

Relationship Marketing And Customer Satisfaction: An Empirical Study

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Abstract

Purpose- In this research, consumers of a private firm in Gujarat are used to analyse how relationship marketing affects customer happiness. The goals are to (1) ascertain how relationship marketing influences customer satisfaction, (2) analyse the rate at which trust influences customer happiness, and (3) explore how competency and long-term relationships influence customer contentment.

Methodology- both primary and secondary sources were utilised. A questionnaire was used to collect the 500 responses used to collect the essential and relevant data. A combination of inferential and descriptive statistics was used to examine the data. Multiple regression analysis and the Pearson correlation coefficient were used to examine the hypotheses.

Findings-Based on the data, it was determined that a change of just one percent in relationship marketing may have an impact of 81.1% on customer satisfaction. Furthermore, the R² value of 0.435 indicates that competence and long-term connection jointly explain for 40.4% of the variation in customer happiness, and a 1% change in trust will result in a 72.2% change in customer satisfaction.

Originality value- The research suggests that relationship marketing affects customer satisfaction positively because of the positive correlation between the two.

Keywords: Customer, Satisfaction, Relationship, Marketing, Client

Introduction:

The atmosphere is intensely competitive and constantly changing. It takes a proactive and dynamic organisation or institution in any business-oriented industry to thrive in today's internationally competitive climate. Another consideration is the ultimate consumer, or target market. Strategic planners and business leaders must also have

the customers' wants and needs at the forefront of their minds. In addition, businesses are beginning to prioritise building customer relationships over merely making sales. There has been a sea change in how businesses and other institutions interact with their clientele throughout the years. This shift occurred as businesses came to realise that becoming reliable members of a wide range of networks and strategic alliances is increasingly necessary to maintain a competitive edge in today's global economy (Morgan and Hunt, 1994).

It is no longer sufficient for businesses to maximise profits at the expense of their customers; instead, they must prioritise the development of relationships that are mutually beneficial. There needs to be a pleasant relationship between the company and its target market in order for the company to successfully attract and retain customers. Because of this, relationship marketing has replaced transactional marketing as the primary focus.

The marketing industry is shifting its emphasis from handling transactions to cultivating lasting connections with consumers (Gummesson, 1997).

The goal of marketing is to provide products and services that meet the requirements of a specific demographic (Kotler, 1993). After a company has determined a customer's wants and needs and provided a solution, a natural next step is to form a rapport with that consumer; this is the premise of relationship marketing.

The primary objective of marketing is to gather as much information as possible about the target market in order to personalise a product or service to the wishes and requirements of that market in particular. The basic objective of marketing is to get as much information as possible about the target market in order to personalise a product or service to the preferences and prerequisites of that market. Management's ability to create a positive rapport with its target market and meet the wants and demands of its customers is greatly enhanced when relationship marketing is incorporated into the company's overall strategy. As a result, relationship marketing takes on a pivotal role as a primary motivator in establishing long-lasting, mutually beneficial connections with customers that contribute to their overall happiness.

Marketers should always put their clients first (customers). As a corollary, a company can only continue to exist if it is able to meet the needs of its clients. One of the most important aspects of modern marketing is establishing meaningful connections with everyone who can have an impact on a company's marketing efforts (Kotler and Keller, 2006). They concluded that the goal of relationship marketing is to earn and maintain the business of important parties such as consumers, suppliers, distributors, and other marketing partners through the development of long-term, mutually beneficial relationships.

Review of Literature

Relationship marketing's fundamental goal is to maintain and grow the loyalty of already established patrons through heightened interaction and communication. It could also involve treating the customer like a paying customer. Converting apathetic clients into devoted patrons may be necessary in various circumstances. Getting new customers is a transitional element in the marketing process (Wagner et al., 2009). Customers will have more respect for a business that is willing to help them even after hours (Palmatier et al., 2009). It's also a model of persuasive writing. Here, gratitude is the driving force behind improved relational quality and fruitful outcomes for the vendor. If the company succeeds in keeping its clients satisfied, those clients will never defect.

This calls for keeping an eye on things like competition, consumer confidence, and the standard of the services provided (Theron and Terblanche, 2010). Research shows that consumers are picky in their interactions. Understanding consumer behaviour requires looking into their past encounters, their anticipations, and their wishes. Basically, Relationship Marketing just gathers data that helps businesses zero in on their ideal clients and hold on to them. One strategy that has been proposed to accomplish this is relationship marketing. Most of the ways that relationship marketing is described are already being used by these businesses. This makes the company more money because clients are happier and trust it more (Ashley et al., 2011). Relationship marketing's primary focus is on fostering connections between businesses and their clients at every touchpoint. That's good news for both the businesses and the customers. Overarchingly, the goal of relationship marketing is to retain customers by recognising and addressing the elements that influence their relationships with businesses. There needs to be a greater focus on investors and traders in the stock market industry. The contentment of a company's customers has a significant impact on the potential returns of the stock price “(Sarлак and Fard, 2009; Jiang et al., 2009)”.

Several studies have found a favourable relationship between satisfied customers and initial levels of profit. The stock markets are now being driven by this same cause (Grewal et al., 2010). Consequently, before putting money into a company, it's crucial to assess the company's performance using critical criteria like customer satisfaction. Investors risk losing out on potential gains if they wait (Tuli and Bharadwaj, 2009).

Numerous studies have been conducted to investigate the effect that marketing activities have on the overall level of consumer satisfaction and its diversity. To what extent do these elements play a role in determining shareholder value? (Grewal et al., 2010). The short-term results a company achieves in relation to its customers have an impact on the company's long-term success (Tuli and Bharadwaj, 2009). These days, managers need to find a middle ground between client acquisition and customer retention strategies. The purpose of this is to determine the company's potential for expansion (Grewal et al., 2010). All of a company's managers must perform satisfactorily for the company's reputation in terms of performance and profitability to be maintained in the eyes of its stakeholders (Samaha et al., 2011). Recently, stakeholder analysis of a company's profitability has expanded to include the company's connection with its customers. Therefore, the company attracts new investors through Relationship Marketing.

Research Gap:

The marketing strategist's focus on customer retention should also take switching costs into account. These are just the one-time expenses that clients incur while making a change in service providers. The customer's trust in the service provider would increase as a result of these factors. This whole thing will help to win back the trust of current clients and attract new ones. They're considered crucial to establishing strong connections with clients.

Objectives of the study

1. To ascertain how relationship marketing affects customers' satisfaction
2. To determine how quickly trust impacts customers' satisfaction.
3. The purpose of this study is to examine how both competency and longevity of connection affect customers' satisfaction.

Hypothesis of the study

The study proposes a series of null hypotheses that are in keeping with its goals:

H01: There is no significant relationship between relationship marketing and customer satisfaction

H02: There is no significant relationship between trust and customer satisfaction.

H03: Competence and long-term relationship do not jointly predict customer satisfaction.

Research Methodology

In this research, consumers of a private firm in the Gujarat are used to analyse how relationship marketing affects customer happiness. The goals are to (1) ascertain how relationship marketing influences customer satisfaction, (2) analyse the rate at which trust influences customer happiness, and (3) explore how competency and long-term relationships influence customer contentment. Both primary and secondary sources were utilised. A questionnaire was used to collect the 500 responses used to collect the essential and relevant data. A combination of inferential and descriptive statistics was used to examine the data. Multiple regression analysis and the Pearson correlation coefficient were used to examine the hypotheses.

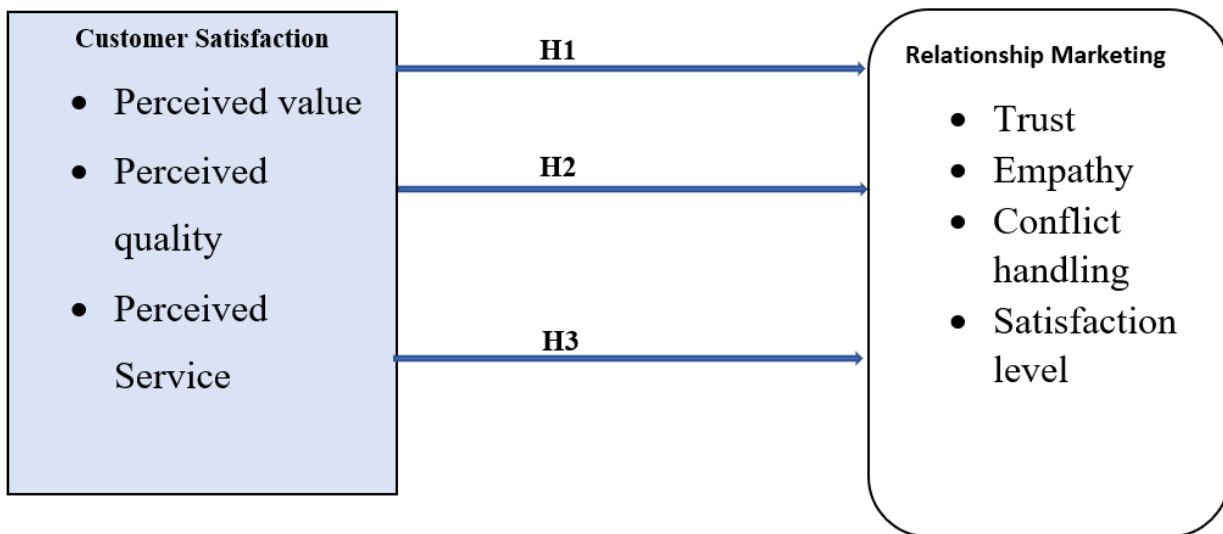


Figure1: Self-Prepared- Conceptual Framework of the Study

Result and discussion

Table 1: Age wise distribution

Age	Frequency	Percentage
18-25	39	7.80%
26-35	132	26.40%
36-45	147	29.40%
46-55	123	24.60%
Above 55	59	11.80%

Figure 2: Age wise distribution

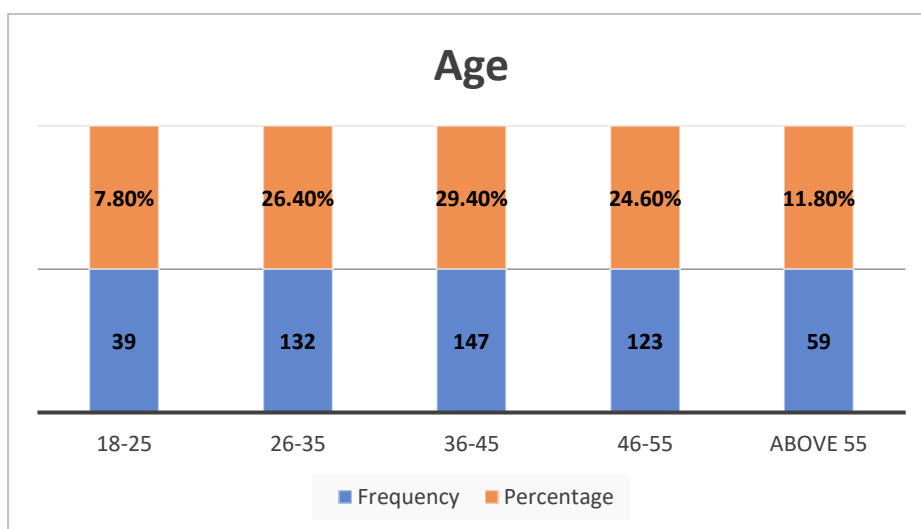


Table 1 conducted age wise distribution analysis and stated that majority of respondents were at the age of 36-45 years (n=147, 29.40%) followed by 26-35 years (n=132, 26.40%). Respondents at the age of 18-25 years (n=39, 7.80%) found to be least.

Table 3: Educational Qualification

Educational Qualification	Frequency	Percentage
10 th	114	22.80%
12 th	130	26.00%
Graduation	77	15.40%
PG & Higher	56	11.20%
Professional degree	123	24.60%

Figure 3: Educational Qualification

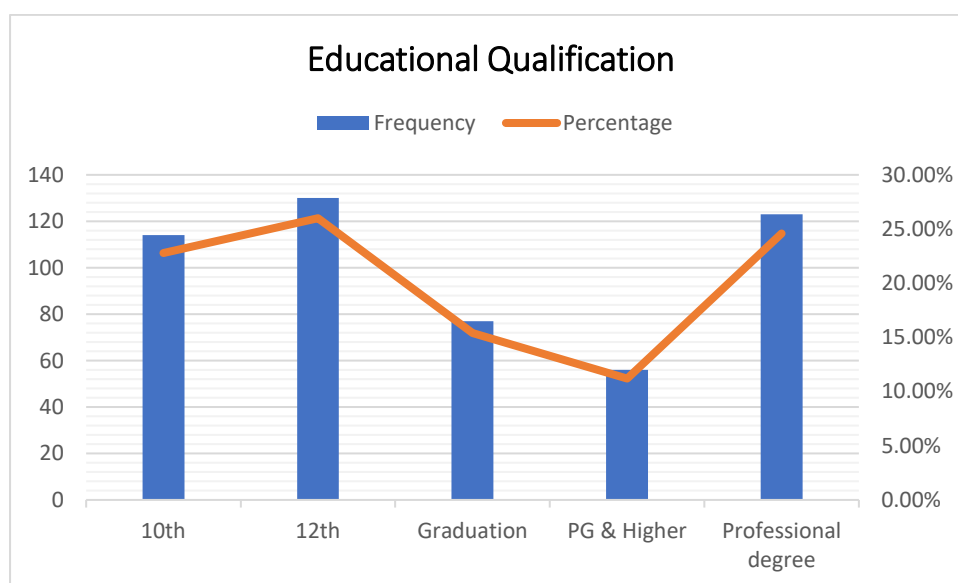


Table 3 documented the majority of respondents having educational qualification of 12th (n=130, 26%) followed by professional degree (n=123, 24.60%). PG and higher (n=56, 11.20%) found to be least qualification found among the women respondents residing in Rajasthan.

Table 4: Marital Status

Marital Status	Frequency	Percentage
Single	187	37.40%
Married	193	38.60%

Others	120	24%
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Figure 4: Marital Status

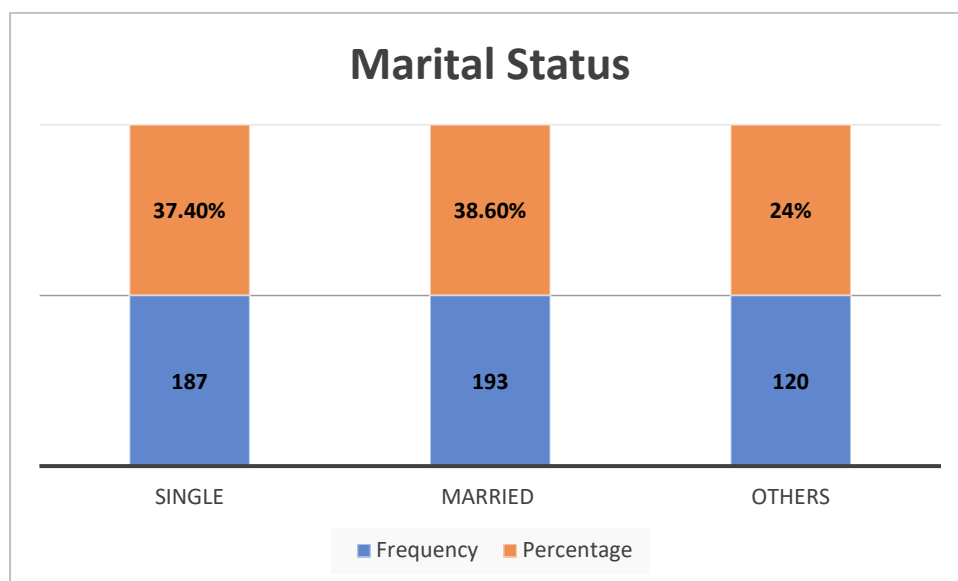


Table 4 documented the marital status of respondents and stated that majority of respondents found to be married (n=193, 38.60%) followed by Single (n=187, 37.40%). The others (n=120, 24%) found to be least in the study.

Table 5: Annual income of the family

Annual income of the family	Frequency	Percentage
Up to 1,00,000	103	20.60%
1,00,001 - 2,00,000	111	22.20%
2,00,001 - 5,00,000	143	28.60%
5,00,001 – 10,00,000	73	14.60%
Above 10,00,000	70	14%

Figure 5: Annual income of the family

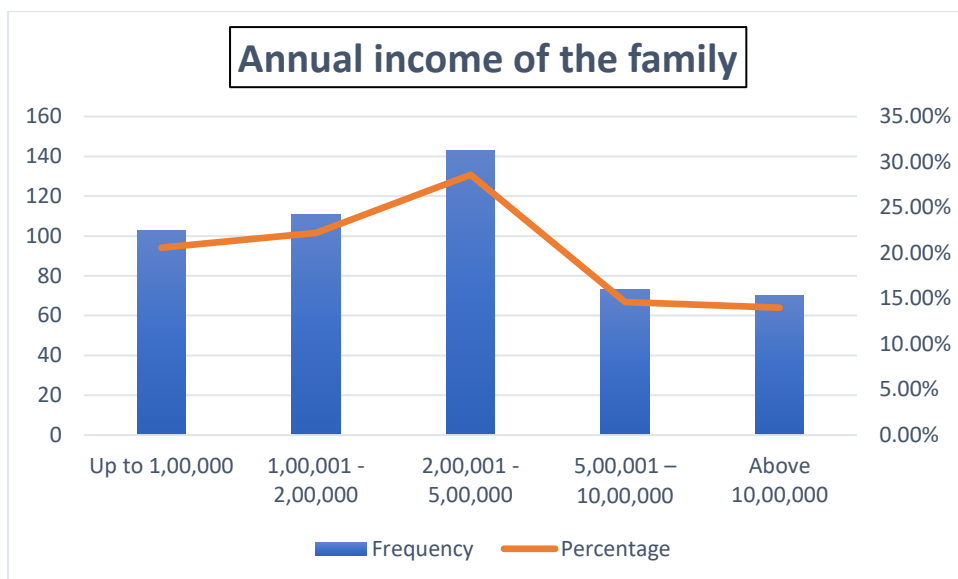


Table 5 stated the annual income of the family and found that majority of the respondent's annual income of the family is Rs. 2,00,001 - 5,00,000 (n= 143, 28.60%) followed by Rs.1,00,001 - 2,00,000 (n=111, 22.20%). Annual income of the family found to be least in Above R. 10,00,000.

Table 6: Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.892	7

Table 6 stated the reliability statistics of the study and stated that the estimated value of Cronbach's Alpha is .892 (n=7), Therefore, internal consistency among the variables is present as estimated value is greater than .60.

Table 7: Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Perceived value	500	1	5	3.47	1.547
Perceived quality	500	1	5	3.36	1.498
Perceived service	500	1	5	3.46	1.336
Trust	500	1	5	3.85	1.322

Empathy	500	1	5	3.62	1.487
Conflict handling	500	1	5	3.56	1.226
Satisfaction level	500	1	5	3.41	1.440
Valid N (listwise)	500				

Table 7 studied the descriptive statistics of the existing analysis and documented that trust (Mean= 3.85 and standard deviation= 1.322) is the prime factor among customer satisfaction and relationship marketing followed by empathy (Mean= 3.62 and standard deviation= 1.487). The findings of the study indicated that trust is the major factor influencing both customer satisfaction and relationship marketing.

Table 8: Correlations analysis

Correlations								
		Perceived value	Perceived quality	Perceived Service	Trust	Empathy	Conflict handling	Satisfaction level
Perceived value	Pearson Correlation	1	-0.055	0.013	0.010	-0.002	-0.055	-0.037
	Sig. (2-tailed)		0.222	0.766	0.828	0.958	0.216	0.409
	N	500	500	500	500	500	500	500
Perceived quality	Pearson Correlation	-0.055	1	-0.062	-0.060	-0.074	-0.023	0.012
	Sig. (2-tailed)	0.222		0.166	0.178	0.100	0.608	0.781
	N	500	500	500	500	500	500	500
Perceived Service	Pearson Correlation	0.013	-0.062	1	.644*	.493**	.180**	.432**
	Sig. (2-tailed)	0.766	0.166		0.000	0.000	0.000	0.000
	N	500	500	500	500	500	500	500

Trust	Pearson Correlation	0.010	-0.060	.644**	1	.656**	.252**	.497**
	Sig. (2-tailed)	0.828	0.178	0.000		0.000	0.000	0.000
	N	500	500	500	500	500	500	500
Empathy	Pearson Correlation	-0.002	-0.074	.493**	.656*	1	.502**	.493**
	Sig. (2-tailed)	0.958	0.100	0.000	0.000		0.000	0.000
	N	500	500	500	500	500	500	500
Conflict handling	Pearson Correlation	-0.055	-0.023	.180**	.252*	.502**	1	.205**
	Sig. (2-tailed)	0.216	0.608	0.000	0.000	0.000		0.000
	N	500	500	500	500	500	500	500
Satisfaction level	Pearson Correlation	-0.037	0.012	.432**	.497*	.493**	.205**	1
	Sig. (2-tailed)	0.409	0.781	0.000	0.000	0.000	0.000	
	N	500	500	500	500	500	500	500
** . Correlation is significant at the 0.01 level (2-tailed).								
* . Correlation is significant at the 0.05 level (2-tailed).								

Table 8 studied the correlation analysis of the study and indicated that perceived value is positive correlated with Perceived quality, Perceived Service, Trust, Empathy, Conflict handling and satisfaction level. Perceived quality is positively correlated with perceived value, Trust, Empathy, Conflict handling and satisfaction level. Perceived service is positive correlated with Perceived value, Perceived Service, Trust, Empathy, Conflict handling and satisfaction level. Trust is positively correlated with perceived value, Perceived quality, Perceived Service, Empathy, Conflict handling and satisfaction level. Empathy is positively correlated with perceived value, Perceived quality, Perceived Service, trust, Conflict handling and satisfaction level. Conflict handling is positively correlated with perceived value, Perceived quality, Perceived Service, trust, empathy and satisfaction level.

Satisfaction level is positively correlated with perceived value, Perceived quality, Perceived Service, trust, empathy and conflict handling. Therefore, findings of the study documented that all the variables under study are positively correlated with each other.

Table 9: Model Summary

Model Summary									
Model	R		Adjusted R Square	Std. Error of the Estimate	Change Statistics				
		R Square			R Square Change	F Change	df1	df2	Sig. F Change
1	.459 ^a	0.435	0.416	0.976	0.435	23.012	16	479	0.000
a. Predictors: (Constant), Perceived value, Perceived quality, Perceived Service, Trust, Empathy, Conflict handling and satisfaction level									

Table 9 showed the regression analysis and indicated that r and r square value is around 40% which is more than the acceptable limit of 30%. Therefore, findings of the study documented those independent variables, namely, Perceived value, Perceived quality, Perceived Service, Trust, Empathy, Conflict handling and satisfaction level are positively influenced the dependent variable, namely, Impact of customer satisfaction and relationship marketing.

Table 10: ANOVA Analysis

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	350.873	16	21.930	23.012	.000 ^b
	Residual	456.464	479	.953		
	Total	807.337	495			
a. Dependent Variable: Impact of customer satisfaction and relationship marketing						
b. Predictors: (Constant), Perceived value, Perceived quality, Perceived Service, Trust, Empathy, Conflict handling and satisfaction level						

Table 9 indicated the ANOVA analysis and documented that all independent variables, namely, Perceived value, Perceived quality, Perceived Service, Trust, Empathy, Conflict handling and satisfaction level are significant at .000 which is less than the acceptable threshold limit of .005. Therefore, findings of the study documented those independent variables, namely, Perceived value, Perceived quality, Perceived Service, Trust, Empathy, Conflict handling and satisfaction level are positively influenced the dependent variable, namely, Impact of customer satisfaction and relationship marketing.

Hypothesis testing:

After application of correlation analysis and regression analysis, the findings of the study documented that null hypothesis which is “there is no significant relationship between relationship marketing and customer satisfaction” & “there is no significant relationship between trust and customer satisfaction”. Competence and long-term

relationship do not jointly predict customer satisfaction is rejected and alternative hypothesis which is “there is significant relationship between relationship marketing and customer satisfaction” & “there is significant relationship between trust and customer satisfaction”. Competence and long-term relationship jointly predict customer satisfaction is accepted.

Conclusion

Relationship marketing's primary focus is on fostering connections between businesses and their clients at every touchpoint. That's good news for both the businesses and the customers. Overarchingly, the goal of relationship marketing is to retain customers by recognising and addressing the elements that influence their relationships with businesses. More focus should be placed on investors and traders in the stock market industry. The pleasure of the company's customers is a major factor in the potential risks and returns of the stock price of the company.

With relationship marketing as a cornerstone, the marketing industry has gained a fresh perspective and placed greater emphasis on meeting consumer demand. Techniques used to achieve goals and tactics implemented to boost sales and customer happiness within the industry have been emphasised all through the research. Many books and articles on the subject have also been taken into account. Both trust and customer happiness have been identified as crucial to a company's ability to sustain and improve its public profile. Awareness consumer behaviour in foreign contexts necessitates an understanding of both relationship marketing and international marketing concepts. Our research focused heavily on issues like perceived value, quality, service, trust, empathy, conflict resolution, and overall satisfaction. Relationship marketing has been studied extensively to demonstrate the vital role that positive customer relationships have in a company's ability to expand and succeed.

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