The Review of the Significant Role of Customers towards the Success of Companies to Remain Relevant, Sustainable and Competitive in the Market

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Abstract- This paper examine areas of customer feedback, customer satisfaction, brand experience and brand loyalty in order to determine the significance of customers in terms of the areas mentioned above towards the success of companies to remain relevant, sustainable and competitive in the market. The findings were that there is a strong correlation between customer feedback, customer satisfaction, brand experience and brand loyalty and the performance of a company that may have a profound impact towards the success of firms.

Keywords: customers satisfaction, relationship between customers and companies, customer feedback, brand experience, brand loyalty, marketing.

GJHSS-E Classification : FOR Code: 150599

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Abstract- This paper examine areas of customer feedback, customer satisfaction, brand experience and brand loyalty in order to determine the significance of customers in terms of the areas mentioned above towards the success of companies to remain relevant, sustainable and competitive in the market. The findings were that there is a strong correlation between customer feedback, customer satisfaction, brand experience and brand loyalty and the performance of a company that may have a profound impact towards the success of firms.

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I. Introduction

In recent years, several multinational enterprises have been buffeted by a great many obstacles and problems in the tempestuous and often volatile world of business. In most cases, customers played a major role in driving several multinational enterprises to undergo a process in which they require an exigency to modify itself to adapt to changes to stay pertinent to the current market and customers' needs. Furthermore, the role of customers is indispensable towards a company's survival, as it can be argued that the market exists for the customer in the first place. This places a heavy pressure on multinational enterprises as these companies need changes to remain relevant in the ever evolving market of the 21st Century. It is therefore hard to deny that the role of customers is vital towards a company's survival.

In addition to other multidimensional resources such as labor, capital, raw material and etc, the success of companies are mostly tied down to the power of customers' demands. Customers are the scarcest resource (Peppers, 2013). They are also an essential resource which companies depend on for prosperous growth and to ensure the continuing success of their business. Unlike other resources, customers must be enticed and cannot be traded or collected like other commodities. Companies would not have privilege to be able to borrow customers from a bank for the purpose of creating value out of them and then letting the company to shell out back with interest. A company must therefore resort to creating whatever value a company can from whatever customer.

Companies of today are constantly researching and trying to match up with the latest marketing dynamics and needs, adapting and evolving to become more flexible and responsive towards customers. The needs of customers are constantly changing; they are subject to the whims of the time as well as that of the demographic. As such a company's continued survival is dependent not only on the profit gained but also on the capricious demands of customers. Companies may find the need to undergo changes because of the wishes of customers. The role of customers is a major one in the market and serves as one of the main motivators for companies to undergo changes to adapt to their needs. Hence, this paper will attempt to review the significance of customers in terms of customer feedback, customer satisfaction, brand experience and brand loyalty towards the success of companies to remain relevant and competitive in the market.

II. McDonalds and Pepsico's Changes in the Market

McDonalds is an example of a world-renowned and well-established multinational enterprise that managed to have met the customers' needs after a major uproar from customers on their food menu. This fast food restaurant was initially known as a provider of cheap fast food to folks which became very popular among families with children. Despite or maybe because of their popularity, McDonald's found itself at the receiving end of a concentrated media assault as research increasingly deemed that McDonald's menu was detrimental towards health. This caused severe backlash from a generation that was suffering from obesity and heart diseases as well as many other ailments due to their poor knowledge of nutrition (Daily Mail, 2007). The impact from the media has caused

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McDonalds to quickly reassess their strategies and methods by conducting market research over the years to slowly learn about the contemporary consumer preferences to continue to stay relevant as well as to attract a wider range of customers and audiences. Hence, they came up with healthier food options such as salads, yogurt, fruit juice and high-end coffee to counter the negative hype from the media (Daily Mail, 2007).

PepsiCo's take on one of their brands, Tropicana orange juice, hit the company's wallet hard. The new packaging put Tropicana in jeopardy when it had caused a loss of $33 million in three months after their changes back in 2000 (Zmuda, 2009). Tropicana's new Pure Premium packaging had been on the market less than two months before the company decided to get rid of the newly redesign packaged. PepsiCo was also bombarded with complaints that the new packaging was "ugly", "stupid" and "resembled a generic bargain brand" according to The NY Times (2009). In a bid to control the amount of damage, PepsiCo hurriedly reverted back to its original package design.

III.   Customer Feedback

Customer feedback is perhaps one of the most important driving forces for improvements within an enterprise. In cases where multinational enterprises experienced a backlash of negative comments from the media and customers, it is crucial to work on garnering constructive customer feedback towards the brand. Ekinci and Wyatt (2011) mention that customer satisfaction is critical to ensure long-term success in business. Both compliments and complaints from customers play a crucial role in helping the enterprise to achieve continuing improvement. Constructive compliments help in identifying the strengths that should be further maintained or reinforced and for the best practices that are of particular value to customers to be communicated and implemented across a service organization (Wirtz, Tambyah & Mattila, 2010). Customer complaints are important too as they help the organization to determine the weaknesses of the company through customer service processes, products and policies. By doing so, enterprises and organizations can build a reputation for staying close to the customers and ensuring their satisfaction through the consideration and application of feedback when necessary and carrying out research for marketing innovations as well as establishing good communication (Piranfar & Matthews, 2008).

Ducati has a unique way of using their customer feedback which has drawn profound interest from various quarters (Sawhney, Verona, Prandelli, 2005). Ducati uses online customer surveys and feedback for activities where their website was formed by customer feedback and even the guests for live chats on the website were also selected based on customers input. Besides that, Ducati also collected fans' feedback on purpose to construct the new Sport Classic through ad-hoc surveys about the three concepts for the Ducati Sport Classic. About 15,000 answers had 96% recommendation were received by the company for the making of all the three models.

IV.   Fellow Customers

Besides that, a customer's opinion may be influence by other customers' experience. Since time immemorial, people have always relied on the experience and recommendation of their friends to make decisions. This inclination has become even more pronounced in our modern society as advertisement weary people are more likely to believe the word of their friends rather than listening to a company's well-rehearsed marketing pitch. Miao and Mattila (2011), agree that another customers' experience does have an effect on the customers' cognitive, affective, social, and physical response towards the enterprise's services.

The experience of another customer can also pose a dangerous treat for most multinational enterprises or companies. In a study conducted by Brocato, Voorhees and Baker (2012), it was suggested that customers may draw their inference from cues in the physical surroundings and the employees that are available to them. A similar study was also conducted by Yan and Lotz in 2009, with results that support that of Brocato and colleagues. Yan and Lotz research suggested that potential customers can be affected by other customers' perception even when both of the customers have never interacted.

Hlavinka and Sullivan (2011) who are a part of the Colloquy company, carried out a survey relating to word-of-mouth, to investigate 3,295 consumers in order to determine the possibility of customers to share bad news about their own customer experience with others. Their findings were that 96% of their surveyors were more than likely to talk about their bad customer service experience with friends, family as well as co-workers. Another interesting fact was that customers who considered themselves loyal to a specific company or brand were likely to also talk about a negative experience to others. The findings in this investigation has also found that 31% of the same surveyors have said that they would also be more than likely to share a bad customer service experience than a good one. Moreover, another survey has shown that respondents who experienced bad customer service experience were also 50% more likely to share it on social media than the other 30% who had good experiences (Dimensional Research, 2013).

V. Customers Satisfaction

A happy customer is more than likely to go back to the same brand and continue to enjoy the services given. As described by Bennett, Kennedy, and Coote (2007), the intention to repurchase and the level of commitment to the brand is more likely to be influenced by satisfaction from a prior purchase experience than the degree of importance in purchase. An example would be the findings of a study by Namkung and Jang (2007), which reveals that restaurateurs could boost customer satisfaction by adding healthy and nutritious menu products because customers placed higher value on healthy food instead of focusing on the external trappings such as the interior design and decoration. By gratifying the needs of these customers, the healthy food option could significantly influence the customer's satisfaction and repeated patronage. In addition, customer satisfaction has also been proved as an optimistic impact towards a company's future human capital (Luo & Homburg, 2007).

VI. Brand Experience and Brand Loyalty

When a customer is satisfied, a company will gain an advantage against its competitors. A good brand experience means delivering an experience a customer remembers favorably as that would be what customers would remember about a particular brand whenever the thought crosses their mind. The physical elements of the brand such as colors, shapes and etc can trigger the emotions of the customer, in which these elements may serve as a reminder for customers to remember the brand (Hollebeek, 2011). Hence, customers would remember the brand and relate the physical elements of the brand with their experiences. Customer's brand experiences are crucial as well towards the amount of satisfaction they feel. It encompasses every feature of a company's reputation- the quality of customer care, publicity, packaging, goods, service aspect and ease of use (Meyer & Schwager, 2007). Brakus, Schmitt and Zarantonello (2009) add that brand experience can be experienced in a multifarious of conditions when consumers explore and shop for the brands.

Assael (1993) described brand loyalty as a repeated purchase behavior based on a customers' satisfaction from their experiences in purchasing the same brand. Growth and McDaniel (1993) are of the same school of thought as Bennett and Rundle-Thiele (2000), whereby these academic researchers believe that brand loyalty can be best measured with affective loyalty. Improving customer loyalty plays an essential role since an increased in customer loyalty results in pleasing outcomes such as customers' repurchasing

and optimistic word-of-mouth will be of assistance to nudge the competitors' customer base as well as cross-selling (Stokburger-Sauer, 2010).

When customers are satisfied with the brand, the quality of a relationship can be developed between the brand and its customers which can also result in customers slowly becoming loyal towards the brand. Aurier and Lanauze (2012) are of the opinion that the worth of the bond advanced with a brand, is measured through trust and affective devotion that would have a stronger impact on attitudinal loyalty. Trust and affective commitment will lead to a better and stronger relationship between the customers and the brand; this may be able to reinforce emotional attachment between customers and brands. An example of this would be the 2013 research conducted by So, Parsons and Yap, which found that by cultivating the customer's emotional commitment with the brand could contribute positive impact towards brand loyalty in the fashion industry through corporate connection, functional benefits and symbolic benefits. This study is also supported by credited studies done by Grisaffe and Nguyen (2011) along with Park, MacInnis, Preister. Eisingerich and Iacobucci (2010) who also argue that customer emotional connection enhances brand loyalty.

VII. Discussion

McDonalds and PepsiCo were forced to undergo changes to adapt to the current market because of one important aspect- customers. These changes were needed to stay relevant and to continue to attract customers and profit. It can be seen here that the role of customers is a vital one towards a company's survival against other competitors and to allow them to continue to gain profit while staying relevant to the market's needs.

Whether it is McDonalds who decided to add more healthier food options on their menu to deal with the uproar from their customers and media or PepsiCo who decided to revert back to their original Tropicana cover design due to the intense criticism of its look from their customers, these multinational enterprises took action and acted based on their customers' feedback and needs. By undergoing these changes in order to suit their customers' preferences, these multinational enterprises were then able to keep up with current market trends as well as to keep their customers happy.

Hence, customer feedback is important because it is crucial not only to improve a company's profits but also as a means to improve a corporation by reinforcing its strengths and overcoming the weaknesses found. Luo and Homburg (2007) suggested that customer satisfaction can increase advertising and promotion efficiency. These researches also added that it can help to save on future marketing costs and help to consume resources in the future while

achieving greater efficiency such as saving future marketing communications cost at a given level of sales.

Due to the on-going, rapid fire technological change in the commercial world, businesses are carried out in a very competitive environment; it can sometimes be a challenge to obtain customers' feedback. The response of some customers may be a very simple response such as "its good" or "yes" when there is actually a problem. With the breakneck speed of technological advancement, technology has provided us with several customer feedback tools that enable companies to easily get in touch with their customers and obtain their feedback. R&G Technologies, an IT company in Brisbane, experienced significant year on year growth and a major increase of 15% over a 12 month period just by using one of the latest technology customer feedback tools known as Client Heartbeat (Client Heartbeat, n.d).

If the suggestions obtained through customer feedback could be fulfilled and be listened attentively to, then perhaps there would be more happy customers, which can result in an increase in customer satisfaction and loyalty towards the company. Customer satisfaction may help to increase loyal customers towards the brand and it is also crucial towards helping to increase the profit of corporations. Customer satisfaction may be difficult to please as there has been a finding which implies that the effects of customer satisfaction on behavior are not equal across consumer groups (Walsh, Evanschitzky, & Wunderlich, 2007). Hence corporations should research on different and   suitable ideas to increase customer satisfaction in all groups.

It has always been assumed that if a customer is satisfied, the loyalty towards a company would be strengthen, however, Omotayo and Joachim (2008), adds that customer satisfaction does not necessary lead to customers' loyalty. A customer who is unsatisfied and unhappy increases the likelihood of spreading a bad experience about the corporation or brand that may affect the corporate image of the company as what Hlavinka and Sullivan (2011) discovered in their survey. Dimensional Research (2013) also added that customers are likely to spread the bad experiences than good ones through social media as well.

Word of mouth is seen to be the most prominent communication channel than advertising in this social media era because consumers may find consumer reviews to be more trusted than company sources of information or descriptions that comes from a manufacture (Keller, 2007; Allsop, Bassett &Hopkins, 2007). Since in today's technologically advanced world where people are easily connected, complaints and rants regarding the bad experience could spread like wildfire and to a wider audience through social media faster than non-virtual human interaction.

If customers are not satisfied because the company may not have carried out an action to respond to customers' needs or fix a current problem, their brand experience may be a downfall as well. Experienced customers or new customers may very well be influenced and may not formed a good or accurate impression of what the brand has to offer, and whether it is capable in fulfilling the current market needs: Does it have the quality of resilience and a reputation of responsibility about the future? This could lead to a company losing even their loyal customers. A good brand experience helps develop loyalty in customers towards a specific service of a corporation. Customers who become loyal are an important factor for the formation of a cash cow as companies would not need to spend so much to keep attracting their loyal customers as they can concentrate more investment on attracting newer customers. However, if the brand experience is bad, corporations may lose their cash cow.

Emotional attachment between customers and the brand may also be a way to increase the number of loyal customers and provide maximum customer satisfaction. Corporate enterprises may also want to focus on developing brand loyalty by triggering and creating an emotional bond with customers. And it just takes a simple moment to make customers feel valued and appreciated. Strohmetz, Rind, Fisher and Lynn (2012) carried out an experiment to test the effects of the wait staff giving mints to patrons in a restaurant. The two groups which received mints had increased tips of 21% and 14% versus the 3% in tips received by the one group that were given no mints. The level of service however did not change the slightest; the only thing that changed was the different approach with mints for the three groups. It can be concluded from this experiment that a personal touch can have a measurable impact on how a customer may feel about a brand.

VIII. Conclusion

The good opinion of customers is a determinant towards the growth of a company. The above areas of customers: customer feedback, customer satisfaction, other customers, brand experience and brand loyalty, could make or break a company and it can decrease the firms' profits through a ripple effect. Hence, companies should focus on creating innovative ideas and also fulfilling patrons' criteria in order to bring in more customers to generate more profit and to have a competitive edge against other competitors.

However, in the era of social media, information can be transmitted as easily as a click of a button, thus it is imperative that firms or enterprises remain vigilant in addressing complaints or negative images and words portrayed by customers through social media and while

continuously innovating their products to cater to the needs of the consumers.

Hence, in the future, further research should be done in extracting honest and constructive feedback from customers to ensure that companies could access accurate information to be able to meet customers' needs to ensure long term customer satisfaction. More investments in research could prove profitable in the long term when companies are able to act accordingly to the customers' needs.

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