

The Communication' Impact on the Customer Satisfaction Level. Case Study

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Abstract: - The study was conducted in a multinational IT company. The department chosen for the research was the contract administration department, and the study was realized on several countries for which the department provides services. The study revealed that the implementation of a new communication strategy in the relation with the customers helped the department to overpass some communication barriers and led to the increase of the customer satisfaction and their loyalty.

Key-Words: business communication, communication barriers, negotiation, customer satisfaction, customer fidelity

1 Introduction

Customer loyalty is one of the main ways that the companies can maintain and increase their revenue. The customers are not only sensitive to price, but also to the quality of the goods and services and to the way they are delivered. The customer satisfaction is among the main concerns of the companies, regardless of their size and their market share. The companies are always looking for new ways to meet the expectations of their customers to increase their degree of satisfaction. They carried out market research, they demanded feedback from customers, and they tried to adapt the products and services according to their customers' needs. There is the possibility that a very satisfied customer buy six times more than a customer that is just satisfied. And loyal customers spend 5-6% more money on products or services of a company than the disloyal ones. Satisfying the customers' needs helps keeping them, which for the company is equivalent to reducing costs with attracting new customers. Bringing a new client costs the company 5-7 times more than maintaining it. In addition, a satisfied customer says on average to 5 other people about their experience with that company, which is equivalent with increasing the number of the customers and with the revenue growth. Besides an increase in the number of customers with only 5

percent may increase profit by 25-85%. However, if a customer encounters problems and his degree of dissatisfaction increases, he may make a negative advertising to the firm sending his message of dissatisfaction on average to nine other people. On the other hand, it is estimated that 91% of the dissatisfied customers will not ever buy products or services towards they show their discontent, and the company in question will significantly reduce its customer portfolio on behalf of the competition. It is estimated that the companies annually lose between 15% and 20% of their customers.

In this context the following question arise: *What makes the customer satisfied or dissatisfied? What does satisfy him?*

Firstly we must take into account the customer's needs, the reasons for which he is tempted to choose a product, service or other. As Ștefan Prutianu said "the customers do not buy products for their own sake, but for the benefits of them. They do not buy things, but advantages. They do not buy items, but advantages"[1]. In other words when we sell a product or service, we have to identify the customer's needs and to provide that product or service that is best adapted to the requirements in terms of use and of the benefits that it brings, in terms of quality and price.

Secondly we must consider the terms and delivery time, the payment conditions. We have to be aware that the terms and conditions cannot be negotiated with each customer and that often they are standardized, but for a very important customer can make a few exceptions hoping that in this way we will obtain its loyalty. The customer purchases more, the more important for the company, both should be given greater concessions, but not necessarily financial, as discounts.

Often the customer's emotional side is omitted, just because of the desire to register record sales. We must not forget that often the purchase of products or services is made for purely emotional reasons, not rational, especially when the products that are very similar as utility, quality, price, delivery methods, etc. Precisely from this reason, the companies should strive to meet the emotional needs of their customers.

Recognizing the risk of the dissatisfaction of the customers, the companies attach great importance to meet them. And for many companies, the customer satisfaction is one of the key organizational values. In fact just for this great idea, the companies developed the concept of Customer Relationship Management (CRM).

Oracle has the world's most complete customer relationship management (CRM). Oracle offers the broadest and deepest portfolio of CRM solutions that address all customer touch-points and provide rich functionality to support the specific business needs for organizations of every size to deliver a superior customer experience.

Oracle provides complete CRM:

- o Over 20 industry tailored solutions;
- o Embedded real-time business intelligence;
- o Industry recognized leader in CRM;
- o End-to-end business processes;
- o Broadest choice of deployment options [2].

Orange also wishes to satisfy its customers and it provides transparency, quality and safety for all its customers. In this respect the company requires to its employees a strict code regarding privacy and confidentiality of their clients [3].

Samsung seeks ways to meet its customer's needs and the values promoted by the company are arising from the words of the Executive and the Vice President of the company, Gee Sung Choi, member with 33 years of experience in the company: "*the creativity, collaboration spirit and excellence are the hallmarks of the leadership exercised by Samsung. By hiring the most talented managers and by our culture that evolves to support them, we encourage ideas that advance the technology, create new products and markets and*

improve the daily lives of our customers" [4]. In conclusion the company aims to satisfy customers and to make them loyal by offering them innovative products which make their daily lives easier.

Nokia's main goal is to build great mobile products that enable billions of people worldwide to enjoy more of what life has to offer. The company's challenge is to achieve this in an increasingly dynamic and competitive environment. And the *Nokia* motto is to connect people (*Nokia-connecting people*) [5].

Philips promise for its consumers and customers is the "sense and simplicity". In a world where complexity increasingly touches every aspect of people's life, Philips is committed to understand the needs and aspirations of people to deliver innovative advanced solutions and easy to experience-which ultimately improve consumer quality of life [6].

The objectives of *Hewlett Packard (HP)* have guided the company in business since 1957 even when they were first written by co-founders Bill Hewlett and Dave Packard. Dave Packard said that "People have to work together to achieve common objectives and to avoid working in different directions if it is to achieve the highest level of efficiency and success." The main objectives of the company include the profit, the market leadership, the development, the management capacity, the international presence. But the most important objectives are the customer loyalty and the employee engagement. HP believes that to keep customers is essential to listen carefully to understand their true needs and then provide solutions that will be reflected in their success. Competitive total cost of ownership, quality and inventiveness, and our way of doing business, determine customer loyalty [7].

The *Petrom* company activities are conducted in close connection with the values the company believes in. The three main values, which are the foundation of *Petrom* business, are:

- o the professionalism that ensures a lasting success.
- o the pioneering that provides a continuous development.
- o the partnership that brings mutual benefits.

The fairness, responsibility and respect are the essence of the company's collaboration with all the involved parties: customers, employees, shareholders and the society in general. The company seeks to maintain long term relationships with partners and to gain confidence through open communication, trust and intercultural cooperation. The company's objective is to create a mutually beneficial environment, social and economic

partnerships, respecting current environmental requirements [8].

Rompetro focuses specifically on the social responsibility. It wants to provide customers and employees with a healthy, safe environment and to give them welfare [9].

We can see from the examples above that leading companies pay attention to satisfying the needs of their customers by creating new products and offering innovative, qualitative services, by transparency and ethics, by offering solutions that help customers meet their needs in real time, by establishing a lasting relationship based on mutual trust, by the responsibility towards society and environment, etc.

On top of that the communication plays an important role in attracting and especially retaining clients. As we said before it is more costly for organizations to attract a new customer than to keep him, and the communication can help prevent some expenses.

By obtaining a set of information directly from the source, in this case directly from the customer, we can monitor the customer's satisfaction, but also the reasons why he is dissatisfied. Moreover, knowing the problems they are faced with and the actions the company can realize for his satisfaction, we can find together solutions to his problems and thus reduce the chances that he renounces at the company's products and services to the competition.

2 Methodology

The study on the influence of the communication on the customer satisfaction level was realized at the level of a department of a multinational IT company. The department conducts a support function, namely the contract management for clients from different countries.

The study was divided in two phases. In the first phase an online study was made in September of 2011 regarding to the customer satisfaction. And in March 2012 the second study was done. In March as in September, the customers were asked at the moment when there was being accessing the company's website to answer a set of questions which were intended to measure the following aspects:

- o the overall customer satisfaction;
- o the ease of contact;
- o the responsiveness and ownership;
- o the professionalism and knowledge;
- o the advance notification;
- o the time to review;

- o the accuracy;
- o the ease of understanding;
- o the turnaround time for requests;
- o the satisfaction with online.

Customers were asked to express their satisfaction as follows:

- o very satisfied;
- o satisfied;
- o very satisfied;
- o dissatisfied;
- o very dissatisfied.

Only the responses that fell in the upper, respectively lower levels of satisfaction scale, i.e. very satisfied and satisfied at the top (top 2 boxes) and dissatisfied and very dissatisfied at the bottom of the scale (bottom 2 boxes) were analyzed.

3 First Study'S Results

The respondents who participated in the study came from six countries, Belgium, France, Germany, Italy, Luxembourg and United Kingdom. In the first study for Belgium there were 10 respondents, 25 respondents for France, for Germany 36, 31 for Italy, for Luxembourg 5, and for the UK 7. In total there were 114 responses (Figure 1).

Total Number of Respondents per Country- Study 1

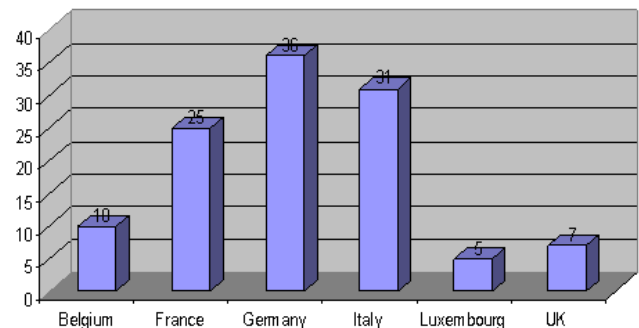


Fig.1 Total number of respondents per country - Study 1

Totally (on all countries) 41% of the responses have been recorded as at the top of the scale, i.e. 41% of the interviewed clients were satisfied or very satisfied with the department generally. 23% of the all respondents said they were dissatisfied or very dissatisfied. For Belgium 33% of the customer responses were within the top of the scale, and the same percentage was recorded for the bottom of the scale. French customers said they were rather satisfied than dissatisfied, 27% of the responses were within the upper part of the scale, and 23% on the lower part of the scale. For Germany 31% of the responses were within the top of the scale and only 34% in the top of the scale. For Italy and Luxembourg have been a majority of positive

responses as follows: 56% of the responses of the Italians were in the top of the scale and only 6% on the lower part of the scale and 60% of the responses of those in Luxembourg were framed at the top of the scale and surprisingly there were no answer in the bottom of the scale. For the UK the same percentage of 43% was recorded in both parts of the scale (Figure 2).

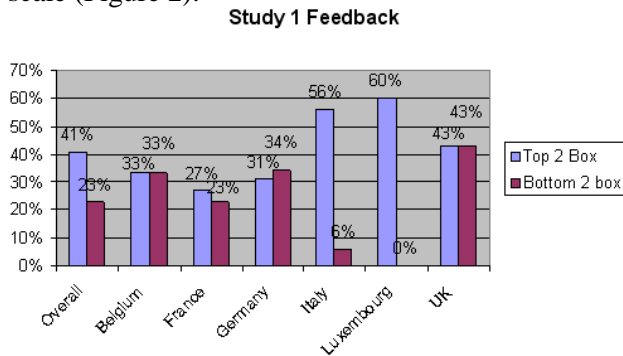


Fig.2 Study 1 feedback

Taking into account the few positive results (in the top of the scale) specifically for certain countries like France, Germany, Belgium, and the company changed its strategy and decided to work through communication with the client. It was believed that continuous communication with customers can improve the customer highlighted weaknesses: accuracy and ease of understanding of the issues, response time and overcoming on long periods, the blur of the contracts. Using the communication as a way of solving the existing problems, it was proposed to make courtesy calls to verify that clients have difficulty understanding ambiguous contracts and explain the elements, or to notify the client about the extension of the request processing, be the solution to them the misunderstanding of any kind. The importance of this permanent communication with the client aims to provide the latter with certainty that his requests are met or if it happens from objective reasons the deadline to be exceed, he will be notified in advance.

The decision on changing the communication strategy was implemented immediately, and employees began to make regular courtesy calls. The customer attitude to this approach was generally positive. The German customers in particular have been highly delighted. And the customers in other countries said they would like to be called in the future too and that they want to be kept informed about their contracts, because that would be much easier for them to renew the contract when they expire.

4 The Results of the Study Realised after the Implementation of the New Communication Strategy

After September the communication strategy changed. In March of 2012 the customer opinion was asked again via online questionnaires. The questions were the same as in the first study. Both customers that have responded in the first stage and also a few other customers who did not participate in the first stage were questioned. This time the number of the respondents was higher, 144 respondents. 12 clients responded for Belgium, for France 28, for Germany 47, for Italy 39 respondents and for Luxembourg and the UK 7, respectively 11 respondents (Figure 3).

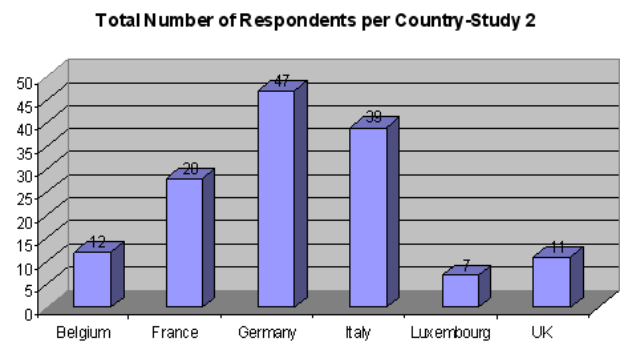


Fig. 3 Total number of respondents per country - Study 2

The overall result for all countries was: 48% of the responses were in the top of the scale, and 21% on the lower scale. For Belgium 36% of the responses were located at the top of the scale, and 28% at the lower scale. In France 35% of the responses were located at the top and 24% at the bottom. For Germany 42% of responses were found at the top of the scale, and 31% in the bottom. The number of positive responses for Italy was 68% and 3% negatives ones. 62% of the responses were registered for Luxembourg in the top of the scale, and 1% in the lower part. In the UK 43% of the responses were positive and 39% negative (Figure 4).

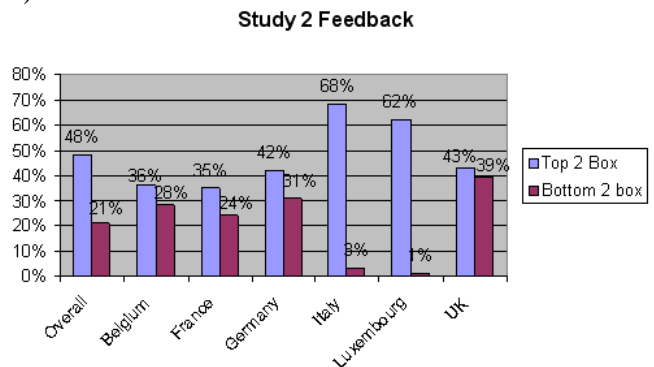


Fig. 4 Study 2 feedback

5 Conclusion

Comparing the data from the two studies we conclude that the value of the positive responses increased and it decreased for the negative ones (both the overall weight and the weight for each country). A small exception is Luxembourg, but this exception may be considered acceptable, because there is a large work volume and only one person to process the orders from the customers. It is clear that the courtesy calls made by employees to the customers reached the target, to find out the specific complaints of the customers and to find out which are the measures the corporation may adopt in order to help them.

Of course this method should be used sparingly, not to stress too much the customers. When employees perform those courtesy phones they must be careful with the customers' time, i.e. to make the message clear and concise.

It seems that employees were able to understand customer's needs and complaints using the empathy, and to adopt an *I can do it* or *I can handle it* attitude. They resolved customer's problems quickly by improving the contract administration services and thus they have contributed significantly to the increase of the customer satisfaction and also to the increase of the chances that the customers will collaborate further with the company.

The communication strategy adopted has been effective and its impact was felt in the assessment made by customers on services provided by the department. However, when employees have telephone discussions (in this case) with the customers, they must also take into account the cultural differences. There is the possibility for example, that the Italians provide more information about their complaints when they are contacted. Thus the company can know what are the exact weaknesses that need to be refined and it knows exactly what to do to satisfy the clients. The Germanic people are usually quieter than those of Latin origin. Germans are respecting the protocol, they are polite, meticulous and fair. It will endeavour to respond to the questionnaires as correct as they could. And although they are very punctual, the typical German punctuality is not necessarily applying to the delivery terms [10], and with the possibility that the processing time for a contract to be extended, the client is not affected, he understands the situation and he does not make a negative assessment. The involvement of the company and attention to the customers by making the courtesy calls can be understood by the German customers as an evidence of professionalism and it is measured on this way. Few responses were

obtained for Luxembourg and Belgium due to the fact that these countries are less populous and thus less customers, but also because of the culture, because the inhabitants of these countries are tempted to provide answers only when they are very satisfied or dissatisfied and only when they have really something important to say. The same cultural statement may apply for the United Kingdom.

In conclusion, communication is a useful tool within everyone's reach, which if used properly can resolve any misunderstandings. With its help everyone can obtain valuable information that helps the company to identify customer problems and resolve them appropriately. Communication also facilitates a sustainable client relationships based on trust. Companies should instruct their employees to communicate and negotiate in order to establish long and solid business relationships. Communication is not just in relation to customers, but also in relations between employees or between employees and managers. It facilitates the flow of information between all hierarchical levels and all departments of the company. Thus managers can know the problems and grievances of employees and which people can help solve. The communication can have a major impact not only on the customer's satisfaction, but also on the employees' satisfaction and it contributes to the stability and to the sustainability of the corporation.

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