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**Collaboration Model of customer satisfaction and brand loyalty
through Supply Chain Management.**

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Abstract

Manufacturing Industry today is going through a phase of rapid growth and change. Increased retailer and consumer power, demand for product and packaging variety, higher expectations for product quality along with the possibility of eroding margins, all have brought unprecedented challenges to the industry.

In a challenging environment full of new opportunities, manufacturers must advance their supply chains beyond traditional buy-and-sell relationships to retain existing business and capture developing markets. Without a strategic focus on supply-chain management and collaboration strategy, an organization cannot achieve world-class performance. An ideal SCM strategy will develop and manage supply chains and partnerships that provide flexibility, response time, and delivery performance that can exceed the competition and hence can ensure overall customer satisfaction and improved brand image.

Keywords: Supply Chain Management, Customer satisfaction, Brand loyalty

Introduction:

Supply chain management (SCM) is the process of planning, organizing, implementing, and controlling the operations of the supply chain for the purpose of satisfying the customers' needs as efficiently as possible. SCM is responsible for all the storage and movements of raw materials, work-in-process inventory, and finished goods inventory from point of origin to point of consumption. completeurl of wikipedia)

The main purpose for the supply chain's existence is to fulfill customers' needs and requests and at the same time generate profits. The supply chain processes begin when a customer places an order and ends when satisfied customer has paid for the particular product or services.

Customer satisfaction is a state of mind in which the customer's needs, wants, and expectations throughout the product of service life have been met or exceeded, resulting in future repurchase and loyalty (Anton 1996).

Customer satisfaction has been a subject of great interest to organizations and management researchers alike. One of the factors that can help an organization to achieve success is customer satisfaction, because satisfaction leads to customer

loyalty (Wilson et al., 2008, p. 79), recommendation and repeat purchase. Retaining a customer is always less costly than attracting and gaining a new customer.

Brand loyalty is the extent to which a consumer constantly buys the same brand within a product category. In this case, the consumers remain loyal to a specific brand as long as it is available. They do not buy from other suppliers within the product category. Brand loyalty exists when the consumer feels that the brand consists of right product characteristics and quality at right price. Even if the other brands are available at cheaper price or superior quality, the brand loyal consumer will stick to his brand. He considers the chosen brand to be of best value for his money. It is measured through methods like word of mouth publicity, repetitive buying, price sensitivity, commitment, brand trust, customer satisfaction, etc.

Gaining and maintaining brand loyalty in today's extremely competitive business scenario is a challenge to all marketers. The current business environment is very different from the past and the competition has a special role (Gilaninia & et al., 2011). New forms of structural reforms, competitive and exchange process causes new communication paradigm for maintaining the long term relationships between buyers and suppliers (Seydi, Moosavi, Heidari, 2009). Activities such as supply and demand planning, material preparation, production and product planning, product service, maintenance and inventory control, distribution, delivery, customer service which used to be performed by company so far, now are being performed by the members of supply chain. A key issue in the supply chain management is to control and coordinate all these activities. SCM is a phenomenon that provides the fast and reliable service with high quality and lowest cost to customer (Maboodi, Javanshir, Rashidi, Valipor, 2010,).

Research

The study was conducted during November 2014 to January 2015 using English language self-administered close ended questionnaire and visit personally /randomly to the stores, shop, persons and observed them. The questionnaire was made kept in mind on the customer satisfaction of a specific product and there purchasing behavior and mentality on that brand. We promised keeping secrets of personal information of all the subjects. Therefore this study did not affect the ethics of subjects. Type of research design was descriptive and sample size 150.

Primary data collected from personally visit and secondary data collect through observation.

Outcome Report

The SCM system of a company can directly influence the customer satisfaction and make them understand about that particular brand and the company. Now the SCM can be leveraged as a big differentiator in providing customer satisfaction & generate the value of brand by eliminating the barricades between customers & suppliers. Any wrong decision taken by any of the links of SCM can be harmful to the effectiveness & profitability of the entire chain.

Without effective SCM, companies cannot deliver or cannot meet a rush order request on the promises made to customers which in turn lead to customer disloyalty -- the death for any brand. In an era of ever-increasing customer demands and intolerance, it is the supply chain that often represents a critical opportunity for a marketer to build or destroy its brand.

In distribution centers, goods must be expeditiously picked, packed and shipped, not just to satisfy customers, but to ensure quality of perishables and minimize safety risks of products. With thousands of goods moving in and out of manufacturers' warehouses every day, the task is complex – but manageable with improved supply chain strategies and collaboration.

In order to improve this core function manufacturers must rethink their strategies and do three things extremely well:

- Identify that supply chain management and collaboration is a key corporate strategy that must be addressed.
- Support supply chain management and collaboration with resources, investments and best performs.
- Methodically monitor performance to endlessly improve customer relations and more effectively identify and satisfy demand.

Through customer satisfaction company maintains client loyalty through exceptional customer service, which, in turn, can lead to growth in market share. Customer satisfaction also generates a positive company image which creates a positive effect on brand loyalty.

When customers know that they are getting their money's worth for a company's products or services, they are likely to come back, loyal customers are likely to spend more money, thereby adding to Company's profitability.

Satisfied customers not only return for repeat purchases, they will refer their friends and family members to businesses where they have received exceptional customer service. This increases the company's Brand image.

Increasing customer satisfaction through exceptional customer service might be as easy as repeating a customer's order back to him or her to ensure it is correct. Employees also are encouraged to smile with every business transaction or customer encounter, because a positive demeanor signifies a positive attitude, and a positive attitude in many cases means excellent customer service and can result in increasing customer satisfaction and brand loyalty.

Customer satisfaction and brand loyalty is not the same thing, though there is a direct correlation between the two. Customer satisfaction comes into play when a customer purchases a good or service from a business and has a positive experience. Brand loyalty is a factor when consumers return to a business because they develop a relationship with the company. Loyal customers come back because they feel they will get great products and be treated with a certain level of respect. Customer satisfaction and brand loyalty are connected because, to become a loyal customer, a person first typically has to be a satisfied customer.

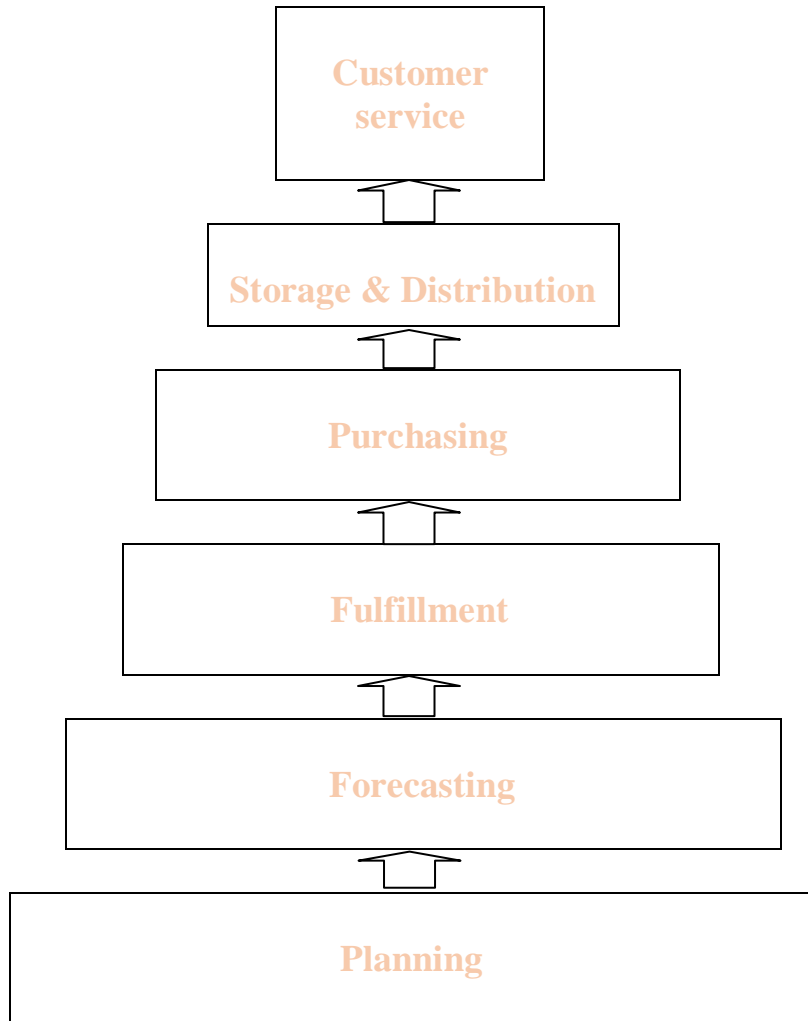
The process of having satisfied customers starts with treating each and every prospect with good manners and respect, whether a sales associate believes the consumer will spend a lot of money or nothing at all. Excellent prices and a friendly environment will leave most customers satisfied.

Model

Customer satisfaction and brand loyalty are even more important in competitive markets. SCM acts as a bridge or the keystone for enhancing customer satisfaction leading to better brand loyalty. The following flow diagram depicts the activities under SCM:

- a) **Planning:** This is the beginning of strategic SCM. Resources management to meet customer requirements for product or service a marketer is using. There has to be a strategic plan.

- b) **Forecasting:** This function includes supply chain analysts, planners, and project managers, who use analytical and quantitative methods to manage the supply chain process. They typically focus on performance improvements and identifying potential problems.
- c) **Fulfillment:** Job titles include fulfillment supervisor, distribution center supervisor or distribution team leader. They are often responsible for receiving, storing and shipping products, and typically supervise teams focused on these activities.
- d) **Purchasing:** Roles include purchasing manager, acquisitions manager and buyer. Professionals in these positions typically direct buying activities, locate suppliers, negotiate contracts, and coordinate materials management.
- e) **Storage and Distribution:** Known as warehouse operations managers, directors of logistics, or warehouse and delivery managers, these supply chain management professionals are skilled in inventory management; from receiving and storing goods, to filling orders across town or around the globe.
- f) **Customer Service:** Also known as customer order managers and logistics or distribution coordinators, these professionals plan and direct activities of customer service teams, to ensure accurate orders, efficient shipments, and timely delivery of products.



Process of Collaboration Customer satisfaction and brand loyalty through Supply Chain Management.

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