

Service Quality, Client Satisfaction and Loyalty towards Audit Firms: Perception of Sri Lankan Companies

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Abstract

In the context of auditing, the quality of service provided by audit firms is a very important issue when signs of dissatisfaction with the services arise. In today, quality of services is an important element for enhancing customer satisfaction and customer loyalty. Service quality is the major force for business sustainability, it is recognized that high quality service is essential for the success of the firms. The main objective of this study is to examine the relationship between service quality, client satisfaction and client loyalty towards audit firms in Sri Lankan companies. In order to accomplish the objective of the study, data were gathered from primary source using a standard questionnaire. The simple random sampling technique was used and questionnaires were sent to 100 randomly selected companies in Sri Lanka who used and received audit service from audit firms in Sri Lanka. The mediating effect of the client satisfaction is separately examined with the client satisfaction and the client loyalty. Regression, Descriptive Statistic and correlation analysis were used as the data analysis tools of this study. According to the results of the study, client companies were satisfied with the tangible dimension but were dissatisfied with the other four dimensions. Customer satisfaction was found to partially mediate the relationship of reliability and customer loyalty.

Keywords: Service Quality, Client Satisfaction, Client Loyalty