

SIGNIFICANCE OF CUSTOMER SATISFACTION

Dr. Sherry
Assistant Professor
DPGITM, Gurugram (HR.)

Abstract: High customer satisfaction is the biggest drive for corporate growth. Today customer is treated as king and therefore to understand the demands and requirements of the customers becomes very important. Organizations need to understand what customers want from them and how they can deliver the best product. If the customer satisfaction index of an organization dips, it negatively impacts the profitability and sustainability of the organization.

Keywords: Customer Satisfaction, Corporate Growth, Customers, Organization.

Introduction: If a customer has high expectations from the product and the reality falls short, then it leads to dissatisfaction for the particular product and brand. If a customer encounters a single dissatisfaction experience, he/she is not likely to buy that product again because there are a number of that product available in the market. Thus, it is very important to deliver the best product or service so that customer will not switch to the competitor's product as it will decrease the brand loyalty. Customer satisfaction is the biggest indicator of consumer loyalty and purchase intention. Customer satisfaction and loyalty enable organizations to build up a direct contact with its customers about their needs. It helps in gaining an insight into the source of dissatisfaction and the ways of improving it. It helps the management of an organization to look into the problems which require immediate solutions to a problem. Customer satisfaction helps an organization to know about its strengths as well as weaknesses and that of its competitors. Every organization is different from the other and hence caters to the demands of its customers in a different way, but each and every organization should focus on maintaining a healthy relationship with its customers where they feel free to discuss the weaknesses of the product and services.

A well designed research work on the expectations of the customers helps the organizations to eliminate the guesswork regarding how customer satisfaction impacts the organization. Organizations are required to conduct research on regular basis in order to be familiar with the demands and expectations of the customers. Customer response to a product/ service helps in anticipating the demand of the product. There is a situation of perfect competition in the market, where every product has its substitute readily available in the market. In such a situation, customer has a wide variety of products/ services to choose from. If he/ she encounter a bad experience with a particular product or service, they are likely to shift to another brand. Organization needs to focus on their retention strategies in order to keep their customer loyal to a particular brand. Customer

satisfaction index helps an organization to know where it stands in the competition and what will be its fate in the market. Organization needs to be consistent with their product quality, else it will lead to poor image in the eyes of customer. Providing the products according to the demands and expectations of the customers helps in increasing the profitability and market share of the product. There is a complex relationship between satisfaction and loyalty levels of a customer. Satisfaction is the first tier in the relationship between a customer and the company. In order for a company to differentiate itself from its competitors, it will have to move customers from the first tier of this relationship i.e satisfaction to the second tier i.e loyalty. A satisfied customer will make demands for the same product in the market and he/she is likely to become brand loyal for that particular good/service. Thus, it is very essential before manufacturing or delivering any product, the expectations/demands of the customer should be thoroughly researched. A satisfied customer will have a positive word of mouth for a particular brand which will attract more and more customers to the particular brand. A satisfied customer is likely to send more business back to the company, while an unsatisfied customer may prevent the business from soaring. While the customer may not always be right, they need to be satisfied to the best of every company's ability. When it comes to advertisement, word of mouth can be the best kind of advertisement. Customers are the best advertisers of a product/service. Companies spend a lot of money on advertisements and good customer satisfaction guarantees free advertisement. When a customer is satisfied with a product or service, he/she is likely to spread the word and thus help increase the company's profits. It is very crucial for an organization to retain its customers, as attracting new customer will cost many more times than retaining the old ones. This is why it is important to keep the existing customers happy rather than approaching the new ones.

Individuals like to buy a familiar and trust worthy brand of a product. They do not change their preference until and unless they are given a reason to do so. Customers leave their brand loyalty with specific brands only if the brand is not maintaining the quality the customer expects from it. Thus, it becomes very crucial on the part of organization to understand what the customer wants from them and where the competition is heading towards. Loyal and satisfied customer helps in providing constructive feedback to the organization so that they will be able to serve quality products and services.

Organizations are required to come up with new and different ways to serve the ever increasing demands of customers. In order to improve the customer satisfaction and loyalty following steps could be taken by the organization:

- Research on customer demands and expectations
- Understand the expectations of the customers

- Finding the loopholes between customer expectations and delivery
- Measure the loyalty of the customer
- Build strategies to retain the old customer and attract the new ones

Conclusion: Thus, in the era of continuous change and development organizations cannot stick to just one strategy of attracting and retaining the customer. The organization should keep on evolving its strategies in order to remain in the competition. A satisfied customer will remain loyal to a particular brand and hence will not shift his/her preference to other brand. Constant feedback on the product or service should be taken from the customer. This makes them feel that the organization values their opinion. Thus, maintaining and developing relation with the customer is the need of the hour. Organizations should try their level best to keep their customers happy and satisfied as that will increase the demand of a particular product from the organization which will increase the profitability of the organization.

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