PERSONNEL QUALITY AND CUSTOMERS SATISFACTION AS PREDICTORS OF CUSTOMER LOYALTY TO COCA-COLA BOTTLING RETAILERS IN IBADAN METROPOLIS

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Abstract

This study investigated the extent to which personnel quality and customer satisfaction was predictor of customer loyalty. The aim was also to examine the influence of personnel quality and customer satisfaction on customers’ loyalty on Coca-Cola Bottling Company in Ibadan metropolis. Ex-post research design was used in the study. Two null hypotheses were tested at 0.05 level of significance. The target population was customers of the Coca Cola Bottling Company retailers in Ibadan Metropolis. Two thousand customers of the Nigerian Bottling Company were randomly selected for the study. Multiple regression analysis was used to process data. Findings revealed significant relationship between personnel quality and customer loyalty and customer satisfaction and customer loyalty. It was recommended that regular and periodic enlightenment programmes on personnel quality and customer satisfaction should be mounted by the Coca-Cola Company in particular and other companies aimed at securing and sustaining customer loyalty from time to time. Companies should also ensure proper packaging of their products in order to enhance perceived quality of the products. Products that were well packaged and merchandised may attract more customers and sustain their loyalty.

Keywords: Personnel quality, Customer satisfaction, customer loyalty, retailers

Introduction

Increasingly, most companies strive for customer loyalty, and considerable efforts are made to maintain a loyal customer base due to a serious competition prevailing in the beverages’ sectors. It is observed that with the influx of competing firms, both the importance of and the challenge of keeping customers loyal have increased. Kemartz and Kumar (2000) contend that lasting customer relationships are beneficial to a company because the continuous patronage ensures a company's survive and growth.

Research has also shown that a marginal decrease in the retention rate by only a few percentage of consumers could have a major impact on the level of profitability of a company (Reichheld & Sasser, 1990). Meanwhile, the costs of securing new customers/consumers are said to be higher than the costs of retaining old customers because to retain them, a lot of promotion, dealer forum, advertisement, incentive to dealers and so on would be involved. Loyal customers are believed to demand less time in personal selling, to be less price sensitive and are always willing to spread positive word of mouth and do not demand acquisition or set up costs (Reichheld & Sasser, 1990; Reichheld, 1996; Narayandas, 1998). Loyal customers are also more likely to become advocates of the organisation recommending the service provider to others ( Reichheld, 1996 ; Narayandas, 1998).

To record high percentage of customer loyalty among the retailers in the beverage sector, the product must serve as a means by which customers achieve desired ends. The recent research by Morgan (2004) extends this conceptualisation by revealing that value is
determined by the distinct interrelationship between perceptions of price, quality, benefits and sacrifices.

Satisfaction is the customer’s fulfilment response. It is a judgement that a product or service provides (or is providing) a pleasurable level of consumption-related fulfilment, (Oliver, 1977). Customer satisfaction is essential to the profits of firms supported through purchasing and patronisation.

The adoption of a customer perspective implies that rather than defining which factors to focus on, customers are allowed to tell what has influenced their loyalty or disloyalty in open interview. The study draws mainly from literature on customer loyalty (Jacoby & Chestnut, 1978; Dada & Basu, 1994) and disloyalty (Keaveney, 1995; Roos, 1999). It contributes to both these literature streams by building a bridge between them and enhancing the understanding of customer disloyalty better; it also highlights which factors have a negative effect on loyalty and vice versa. Customer loyalty is a central goal of relationship marketing and therefore, the study draws upon relationship marketing literature.

**Literature Review**

**Personnel quality and Customer loyalty**

A number of service dimensions were identified in the marketing literature (Lee, Lee, & Yoo, 2000). For general criteria, the ten dimensions of Parasuraman et al. (1985) provide the most comprehensive range of determinants including: tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer, and access. These ten dimensions and their descriptions served as the basic structure of the Parasuraman, Zeithaml & Berry (1988) 22 items Service quality (SERVQUAL) scale. The SERVQUAL’s five dimensions (based on three original and two combined dimensions) are: tangibles, reliability, responsiveness, assurance, and empathy. The foundation of the measure rested on the authors’ suggestion that personnel quality should be represented as the “gap” (i.e., difference) between service expectations and actual service performance (i.e., the disconfirmation paradigm). Accordingly, personnel quality is deemed sufficient when customer perceptions of service performance are equal to or greater than the expected level of service. Other researchers (Brady, Cronin & Brand, 2002) have argued that performance dimension alone predicts behavioural intentions and behaviours at least as well as the complete model. Thus, it has been suggested to use only performance perceptions as a measure of personnel quality.

Despite the fact that personnel quality has been the most popular area of research in services marketing, it has only recently gained business management scholars’ attention (Change, Chen, & Hsu, 2002). Numerous efforts have been made in the personnel psychology fields to study personnel quality, including the development and examination of several measurement models (Alexandris 2002; Papadimitriou & Karteroliotis, 2000). However, because of its conceptual complexity, business literature has not agreed upon one scale to measure personnel quality. The following literature review is based on the different instruments that were used in business management research.

SERVQUAL (Parasuraman, Zeithaml & Berry, 1988), the most popular personnel quality scale, was used in sport management literature in several studies (Alexandris, 2002). In a study on the influence of perceived quality on customer satisfaction and service loyalty
in the fitness industry, Alexandris (2002) posed two main research questions: (1) Can customer satisfaction in fitness clubs be predicted from the SERVQUAL dimensions? (2) Which dimensions of personnel quality are related with customer loyalty? 250 members of five private fitness clubs completed an adjusted version of the SERVQUAL, an adjusted version of Oliver’s 1997 satisfaction scale, and Zeithaml et al. (1996) behaviour intention scale. Results indicated that SERVQUAL model accounted for 64% of the variance in customer satisfaction as four of the five dimensions (tangible, reliability, responsiveness, and empathy) contributed significantly to the prediction of satisfaction. Moreover, it was concluded that in order to build positive word-of-mouth and affect customer intentions, fitness club managers should emphasise on the tangible element, the reliability (ability to perform the services accurately), and responsiveness dimensions (provide prompt service).

O’Neill, Gets and Carlsen (1999) investigated on the conceptualization and measurement of personnel quality, and the relationships between personnel quality, customer satisfaction, and repeated visitation at the Coca-Cola masters surfing event. 239 visitors at the event completed the service quality. Results were presented in three categories: (1) site-related features which represent the more tangible aspect of the event were positive overall; (2) staff-related features were positive (mean score of 3.94 on a 7-points scale); and (3) other related features that did not fit into the other two categories (e.g., satisfaction with the actual event). An overall high level of customers’ satisfaction was reported as almost 96% of the respondents were at least satisfied. 77% of the participants stated that they intended to return to the event the following year, and 88% indicated that they would recommend the event to friends.

Theodorakis, Kambitisis, Laios and Koustelios (2001) examined the relationship between personnel quality and customer satisfaction using Sport Service (SPORTSERV) (Theodorakis & Kambitsis, 1998) scale. The SPORTSERV represents five dimensions (access, reliability, responsiveness, tangibles, and security), and was designated to measure spectators’ perceptions of personnel quality in professional sports. All the 22 items of the scale are perception-performance statements. The α internal consistency for the scale ranged between .62-.91. Results for the first study of 173 spectators of professional basketball game in Greece indicated that their perception of the team reliability, the responsiveness of personnel, and security were relatively low. The tangible and access elements of service received somewhat positive scores.

Papadimitiou and Karteroiotis (2000) used the QUESC (quality excellence of sports centres) instrument. The QUESC model consists of 33 items of personnel quality representing 11 dimensions (ambiance, employee attitude, employee reliability, information available, programme offered, personal considerations, price, privilege, ease of mind, stimulation, and convenience), was developed based on a consumer-oriented approach and used data from private and public sports organisations in Korea. Papadimitriou and Karteroiotis (2000) in a study of 487 members from 12 different fitness clubs in Greece, criticised the QUESC’s psychometric properties for three reasons: (1) the large number of factors, (2) its interpretability, (3) its internal consistency of the suggested factors. Using a factorial analysis, the authors proposed a 24-item scale loading on four factors (instructor quality, facility attraction and operation, programme availability and delivery and significant others). However, the four-factors solution indicated only marginal internal consistency reliability.

In another study, Nicholls, Gilbert and Roslow (1999), compared two hospitality-
oriented firms, cruise lines and bookstores, with two sport-oriented ones, bowling alleys and racetracks, for both the personal service received and the setting in which the service was provided. A total of 1,284 customers of the two service industry categories completed the satisfaction with the personal service (SatPers) 5 items (e.g., courtesy, timeliness), and satisfaction with the service setting (SatSett) a 4-item scale (e.g., convenience of the operating hours, the cleanliness of the facility). These measures were derived as a result of customer ratings of statements about each organisation. Findings revealed that hospitality-oriented firms earned significantly higher satisfaction ratings than sports-oriented firms for both the personal service received and the setting in which the service was provided. Nicholls et al. suggested that more opportunities for personal contact between providers and customers, and environmental conditions in the hospitality-focused industries were among the causes for these differences.

In sum, perceived personnel quality is a controversial topic as no consensus has been reached on how to conceptualise and/or operationalise this construct. Several scholars have tried to adjust existing models to the sport setting; however, more research is needed to advance this line of research.

In summary, perceived personnel quality is a central variable in today’s world of intense competition. The key to sustainable competitive advantage lies in delivering high quality service that will result in satisfied and loyal customer. The influence of employees’ behaviours on customer perception of the personnel quality is a fundamental factor for managers of a service-oriented organization. Sivadas and Baket-Prewitt (2000) tested Oliver’s (1997) loyalty model among 542 departmental store customers and supported the proposed loyalty continuum under the theoretical literature review. The attention in customer loyalty literature has been mainly focused on fans’ loyalty, likely due to the fact that fans are a major source of revenues to professional sports teams. Several studies examined the determinants and outcomes of fan loyalty, and some theoretical models dealing with the allegiance of fans to sports teams have been suggested. Athletes’ loyalty to sport and managerial decisions that influenced fan loyalty were studied as well. Following is a review of relevant studies sharing similar contents.

James (2001) examined the process of becoming a loyal fan of a sport team (i.e., when, and what influences the individual). A qualitative study was conducted with two groups of children. It was found that children begin to demonstrate team loyalty as young as age 5, and that fathers were the most influential socializing agent relative to introducing children to sports teams. Several scholars have developed theoretical models and scales pertaining to the nurture of fans loyalty (Funk & Pastore, 2000; Mahony, Mardigal, & Howard, 2000). For example, Sutton et al. presented a normative model to create and foster fan identification. Conceptually, the model suggests that managerial factors such as team characteristics, and organizational characteristics, influence the level of fan identification, which then results in managerial benefits in the form of decreased price sensitivity. In another study, Funk and Pastore addressed the issue of how fan allegiance in a team sports context should be defined and operationalised. The authors integrated behavioural (e.g., watching games on TV) and attitudinal components (e.g., commitment) into a composite index of loyalty (“Loyalty, Importance and Direct Experience Scale”). An overall sample of 379 undergraduate sport-marketing students participated in the study. The results indicated that importance and direct experience were the most powerful determinants of loyalty.

Overall, mainly due to financial aspects, customers’ loyalty becomes fundamental to
the existence of sports organisations. Recent attempts to develop models and evaluate customer loyalty emphasise the centrality of this variable in sport management literature.

Research has shown that employees’ attitudinal and behavioural responses can positively and negatively affect customers’ perceptions of the service encounter and their judgments of personnel quality (Bitner, 1990). On the negative side, studies by Schneider (1980) and Shamir (1980) revealed that employees’ role stress and dissatisfaction are major contributors to their inability to deliver good service. In contrast, several studies have shown that the friendliness, enthusiasm, and attentiveness of contact employees positively affect customers’ perceptions of personnel quality (Schneider & Bowen, 1999).

In an attempt to investigate the management of service employees from three perspectives, Hartline and Ferrell (1996) found that employee self-efficacy and job satisfaction increased customers’ perceived personnel quality, as self-efficacy had stronger effect on personnel quality than job satisfaction. It has been argued that highly self-efficacious contact employees may be better able to handle the difficulties inherent in their jobs, which leads to better performance and higher perceived personnel quality.

A number of authors have proposed compelling arguments and presented data strongly supporting the links that translate perceived quality to customer loyalty (Aaker, 1992; Anderson, Fornell & Lehmann, 1994) despite other financial and accounting influences that affect profitability.

Zeithaml (2000) summarised existing research and company evidence for the link between personnel quality and customer loyalty. Overall, some direct and indirect relationship was found between the variables. For example, better stock return linked to improved quality perceptions, and shareholder value was resilient with respect to customer satisfaction. Wiele, Boselie, and Hesselink (2002) evaluated empirical data on customer satisfaction and the relation with organisational performance data. They found that perceived quality is related to organisational performance indicators (e.g., sales per customer, and sales margin per customer) in the same year and/ or in the next year. The way that complaints were handled was positively correlated with quality perceptions and with organisational performance indicators during the same time. Jewett (1994) reported that Ford Motor Company has estimated the value of a one-percent increase in owner loyalty to be worth $100 million in profit. In another study, Hart, Heskett, and Sasser (1990) found that loyal customers of Club Med returned an additional four times, spending roughly $1000 per visit. Given a reported profit margin of 60 per cent, the future profit potential of a loyal customer is $2400 ($1000 X 4 X .60). Stated differently, this is exactly what Club Med would lose if a dissatisfied customer did not return after the first visit.

Three major problems have been mentioned regarding the measurement of customer variables and performance variables: (1) the time-lag between the two measurements, (2) other factors influencing profits (e.g., price, distribution, and competition), and (3) the variable order that should be included as mediator or moderators in trying to predict causality between attitudes, behaviours and financial results (Wiele, Boselie & Hesselink, 2002).

Loyal customers are the ultimate goal of every firm in the process of profit maximisation. Customers should experience a history of quality-level product or service performance, and a sequence of satisfactory experiences to become loyal to a firm. The
fitness industry is constantly growing and thus offers to potential customers a variety of clubs to choose from. Therefore, loyal customers are crucial to each centre's existence and probably employees’ attitudes and behaviours affect customers’ decision to remain with a club.

Customer Satisfaction

Researchers agree that quality is in the eye of the beholder; and of particular interest are those research findings indicating that consumers often infer quality from price (e.g., Aaker & Jacobson, 1994; Capon, Farley, & Hoenig, 1990). It has been found that firms with higher quality had better consumers’ reputations, better channel member receptivity, and hence better words of mouth, better awareness, and lower costs of attracting new customers. Customer satisfaction is a key and valued outcome of good marketing practice. According to Drucker (1954), the principal purpose of a business is to create satisfied customers. Increasing customer satisfaction has been found to lead to higher future profitability (Anderson, Fornell, & Lehmann, 1994), lower costs related to defective goods and services (Anderson, Fornell, & Rust, 1997), increased buyer willingness to pay price premiums, provide referrals, and use more of the product (Reichheld, 1996; Anderson & Mittal, 2000), and higher levels of customer retention and loyalty (Anderson & Sullivan, 1993). Increasing loyalty, in turn, has been found to lead to increases in future revenue (Anderson, Fornell, & Lehmann 1994) and reductions in the cost of future transactions (Reichheld 1996). All of this empirical evidence suggests that customer satisfaction is valuable from both a customer goodwill perspective and an organisation’s financial perspective.

A firm’s future profitability depends on satisfying customers in the present – retained customers should be viewed as revenue producing assets for the firm (Anderson & Sullivan 1993; Reichheld 1996; Anderson & Mittal 2000). Empirical studies have found evidence that improved customer satisfaction need not entail higher costs, in fact, improved customer satisfaction may lower costs due to a reduction in defective goods, product re-work, etc. (Fornell 1992; Anderson, Fornell, & Rust 1997). Moreover, the common believe is that customers that received “value for money” tend to be more satisfied than those who do not.

Meanwhile, true customer loyalty can translate into increase profits because such loyalty leads to a guaranteed customer base, and correspondingly, more accurate budgeting, more efficient strategic planning, and decreased marketing costs (Oliver, 1977). Zairi (2000) found that satisfied customers are more likely to share experiences with other people (5-6 people), and dissatisfied customers are more likely to tell another ten people of their unfortunate experience. Moreover, it was found that it will costs as much as 25 per cent more to secure new costumers (Zairi, 2000).

Customer Satisfaction and Customer Loyalty

In the marketing area, it is known to all that customer satisfaction is the necessary condition for customer loyalty. We can say that customer loyalty develops from customer satisfaction. Customer satisfaction theory, as the marketing Bible, comes of the 60’s in the previous century. It has formed a set of relatively mature and perfect theoretical system after developing for full 40 years. Its achievements are not only applied in the enterprises’ marketing activities, but also used in the national customer satisfaction evaluation system and gradually filtered in the whole country economic circulation system.
Enterprises achieved remarkable performance after they implemented the customer satisfaction marketing tactic. However, some problems also gradually appeared during the implementation, many enterprises found that it could not be the fundamental function for upgrading enterprises’ competitiveness. American mobile industry made a Stat., they found that 85%-95% of customers claim that they were satisfied with the products, but only 30-40% of them choose to buy the original brand or type. Some enterprises in other industries even encountered that customers whom they had tried their best to satisfy choose their competitor’s product in the next transaction.

Some enterprises also found a kind of unable balance relation between customer satisfaction and enterprise performance and competitive power, this phenomenon is named “customer satisfaction trap” by (Reichheld, 2004). Before 90’s of the 20th century, although it was widely considered in the academic that satisfaction degree is related to loyalty degree, some scholars had realized the deficiency for customer satisfaction for a long time.

Rechheld and Sasser (1996) pointed out that, it is not enough to make customers be satisfied. With the transition from seller’s market to buyer’s market and grown up of e-commerce, more and more scholars find that the relation between satisfaction degree and loyalty degree is not as direct as baseline. Zones and Sasser (1995) considered that only make customers be satisfied and have the right to choose in many ways, which is not enough to maintain their loyalty for the enterprise and brand. Reichheld,(1996) indicated that 65%-85% of customers who claim they were satisfied or perfectly satisfied will be lost and turn to other brand. Stewart (1999) pointed out that it is wrong to consider customer satisfaction in certain degree will consequentially lead to customer loyalty. Neal (1999) also considered that it is wrong to conceive customer satisfaction will lead to customer loyalty, which is approbatory by enterprises and academe circle during the past 10 years. Because most loyal customers are satisfied while satisfied customers are not always loyal. Oliver (1999) investigated which aspect of customer satisfaction effect

Generally, customer satisfaction and customer loyalty are very closely related. Customer satisfaction functions as an antecedent of customer loyalty. It prevents customer churn and consolidates retention, thereby constituting an important cause of customer loyalty (Reichheld, 1996). Further, while affected by market structure, customer type and customers’ individual ways of solving problems, the connection between customer satisfaction and customer loyalty is not always a linear relation, although it constitutes a positive relationship (Soderlund, 1998).

Statement of the problem

With the growing threat to the leadership position of Coca Cola from other beverage firms, and coupled with the current global financial meltdown, which could constitute a threat to continuous customer loyalty, there is need to investigate role of personnel quality and customer satisfaction as predictors of customer loyalty. It must be realised that each of these variables has a lot of influence on customer being loyal to a product or service rendered by a producer/manufacturer. To keep a company surviving and sustains such a company’s leadership position, effort should be made to increase the customer value and satisfaction derived from the product manufactured and marketed. The study would also be useful to management of the beverage firm in question to assess their customer loyalty level.
Purpose of the Study

This study was designed to examine the predictive influence of personnel quality and customer satisfaction on customer loyalty to Coca-Cola Bottling Company, Ibadan. Also, the study examines the relationship between personnel quality and customer satisfaction on customer loyalty to Coca-Cola Bottling Company, Ibadan.

Significance of the Study

This study is significant in some respects. It would be of a great contribution to the frontiers of knowledge in the area of customer, organisational and human resources management. This study is therefore, unique in that, it would set out to determine the extent of the influence of personnel quality and customer satisfaction on customer loyalty. The study would also be useful to management of big firms or companies to assess their customer loyalty level and put in place necessary contingency plan that may be needed to maintain and sustain the existing loyal customers.

Research Hypotheses

The following hypotheses are tested at the 0.05 level of significance:

1. There is no significant relationship between personnel quality and customer loyalty among the Coca-Cola Bottling Company retailers in Ibadan metropolis.
2. There is no significant relationship between customer satisfaction and customer loyalty to Coca-Cola Bottling Company in Ibadan Metropolis.

Methodology & Procedure

Research Design

This study employed ex-post facto research design. This is because the study examined variables that were already in existence. Such an approach does not involve the manipulation of variables in the study. It neither adds to nor subtracts from the existing facts. It only carefully observed and recorded information as they naturally occurred as at the time the study is being conducted.

Population

The target population consisted of the retailers of the Coca-Cola Bottling Company products in the Ibadan city.

Sample and Sampling Technique

A total of 2000 respondents constituted the sample for the study. This sample was selected using stratified proportionate sampling technique. Lists of retailers were collected from Regional Office of the company. The 2000 consumers/customers were drawn from the various shops/outlets using cluster sampling.
Research Instrumentation

Three different instruments were used to collect data for the study. They are:

- Customer Loyalty Scale (CLS);
- Personnel Quality Scale (PQS); and
- Customer Satisfaction Scale (CSS)

Validation and Reliability of the Instruments

The questionnaires were given to experts in research methods and their suggestions formed the basis for the arrangement of the items contained therein. The reliability of the instrument was determined using test-retest method and its value was 0.93

Data Analysis

Data were analysed using Analysis of Variance, inter-correlation matrix and t-test statistical methods in the quantification of available data. Statistical inferences were effected at the 0.05 alpha level. The details following the computation of the data for each predicted hypotheses are summarised in the tables below:

Results and Discussion

Hypothesis One: There is no significant relationship between customer satisfaction and customer loyalty among the Coca-Cola Bottling Company retailers in Ibadan metropolis. This hypothesis was tested using correlational analysis at 0.05 level. The result is as shown in Table 1:

Table 1: Showing the correlation between customer satisfaction and customer loyalty among the Coca-Cola Bottling Company retailers in Ibadan metropolis

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Df</th>
<th>Mean</th>
<th>SD</th>
<th>R</th>
<th>P</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>1821</td>
<td>3640</td>
<td>21.93</td>
<td>2.88</td>
<td>0.055</td>
<td>0.00</td>
<td>Sig</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>1821</td>
<td></td>
<td>13.18</td>
<td>2.58</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The result from Table 1 shows that there is a significant relationship between customer satisfaction and customer loyalty among the Coca-Cola Bottling Company retailers in Ibadan Metropolis with correlation coefficient $r = 0.055$ and $p < 0.05$, since $p < 0.05$ we therefore reject the null hypothesis.

Hypothesis two: The second hypothesis states that there is no significant relationship between customer perceived value and customer loyalty among the Coca-Cola Bottling Company retailers. This hypothesis was tested using correlational analysis at 0.05 level. The result is shown in Table 2.
Table 2: Showing the correlation between customer perceived value and customer loyalty to Coca-Cola Bottling Company in Ibadan metropolis

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Df</th>
<th>Mean</th>
<th>SD</th>
<th>R</th>
<th>P</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>1821</td>
<td>3640</td>
<td>11.69</td>
<td>1.46</td>
<td>0.226</td>
<td>0.005</td>
<td></td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>1821</td>
<td>13.18</td>
<td>2.58</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The result from Table 2 shows that there is a significant relationship between customer perceived value and customer loyalty among the Coca-Cola Bottling Company retailers in Ibadan with correlation coefficient $r = 0.226$ and $p < 0.05$, since $p < 0.05$ therefore reject the null hypothesis.

Discussion of Findings

The finding which indicates significant contribution of customer satisfaction to the prediction of customer loyalty is supported by the empirical studies which have found evidence that improved customer satisfaction need not entail higher costs, in fact, improved customer satisfaction may lower costs due to a reduction in defective goods, product re-work, etc. (Fornell 1992; Anderson, Fornell & Rust, 1997). However, the key to building long-term customer satisfaction and retention and reaping the benefits these efforts can offer is to focus on the development of high quality products and services. Customer satisfaction and retention that are bought through price promotions, rebates, switching barriers, and other such means are unlikely to have the same long-run impact on profitability as when such attitudes and behaviours are won through superior products and services (Anderson & Mittal 2000).

Conclusion

The findings of this study led to the conclusion that customers’ loyalty are obtainable and sustainable by strengthening customers’ satisfaction and perceived value. To sustain customer loyalty, adequate consideration must be paid to efforts that can enhance consumers’ and customers’ satisfaction, through prompt attention, bringing them close through dealers forum organised for them periodically. Incentive given to them occasionally through their purchases to increase their profit margin and loyalty. In addition, increase perceived value of products through a proper packing and re-branding of the products that look attractive.

Recommendations

The following recommendations are considered plausible and necessary based on the findings of this study:

1. That regular and periodic enlightenment programmes on customer satisfaction and perceived value should be mounted by the Coca-Cola Company in particular and other companies which aim at securing and sustaining consumers’ and customers’ loyalty from time to time.
2. That company should ensure proper packaging of its products in order to enhance perceived quality of the products. Products that are well packaged may attract more customers and enhance their loyalty.
3. That company should always consider policies and take decisions that would enhance customer satisfaction. Products should be designed, produced and packaged with due consideration of the taste and desire of the customers.

4. To ensure customer satisfaction, products should be made to be of good quality and satisfy consumer expectations. They should also forge strong co-operation between the company and their customers by organising interactive sessions where there could be cross fertilisation of ideas.

References


