



Significance of Customer Expectation and Perceptions For Customer Satisfaction

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Abstract

Customer expectation is what the customer expect from a product or service. Customer expectation can be measured via surveys and market research among potential customers. Customer perception is not static. it is dynamic. So customer perception is about the present mindset of a customer. Both customer expectations and customer perceptions are highly important in delivering a superior offering to the customer and to making them satisfied. The variable in confirmation of the customer satisfaction are expectation and performance. The goal of customer satisfaction can be accomplished by narrowing the gap between customer perceptions and customer expectations.

Key words - Customer Satisfaction, Customer Expectation, Customer Perception

Introduction -

Expectation is the act or state of expecting or looking forward to an event as about to happen. Perception is organization identification and interpretation of sensory information.

Customer expectation is an assumption in deciding the purchase whereas customer perception is an interpretation of collective information after purchase. Both customer expectations and customer perceptions are highly important in delivering a superior offering to the customer and to making them satisfied. The variable in confirmation of the customer satisfaction are expectation and performance.

Customer expectation is what the customer expect from a product or service. This can be influenced by cultural background demographic factors, advertising, family lifestyle, personality, beliefs, reviews and experience with similar product. These influencing factor help the customer in evaluating, the quality, value and the ability of product or service to meet the need.

Customer expectation was decoded by a research done by parasurman, et al (1985). The research only referred to service level quality. But few of their findings were important and can be applied to both product and service. They indicated that customer have a predetermined expectation before purchase of a product or service. This affects the buying decision. Business should pay attention to setting expectations, meeting expectation and resetting expectations to be successful in the market world. Customer expectation can be measured via surveys and market research among potential customers who are the segmented target audience for the product or service the organization is offering.

Customer perception:-

Customer perception is the customer experience via consumption of product/service and interaction with the seller. It is subjective and can differ from person to person. Customer perception is not static. it is dynamic. So customer perception is about the present mindset of a customer. In future the perception can shift from a favorable to an unfavorable situation or vice-versa. It is review of the experience. Initially the perception will be judgmental, rational and fact-based. But when the relationship grows between seller and buyers, it can be based on emotional factors. In addition, competitor actions, buyer circumstances and buying power also can impact the perception. Customers want positive consistent experiences. Consistency creates confidence which can lead to retention and loyalty. Customer dictates market trends and direction. Delivering a great customer experience is the best way to make bank stand out.

The most common way of operationalizing satisfaction is to compare the customer's perception of an experience, or some part of it with their expectations. This is known as the



expectation disconfirmation model of customer satisfaction. Basically the model suggest that if customer provide their expectation to be met, they are satisfied. If their expectation are underperformed this is negative disconfirmation, and they will be dissatisfied. Positive disconfirmation occurs when perception exceeds expectation.

Customer expectation → **Customer satisfaction** ← **Customer perception**

By understanding the gap between customer expectation and customer perception regarding banking product/service, bankers have a base upon which they can work to either increase satisfaction or reduce the chances of dissatisfaction, Closing the gap between expectation and performance begins with matching product and customer service benefit to customer needs that is customer expectation and customer perception must be equal to satisfy the customers.

Conclusion:

To narrow the gap between expectation and product experience it is required to understand exactly what benefits, whether they are promised by the service provider or not, are expected by consumers what are consumer's preferences?

As consumer expectations act as a comparison standards which give the framework to evaluate the service quality with respect to satisfy the customers. Customer satisfaction research demonstrates the need for continuous improvement. Continuous improvement is the secret to maintain customer satisfaction. Clear, consistent and systematic improvement is necessary to achieve the jump in overall rating, anticipated future use etc. The goal of customer satisfaction can be accomplished by narrowing the gap between customer perceptions and customer expectations.

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