

# [An introduction to theoretical foundation essay sample](https://assignbuster.com/an-introduction-to-theoretical-foundation-essay-sample/)

In a competitive marketplace where business compete for customers, customer satisfaction is seen as a key differentiation and increasingly has become a key element of business strategy. Customer satisfaction refers to extent to which customers are happy with the products and services provided by a business. Customer satisfaction levels can be measured using survey techniques and questionnaires.

Gaining high levels of customer satisfaction is very important to a business because satisfied customers are most likely to be loyal and to make repeat orders and to use a wide range of service offered by a business. The importance of customers has been highlighted by many researchers and academicians. Zairi (2000) said “ customers are the purpose of what we do and rather than them depending on us, we very much depend on them.

The customers is not source of a problem, we shouldn’t perhaps make a wish that customers ‘ should go away’ because our future and our security will be put in jeopardy”. That is the main reason why organizations today are focusing on customer satisfaction, loyalty and retention. According to Hansemark and Albinsson (2004),” satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire”.

Customer loyalty, on the other hand, according to Anderson and Jacobsen,” is actually the result of an organization creating a benefit for a customer so that they will maintain or increase their purchase from the organization”. Customer satisfaction is the state of mind that customers have about a company when their expectation have been met or exceeded over the lifetime of the product or service. The achievement of customer satisfaction leads to company loyalty and product repurchase.

There are some important implications of this definition: \* Because customer satisfaction is a subjective, nonquantitative state, measurement won’t be exact and will require sampling and statistical analysis. \* Customer satisfaction measurement must be undertaken with an understanding of gap between customer expectations and attribute performance perception. \* There should be some connection between customer satisfaction measurement and bottom-line result. “ Satisfaction” itself can refer to a number of different facts of the relationship with a customer.

For example, it can refer to any or all of the following: \* Satisfaction with the quality of a particular product or service \* Satisfaction with an ongoing business relationship \* Satisfaction with the price-performance ratio of a product or service \* Satisfaction because a product/service met or exceeded the customer’s expectations Each industry could add to this list according to the nature of the business and the specific relationship with the customer.

Customer satisfaction measurement variables will differ depending on what type of satisfaction is being researched. For example, manufacturers typically desire on-time delivery and adherence to specification, so measures of satisfaction taken by suppliers should include these critical variables. Clearly defining and understanding customer satisfaction can help any company identify opportunities for product and service innovation and serve as the basis for performance appraisal and reward systems.

It can also serve as the basis for a customer satisfaction surveying program that can ensure that quality improvement efforts are properly focused on issues that are most important to the customer. Views of researchers on Customer satisfaction: Many researchers have looked into the importance of customer satisfaction. Kotler(2000) defined satisfaction as: “ a person’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectation”.

Hoyer and Maclnnis (2001) said that satisfaction can be associated with feeling of acceptance, happiness, relief, excitement, and delight. There are many factors that affect customer satisfaction. According to Hokanson (1995), these factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service.