

# A Research Paper on the Effects of Customer Feedback on Business

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**Abstract:** *Many businesses have struggled for years to keep their existing consumers while simultaneously gaining new ones. In this aspect, businesses have been able to analyse and upgrade their services and product capabilities as needed to maintain and improve competitiveness thanks to online customer feedback collection and tracking. This technique not only helps businesses understand their clients better, but it also encourages them to give feedback on a product or service. Customers and consumers who are dissatisfied can be identified through feedback systems. As a result of our research, we expect to understand more about how this system operates and what its ramifications are for the business.*

**Keywords:** Fraud detection, Credit card, SVM, Decision tree, Random forest.

## I. INTRODUCTION

The level of client satisfaction determines a company's success. When a business is starting up, customers usually come "first," followed by profit. Companies who succeed in entirely satisfying their customers will continue to be industry leaders. Customer satisfaction is an important factor in a company's success and, at the same time, it helps to increase its market value. Customers are people who buy goods and services that meet their wants and preferences from a market or business. Customers buy products in order to achieve their financial objectives.

The company should ensure that they are delivering a thorough service that is commensurate with their monetary value. This will raise the number of customers and maintain the customer-organization relationship throughout time. Furthermore, existing consumers will assist in attracting new customers by offering or sharing information about the company's products and services. Satisfaction refers to a person's feeling of fulfilment after receiving what he or she desired. It's tough to tell whether customers are happy with the product or service's availability. As a result, providing customer satisfaction is not an easy task, as various factors must be taken into account. Nowadays, rivalry can be seen between businesses and markets all around the world, and it has proven to be one of the most difficult challenges for competitors. Competitors are effectively establishing their marketing channels, despite the fact that it appears to be difficult in the growing market.

One of the most crucial components of attracting clients' attention is to offer the greatest and most favourable products in this competitive market. If a customer's satisfaction is earned, it is almost certain that customer loyalty will follow. The development of customer satisfaction is critical in order to increase the number of customers. These two concepts are quite crucial when it comes to reaching company objectives. As a result, the relationship between customers and the business organisation or market is the most significant.

## II. PROBLEM DEFINITION

Customer satisfaction is one of the most important issues confronting all types of business organizations, as evidenced by the customer orientation Philosophy and the main principles of modern enterprise continuous improvement. A customer is an individual or business that purchases goods or services from a company. Because the customer pays for supply and creates demand, the client is the ultimate goal of businesses. Businesses frequently follow the adage "the customer is always right," because satisfied customers will continue to purchase goods and services. Customer satisfaction is an increasingly important component of an effective organization in today's competitive business environment. It has been linked to increased profit margins as well as increased employee satisfaction, customer loyalty, customer retention, and repeat purchases. When measured in monetary terms, it is easy to see why customer satisfaction should be the foundation of all other business performance measures. Customers who are satisfied will return to buy more, recommend

you to others, cost less to sell to and service. In short, organisations that actively manage customer satisfaction also manage their ongoing profitability. One of the customer retention strategies used to improve customer service and reduce customer churn is to build customer relationships. Many businesses simply classify customer satisfaction measurement as "marketing intelligence," rather than using it as a management tool to incorporate the customer into quality improvement processes and increase profits. As a result, companies frequently understand the cost of providing good service but rarely understand the cost of providing poor service. Many market research firms agree that "satisfied customers" will leave. As a result, this study is concerned with meeting customer needs in order to make customers loyal and retain them for greater profit in today's modern market.

### III. LITERATURE REVIEW

- **Oliver (1981)** describes that customer satisfaction is an aspect of marketing and plays a vital function in the mark. Customer satisfaction is very crucial in any business because if your clients are happy with your services or products, you will have a high market position. Customer happiness was not as crucial in the past, and people were less concerned about quality. However, today's rivalry is taught, and customers are aware of all products and companies as a result of education and learning environments, which is why every firm is concerned with meeting customers' needs and wishes appropriately. Customer satisfaction is the most significant issue for all types of business organizations, and it is considered the most trustworthy feedback for any company organization's quality.
- **Iacobucci et al. (1994, 1995)** define service quality vs customer satisfaction in detail. They argue that client contentment should not be mistaken for service quality, but that satisfaction is a beneficial result of good service.
- **Maxham (2001)** states that satisfaction is a result of a transaction in which customers weigh the costs and benefits against the expected outcomes.
- **Bowen&Chen (2001)** says that customer happiness and an organization's profit maximization have always had a good link.
- **Yuan Hu, Ching-Chan& Cheng, and Hong (2010)** describe that no one is more essential than clients, and ensuring their pleasure is the ultimate goal. Improving services in terms of competitiveness saves future income while also causing future cost reductions.

### IV. OBJECTIVES

The objective of the thesis is to,

- Investigate the relationship between customer pleasure and customer loyalty, as well as how these components contribute to long-term corporate success. In order to strengthen commercial organizations, this thesis focuses on assessing client satisfaction and loyalty.
- At several levels, review the concept of customer happiness and loyalty.
- To have a better understanding of the implementation problems at the company level. The purpose of this study is to see how service quality affects customer happiness and loyalty.

### V. RESEARCH METHODOLOGY

To obtain the information, there are various websites and online blogs which are referred to:

- Ecommerce Research Chart: Customer feedback and e-commerce success
- Study on Brands loyalty and Brand building - Medallia

According to a Medallia survey on brand loyalty and brand building,

- A whopping 96.2 percent of customers would leave a brand if there was a mismatch between customer service expectations and customer experience.
- 62 percent of customers are willing to pay more for excellent customer service.
- Before contacting us, 66% of customers attempt to resolve the problem on their own.
- 36% of customers actively share their customer experience on social media.
- Increasing client retention rates by 5% might result in a profit boost of up to 75%.
- When customers are transferred between departments, 68 percent find it inconvenient.

**Loyalty Activities Based on Different Customer Experience Levels**

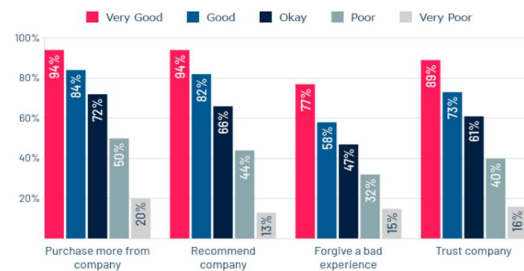
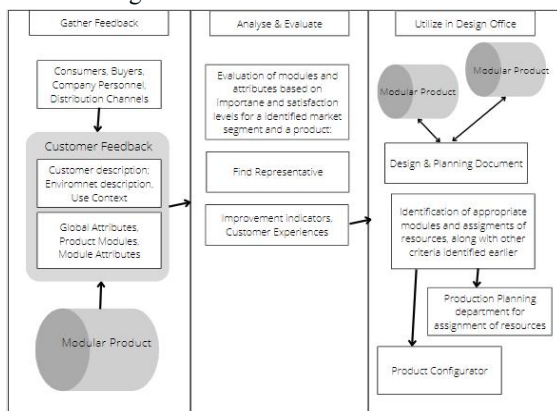


Figure 2 depicts a methodology for gathering feedback and using evaluation results in the design office. The proposed methodology is divided into three steps: I gather, (ii) analyze and evaluate, and (iii) use feedback, which are detailed in the following sub-section.



## VI. ANALYSIS AND FINDINGS

### 6.1 Analysis

A customer satisfaction survey or questionnaire collects data to identify behaviors that lead to happy or unhappy customers. Companies that conduct customer satisfaction surveys may be able to identify trends that are causing dissatisfaction and implement changes to retain current customers. Survey results analysis may also reveal impacts on the profit and provide a foundation for improvement. Data from a customer satisfaction analysis could be used to identify specific employees or departments, as well as rank percentages of satisfied customers.

The survey should be designed to collect statistical data for analysis in order to make the data valuable. Management may define the survey's goals and devise methods for comparing results. During a customer satisfaction analysis, a detailed questionnaire could make the information more meaningful. An area for customer feedback could provide additional information to identify trends in satisfaction or dissatisfaction.

Experienced business owners understand that it costs more to acquire new customers than it does to retain existing customers. A customer satisfaction analysis may reveal flaws in service or product design that drive customers away. This information could be used to change staff behaviors that are causing customers to be upset. Survey results analysis may provide managers with insight into customer opinions.

Loyal customers are more likely to purchase more and refer to a company or brand. One bad experience could lead to a loss of future business, especially if irritated customers spread their displeasure via social media sites on the Internet. A customer satisfaction analysis may be able to identify the sources of negative perceptions.

Customer retention rates and their impact on profits can be calculated in graphs to provide a visual representation based on percentages. These figures may reveal dissatisfaction trends and correlate the data to customer loyalty. Customer retention rates can also be compared to competitors' estimated rates over time.

The results of a customer satisfaction survey can help management establish action plans to address flaws and discover people who can help improve statistics. Evaluation of the process on a regular basis usually keeps it on track. A follow-up survey could reveal whether or not the efforts yielded the desired results.

As part of a customer survey analysis, some businesses contact each dissatisfied customer. In order to keep the client, they may offer a discount on a product. Management may also notify the customer of any changes brought about by data extracted from the questionnaire. These efforts may help to limit the spread of discontent to a broader audience.

### **6.1 Findings**

1. When customers had problems or were dissatisfied with a product or service, they had to go through the time-consuming process of calling customer service. They had to explain their complaint each time they called because the person answering the phone was not the same every time.
2. When new technology was first introduced, there were only forms to collect feedback and keep records, and users had to contact customer support and provide all relevant information.
3. Furthermore, as a result of these surveys, no proper insights were developed, and firms were forced to make assumptions based on the average data they had gathered.
4. Because of technological advancements, all of these things can now be created and viewed on a single platform.
5. And, with the right system, you can put your customers at the center of your business decisions, making it easier to keep current customers and gain new ones.
6. We will also be able to outperform competitors who are less concerned with customer satisfaction. This system assists users in meeting their needs while also growing itself in all aspects.

## **VII. CONCLUSION**

Customer satisfaction is one of the most important issues that every service provider monitors. The managing level of a business can ensure a way of knowing what the customer thinks about their service and what needs to be changed to gain positive customer satisfaction through customer satisfaction and loyalty surveys.

It is critical for a business to know what their customers think about their service, how satisfied they are with what the company offers, or how loyal their customers are to their company, whether through a questionnaire, a mail-in survey, or an internet survey, or a poll. Customer satisfaction is viewed as a strategic tool for business development.

Customer satisfaction has a positive impact on an organization's profitability; happy customers are the foundation of any successful business because they lead to repeat purchases, brand loyalty, and positive word of mouth. Customers who are pleased with their purchases are more likely to tell five or six other people about their purchases. Dissatisfied customers, on the other hand, are more likely to tell ten other people about their bad experience. According to research, even a difference between a completely satisfied customer and a somewhat satisfied customer can result in a factor 2.6 increase in revenue contribution.

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