

EVOLUTION OF ECONOMIC MANAGEMENT: THE INFLUENCE OF SERVICE QUALITY ON BEHAVIORAL INTENTION

Yohana*¹

Universitas Qamarul Huda Badaruddin Bagu, Indonesia
Email: anastkiptqbaru@gmail.com

Budi Prasetyo

Universitas Tulungagung, Indonesia
Email: budiprasetyo@unita.ac.id

Bondan Subagyo

Universitas Tulungagung, Indonesia
Email: bondansun@gmail.com

Abstract

The development of economic management demonstrates a greater awareness of the relationship between consumer behavioral intentions and service excellence. Businesses can provide better customer service and boost positive word-of-mouth and economic performance by implementing a customer-centric approach and utilizing contemporary technologies. The impact of service quality on the intents of conduct in economic management has become an interesting research focus. Based on several research results conducted, there are several findings that can provide insight into the connection between behavioral intentions and service excellence. Good service quality is key to creating and maintaining positive behavioral intentions among customers. By understanding and managing the dimensions of service quality, companies can increase long-term success is influenced by a number of factors, including favorable word-of-mouth, client happiness, and loyalty in economic management.

Keywords: Evolution of economic management, service quality, behavioral intention

INTRODUCTION

Okolie, U. C., & Oyise, U. E. (2021) stated that the evolution of economic management is a journey of development of management theory and practice in an economic context. The true history of management can be seen from human development itself. For example, management was actually born when humans carried out activities to regulate themselves, their families

¹ Correspondence author

and their groups for the goals they desired. This goal can be in the form of art or beauty, the achievement of material things, or also the survival of one's life. Management and Organization are products of history, social circumstances, of the scene. So We can comprehend the development of management theory by considering how people have dealt with interpersonal issues throughout history. Studying the development of management theory teaches us, among other important things, that we may determine the destiny of organizations by taking a cue from the mistakes and struggles of our forebears.

By examining the evolution of different management theories, we can see that each theory is dependent on the technological, social, political, and economic factors that are present at the location and time of certain events. This knowledge helps each person to understand why certain theories are appropriate to different circumstances. Studying the evolution of management helps understand the basic processes so that effective actions can be chosen. Continuous developments in science also occur in management theory to this day. Management science is a social science discipline. In 1886 Frederic W. Taylor in Wren, D. A., & Bedeian, A. G. (2023) conducted an experiment in time and motion study with his theory of conveyor belts. The development of management theory divides the theory into several sections, namely: 1) Ancient Management; 2) Classical Management; 3) Scientific Management; 4) Social Management/Peril Flow.

When the world economic crisis occurred in the early 1960s, views that paid attention to internal dynamics began to shift. It turns out that the dynamics of an organization or company are largely determined by external factors. From here there was a shift in the focus of the study from internal to external. This alignment between organizational strategy and the external environment is the focus of strategic management studies. Thus, the evolution of economic management covers a long journey from human development to the development of management theory and practice in an economic context (Căpușneanu et al., 2020).

The level of competition in the marketing field is increasing. Demands from consumers are increasingly diverse due to increasingly diverse needs and tastes. For example, in banking, a larger number of banks can make customers more discerning, perhaps due to the many banking institutions they can compare with and the higher level of customer education, which results in better service expectations. According to Zaid et al., (2020) service quality has various definitions. The way consumers are treated by a business is known as

service quality, and it can be either good or negative. The way a customer feels about a service is its perceived quality. Customers' perceptions of a business or organization will change depending on whether they have a positive or negative experience. Positive perceptions result from customers being happy with the services they receive from the business. Everything that centers on attempts to precisely and promptly satisfy client requirements and wishes in order to match customer expectations is defined as high-quality service. Lee et al., (2020) define the feeling a person has after using a product or service that meets customer expectations as customer satisfaction. Many factors, including service quality, customer satisfaction, perceived value, perceived usefulness, and ease of use, among others, can influence a consumer's intention or desire to purchase a company's goods or services. These variables vary depending on the service company being evaluated. Consumer satisfaction can be a realization that the company hopes to provide some form of service to its customers. The main factor in generating purchase intentions and customer satisfaction is service quality (Ho et al., 2020).

According to Prabowo, H., Astuti, W., & Respati, H. (2020), the influence of service quality on behavioral intentions in economic management has become an interesting research focus. Based on several research results conducted, there are several findings that can provide insight into the relationship between behavioral intentions and the quality of the services. The purpose of the research is to ascertain how service quality affects behavioral intentions by using various other variables as determining factors. For example, research at a cinema in Surabaya discovered that consumer behavioral intentions are influenced by service quality, service value, and satisfaction. Similarly, studies conducted in higher education have shown that behavioral intentions with perceived value and customer satisfaction are influenced by the quality of the services provided as intervening variables (Molinillo et al., 2021).

Apart from that, research on internet services also shows that Customer behavioral loyalty is influenced by service quality, customer value, customer commitment, and customer happiness. Conversely, studies conducted on coffee shops discovered that, with consumer pleasure acting as a mediating variable, behavioral intention was also positively and significantly impacted by perceived value, food quality, and service quality.

RESEARCH METHOD

This research in-depth investigates the evolution of economic management: the influence of service quality on behavioral intention using a literature review approach. A thorough understanding of how service quality affects behavioral intention is one of the outcomes. A thorough examination of the literature on the definition, advantages, and components of service quality is known as a literature analysis, aspects and indicators of behavioral intention, the relationship between behavioral intention and service quality in economic management. This research, which has a solid conceptual base, adds significantly to the conversation about how service quality affects behavioral intention in this article.

RESULT AND DISCUSSION

Definition, Benefits and Elements of Service Quality

Meeting the requirements and expectations of customers as well as accurately matching their expectations is one way that service quality can be demonstrated. According to Ali et al. (2021), customers' long-term cognitive assessments of the company's service delivery constitute the basis for service quality. According to Ali et al. (2021), "service quality, the customer's perception of the service component of a product, is also a critical determinant of customer satisfaction" Accordingly, service quality is a key factor in achieving customer satisfaction and represents the consumer's assessment of a certain set of services for a product unit.

From these diverse interpretations, it is clear that the way to assess the quality of a company's services is to contrast the services that customers believe they want with the ones that they actually get. Service quality is your business's ability to provide superior service quality, exceeding customer expectations and needs (Li et al., 2021). This service quality will include several things, such as skill, speed and accuracy in meeting customer needs. Service quality can be measured by the extent to which your business is able to meet or even exceed customer expectations regarding the products or services provided. This will be reflected in the level of customer satisfaction. On the other hand, the inability of your business when you cannot meet customer needs can result in customer disappointment. So, you need to provide optimal service quality (Tripathi, S. N., & Siddiqui, 2020).

According to Fida et al., (2020) every business really needs good service quality because it provides benefits to business continuity. The

following are some of the benefits of service quality that you need to know, including:

1. Provide Customer Satisfaction

Customer is king. So, they need to be served well by businesses. When they visit a store, they are usually looking for the product they need. If they have difficulty, good service will help them find the product they are looking for.

2. Build Customer Loyalty

Optimal service will build customer loyalty. When customer needs are met, the business reputation will be maintained. Having good service quality will build loyalty and make them choose your business again compared to competitors.

3. Increase Sales

Customer satisfaction also influences sales. With loyal customers, they tend to repurchase at the same store. In fact, they will probably recommend the business to others and will increase the number of new customers for the business.

4. Building Brand Awareness

Good service will help build brand awareness. When customers are served well, they know the business as a place that is ready to help with their needs, which helps them choose your business when they need a product.

After knowing the meaning and benefits of service quality, there are five elements that must be considered. To know more about these five service quality indicators, here is a complete explanation according to Qalati et al., (2021):

1. Tangibles

This service quality element is related to service aspects that can be seen physically by customers, such as the condition of the shop, equipment, employee appearance and communication tools. Make sure everything is clean and tidy, and also consider offering premium services to increase customer comfort.

2. Reliability

Reliability is providing services that suit customer needs consistently. Businesses also need to adapt their services to customer needs and offer solutions that reflect a professional business.

3. Responsiveness

Responsiveness shows concern for customer problems and the ability to resolve those problems. Give a quick and responsive response, show empathy, and provide real solutions.

4. Assurance

Businesses need to provide assurance that their services are superior to competitors. This element will build customer trust, especially loyal customers and repurchase business products or services.

5. Empathy

Showing empathy for customers means you can listen to customers well, help them find solutions, understand the concerns customers face, and show concern for customers. All of this makes customers feel that your business really cares about them and puts them first.

According to Prentice et al., (2020) service quality plays a very important role in the success of every business. The scope of this service quality is not only the service provided to customers, but also the overall quality of the customer experience. The following is a concrete example of service quality.

In the culinary industry, service quality is reflected in how restaurant staff welcome and serve customers. The quality of this service can be measured from several things, for example the friendliness of the staff, speed of service, cleanliness of the place, and the suitability of the price to the quality of the food served.

In the banking industry, service quality can be seen from responsiveness and ease of service access. How quickly the bank responds to customer questions or complaints, as well as the ease of using digital banking services are indicators of good service quality.

In the world of e-commerce, service quality is reflected in the online shopping experience. An online shop with a fast delivery system, clear information regarding order status, and responsive customer service shows good service quality.

In the healthcare sector, service quality is reflected in the ability of doctors and staff to listen to patients, provide clear explanations, provide emotional support, and provide timely care.

In every industry, service quality is an important foundation that influences customer experience. The way a business serves and responds to customer needs will be a benchmark for the success of the business, yes.

In business, service quality is the basis for ensuring long-term business continuity and success, yes. Superior service is not just a goal, but a principle that must be adhered to by every company or business to win the hearts of customers and lead the market. By prioritizing service quality in business, it will open strong relationships with customers, build customer loyalty, and

encourage sustainable business growth. So, continue to develop strategies and implement relevant steps to improve business service quality.

Aspects and Indicators of Behavioral Intention

Siagian et al., (2022) behavioral intention is a person's behavior and attitude at a later time, to do it again or recommend it to other people regarding specific behavior that has been done or felt. Behavioral intention can be interpreted as post-visit behavior as an intention to return and recommend a product or service to other people. Behavioral intention is a measure or level of intensity of an individual's intention to carry out a certain behavior in the future. Behavioral intentions are very beneficial for companies, for example, talking positively about service, recommending to other consumers, remaining loyal, spending more time with the company, and also paying higher prices.

Behavioral intention can also be interpreted as consumer behavioral intentions, which are shown in positive behavioral intentions (intention to continue to have contact with the company) or negative behavioral intentions (complaining or switching) which can be in the form of return intention or word-of-mouth. Behavioral intentions are an indication of how individuals are willing to try and instill their trust in an agency, company, or provider so that the process will create satisfaction for users (Tavitiyaman et al., 2021).

Lin, N., & Roberts, K. R. (2020) behavioral intention is an indication of the extent to which individuals are willing to try and invest their trust in an agency, company, or provider so that the process will create satisfaction for users. In this context, behavioral intention refers to a person's behavior and attitudes in the future regarding repeating or recommending to others specific behavior that has been carried out or experienced. In another sense, behavioral intention can be interpreted as post-visit behavior as an intention to return and recommend a product or service to other people.

This shows that behavioral intention is a measure or level of intensity of an individual's intention to carry out a certain behavior in the future. In a business context, behavioral intention is very important because it can provide insight into customer loyalty, customer satisfaction and future behavior. By understanding behavioral intention, companies can develop more effective marketing strategies to retain customers and increase their satisfaction.

According to Uslu, A. (2020) behavioral intention has three main aspects, namely as follows:

1. Return Intention. Return intention is the possibility that a customer will use the brand again in the future. In this case, it means that there is a consumer desire to try a product or service that has been provided again.
2. Willingness to pay more. An individual's evaluation of their willingness to pay more is known as their willingness to receive goods or services. Willingness to pay can be interpreted as a measurement of a person's value for determining various types of products in terms of price value.
3. Word of mouth. Word of mouth is informal communication between people who have consumed goods and/or services with evaluations they have made themselves to make people interested in feeling or getting the same thing.

Meanwhile, according to Kumar et al., (2020), the aspects or dimensions of behavioral intention are as follows:

1. Allegiance to the business. When consumers are loyal to a business, they will frequently make repeat purchases and won't be persuaded to switch or recommend others by rivals.
2. Willingness to pay more. Willingness to pay more is a form of user willingness to make higher payments, to obtain the benefits received by the user.
3. Desire to move. The desire not to switch is a persistent behavior of the User which shows that he or she will not switch to a competing product in a similar context.

According to Saari et al., (2021) several indicators that are factors in the formation of behavioral intention are as follows:

1. Joy, a pleasant experience is the main motivating factor in tourism.
2. Love, research on marketing determines that tourists can develop a sense of love for products and brands.
3. Positive surprise, an added value to the product, whether it takes the shape of commodities or services that functions as something that inspires.
4. Satisfaction, a positive reaction resulting from a friendly assessment of the consumption experience.
5. Intention to return, the customer has the possibility to reuse the same product in the future.
6. Word of mouth, communicating what consumers feel when using goods or services to other consumers.
7. Willingness to pay more: This is a person's evaluation of a product based on how much they are willing to get that product.

The Influence of Service Quality on Behavioral Intention in Economic Management

In the context of economic management, Customer behavioral intentions are significantly influenced by service quality. Here are some important aspects of this influence (Tran, V. D., & Le, 2020):

1. Definition of Service Quality and Behavioral Intentions

The degree to which a consumer believes that the service they are receiving may either meet or beyond their expectations is known as service quality. The primary components of service quality are tangibles, certainty, responsiveness, consistency, and empathy. Behavioral Intent: This term describes a client's tendency to take a certain action in the future, such as returning to use a service, recommending a service to others, or leaving a positive review.

2. Dimensions of Service Quality

Reliability: Consistency and accuracy of services provided.

Responsiveness: A service provider's willingness and ability to help customers and provide prompt service.

Assurance: Staff knowledge and courtesy, as well as their ability to inspire trust and confidence.

Empathy: Personalized attention and care given to customers.

Physical Evidence: Appearance of physical facilities, equipment, personnel, and communications materials.

3. How Service Quality Affects Behavioral Intentions

Customer Loyalty: High service quality tends to increase customer loyalty, meaning customers are more likely to return and use the service in the future.

Positive Word-of-Mouth: Customers who are satisfied with the quality of service are more likely to recommend the service to others, either in person or through online reviews.

Retention Rate: Good service quality can reduce the churn rate, thereby increasing the customer retention rate.

Customer Satisfaction: High customer satisfaction as a result of good service quality increases the likelihood of customers having positive behavioral intentions.

4. Theoretical Model

Several theoretical models are frequently employed to investigate the connection between behavioral intentions and service quality, including:

SERVQUAL Framework: This approach, which gauges the discrepancy between customer expectations and impressions of service, was created by Parasuraman, Zeithaml, and Berry.

Kano Model: Categorizes service attributes into basic needs, performance needs, and excitement needs, which influence customer satisfaction and behavioral intentions differently.

5. Managerial Implications

Staff Training: Improve staff knowledge and skills to provide better service.

Monitoring and Evaluation: Conduct regular surveys and evaluations of service quality to identify areas that require improvement.

Investment in Infrastructure: Improving physical facilities and technology that support service delivery.

High-quality services are essential to creating and maintaining positive behavioral intentions among customers. By understanding and managing service quality dimensions, companies can increase customer satisfaction, loyalty, and positive word-of-mouth, all of which contribute to long-term success in economic management (Khatoon et al., 2020).

CONCLUSION

The evolution of economic management shows increased understanding and attention to The influence of service quality on the behavioral intentions of customers. By adopting a customer-centric approach and leveraging modern technology, companies can create a superior service experience, This consequently boosts client retention, favorable word-of-mouth, and improved financial results. The impact of service quality on the intents of conduct in economic management has become an interesting research focus. Based on several research results conducted, there are several findings that can provide insight into the connection between behavioral intentions and service excellence.

In the context of economic management, service quality has a significant influence on customer behavioral intentions. Here are some important aspects of this influence:

1. Definition of Service Quality and Behavioral Intentions
2. Dimensions of Service Quality
3. The Influence of Service Quality on Behavioral Intentions
4. Theoretical Model
5. Managerial Implications

Good service quality is key to creating and maintaining positive behavioral intentions among customers. By understanding and managing the aspects of service quality, businesses may boost client happiness, repeat business, and positive word-of-mouth, all of which support long-term success in economic management.

REFERENCES

- Ali, B. J., Gardi, B., Othman, B. J., Ahmed, S. A., Ismael, N. B., Hamza, P. A., ... & Anwar, G. (2021). Hotel service quality: The impact of service quality on customer satisfaction in hospitality. *International Journal of Engineering, Business and Management*, 5(3), 14-28.
- Ali, B. J., Saleh, P. F., Akoj, S., Abdulrahman, A. A., Muhamed, A. S., Noori, H. N., & Anwar, G. (2021, May). Impact of service quality on the customer satisfaction: Case study at online meeting platforms. In Ali, BJ, Saleh, Akoj, S., Abdulrahman, AA, Muhamed, AS, Noori, HN, Anwar, G.(2021). *Impact of Service Quality on the Customer Satisfaction: Case study at Online Meeting Platforms. International journal of Engineering, Business and Management* (Vol. 5, No. 2, pp. 65-77).
- Căpușneanu, S., Topor, D. I., Constantin, D. M. O., & Marin-Pantelescu, A. (2020). Management accounting in the digital economy: evolution and perspectives. In *Improving business performance through innovation in the digital economy* (pp. 156-176). IGI Global.
- Fida, B. A., Ahmed, U., Al-Balushi, Y., & Singh, D. (2020). Impact of service quality on customer loyalty and customer satisfaction in Islamic banks in the Sultanate of Oman. *Sage Open*, 10(2), 2158244020919517.
- Ho, J. C., Wu, C. G., Lee, C. S., & Pham, T. T. T. (2020). Factors affecting the behavioral intention to adopt mobile banking: An international comparison. *Technology in Society*, 63, 101360.
- Khatoon, S., Zhengliang, X., & Hussain, H. (2020). The Mediating Effect of customer satisfaction on the relationship between Electronic banking service quality and customer Purchase intention: Evidence from the Qatar banking sector. *Sage Open*, 10(2), 2158244020935887.
- Kumar, J. A., Bervell, B., Annamalai, N., & Osman, S. (2020). Behavioral intention to use mobile learning: Evaluating the role of self-efficacy, subjective norm, and WhatsApp use habit. *Ieee Access*, 8, 208058-208074.

- Lee, M., Lee, S. A., Jeong, M., & Oh, H. (2020). Quality of virtual reality and its impacts on behavioral intention. *International Journal of Hospitality Management*, 90, 102595.
- 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, 101487.
- Lin, N., & Roberts, K. R. (2020). Using the theory of planned behavior to predict food safety behavioral intention: A systematic review and meta-analysis. *International Journal of Hospitality Management*, 90, 102612.
- Molinillo, S., Aguilar-Illescas, R., Anaya-Sánchez, R., & Liébana-Cabanillas, F. (2021). Social commerce website design, perceived value and loyalty behavior intentions: The moderating roles of gender, age and frequency of use. *Journal of Retailing and Consumer Services*, 63, 102404.
- Okolie, U. C., & Oyise, U. E. (2021). The evolution of management: A historical perspective. *Journal of Public Administration, Finance and Law*, 22, 207-215.
- Prabowo, H., Astuti, W., & Respati, H. (2020). Effect of service quality and brand image on repurchase intention through word of mouth at budget hotels airy rooms. *Open Journal of Business and Management*, 8(1), 194-207.
- Prentice, C., Dominique Lopes, S., & Wang, X. (2020). The impact of artificial intelligence and employee service quality on customer satisfaction and loyalty. *Journal of Hospitality Marketing & Management*, 29(7), 739-756.
- Siagian, H., Tarigan, Z. J. H., Basana, S. R., & Basuki, R. (2022). *The effect of perceived security, perceived ease of use, and perceived usefulness on consumer behavioral intention through trust in digital payment platform* (Doctoral dissertation, Petra Christian University).
- Tavitiyaman, P., Qu, H., Tsang, W. S. L., & Lam, C. W. R. (2021). The influence of smart tourism applications on perceived destination image and behavioral intention: The moderating role of information search behavior. *Journal of Hospitality and Tourism Management*, 46, 476-487.
- Qalati, S. A., Vela, E. G., Li, W., Dakhan, S. A., Hong Thuy, T. T., & Merani, S. H. (2021). Effects of perceived service quality, website quality, and reputation on purchase intention: The mediating and moderating roles of trust and perceived risk in online shopping. *Cogent Business & Management*, 8(1), 1869363.

- Saari, U. A., Damberg, S., Frömbing, L., & Ringle, C. M. (2021). Sustainable consumption behavior of Europeans: The influence of environmental knowledge and risk perception on environmental concern and behavioral intention. *Ecological Economics*, 189, 107155.
- Tran, V. D., & Le, N. M. T. (2020). Impact of service quality and perceived value on customer satisfaction and behavioral intentions: Evidence from convenience stores in Vietnam. *The Journal of Asian Finance, Economics and Business*, 7(9), 517-526.
- Tripathi, S. N., & Siddiqui, M. H. (2020). Assessing the quality of healthcare services: A SERVQUAL approach. *International Journal of Healthcare Management*.
- Uslu, A. (2020). The relationship of service quality dimensions of restaurant enterprises with satisfaction, behavioral intention, eWOM and the moderator effect of atmosphere. *Tourism & Management Studies*, 16(3), 23-35.
- Wren, D. A., & Bedeian, A. G. (2023). *The evolution of management thought*. John Wiley & Sons.
- Zaid, A. A., Arqawi, S. M., Mwais, R. M. A., Al Shobaki, M. J., & Abu-Naser, S. S. (2020). The impact of Total quality management and perceived service quality on patient satisfaction and behavior intention in Palestinian healthcare organizations. *Technology Reports of Kansai University*, 62(03), 221-232.