



# A STUDY ON IMPACT OF CUSTOMER SATISFACTION ON CUSTOMER LOYALTY

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**Abstract:** Today brands are enormous in numbers and not all the brands attain their goal of establishment due to satisfaction of the customers and customer's loyalty towards the brand. Customer satisfaction is a measurement that determines how happy customers are with a company's products and service that the brand provides. Customer loyalty is the outcome of customer satisfaction. This customer loyalty comes from various criteria's of the brand which includes the price, quality, satisfaction of the need. This study identifies that the satisfaction of using the brand impacts the loyalty of not changing the brand or switching over other brands. The research is descriptive in nature.

Furthermore, the customer trust impacted by customer satisfaction which proved that customer satisfaction is an antecedent of customer satisfaction, a direct relationship between customer satisfaction and loyalty was observed. The future studies may replicate in other service contexts and comparison of models of government and private banks will give more understanding.

The study is mainly developed to find out the relationship between customer satisfaction and customer loyalty. How customer satisfaction impacts the loyalty of customers by not switching to other brands.

**Index Terms - Customer loyalty, Customer satisfaction**

## I. INTRODUCTION

Brand loyalty and customer satisfaction has an in-depth connection and is an emerging phenomenon that is considered as a vital issue for which the business. In this high competitive markets whether the customer is really satisfied with the products they used and the purchasing behavior is the main outcome of it. This study aims at:

- i. To examine the various factors influencing brand loyalty?
- ii. To study the impact of customer satisfaction on brand loyalty.
- iii. To investigate the role of brands in customer satisfaction and loyalty.
- iv. To investigate the role of cost factors to improves customer satisfaction and brand loyalty.
- v. Empirically investigates the role of customer satisfaction for the customers to have the brand loyalty.

The brand loyalty and customer satisfaction are directly related and dependent on each other. When the brand is good in its quality, cost and availability, it means the brand are loyal with their customers and are providing their best facilities to customers. As the result customers repeatedly buy the particular brand which inturn the customer becomes loyal to the brand.

The main purpose of this research is to create an understanding of how customer satisfaction impacts the brand loyalty in the minds of consumer. Brand loyalty is created in the minds of customers only when the people are satisfied with the products on all the criteria. Brand loyalty can increase the sales of the product.

### 1.1 Brand loyalty

Brand loyalty means when customers continue to purchase from the same brand over and over again, despite competitors offering similar products or services.

### 1.2 Brand Satisfaction

The brand is in accordance with what consumers expect, starting from the product, service and benefits, if the company brand has provided it all, then the consumer will feel satisfied using/using the service/ product, so that the consumer's desire to buying or reusing the product

## **2. REVIEW OF LITERATURE**

Oliver (1996) in his study found that the Customer satisfaction strategy has built a great deal of consideration during the past decades. Therefore, satisfaction is in reality probably the most unassailable concepts of the modern management field. Not simply does the idea of satisfying Customers have a good, common-sense appeal, it can be also believed that customer satisfaction would lead towards loyalty, resulting in to increase higher profit gain.

Reichheld (1996) in his study found that during the 1990s, there was a popular realization that satisfaction ratings have been in actual fact a means for attaining strategic purposes, such as customer retention which is considered to affect companies' profits directly. Now the companies are focusing to increase satisfaction strategy because satisfied customers have higher chances to repurchase the same product.

A model that links service quality to service loyalty via customer satisfaction is proposed.(Caruana 2002). In this study service, quality, price and loyalty are independent variable and customer's satisfaction is dependent variable and this creates a positive impact on the article (Grace & Ocass 2005; gonzalez etal., 2007; Petrick 2002; Camal et al., 2015)

This means that the customers are satisfied when they received what they were expecting and if it is not done then it could reduce customer satisfaction and gives a negative impact, when the customer is satisfied it begin to repurchase our products and services and ask others to do so, which increase our product or service value image. This study contains a single article which is Satisfaction and it is a dependent variable which depends on other variable such as loyalty, quality, cost etc. and it has a positive impact (Suhartanto 2011; Terblanche & Boshoff 2016; Gustafsson et al.,20017 ) .

## **3. RESEARCH METHODOLOGY**

### **3.1 POPULATION SIZE AND SAMPLE:**

Population size has no limits and it is infinite. The sampling size is 107. The convenient sampling size is involved in which the has various groups and of various occupation.

### **3.2 DATA COLLECTION:**

Once the population size and number of samples are decided the next step is to collect data and analyze for the research. Two kinds of data are collected one is primary and other is secondary. In primary data, the author collects data from the that is specific for the purpose of the study through questionnaire and survey, When using primary data the three different ways of collecting the data, observation, interviews, or questionnaires. In this research analysis questionnaire is used with the set of questions that are sent out to a decided.

### **3.3 HYPOTHESIS**

$H_0$  -There is no impact of customer satisfaction on customer loyalty.

$H_1$  - There is impact of customer satisfaction on customer loyalty.

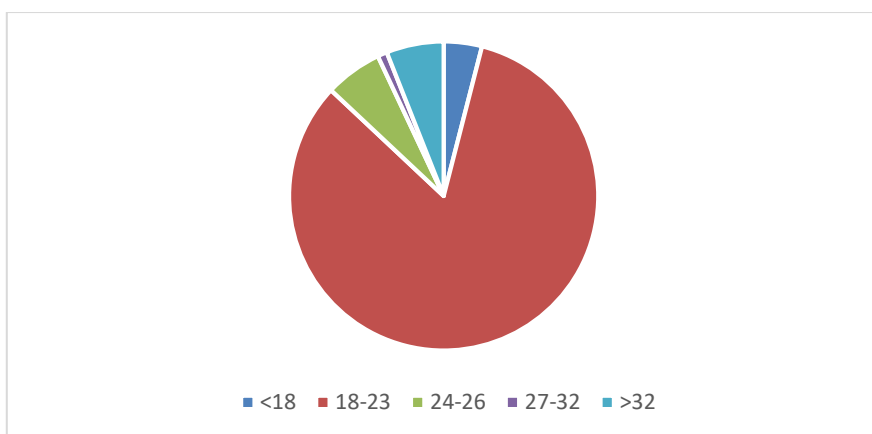
## **4. RESULT**

### **4.1 DEMOGRAPHIC PROFILE**

#### **AGE**

Total data of 107 samples have been collected with different age groups.

<b>AGE</b>	<b>FREQUENCY</b>	<b>PERCENT</b>
Less than 18 years	4	3.7
18-23 years	83	77.6
24-26 years	6	5.6
27-32 years	1	.9
Greater than 32 years	6	5.6
<b>TOTAL</b>	<b>107</b>	<b>100.0</b>

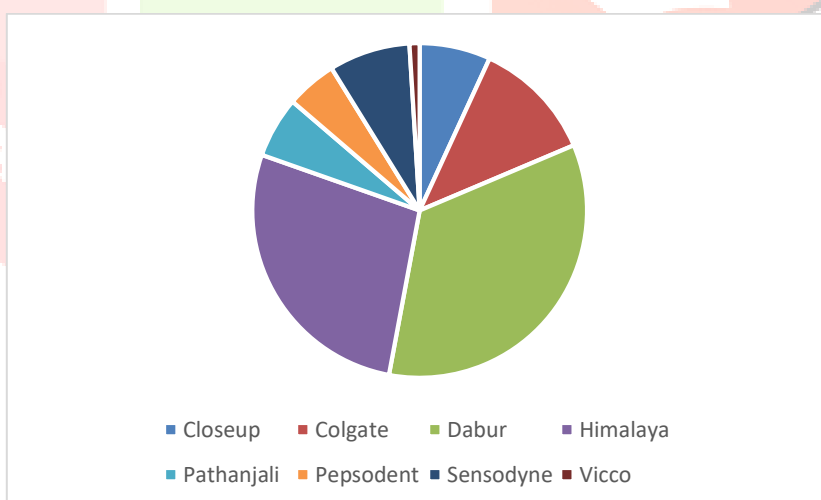


The samples are taken from different age groups <18 years - 3.7%, 18-23 years – 77.6%, 24-26 years – 5.6%, 27-32 years – 0.9%, >32 years – 5.6%

## 4.2 FREQUENCY ANALYSIS

### 1. Brand of toothpaste used

BRANDS	FREQUENCY	PERCENT
Closeup	7	6.5
Colgate	12	11.2
Dabur	35	32.7
Himalaya	28	26.2
Pathanjali	6	5.6
Pepsodent	5	4.7
Sensodyne	8	7.5
Vicco	1	4.7
<b>Total</b>	<b>107</b>	<b>100.0</b>

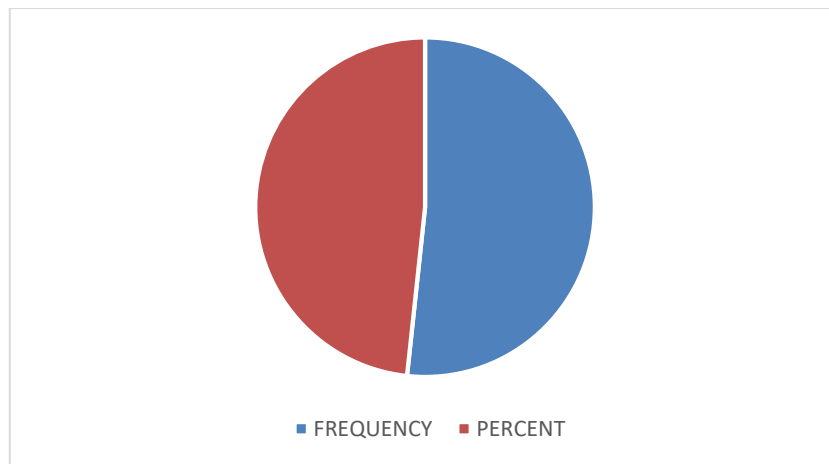


### Inference

Percentage of different brands used by the customers are Closeup – 6.5%, Colgate – 17.8%, Dabur – 50.5%, Himalaya – 26.6%, Pathanjali – 5.6%, Pepsodent – 4.7%, Sensodyne – 7.5%, Vicco – 4.7%.

### 2. Changing your brands often

BRAND	FREQUENCY	PERCENT
No	70	65.4
Yes	30	28.0
<b>Total</b>	<b>107</b>	<b>100.0</b>

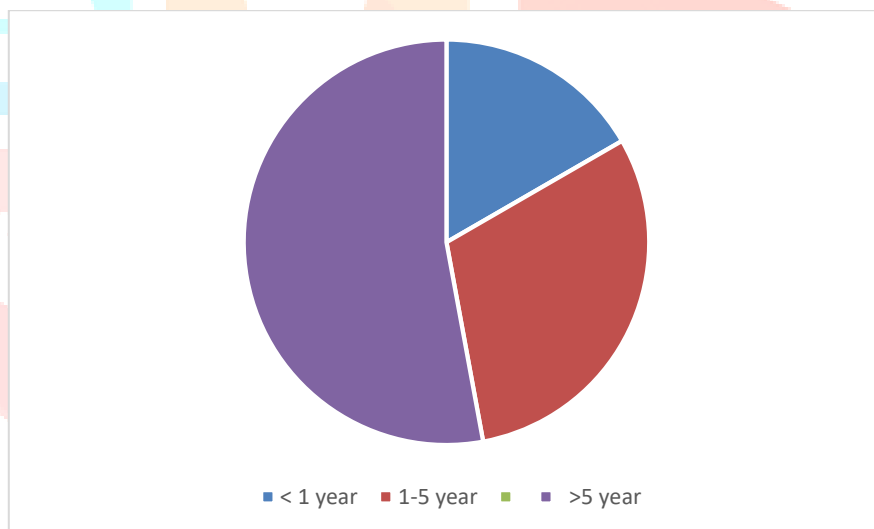


#### Inference

Percentage of customers changing brands is Yes – 100%, No – 72.0%

### 3. Years of usage of same brands

BRAND	FREQUENCY	PERCENT
Less than 1 year	23	21.5
1-5 years	42	39.3
Greater than 5 years	73	32.7
<b>Total</b>	<b>107</b>	<b>100.0</b>

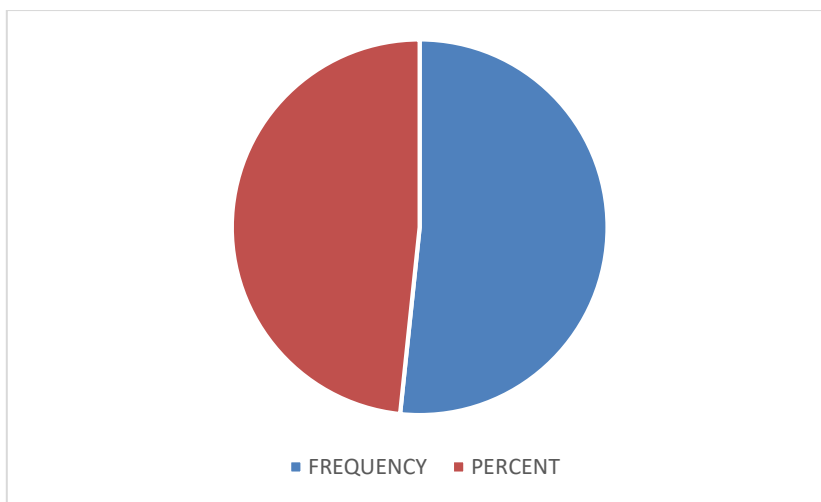


#### Inference

Percentage of customers who uses the brands for 1 year – 6.5%, less than 1 year – 28%, Between 1-5 years – 100%, Greater than 5 years – 28%.

### 4. Switching of brands in same variants

BRAND	FREQUENCY	PERCENT
No	45	42.1
Yes	55	51.4
<b>Total</b>	<b>107</b>	<b>100.0</b>

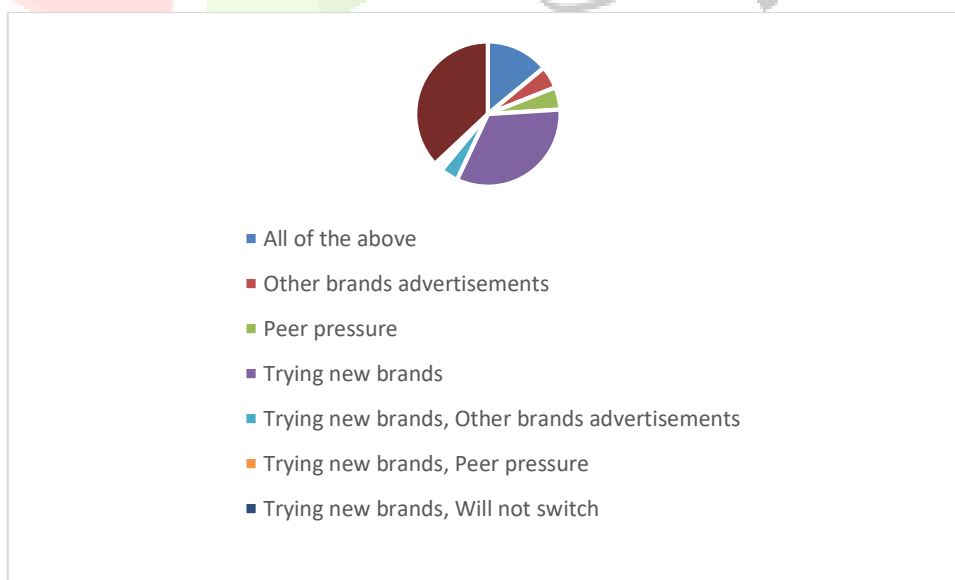


**Inference**

Percentage of customers who switches different variants within the brand yes – 100%, No – 48.6%. This concludes that the customers don't switch over other brands

**5. Criteria's of switching brands**

	Frequency	Percent
Other brands advertisements	5	4.7
Peer pressure	5	4.7
Trying new brands	33	30.8
Trying new brands, Other brands advertisements	4	3.7
Trying new brands, Peer pressure	1	.9
Trying new brands, Will not switch	1	.9
Will not switch	37	34.6
All of the above	14	13.1
<b>Total</b>	<b>107</b>	<b>100.0</b>

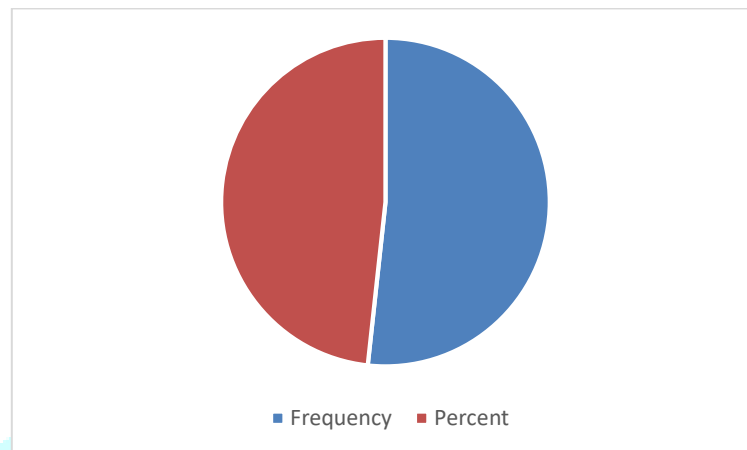


**Inference**

Percentage of different criteria's with which the customers switch over other brands Other brands advertisement – 19.6%, peer pressure – 29.0%, Tring other new brands – 59.8%, Will not switch – 65.4. This shows that if the customers are satisfied they will not switch brands dur to any criteria.

## 6. Satisfaction of the brand

	Frequency	Percent
No	9	8.4
Yes	91	85.0
<b>Total</b>	<b>107</b>	<b>100.0</b>



### Inference

Percentage whether the customers are satisfied with the brands they are using Yes – 100%, No – 15%. This shows that the loyal customers are always satisfied with the brands they are using.

## 4.3 CORRELATION BETWEEN CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

H<sub>0</sub> - There is no impact of customer satisfaction on customer loyalty.

H<sub>1</sub> - There is impact of customer satisfaction on customer loyalty.

### CORRELATION BETWEEN CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

Pearson Correlation	Significance	Significant
.497	<.001	Significant

### Inference

The impact of customer satisfaction on customer loyalty is significant. Hence Reject H<sub>0</sub>. The relationship is positively correlated.

## 4.4 REGRESSION BETWEEN CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

H<sub>0</sub> - There is no impact of customer satisfaction on customer loyalty.

H<sub>1</sub> - There is impact of customer satisfaction on customer loyalty.

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.497 <sup>a</sup>	.247	.240	.479	.247	34.513	1	105	<.001

### Inference

The impact of customer satisfaction on customer loyalty is Significant. Hence Reject H<sub>0</sub>. Also customer satisfaction has 24.7% Significant Impact over the customer loyalty.

## 5. CONCLUSION

From the study of the impact of customer satisfaction on customer loyalty of brands have been identified. The level of impact of satisfaction on loyalty also have been analysed. From this analysis it has been found that customers who are satisfied using their brands are loyal towards the particular brand and will not change it at any time for any reason. Furthermore with 107 samples were taken randomly within different age groups. But there is still a wide scope of factors that possibly impact of customer satisfaction on customer loyalty.

## 6. REFERENCE

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