

# Customer Satisfaction and Customer Loyalty – A Review Paper

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**Abstract-** The paper emphasized the role and the significance of consumer loyalty and satisfaction. Customers are the connection to a business success. A business organization should concentrate on countless customers, for this customer loyalty and satisfaction ought to be incorporated along the long term objectives. This research was actualized to a analyzing the connection between customer loyalty and customer relationship. The scope of this research is to contemplate the idea of customer loyalty, customer satisfaction and its relationship. Besides, this studies the elements that impact customer loyalty and satisfaction.

**Key Words-** Customer Loyalty, Customer Satisfaction, Relationship, Service Quality

## 1. INTRODUCTION

The present business organization has realized that customer satisfaction is the key component for the achievement of the business and simultaneously it assumes an essential job to extend the market value. Customer Satisfaction and Service Quality are leading components in the arrangement of outside relations of every organization, as today they generally decide its competitiveness.

Customer Satisfaction has been one of the top tools for an effective business. Customer Satisfaction is characterized as a general assessment dependent on the all out buy and utilization involvement in the goods and services after some time.[11] Customer satisfaction is a barometer that predicts the future customer behavior. Be that as it may, the organization should have the option to construct trust with the customer so it is anything but difficult to get the input from the customer. This is the manner by which customer arranged item or service could be developed. (Hill, Brierley and Mac Dougall 2003). Customer satisfaction is affected by specific product and service features and perceptions of quality. Satisfaction is likewise affected by customers emotional reactions, their attributions nether perception of quality.[24]

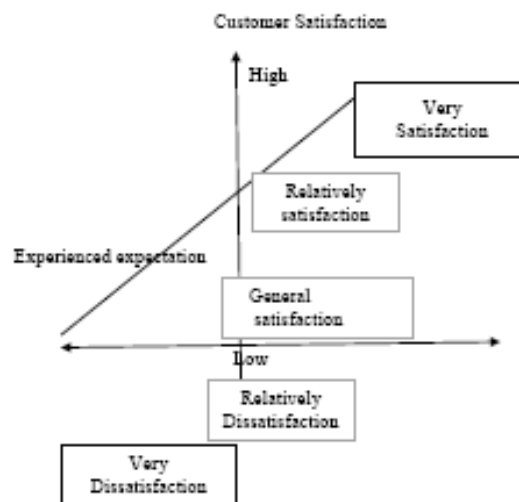


Fig. 1 Customer Satisfaction Analysis Model (Adapted from Tao 2014)

Loyalty as "a profoundly held duty to modify and rebelittle a favored item or service later on regardless of situational impacts and advertising endeavors having the capacity to cause exchanging practices. "Customer loyalty is seen as the quality of the connection between a person's relative disposition and re-support.[20]



Fig.2 Model of Customer Loyalty (Adpated from the loyalty model 2012)

Figure 2 Illustrates how much customer dependability is as much a procedure as other. As indicated by the model of the customer Loyalty factors framing customer loyalty, for example, understanding the customer’s needs wants. The organization must address consideration regarding cost, promotion, service and products so as to pick up the customer loyalty.

**1.1 Relation between customer loyalty and satisfaction**

In view of Coyne (1986), there are two basic limits influencing the connection between Customer loyalty and customer satisfaction. On the high side, when satisfaction arrives at a specific level, loyalty increments significantly, simultaneously satisfaction declined in a specific way, Loyalty dropped similarly drastically (Oliva, Oliver and MacMillan 1992.)

Chen and Wang (2009) propose a perspective on customer loyalty as a sort of consistency assessment between earlier expectations and perceived service execution. Appropriately, the positive assessment of the item or service that the customer obtains is a significant motivation to proceed with a relationship with an organization's service or items, and a significant column that maintains devotion.[8]



Fig.4 Relationship between Customer Satisfaction and loyalty[14]

The above figure shows that loyalty of customers dependent on their satisfaction. It quickly isolates the customers into three groups and partitions into three unique zones. The psychological oppressor is "incredibly disappointed" customers. As miserable customers are bound to revolt against an ineffectively conveyed service at each chance.[14]

**2. OBJECTIVES OF THE STUDY**

The Objectives of the study is to see whether Pratibha Wheels Pvt. Ltd. in Bilashpur locale offers great assistance quality.

1. What is the degree of Customer Satisfaction Measurements and how it tends to be improved, remembering the general atmosphere in the market.
2. The organization has such a major amount of customers that it turned into a significant issue to evaluate the organization's service, as no customer satisfaction survey has been conducted before.
3. Hence, the research question is "How peoples see the service quality of the organization from the customer's perspective?"
4. The Research is limited to the customers of the Pratibha Wheels Pvt. Ltd. in Bilashpur territory.
5. The aim and objective of this thesis is to examine the connection between customer satisfaction and customer loyalty and to analyze the how these elements lead business to achievement in a long term.
6. This thesis underlines measuring the customer satisfaction and loyalty so as to get the improvement the business organization. The purpose is to characterize the conceptual system within which to analyze the factors that impacts customer satisfaction and customer loyalty and profitability of the customers.

### 3. LITERATURE REVIEW

#### 3.1 Customer Satisfaction

**Oliver (1997)**, Customer Satisfaction is a central idea in present day promoting thought and practice. Satisfaction has been considered by numerous individuals as one of the most significant issues for marketers and customer researcher in the course of recent decades. Consumer satisfaction can be knowledgeable about an assortment of definitions and associated with the two goods and services.[19]

**Rigopoulou, Chaniotakis, Lymeropoulos and Siomkos (2008)**, concluded that customer satisfaction is the mind that customers have about an organization when their expectations have been met or surpassed over the lifetime of the item or service. Customer satisfaction is the degree of the attractive quality of a customer because of the different attributes of an item or service; it is the wellspring of profitability, and an explanation behind proceeding with the exercises of the organization. **(Hernon, Nitecki and Altman, 1999)** [22]

**Gosney and Boehm (2000)**, Service Quality presently additionally prompts customer satisfaction and has become an insurgency for the marketers. "Take it or leave it" demeanor has now been supplanted by first dissecting the need and afterward meeting the expectations for the buyers who have been given progressively selection of items and services in an undeniably serious and over provided showcase.[12]

**Mahapatra, Kumar and Chauhan (2010)**, demanded that promoting idea accentuation conveying Satisfaction to purchasers and getting benefits consequently. It was expressed that exceptionally satisfied customers will be brand loyal, remain customer longer, give great mouth promoting, increment purchasing of contributions and upgrade deals. [17]

**Avi and Fadil (2011)** reasoned that the services have driven the market to be serious in the new vehicle sales just as in the after-deals marketing. In the present market where item are fundamentally the same as and being sold in very much like costs, the market competition moved to the after-deals market. [5]

**Rao and Kumar (2012)** expressed that the customer satisfaction towards Tata Motors depends on the after sales service, utilization of vehicles, evaluating influences, service and quality in the territory of Andhra Pradesh. The investigation additionally uncovered that the customers are happy with the security, seller service, customer relationship and accessibility of extra parts and so on.[21]

**Dua and Savita (2013)** found that specific elements like variables, security, mileage, status, brand name and so forth expands customer satisfaction. The most significant variables which were dissected are value, mileage and inside space. It was additionally discovered that a large portion of the current customers of Tata Motors are Brand Loyal.[9]

### 3.2 Customer Loyalty

**Mcllroy and Barnett (2000)** clarified that the loyalty exists when the customer purchases his best prerequisite from one association and don't thinks about the competitors in the option at the hour of procurement and for future buys as well. [18]

**Duffy (2003)** explored that customer loyalty originates from different techniques followed by the organizations to hold their customers. These methods are Customer relationship Management, balanced promoting and other likely advertising techniques for maintenance of customers. Consequently organizations attempt to portion their customer data to plan different dependability programs. This would assist the organizations with downsizing non productive customers and increment incomes in the organization. [10]

**Guzman (2005)** saw that a customer must have the option to recognize a brand for taking care of the issues looked by him. There lies the quality of the brand building. A solid brand assists with acknowledging how vital a brand personality is in the present serious world. The opposition isn't just changing the principal thoughts regarding customers, connections, brands and so forth yet in addition is setting off the requirement for new brand building techniques. [13]

**Ashley and Varky (2009)**, reasoned that Social media likewise features the significance of having powerful complaint service frameworks. The way where the organization handles grievances leaves an effect on the brain of the customer and thus builds the chance of the customer getting faithful to the brand, being satisfied by the consideration and care appeared by the organization towards the complainant. To guarantee a good objection taking care of understanding for the customer, the service and the representatives need to have an impression of thankfulness instead of scorn when a customer illuminates about a deficiency with the service or item, since just the reliable customers would truly put forth the attempt of griping about a support of the organization, as opposed to moving to the contender's contribution. [4]

### 3.3 Relationship between Customer Satisfaction and loyalty

**Asadollahi, Jahanshahi and Nawaser (2011)** expressed that the procedures of offering types of assistance for customers ought to be planned in such a manner to set up long haul relations and confidence in customers. [3]

**Sudharshan (2010)** found that there is a positive connection between customer satisfaction and customer loyalty yet this association isn't generally a direct connection. This relationship relies upon variables; for example, market guideline, exchanging costs, brand value, presence of loyalty programs, exclusive innovation, and item separation at the business level. This examination has demonstrated various elements that influence the association between customer satisfaction and loyalty. [23]

**Balakrishnan and Raj (2011)** watched different boundaries and attempted to outline its consequences for customer behaviour and preferences for traveler vehicles in the province of Kerala. Different boundaries of procurement were dissected. It was discovered that different boundaries like Information assembling and Purchase Initiation, Preference dependent on Personal needs, Personal Preference dependent on Convenience factors, Personal Preference dependent on Comfort Factors, Influence factor dependent on vehicle maker/Dealer, Influence Factor dependent on vehicle Model, External Influence and Satisfaction Level positively affect the buy expectation of a customer. Organized Equation model was utilized to build up the structure. [6]

**Akber and Kumar (2012)** investigated the wellsprings of inspiration for the acquisition of Cars in Vellore region. The examination was additionally centered on the pre-buy data gathered by the customers and the most favored brand of the customers. In this investigation, different elements were removed into seven central points liable for buy choice of a customer regarding vehicles. It was viewed as that Source of data, mileage, cost and solidness, guarantee, economy, comfort and worth are the main considerations for the buy choice. [2]

**Joshi (2013)** recognized different variables that impact the acquisition of a little vehicle. It was seen that out of the brands picked for the examination, Alto and Santro were the well known vehicles while Palio was the least favored vehicle by the customers. It investigated seven distinct elements that influence the buy to be specific value, eco-friendliness, support, appearance, security, after deals service and comfort. [15]

**Karthik and Ramya (2014)** recognized different components of customer buy in Tiruchirappalli District of Tamil Nadu. The investigation uncovered that Maruti Suzuki is the most favored organization among customers. The examination additionally engaged that segment variables, mileage and cost of the vehicle impacts the buy choice of a shopper.[16]

**Banerjee and Singh (2013)** expressed that the connection between After-sales service and customer satisfaction is certain. Their examination likewise expressed that opportune and rapidly after-sales service causes the customers to build up a positive and strong perception about the organization. [7]

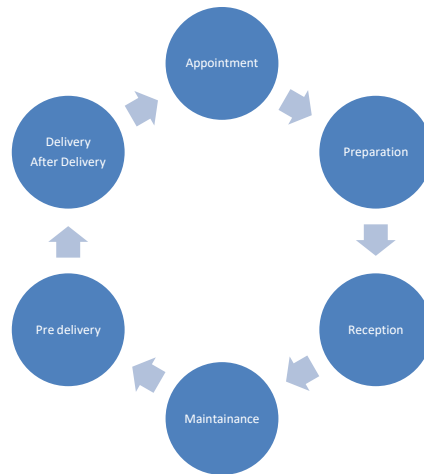


Figure 2.4 Seven stage work process in auto workshops, Avi, B. & Fadil, T. (2011)[5]

These means are critical to be followed appropriately by the after deals organizations for quality conveyance of their services. As indicated by Avi and Fadil (2011), each progression assumes a urgent job in picking up customer satisfaction.[5]

1. Appointment: This is the initial step of work process. Meeting the customer, understanding his needs, giving a neighborly motion surpasses the customer expectations.
2. Preparation: In this progression, auto workshop staff assumes a significant job to discover and fix customer issue according to his desire.
3. Reception: The open door where customer meets eye to eye at the auto workshop and conveys the impression for all occasions to come.
4. Repair: Here, the nature of fix, upkeep, service given to him will be a noticeable factor for his future Satisfaction.
5. Pre-Delivery: It is critical to guarantee opportune vehicle conveyance by the auto workshop.
6. Delivery: Finally, here the customer is conveyed his vehicle as guaranteed for example Ideal and quality conveyance.
7. After-Delivery: This is to guarantee and to get the customer criticism as to show him the worry that we give it a second thought.

#### 4. RESEARCH METHODOLOGY

There has been an expanding competition on an organization's competency to give top quality service. Examination is probably the best tools to prevail in an opposition. Examination is an indispensable piece of any business either for a productive or non-beneficial association. As it were, it's a method to accumulate proof for an association. Research is one of the way of gathering exact sound and dependable data about the effectiveness of intercessions, by giving the effectiveness evidence. As service organizations and experts, use strategies and techniques worked by research methodologists to merge, improve, create, refine and advance clinical parts of training to serve customers better **(Kumar 2011)**.

As indicated by **Ghuri and Gronhaug (2005)** research procedure refers to the collection of data and their examination. Essentially, research strategy is of two kinds, subjective and quantitative.

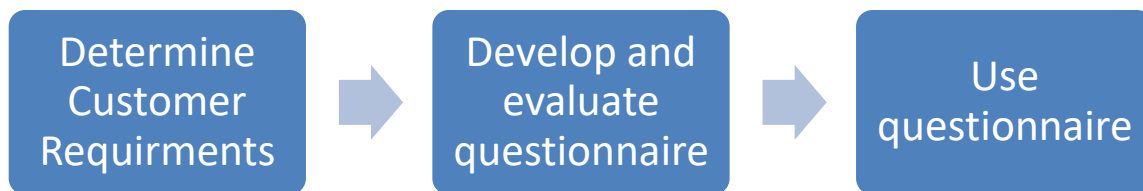
The questionnaire method was executed to abstract the data of consumer satisfaction and loyalty in are different association. As per **Malhotra (2005)**, quantitative examination depends on numerical character and is planned for qualifying the data through factual investigation.

#### 4.1 Validity and Reliability

The utilization of the validity and reliability in quantitative exploration is pervasive. These two terms, validity and reliability refer to the mental factors or idea, being estimated. As it were, to piece thorough assessment in measurement validity and reliability are utilized. Complete evaluation assists with get-together proof, including theoretical information, by looking for answers to the silent inquiries (**Berzonsky and Adams 2004**).

Before directing the overview researcher was educated and furthermore had an open conversation about what the organization need to think about the customers. Be that as it may, the validity will decide if the exploration genuinely gauges the specific thing which is proposed to quantify or how honest the examination results are (**Golafshani 2003**).

#### 4.2 Questionnaire Design



**Figure 6. A general model for the development and use of customer satisfaction questionnaires (adopted from Hayes 2008)**

The core of a study is its questionnaire. Prior to planning a questionnaire, it is imperative to decide the customer's prerequisites and the desire from service. Information on the customer prerequisite is fundamental since it gives a superior comprehension of the way that customer characterize the nature of service and items. On the off chance that customer prerequisites can be perceived, at that point it's simpler to realize how to satisfy the customer. (**Hayes 2008**).

#### 4.3 Interviews

Another strategy in the examination is the meeting that is done to acquire different points of view on the research work. Meetings give another knowledge into a social phenomenon to think about and reason an variety of subjects in an alternate manner. (**Folkestad 2008**) Interviews can be led in different ways like eye to eye talk with, phone talk with, PC helped, etc. In the event that the meeting is directed well it very well may be the extraordinary source about the issues. Thus, leading meetings doesn't just give bits of knowledge into an issue, yet in addition can recommend wellsprings of corroboratory or opposite proof (**Yin 1994**). Since the meetings were the essential strategy of the data collection, it was along these lines imperative to be aware of the data examination in the previous stages. In this manner, the creator of this postulation has picked this technique as it coordinates the investigation of the examination work.

### 5. Conclusion

Each organization point is to keep up the long term relationship with the customers and the business organization. So as to get the potential customers, needs and demands ought to be recognized additionally customer satisfaction greatly affects the



whole business activities. This thesis has gone into profundity to comprehend the co-relation between customer satisfaction and customer loyalty. The author has come to realize that the customer plays a vital role in customer loyalty and customer satisfaction and is the foundation of the achievement.

The exploration completed during this thesis assisted with analyzed customer satisfaction and customer loyalty to the organization. The results of the questionnaire review decided the customer satisfaction and customer loyalty in Pratibha Wheel. For estimating the satisfaction of the customers, different techniques should have been applied to examine the outcomes.

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