
CUSTOMER SATISFACTION AND ORGANIZATION PERFORMANCE

A CASE STUDY OF SUMZ FOODS INDUSTRIES

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Abstract

The study aimed at customer satisfaction and organization performance and it was guided by the following objectives; To examine the impact of customer satisfaction on productivity of Sumz foods industries limited, to assess the impact of customer satisfaction on sales volume of Sumz foods industries limited and to evaluate the impact of customer satisfaction on the profitability of Sumz foods industries limited. Quantitative research design was used to capture details of the study which was expressed in numerical terms like percentages, ratios, and population and sample sizes, among others. The study population constituted mainly the staff, the salaried staff and the casual workers at Sumz foods industries limited. These include 100 salaried staff, 10 casual staff and totaling to 110 population. Findings revealed that there was a strongly significant positive correlation between customer satisfaction and productivity ($P < 0.005$, $R = 0.617^{**}$). This implied that when there was one unit impact of customer satisfaction there would be an adverse increase by a unit of productivity. Findings revealed that there was a strongly significant positive correlation between customer satisfaction and sales volume ($P < 0.005$, $R = 0.517^{**}$). This implied that when there was one unit impact of customer satisfaction there would be an adverse increase by a unit of sales volume Employee motivation should be treated by utmost importance. This would help the company obtain productivity from labor which adversely would satisfy the demand of the clients. Lastly, Sums should make sure that it devises ways of ensuring that the already obtained customers are retained and also handled in a way that they can recommend other customers to consume the company products.

Key words: customer satisfaction and organization performance

Background of the study

Consumer pride is a crucial measure of the capacity of an organisation to correctly meet the wishes of its consumer. It additionally facilitates to demonstrate an agency's really worth and effectiveness to its stakeholders that's essential in preserving their support (Gracious, 2023). Tradition manufacturing factories converted for tourism functions have grown to be popular amusement tourism in Taiwan. Tourism factories have experienced considerable increase I the current years and an increasing number of tourism factories emphasized serve high-quality improvement and customers deserve that make a contribution to tourism, manufacturing unit image and competitiveness in Taiwan (Filstar, 2023). In Nairobi, with the extended globalization of markets, opposition amongst market gamers has become more excessive. in this aggressive market, one of the maximum important factors is the success of consumer pleasure and excellence in service (Paul & Kazaara, 2023). Despite the fact that the idea of client delight in purchaser-orientated management isn't new, the relationship among clients and groups has been converting nearly each day (Racheal et al., 2023). clients have become absolutely the entity for agencies because the final selection makers for business deals and purchases of merchandise (Collins et al., 2023). A hit groups of the destiny were those that can provide goods and services to the clients who need it, wherein they need it and, in the quantity, and at the rate they want it, thereby delighting in place of merely pleasing customers (Faridah et al., 2023). In Uganda, carrier fine is the diploma to which the performance of carrier carriers suits patron

expectations (Christopher et al., 2022). It is able to also be defined as the one's critical traits of a carrier that measures its excellence (Pdu et al., 2023). Offerings have 4 main traits on which carrier fine is measurable. these encompass intangibility, inseparability, variability and perishability (Kotler, 1999). The four components require unique remedy as regards the cognitive nature of foreign customers. Almost about Laura Eboli and Gabriella Mazzulla, university of Calabria, consumer delight in supermarkets is proposed. especially, a structural equation version is formulated to explore the impact of the relationship between global patron delight and carrier excellent attributes (Anthony et al., 2023). Nice supermarket is placed in vintage Kampala alongside Martin Avenue and it has hired approximately 15 employees these encompass cleaners, folks that work on counters, those who aid on clients and top control (Racheal et al., 2023). Dissatisfaction is a person's feeling of unhappiness as a consequence of bad overall performance of employees, provision of bad-quality offerings in relation to a purchaser's expectation.

Problem Statement

There was a lacking hyperlink among product first-rate and purchaser delight in Sumz meals industries restricted which has caused continual proceedings such as lack of purchaser care and attitudes of carrier carriers towards clients (Turyatamba et al., 2022). Hoyer & MacInnis (2001) additionally say that disappointed clients can pick out to stop shopping the products or services and interact in negative word of mouth. because plenty of studies has been done within the area of customer pride, many definitions have been formulated as to what client satisfaction involves (Nelson, Christopher, Teddy, et al., 2022).

Objective of the study

1. To examine the impact of customer satisfaction on productivity of Sumz foods industries limited.
2. To assess the impact of customer satisfaction on sales volume of Sumz foods industries limited.
3. To evaluate the impact of customer satisfaction on the profitability of Sumz foods industries limited.

Research questions

4. What is the impact of customer satisfaction on the productivity in Sumz foods industries limited?
5. What is the impact of customer satisfaction on the sales volume in Sumz foods industries limited?
6. What is the impact of customer satisfaction on the profitability in Sumz foods industries limited?

Methodology

- **Research Design**
- **Qualitative Research**

Qualitative approach was used in recording descriptions of the elements of the study in a form which was not numerical and this helped in getting an in-depth analysis of the problem under investigation (Creswell et al. 2003), Qualitative approach was further applied in order to describe current conditions or to investigate relationships, including effects relationships. In addition, it helped in answering questions concerning the current state of the subject under study.

Whereas a service company recognition relies upon entirely on the extent of product first-class, managers and scholars are detached on whether or not to measure the level of carrier high-quality basing on the extent of management or patron's perceptions of exceptional (Faridah et al., 2023) and yet others like Brady and Robertson (2001), Dabholkar, (1993) ad Oliver, 1997 contend that there was a missing hyperlink inside the control of carrier high-quality. This looks at will study purchaser satisfaction and organizational overall performance in Sumz ingredients industries restrained.

- **Quantitative Research**

Quantitative research design was used to capture details of the study which was expressed in numerical terms like percentages, ratios, and population and sample sizes, among others.

- **Study Population**

The study population constituted mainly the staff, the salaried staff and the casual workers at Sumz foods industries limited. These include 100 salaried staff, 10 casual staff and totaling to 110 population. This population was chosen because it assumed to have adequate knowledge of the subject under investigation and the research variables under investigation.

Category	Number
Salaried staff	100
Casual Staff	10
Total	110

- **Sampling Design**

- **Sampling technique**

The study employed both statistical and non-statistical sampling techniques. Statistical sampling techniques included random sampling, systematic and cluster sampling whereby the respondents were grouped into different clusters mainly the salaried staff. Then a random sampling technique was applied on the teaching staff since they were many in number. However, since the non-teaching staffs were few, non-statistical sampling was used and this was mainly purposive sampling.

- **Sample Size and Composition**

The sample size was 55 respondents and comprised of 110 operational and managerial staff. This is presented in the table below:

Category	Population	Sample Size	Selection Method
Sales& marketing team	50	25	Purposive Sampling
Accounting and finance Production team	20 40	10 20	Simple Random and Systematic Sampling.
Total	110	55	

- **Data Collection Methods and Instruments**

- **Questionnaires**

This study used self-administered questionnaires for the respondents. These was distributed among the respondents. The justification for using this instrument was because questionnaires are easy to quantify and analyze. In addition,

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the questionnaire was used because the study focused on opinions, attitudes, feelings and perceptions of respondents.

- **Data Analysis**

Qualitative data analysis was done using research instruments such as interview guides, questionnaires and research surveys. Also, narratives were recorded during face-to-face interview and through observation. The researchers used a quick impressionist summary in analyzing qualitative data using SPSS (Nelson, Christopher, & Milton, 2022); he summarized key findings by noting down the frequent responses of the respondents during the interview on various issues relating to quality of work, efficiency in operations, and the quantity of work performed after satisfying customers who were the students. **RESULTS**

- **Response on the first objective of the study**

The table below entails a statistical analysis of the respondents' views on the relationship between customer satisfaction and productivity

- **Table 2: Showing responses on the first objective of the study**

Note: 5=Strongly Agree, 4=Agree, 3=Uncertain, 2= Disagree, and 1= Strongly Disagree

STATEMENT	5%	4%	3%	2%	1%	Mean	STDV
High customer satisfaction drives high investment in product development	25	15	8	25	28	2.85	0.37
Customer satisfaction motivates the production function to increase output	30	18	5	23	25	3.05	0.48
High satisfaction leads to fewer resources devoted to handling returns	48	38	0	3	13	4.05	0.96
High customer satisfaction reduces investment in promotion programs	33	20	0	25	23	3.15	0.57
Pursuit of customer satisfaction increases costs	50	43	3	0	5	4.33	1.04
I am motivated by the satisfied clients	48	40	5	5	3	4.25	0.96
AVERAGE MEAN							3.61

Source: (Primary Data-Sumz Foods Industries Study, 2020)

The first investigation on the first objective of the study established that majority of the respondents disagreed (38%) and disagreed strongly that high customer satisfaction drives high investment in product development. However, 8% respondents were not certain, 28% disagreed strongly and 25% disagreed. The investigation obtained a mean response of 2.85 amounting to a 0.37 standard deviation.

Secondly, the researcher findings indicated that majority of the respondents agreed strongly (30%) and 18% agreed that customer satisfaction motivates the production function to increase output. However, 23% respondents disagreed strongly and 25% strongly disagreed. The investigation obtained a mean response of 3.05 amounting to a 0.48 spread. In another investigation, findings indicated that majority of the respondents (33%) agreed strongly and

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20% respondents agreed that high customer satisfaction reduces investment in promotion programs. One other hand, 25% respondents disagreed strongly and 23% respondents disagreed strongly. Their argument was in support of Karatepe and Ngeche, (2013), who assert there is equally compelling logic to suggest that the pursuit of customer satisfaction increases costs and thereby reduces productivity. The investigation obtained a mean response of 3.15 amounting to a 0.57 spread-in.

Thirdly, majority of the respondents agreed strongly (48%) and 38% agreed that high satisfaction leads to fewer resources devoted to handling returns. This was supported by Grönroos and Ojasalo, (2014) who argued that the firm that achieves superior levels of customer satisfaction needs to devote fewer resources to handling returns, rework, warranties, and complaint management, thus lowering costs and improving productivity. Only 3% respondents however disagreed and 13% respondents disagreed strongly. The investigation obtained a mean response of 4.05 amounting to a 0.96 spread.

Fifthly, findings established that majority of the respondents agreed strongly (50%) and agreed (43%) that pursuit of customer satisfaction increases costs. Karatepe and Ngeche, (2013), who assert there is equally compelling logic to suggest that the pursuit of customer satisfaction increases costs and thereby reduces productivity. None of the respondents disagreed and 5% disagreed strongly. The investigation obtained a mean response of 4.33 amounting to a 1.04 spread-in. Lastly, findings indicated that majority of the respondents agreed strongly (40%) and 40% respondents agreed that they are motivated by the satisfied clients. However, 5% respondents disagreed and 3% disagreed strongly. The investigation obtained a mean response of 4.25 amounting to a 0.96 spread-in.

- **Response on the second objective of the study**

The table below entails a statistical analysis of the respondents' views on customer satisfaction and sales volume

- **Table 2: Showing responses on the second objective of the study**

Note: 4=Strongly Agree, 3=Agree, 2= Disagree, and 1= Strongly Disagree

STATEMENT	5%	4%	3%	2%	1%	Mean	STDV
We have realized increasing sales for the past three years	38	35	10	13	5	3.88	0.72
The company benefits from the growing sales	50	43	5	3	0	4.40	1.03
I am motivated to serve loyal customers	20	18	3	35	25	2.73	0.34
We have an experienced sales force	38	48	5	5	5	4.08	0.88
We serve a growing market share	38	25	5	13	20	3.48	0.67
We have a huge customer retention rate	23	28	8	25	18	3.13	0.41
We heavily invest in sales promotion	38	30	10	15	8	3.75	0.68

Quality of our products drives sales hence loyalty	50	48	0	3	0	4.45	1.09
Managers show excessive customer orientation	35	48	3	8	8	3.95	0.85
AVERAGE						3.76	

Source: (Primary Data-Sumz Foods Industries Study, 2020)

First and foremost, findings indicated that 38% agreed strongly and 35% respondents agreed that the company has realized increasing sales for the past three years. They attributed this to the realizable rise in the level of customer satisfaction. 10% respondents were uncertain, 13% respondents disagreed and 5% disagreed. The investigation obtained a mean response of 3.88 amounting to a 0.72 spread-in.

Secondly, findings indicated that majority of the respondents agreed strongly (50%) and 43% agreed that the company benefits from the growing sales. Agreeably, Torres-Moraga et al., (2008) assert that customer satisfaction has been found to increase sales revenues promote product loyalty and reduce the cost of attracting new customers. 5% respondents were uncertain, 3% respondents agreed and none agreed strongly. The investigation obtained a mean response of 4.40 amounting to a 1.03 spread-in. Thirdly, findings established that 20% respondents agreed strongly and 18% respondents agreed that they are motivated to serve loyal customers. 3% respondents were uncertain, 35% respondents disagreed and 25% respondents disagreed strongly. The investigation obtained a mean response of 2.73 amounting to a 0.34 STDV. Findings indicated that majority of the respondents (38%) agreed strongly and 48% agreed that the company has an experienced sales force. However, 5% disagreed strongly and 5% disagreed. The investigation obtained a mean response of 4.08 amounting to a 0.88 STDV.

Findings indicated that majority of the respondents agreed strongly (38%) and 25% respondents agreed that the company serves a growing market share. In support of this argument, they were backed by Fornell (2001) who assert that firms that cannot satisfy their customers are likely to lose market share to rivals who offer better products and service at competitive prices. 5% respondents were uncertain, 13% disagreed and 20% disagreed strongly. The investigation obtained a mean response of 3.48 amounting to a 0.67 STDV.

Findings also indicated that 23% respondents agreed strongly and 28% respondents agreed that Sumz has huge customer retention. In the same line of argument, Kotler and Keller, (2006) says both CS and customer retention have a great impact on a firm's economic success. 8% respondents were uncertain, 25% disagreed and 18% of the respondents disagreed strongly. The investigation obtained a mean response of 3.13 amounting to a 0.41 STDV. Findings in addition indicated that 38% respondents agreed strongly and 30% respondents agreed that Sumz heavily invest in sales promotion. 10% respondents were uncertain, 15% disagreed and 8% of the respondents disagreed strongly. The investigation obtained a mean response of 3.75 amounting to a 0.68 STDV. Findings also indicated that 50% respondents agreed strongly and 48% respondents agreed that Quality of Sumz food products drives sales

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hence loyalty. None of the respondents were uncertain, 3% disagreed and none disagreed strongly. The investigation obtained a mean response of 4.45 amounting to a 1.09 STDV. Lastly, findings indicated that 35% respondents agreed strongly and 48% respondents agreed that managers show excessive customer orientation. 8% disagreed and 8% of the respondents disagreed strongly. The investigation obtained a mean response of 3.95 amounting to a 0.85 STDV.

- **Response on the third objective of the study**

The table below entails a statistical analysis of the respondents' views on the relationship between customer satisfaction and profitability

- **Tables 3: Show responses on the third objective of the study**

Tables 3

Note: 4=Strongly Agree, 3=Agree, 2= Disagree, and 1= Strongly Disagree

STATEMENT	5%	4%	3%	2%	1%	Mean	STDV
Our company is highly profitable	30	35	3	13	20	3.43	0.63

Source: (Primary Data-Sumz Foods Industries Study, 2020)

The first finding in the third objective investigation indicated that 30% respondents agreed strongly and 35% respondents agreed that Sumz is highly profitable. This was attributed to the high number of satisfied customers served. 3% respondents were uncertain, 13% respondents disagreed and 20% disagreed strongly. The investigation obtained a mean response of 3.43 amounting to a 0.63 STDV.

Tables 4

Note: 4=Strongly Agree, 3=Agree, 2= Disagree, and 1= Strongly Disagree

STATEMENT	5%	4%	3%	2%	1%	Mean	STDV
Our revenues have been growing over years	28	48	3	13	10	3.70	0.75

Source: (Primary Data-Sumz Foods Industries Study, 2020)

Secondly, 28% respondents agreed strongly and 48% agreed that Sumz revenues have been growing over. In line with their argument, Tornow & Wiley, (2016) complement and extend that study by showing that customer satisfaction has an impact on firm value, which is over and above the impact of profit (earnings). 13% respondents disagreed and 10% disagreed strongly. The investigation obtained a mean response of 3.70 amounting to a 0.75 STDV.

Tables 5

Note: 4=Strongly Agree, 3=Agree, 2= Disagree, and 1= Strongly Disagree

STATEMENT	5%	4%	3%	2%	1%	Mean	STDV
Satisfaction creates shareholder value	33	38	0	15	15	3.58	0.70

Source: (Primary Data-Sumz Foods Industries Study, 2020)

Findings third lastly indicated that 33% respondents agreed strongly and 38% respondents agreed that satisfaction creates shareholder value. None were uncertain, 15% respondents disagreed and 15% disagreed strongly. The investigation obtained a mean response of 3.58 amounting to a 0.70 STDV.

Tables 6

Note: 4=Strongly Agree, 3=Agree, 2= Disagree, and 1= Strongly Disagree

STATEMENT	5%	4%	3%	2%	1%	Mean	STDV
Customer satisfaction reduces costs	48	40	8	3	3	4.28	0.96

Source: (Primary Data-Sumz Foods Industries Study, 2020)

The second last investigation indicated that 48% respondents agreed strongly and 40% agreed that customer satisfaction reduces costs. 8% respondents were uncertain, 3% respondents however disagreed and 3% disagreed strongly. The investigation obtained a mean response of 4.28 amounting to a 0.96 STDV.

Tables 7

Note: 4=Strongly Agree, 3=Agree, 2= Disagree, and 1= Strongly Disagree

STATEMENT	5%	4%	3%	2%	1%	Mean	STDV
Profitability influences our quality output	33	48	10	8	3	4.00	0.80

Source: (Primary Data-Sumz Foods Industries Study, 2020)

Majority of the respondents lastly strongly agreed (33%) and 48% agreed that profitability influences Sumz quality output. However, 10% respondents were uncertain, 8% respondents disagreed and 3% disagreed strongly. The investigation obtained a mean response of 4.00 amounting to a 0.80 STDV.

• Pearson Correlation Coefficient

In [statistics](#), the Pearson correlation coefficient also referred to as the Pearson's r or Pearson product-moment correlation coefficient (PPMCC), is a measure of the linear [correlation](#) between two variables X and Y. It has a value between +1 and -1, where 1 is total positive linear correlation, 0 is no linear correlation, and -1 is total negative linear correlation. It is widely used in the sciences, (Buda, 2010).

• Table 8: Showing Bi-variate Pearson Correlation coefficient of the variables

OBJ 1: Customer satisfaction and productivity		Customer satisfaction	Productivity
Customer satisfaction	Pearson Correlation	1	
	Sig. (2-tailed)		.617
	N	40	40
Productivity	Pearson Correlation		1
	Sig. (2-tailed)	.617	
	N	40	40
OBJ 2: Customer satisfaction and sales volume		Customer satisfaction	Sales volume
Customer satisfaction	Pearson Correlation	1	
	Sig. (2-tailed)		.517
	N	40	40
Sales volume	Pearson Correlation		1
	Sig. (2-tailed)	.517	
	N	40	40
OBJ 3: Customer satisfaction and profitability		Customer satisfaction	Profitability
Customer satisfaction	Pearson Correlation	1	
	Sig. (2-tailed)		.701
	N	40	40
Profitability	Pearson Correlation		1
	Sig. (2-tailed)	.701	
	N	40	40

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• Table 9: Showing interpretation of the Pearson Correlation Coefficient

Results	Interpretation
0	No relationship between the variables
0.1-0.25	Very weak relationship between the variables
0.26-0.49	weak relationship between the variables
0.5-0.75	Strong relationship between the variables
0.76-1	Very Strong relationship between the variables

Source: Taylor (1990)

Findings in table 9 therefore revealed that there is a strongly significant positive correlation between customer satisfaction and productivity ($P < 0.005$, $R = 0.617^{**}$). This implies that when there is one unit impact of customer satisfaction there would be an adverse increase by a unit of productivity. Findings in table 9 also revealed that there is a strongly significant positive correlation between customer satisfaction and sales volume ($P < 0.005$, $R = 0.517^{**}$). This implies that when there is one unit impact of customer satisfaction there would be an adverse increase by a unit of sales volume (Nelson et al., 2023). Finally, findings in table 9 also revealed that there is a very strong significant positive correlation between customer satisfaction and profitability ($P < 0.005$, $R = 0.701^{**}$). This implies that when there is one unit impact of customer satisfaction there would be an adverse increase by a unit of profitability.

- **Conclusion**

This study found the positive relationship between customer satisfaction and business performance which has laid the foundation for the future researchers to investigate those associations using other designs of research. These findings added some strength in literature of business management. As customer satisfaction has positive relationship with business performance, having meaningful importance in the field of business management. The proposed structure of this research could be used as basis of enhancing business performance. The instrument used to evaluate business performance can be used to access the business performance by any organisation.

- **Recommendations**

The company should leverage its quality control management systems in the production function as a way of ensuring that consumers obtain quality products from the company.

Employee motivation should be treated by utmost importance. This would help the company obtain productivity from labor which adversely would satisfy the demand of the clients.

Lastly, Sums should make sure that it devises ways of ensuring that the already obtained customers are retained and also handled in a way that they can recommend other customers to consume the company products.

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