

## **The survey of relationship between customer orientation and customer satisfaction using CUSTOR scale in Yas Novin Parse chain stores in Golestan province**

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### **ABSTRACT**

*The present study aimed to investigate the relationship between customer orientation and customer satisfaction by using CUSTOR scale in Yase Novine Parse chain stores in Golestan province. The study statistical population included Yase Novine Parse chain stores consumers of Golestan province. Due to the uncertain nature of the study population, 384 subjects were selected according to Morgan table. For this purpose, Hajjat's customer orientation questionnaire (2002) and Moghimi's (2011) customer satisfaction questionnaire was used. Both descriptive and inferential statistics including spearman correlation formula were run to analyze the data. With 99% confidence, the results showed that:*

- 1. There is a significant correlation between external factors and customer satisfaction with Yase Novine Parse chain stores in Golestan province.*
- 2. There is a significant correlation between internal factors and customer satisfaction with Yase Novine Parse chain stores in Golestan province.*
- 3. The results of testing the main hypothesis showed that there is a significant relationship between customer orientation and customer satisfaction with Yase Novine Parse chain stores in Golestan province.*

**Keywords:** Customer orientation, Customer satisfaction, Chain store, Golestan province.

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### **INTRODUCTION**

Twenty-first centuries is called fast changing world. The name is ascribed to the era because of globalization effects, technologic developments, and the role of modern science in human life and demographic characteristics of different nations [1]. In this changing environment, organizations must strive for success. Successful organizations need to emphasize the quality of services offered to both internal and external customers. Such organizations are astute enough to predict the changing needs of their customers, to concentrate on their organizational capability to offer high-quality services, and to see the quality of internal and external service as a tool to gain competitive advantage [2].

It is widely acknowledged that successful organizations need to have a customer-oriented business culture. [3]. In fact, during the four decades since the introduction of the marketing concept, customer orientation has been identified as a cornerstone of the theory and practice of marketing management [4]. It is important to identify those key factors in customer orientation which allow the company to differentiate themselves from the competition. This requires an examination of the company's strategic positioning, the expectations of target customers/customer groups and the company's own performance. The starting point for an overall concept of customer orientation is a customer orientation concept to be developed within the management group. This has to be activated decisively and implemented within the company with the right measures — across all hierarchical levels. This makes it clear that customer orientation has to be regarded as a management responsibility [3].

Customer orientation is defined in different ways. *Deshpande, et al.* (1993) defines corporate customer orientation as a set of beliefs that puts the customers' interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable organization [5]. *Narver and Slater* (1990) argue that customer orientation is the "organizational culture that most effectively and efficiently creates the necessary behaviors for creation of superior value for buyers and thus, superior performance for the organization." According to their definition, inter-functional coordination and competitive advantage can easily be attained when organizations effectively consolidate customer orientation [6]. Customers need to observe and appreciate a culture of customer orientation, developed infrastructure and a leadership committed to support a service culture, organizations should not only set objectives of profit maximization but also customer needs should be considered and better understood because the sole purpose of a business is not profit but to create a customer [7]. According to James and Barry (2001), customer satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature or a product or a service itself say, provides pleasurable level of consumption-related fulfillment. It is also the measure of how products and services supplied by a company meet or surpass customer expectations. Failure to meet needs expectations is assumed to result in dissatisfaction with product or service [8]. Achieving customers' satisfaction requires service organization to beat competition by ensuring that their customers are satisfied on a continuous basis. This means that they keep coming back because of the partnership created between the service provider and the customer [9].

In their empirical investigation into customer orientation and customer satisfaction relationship among Japans firms, *Deshpande, et al.* (1993) concludes that customer orientation is positively associated with customer satisfaction [5]. Research results of *Madina* (2011) on Airtel Uganda Ltd showed that there is a positive, meaningful relation between customer orientation and customer satisfaction [10]. The result of *Chee and Peng* (1996) in their research showed that the perceived levels of customer orientation in the selling organization influence the satisfaction levels of buyers [11]. As mentioned, Customer satisfaction is one of the major challenges in contemporary organizations and companies. Focus on the needs and demands of customers and attention to customers' behaviors can ultimately increase customer satisfaction and loyalty.

Like other manufacturing companies and firms, Chain stores experience a new era of competition. Every day, new products and services are offered in these stores and Customers entering the store have different demands. So managers in these stores have to use various techniques to keep their customers. A Yas Novin Parse chain store is one of the biggest chain stores in Golestan province (Iran). It seems that Yas Novin Parse chain store to be failing to adhere to customer oriented culture that focuses on customer needs, values and beliefs on continuous basis, Thus reducing the number of customers of this company is one of the reasons that this company has failed in attain customer satisfaction. Hence the present study aims to investigate the relationship between customer orientation and customer satisfaction using CUSTOR scale in Yas Novin Parse chain stores in Golestan province.

## MATERIALS AND METHODS

This study is a correlation study. The study statistical population included Yas Novin Parse chain stores consumers in Golestan province, July 2013. This chain store has 9 branches in this province that all of them were considered as population. Due to the uncertain nature of the study population, 384 subjects were selected according to Morgan table. For collecting data, two questionnaires were used, customer orientation questionnaire (CUSTOR) developed by *Hajjat* (2002) with 17 questions that have closed answer and customer satisfaction questionnaire developed by *Moghimi* (2011) with 7 questions that have closed answer. Customer orientation questionnaire has two subscales: internal factors (8 questions) and external factors (9 questions). The content validity of the questionnaires was approved by five professors of marketing management. Research reliability is determined by using the cronbach's alpha test, and the values are calculated for the customer orientation ( $\alpha=0.87$ ) and customer satisfaction ( $\alpha=0.82$ ) questionnaires.

384 questionnaires distributed among participants of which 384 questionnaires were returned (100.0%). As to the statistical measures, descriptive statistics including frequency, percentage, mean, standard deviation and tabulations were used to describe the data. Inferential statistics including Spearman correlation formula was used to test the hypotheses.

## RESULTS

The results showed that the numbers of male and female were 222 (57.1%), and 162 (42. 9%) respectively. 25.5 percent of the participants had B.S or higher degrees.

Table1. Relationship between external factors of customer orientation and customer satisfaction

Customer Orientation (external factors)	Customer Satisfaction			
	N	r	P	r <sup>2</sup>
Customer Intimacy	384	0.826	0.001	0.68
Customer Welfare	384	0.866	0.001	0.75
External Factors	384	0.931	0.001	0.87

Since the data did not show a normal distribution, Spearman correlation test was run to analyze the data. As illustrated in Table 1, the results of correlation analysis showed a significant positive relationship between external factors of customer orientation and customer satisfaction ( $r_s=0.931$ ,  $P<0.001$ ).

Table2. Relationship between internal factors of customer orientation and customer satisfaction

Customer Orientation (internal factors)	Customer Satisfaction			
	N	r	P	r <sup>2</sup>
Company Transparency	384	0.669	0.001	0.45
Continuous Improvement	384	0.639	0.001	0.40
Internal Factors	384	0.731	0.001	0.53

As illustrated in Table 2, the results of correlation analysis showed a significant positive relationship between internal factors of customer orientation and customer satisfaction ( $r_s=0.731$ ,  $P<0.001$ ).

Table3. Relationship between customer orientation and customer satisfaction

Variables	Customer Satisfaction			
	N	r	P	r <sup>2</sup>
Customer Orientation	384	0.781	0.001	0.61

Table 3 illustrates the results of Spearman correlation test. Regarding the results in table 3, there is a positive and significant relationship between Customer Orientation and Customer Satisfaction ( $r_s=0.781$ ,  $P<0.001$ ). Also, the results of correlation coefficient show that 0.61 change of customer satisfaction is explained by the customer satisfaction variable.

## DISCUSSION AND CONCLUSION

In today's competitive market place there can be few organizations who do not desire to be customer-focused, and even fewer who do not recognize how important employees are in delivering this. The bad news is that still few are truly succeeding in creating a customer focus culture where the customer is king. This focus upon the impact of the employee in building a customer culture is becoming a key issue for those who want to maintain a competitive advantage.

The results showed a significant positive correlation between customer orientation and customer satisfaction. This is consistent with the findings of *Deshpande, et al.* (1993), *Chee and Peng* (1996) and *Madina* (2011) [5,11,10].

Customers are always aiming to get maximum satisfaction from the products or services that they buy. Winning in today's marketplace entails the need to build customer relationship and not just building the products; building customer relationship means delivering superior value over competitors to the target customers. Whether an organization provides quality services or not will depend on the customers' feedback on the satisfaction they get from consuming the products, since higher levels of quality lead to higher levels of customer satisfaction. Thus focus on the customers' needs requires a strong organizational strategy. Customer orientation is one of the most important strategies in the organization. In this regard, the following is recommended: management should review its customer orientation activities through; encouraging customer comments and complaints, focusing on customer's individual needs, proactively identifying new ways of delivering customer services in a timely manner, so as to strengthen strategies aimed at improving customer satisfaction to match the customer tastes and preferences more appropriate.

This research has been conducted on Yas Novin Parse chain stores in Golestan province and recommended to be performed similar studies on other chain stores and results are compared.

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