Factors of Customer Satisfaction and Loyalty in Industrial Marketing (B2B)

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Abstract: In recent years, research on effective cognitive factors on customer satisfaction and loyalty has increased. In most cases, customer's loyalty is vital for the success of business organizations, usually because attracting new customers is more expensive than retaining existing ones and most of the researches performed by Many authors are proposed to loyal customers as competitive assets to be preserved and one of the ways to enhance this cooperation is through an intimate strong relationship between vendors and buyers. While this paper tries to address this issue, the models which can properly demonstrate this relationship are examined and analyzed. Moreover, this paper tries to integrate the model of customer satisfaction in a B2B context along with some other concepts such as customer satisfaction, organizational purchase behavior and relationship marketing will be examined. Finally, a dynamic conceptual model of customer loyalty is presented.

Key words: Customer Satisfaction • Loyalty • Industrial Marketing

INTRODUCTION

In their study of customer satisfaction and loyalty, several restrictions have been considered. Usually researches performed on organizational purchase decision process have less emphasized on previous consumption and the behavior of the next purchase. Many businesses seek to assess customer satisfaction (CSM) and customer relationships, strengths and weaknesses. Many companies in CSM and its limitations are justified including:

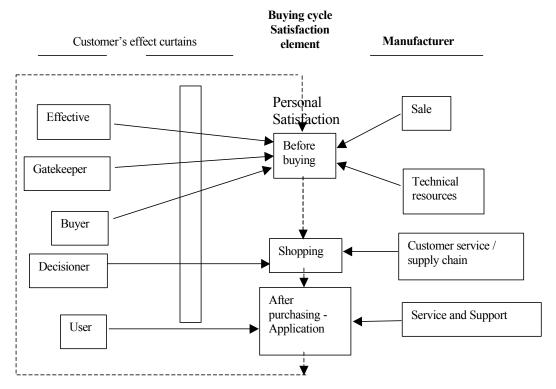
- Wrong mission
- Lake of trust to information validity
- Excessive attention to some evaluation sources

The first challenge in this scope is related to the measurement of satisfaction in the whole company. The company, while the CSM is rooted in customer's behavior and its focus on individual assessment of satisfaction is a specific product or service. Criteria must be satisfied by a combination of all organization members in relation to customer satisfaction. Identifying the members of both practical and theoretical perspectives is a major component in customer satisfaction in B2B sector.

Another challenge in the construction of psychological processes is based on customer satisfaction in the satisfaction of judgments relating to its use. "In fact, satisfaction, customer response is complete." Satisfaction of judgments is about the product or service which is an appropriate level of consumer satisfaction with the development.

When this definition is used in a B2B context, it has two problems. First, Many customers using the product or service will not be directly based on the satisfaction of their judgments. Second, in addition to personal and psychological dimensions in this definition is that since customers have very strong relationships with each other, all CSM components must be able to measure customer satisfaction. CSM in the last challenge in designing the model of customer relationships - suppliers, long-term strategic relationship is important that the emphasis on these relationships is limited. Many businesses also have interactions with customers to achieve higher profits and therefore are interested in measuring customer satisfaction. CSM model which is presented here aims to communicate with a wide range of clients -designing from the transaction entirely to engage in a strategic partnership [1].

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Effective variables:

- Order status within the group
- · Have interest
- Viewed (perceived) risk
- Control information

Fig. 1: CSM model in B2B

Presenting a Conceptual Model of CSM: Conceptual model in Figure 1 shows the relationships between the buyer and the seller as a multiple call path between the organizations representing the seller and the buyer.

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- Order status within the group
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This model is a framework for the following factors:

- The identification of an efficient and comprehensive approach for the buyer -the seller will be evaluated.
- The satisfaction of the elements which should be measured in a B2B context.
- Developing criteria for satisfaction.

CSM's goal in a B2B context is following the full evaluation of the relationship between the suppliers and the customers.

The Role of the Suppliers: In the supplier part, this model of border roles - or personal use relies on the boundary between an organization and other organizations to act. The model analyses the roles which have the most interactions from the standpoints of the customers. The key personnel occupy these roles and faces of the company or the organization to offer to the customers. This model displays these roles through departments such as sales departments, technical resources, supply chains/customer services and after-sale services and supports.

The Role of Customer: Ultimately the benefit of satisfied customers isth. repurchase or development of current

business. Personal satisfaction or indirect measurement of the direct effect on current or future purchases is necessary. Our understanding of the key roles of organizational purchase behavior and purchase decision making unit (DMU) is linked to each of these roles with the CSM model:

- Decision makers use formal or informal power to select or use the final evaluation of suppliers.
- Goal-keepers control information flow to other members of the DMU
- Influences define characteristics and the options and information they provide (e.g. consultants)
- Buyers have the formal power to select suppliers and arranging the purchase terms.
- Users who have experienced the product or service.
 Most users of the proposed purchase offer them to the others defining the characteristics of the product / service help [1].

Marketing of connectors may attempt to make parts different from the present ones and future profitability in the identified and strategies for effective participation by identifying profitable customers, making more effective and the services and products tailored for specific groups are offered with the value of financial gain. The aim of this experimental study, exploring the relationship between customer loyalty, attitude, behavior (based on the pattern of past purchases) and is profitable studies on different aspects of the organization is focused on customer's loyalty. Our approach is based on a framework for analysis in 2001 by Costable relationship between the customer purchase, satisfaction, trust and commitment andloyalty in the end they wereoffering [2].

Theoretical frame Work and main Assumptions about Customer Loyalty: Customer loyalty is a concept which is widely used in consumer behavior for many years. For example, Dick and Basu (1994) established customer loyalty as the relationship between a person's attitude about the entity (brand, service, inventory, vendor, etc.) and have to repeat the purchase.

Generally three concepts for customer loyalty have been identified:

 Primary loyalty as an attitude which sometimes leads to establish a relationship with Mark is desired.

- Loyalty primarily "based on revealed behavior (such as the pattern of past purchases)
- The purchase by moderate attitude.

Loyalty as a Basic Approach: Researchers believe that a strong intellectual commitment to a brand is seen as loyalty. These attitudes may be asked by people about how much they have a favorite brand and its commitment to take a recommend it to others and in order to compare it with other brands positive beliefs and feelings have to be measured.

The power of these attitudes is an important predictor for the purchase of a brand. This is what Oliver (1997) defines as customer loyalty when, in mind:

"A deep commitment to repurchase or customer for a product or service again in the future, replicated by purchase the same brand or brands of the same series, despite situational influences and marketing efforts for the influence on behavior change."

In the fields about commercial advertising and brand research, this model has received some support. Despite the psychological and sociological thinking derived from the relationship and behavioral approaches to understanding customer loyalty, customer loyalty to these concepts are not harmless. Little systematic empirical research to confirm or rule out the view from there is customer loyalty [3].

Loyalty as a Main Fasted Behavior: This concept is very controversial. Much of the research data on purchase patterns across the level during the long years in production and has created many different countries. Research has shown that there are very few customers who are loyal to the product 100% or are completely indifferent. Most people stay between these two levels. (For example, a combination of loyalty to brands in a product category)

"In this perspective, the loyalty of a growing tendency towards the purchase of a brand is defined as a brand."

The researchers focus on markets rather than individual attention. The main performance criteria, the purchase amount and frequency of repeat purchases and purchases for a period to be defined.

Order by Moderate Attitude: Consistency to the thinking of buyers based on the definition of loyalty is for two reasons:

- The distinction between attitudinal loyalty and customer loyalty without the attitude will be useful, since it specifies the number of vulnerable customers and therefore is a measure of how long it takes for them to remain as loyal customers.
- There is no behavioral definition of loyalty which can explain the causes of the loyalty behavior.

Profitability and Customer Loyalty: Focus on increasing profitability in fact represents a major shift in marketing. In other words, their customers, rather than customer segments are increasingly considered. This shift is called person to person marketing or micro-marketing. Focus on customer profitability can also be understood as a reflection of the changing role of marketing within the company which is the outcome of the other departments encouraged to communicate issues related to marketing [3].

Customer Satisfaction and Quality of Interaction - Marketing

Quality Management and Marketing: Marketers can target value by looking at quality. Effective interaction between different business functions as marketing and quality management to gain. Morgan (1998) found that the conflict between marketing and quality management has a negative effect on market performance and financial performance. Departments often by factors such as the nature of daily tasks, time horizon, goals and values are separated. This has led to different views and events are the basis for specific interactions [4].

Items Needed for a Successful Collaboration Between Marketing and Quality Management: Effective use of marketing in order to talk about quality: marketing and quality professionals need new approaches to acquire, distribute, interpret and create to store information. As companies respond to the new ISO 9000 which focuses on customer satisfaction in their efforts, many of the issues and focuses on the interaction between marketing and quality management (such as the interaction between companies and customers) exist. Claim basis, to facilitate understanding of issues related to our five criteria for effective satisfaction we offer [4]:

Criteria 1 and 2: Developing a Strategy Map and a Superior Level of Social Identity: Strong identity in a particular group leads the group on which features are

shared among group members, they emphasized. For example, attempts by managers to measure quality and customer satisfaction without involving the marketing managers, make a debates and conflicts among the group members. To encourage collaboration, marketing managers and quality managers need a common concept for understanding the customer and make it to strengthen [4].

Criteria 3: Flexible Decision Making Process: Quality of organizational decisions affected by make the propriety between the type of decisions that affected their decisions by the organizational processes. Especially, the decision-making processes are shown also be structured (rigid) and flexible.

Flexible decision-making processes, for routine, non-efficient, like a lines as a guide for personnel who provide service to customers, because at any moment a decision must be made specific and specific frame work and since the quality of interactions - marketing must be effectively addressed, wide range of decisions and decision-making processes must be flexible and hard to support these decisions.

Criteria 4: Proper Use of Powerful Media: Communication media are divided into different categories, including: strong and weak media and the private and non-personal media. Rich information includes "the ability to change the understanding of information in a specified time interval."

To understand the customer needs, the interaction between company representatives and customers, should be used rich media, so the company can properly interpret the customer's values. On the other hand, attempts to identify the customer needs, requires a set of information that is feasible through tools such as questionnaires and web-based survey.

Criteria 5: Take a More Active Role: Marketers, specialists in understanding customers, their needs and ways of seeing they are in the world. To create effective partnerships with quality management, marketing managers need skills to understand the thinking and behavior of managers that they do.

According to a study performed in a series of interviews with customers who were researcher was able to be an important determinant of customer satisfaction with products and services is a company and finds that in general these are:

- Reliability of supply
- Compliance program delivery
- The technical characteristics of products
- Competitive prices
- Company's credit policy
- Cover warranty and guarantee

These things can influence the satisfaction of the supplier [5].

Customer Satisfaction and Price Acceptance: Before we want to measure our customer satisfaction, it is essential that we define satisfaction:

Defined by Anderson (1994), satisfaction could be considered as the fit between the chosen product and the intended purpose.

A customer satisfaction as the evaluation of the quality or perceived value, expectations and level of consistency or inconsistency or differences between actual quality and expected to be considered.

Comparison between product quality and perceived quality is called confirmation or mismatch. That a mismatch leads to dissatisfaction. Consequently we accept the view that satisfaction can be interpreted as the result of a comparative process. Usually when expectations are not confirmed, customer dissatisfaction, there is more than satisfactory. The level of acceptance defined as the maximum price that a buyer is willing to pay for a product.

A buyer decided not only on a single criterion in the consumption or real purchase situation. (Just like the price), but usually seen evaluation of price acceptance in studies done at the different levels of acceptance in processing complex information [6].

Customer Satisfaction and Emotions: Feelings, emotions and mood, mostly in connection with each other and recognize the boundaries between them are confusing. Bagozzi (1999), explains that a general class of processes that may affect the subjective feeling of not able to specific psychological processes.

Specific mental processes are considered such as feelings, moods and thoughts as if the smaller states of emotion. Thus, the emotions, modes and thoughts are related to emotion but they are reflected more concentrates structures.

The Effect of Emotions on Customer Satisfaction: To customer satisfaction is viewed as a cognitive structure, where customers with as tendered measure of perceived performance are compared and evaluated.

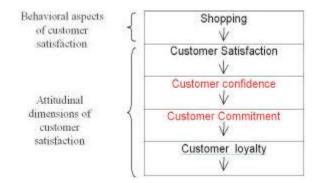


Fig. 2: The dynamic model of customer loyalty [1]

According to theoretical expectations (Tolman, 1932) expectations shows predictable levels of performance and customer satisfaction is seen as an objective outcome.

According to the cognitive basis of customer satisfaction for the removal of an emotional basis although it seems strange however research in psychology has shown that emotions can influence on the evaluation process.

In other words, feeling is a major role in selecting customers and also plays their satisfaction. Oliver years (1980, 1993, 1996) has investigated the effect of emotions on customer satisfaction. Since services are generally are intangible, customers less able to directly assess the quality of services compare d to physical products [7].

Based on studies and research can be made adynamic model of customer loyalty in the end to be presented. The fact that the model based on empirical evidence and experience has been perceived. In Figure 2, the dynamic model of customer loyalty has been described. Reference points are customer commitment and customer trust.

As shown in Figure 2, is shown in the trust are considered as a consequence of the introduction and commitment to customer satisfaction and customer lovalty.

Commitment to the extent that a person is willing to maintain a valuable relationship, can be expressed and like a trusties essential for the study and management of customer loyalty. Commitment is seen as a key determinant of trust. Morgan and Hunt (1994) stated that trust is very important for the exchange relationship because a relationship formed by trust, it has the high value.

CONCLUSION

As was seen in this study, many businesses seek to assess customer satisfaction (CSM) and evaluate the

strengths and weaknesses are relation ships with their customers. Many of the companies in the CSM and its limitations are justified, as follows:

- Wrong mission
- Lake of confidence in the validity of information
- Consider to some sources of excessive

CSM model presented here is designed to communicate with a wide range of customers from the trans action entirely to engage in a strategic partnership. In a conceptual model of the overall goal was to provide the CSM framework for this model is the following:

- Identification of an efficient and comprehensive customer groups-the vendor will be evaluated.
- Satisfaction of the elements that should be measured in a B2B context.
- Development of criteria for evaluating customer satisfaction.

The CSM consists of B2B in the whole relation ship between suppliers and customers.

Provide a theoretical framework that includes issues in this paper and the loyalty of the three primary attitudes, behavior revealed and moderated shopping and business profitability through customer loyalty. The interactions between marketing and quality issues in organizations evaluated for the successful cooperation and they were both effect on the formation and feelings of satisfaction and finally, the dynamic model of customer loyalty provided behavior in two dimensions, customer satisfaction is considered to this point and noted that:

"Satisfaction leads to trust and confidence will lead to commitment."

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