Satisfied Customers are the Best Ads: Investigating some of the Antecedents and Consequences of Customer Satisfaction

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ARTICLE DETAILS

ABSTRACT

Customer satisfaction is a major concern for the marketing personnel; particularly, in services sector. In this regard, this study aims to explore the relationship between antecedents and outcomes of customer satisfaction in the context of personal computer market segment. For the purpose of data collection, we used a convenience sampling technique and 150 regular customers of Dell were included in the sample size. Regression analysis techniques were used for the evaluation of the relationship between the antecedents (i.e., services quality, price, and customer loyalty) and the consequences (i.e., customer perception, customer retention, customer complaining) of customer satisfaction. Research findings of the study suggest that there is a significant positive association between service quality and customer satisfaction. However, our results invalidate the relationship among price and customer satisfaction. The results for all other variables are the same. The findings of our study can be beneficial for organizations of the both sectors, i.e., production and services sector to take a stock of the factors affecting customer satisfaction. The findings of this study can be used for increasing the performance of organizations with respect to quality and quantity according to the perceptions of customers.

1. Introduction

In today’s highly competitive environment, customer satisfaction is a key concern for marketing practitioners around the globe, particularly, in services sectors (Bennett & Rundle-Thiele, 2004). To this end, if the consumers are satisfied with the company’s goods or services, the possibility that these customers use the service again and again (East, 1997). Customer satisfaction, a span often used in marketing, is a determinant of how services & products provided by a company to fulfill the customer's hopes. Customer satisfaction is simply defined as "the number of customers, or percentage of overall customers, whose given practice with a firm will enhance the individual goal satisfaction. In this regard, we argue that satisfied customers mostly talk about their buying behavior or the use of a specific service of that organization; it will be a clue to good publicity (File & Prince, 1992; Richins, 1983). On the other

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hand, dissatisfied customers mostly switch towards the other brands; it will be a clue to bad publicity. The significance of a satisfied customer and charge a customer informing plans for a market for a purchaser oriented organization cannot be ignored (Kohli & Jaworski, 1990). Customer satisfaction is mostly considered the primary factor of success in today’s extremely competitive business world in this study, this study aims to explore the impact of (service quality, price, and customer perception) on customer satisfaction, the impact of customer satisfaction on customer loyalty, customer perception, and customer behavior. Customer satisfaction is related to the customers how they observe the quality (Ali et al., 2010). Customer satisfaction has an optimistic impact on the performance of organizations. When the company successfully satisfied the needs of the customers, they automatically increase the usage of that particular product and repurchase the product. Customer satisfaction plays the role of a mediating variable between the quality of service and consumers' repurchasing behavior. For the establishment of a strong relationship with the customers to get the long term benefits it is necessary for the organization to constantly satisfy the needs of customers. As we know that customer repurchasing depends upon the quality of the goods and services offered to the customer (Ali et al., 2010). Consequently, tend to stay with the same organization, and remain with it in future and continue repurchase.

The paper aims to test a model of the antecedents and consequences of the quality of customer satisfaction. Customer satisfaction is not only limited to service quality, but other important variables that are associated with customer satisfaction are also price, and expectation of customer about the product (Ali et al., 2010). Expectations regarding higher perceived quality are associated with higher prices. If the customer's satisfaction is lower than the price it will be negatively affected the customer’s satisfaction (Butt & Murtaza, 2011). There is a straight and positive link between the satisfaction of customers and service quality (Ali et al., 2010). In modern eras, customer satisfaction has gained more intention and importance in the perspective of a shift from transactional marketing to relationship marketing (Christian Gronroos, 1994; Parvatiyar & Sheth, 1994) this shows that “all the activities of marketing focused on forming, evolving, and sustaining positive interpersonal relations(Morgan & Hunt, 1994). In many studies, it is reported that satisfaction is the pillar for the retention of customers (Zahorik & Rust, 1993). Kotler says that “The key to customer retention is customer satisfaction” (Kotler, 1994). Against these backgrounds, the main aim of this paper is to study the association between different variables and factors affecting customer satisfaction and those are affected by customer satisfaction. We organized this paper as follows; the first section discusses the introduction. Next section provides the review of the literature regarding the main constructs of the study followed by the development of the proposed model. After that the methods and measures used in this study are explained. Next, the analysis and findings of this study are discussed. Finally, we conclude our discussion and provide the directions for future research and implications for theory and practice.

2. Theory and Hypothesis Development
2.1 Customer Satisfaction
Sheath (1965) defined satisfaction as “the buyer’s cognitive state of being inadequately or adequately rewarded for their sacrifices”. Customer satisfaction is a degree to identify how the service or product encounters the anticipations of the consumers regarding a particular service or product (Anjum, Rizwan, & Rasheed, 2013; Rasheed & Anser, 2017; Rasheed et al., 2015). Customer satisfaction is simply defined as "the total number of consumers, or percentage of total consumers, whose given practice with a firm will enhance the individual goal satisfaction. Customer satisfaction is connected with the consumers that how they see the quality (Ali et al., 2010). Customer satisfaction is the level of continuous purchasing of services or products. It makes an incentive for consumers, in short marketing with their observations and to fulfill their necessities (Dominici and Guzzo, 2010).

2.2 Service Quality and Customer Satisfaction
Service quality is just what the customers state it is, regardless of whether it is correct or wrong (Maiyaki, Noor, and Mokhtar, 2011). They further state that it isn't essential that customers buy high-quality service; they may likewise search for comfort, cost, and customer’s requirements. In 1985 a conceptual model was developed by (Anantharaman Parasuraman, Zeithaml, & Berry, 1985) this model identifies the five gaps in service quality management; which includes, i) gap between the management’s philosophy about the consumers’ perceptions and the consumer's perceptions, ii) gap between the actual service quality standards and management belief’s about consumer perceptions, iii) gap between service quality standards and actual service delivery, iv) gap between the real delivery of
services and external views about service, and v) the last gap is the outcome of four other gaps (Cox & Dale, 2001). Now a day’s companies move towards the customer-centric approach from the product-centric approach because these companies know that customer satisfaction has directly effect on customer retention. So the customer retention is a major problem when a company provides internet-based services because this is easy for a customer to switch towards a new service provider due to low cost (Khalifa & Liu, 2003; Rasheed, He, Khalid, Khizar, & Sharif, 2020). To retain the customers, it is key to focus on the customer services and their perceptions towards our products and also need to study all determinants of customer satisfaction (Van Rie, Lijander & Jurriens 2001). In past studies, scholars (Christian Gronroos, 1984; Lehtinen & Lehtinen, 1982; Surprenannt, Solomon, & Czepiel, 1985) divided the service quality into two dimensions i.e., the output quality and the functional quality. Moreover, another stream of researchers (Ananthanarayanan Parasuraman, Zeithaml, & Berry, 1988; Zeithaml, Parasuraman, & Berry, 1985) suggested various determinants that can be used to measure the service with regard to how customers try to measure the service quality, Access to product or service. These determinants have been previously used to investigate service quality, which includes, access to products or service, customer awareness of the communication, having the required skill for the service provision, the attitude of the employee who provides the service, goodwill of service provider firm, reliability of service performance, the time frame of service, the risk involved in service, physical prove of service, and understanding of customer needs. These discussions highlight that the degree to which the service quality is important for customer satisfaction and how it makes an impact on customer satisfaction. These service determinants’ were increased and decreased in future researches by different authors (Rasheed & Anser, 2017). On the basis of above discussions, we posit that;

H1: There is a positive association between service quality and customer satisfaction.

2.3 Price and Customer Satisfaction
Price is an important factor that attracts customers to buy again and again. As we know that price is the medium of exchange by which we achieve value (Butt & Murtaza, 2011). We simply say that low price is directly associated with customer satisfaction. Each customer tries to pay less price and try to get maximum satisfaction in the form of outcome. Price perception directly affects customer satisfaction and indirectly affected by price fairness. Customer and price reasonability are directly related to each other (Ali et al., 2010). The fairness of price determines customer satisfaction (Peng & Wang, 2006). They also say that the price paid by the customer is the financial cost of the customer. Price plays an important role in purchase decision making. The price of a product also determines customer repurchasing behavior. It also plays an important role deciding the provider of goods and services. According to Chang and Wildt (1994), there are two dimensions in which perception of price is measured, such as i) price reasonableness and ii) value for the money. Besides, many researchers conclude that price perception makes an impact on both customer satisfaction and Trust (Oliver, Rust, & Varki, 1997; Peng & Wang, 2006). The major reason for customer switching is price as high or unrealized pricing policies. Major firms can handle the perception of their customer by providing them the high-quality product and low pricing policies. Thus, we propose that;

H2: There is a positive association between price and customer satisfaction.

2.4 Customer Loyalty and Customer Satisfaction
Customer loyalty is the force that compels the customer to repurchase the particular goods and services (John, 2011). Customer satisfaction, customer loyalty, and product or service quality have a direct and positive relationship with each other (Ali et al., 2010). Service quality is the factor that relates the customer loyalty and customer satisfaction (Siddiqi, 2011). According to (Maiyaki, Noor, & Mokhtar, 2011) customer satisfaction is achieved when an organization identifies the customer needs and manages and by then fulfilling them. When companies provide superior services to their customers it will automatically make them loyal towards the company. Customer loyalty is a mixture of the customer’s positive attitude and purchasing behavior. Ali et al. (2010) state that to get competitive advantages customer satisfaction and customer loyalty are the best tools. As satisfied and loyal customers are the guarantee of organizations’ growth so the marketing strategy is developed in a way that will be able to retain the old customers and attract new customers. John (2011) customer loyalty can be increased through various ways like providing good quality, superior services. In many industries, reliability plays a vital role in the creation of loyalty that will lead the organization towards ultimate success. Thus, we propose that;

H3: There is a positive association between customer loyalty and customer satisfaction.
2.5 Customer Satisfaction and Customer Retention
Previous studies on customer retention show that a customer retention is a powerful tool that firms used for their survival and for the battle of gaining a competitive advantage against their strong competitors in such a dynamic environment. So in today’s uncertain environment, it is very important to get information about the factors affecting customer retention and the role play by it in the strategy and plan formation said (Clark, 1997). Ascarza et al. (2018) define customer retention as the customer continuing to transact with the firm. According to G. S. Day (1994), customer retention is increased when a firm strongly knows about the needs of customers and trying to fulfill their needs. According to Gerpott, Rams, and Schindler (2001), customer retention is “is the consistency of employee and customer dealings”. The above discussion suggests the development of the following hypothesis;
H4: There is a positive association between customer satisfaction and customer retention.

2.6 Customer Satisfaction and Customer Perception
Perception is the process of organizing, selecting, and defining stimulus received through the physical sense of vision, smell, taste, and hearing. In 1981 Stanton defined the perception in those words, what we attribute on the basics of our previous or past experiences, and what we receive through our five senses. He further explains the perception in three sets of influences, i.e., stimuli physical characteristics, stimuli relationship with the surrounding, and conditions with ourselves. Furthermore, some researchers (Mitra & Golder, 2005) have suggested that perception can be considered in the following terms; how the customer will evaluate the quality of the product? And what type of action or measure was taken by the company to fulfill the perception of the customer regarding quality? Moreover, previous studies have identifies and investigates the some factors which determine the difference between what customer expects and what the firm delivers (Mitra & Golder, 2005). However, these factors includes, i) how is the firm explaining and understanding the expectation of the customer? ii) Does the firm clearly understand the expectation of the customer and design the product according to the perception of the customer? iii) What is the gap b/w what the customer imagines and what is delivered? iv) How goods match what is advertised and what is delivered? These factors are considered essential regarding the customer satisfaction and their perceptions. In this regard, this study develops the following hypothesis;
H5: There is a positive association between customer satisfaction and customer perceptions.

2.7 Customer Satisfaction and Customer Complaining Behavior
Customers complain behavior (CCB) is one area in which researchers and scholars give a great deal of attention in the marketing literature. Various researchers have been done to clearly understand the concept of customer complaint behavior, if the effect on the consumer and the organization (R. L. Day, 1976, 1977). Firstly the concept or idea of CCB organized and defined by the (Jacoby & Jaccard, 1981) “As action taken by an individual who involves communicating the negative impression regarding the quality of the product and services either to the firms marketing and producing that product or services or to some third-party organizational entity.” Complaint behavior is any one of series of actions that create the perceived displeasure with a purchase incident. It is a method which “constitutes a subset of all possible responses to perceived dissatisfaction around a purchase episode, during consumption or possession of the goods or services” (Crie, 2003). Previous research studies also show that even some delight customers may still criticize to receive better and useful feedback from product or service providers on the quality of service (Liu, Kang, Bai, & Zhang, 2006). The above discussion suggests the development of the following hypothesis;
H6: There is a negative association between customer satisfaction and customer complaining behavior.
3. Method and Measures
We have utilized the causal research design which is used to explore causes and effects relationships among different variables. Moreover, the causal research is used when the research aims; to test the cause and effect relationship hypothesis, for the collection of primary information that will help to define the problem clearly, for the description of marketing situations, for quantifying the observations that produce the insights and do not obtain other sources. In this study, we used a sample of 200 hundred respondents to collect information about the research variables such as customer satisfaction, customer complaining, and customer perception and service quality, Price, and customer loyalty. We used a self-administered questionnaire. The population of the current study is consisting of users of Dell computers and products. We chose the area of Bahawalpur City (Pakistan) for the collection of data. We used the convenience sampling technique for the selection of samples. According to the (Zikmund, 1997) convenience sampling is a technique that is used to collect the relevant information from the available variables. Normally a convenience sampling technique is used to complete a large survey easily and economically. Before starting the survey we need to ensure the two main qualifications of sample members, such as, i) the participant is a regular customer of Dell products, and ii) the participant at least has the basic knowledge of customer satisfaction. Moreover, we selected two main clusters of population (i.e., university students and common customers of Dell) as this provides the true membership of the population of interest and generate the reliable results of this study.

3.1 Procedure
We distributed the survey questionnaire among the 200 respondents of university students and common users of Dell products from Bahawalpur Pakistan. The respondents were selected according to the criteria mentioned above. When we distribute the questionnaire to respondents firstly we clearly explain the purpose of the study and questions mentioned in the questionnaire so that respondents can reply to each question accordingly and easily. Out of the total questionnaires we select 150 questionnaires that were properly filled others were not included in further analyses. After the collection of all relevant data, we coded the questionnaires and entered them into SPSS for Regression analyses.

3.2 Measures
The scale of our research was adopted from the previous research literature and studies which were published. The instrument which is used for current research is the survey Questionnaire due to two main purposes: first to evaluate the relationship between different variables. Second to complete the profile of the customer. The survey questionnaire has two sections.

1) Demographic variable: contain information about gender, age, income, education,
2) This section contains the information regarding the latent variables of the current study including, service quality, price, customer loyalty, customer satisfaction, customer complaining behavior, customer perception, and customer retention. The development of this section is based on past literature and questionnaire.

3.3 Reliability Analysis
As we know that Cronbach’s alphas are used to test the reliability of data. The average Cronbach alpha of all variables is lies between the expectable ranges like 0.50 by (Nunnally Jr, 1970) 0.60 by (Moss et al., 1998). The results were shown that all the items are reliable and valid for further proceedings and analysis.

4. Results and Analysis
4.1 Respondents Profile
Personal and demographic information such as age, gender, income, education level and status, and their frequencies and averages are presented in Table-1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>101</td>
<td>67.3</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>49</td>
<td>32.7</td>
</tr>
</tbody>
</table>
### 4.1 Hypothesis Testing

The analysis of our research shows that the independent variable service quality has a significant positive impact on customer satisfaction and specifically service quality has a significant value with \((p < 0.000)\) and \((\beta = 0.422)\) which means that service quality contributes more than 42% to customer satisfaction. So the results of our research validate Hypothesis H1. Regarding the second hypothesis, the independent variable perceived price has an insignificant impact on customer satisfaction \((p < 0.499)\) and \((\beta = 0.055)\). So the results of our research invalidate Hypothesis H2. As per the analysis of our research, the independent variable customer loyalty has a significant positive impact on customer satisfaction and specifically, customer loyalty has a significant value with \((p < 0.003)\) and \((\beta = 0.214)\) which means that customer loyalty contributes more than 21% to customer satisfaction. So the results of our research validate Hypothesis H3. Moreover, the independent variable customer satisfaction has a significant positive impact on customer perceived Perceptions. Specifically, customer satisfaction has a significant value with \((p < 0.000)\) and \((\beta = 0.345)\) which means that customer satisfaction contributes more than 34% to customer-perceived Perceptions. So the results of our research validate Hypothesis H4. Similarly, customer satisfaction also has a significant positive impact on customer retention with significant value \((p<0.029)\) and \((\beta = 0.179)\) which means customer satisfaction contributes more than 17% to customer retention so the results of our study validate Hypothesis H5. Likewise, customer satisfaction also has a significant positive impact on customer complaining behavior with significant value \((p<0.000)\) and \((\beta = 0.314)\) which means customer satisfaction contributes more than 31% to customer complaining behavior so the results of our study validate Hypothesis H6.

### 5. Discussion

The main aim of this research is to analyze the antecedents and consequences of customer satisfaction. This research provides insight into the factors that make an impact on customer satisfaction (service quality, price, and customer loyalty) and those factors which are affected by customer satisfaction (customer retention, customer complaining, and customer Perceptions). If a firm wants to survive in a competitive market, it is very important to achieve customer satisfaction for its survival. If the customer is more satisfied he will repeat his purchasing behavior and this type of customer is more loyal to the organization or firm. For the achievement of this satisfaction, the firm must know about the elements which affect the firm and that element on which the firm is affected. Service quality, price, and customer loyalty are among the antecedents of customer satisfaction. From the analysis of data, it is clear that service quality is very much important for the enhancement of customer satisfaction and that customer satisfaction has a direct relationship with customer satisfaction. It is clear from the previous literature that service quality has a significant relationship with customer satisfaction. There is a positive relationship between these two variables. Table-2 summarizes the results of the regression test of this study.
The variables and their interrelationship have been discussed in detail. Our research is also indicating the insignificant impact on customer satisfaction. The price of the product generates the signal of the product price and quality. In a general sense, it is perceived that if the price of the product is high ultimately the quality of the product is also high. Our study shows that there is no significant correlation between price and customer satisfaction. As discussed in previous studies by (Iglesias & Guillén, 2004) that a manager must have to know about the customer purchasing power and its internal reference price of customers. Customer loyalty has also a positive impact on customer satisfaction. If customer loyalty is increased then the satisfaction of the customer is also increase. Our research shows the positive significant association between customer loyalty and customer satisfaction, which indicates that if the customer is loyal then his satisfaction with the firm and its product will increase, and ultimately the customer will repeat his purchasing behavior significantly. Customer satisfaction has a positive and significant association with the retention of the customer, if the customer satisfaction is more than the customer does not change his purchasing habit and retain with that firm in the current scenario of strong competition and uncertainty a firm needs to retain its customers. If the customer is satisfied he will not complain against the firm or against the products of that particular firm. According to the results of our research customer satisfaction has positive association with customer complaining behavior. Customer satisfaction has positive impact on customer perception. If the customer is satisfied his perception about the products or the firm is positive. The results of this study show that there is a positive correlation between customer satisfaction and customer perception. The results of our research are important for a firm’s survival in the current dynamic and uncertain environment. Our research will help a firm for the achievement of steady growth and gaining a competitive edge against its competitors in the market.

6. Limitations and Future Recommendations
The data was collected for this study is made only from those respondents that are associated with the same geographic area like southern Punjab. If the data is collected from various areas then the results can be more significant. The sample size is limited to up to 200 respondents. According to Khizar, Iqbal, Khalid, Rasheed, and Akhtar (2020) that if the sample size is increased, and data is collected from different cities of Pakistan then the results would be different. Researchers use convenience sampling if we change the sampling technique as we use random sampling, non-probability sampling then results may differ. In the future, this research may be performing through different techniques and methods for better results. This research may be performing in different geographical areas in the future. The researcher uses the causal research methodology in the future this research can be performed

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Model variables</th>
<th>Estimates</th>
<th>C.R</th>
<th>P</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Customer Satisfaction ↔ Service Quality</td>
<td>0.422</td>
<td>5.251</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Customer Satisfaction ↔ Perceived Price</td>
<td>0.055</td>
<td>0.678</td>
<td>0.499</td>
<td>Insignificant</td>
</tr>
<tr>
<td>H3</td>
<td>Customer Satisfaction ↔ Customer Loyalty</td>
<td>0.214</td>
<td>3.001</td>
<td>0.003</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Customer Retention ↔ Customer Satisfaction</td>
<td>0.179</td>
<td>2.211</td>
<td>0.029</td>
<td>Supported</td>
</tr>
<tr>
<td>H5</td>
<td>Perceived Perceptions ↔ Customer Satisfaction</td>
<td>0.345</td>
<td>4.478</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>Complaining Behavior ↔ Customer Satisfaction</td>
<td>0.314</td>
<td>4.027</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>
in a descriptive way or exploratory way of research. This research is always beneficial for a business firm for its survival in the market.

References
Bennett, R., & Rundle-Thiele, S. (2004). Customer satisfaction should not be the only goal. Journal of services marketing


