

CUSTOMER SATISFACTION AND ITS IMPACT ON ORGANIZATIONAL PERFORMANCE

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ABSTRACT

customer satisfaction has become one of the most important factors determining the success of any organization in today's competitive market environment. Companies must not only focus on producing high-quality products but also provide effective service support to maintain longterm relationship with customers. Customer satisfaction reflects the degree to which a product or service meets or exceeds customer expectations. When organizations understand customer needs and provide value through quality production and service efficiency, they can build loyalty and enhance their competitive advantage.

This article examines the concept of customer satisfaction, the factors influencing it, and its importance for organizational growth. It also discusses the relationship between production quality, and service performance in shaping customer perceptions. The study highlights the importance of measuring satisfactions through survey and feedback system and suggest way for organizations to improve customer experience and maintain sustainable growth.

INTRODUCTION

Customer satisfaction is widely recognized as a key indicator of business performance. Organizations that successfully meet customer expectation tend to achieve higher levels of loyalty, repeat purchases, and positive word-of-mouth communication. In modern markets where customer behaviour has multiple choice, businesses must continuously improve both production quality and service delivery.

Production refers to the process of transforming raw material into finished goods that meet customer needs. Service, on the other hand, includes all activities that support customers before, during, and after the purchase. These two elements together determine the overall experience of the customer.

When customer feel that the value they receive from a product or service is higher than what they expected, satisfaction occurs. Conversely, when performance falls below expectations, dissatisfaction arises. Therefore, organizations must regularly evaluate customer perceptions and identify areas for improvement.

CONCEPT OF CUSTOMER SATISFACTION

Customer satisfaction can be defined as the feeling of pleasure or disappointment that results from comparing a product's perceived performance with customer expectations. According to Philip Kotler, satisfaction occurs when the perceived performance of a product matches or exceed the expectations of the customer.

Customer satisfaction is influenced by several elements including

- ☒ Product quality.
- ☒ Price and value for money.
- ☒ Product design and durability.
- ☒ Availability of the product.
- ☒ Customer service support.
- ☒ Complaint handling system.
- ☒ Delivery efficiency.

If these elements are managed effectively, organizations can create a positive customer experience and improve long-term loyalty.

2. RESEACH REVIEW

Customer satisfaction is defined as the customer's evaluation of a product or service based their experience. According to Phillip Kotler, satisfaction is the feeling of pleasure or disappointment resulting from comparing perceived performance with expectations. High satisfaction leads to customer loyalty, while dissatisfaction results in customer.

- ☒ Garvin (1987) identified eight dimensions of product quality, including performance, features, reliability, and durability, which influence customer perception.

Studies show that consistent product quality enhance trust and long-term relationships.

☒ Parasuraman, Zeithaml, and Berry (1988) developed the SERVQUAL model, which measures service based on five dimensions.

☒ Tangibility.

☒ Reliability.

☒ Responsiveness.

☒ Assurance.

☒ Empathy.

Studies highlight that prompt service, employee behaviour, problem resolution significantly influences satisfaction levels. Good service quality leads to positive word-of-mouth and repeat purchase.

3. OBJECTIVES

Primary objectives:

The objective of research is to find customer satisfaction towards production and service.

Secondary objectives:

☒ To identify the key factors influencing customer satisfaction such as product quality, price, service quality, and brand image.

☒ To analyze customer satisfaction expectation and compare them with actual performance.

☒ To examine the relationship between complaints and areas requiring improvement.

☒ To provide practical suggestions to enhance product and service quality.

4. LIMITATIONS OF THE STUDY

☒ The study is limited to a specific geographical area and may not represent customer from other regions.

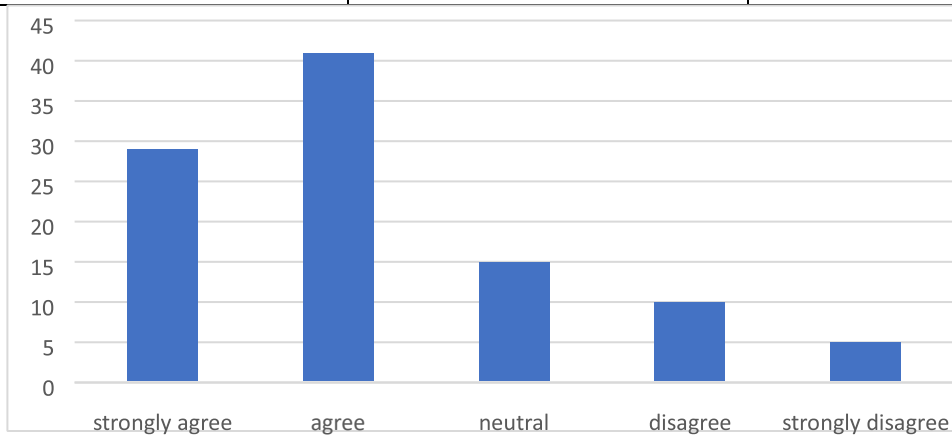
☒ The sample size may be small and may not fully represent the entire customer population.

☒ The study is conducted within limited time period, which may affect the accuracy of the result.

5. ANALYSIS AND INTERPRETATION OF THE DATA

1. PRODUCT AVAILABILITY

Particulars	respondents	percentage
Strongly agree	29	29
Agree	41	41
Neutral	15	15
Disagree	10	10
Strongly disagree	5	5
Total	100	100



INTERPRETATION

The above table shows that the 29% of respondents are strongly agree with the product availability, 41% of respondents are agree, 15 %of respondents are Neutral, 10% of respondents are disagree, 5%of respondents are strongly disagreed.

2. OVERALL SATISFACTION TOWARDS PRODUCTION AND SERVICE

Particulars	Respondents	percentage
Strongly agree	35	35
Agree	35	35
Neutral	15	15
Disagree	10	10
Strongly disagree	5	5
Total	100	100

INTERPRETATION

The table shows that the 35% of respondents Strongly agree with overall satisfied of production and services, 35% of respondents are agree, 15% of respondents are neutral, 10% of respondents are disagree, and 5% of respondents are strongly disagree.

6. CONCLUSION

Customer satisfaction is a critical factor for the success and sustainability of any organization. It reflects how effectively company meets a customer expectation through its products and service. Both production quality and service performance play significant role in shaping customer perception.

Organization that continuously monitor customer satisfaction and make improvements based on feedback can strengthen their market position and achieve long-term growth. Therefore, maintaining high standards in production and service delivery is essential for building strong customer relationships and ensuring sustainable business success.

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