

**“IMPORTANCE OF CUSTOMER SATISFACTION IN  
BRAND BUILDING WITH SPECIAL REFERENCE TO IT  
INDUSTRY ”**

**Mr. Nikhil Monga\***

**Mr. Deepak Pandey\***

**ABSTRACT**

The research aims to understand that how customer satisfaction is helpful in building brand loyalty with special reference to IT sector. In order to accomplish this, secondary data of previous research related to customer satisfaction and brand loyalty has been used. The results show that if the expectations of the customers related to products have met, the customers are likely to be satisfied. Furthermore, Customer satisfaction are highly influenced by technical support, the products' quality, the product's user-friendliness and availability of the staff in reference of IT industry . The factor that contributed the most to customer satisfaction was how the staff behave and respond to the customers. The factor which contributed the least were selection of products, handling of invoices and delivery times.

Keywords: Customer satisfaction, brand building, IT industry

---

\* Assistant Professor, Lovely Professional University

## INTRODUCTION

In the past scenario, companies were focused on production and manufacturing but somewhere what customers needed and wanted was neglected (Fornell, 2007, p.17). Declining customer satisfaction reduces demand and sets in motion a vicious circle of effects that includes erosion of firms' economic value, labor uncertainty, and, ultimately, slower economic growth" (Fornell, 2007, p. 14). According to Fornell (2007), many companies have too much focus on productivity. For example, service companies often see themselves as manufacturers instead of service providers. In order to work towards customer satisfaction a lot of machineries have to be put in place. Since years ago, quality customer service has been an essential tool for every business success and it is also used as a means of product differentiation since there are more competitors in every market. Customer service could be summarized into the process of offering the best quality in tangible products, quality interactions in transactions with customers, quality in intangible products and building profitable lasting relationships between the customers and the business organization. Therefore, the means to customer satisfaction is by offering the best quality products and customer services that they expect or want. Customer satisfaction and customer services are two different things entirely; customer service is defined by the business organization while customer satisfaction is defined by the customers. Therefore, a business organization that wants to satisfy customers could define its services according to the wants or needs of the customers (Scott Dru, 2000). It is a confirmed reality that a satisfied customer will give more value, often and over a long period of time if not lifetime. In other words, an unsatisfied customer will be dissatisfied, find desired product with another business organization in order to derive satisfaction, thereby causing a loss in the customer lifetime value of the dissatisfied customer by the business organization that does not satisfy the customer (Richard Gerson, 1993).

When buying a product, the buyer in a company faces many decisions depending, on the type of buying situation. There are three main buying situations: *straight rebuy*, *modified rebuy*, and *new task* (Kotler et al, 1999, p. 283). The company and customers used for this study mainly operate in straight rebuy situations. The other two situations occur as well, but as these are less common, they will not be the focus of this study. In straight rebuy situations, customers reorder a product without modifications. The situation is handled by the purchasing department, usually on a

routine basis.

All parts of business (employment, prices, profits, production, economic growth etc.) are dependent on customers consuming products (Fornell, 2007; Johnson & Gustafsson, 2000). “Satisfied customers are not only the sum total of the value of all other company assets – virtually all costs and revenues have some relationship, however weak or indirect, to customer acquisition and customer retention” (Fornell, 2007, p. 66). The key to business performance is the ability to satisfy and retain customers (Johnson & Gustafsson, 2000). Customer satisfaction is important because it says something about the company’s current condition. But even more importantly, customer satisfaction says something about the company’s future. It reveals if customers will return to the company in the future (Fornell, 2007, p. 45). Expectations refer to the perceived potential of alternative suppliers and brands to satisfy a number of explicit and implicit objectives in any particular buying decision (Sheth, 1973). Different individuals tend to have different expectations of products. The reasons for this are the background of the individuals, the amount of information he/she has and seeks, and the amount of satisfaction with past purchases (Sheth, 1973, pp. 52-53). There is also a point in differentiating between varying levels of expectations. These different levels are a buyer’s ideal expectation level, deserved level (where benefits is equal to costs), minimum tolerable level and anticipated level (Cronin, 1989, pp. 41-42). The dominant model in literature on customer satisfaction is called the *disconfirmation model* and it deals with how well expectations are met (Rossomme, 2003; Churchill & Surprenant, 1982). The disconfirmation of expectations can either be positive or negative (Molinari, 2008, p. 364). If the perceived product exceeds the customers’ expectations, the customer satisfaction will be very high. If the product meets the customers’ expectations, the customers will be satisfied. And finally, if the perceived product does not meet the customers’ expectations, the result will be an unsatisfied customer (Kotler, 2000; Churchill & Surprenant, 1982). This means that if a customer has unrealistically high expectations, the customer will be disappointed even though the product was of good quality (Grönroos, 2007, pp. 76-81). Söderlund (1997) states that a product can be seen as different parts, which individually create satisfaction. The customer can be satisfied with some parts of the offer and dissatisfied with others. The different parts of an offer can be divided into a variety of groups. Examples of the parts are perceived service, treatment from the supplier, delivery time, reliability, etc. (Seth, 1973; Söderlund, 1997). The customer can also view the product as a compound of the different

parts and create an overall satisfaction (Söderlund, 1997, pp. 42-43).

According to Söderlund (2000), customer satisfaction can be seen as an attitude that is based on experiences and subjectivity. Customer satisfaction is a state of mind that the customer has (Söderlund 1997; 2000). This state of mind is a result of being exposed to offers and taking part of transactions with suppliers. It can be described as an emotional reaction connected to the customer's own experiences (Söderlund, 1997, pp. 37-40).

A business organization that is traditionally into the market for the major traditional business reasons is different from a business organization that wants to satisfy customers. Therefore, before a business organization starts setting policies and programs on how they will satisfy their customers, they need to re-structure their organizational form or structure and insert satisfying customers into their goals and visions as well (Roberts-Phelps Graham,2001). In order to attain customer satisfaction, the business organization as a whole has to cooperate to satisfy the customers. In order to ensure cooperation, the human resources have to give the care or attention given to their customers to their fellow workers or employee. This implies that the employees have to treat each other the way they treat their customers. The importance of cooperation is huge; when it is absent there will be low quality output, energy wastage, time wastage and high level of burnout (Scott Dru, 2000). Chestnut and Jacoby (1978) have defined brand loyalty, trying to highlight it as a result of the decision making process. Thus they tried to find a theoretical justification for the collocation of brand loyalty that should be refer to in order to explaining the decision consumers take or their choice alternatives. Brand loyalty represents thus a combination of positive attitude and consistent and repeated purchase of a single brand over time (Day, 1969, Jacoby and Chesnut, 1978; Assael, 1987, Dick and Basu, 1994). Starting from the major objective of this research which includes defining loyalty and its drivers, we have determined two important perspectives in defining the concept: defining the consumer brand loyalty in terms of behaviour; defining the brand loyalty in terms of consumer attitudes, From the marketing literature it seems that the elements that best define loyalty refer to both behavioural and the psychological aspects, loyalty is defined in direct line with consumer aspirations, desires and preferences and it does not depend on situational influences and the marketing actions or efforts that have the potential to induce change. Starting from the definition given to brand loyalty by Jacoby and Chestnut (1978), there are three different approaches to measuring it: the behavioural measurements, the attitudinal ones and the combined measurements. Recently,

researchers have improved the methods of measurement for loyalty by extending the notion of loyalty by both behavioural and attitudinal aspects. A critical review of these studies will help develop a better measure for brand loyalty. Several researchers (Jacoby and Chestnut, 1978; DuWors and Haines, 1990; Stern, 1997) have discussed the need to combine behavioural with attitudinal brand loyalty measurements and thus to develop a new metric for loyalty. These studies have described brand loyalty not only as a result of repeat purchase behaviour, but also as a multidimensional consequence of the cognitive attitudes towards a specific brand. The identification of the drivers of loyalty has been another important topic among researchers of customer loyalty (Dick and Basu, 1994; Anderson, Srinivasan, 2003; Lee, 2003, Chiou, 2004, Agustin and Singh, 2005; Morais, Dorsch, and Backman, 2004). This section begins with a brief history of the studies on loyalty and will continue with a more detailed discussion of some of the most commonly examined customer loyalty factors

#### Purpose and Research Question

The purpose of the research is to identify that how customer satisfaction help in building brand loyalty and customer satisfaction in the IT-industry from the customer's point of view. Through this, researcher try to identify indicators which increase customer value. Secondary data of previous research will be used as a platform and their customers will be the target of the study. To fulfill the purpose of this study, the following objectives have been formulated:

- 1) Which factors affect customer satisfaction and brand loyalty in IT Industry?
- 2) What factors would have greater and smaller affect on customer satisfaction?

#### CONCLUSIONS

From the literature review, three main areas were found to influence customer satisfaction. These were how well the supplier company's performance corresponded to the customers' expectations, the different parts of an offer (eg. quality, price, user-friendliness etc.) and the customers' subjectivity. Based on this, a model was created by Tomas Henriksson and Carolin Westman Wall in 2009 where the different parts of an offer and subjectivity affect the expectations customers have on the product and how they experience it. These in turn create the customer satisfaction.

When the customers rated which parts of an offer were most important, eight had an average



rating which indicated that the parts were seen as important or very important. These were: technical support; the products' quality and user-friendliness; the way technicians, sellers and the entire staff treat customers; availability of the staff; and price (Henriksson, Westman'2009). Nevertheless, all of these did not appear to have the same impact on the general grade that was given. When the customers graded the different parts of an offer and overall performance, the variables which appeared to have a strong impact on customer satisfaction were how the technicians, sellers and entire staff treated the customers and the technical support offered (Henriksson, Westman'2009).

The parts of an offer which the respondents stated as least important were selection of products, handling of invoices and time from order to delivery. Other parts of less importance were complaint policy, how the finance department treats customers, education about the products and time from offer request to offer (Henriksson, Westman'2009). According to the research carry out on customer satisfaction feedback, the Service sectors should use the information provided to improve the services rendered to their customers and satisfy the needs of the customers. They should always encourage their customers to tender their complaints as it will always show them where to improve and turn the complaints into opportunities by improving on the areas complained about. Furthermore, IT Service providers could endeavor to organize this type of customer satisfaction feedback like once in a month or once in two months in order to know their relationship with their customers and know how satisfied their customers have been.

## REFERENCES

1. Aaker D. A. (1991), Managing Brand Equity Capitalizing on the Value of a Brand Name, J11, ed. The Free Press. New York;
2. Aaker D. A. (1996) - Measuring Brand Equity across Products and Markets, California Management Review, 38
3. Aaker D.A. (2005), Managementul capitalului unui brand. Cum să valorifici numele unui brand, București, Brandbuilders, 2005
4. Aaker D.A., Biel, A. (1993) - Brand equity & Advertising. USA: Lawrence Erlbaum Associates;
5. Aaker D.A., Jacobson R. (1994) - The financial information content of perceived quality, Journal of Marketing Research, Vol. 31, May, 191-201;
6. Aaker D.A., Joachimsthaler E. (2000) - The brand relationship spectrum: The key to the brand

- architecture challenge, *California Management Review*, Vol. 42, 8-23;
7. Aaker D.A., Schmitt B. (1998) - Culture-dependent assimilation and differentiation of the self, Working, Paper No. 314, 561-576;
  8. Aaker J.L. (1997) - Dimensions of brand personality, *Journal of Marketing Research Applications* (2nd ed.) Cambridge, Mass: Blackwell;
  9. Aaker J.L. (1999) - Brand Personality: A Path to Differentiation, in *Brands Face the Future*, Ed. R. Morgan, NY, New York: Research International, 13-21;
  10. Aaker J.L. (1999) - The malleable self: the role of self-expression in persuasion, *Journal of Marketing Research*, 36(1), 45-57;
  11. Aaker J.L., Fournier S., Brasel S. A. (2004) - When good brands do bad, *Journal of Consumer Research*, 31(1), 1-16;
  12. Aaker J.L., Maheswaran D. (1997), The impact of cultural orientation on persuasion, *Journal of Consumer Research*, Vol. 24 (December), 315-328;
  13. Andersson, U., Forsgren, M. & Holm, U. 2002. "The Strategic Impact of External Networks: Subsidiary Performance and Competence Development in the Multinational Corporation".
  14. *Strategic Management Journal*, Vol. 23, no. 11, pp. 979-996.
  15. Cannon, J. & Perreault, W. 1999. "Buyer-Seller Relationships in Business Markets". *Journal of Marketing Research*, Vol. 36, November, pp. 439-460.
  16. Churchill, G. A. Jr & Surprenant, C. 1982. "An Investigation into the Determinants of Customer Satisfaction". *Journal of Marketing Research*, Vol. XIX, November, pp. 491-503.
  17. Cronin, J. & Morris, M. 1989. "Satisfying Customer Expectations: The Effect on Conflict and Repurchase in Industrial Marketing Channels". *Journal of the Academy of Marketing Science*, Vol. 17, no. 1, pp. 41-49.
  18. Fornell, C. 2007. *The Satisfied Customer – Winners and Losers in the Battle for Buyer Preference*. New York: Palgrave Macmillan
  19. Goodman, P., Fichman, M., Lerch, J. & Snyder, P. 1995. "Customer-Firm Relationships, Involvement and Customer Satisfaction". *The Academy of Management Journal*, Vol. 38, no. 5, pp. 1310-1324.
  20. Grönroos, C. 2007. *Service Management and Marketing: Customer Management in Service Competition*. Chichester, United Kingdom: John Wiley & Sons Ltd. 3<sup>rd</sup> edition.
  21. Gummesson, E. 1998. *Relationsmarknadsföring: Från 4P till 30R*. Malmö, Sweden: Liber

Ekonomi.

22. Hayes, B. 1998. *Measuring Customer Satisfaction: survey design, use, and statistical analysis methods*. Milwaukee, USA: ASQ Quality Press, 2<sup>nd</sup> edition.
23. Jobber, D. & Fahy, J. 2002. *Foundations of Marketing*. Maidenhead, United Kingdom: McGraw-Hill Education.
24. Johnson, M. D. & Gustafsson, A. 2000. *Improving Customer Satisfaction, Loyalty, and Profit: An Integrated Measurement and Management System*. San Francisco, California: Jossey-Bass Inc.
25. Kotler, P. 2000. *Marketing Management*. Upper Saddle River: Prentice Hall International Inc.
26. Merchant, K. & Van der Stede, W. 2007. *Management Control Systems – Performance Measurement, Evaluation and Incentives*. Harlow, United Kingdom: Pearson Education Limited.
27. Molinari, L., Abratt, R. & Dion, P. 2008. “Satisfaction, quality and value and effects on repurchase and positive word of mouth behavioral intentions in a B2B services context”.
28. *Journal of Services Marketing*, Vol. 22, no. 5, pp. 363-373.
29. Newbold, P., Carlson, W. & Thorne, B. 2007. *Statistics for Business and Economics*. Upper Saddle River: Pearson Prentice Hall. 6<sup>th</sup> edition.
30. O’Donnell, SW, 2000. “Managing Foreign Subsidiaries: Agents of Headquarters or an Interdependent Network?”. *Strategic Management Journal*, Vol. 21, no. 5, pp. 525-548.
31. Richman, T. 1996. “Service Industries: Why Customers Leave”. *Harvard Business Review*, January-February, Vol. 74, no. 1 pp. 9-10.
32. Rossomme, J. 2003. “Customer Satisfaction Measurement in a Business-to-Business Context: a conceptual framework”. *Journal of Business & Industrial Marketing*, Vol. 18, no. 2, pp. 179-195.
33. Saunders, M., Lewis, P., & Thornhill, A. 2003. *Research Methods for Business Students*. Harlow, United Kingdom: Prentice Hall. 3<sup>rd</sup> edition.
34. Sheth, J. 1973. “A Model of Industrial Buyer Behavior”. *Journal of Marketing*, Vol. 37, October, pp. 50-56.
35. Söderlund, M. 1997. *Den nöjda kunden. Kundtillfredsställelse – orsaker och effekter*. Malmö, Sweden: Liber Ekonomi.
36. Söderlund, M. (red). 2000. *I huvudet på kunden, EFI:s Årsbok 2000*. Malmö, Sweden: Liber Ekonomi.