



CUSTOMER SATISFACTION- A TOOL FOR MAXIMIZING PROFITS IN GLOBAL BUSINESS

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ABSTRACT

Customers play a vital role in the successful running and the profit maximization processes of any organization. An organization which fails to understand about its customers will definitely have to understand that they may be thrown away from the market soon. To understand and deliver the requirements of the customers in a quality way, dual importance must be given to factors like knowing about the employees, carefully understanding their values, expectation and interpersonal skills. The good staff who can understand himself will definitely understand the needs and expectations of the customers. When a positive morale combined with loyalty exists with employees it will tune and motivate them to perform extremely well. Relationships among employees and customers to be strengthened and promises rendered to customers have to be fulfilled with a personal care which involves pleasing smile and enthusiastic performance maintaining the right quality in all the time.

KEYWORDS: Customers expectations, perceptions, satisfaction, demands, profit maximization.

INTRODUCTION

The main objective of any organization in the world focuses on maximizing the profit irrespective of a small or large enterprise. Only in non-profit organizations the percentage of profit they may intend to get will be fewer in size. There are many entrepreneurs' and business operation proprietors they have a wrong idea about maximizing the profit. They believe in sophisticated furniture, materials and machineries and also in multi storied as well as gigantic and massive infrastructures. It is evident that, these structural building and quality machineries are needed for the operation of any business enterprise where there is a production activity. But profits will just not reach the expectations of the operating bodies or the investors unless there are manpower resources involved in the production and supply processes.

Manpower resources in other terms identified as the human resources are a major asset to be considered by the business operators or proprietors. Their utilization in the core areas of the business enterprises operation like the production, delivery, marketing, customer retention and profit maximization process needs dual attention and serious emphasis. As far as production, delivery and marketing is concerned it could be taken support with the materials, machineries, print and broad cast media and the internet for its effective formation and operation with the limited assistance of the human capital. Whereas retaining the existing customer as well as attracting new customers which in turn belong to the major source of profit maximization purely lies on the quality of the service rendered by the employees of the organization.

There are different categories in customers like dissatisfied customers, satisfied customers and delighted customers. Irrespective of what category they may fall; making dissatisfied to satisfied, satisfied to delight highly lies in the hands of the human resources working for the

organization. Word of mouth is one of the best marketing techniques worldwide approved and applied in many organizations. The positive word of mouth advertisement is very important for winning new customers and maximizing the profits. The negative word of mouth will totally spoil the brand image of the organization which not only lead to decline in the profits but it may even take it to the level of closure of the business enterprise.

The satisfied customers are those whose expectations are fulfilled, whereas delighted customers are identified as the people whom are obtained this level as the services rendered by the employees had exceeded the expectations of the customers. Exceeding the customers' expectation and making them to be satisfied even delighted customers are very much possible only by the employees' quality service, personalized care rendered to the customers in the organization

CUSTOMERS AND THEIR EXPECTATIONS

Customers' expectations are a key ingredient for the success or failure of a business or organization. Customers hold Different types of expectations for services. Customer expectations are beliefs about service industry that function as standards or reference point against which performance is judged. To identify the customers' expectations it is rational to know who is a customer. A customer is an individual or organization who buys a product or service in a typical sense from a company or the organization. Each customer will have his/her own expectation with regard to the size, shape, specifications, quality and interest towards a product or service. The expectations of the customers had to be fulfilled in terms of exchanging the products and services which they have determined to be purchased or consumed. As an individual in an organization it is easy to know what are your duties and responsibilities which you may have to perform which

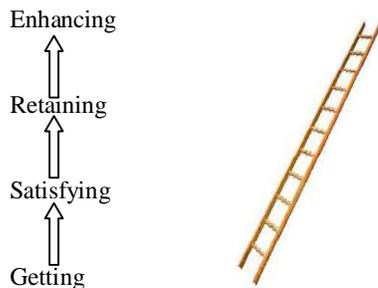
could be identified in the individual's job description, similarly, knowing what is expected of you as an individual is a plus in meeting the expectations of those who are your customers. Identify your customer and identify what are their expectations and deal accordingly which will turn pitfalls into big profits.

RELATIONSHIP BETWEEN EMPLOYEE SATISFACTION AND CUSTOMER SATISFACTION

The literature provides a clear understanding as to why employee satisfaction affects customer satisfaction:

1. Employees those who interact with customers are in a position to develop awareness of and respond to customer goals and needs.
2. Satisfied employees are motivated employees; that is, they have the motivational resources to deliver adequate effort and care to customers.
3. Satisfied employees are empowered employees; in other words, they have the resources, training, and responsibilities to understand and serve customer needs and demands.
4. Satisfied employees possess high energy and willingness to provide good service: at a very minimum, they can deliver a more positive perception of the service/product provided.
5. Satisfied employees can provide customers with interpersonal sensibility and social account (i.e., adequate explanations for undesirable outcomes). It has been suggested that these components of interactional justice (i.e., quality of interpersonal treatment provided in a negotiation/exchange) have a significant impact on customer satisfaction. According to this view, because satisfied employees experience interactional justice, they can deliver it; that is, satisfied employees have enough emotional resources to show empathy, understanding, respect, and concern.

BUILDING CUSTOMER RELATIONSHIP FOR PROFIT MAXIMIZATION



The first step in managing a loyalty based business system is to identify and acquire the right customers. After acquisition of the desirable customers the next step is to build relationships and turn them into loyal customers who will generate a growing revenue stream for the company. A loyal customer is a consistent source of revenue for the organization. This loyalty has to be sustained by continuously providing superior quality and value. When the said processes is continuously carried out then the company's profit maximization grows up rapidly.

CUSTOMER LIFETIME VALUE

The actual value of a customer is equivalent to a quantity that is frequently called the customer **lifetime value (LTV)**, or the net present value of the stream of expected future financial contributions from the customer. Every customer of an enterprise today will be responsible for some specific series of events in the future, each of which will have a financial impact on the enterprise—the purchase of a product, payment for a service, remittance of a subscription fee, a product exchange or upgrade, a warranty claim, a help-line telephone call, the referral of another customer, and so forth. Each such event will take place at a particular time in the future and will have a financial impact that can be calculated at that time. The net present value, today, of each of these future events can be derived by applying a discount rate to it to factor in the time value of money. LTV is, in essence, the sum of the net present values of all such future events attributed to a particular customer's actions. One useful way to think about the different types of events and activities that different customers will be involved in is to visualize each customer as having a "trajectory," which carries the customer through time in a financial relationship with the enterprise. For example, a customer could begin his relationship at a particular starting point and at a particular spending level. At some point, he increases his spending, taking another product line from the company; later, he also begins it should be noted that a vigorous body of research and literature is emerging in this important field.

SMILE, QUALITY AND KEEPING UP PROMISES

The magic behind profit maximization is very simple; inform your customers what they will actually get for the value which they exchange. Similarly addition to value may turn an ordinary customer to be a super spending customer. The value added to be considered is a pleasant smile, cheerful face mannerism and the orderly behavior. It is also very essential to keep up your promises and fulfill their needs especially in the food industry "hot foods should be served hot and cold foods should be served cold" failure to this may lead the customer to turn their face to some other organization. Maintain the said quality, approach with pleasing smile and provide what you have promised.

WHEN A CUSTOMER IS LOST, EVERYTHING IS LOST

The issue of employee performance and customer satisfaction takes on added urgency when firms begin to consider the costs of lost business and the benefits of generating customer loyalty.

In a pub context one firm estimates that every pub customer spends an average of €75 per annum in public houses. A customer lost due to an unresolved complaint directly loses the business of that amount. In addition, it is estimated that a dissatisfied customer tells another thirteen people about their experience. The potential cost of one unresolved complaint is, therefore, fourteen times this amount - €1 032. In a restaurant context it has been estimated that if an organization lost one customer per day for a year, the total cost to the business could be over €4000 per annum, even if 1-0 customers only spent on

average € per week with organization. Similarly, it was estimated that repeat custom only cost one-fifth the amount needed to generate new customers. Within a hotel context the ratio was closer to 1:7 - in other words, attracting a new customer costs seven times what it costs to get an existing customer to repeat. It is apparent that a customer is lost for any reasons stated above and if he couldn't turned to be a regular or repeat customer, not only a profit everything is lost.

Don't underestimate customer's knowledge

The knowledge of the customers has increased tremendously due to the influence to Information age- that is, with the help of different medias especially internet which makes the source very much easy and highly available for many materials and information. This fosters an ordinary customer to be an expert and he/she may overtake the frontline staff as far as awareness and knowledge acquiring is concerned.

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