

Customer Satisfaction – At a Glance

G. Purushothaman

Assistant Professor & Head, PG Department of Commerce (General), S.A. College of Arts & Science, Thiruverkkadu, Chennai, Tamil Nadu, India (Affiliated to the University of Madras)

Corresponding Author Email: profpurusg@gmail.com

Abstract

Customer satisfaction is a fundamental concept in business management that evaluates how effectively a company's products or services fulfill or exceed the expectations of its customers. It serves as a critical performance indicator and is widely recognized as one of the core dimensions within the Balanced Scorecard framework. In today's highly competitive environment, where organizations constantly strive to attract and retain customers, satisfaction has emerged as a vital factor that differentiates successful firms from their competitors and shapes long-term business strategies. Extensive empirical research has demonstrated that higher levels of customer satisfaction lead to increased customer loyalty, positive word-of-mouth communication, and improved financial performance. For organizations, it is essential not only to attract new customers but also to maintain strong relationships with existing ones. Measuring customer satisfaction helps firms assess how well their offerings align with market expectations and identify areas requiring improvement. Several observations further emphasize the importance of customer satisfaction. A majority of dissatisfied customers do not formally complain; in fact, only a small proportion voice their concerns directly. However, dissatisfied individuals are more likely to share their negative experiences with a larger number of people, whereas satisfied customers tend to communicate their positive experiences to fewer individuals. Additionally, retaining existing customers is significantly more cost-effective than acquiring new ones, often requiring only a fraction of the investment. Similarly, maintaining experienced employees is less costly than recruiting and training new staff, which indirectly contributes to better customer service and satisfaction. These insights highlight that customer satisfaction plays a crucial role in enhancing both employee satisfaction and organizational profitability. Therefore, businesses must continuously evaluate and understand the extent to which their customers are satisfied, as it directly influences long-term success and sustainable growth.

Keywords: *Customer satisfaction, business strategy, products, services & Organizations*

Introduction

Customer satisfaction is a complex and intangible concept, and its expression differs across individuals as well as across various products and services. The level of satisfaction experienced by a customer is influenced by a combination of psychological and physical factors, which in turn shape behaviors such as repeat purchases and the likelihood of recommending the product or service to others. Additionally, satisfaction is often relative, as customers tend to evaluate a company's offerings in comparison with alternative products or services available in the market.

Customer satisfaction plays a significant role in enhancing customer retention across diverse sectors. In service-oriented industries, in particular, the quality of service delivered has a direct and substantial impact on the level of customer satisfaction. According to Ingrid Fecikova (2004), satisfaction can be understood as an emotional response that arises from comparing the actual experience of a product or service with prior expectations, the purchase decision, and the extent to which needs or desires are fulfilled. In a broader sense, satisfaction refers to the attainment of desired outcomes. However, interpreting satisfaction merely as the absence of problems or complaints is inadequate. While reducing customer complaints is important, it does not fully ensure satisfaction. Organizations must actively enhance the quality of their products and services to meet and exceed customer expectations.

The relationship between customer expectations and satisfaction is particularly important. Customers with lower initial expectations are more likely to feel satisfied when their experiences exceed what they anticipated, especially when companies introduce innovative features or improvements. Conversely, customers who are highly sensitive to declines in quality, even if they are unaware of certain improvements, may experience lower levels of satisfaction and develop higher expectations. Therefore, managing customer expectations alongside continuous improvement is essential for achieving higher levels of satisfaction.

Review of Literature

This chapter presents a comprehensive review of existing literature and theoretical models relevant to the research problem discussed in the preceding chapter. It aims to provide a clear understanding of key concepts such as customer satisfaction, service quality, and the

relationship between them. In addition, the chapter examines traditional dimensions of service quality, emerging dimensions in online environments, and models specifically related to service quality in online retailing.

Customer satisfaction can be understood as a customer's overall assessment of the performance of a product or service based on their cumulative experience over time. This overall evaluation has been widely recognized as a significant driver of customer loyalty across various product and service categories (Gustafsson, 2005). Higher levels of satisfaction generally lead to stronger intentions to repurchase and recommend the offering to others.

The level of customer expectations, which plays a crucial role in determining satisfaction, is influenced by several factors, including customer needs, perceived value, and the total cost incurred by the customer. Researchers in consumer behavior suggest that selecting a product or service is only one phase within a broader decision-making process. This process is shaped not only by the characteristics of the buyer but also by a structured sequence of decision stages.

Consumer characteristics such as cultural background, social influences, personal preferences, and psychological factors significantly affect purchasing behavior. Alongside these characteristics, the decision-making process typically progresses through five key stages: need recognition, information search, and evaluation of alternatives, purchase decision, and post-purchase evaluation (Chaston, 2001). Each of these stages contributes to shaping the customer's overall experience and satisfaction with the product or service.

Need For the Study

For any organization to succeed in a competitive market, it is essential to understand and continuously monitor the satisfaction levels of its existing customers. Gaining insight into how customers perceive products and services enables firms to make informed improvements and align their offerings with customer expectations. In this context, retaining current customers is often more valuable than acquiring new ones, as loyal customers contribute to sustained business growth and stability. Word-of-mouth communication further highlights the importance of customer satisfaction. Satisfied customers tend to share their positive experiences with a limited number of people, whereas dissatisfied customers are

more likely to spread negative feedback to a much larger audience. This imbalance can significantly influence a company's reputation and market position. Therefore, maintaining a high level of customer satisfaction is crucial for long-term success.

In highly competitive industries, such as the electronics sector, companies must pay particular attention to customer preferences, expectations, and experiences. For instance, an organization like Elahi Electronics, which operates alongside numerous competitors in manufacturing products such as transformers, inverters of varying capacities, and welding equipment, must regularly assess customer satisfaction to remain competitive. Understanding customer needs and identifying areas for improvement can help the company enhance its product offerings and service quality. Consequently, a focused approach toward measuring and improving customer satisfaction is essential for achieving better performance and sustaining a strong market presence.



Satisfaction Model

Scope of the Study

The study concentrates on analyzing the level of customer satisfaction, along with customer preferences and expectations related to the products and services offered by Elahi Electronics. It also examines the extent of customer awareness and identifies factors that influence their choices and perceptions. In addition, the research explores possible ways to enhance the satisfaction levels of existing customers. The findings of this study are intended to provide valuable insights into these key areas, enabling the organization to better understand its customers. Such insights can assist the firm in formulating effective strategies for delivering its products in a more efficient and market-oriented manner. Ultimately, this will help the company align its offerings with customer expectations and improve overall customer satisfaction.

Objective of the Study

- To assess the level of customer satisfaction with the services provided by Elahi Electronics.
- To examine the expectations that customers have regarding the products and services of Elahi Electronics.
- To identify effective measures for enhancing the satisfaction levels of customers of Elahi Electronics.
- To evaluate the overall awareness among customers about Elahi Electronics and its offerings.

Research Design and Methodology

In this chapter we will discuss about the research design and research methodology used for studying the customer satisfaction in Elahi Electronics.

Research Design

A research design can be understood as a structured plan or blueprint that guides the process of collecting and analyzing data required for a study. It provides a systematic approach to ensure that relevant information is gathered accurately, efficiently, and in a cost-effective manner. The primary purpose of a research design is to offer a clear framework that aligns the research objectives with appropriate methods of data collection and analysis.

In essence, research design outlines the overall strategy of investigation, enabling the researcher to obtain precise answers to research questions while minimizing errors and controlling variations in the data. It serves as a foundation for conducting the study in a logical and organized way. For the present study, a descriptive research design has been adopted, as it is suitable for analyzing and interpreting the current status of customer satisfaction, preferences, and expectations.

Methodology

Research methodology outlines the procedures and techniques used to conduct a study in a systematic manner. It includes details regarding the research design, sources of data, methods of primary data collection, fieldwork procedures, as well as the techniques used for data analysis and interpretation. It also addresses the limitations associated with the study. In

the present research, a survey method has been employed as the primary approach. Data were collected from customers through a structured questionnaire. Before administering the questionnaire, respondents were provided with a brief explanation about the company and its initiatives aimed at enhancing customer support. This approach facilitated the collection of relevant and reliable information regarding customer satisfaction, preferences, and expectations.

Sources of Data

Data sources consisted of primary and secondary sources.

Primary Data

A structured questionnaire was employed as the primary instrument for conducting the survey. To minimize response bias and enhance the reliability of the collected data, the questionnaire was carefully designed with a systematic and standardized format.

This structured approach offers several advantages, including ease of administration and simplicity in data processing, analysis, and interpretation. It ensures consistency in responses and facilitates efficient comparison across different respondents. The questionnaire included both dichotomous (yes/no) and multiple-choice questions, enabling the capture of a wide range of responses. All questions were presented in a clear and direct manner without any form of disguise, thereby reducing ambiguity and encouraging respondents to provide honest and accurate answers.

Secondary Data

Information related to Elahi Electronics was gathered from a variety of secondary sources, including academic journals, online platforms, magazines, and relevant websites. These sources provided useful background data and supported the overall analysis of the study.

Sampling Plan and Sampling Design

A sample of consumers from across Alandur was selected for the survey to ensure a representative and balanced understanding of perceptions regarding the products and services of Elahi Electronics. This sampling approach was intended to capture diverse customer opinions while maintaining consistency in the data collected.

Tools Used for Collecting Data

The primary instrument used for data collection in this study was a structured questionnaire. The survey was conducted among existing customers of Elahi Electronics residing in the selected area, as well as along Mount Road. In addition, potential customers from various parts of Chennai, particularly those visiting major shopping centers and commercial complexes in locations such as Mount Road and T. Nagar, were also included in the study.

The sample size was determined based on an estimate of the average number of consumers who utilize the company's products and services. This approach ensured that the sample adequately reflected both current and prospective customers, thereby providing meaningful insights into customer satisfaction, preferences, and expectations.

Sampling Size

100 Samples were taken in the Chennai Area.

Sampling Method

In this study, a non-probability convenience sampling technique was adopted, where respondents were selected based on their accessibility and ease of approach. This method was considered suitable due to time and resource constraints, allowing for efficient data collection from readily available participants.

For the purpose of data analysis, the Chi-square statistical test was employed. This technique was used to examine relationships between variables and to determine the significance of associations within the collected data.

Data Collection and Data Analysis

Table 1: Variables used for collecting data

Variables		No. of Respondents	Percentage (%)
Gender	Male	76	76
	Female	24	24
	Total	100	100

Age	18-24	5	5
	25-34	19	19
	35-44	31	31
	45-54	23	23
	55-64	14	14
	65 and above	8	8
	Total	100	100
Occupational status	Students	9	9
	Public Sector	24	24
	Professional	30	30
	Business	21	21
	Agriculture	11	11
	Housewives	5	5
	Total	100	100
Monthly Income	Up to Rs.15,000	9	9
	Rs.15,001 to Rs.30,000	30	30
	Rs.30,001 to Rs.45,000	22	22
	Rs.45,001 to Rs.60,000	39	39
	Total	100	100
Size of the family	Joint family	63	63
	Nuclear family	37	37
	Total	100	100
Sources of awareness	Internet	35	35
	Word of mouth	9	9
	Existing customers	41	41
	Dealers	15	15
	Total	100	100
Educational level	Formal Education	11	11
	School level	7	7
	Undergraduate	23	23
	Postgraduate	24	24
	Professionals	35	35
	Total	100	100

Above are the variables used for collecting data from various customers, dealers of Elahi Electronics.

Classification of Data

Table 2: Classification of Respondents based on their age

Age Group	Frequency	Percentage (%)
18-24	5	5
25-34	19	19
35-44	31	31
45-54	23	23
55-64	14	14
65 and above	8	8
Total	100	100

Interpretation

It is observed from the table that 5% of the respondents are in the 18-24 age group while 19% are in the 25-34 group, 31% are in the 35-44 group, 23% are in the 45-54 age group, 14% are in the 55-64 age group and 8% are in the 65 & above group.

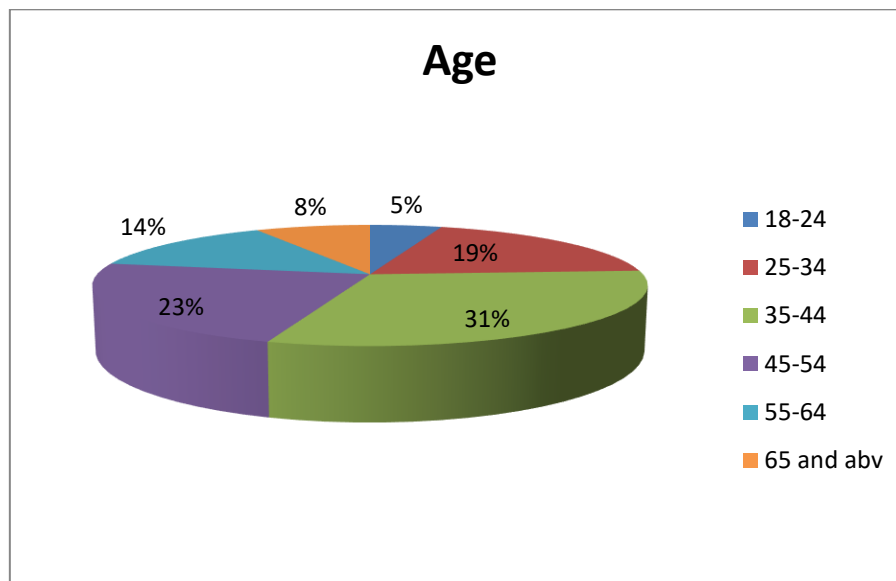


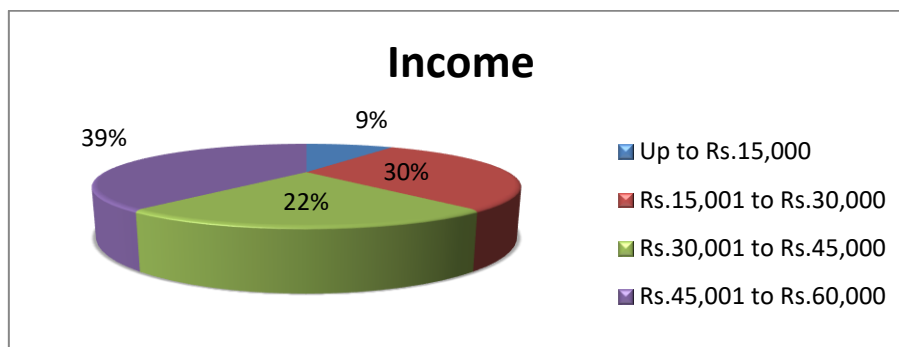
Chart of Respondents based on their Age

Table 3: Classification of respondents based on their Income

Income Range	Frequency	Percentage (%)
Up to Rs. 15,000	9	9
Rs.15,001 to Rs.30,000	30	30
Rs.30,001 to Rs.45,000	22	22
Rs.45,001 to Rs.60,000	39	39
Total	100	100

Interpretation

It is observed from the table that 9% of the respondents are in the income range of up to Rs.15,000 while 30% of the respondents fall under the income range of Rs.15,001 to Rs.30,000, 22% of the respondents fall under the income range of Rs.30,001 to Rs.45,000 and 39% of respondents fall under the income range of Rs.45,001 to Rs.60,000.

**Chart of Respondents based on their Income****Table 4: Classification of Respondents based on their opinion on the Product**

Opinion	Frequency	Percentage (%)
Price	19	19
Quality	29	29
Installation or First Use Experience	11	11
Shopping Experience	9	9
Customer Service	32	32
Total	100	100

Interpretation

From the above table it is observed that 19% of the respondents have chosen the Price of the Product while 29% of the respondents have chosen the Quality of the Product, 11% of the respondents have chosen Installation or First Use Experience of the Product, 9% of the respondents have chosen the Shopping Experience of the Product and 32% of the respondents have chosen the Customer Service offered by the company.

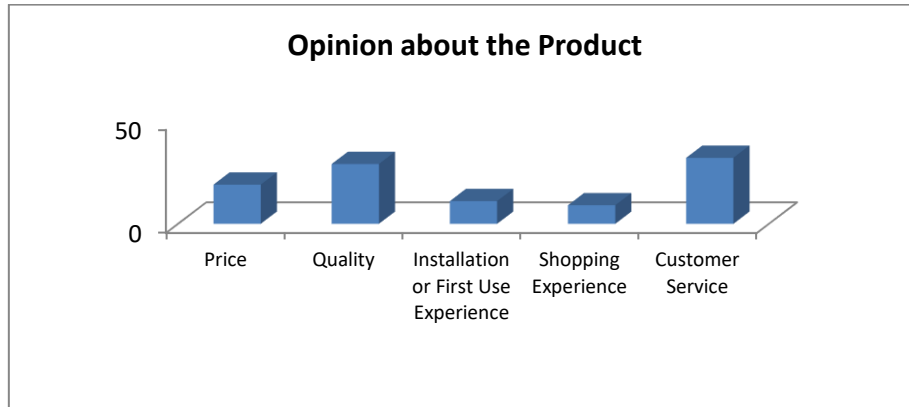


Chart of Respondent’s opinion about the Product

Table 5: Classification of respondents based on Gender

Gender	Frequency	Percentage (%)
Male	76	76
Female	24	24
Total	100	100

Interpretation

From the table it is observed that 76% of the respondents are Male while 24% of the respondents are Female.

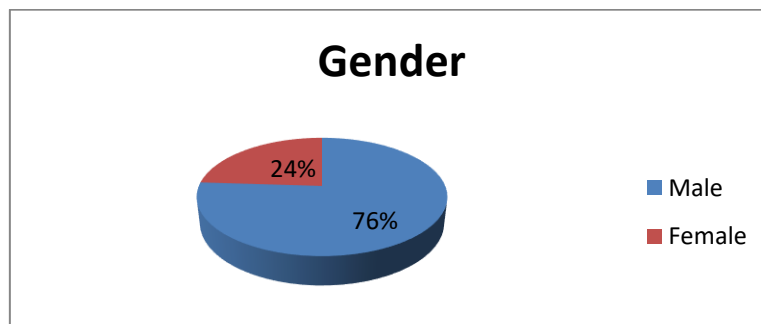


Chart of Respondents based on their Gender

Table 6: Classification of respondents based on the opinion about the services offered by the company

Opinion	Frequency	Percentage (%)
Customer Friendly	33	33
Efficient Services	42	42
Prompt response	21	21
Dissatisfied	4	4
Total	100	100

Interpretation

It is observed from the table that 33% of the respondents have chosen that the services offered by the company are Customer Friendly while 42% of the respondents have chosen Efficient Services, 21% of the respondents have chosen Prompt response and 4% of the respondents have chosen Dissatisfied.

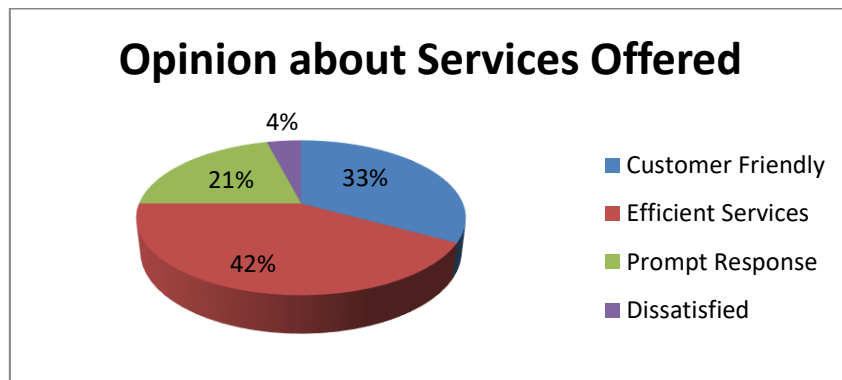


Chart of Respondents based on their opinion about the Services Offered

Findings

- It is inferred from the study that most of the customers prefer our products based on the Quality of our products.
- 31% of the respondents are in the 35-44 age group
- 39% of respondents fall under the income range of Rs.45, 001 to Rs.60, 000.
- 29% of the respondents have chosen the Quality of the Product.
- 76% of the respondents are Male.
- 42% of the respondents have chosen Efficient Services.

Suggestions

- Companies should explore the possibility of developing export markets as some are already doing this.
- Brand line extended strategies can be adopted for the established brands

Conclusion

Elahi Electronics has evolved from a developing enterprise into a well-established organization over the past decade. The findings of the study indicate that the company recognizes the critical role of customer care and satisfaction in ensuring long-term survival and growth. While customers have responded positively to the company's progress, their expectations continue to increase.

The organization enjoys a strong reputation for reliability, transparency in operations, and competitive pricing. However, there is a need to strengthen its marketing strategies to attract new customers while also maintaining relationships with existing ones. Additionally, customers expect a more effective grievance redressal system to address their concerns promptly.

Overall, the level of customer satisfaction with Elahi Electronics in the Chennai region can be considered satisfactory, with scope for further improvement in specific areas. By addressing these concerns and making targeted enhancements, the company has the potential to strengthen its market position and achieve a leading status in the near future.

Limitations of the Study

The study primarily focuses on the existing customers of Elahi Electronics and is geographically limited to the Chennai region. Due to constraints related to time and financial resources, the research was conducted using a sample size of 150 respondents.

Furthermore, the data collected from participants are largely qualitative in nature, reflecting their opinions and perceptions. Such responses are subject to change over time, which may influence the consistency and generalizability of the findings.

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