests, including those related to the effects of perceived value on customer satisfaction, e-services cape, service quality, product quality, and perceived value on customer satisfaction, mutually reinforce one another. Customer happiness was essential for enhancing profitability, particularly in e-commerce settings. The research demonstrates how perceived value effectively connects consumer satisfaction with e-services cape, customer satisfaction with product quality, and customer satisfaction with service quality. According to the T-statistics data, perceived value is the paramount factor in enhancing consumer satisfaction.

The relationship between service quality and customer happiness is robustly interconnected (Uzir et al., 2020). Service quality is a crucial determinant of customer satisfaction. Ali et al. (2021) identified a positive association between customer satisfaction and four components of service excellence: tangible attributes, certainty, empathy, and responsiveness. Research by Li et al. (2021) and Balinado et al. (2021) indicates that service quality strongly predicts customer happiness. The investigator posited hypothesis H1: Service quality enhances customer satisfaction. Several studies have demonstrated that customer satisfaction is a precursor to loyalty. Satisfied customers who feel valued and experience high-quality service are more likely to exhibit loyalty behaviors, such as repeat purchases and positive word-of-mouth recommendations. Conversely, dissatisfied customers are likely to defect to competitors, which can lead to a loss of market share.

Table 1: Systematic Literature Review Customer Service, Satisfaction, and Loyalty

Author	Year	Title	Key Finding
Nugroho, D. A.	2025	The Role of Customer Service	Customer service shapes customer perceptions and loyalty, with essential aspects including responsiveness, empathy, reliability, and assurance.
Nugroho, D. A.	2025	The Role of Customer Service	CRM plays a significant role in sustaining loyalty by understanding customer needs and delivering personalized experiences.
Wattoo, M. U., Du, J., Shahzad, F., & Kousar, S.	2025	Relationship Between Customer Service, Satisfaction, and Loyalty	Customer satisfaction arises from interactions with products/services, motivating repeat purchases and brand advocacy.

Walenta et al.	2023	Relationship Between Customer Service, Satisfaction, and Loyalty	CRM helps build lasting relationships by managing interactions and tracking customer data for personalized service.
Ngelyaratan & Soediantono	2022	Relationship Between Customer Service, Satisfaction, and Loyalty	CRM enables businesses to understand customer needs, enhancing trust and building long-term relationships.
Abdella, R. A., & Indradewa, R.	2024	Relationship Between Customer Service, Satisfaction, and Loyalty	Perceived value plays a key role in customer satisfaction, connecting aspects like service quality and product quality to satisfaction.
Uzir et al.	2020	Service Quality and Customer Satisfaction	Service quality is a strong determinant of customer satisfaction, particularly through factors like empathy, responsiveness, and certainty.
Ali et al.	2021	Service Quality and Customer Satisfaction	Service quality components such as tangible attributes, empathy, and responsiveness positively impact customer satisfaction.
Li et al.	2021	Service Quality and Customer Satisfaction	Service quality strongly predicts customer satisfaction, with a focus on service excellence.
Balinado et al.	2021	Service Quality and Customer Satisfaction	Service quality plays a key role in predicting customer satisfaction, especially through attributes like empathy and responsiveness.

Table 1 shows Systematic Literature Review Customer Service, Satisfaction, and Loyalty (SLR). The literature analysis highlights the crucial importance of customer service in influencing consumer happiness and loyalty. It emphasizes that customer service, characterized by responsiveness, empathy, reliability, and assurance, constitutes the cornerstone of customer perceptions and enduring relationships. CRM systems are essential in cultivating client loyalty by providing tailored experiences and comprehending consumer needs, hence enhancing trust and engagement. Research repeatedly demonstrates that customer happiness precedes loyalty, since satisfied customers are more inclined to make repeat purchases and endorse the brand. Service quality, encompassing empathy, responsiveness, and tangible features, is a crucial determinant of customer happiness, with perceived value further strengthening this relationship. Ultimately, client loyalty, founded on happiness and superior service, affords firms a competitive edge in a demanding market.

METHODOLOGY

This conceptual paper uses a qualitative methodology, specifically documentation analysis, to examine the correlation between customer service quality, satisfaction, and loyalty. Documentation analysis entails the examination of existing literature, reports, and other published resources pertinent to customer service quality and human resource practices. This method facilitates a comprehensive grasp of the studied concepts by integrating pertinent research findings, eliminating the necessity for primary data acquisition. The principal sources of documentation comprise scholarly articles, books, industry reports, and case studies from firms recognized for their outstanding customer service procedures. The documents were examined to discern principal topics, trends, and tactics pertinent to augmenting customer service quality and elevating client happiness and loyalty. The results of this investigation are subsequently examined about HR's role in cultivating a customer-oriented staff.

DISCUSSION & RECOMMENDATIONS

It is evident that superior customer service positively influences client satisfaction, which is essential for customer loyalty. Organizations must prioritize training staff in essential aspects of service quality, including empathy, reliability, and responsiveness, to efficiently and consistently meet customers' needs. Customer satisfaction is a crucial indicator that indicates the total contentment of customers during their interaction with a product, service, or corporate organization. Customer satisfaction fundamentally depends on the cognitive evaluation clients undertake to determine if their expectations have been fulfilled or surpassed. When clients find that a product or service perfectly matches their wants and desires, they experience satisfaction and fulfillment. Conversely, when a discernible disparity arises between customer expectations and actual experiences, discontent ensues (Oliver, R.L. *A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions*). Customer pleasure transcends the mere fulfillment of expectations; the primary objective is to continually exceed them. This principle asserts that elevated satisfaction levels are achieved when a product or service exceeds initial expectations, whereas diminished satisfaction occurs when performance fails to meet those expectations (Han, H.; Ryu, K. 2009).

Mapalo, S., Sinkala, M., & Nkolomba, M. (2025) assert that businesses must perpetually assess and enhance their customer service techniques. Implementing personalized service, proactively addressing client issues, and utilizing consumer input to enhance service delivery will bolster customer retention. Fostering a customer-centric culture, prioritizing customer requirements, is likely to enhance retention rates. Secondly, human resource practices are crucial in influencing the customer service experience. Human Resources should prioritize the recruitment of candidates possessing robust communication and interpersonal skills, as these qualities are vital for providing exceptional customer service. Furthermore, continuous training and development initiatives are essential to guarantee that staff maintain proficiency in addressing diverse customer service difficulties. Finally, enterprises ought to cultivate a culture of exceptional customer service throughout all departments, not solely within those directly interacting with customers. The HR department is crucial in integrating this culture by connecting company principles with customer-focused objectives. By fostering an environment that prioritizes and incentivizes customer service, firms may cultivate a dedicated workforce that subsequently provides outstanding service to clients.

CONCLUSION

The quality of customer service is essential for improving client happiness and loyalty. By constantly providing superior service, firms can cultivate favorable client experiences that result in enhanced satisfaction and enduring loyalty. The function of HR in fostering a customer-centric culture is essential, as HR initiatives in recruitment, training, and employee engagement directly affect the quality of service delivered to customers. Organizations that emphasize exceptional customer service and connect their HR policies with customer requirements are more likely to retain clients, foster loyalty, and attain enduring corporate success. Future research should investigate the effects of HR interventions on customer service quality to further optimize techniques that improve customer satisfaction and loyalty.

ACKNOWLEDGEMENT

The authors thank UNITAR International University for the support of the publication of this research.

REFERENCES

1. Abdella, R. A., & Indradewa, R. (2024). Customer satisfaction in e-commerce: The role of service quality, product quality, and e-servicescape influences via perceived value. *Journal of Management and Digital Business*, 4(2), 368–382.
2. Ali, B. J., Gardi, B., Othman, B. J., Ahmed, S. A., Ismael, B., Hamza, P. A., Aziz, H. M., & Sabir, B. Y. (2021). *Hotel Service Quality : The Impact of Service Quality on Customer Satisfaction in Hospitality*. 3, 14–28.A

3. Baker S, Rojon C. Customer retention and service personalization in service industries: A systematic review. *Journal of Service Management*, 2021;32(3):408-425.
4. Balinado, J. R., Prasetyo, Y. T., Young, M. N., Persada, S. F., Miraja, B. A., & Perwira Redi, A. A. N. (2021). The effect of service quality on customer satisfaction in an automotive after-sales service. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(2). <https://doi.org/10.3390/joitmc7020116>
5. Han, H.; Ryu, K. The Roles of the Physical Environment, Price Perception, and Customer Satisfaction in Determining Customer Loyalty in the Restaurant Industry. *J. Hosp. Tour. Res.* 2009, 33, 487–510.
6. Kurniawan, A., Hidayatun, U. S., Tasrim, Jayanti, A., Septyarini, E., & Sudibyoy, T. D. (2025). Enhancing Customer Loyalty: The Role Of Service Quality In Customer Satisfaction. *Journal of Lifestyle and SDGs Review*, 5(2), e04412. <https://doi.org/10.47172/2965-730X.SDGsReview.v5.n02.pe04412>
7. Li, F., Lu, H., Hou, M., Cui, K., & Darbandi, M. (2021). Customer satisfaction with bank services: The role of cloud services, security, e-learning and service quality. *Technology in Society*, 64(July 2020), 101487. <https://doi.org/10.1016/j.techsoc.2020.101487>
8. Nugroho, D. A. (2025). Analysis of the Role of Customer Relationship Management (CRM) in Maintaining Customer Loyalty. *Journal Eduvest*. 5(4), 4149-4156. E-ISSN: 2775-3727
9. Ngelyaratan, D., & Soediantono, D. (2022). Customer Relationship Management (CRM) and Recommendation for Implementation in the Defense Industry: A Literature Re-view. *Journal of Industrial Engineering & Management Research*, 3(3), 17–34. <https://doi.org/10.7777/jiemar.v3i3.279>
10. Mapalo, S., Sinkala, M., & Nkolomba, M. (2025). The effect of customer service on customer retention: A case of selected service stations in Kabulonga township in Lusaka. *International Journal of Management and Economics*, 7(1), 94-99.
11. Oliver, R.L. A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions. *J. Mark. Res.* 1980, 17, 460–469.
12. Sheth, J. N., Jain, V., & Ambika, A. (2023). The growing importance of customer-centric support services for improving customer experience. *Journal of Business Research*, 164, 113943. <https://doi.org/10.1016/j.jbusres.2023.113943>
13. Syed Faozi Barakbah, Syed Munir Barakbah and Razak, Azrin Abdul and Grace Derioh, May May and Ramli, Zainal Abidin, Organizational Systems Orientation and Organizational Culture Orientation in the Malaysian Hotel Organizations (February 16, 2021).
14. Shimi, R. A., Pelanivilo, N. A., Sundran, S. A., Elencovan, V. A., Adonis, I. D. B. A., & Khairuddin, M. N. Bin. (2025). The Association between Service Quality and Customer Loyalty on Domestic Commercial Banks in Klang Valley. *International Journal of Academic Research in Business and Social Sciences*, 15(1), 246–263.
15. Tan Cheng Man, Masri Abdul Lasi, Nurun Najah (2023). A Study on The Effect of Customer's Satisfaction Towards Customers Loyalty Among Mobile Telecommunication Providers in Kuala Lumpur. *Malaysian E Commerce Journal*, 7(1): 21-25.
16. Uzir, M. U. H., Jerin, I., Halbusi, H., Hamid, A. B. A., & Latiff, A. S. A. (2020). Does quality stimulate customer satisfaction where perceived value mediates and the usage of social media moderates? *Heliyon*, 6(12). <https://doi.org/10.1016/j.heliyon.2020.e05710>
17. Walenta, A. S., Kuswinardi, J. W., Wardani, A. N. K., Efendi, B., & Zulfikhar, R. (2023). Aplikasi Manajemen Hubungan Pelanggan (Customer Relationship Management CRM) dalam Era Digital: Analisis Literatur tentang Keuntungan dan Implementasi. *Jurnal Pendidikan Tambusai*, 7(3), 22008–22013. <https://doi.org/10.31004/jptam.v7i3.9819>
18. Wattoo, M. U., Du, J., Shahzad, F., & Kousar, S. (2025). Shaping E-commerce Experiences: Unraveling the Impact of Service Quality on Youth Customer Behavior in a Developing Nation. *Sage Open*, 15(1). <https://doi.org/10.1177/21582440241311786> (Original work published 2025)
19. Yum, K., & Kim, J. (2024). The Influence of Perceived Value, Customer Satisfaction, and Trust on Loyalty in Entertainment Platforms. *Applied Sciences*, 14(13), 5763. <https://doi.org/10.3390/app14135763>