

Important drivers for customer satisfaction - from product focus to image and service quality

Hallencreutz, Jacob; Parmler, Johan
EPSI Rating Group
Kungsgatan 26
111 35 Stockholm,
Sweden

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In today's volatile market economies, economic and social benefits of the competition must be evaluated from various financial and non-financial aspects. Among these aspects, Customer satisfaction measurements are recognized as the non-financial performance indicator that is the most widespread. A high level of customer satisfaction is argued to lead to stronger company image, protection of current market share, increased customer loyalty, decreased customer complaints and strengthened financial performance. Thus, understanding the drivers behind how customer satisfaction evolves over time is therefore crucial. This paper presents a longitudinal quantitative study based on customer perception data from the Swedish market research consultancy Svenskt Kvalitetsindex AB. A PLS-SEM analysis is performed to unravel how important latent variables drive customer satisfaction over time. Study findings indicate that it has been a paradigm shift during the last decade – product quality is substituted by service quality as one of the most crucial drivers for customer satisfaction throughout industries and societal sectors. The study findings suggest a need for new principles, practices and tools to enhance internal customer centricity and strengthen satisfaction and loyalty.