

Effect of Relationship Marketing on Customer Satisfaction

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Abstract

In today's dynamic and challenging world marketers are compelled to focus attention on building relationship with their customers which is termed as relationship marketing. By building such relationship it becomes easy for organisations in retaining existing customers which requires much lesser effort, time and resources than in acquiring new customers. As a results all organisations have started seriously focusing their full attention on working on the various dimensions of relationship marketing hoping that it could lead to customer retention. Relationship marketing also leads to other benefits such as winning the loyalty of the customers, customer satisfaction and building a long-term relationships .with the organsiaiton for mutual benefit. This is bound to result in trust, commitment and increase in service quality offered to the customer ultimately leading to an increase sales of the organisation leading to an increase in the profitability of the organsiaiton at large. This , paper an attempt is made to study the effect of trust, commitment and service quality of relationship marketing on customer satisfaction.

Keywords: Trust, commitment, service quality, customer satisfaction, relationship marketing

I. INTRODUCTION

Relationship marketing makes it easy for organisations in retaining existing customers which requires much lesser effort, time and resources than in acquiring new customers. As a result all organisations have started seriously focusing their full attention on working on the various dimensions of relationship marketing hoping that it could lead to customer retention. Relationship marketing also leads to other benefits such as winning the loyalty of the customers, satisfaction gained by customers and building an enduring relationship between the organisation and its customers for mutual benefit. This is bound to result in trust, commitment and increase in service quality offered to the customer ultimately leading to an increase sales of the organisation leading to an increase in the profitability of the organsiaiton at large. This article attempts to evaluate the influence of trust, commitment and service quality relationship between the organisation and its customers which ultimately results in customers gaining utomost satisfaction.

By establishing relationships, over a period of time the organisation understands more about the customer requirements and also tries to satisfy each and every such need. These days customers not only expect quality products but also good service. By creating such enduring and long lasting relationships, organisations are able to have high levels of customer relationship. In doing so, the concept of customer relationship management becomes relevant in acquiring and retaining customers for mutual benefit.

II. REVIEW OF LITERATURE

Wahib I. Al-Ibrahim, Saeb AL-Gannideh, and Najm A,Najm (2019) studied the effect of relationship dimensions viz, trust, communication, empathy and perceived quality in pharmaceutical companies. The study has highlighted that a significant effect of relationship among the various dimensions of customer satisfaction.

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Divine Caesar and Kwame Simpe Ofori (2019) analyzed the relationship marketing practice can influence in retaining the customers.

Deborah O.Aka et al. (2016) have conducted a study which has brought clearly the relationship that exists among the various marketing dimensions which ultimately aid in increasing customer satisfaction and building customer loyalty.

Mihir Dash and Vineetha Rajshekhar (2013) have attempted to analyse the relationship that exists between customers and their respective banks. The results of their study has shown that there are five important dimensions namely, trust, bonding, communication, relationship quality and conflict handling which influence the overall level of customer satisfaction with the service rendered by banks in India.

III. OBJECTIVES OF THE STUDY

- i. To understand customers' perception towards the dimensions of relationship marketing which depends upon trust, commitment and service quality of relationship marketing.
- ii. To examine the variation in mean of various demographic variables with respect to the dimensions of relationship marketing which depends upon trust, commitment and service quality.
- iii. To examine the relationship between various dimensions of relationship marketing which depends upon the trust, commitment and service quality and satisfaction gained by customers.

IV. RESEARCH METHODOLOGY

Descriptive research design was adopted for the study. This study depends heavily on primary which was compiled using a questionnaire by conducting a survey among Telecom customers in Chennai. The sampling technique has been convenience sampling and the sample size is limited to 128 respondents. The reliability of the research tool has been verified by

calculating the Cronbach's Alpha which is as detailed below :

Table 1 : Reliability

Variable	Cronbach's Alpha Value
Trust	0.895
Commitment	0.782
Service Quality	0.816

From the table 1, we can infer that the Cronbach's alpha value for trust is 0.895, for commitment it is 0.782 and for service quality it is 0.816. All values are above the cut off value of 0.7 and hence it can be concluded that the scale is reliable.

V. ANALYSIS AND INTERPRETATION

H₀₁: There is no significant difference in the mean of demographic variables like gender with respect to dimensions of relationship marketing and customer satisfaction.

Table 2 : t-Test for Significant Difference between Gender and Dimensions of Relationship Marketing

Variables	t-test for Equality of Means		
	T	Df	Sig. (2-tailed)
Trust	-.941	22.409	0.357
Commitment	-3.146	29.981	0.004**
Service Quality	-2.272	23.639	0.032**

From the above Table it can be observed that commitment and service quality differ according to the gender of the respondents with P values which is less than 0.05. However, the variable, trust does not differ according to the gender of the respondents as the P value is above the threshold of 0.05.

H₀₁: There is no significant difference in the mean of demographic variables like age with respect to dimensions of relationship marketing and satisfaction gained by customers

Table 3 : ANOVA Test For Significant Difference between Age and Dimensions of Relationship Marketing

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Commitment	Between Groups	1.278	4	.320	.268	.898
	Within Groups	113.482	95	1.195		
	Total	114.760	99			
Service Quality	Between Groups	.857	4	.214	.258	.904
	Within Groups	78.903	95	.831		
	Total	79.760	99			
Trust	Between Groups	1.695	4	.424	.509	.729
	Within Groups	79.055	95	.832		
	Total	80.750	99			

From the above it is evident that none of the dimensions of relationship marketing such as commitment, service quality and trust differ according to the age of the respondents as the P-values of commitment (0.898), service quality (0.904) and trust (0.729) are above the cut off value of 0.05.

Table 4 : Multiple Regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.982 ^a	.964	.963	.14345
a. Predictors: (Constant), Service Quality, Commitment, Trust				

Coefficients ^a						
Model		Unstandardised Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.676	.074		9.175	<0.001**
	Trust	.342	.030	.413	11.304	<0.001**
	Commitment	.251	.019	.362	13.436	<0.001**
	Service Quality	.260	.032	.312	8.123	<0.001**
a. Dependent Variable: Customer Satisfaction						

Multiple regression is carried out between trust, commitment, service quality and customer satisfaction. From the regression, we can infer that all the three variables, trust (0.342), commitment (0.251) and service quality (0.260) have a significant positive impact on customer satisfaction with the p values less than 0.001 and R-square being 0.964.

VI. CONCLUSION

Currently the expectations and demands of customers are increasing day by day. hence the organization are compelled to concentrate on

developing effective relationship marketing in order to ensure there is scope for building their loyalty. In making sure this is achieved corporates should focus attention on motivating their employees in the right direction To conclude the dimensions of relationship marketing such as trust, commitment and service quality exert ample influence on satisfaction of customers which has a great impact on customer loyalty.

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