

# The effect of consumer oriented services on Consumer Satisfaction and Consumer Loyalty

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## ABSTRACT

In this article we will be addressing the effect of consumer-oriented services on the satisfaction of customers and their loyalty to the product or service. In this we used many methods such as email online platform and mail and shopping malls to collect the data in Pakistan city Lahore. We derived 3 hypothesis and used the method of regression analysis for the outcome. Furthermore, we will be discussing the cause and reason that outcome in consumer loyalty toward you.

## INTRODUCTION

Retailers are the person who communication with the customer they are known as the last leaf who are responsible to establish good and healthy relationship with the customers full filling the need of customer solving the questions of customers and capturing the loyalty of the customers. Because as we know that in this century the competition is getting bigger bolder and tougher day by day so it is important for a firm to satisfy and fulfil the needs of their consumer to get it running. If a customer is loyal, we will have a competitive advantage over our competition. But for this we will have to choose wisely the person that medal with the customers they should be wise and attentive to lead a customer towards ourselves.

## LITERATURE REVIEW

### Consumer Oriented Services

According to levy and Weitz it is said that consumer-oriented services is the activities of retailers that brings value to the consumers while they are shopping. Which tells us that consumer-oriented services creates value in the mind of consumer for our product or service. According to berm and Evans in 2007 they said that consumer-oriented services is distinct, and sometimes untouchable these are the activities that are taken by the person in union with the goods and services they are offering to the consumers.

In another word consumer-oriented services are also defined as the total hardship that the firm does to meet their consumers or customers expectation which outcomes in customer satisfaction. We can provide satisfaction to customers by meeting their satisfaction about the product. For this purpose, they need to provide excellent services. Tek and Orel say that consumer-oriented services is the activities and benefits that are related directly to the product or service sold. Pettigrew said that consumer-oriented services is something that supports the provision of the company main products. Also, it is said consumer-oriented services is the service that is provided after the products are sold known as after sales services that are provided for the satisfaction of the customers.

So, in the framework of the above research and definition consumer-oriented services can be defined as the tangible or intangible service that helps in increasing the value of the product or service either directly or indirectly to meet the expectations of the customer and make them loyal and satisfied in its outcome.

### Customer Satisfaction

According to the Oliver satisfaction of the customer satisfaction, the customer or she has bought the service or product. Levy and witssay that satisfaction is evaluation of the service or product that a company provide and how much can it meet their expectations. The satisfaction level of the customers can be determined by the comparison between the expectations and. Performance of the service or product.

In the eyes of "disconfirmation theory" it is said that either the comparison of the product of service before and after using is worse or good which will help us understand that if the customer is satisfied or disappointed in us. So, if the outcome is better, it means it is positive disconfirmation and vice versa if it's negative.

If the customer is satisfied you will get positive response on your service or product. But on the other side, if he is not satisfied you don't fall under the criteria of that consumer, we will have to face negative response and face decline in our service and product.

It tells us that the expectations of product or service should exceed the customers' expectations so that he will be satisfied otherwise if it is under the expectations, it will never satisfy him.

The companies all over the world studies customer and make various tactics to satisfy the customers. The use different research and studies to gather authentic data regarding why customers prefer something or some product over the other what's the criteria for them to come our way. This helps them to understand what they are lacking and what their strength is and what they need to do in the future to capture the customers in their grip and make Jim loyal and satisfied.

### **Consumer loyalty**

Richard I and Oliver states that loyalty is a commitment made by the customer to become a steady customer of the company product and to buy only this product or service in Future over the other products or services. So, it tells us that if a customer is loyal, he will repeatedly buy the same product either the market or even the situation changes. It is said that if there is no stimulus in the market no one is trying to grasp each other customer or if the communication activity does not matter a person will mover ever leave the product or service he or she is using.

Bowen and chin stated that consumer loyalty can be measured under three approaches.

1. Behavior wise
2. Attitude wise
3. Blended loyalty

1. In behavior approach we know that it is related to the behavior of our customer support services. Consistency in purchasing is the indicator of loyalty. But it is said that it's not because of behavioral loyalty but die to the situational effect. According to our research the price of the product is directly influencing the buying decision of the customer.

2. Attitude approach is based upon psychology and sensation of a person. But in this we know that loyalty is personal. In this 5ue emotion of a customer is effective for the loyalty and repeated purchase of a product or service. Although he or she is not capable to purchase it effectively and repeatedly but whenever he or has the power to purchase it. He or she also gather other customer and pursue them to use this product or service. It is because he has a positive image for our product in his mind and he or she will present us positively in front of others.

3. Composite approach is the combination of attitude and behavioral approach. It helps measure the loyalty of the customer through the preference and brand switching of the customer. And how frequently does he or she purchase and what do the purchase how much does he love our product on the scale of 1 to 10 1 to be low and 10 to be highest. This method is usually used in retailers' sectors.

We can form the loyalty of customers by following 4 approaches.

1. Congitive loyalty in which we ask the customer about their past experiences and gather information.
2. Affective loyalty in which we see the approval and liking scale of the person
3. Blended loyalty the customer purchase due to the positive emotion in regard of the product service and company.
4. Action loyalty is Ehen customer is ready to purchase anytime despite the situation and is not influenced even a bit by the competition.

According the model of loyalty of rowely which is known as 4c of customers loyalty. In this model the customer is being separated into 4 categories:

1. Captive customers that are steady and purchase the product repeatedly due to no other option in market.
2. Convenience seeker customers they purchase according to the availability of the customer.
3. Contended customers with contended behavior but positive attitude. They only purchase if they are being benefited by the product.
4. Committed customer as the name suggest someone who is committed to hut something he or she will always buy the product from same company because he is persuaded by them and had become loyal to them.

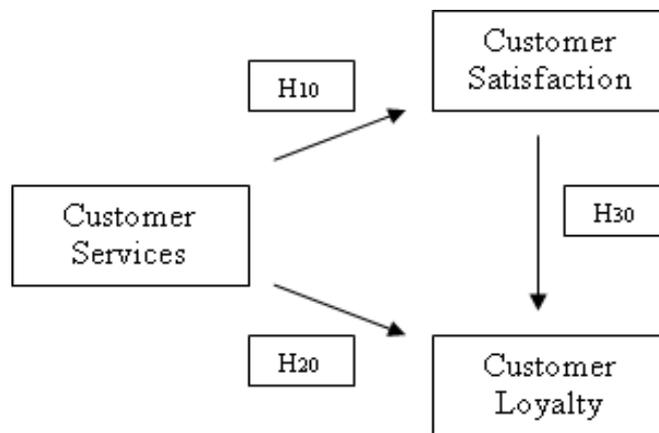
In the past the method used was different the retailer uses to make friendships with the customers discount were given but in the present-day situation is different the competition is tough. Technology advancement is rapid the product and services are changing day by day. So, we need to follow this trend and be upgraded as fast as possible to be figure in market as the. Technology is advancing the generation is also advancing the need mew product new service firsthand. so to prosper in today's world we need to be updated.

**Research Model and Hypothesis**

Customer satisfaction can be made through several ways and so consumer loyalty also can be made through several ways. The main factor of these is consumer-oriented services. The main purpose and hypothesis 1 are that consumer-oriented services affect the consumer loyalty and Satisfaction or not.

**RESEARCH MODEL AND HYPOTHESES**

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**Figure 1. Research Model**

In light of our research, consumer-oriented services affected the loyalty and ratification of consumer. And also created loyalty in the customers but the most basic and important thing is to find how much does it affect the loyalty and satisfaction of a customer. The hypothesis of this research is given as FIGURE below. The Research Model Hypotheses.

<p><i>H<sub>10</sub></i>: consumer-oriented services cannot make sense of the change in consumer loyalty.  <i>H<sub>11</sub></i>: consumer-oriented services can make sense of the change in consumer loyalty.</p>
<p><i>H<sub>20</sub></i>: consumer-oriented services cannot make sense of the change in client dedication.  <i>H<sub>21</sub></i>: consumer-oriented services can make sense of the change in client dedication.</p>
<p><i>H<sub>30</sub></i>: Consumer loyalty cannot make sense of the fluctuation in client faithfulness.</p>

**RESEARCH METHODOLOGY**

**1.1. Scale**

For the measurements of customers service and its effects that it has on customer satisfaction and loyalty. We are using 2 scales in this research. One is from the American customer satisfaction idea it consists of three questions and total of 10 points. And the other is turkey having 5 points. The second scale is loyalty scale. it has 4 question and 10 points The all questions about two scale were shown in **FIGURE 2** below.

FIGURE 2.

Scale of satisfaction	Scale of loyalty
* ARE YOU Overall satisfied	How often do you do this?
*Expectancy disconfirmation(performance That falls shor to for exceeds expectations)	*Do the shopping for products at this stop?
*Execution versus the client's great item or administration in the classification	*Recommend this store to friends, neighbors, and relatives?
	*Will you buy something from here or not?
	*How much will you spend if it's based on your percentage

Different pieces of the poll were comprised by client administrations which were found from showcasing writing, inquiries concerning retail plazas, for example, the most preferred malls, the reasons of clients' retail plaza inclinations and segment inquiries regarding clients. Client administrations which were found from promoting writing comprise of 51 thing and five-pointLi (a: nor vital, e: Veryvital). Pilot review was finished with fifty clients and the worth of Cronbach's Alpha was determined % 82%. This worth is evidence about the review's unwavering quality.

$$a \square \frac{b^2 cc.}{d^2}$$

where,

a=size of sample

b=Rate point for the Standard Normal Probability Distribution at the particular certainty span (1.96 for 95% Confidence Level)

c=people % picking a choice

d=Margin of Error (%5)

q= people % not picking a choice

We utilize from the pilot survey to calculate "A" value. Q is the. Percentage of the consumer who are pk with the consumer-oriented services provider by shopping district. Q is the value of people percentage that are not satisfied by the shopping district consumer-oriented services According to and value (z=1,96, p=0,8, q=0,2, e=0,05), the formula was calculated and MODEL size was found 245. It tells 245 consumers were good for this research study.

	A	B	C	D	E
	Areas inside the border of Lahore	Urban population of areas inside the border of LAHORE	Urban population of each area inside the border of LAHORE	The number of customers to survey in each area	The quantity of clients to study in each region - Rounded Esteem
1		411.112	15.07026475	60.281059	60
2		402.453	14.75284901	59.01139604	59
3		304.220	11.15189034	44.60756136	45
4		412.639	15.12624048	60.50496192	60
5		77.915	2.856155204	11.42462082	11

<b>6</b>		121.255	4.444883518	17.77953407	18
<b>7</b>		65.714	2.408899225	9.6355969	10
<b>8</b>		306.427	11.23279305	44.9311722	45
<b>9</b>		448.846	16.45349212	65.81396848	66
<b>10</b>		154.397	5.659780467	22.63912187	23
<b>11</b>		22.990	0.842751821	3.371007284	3
	<b>TOTAL</b>	<b>2.727.968</b>	<b>100</b>	<b>399.99</b>	<b>400</b>

In the second Colum people from each area were displayed in Colum 3 the population of urban area was displayed and so on and in the end the outcome was displayed in the last line.

### RESEARCH FINDINGS

The outcomes are given as below:

**FIGURE 4: Occurrence of Demographic Variables**

	Occurrence	Percentage		Occurrence	Percentage
<b>Gender</b>			<b>Married or not</b>		
Feby	235	58.8	Married	197.9	49.4
Boy	165	41.2	Single	201	50.4
Total	400	100.0	Total	401	100
<b>AREAS</b>			<b>Working Type</b>		
	66	16.5	Private Sector	159	39.8
	60	15.0	Public Sector	51	12.8
	60	15.0	Student	71	17.8
	59	14.8	Retired	29	7.2
	45	11.2	Housewife	38	9.5
	45	11.2	Unoccupied	8	2.0
	23	5.8	Self-employment	44	11.0
	18	4.5	Total	400	100.0
	11	2.8	<b>Monthly Income</b>		
	10	2.5	Under999TL	49	12.2
	3	0.8	1.000–1.999TL	119	29.8
Total	400	100.0	2.000–2.999TL	80	20.0
<b>Education</b>			3.000–3.999TL	61	15.2
literate	1	0.2	4.000–4.999TL	39	9.8
School	40	10	5.000–5.999TL	25	6.2
Model school			6.000–6.999TL	9	2.2
Graduate	154	38.5	7.000–7.999TL	7	1.8
university	153	38.2	Over8.000TL	11	2.8
Graduated	52	13	Total	400	100.0
Total	400	100.0			

**FIGURE 5** below shows the descriptive statistics.

**FIGURE 5: Descriptive Statistics**

	Minimum	Maximum	Mean	Std. Deviation
<b>Age</b>	18	73	32.9575	11.07802
<b>Household Size</b>	1	12	3.3050	1.27909

One MODEL T Test was applied to 51 client administrations. "Payphone administration" was barred from the other investigation in view of its importance esteem is higher than 0.05 ( $p=0.431>0.05$ ). Exploratory element investigation was applied to staying fifty client administrations. Corroborative component examination was not applied due to there is definitely not a hypothesis in light of the order of client administrations since client administrations are grouped in different ways by various creators. Eight principal factors raised because of exploratory component examination. Kaiser-Meyer-Olkin measure is 0.895 and a pointer arriving at sufficient example size. Bartlett' s test is 0.000 and it shows that the presence of a relationship among the measures.

From that point forward, various straight relapse examination was performed to find client administrations make sense of force on consumer loyalty and client unwaveringness. Free factor is client administrations which involved eight elements (a) and ward factors are consumer loyalty (is) and client faithfulness (eel).

$$is = f(a_1, a_2, a_3, a_4, a_5, a_6, a_7, a_8) \quad y_l = f(a_1, a_2, a_3, a_4, a_5, a_6, a_7, a_8)$$

As an outcome of the F statistics  $H_{10}$  and  $H_{20}$  are rejected owing to p values are smaller than 0.05 ( $p=0.000<0.05$ ).

It tells us that consumer-oriented services can have an effect on the ratification and loyalty of the consumers it depends upon the service that are offered by the retailers it is showed that it has 12.5 % effect on the topic discussed above and the reset is on other variables.

**FIGURE 7: Simple Linear Regression Analysis Outcomes**

	$R^2$	Adjusted $R^2$	FChange	df1	df2	p
Satisfaction-Loyalty	0.43	0.432	304.276	1	398	0.000

As indicated by Figure 7, because of the F insights

H 30

is dismissed attributing top esteem is more modest than 0.05 ( $p=0.000<0.05$ ). Consumer loyalty can make sense of 43.2 % of the change in client unwaveringness.

## CONSTRAINTS

1. Constraints there were total of 4 constraints in this research due to the less time. The first one is the research was conducted in only Lahore and different area.
2. Second one was only urban areas were choosing for the purpose of this research.
3. Third one was no other city was included in this research.
4. Fourth one was it was only applied on shopping centers.

## CONCLUSION

Consumer oriented services are only one basic tool that is used to create a bond between customer and retailer and the medium used to satisfy the customer expectations. There are many other tools that are stronger than consumer-oriented services like the quality of product life of the product. Client administrations can make sense of 13.9 % of the difference in consumer loyalty and 12.5 % of the change in client faithfulness. Client assistance is persuasive while making consumer loyalty and unwaveringness anyway its impact on consumer loyalty and faithfulness isn't really strong. In spite of the fact that its unpowerful effect, retailers should further develop client support to further develop consumer loyalty and client dedication since client assistance is one of the apparatuses that making consumer loyalty and client faithfulness.

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