WEB OF SCIENTIST: INTERNATIONAL SCIENTIFIC RESEARCH JOURNAL
ISSN: 2776-0979, Volume 7, Issue 6, June- 2026

THE ROLE OF CUSTOMER SATISFACTION IN BUSINESS SUCCESS

Sherbaeva Sevara Batirovna
Student of ISFT Institute

Abstract
This article examines the role of customer satisfaction in business success. Customer satisfaction is analyzed as a strategic factor that influences repeat purchasing, customer loyalty, positive word of mouth, brand reputation, market share, profitability and long-term competitiveness. The article argues that satisfaction is not limited to the emotional reaction of a buyer after a transaction; it is a complex result of product quality, service quality, price fairness, communication, trust, complaint handling and the overall customer experience.

Keywords: Customer satisfaction, business success, customer loyalty, profitability, customer retention, service quality.

INTRODUCTION

Customer satisfaction is one of the most important indicators of business performance in a competitive market economy. A company may have an attractive product, strong advertising and a visible brand, but if customers are dissatisfied after purchase, its long-term success becomes unstable. In modern business, customers compare alternatives quickly, share their experience publicly, and can easily move from one supplier to another. For this reason, satisfaction has become not only a marketing concept, but also a managerial, financial and strategic category. It reflects how customers evaluate the relationship between their expectations and the actual value received from a product or service.

The concept of customer satisfaction is closely connected with the expectancy-disconfirmation approach. According to Oliver, satisfaction is formed when customers compare prior expectations with perceived performance after consumption [1]. If performance exceeds expectations, positive disconfirmation occurs and satisfaction increases. If performance is lower than expected, dissatisfaction appears. This idea is essential for business practice because it shows that companies must manage not only product quality, but also customer expectations. Excessive promises in advertising may temporarily attract customers, but they can also produce disappointment if the real experience does not correspond to the promised value.

MATERIALS AND METHODS

Customer satisfaction affects business success first of all through repeat purchasing. A satisfied customer is more likely to return to the same company, buy again and reduce the need for constant search among competitors. Repeat purchases are economically important because attracting a new customer usually requires more marketing effort than retaining an existing one. Customer acquisition involves advertising, promotion, discounts, sales communication and persuasion. Retention, by contrast, depends on trust, positive experience and confidence that the company will continue to provide acceptable value. Therefore, satisfaction lowers market uncertainty for both sides: the customer knows what to expect, and the company receives a more predictable revenue stream.

The second important role of satisfaction is its influence on customer loyalty. Satisfaction and loyalty are not identical, but they are closely related. A customer may be satisfied with one transaction without becoming loyal, especially in markets where alternatives are numerous and switching costs are low. However, repeated satisfaction over time gradually creates loyalty. Hallowell's empirical study links customer satisfaction with customer loyalty and profitability, showing that satisfaction can become an economic asset when it is transformed into stable customer behavior [4]. In this sense, loyalty is the behavioral continuation of satisfaction: it is expressed in repeated purchases, reduced sensitivity to competitors, and willingness to maintain a relationship with the company.

RESULTS AND DISCUSSION

Customer satisfaction also affects business success through positive word of mouth. In the digital age, customer opinion is no longer limited to private conversation. Reviews, ratings, comments, social media posts and recommendations influence the decisions of other buyers. A satisfied customer may become an informal promoter of the company, while a dissatisfied customer may damage brand reputation through negative feedback. This effect is especially important for small and medium-sized businesses, which may not have large advertising budgets. For them, customer satisfaction is often the most reliable form of marketing because genuine recommendations create trust more effectively than formal promotional messages.

Another major dimension is brand reputation. A brand is not formed only by name, logo or visual identity; it is formed by repeated customer experience. If customers consistently receive quality, fairness and respectful treatment, the brand becomes associated with reliability. If they experience poor service, hidden costs, delayed delivery or indifference to complaints, the brand loses credibility. Customer satisfaction therefore functions as the practical foundation of reputation. A company cannot maintain a strong brand for a long time if customer experience contradicts its public image.

The relationship between customer satisfaction and financial performance has been discussed in several classical studies. Anderson, Fornell and Lehmann analyzed the connection between customer satisfaction, market share and profitability and showed that satisfaction can be treated as an important strategic performance indicator [3]. Fornell and coauthors developed the American Customer Satisfaction Index as a market-based measure of performance for firms, industries and national economies [2]. These works are significant because they move satisfaction beyond subjective feeling and show its connection with measurable economic outcomes. A satisfied customer base can support sales stability, reduce customer churn and strengthen competitive position.

Customer satisfaction also contributes to profitability through reduced defection. Reichheld and Sasser argued that defection rates are not only indicators of service quality, but also guides for managerial improvement [5]. When customers leave, they reveal that the company has failed to meet expectations or sustain value. Studying why customers defect allows managers to identify weak points in product quality, communication, pricing, delivery, complaint handling or after-sales support. If a company systematically reduces customer loss, it protects future income and decreases the cost of replacing lost customers.

The service-profit chain provides another important explanation of the connection between satisfaction and success. Heskett and his colleagues argued that internal service quality, employee satisfaction, employee productivity, customer value, customer satisfaction, loyalty and profitability are interconnected [6]. This approach is important because it shows that customer satisfaction is not created only at the moment of sale. It depends on the entire organizational system: employees, processes, service standards, leadership, training, technology and corporate culture. If employees are poorly trained or demotivated, customer satisfaction will decline regardless of advertising promises.

The determinants of customer satisfaction are multidimensional. Product quality remains fundamental. Customers expect the product to perform its basic function, be reliable, safe and consistent with the information provided before purchase. Service quality is equally important, especially in retail, banking, hospitality, healthcare, education, transport and digital services. Responsiveness, politeness, accuracy, empathy and problem-solving ability strongly influence satisfaction. Price fairness also matters. Customers may accept a high price if they perceive value, but they become dissatisfied when they feel that price and quality are not balanced.

CONCLUSION

Customer satisfaction plays a central role in business success because it connects customer experience with economic results. It influences repeat purchasing, loyalty, word of mouth, reputation, retention, profitability and competitive advantage. A company that systematically satisfies customers reduces uncertainty, strengthens trust and creates a stable base for long-term growth. Conversely, dissatisfaction increases customer loss, weakens reputation and raises the cost of acquiring replacement customers.

The analysis shows that satisfaction is formed through the relationship between expectations and actual performance. Product quality, service quality, fair pricing, clear communication, complaint handling and digital experience jointly determine how customers evaluate a business. Satisfaction must therefore be managed as a strategic process, not as a spontaneous result of selling a product. Managers should measure satisfaction regularly, study complaints, train employees, improve service standards and align marketing promises with real performance.

REFERENCES

1. Oliver R.L. A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions // Journal of Marketing Research. 1980. Vol. 17, No. 4. P. 460–469. DOI: 10.1177/002224378001700405.
2. Fornell C., Johnson M.D., Anderson E.W., Cha J., Bryant B.E. The American Customer Satisfaction Index: Nature, Purpose, and Findings // Journal of Marketing. 1996. Vol. 60, No. 4. P. 7–18. DOI: 10.1177/002224299606000403.
3. Anderson E.W., Fornell C., Lehmann D.R. Customer Satisfaction, Market Share, and Profitability: Findings from Sweden // Journal of Marketing. 1994. Vol. 58, No. 3. P. 53–66. DOI: 10.1177/002224299405800304.
4. Hallowell R. The Relationships of Customer Satisfaction, Customer Loyalty, and Profitability: An Empirical Study // International Journal of Service Industry Management. 1996. Vol. 7, No. 4. P. 27–42. DOI: 10.1108/09564239610129931.
5. Reichheld F.F., Sasser W.E. Jr. Zero Defections: Quality Comes to Services // Harvard Business Review. 1990. Vol. 68, No. 5. P. 105–111.
6. Heskett J.L., Jones T.O., Loveman G.W., Sasser W.E. Jr., Schlesinger L.A. Putting the Service-Profit Chain to Work // Harvard Business Review. 1994. Vol. 72, No. 2. P. 164–174.