

What does it take to satisfy customer?

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Abstract: *Customer satisfaction is a measurement that determines customer happiness in terms of post purchase of services or product. It important in business because customer is a leading indicator business profit and sustainability. Loyal customer has high tendency that they will repeat purchase. Besides that, it also important because it will reduce customer churn and increase customer lifetime value. Lastly, business organizations need to know that it is important to keep customer satisfied and loyal because it is cheaper to retain customers than acquire new ones. The business organizations need to keep their customer satisfied with their product or services by meeting the needs, wants and their demand so that the customer would not run away and keep using their product or services.*

Keywords: *Customer satisfaction, Customer loyalty, marketing*



Introduction

Customer satisfaction can be defined as a measurement that determines how happy customers are with a company's product, services and capabilities (A. Parasuraman, Zeithaml, & Berry, 1985). Customer satisfaction information, including surveys and ratings can help a company determine on how to improve or make a changes to their product and services (A. A. Parasuraman, Zeithaml, & Berry, 1991). An organization's main focus must be to satisfy its customer (Hasim, Shamsudin, Ali, & Shabi, 2018; M. Shamsudin et al., 2015; M.F. Shamsudin, Razak, & Salem, 2018). This applies to industrial firms, retail and wholesale businesses, government bodies, service companies nonprofit organizations and every subgroup within an organization (M. F. Shamsudin, Razak, & Salem, 2018; M. F. Shamsudin, Shabi, & Salem, 2018; Mohd Farid Shamsudin & Razali, 2015). There are two important questions to ask when business organizations try to get customer satisfaction. The question is who are the customers and what does it take to satisfy them? (Famiyeh, Asante-Darko, & Kwarteng, 2018; Khamis & AbRashid, 2018; Nguyen, Nisar, Knox, & Prabhakar, 2018).

There are a lot of reason why customer satisfaction is important in business organization (B. Kadir & Shamsudin, 2019; M. F. Shamsudin, Razak, et al., 2018; M. F. Shamsudin, Shabi, et al., 2018; M.F. Shamsudin, Ali, Ali, & Shabi, 2019). The first reason is it is leading indicator of consumer repurchase intentions and loyalty (Abror et al., 2019; Cakici, Akgunduz, & Yildirim, 2019; Izogo, 2017). Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future (Abdur Rehman, Osman, Aziz, Koh, & Awais, 2019; Hapsari, Clemes, & Dean, 2017; Keshavarz & Jamshidi, 2018). Asking customers to rate their satisfaction on a scale of 1-10 is a good way to see if they will become repeat customers or even advocates (Kamath, Pai, & Prabhu, 2019; Koutsothanassi, Bouranta, & Psomas, 2017). Any customers that give you a rating of 7 and above can be considered satisfied, and you can safely expect them to come back and make repeat purchases. Customer who give you a rating of 9 or 10 are your potential customer advocates who you can leverage to become evangelists for your company. Scores of 6 and below are warning

signs that a customer is unhappy and at risk of leaving. These customers need to be put on a customer watch list and followed up so you can determine why their satisfaction is low. As you can see, satisfaction can provide so much insight into our customers (Basha, Mason, Shamsudin, Hussain, & Salem, 2015; Salem, Shawtari, Shamsudin, & Hussain, 2016; M. F. Shamsudin, Nurana, Aesya, & Nabi, 2018). That is why it is one of the leading metrics businesses use to measure consumer repurchase and customer loyalty (Khan, Razzaque, & Hazrul, 2017; Lee, Goh, & Mohd Noor, 2019; Trudeau H & Shobeiri, 2016).

The second reason why customer satisfaction is important in business organization is because it is a point of differentiation (B. Kadir & Shamsudin, 2019; Salem et al., 2016; M. F. Shamsudin, Nurana, et al., 2018). In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator (Basha et al., 2015; Baharudin Kadir, Shamsudin, Nurul, & Mohd, 2020; Mohd Farid Shamsudin, Ali, Wahid, & Nadzri, 2019). Businesses who succeed in these cut-throat environments are the ones that make customer satisfaction a key element of their business strategy (Chakraborty, 2019; Naeem, 2019). Companies who offer amazing customer experiences create environments where satisfaction is high and customer advocates are plenty (Bapat, 2020; Merrilees, 2016; Shahzad, Bilal, Xiao, & Yousaf, 2019). This is an example of where customer satisfaction goes full circle. Not only can customer satisfaction help you keep a finger on the pulse of your existing customers, it can also act as a point of differentiation for new customers.

The third reason why customer satisfaction is important in business is because it will reduce customer churn (Hassan, Shamsudin, & Mustapha, 2019; Baharudin Kadir et al., 2020; Mohd Farid Shamsudin et al., 2019). An Accenture global customer satisfaction report found that price is not the main reason for customer churn (Aminuddin, Don, & Shamsudin, 2020; Hamzah, A. A., Shamsudin, 2014; Nur, Nik, & Shamsudin, 2020). It is actually due to the overall poor quality of customer service. Customer satisfaction is the metric you can use to reduce customer churn (Ali, Affendy, & Shamsudin, 2016). By measuring and tracking customer satisfaction you can put new processes in place to increase the overall quality of your customer service.

The fourth reason why customer satisfaction is important in business is because it will increase customer lifetime value (Bin et al., 2016; Ilias & Shamsudin, 2020; Syahira, Shari, & Shamsudin, 2020). A study found that a totally satisfied customer contributes 2.6 times more revenue than a somewhat satisfied customer (Ahmad, Ismail, Shamsudin, & Kadir, 2016). Furthermore, a totally satisfied customer contributes 14 times more revenue than a somewhat dissatisfied customer. Satisfaction plays a significant role in how much revenue a customer generates for your business. Successful businesses understand the importance of customer lifetime value. If you increase customer lifetime value, you increase the returns on your marketing dollar. Customer lifetime value is a beneficiary of high customer satisfaction and good customer retention (Bihamta, Jayashree, Rezaei, Okumus, & Rahimi, 2017; Keshavarz & Jamshidi, 2018; Oh & Kim, 2017; Worsfold, Fisher, McPhail, Francis, & Thomas, 2016).

The last reason why customer satisfaction is important in business is because it is cheaper to retain customers than acquire new ones (Mokhtar & Shamsudin, 2020; Shabi, Shamsudin, & Matori, 2018; M. F. ;Selina S. D. Shamsudin, 2016). This is probably the most publicized customer satisfaction statistic out there. It costs six to seven times more to acquire new customers that it does to retain existing customers (Kim, Kim, & Lee, 2016; Rejikumar, Raja Sreedharan, & Saha, 2019; Shurair & Pokharel, 2019). Customers cost a lot of money to require. You and your marketing team spend thousands of dollars getting the attention of prospects, nurturing them into leads and closing them into sales. There is a lot of way or strategies that we can use to create

customer retention such as use email to send promotions, use customer surveys to listen or maybe delight customers by offering personalized experiences.

Conclusion

In conclusion, customer satisfaction plays a big role for our business in order to keep the customer from running away. Customer satisfaction is addressed as a strategic business development tool. If they not satisfied with our product or services, it will give a big impact to our business. That is why the owner of the business need to take an action to improve their customer satisfaction such as improvise their product or services.

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