

Service Quality and Customer Satisfaction of Entrepreneurship Students' Business Plan Ventures

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Abstract

This study examined the relationship between service quality and customer satisfaction of the business plan ventures of students in BS Entrepreneurship at the Calabanga Community College. The study looked across service dimensions of 1.) tangibles, 2.) reliability, 3.) responsiveness, 4.) assurance and 5.) empathy.

Similarly, it measured customer satisfaction through the 4Ps 1.) product, 2.) price, 3.) place and 4.) Through a thematic analysis the study explored the opportunities and challenges encountered in the course of the business plan implementation. The results showed found that there was a high level of service quality and

customer satisfaction for the business plan ventures and a strong correlation across all dimensions. Finally, it was revealed that price points, product offerings, online presence and seasonal offerings were the main opportunities whereas hygiene, marketing and physical aspects were the main challenges. These results suggest that service quality levels could impact the satisfaction of customers towards a business and that action plans must crafted to improve the service quality and customer satisfaction levels of the business plan implementation ventures. Specific attention must be given to address the issues identified.

Keywords: *Service Quality; Customer Satisfaction; BS Entrepreneurship; Business Plan Ventures*

INTRODUCTION

Achieving excellent service quality is the holy grail for any business. Across the world, businesses have recognized that ensuring excellent customer service and service quality is of great importance to their daily operations yet there remains a number of concerns in relation (Ayub, 2023). It thus must be noted that understanding that customers are strategic assets, identifying their expectations of the customers, quality of performance and product value, not merely price will form the basis for customer perception of a business (Fornel et. al, (2020). With all that considered, entrepreneurs must ensure that their customers are given excellent service to ensure their satisfaction and drive a strong perception of service quality.

The Calabanga Community College is one of the institutions that aims to rise up to the challenge of molding entrepreneurs through the help of the interventions and support from the government. This includes teaching them how to conceptualize, finance, set up, operate, and make profitable a business venture. While other courses require the completion of a research thesis, BS entrepreneurship students require a successful implementation of their business plan for them to graduate (Janer, 2022).

A study synergizing the concept of entrepreneurship, the BS Entrepreneurship program, service quality and customer satisfaction is highly relevant and timely. However, a noted lack of research on this matter has been observed throughout the discovery phase of this study. That observation makes it doubly necessary for this research to proceed. It is envisioned that this study will catalyze interest in this field and thus help close the gaping holes in the state of knowledge.

Research Questions

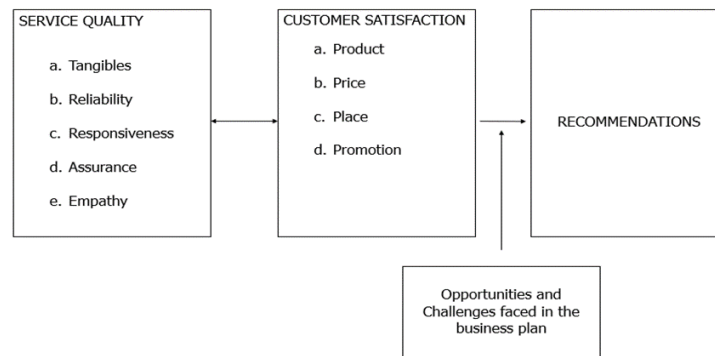
This study determined the relationship between the extent of service quality and customer satisfaction of the business plan ventures of students in BS Entrepreneurship at Calabanga Community College. Specifically, it answered the following questions:

1. What is the extent of service quality among the different business plan implementation ventures along the following dimensions:
 - a. Tangibles
 - b. Reliability
 - c. Responsiveness
 - d. Assurance
 - e. Empathy
2. What is the level of customer satisfaction among the different business plan implementation ventures along:
 - a. Product
 - b. Price
 - c. Place
 - d. Promotion
3. Is there a significant relationship between the extent of service quality and the level of customer satisfaction of the business plan implementation ventures?
4. What challenges and opportunities were encountered by the business plan implementation ventures?
5. What intervention plan or program may be proposed based from the results of the study?

Scope and Limitation of the Study

The study involved 360 student-customers of the business ventures run by BS Entrepreneurship senior students of the Calabanga Community College. The respondents were chosen through random sampling from the active students of the school.

The limitations of this study is that it involved only businesses owned and managed by the senior students of the Calabanga Community College Department of Entrepreneurship. In addition, its respondents were only drawn from actively enrolled students excluding students currently in their implementation phase. It was also limited in geographic scope as well as the period of time covered.



Conceptual Framework

The conceptual framework presents service quality — operationally defined as the mean participant scores across the dimensions of tangibles, reliability, responsiveness, assurance, and empathy — as the independent variable, and customer satisfaction — measured via the dimension of product, place, price, and promotion dimensions — as the dependent variable. Identified gaps between customer expectations and experience represented by the challenges and opportunities shared by the respondents served as the basis for a targeted intervention plan,

METHODOLOGY

This chapter discusses the research method utilized, the study's participants, the research tool, the process, and the statistical analyses performed on the study's data.

Research Design

The present research utilized the mixed method of research. It specifically made use of sequential-parallel design. Data was simultaneously gathered from multiple respondents. The qualitative portion of the study involved answering SERVQUAL and CSAT questionnaires whereas the 2nd portion involved interviews and thematic analysis of the responses of the respondents.

Respondents of the Study

The respondents for the quantitative portion were 360 student-customers of the business implementation ventures chosen through random sampling. The qualitative phase of the study utilized 12 respondents to participate in the interview. This group were selected through a simple random selection of the participants that have participated in the quantitative phase.

Research Instrument

The research utilized 2 research instruments for the quantitative portion of the study. The first was a standard SERVQUAL instrument adapted from from Borre (2021) and Baco (2020). The next instrument measured customer satisfaction adapted and modified from Juguilon et. al, (2022). These aforementioned instruments were modified to better reflect the intent and goals of the present research.

A pre-survey was conducted to confirm the validity and reliability of the instruments with Cronbach alpha scores shown to be .813 for CSAT instrument while SERVQUAL had a score of .746

Data Gathering

The data gathering began when the researcher obtained Graduate School Dean's approval in coordination with the college administrators of the respondent school. Quantitative data were collected via Google Forms, and the data were summarized and computed. Subsequently, 12 participants were randomly selected for qualitative interviews employing open-ended questions.

Statistical Treatment

This research utilized weighted mean to calculated the extent of service quality and customer satisfaction of respondents. Meanwhile, the relationship between the dimensions and variables were calculated through the use of Pearson r correlation.

Research Ethics

Ethical considerations were observed throughout the research. Permission to conduct the research was secured from the graduate school dean and the school administration before its commencement. This is to ensure that this research is sanctioned and properly endorsed.

Afterward, the respondents were be provided with a research consent form that details the nature of the research and the type of data that will be collected from them. This was in the first portion the quantitative survey. This is to ensure that the principle of informed consent is followed. This principle is very important as it ensures that there is a proper understanding of the intent, purpose and process of the study before the individual respondents agree to participate.

Proper privacy and confidentiality procedures was applied as well. All the raw data that were collected were carefully handled to ensure that there will be no leakage of personal information of the respondents.

III. RESULTS

This part presents the interpretation and analysis of data gathered to discuss the answers to the research problems of the study.

Table 1. General Service Quality of Business Ventures

Dimensions	Mean Score	Interpretation
Tangibles	2.96	HIGH
Reliability	3.03	HIGH
Responsiveness	3.05	HIGH
Assurance	3.07	HIGH
Empathy	3.03	HIGH
Mean	3.03	HIGH
Legend: 1-1.75 VERY LOW 1.76-2.25 LOW 2.26-3.25 HIGH 3.26-4.0 VERY HIGH		

The tabulated results show that assurance has the highest score 3.07 (HIGH) while tangibility has the lowest score of 2.96 (HIGH). In addition, it could be noted that reliability (3.03), responsiveness (3.05) and empathy (3.03) also achieved a high score which appears to be consistent across dimensions.

This perception is an important consideration in business decision making (Fong et al., 2023). Additionally, the lack of social distance or awkwardness stemming from the more or less equal status between sellers and customers appear to contribute to this as well. This could mean that the respondents

were able to experience polite, friendly and interactive transactions. As noted by Jyoti et al. (2024), these are contributory to maintaining positive perceptions for customers.

While not alarming, it is also not surprising that tangibles got the lowest score relative to other dimensions of the SERVQUAL. It cannot be overemphasized that the quality of the physical environment substantially affects customer perception of service quality. This could be brought about by the observation that physical and visual aspect of an establishment can evoke emotions which could have powerful implications in this regard (Curioso, 2025). In addition to that, Borre (2021) also said that neatness and cleanliness are prime considerations among customers.

The results give credence to the assertion that customer's perception of service quality is of prime importance. Customers evaluate this quality according to how businesses bridge the gap between their expectations and actual service (Karolina et al., 2023). An effective bridging of the said gaps could thus translate to a higher perception of service quality.

These scores indicate that in general the business ventures run by BS Entrepreneurship students are able to achieve a sufficiently positive level of impression among their customers. This in turn caused them to rate the said businesses favorably. In this regard the consistency of the scores appears to align with the findings of Talavera, (2020); Balinado, (2021); Jou et al., (2023) and Karolina (2023) among other researchers in confirming the suitability of the SERVQUAL framework as a measure of business effectiveness and acceptability.

Table 2. General Customer Satisfaction of Business Ventures

Dimensions	Mean Score	Interpretation
Price	3.09	HIGH
Product	3.04	HIGH
Place	3.03	HIGH
Promotion	2.97	HIGH
Mean	3.03	HIGH
Legend: 1-1.75 VERY LOW 1.76-2.25 LOW 2.26-3.25 HIGH 3.26-4.0 VERY HIGH		

The tabulated results show that price has the highest score across the five dimensions (M=3.09, "high") while promotion has the lowest score (M=2.97, "high"). The over-all score was also high (M=3.03, "high"). These scores appear to indicate that in general the business ventures run by BS Entrepreneurship students are able to achieve a sufficiently positive level of customer satisfaction in their business. In short it means that these respondents are generally satisfied when they deal with the businesses run by business plan implementation students of the Calabanga Community College.

Customer satisfaction is a multi-faceted concept which is crucial to the survivability of the business (Bin Hamza & Shamsudin, 2020). Achieving good scores in this dimension demonstrates that the business plan implementation students are well versed on this contention. It could also be deduced that they are able to utilize various approaches on the matter drawing upon their products, personalities, environment and procedures. All the said aspects and others have been found to contribute to improving customer satisfaction (Pei et. al., 2021).

Drawing on previous studies and research on this aspect it could be argued that the ventures under study were able to conform to the set expectation as to the type and level of product, experience and customer service that were provided to the respondents (Berners, 2022).

In addition, Masouras (2024) contended that meeting or exceeding customer expectations is the key to gauging the level of satisfaction of customers towards the business. Meeting customer expectations should also be consistent, not intermittent (Diaz, 2023). In this case, in order to maintain or improve their scores it is imperative that efforts be made to maintain said consistency.

Table 3. Correlation Between Service Quality and Customer Satisfaction Dimensions

		Pearson Correlation	Sig	Stat Sig
General SERVQUAL	General CSAT	.902	.000	S

Legend: Sig. = >0.05 – Not Significant (NS); Sig. = <0.05 – Significant (S)

A correlation analysis was made in order to determine the relationship between the extent of service quality (SERVQUAL) and the level of customer satisfaction (CSAT) of the business plan implementation ventures of the Calabanga Community College. This analysis was found to be statistically significant $r(360) = .902$ $p = 0.01$ indicating a high positive correlation between the variables.

This result indicates that an increase that there is a high degree of interrelatedness between the two variables. This perfectly dovetails into the assumption that service quality and customer satisfaction are two highly intertwined concepts. This also supports the assumptions and findings of the studies noted above which shows the same interrelatedness between these two concepts.

In fact, a similar result to this study was obtained by it was Ismaya et al. (2024), which stated that the quality of service had a highly significant effect on community satisfaction. Thus, continually building the foundation of the interrelationship of these two concepts under the present study. Similarly, this is in line with the results found by James Sitier (2023) where there was a strong correlation exhibited between SERVQUAL and CSAT factors.

The above results support the result obtained by Ramadhan & Fikriah (2024) which also noted the strong relationship among the aforementioned variables and explores the possible interplay across the same. Also, the fact that the SERVQUAL dimensions showed a consistent correlation lend further support to the contention that this instrument is a highly effective indicator. This in turn leads further credence to what Rivero et al., (2023) stated in their study. The said study demonstrated that the SERVQUAL method may be applied to various aspects of customer satisfaction across multiple scenarios. The findings of this study thus serve to provide further confirmation to such findings.

The results noted here appear to lend credence to the contention of Bin Hamza and Shamsudin (2020). The said research showed that the current literature review shows that customer satisfaction is a highly relevant measure for business success. Based on what has been seen, this is a contention that is supported by what the present study had gathered.

It could therefore be assumed that the result of this study lends added weight to the assertion that service quality and customer satisfaction are interrelated. Particularly noteworthy is the fact that all of the dimensions of both variables show strong interrelationship with each other. This could imply that in general customers may feel satisfied if they witness excellent quality of service given to them.

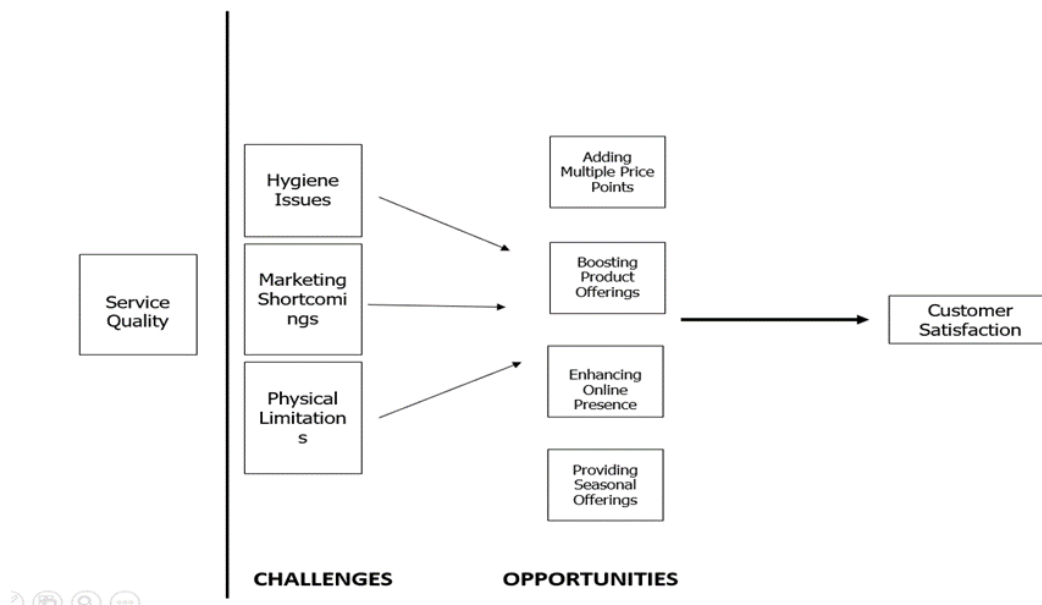


Figure 2. Thematic diagram of opportunities and challenges

Figure 2 shows the merged thematic diagrams of the opportunities and challenges faced by the business plan implementation students of the Calabanga Community College as noted by their customers. The figure shows service quality and customer satisfaction on opposite sides. The three identified challenges 1.) hygiene issues 2.) marketing shortcomings and 3.) physical limitations appear to serve as barriers that prevent the service quality of business from giving excellent customer satisfaction. Meanwhile, the identified opportunities 1.) adding multiple price points 2.) providing seasonal offerings 3.) enhancing online presence and 4.) boosting product offerings serve as conduits for helping to overcome the said challenges.

Thus, it could be said that businesses that will look into incorporating the opportunities into their business strategies will have a better chance in overcoming the challenges and thus help in improving their service quality and customer satisfaction.

DISCUSSION

The study found that there is a high level of service quality (3.03) and customer satisfaction (3.03) across the respondent of the study. It also showed as strong correlation between service quality and customer satisfaction ($r=.092$). It also revealed that price points, product offerings, online presence and seasonal offerings were the main opportunities whereas hygiene, marketing and physical aspects were the main challenges.

It could thus be shown that This result indicates that an increase that there is a high degree of interrelatedness between the two variables. This perfectly dovetails into the assumption that service quality and customer satisfaction are two highly intertwined concepts. This also supports the assumptions and findings of the studies noted above which shows the same interrelatedness between these two concepts.

It would be imperative to provide measures in order to enhance the level of service quality and customer satisfaction and service quality as this will have a positively synergistic effect on the each other. Similarly, it may be for the best of school administration to envision and act on the construction of additional facilities and the acquisition of needed equipment is highly desired. In addition to this, it will be very helpful if there are opportunities to enhance the marketing skill of the people currently doing business implementation.

This will allow them to not only create offerings that are tailor-fitted to the needs of their potential customers but will also enable them to enhance the way they present their offerings.

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