



CUSTOMER SATISFACTION

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Abstract

A number of recent research studies have demonstrated the presence of a positive link between customer-contact employees' work satisfaction and customer satisfaction. However, existing studies have largely neglected describing conditions under which the link between these two constructs is stronger or weaker. The authors of this study argue that certain customer characteristics (such as customer trust, customer price consciousness, and the importance of product/service to the customer) and salesperson characteristics (such as empathy, expertise, and reliability) moderate the relationship between salespeople's work satisfaction and customer satisfaction. Balance theory is used to justify the hypotheses of the study. Tests of the hypotheses are based on a dyadic data set collected across manufacturing and services industries in a business-to-business context. Results reveal that the link between work satisfaction and customer satisfaction is systematically moderated by the salesperson and customer characteristics under consideration.

Introduction

In past years, the relationship between employee and customer satisfaction has been widely studied in the literature. Overall, there is significant empirical evidence that customer-contact employees' work satisfaction has a positive impact on customer satisfaction. The recognition of the close interrelation of these two constructs has also affected managerial practice. In recent years, many companies have invested considerable resources into programs for measuring and increasing employee satisfaction.

Customer satisfaction is a marketing term that measures how products or services supplied by a company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses.

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What Is Customer Service?

"Customer service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met." – Study

5 Things Great Companies Do For CUSTOMERS!

1. Know their products.
2. Know their customers.
3. Commit to quality service.
4. Always help customers when they need it.
5. Always provide what they promise.

Customer service is not a department, it's everyone's job. In order to provide great customer service, every employee of your company matters; they all contribute. Whether an employee is part of your sales team interacting with customers face to face/phone-to-phone or he's a designer to make sure the website works well and describe your products/service very well.

"Customer service shouldn't just be A department, it should be the entire company." - Tony Hsieh, CEO of Zappos.

You don't need to be perfect, you just have to take care of them and fix things when they go wrong.

"When customers share their story, they're not just sharing pain points. They're actually teaching you how to make your product, service, and business better. Your customer service organization should be designed to efficiently communicate those issues." - Kristin Smaby, "Being Human is Good Business"



Here are some statistics to get more insight about customer service:

Customer Service Statistics

1. 78% of consumers have bailed on a transaction or not made an intended purchase because of a poor service experience.
2. It takes 12 positive experiences to make up for one unresolved negative experience.
3. 82% of consumers have stopped doing business with a company because of bad customer service. – Zendesk.
4. Knowledge of the product is more important than speed when emailing a customer, so do everything in your power to get it right the first time, every time.
5. The only thing more important than response time and personalization is the quality of your response. Go the extra mile to resolve questions in a single email.
6. 32% of social media users who contact a brand expect a response within 30 minutes, and 42% expect a response within 60 minutes. – Survey by The Social Habit.
7. Happy customer's delivers a big and predictable — return on investment: Happy customers, on average, tell 9 people about their experiences.
8. It's 6 to 7 times more costly to attract a new customer than it is to retain an existing one.
9. E-commerce Statistics

The key reasons for abandoning online purchases are

1. Unexpected delivery costs (70%).
2. Lack of information about the product, service or delivery (56%).
3. Website difficult to navigate or can't find what i'm looking for (46%).
4. Complicated registration process (38%).
5. Want to ask a question – can't find the answer (37%).

Top Two Reasons For Customer Loss

1. Customers feel poorly treated.
2. Failure to solve a problem in a timely manner.

“Your most unhappy customers are your greatest source of learning.” – Bill Gates

Theoretical Background: Balance Theory

Balance theory will be used to provide theoretical support for the positive link between employees' work satisfaction and customer satisfaction. This theory owes its origins to Heider (1958) and has been the basis for the development of a number of consistency theories that have had a great impact on marketing research. As an example, the theory of cognitive Dissonance (Festinger, 1957) and the theory of congruity (Osgood & Tannenbaum, 1955; Tannenbaum, 1967) are rooted in balance theory. According to balance theory, a system of triadic relationships between two persons and an object can be either balanced or unbalanced.

A relationship system that is unbalanced will cause systematic tension such that, if the system is to persist, it must move toward a balanced state. A relationship system is balanced if two people have the same attitude toward the object. A relationship system is unbalanced if two people involved in a relationship with each other differ in their attitudes toward the object (e.g., A likes the object, but B dislikes it). This results in cognitive tension that ultimately leads to activities to balance the system. In this study, balance theory is applied to a relationship system involving three entities: an employee of a company, a customer for whom this employee is responsible, and the company as the object within the triad.

According to balance theory, this system seeks a balanced state. This triadic relationship is balanced if the employee's attitude toward the company is similar to the customer's attitude toward the company. As seen in Heider's classical work (1958), although balance theory has its roots in the study of close interpersonal relationships, it can also be applied to lower-level relationships, as evident in the examples he provides. Additionally, the broad applicability of balance theory is illustrated by previous studies in the marketing and management literature.

As an example, Phillips, Liu, and Costello (1998) apply balance theory to a three-member distribution channel. Kilduff and Krackhardt (1994) apply balance theory to investigate the determinants of reputation in organizational labour markets. Finally, Manrai, Manrai, Lascu, and Ryans (1997) use balance theory to explain the influence of advertising slogans for ecologically harmless products in connection with a person's attitude towards nature. In summary, these examples suggest that balance



theory can be applied to employee–customer relationships, which can vary from a fairly low level of association to relatively close relationships.

In an employee–customer relationship, an unbalanced situation occurs when the employee’s work satisfaction is low and the customer’s satisfaction with the company is high. According to balance theory, activities are likely to occur to lead the system to a balanced state. This means that one of the two actors (i.e., the employee or the customer) will change his or her level of satisfaction. Although in principle, balance theory might be used to justify both types of effects (i.e., change of customer satisfaction and change of work satisfaction), the authors argue that a change in customer satisfaction is more likely than a change in employee work satisfaction. This assertion is based on the specific mechanisms that, according to balance theory, drive attitude changes in a triadic system. Heider (1958) argues that a key mechanism leading to attitude balance is that one person (a) actively influences the other person (b) in order his or her attitude. It is argued that it is more likely that an employee will take this active role in influencing a customer’s attitude than vice versa. A vast body of literature that suggests that employees can strongly influence customer attitudes supports this perspective (e.g., Hurley, 1998; Williams & Attaway, 1996).

This reasoning is also consistent with previous research on the work satisfaction–customer satisfaction link. Although most of these studies have not analyzed the direction of the relationship, the few studies that do so (e.g., Hartline & Ferrel, 1996; Herrington & Lomax, 1999), uniformly suggest that work satisfaction affects customer satisfaction. On the other hand, to the best of the authors’ knowledge, there is no empirical evidence for the reversed effect.

Customer Characteristics as Moderators based on a review of the literature relating to buyer–seller relationships, three customer characteristics are predicted to have a moderating impact on the link between salespeople’s .

Work Satisfaction And Customer Satisfaction

Customer trust, customer price consciousness, and product importance to the customer. Each of these factors has been found to affect customer perceptions and behaviours in previous research. These constructs are considered to have an important impact on the Willingness of the customer to gather information from the salespeople of a company. More specifically, it is argued that certain customers consider a salesperson as more important to their information-seeking process than others and that, for these customers, a salesperson’s work satisfaction becomes more visible. In the following, each of these moderators will be considered individually.

Advantages of Customer Satisfaction

1. Up-to-date feedback: Gather current customer feedback on various aspects of your organization. You can stay on top of customer trends through regularly scheduled online surveys or mobile surveys, and receive real-time customer feedback. It is always useful to acquire insight into how your customers are currently responding to all aspects of your business.
2. Benchmark results: You can administer the same survey on a regular basis to customers to gain continued insight into your customers needs. Surveys can have the same questions, which will allow you to compare data over time and benchmark survey data across previous years to determine if any changes need to be made.
3. Show that you care: Customers like to be asked for their feedback. It gives customers the perception that your company values them; is committed to keeping them as a long-term customer; and bases business decisions on their feedback.

Disadvantages of Customer Satisfaction

1. Too many surveys, so little time: Your customers are flooded with a barrage of online surveys. Surveys may be simple to complete, however, some people simply don’t like to complete them. Sending surveys too often can irritate customers and lead to customer burnout. Customer burnout can result in low response rates or result in lower satisfaction scores, despite your reputation for providing excellent products or services.
2. Privacy Issues: We live in a high-tech culture filled with daily doses of unwanted junk email, email solicitations, and calls. When completing an online survey or a mobile survey (or any type of survey), it is difficult for your customers to believe that they are not being tracked.
3. Because of these insecurities of releasing private data, customers today are hesitant in giving out information that may lead to more junk email and more unwanted calls. Assure customers that information they provide in response to your customer satisfaction survey will not be used for any other purposes. Without this disclaimer, it may be difficult to receive a good response rates.



Conclusion

This study represents a first exploration of moderator effects on the link between salespeople's work satisfaction and customer satisfaction. Future research in this area should look at other categories of moderator variables. As an example, exchange in business to-business settings often takes place in long-term relationships (Webster, 1991). It would be interesting to study how relationship characteristics such as cooperation affect the link between salespeople's work satisfaction and customer satisfaction.

Furthermore, it would be interesting to explore moderator effects on this relationship in a business to- consumer context. On a more general level, this research emphasizes the importance of studying moderators of relationships between key constructs in marketing research. There remains much ambiguity in many areas of this discipline concerning relationships between key constructs. Systematic analysis of moderating effects on such relationships may provide explanations for seemingly conflicting previous empirical findings, as this study has done for the link between salespeople's work satisfaction and customer satisfaction.

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