

# Marketing strategy, customer satisfaction and business performance of one automobile manufacturer in China: Basis for customer loyalty framework

Ji, Zhihao ✉

Graduate School, Lyceum of the Philippines University - Batangas, Philippines



ISSN: 2243-7770  
Online ISSN: 2243-7789

Received: 18 June 2023

Revised: 20 July 2023

Accepted: 18 August 2023

OPEN ACCESS

Available Online: 25 August 2023

DOI: 10.5861/ijrsm.2023.1097

## Abstract

Marketing strategy and customer satisfaction play a critical role in improving business performance. A well-crafted marketing strategy can help businesses to reach their target audience, build brand awareness, and generate leads. Customer satisfaction, on the other hand, can help businesses to retain customers, increase sales, and boost profits. This study determined the marketing strategy, customer satisfaction and business performance of one automobile manufacturer in China. Specifically, determined the marketing strategies in terms of product, price, promotion, place and people; assessed the level satisfaction in terms of product and services and delivery; determined the business performance of the automobile company in terms of financial, growth and innovation performance; analyzed the significant relationship between marketing strategies, customer satisfaction and business performance; and to develop framework for customer loyalty. The researcher employed both qualitative and quantitative design, used a modified questionnaire as data gathering tool. The study's findings are consistent with other studies that have found a positive relationship between marketing strategy and customer satisfaction. These studies suggest that businesses that develop strong marketing strategies can improve customer satisfaction and business performance.

**Keywords:** marketing strategy, customer satisfaction, business performance, customer loyalty

## **Marketing strategy, customer satisfaction and business performance of one automobile manufacturer in China: Basis for customer loyalty framework**

### **1. Introduction**

Marketing strategy and customer satisfaction play a critical role in improving business performance. A well-crafted marketing strategy can help businesses to reach their target audience, build brand awareness, and generate leads. Customer satisfaction, on the other hand, can help businesses to retain customers, increase sales, and boost profits. The study conducted by Srinivasan (2001) found that customers who were more satisfied with the retailer's marketing strategy were also more likely to be loyal, repeat buyers, and to recommend the retailer to others. The study also found that a 1% increase in customer satisfaction was associated with a 0.5% increase in profits. The study's findings suggest that marketing strategy can have a significant impact on customer satisfaction and business performance. Businesses that develop strong marketing strategies can improve customer satisfaction, loyalty, and profits. The study's findings are consistent with other studies that have found a positive relationship between marketing strategy and customer satisfaction. These studies suggest that businesses that develop strong marketing strategies can improve customer satisfaction and business performance.

Bain & Company (2005), a global management consulting firm which analyzed data from over 1,000 companies in a variety of industries found that companies with higher customer satisfaction levels had higher profit margins and revenue growth rates. The study also found that a 5% increase in customer satisfaction was associated with a 2.5% increase in profits. Furthermore Williams & Naumann (2011) suggest that customer satisfaction is a key driver of business performance. Businesses that can improve customer satisfaction can improve their bottom line. The study's findings suggest that a customer-centric focus is essential for improving customer satisfaction and business performance. Businesses that focus on their customers are more likely to understand their needs and wants, and to deliver products and services that meet those needs and wants. This, in turn, leads to higher customer satisfaction and business performance.

Marketing strategy is the process of developing and implementing plans to create, communicate, deliver, and exchange offerings that have value for customers, clients, partners, and society at large. It is a critical function for any business, as it helps to ensure that the right products or services are available to the right customers at the right price. There are many different factors that can influence marketing strategy, including the target market, the competitive landscape, the company's resources, and the overall business environment. Marketers must carefully consider all of these factors when developing a marketing strategy that will be successful.

One of the most important aspects of marketing strategy is segmentation. Segmentation is the process of dividing a market into smaller groups of consumers who share similar characteristics. This allows marketers to target their marketing efforts more effectively and efficiently. Once a market has been segmented, marketers can develop a marketing mix that is tailored to the needs of each segment. The marketing mix includes the four Ps of marketing: product, price, place, and promotion. Product is the physical good or service that is being marketed. Price is the amount of money that consumers must pay for the product. Place is the location where the product is sold. Promotion is the communication that is used to inform consumers about the product. Marketing strategy is an ongoing process that must be constantly updated as the market changes. Marketers must be able to adapt their strategies quickly in order to remain competitive.

Customer satisfaction is a key factor in determining the success of any business. When customers are satisfied with the products or services they receive, they are more likely to do repeat business and recommend the business to others. This can lead to increased sales, profits, and market share. There are many factors that contribute to customer satisfaction, including the quality of the product or service, the price, the customer's

experience with the company, and the company's reputation. Businesses can improve customer satisfaction by focusing on these factors.

One way to improve customer satisfaction is to focus on the quality of the product or service. This means ensuring that the product or service meets or exceeds the customer's expectations. It also means providing excellent customer service. This means being responsive to customer inquiries, resolving customer problems quickly and efficiently, and going the extra mile to make sure the customer is satisfied. Another way to improve customer satisfaction is to offer competitive prices. This does not mean that businesses should always offer the lowest price. However, businesses should be aware of the prices of their competitors and make sure that their prices are competitive. Finally, businesses can improve customer satisfaction by creating a positive customer experience. This means making it easy for customers to do business with the company. It also means providing a pleasant and welcoming environment for customers.

Business performance is a broad term that encompasses a variety of factors, including sales, profits, market share, and customer satisfaction. It is a measure of how well a business is doing and how successful it is. There are many factors that contribute to business performance, including the quality of the products or services, the price, the marketing and sales strategy, the distribution channel, the customer service, the management team, and the company culture.

Great Wall Motors (GWM) is a Chinese automobile manufacturer that was founded in 1984. GWM is one of the largest automobile manufacturers in China and has a global presence. GWM produces a wide range of vehicles, including SUVs, pickup trucks, and sedans. GWM has been successful in recent years, with sales and profits growing steadily. This success can be attributed to a number of factors, including the company's strong marketing strategy, its focus on customer satisfaction, and its ability to adapt to changing market conditions. GWM's marketing strategy is based on the following four pillars: Product quality: GWM products are known for their high quality and durability. This has helped to build a strong reputation for the company and has attracted a loyal customer base. Brand awareness: GWM has invested heavily in marketing and advertising, which has helped to raise brand awareness and attract new customers. Distribution network: GWM has a strong distribution network that allows it to reach customers all over the world. And Customer service: GWM provides excellent customer service, which helps to keep customers satisfied and coming back for more. GWM's focus on customer satisfaction has also been a key factor in its success.

The company surveys customers regularly to get feedback on its products and services. This feedback is used to improve the company's products and services, which in turn leads to increased customer satisfaction. GWM's ability to adapt to changing market conditions has also been a key factor in its success. The company has been quick to adopt new technologies and trends, which has helped it to stay ahead of the competition. As a result of its strong marketing strategy, focus on customer satisfaction, and ability to adapt to changing market conditions, GWM has been successful in recent years. The challenge for this company is to well-positioned itself to continuously enjoy business competitiveness in the future. The Researcher in doing his literature review found out that although there are numerous studies conducted about marketing strategies, customer satisfaction and business performance using car manufacturing industry as locale is very limited.

Research on the marketing strategy, customer satisfaction, and business performance of GWM can provide valuable insights for other businesses. By understanding what has made GWM successful, other businesses can learn how to improve their own marketing, customer satisfaction, and business performance.

**Objectives of the Study** - The study was conducted to determine the marketing strategy of one automobile manufacturer in China, assess the level of satisfaction of its clients and how it affects the company's business performance to come up with a framework leading to customer loyalty. Specifically, determined the marketing strategies of product, price, promotion, place and people; assessed the level satisfaction in terms of product and services and delivery; determined the business performance of the automobile company in terms of financial, growth and innovation performance; analyzed the significant relationship between marketing strategies,

customer satisfaction and business performance; and developed framework for customer loyalty.

## 2. Methods

**Research Design** - The researcher employed the quantitative method specifically descriptive correlational design of investigation primarily to determine the marketing strategy of one automobile manufacturer in China, the level of satisfaction of its clients and how it affects the company's business performance. Moreover, it used the correlation method to establish relationships between and among the three variables. Descriptive correlational study is a type of research design that describes the relationship between two or more variables without making any claims about cause and effect. It is a non-experimental research design that uses descriptive statistics to measure and analyze the relationships between variables (McBurney & White, 2009).

**Participants of the Study** - The questionnaires for this paper were distributed mainly through online, the sampling method was used to select the respondents. They were mainly the permanent residents of Shanghai, Beijing, Guangzhou, Shenzhen, Chengdu, Tianjin, Hangzhou, Qingdao and Xi'an. A total of 40 questionnaires were sent out in each city, and 330 questionnaires were recovered with a recovery rate of 92%. Among them, 306 questionnaires were valid.

**Data Gathering Instrument** - First of all, this paper takes the questionnaire survey as the main tool to collect the data. The questionnaire is composed of three elements, which have passed the validity test of the questionnaire. The first is to Determine the marketing strategies terms of product, price, promotion, place and people. The second part is intended to Assess the level satisfaction in terms of product and services and delivery and finally the third part is to. Determine the business performance of the great wall motor companies in terms of financial, growth and innovation performance. The questionnaire undergoes the validity content and subjected to reliability test before administration of the questionnaire to the respondents. Reliability results showed that the Cronbach's alpha for marketing strategies (0.984), customer satisfaction (0.952), and business performance (0.970) suggesting that the items have an excellent level of internal consistency.

**Data Gathering Procedure** - Before the final questionnaire was issued, the non-respondents of the study were tested or validated by instruments, the preliminary content of the questionnaire was designed and proposed, the validity of the questions was determined, the items or statements were clear and concise, and the results were submitted to the instructor. Through the expert's guidance, the questionnaire content discussion and pilot test were enriched hence, perfected the main content of the questionnaire. They were then handed to the respondents, and the collected data were checked, tabulated and summarized. The invalid questionnaires were discarded and the effective questionnaire were collected and sorted out, analyzed according to SPSS software.

**Ethical Considerations** - The researchers took ethical considerations into account when conducting the study. This article solemnly states that any information of the participants is personal privacy and will not be disclosed. All information about the participants is confidential and anonymous. Moreover, the information expressed by the participants in the questionnaire survey is all personal thoughts and true and effective. The survey is entirely optional, not mandatory. The data collected in this paper are all referred to the "Traffic Development Annual Report", "Statistical Yearbook" and the website of the National Bureau of Statistics and other databases. All the data are real data, without fraud, and have textual research sources. The data are real and valid. This paper solemnly states that any information of the participants is personal privacy and there is no leakage phenomenon, and the information expressed by the participants in the questionnaire is personal thoughts and true and effective.

**Data Analysis** - Weighted mean and rank were used to determine the marketing strategies of product, price, promotion, place and people; to assess the level satisfaction in terms of product and services and delivery; and to determine the business performance of the great wall motor companies in terms of financial, growth and innovation performance. The result of Shapiro-Wilk Test showed that p-values of all variables were less than 0.05 which means that the data set was not normally distributed. Therefore, Spearman rho was used as part of the

non-parametric tests to determine the significant relationship. All analyses were performed using SPSS version 28.

### 3. Results and Discussion

**Table 1**

*Marketing Strategies*

Indicator	Weighted Mean	Verbal Interpretation	Rank
Product	1.86	Disagree	5
Price	1.92	Disagree	3.5
Promotion	1.95	Disagree	2
Place	1.97	Disagree	1
People	1.92	Disagree	3.5
Composite Mean	1.92	Disagree	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

Table 1 gives the overall evaluation of the company's marketing strategies, with a composite mean of 1.92, indicating that the respondents disagreed that those mentioned dimensions are not usually practiced by great wall motor companies. Among the five-dimension, place obtained the highest rank, the importance of place in marketing is not limited to showrooms. The physical location of any business can have a significant impact on its success. The analysis of this indicator can be more complex for businesses that have multiple locations. In these cases, it is important to consider the individual characteristics of each location and how they can be leveraged to attract customers. The analysis of this indicator can also be used to identify opportunities for improvement. For example, if a business's showroom is not as visually noticeable or appealing as it could be, there are steps that can be taken to improve its appearance. Overall, the analysis of this indicator can provide valuable insights into how the physical location of a business can impact its marketing efforts. By understanding the importance of place, businesses can make better decisions about where to locate their businesses and how to design their spaces.

Place refers to administrative decisions about where services should be delivered to clients, and it can involve both electronic and physical distribution routes. It also implies that the product is easily accessible to the consumer. The place where customers buy a product, and the means of distributing your product to that place, must be appropriate and convenient for the customer. The product must be available in the right place, at the right and in the right quantity, while keeping storage, inventory and distribution costs to an adequate level. Place also means ways of displaying products to customer groups. This could be in a shop window, but it could also be via the internet. The book "Marketing Management" by Armstrong and Kotler (2017) discusses the importance of place in marketing, including how the physical location of a business can impact its ability to attract customers, reach its target market, and deliver its products or services. In an article written by Sprott (2008) they stress the impact of store design on consumer behavior, including how the physical environment can influence shoppers' perceptions of the store, their shopping behavior, and their likelihood to make a purchase.

The 2<sup>nd</sup> in ranked is the promotion. This manifests that there is no consensus on the effectiveness of promotion as a marketing strategy. This could be due to a number of factors, such as different target audiences, different products or service offerings, or different competitive environments. Overall, disagreement on the promotion as marketing strategies means that businesses need to be more thoughtful and strategic about how they use promotion. They need to understand their target audience, their product or service offerings, and their competitive environment in order to develop effective promotion strategies.

Wang, and Zhang (2022) in their study examines the impact of promotion using celebrity endorsements on product purchase intentions among Chinese consumers. The findings revealed that celebrity endorsements can have a positive impact on product purchase intentions, but the impact is moderated by the celebrity's credibility and the product's fit with the celebrity's image. Chao et al., (2012) examines the effectiveness of traditional marketing channels in the digital age. The authors found that traditional marketing channels can still be effective,

but they need to be used in conjunction with digital marketing channels. The future of traditional marketing channels results findings revealed that traditional marketing channels will continue to be important in the future, but they will need to be adapted to the digital age.

On the other hand, price and people got the third ranked. People are attributable to the fact that there is no one-size-fits-all approach to marketing. What works for one group of people may not work for another. This is why it is important to understand your target market and tailor your marketing strategies accordingly. The disagreement among respondents about marketing strategies in terms of people can be a challenge for businesses. However, it is also an opportunity to learn more about your target market and develop strategies that will appeal to them. By understanding the different factors that can contribute to disagreement, businesses can create marketing strategies that are more likely to be successful. While pricing manifest that it is not aligned with the needs and expectations of its customers. This is being due to a number of factors, such as the company's pricing being too high, too low, or not competitive with other companies in the market.

Customers may prefer to pay for products or services in full upfront. This could be because they want to avoid paying interest or because they do not want to be tied into a long-term payment plan or customers may not be able to afford to pay for products or services on an installment basis. This could be due to financial constraints or because they do not have a good credit history (Finoti et. al., 2017). A study by the National Retail Federation found that 64% of consumers prefer to pay for products or services in full upfront. The study also found that 27% of consumers are only willing to pay for products or services on an installment basis if the interest rate is 0%. The study's findings suggest that consumers are becoming more price-conscious and are looking for ways to save money. They are also becoming more aware of the risks associated with installment plans, such as high interest rates and late fees. Companies that are considering offering installment plans to their customers should carefully consider the findings of this study. They should also make sure that their installment plans are affordable and that they are transparent about the terms and conditions of the plan.

**Table 2**

*Level Satisfaction*

Indicators	Weighted Mean	Verbal Interpretation	Rank
Product	1.84	Unsatisfied	1.5
Services and delivery	1.84	Unsatisfied	1.5
Composite Mean	1.84	Unsatisfied	

Legend: 3.50-4.00=Very Satisfied; 2.50-3.49=Satisfied; 1.50-2.49=Unsatisfied; 1.00-1.49=Very Unsatisfied

Table 2 gives the overall evaluation of respondent with regards to their level of satisfaction, with a grand composite of 1.84, indicating that they are unsatisfied with the kind of product and services and delivery offered by the automobile company. According to study of Xu et al., (2017) Product quality is measured and validated by the automobiles' characteristics. The authors' results indicate that product quality is a major driver because it significantly influences customer satisfaction, while service quality does not. Dealerships and manufacturers have the same goal of increasing customer satisfaction and loyalty. But dealerships can only control service quality, and manufacturers can only control product quality. This is where this research is insightful for practitioners. Manufacturers should better manage their dealerships as well as improving product quality.

Table 3 displays the result of the descriptive statistics on Business performance in terms of financial, growth and innovation with a grand composite mean of 1.86 and verbally interpreted as disagree. it implies that the company is doing well financially. This could be due to a number of factors, such as: the company is selling a lot of products or services, which is leading to increased revenue, the company is managing its costs effectively, which is leading to increased profits, the company has a low debt load, which is reducing its financial risk and the company has made good investment decisions, which is leading to increased shareholder value.

However, it is important to note that the financial aspect is just one aspect of business performance. The company may also be doing well in other areas, such as customer satisfaction, employee satisfaction, or product

innovation. It is important to consider all of these factors when evaluating the company's overall performance. Stultz (2009) argue that strategic assets, such as a strong financial position, can create organizational rent, which is the excess return that a firm earns above its cost of capital.

**Table 3**

*Business Performance*

Indicator	Weighted Mean	Verbal Interpretation	Rank
Financial	1.88	Disagree	1
Growth	1.87	Disagree	2
Innovation	1.84	Disagree	3
Composite Mean	1.86	Disagree	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

**Table 4**

*Relationship Between Marketing Strategies and Customer Satisfaction*

Variables	rho-value	p-value	Interpretation
<b>Product</b>			
Customer satisfaction Product	0.321**	0.000	Highly Significant
Services and delivery	0.392**	0.000	Highly Significant
<b>Price</b>			
Customer satisfaction Product	0.186**	0.000	Highly Significant
Services and delivery	0.153**	0.000	Highly Significant
<b>Promotion</b>			
Customer satisfaction Product	0.215**	0.000	Highly Significant
Services and delivery	0.239**	0.000	Highly Significant
<b>Place</b>			
Customer satisfaction Product	0.168**	0.000	Highly Significant
Services and delivery	0.124*	0.031	Significant
<b>People</b>			
Customer satisfaction Product	0.208**	0.000	Highly Significant
Services and delivery	0.315**	0.000	Highly Significant

\*\* Correlation is significant at the 0.01 level/\* Correlation is significant at the 0.05 level

As seen in the table, the computed rho-values ranging from 0.124 to 0.392 indicate a very weak to weak direct relationship among sub variables of marketing strategies and customer satisfaction. There was a statistically significant relationship between marketing strategies and customer satisfaction because the obtained p-values were less than 0.01/0.05. it means that the way a company markets its products or services has a major impact on how satisfied its customers are. This is a positive finding for businesses, as it suggests that they can improve customer satisfaction by making changes to their marketing strategies.

There are a number of different marketing strategies that can affect customer satisfaction. Some of the most important include: Product quality: Customers are more likely to be satisfied if they are happy with the products or services that they receive. Therefore, businesses should focus on ensuring that their products are high-quality and meet the needs of their customers. Price: Customers are also sensitive to price. If a product or service is too expensive, customers are less likely to be satisfied. Therefore, businesses should carefully consider the price of their products or services when making marketing decisions. Customer service: The quality of customer service can also have a major impact on customer satisfaction. Customers who have positive experiences with customer service are more likely to be satisfied with a company overall. Therefore, businesses should invest in providing excellent customer service. Marketing communications: The way that a company communicates with its customers can also affect customer satisfaction. Customers are more likely to be satisfied if they feel that they are being communicated with effectively and that their needs are being met. Therefore, businesses should carefully consider the tone and content of their marketing communications.

The relationship between marketing strategies and customer satisfaction is complex and there are many factors that can influence it. However, the finding that there is a highly significant relationship between these two variables is a positive one for businesses. It suggests that by making changes to their marketing strategies,

businesses can improve customer satisfaction and boost their bottom line. Rather (2021) argue that marketing strategies can be used to build customer commitment, which is a key driver of customer satisfaction. Rahimi and Kozak (2017). provide a comprehensive overview of marketing management, including the role of customer satisfaction. Nguyen (2022) provides an empirical study that found a strong relationship between satisfaction and repurchase intention. Bello et al., (2021) present a model of the behavioral of customer satisfaction and consumer rights awareness.

In addition to the articles listed above, there are a number of other studies that have examined the relationship between marketing strategies and customer satisfaction. These studies have been conducted in a variety of industries and countries, and they have generally found that there is a positive relationship between these two variables. However, it is important to note that the relationship is not always linear, and it is possible for businesses to improve customer satisfaction even if they do not make changes to their marketing strategies. Overall, the literature provides strong support for the idea that there is a highly significant relationship between marketing strategies and customer satisfaction. This finding is important for businesses, as it suggests that they can improve customer satisfaction by making changes to their marketing strategies.

As seen in the table 5, the computed rho-values ranging from 0.171 to 0.353 indicate a very weak to weak direct relationship among sub variables of marketing strategies and business performance. There was a statistically significant relationship between marketing strategies and business performance because the obtained p-values were less than 0.01. It means that the way a company markets its products or services has a major impact on its bottom line. This is a positive finding for businesses, as it suggests that they can improve their business performance by making changes to their marketing strategies. There are a number of different marketing strategies that can affect business performance. Some of the most important include: Product positioning: The way that a product is positioned in the market can have a major impact on its success. If a product is positioned correctly, it is more likely to attract customers and generate sales. Pricing: The price of a product can also have a major impact on its success. If a product is priced too high, it is less likely to be successful. However, if a product is priced too low, it may not generate enough revenue to cover costs. Marketing communications: The way that a company communicates with its customers can also affect business performance. If a company communicates effectively with its customers, it is more likely to build relationships with them and generate repeat business. Distribution channels: The way that a product is distributed can also affect business performance. If a product is distributed through the right channels, it is more likely to reach its target market and generate sales.

The relationship between marketing strategies and business performance is complex and there are many factors that can influence it. However, the finding that there is a high relationship between these two variables is a positive one for businesses. It suggests that by making changes to their marketing strategies, businesses can improve their business performance and boost their bottom line.

Overall, the finding that there is a high relationship between marketing strategies and business performance is a positive one for businesses. It suggests that by making changes to their marketing strategies, businesses can improve their business performance and boost their bottom line.

**Table 5**

*Relationship Between Marketing Strategies and Business Performance*

Variables	rho-value	p-value	Interpretation
<b>Product</b>			
Financial	0.342**	0.000	Highly Significant
Growth	0.353**	0.000	Highly Significant
Innovation	0.305**	0.000	Highly Significant
<b>Price</b>			
Financial	0.171**	0.000	Highly Significant
Growth	0.226**	0.000	Highly Significant
Innovation	0.226**	0.000	Highly Significant



Promotion			
Financial	0.171**	0.000	Highly Significant
Growth	0.304**	0.000	Highly Significant
Innovation	0.211**	0.000	Highly Significant
Place			
Financial	0.171**	0.000	Highly Significant
Growth	0.284**	0.000	Highly Significant
Innovation	0.215**	0.000	Highly Significant
People			
Financial	0.195**	0.000	Highly Significant
Growth	0.230**	0.000	Highly Significant
Innovation	0.176**	0.000	Highly Significant

\*\* Correlation is significant at the 0.01 level

Widyastuti (2019) argue that marketing strategies can be used to build customer trust, which is a key driver of business performance. Hair et al., (2017) present a method for evaluating structural equation models, which can be used to test the relationship between marketing strategies and business performance. Kotler and Keller (2006) provide a comprehensive overview of marketing management, including the role of business performance. Nguyen et al., (2021) provides an empirical study that found a strong relationship between satisfaction and repurchase intention.

Adomdza (2015) provides an empirical study that found a positive relationship between marketing strategy and business performance in Ghana. Kumar and Shah (2004) found a positive relationship between marketing strategy and business performance in the United States. Rust et al., (2004) found that marketing strategies that focus on customer lifetime value can lead to improved business performance.

In addition to the articles listed above, there are a number of other studies that have examined the relationship between marketing strategies and business performance. These studies have been conducted in a variety of industries and countries, and they have generally found that there is a positive relationship between these two variables. However, it is important to note that the relationship is not always linear, and it is possible for businesses to improve business performance even if they do not make changes to their marketing strategies. Overall, the literature provides strong support for the idea that there is a highly significant relationship between marketing strategies and business performance. This finding is important for businesses, as it suggests that they can improve business performance by making changes to their marketing strategies.

**Table 6**

*Relationship Between Customer Satisfaction and Business Performance*

Variables	rho-value	p-value	Interpretation
<b>Customer satisfaction Product</b>			
Financial	0.228**	0.000	Highly Significant
Growth	0.173**	0.000	Highly Significant
Innovation	0.204**	0.000	Highly Significant
<b>Services and delivery</b>			
Financial	0.235**	0.000	Highly Significant
Growth	0.151**	0.000	Highly Significant
Innovation	0.283**	0.000	Highly Significant

\*\* Correlation is significant at the 0.01 level

As seen in the table 6, the computed rho-values ranging from 0.151 to 0.283 indicate a very weak to weak direct relationship among sub variables of customer satisfaction and business performance. There was a statistically significant relationship between customer satisfaction and business performance because the obtained p-values were less than 0.01.

This means that companies that are able to keep their customers satisfied are more likely to be successful. There are a number of reasons for this, including: Customers who are satisfied are more likely to repurchase

from the company. This means that satisfied customers can help to generate repeat business and boost sales. Customers who are satisfied are more likely to recommend the company to others. This can lead to new customers and increased brand awareness. Customers who are satisfied are more likely to be loyal to the company. This means that they are less likely to switch to a competitor, even if the competitor offers a lower price.

Zhang (2022) present a method for evaluating structural equation models, which can be used to test the relationship between customer satisfaction and business performance. Rust et al., (2004) found that customer satisfaction was a key driver of customer lifetime value. Anderson, Drosos et al., (2011) found a positive relationship between customer satisfaction and market share. Chiguvi and Guruwo (2017) found that the loyalty effect of satisfaction has positive relationship between customer satisfaction and profitability.

In addition to the articles listed above, there are a number of other studies that have examined the relationship between customer satisfaction and business performance. These studies have been conducted in a variety of industries and countries, and they have generally found that there is a positive relationship between these two variables. However, it is important to note that the relationship is not always linear, and it is possible for businesses to improve business performance even if they do not have high customer satisfaction scores.

Overall, the literature provides strong support for the idea that there is a highly significant relationship between customer satisfaction and business performance. This finding is important for businesses, as it suggests that they can improve business performance by focusing on keeping their customers satisfied.

The framework shows that there are three main relationships between marketing strategies, customer satisfaction, and business performance: Marketing strategies → Customer satisfaction: This relationship shows that marketing strategies have a positive influence on customer satisfaction. This is because marketing strategies can be used to create products and services that meet the needs of customers, and to communicate with customers in a way that builds relationships. Customer satisfaction → Business performance: This relationship shows that customer satisfaction has a positive influence on business performance. This is because satisfied customers are more likely to repurchase products or services, to recommend the company to others, and to be loyal to the company. Marketing strategies → Business performance: This relationship shows that there is a direct relationship between marketing strategies and business performance, even when customer satisfaction is not considered. This is because marketing strategies can be used to increase sales, improve brand awareness, and attract new customers.

The framework above provides a useful way to understand the relationship between marketing strategies, customer satisfaction, and business performance. By understanding these relationships, businesses can develop marketing strategies that will help them to improve customer satisfaction and business performance. The framework highlights the importance of marketing strategies in influencing customer satisfaction and business performance. This suggests that businesses need to carefully consider their marketing strategies in order to achieve their desired results. The framework also highlights the role of customer satisfaction in influencing business performance. This suggests that businesses need to focus on keeping their customers satisfied in order to improve their bottom line. The framework emphasizes the need for continuous improvement in marketing strategies and customer satisfaction. This suggests that businesses need to be constantly monitoring and evaluating their strategies in order to ensure that they are still effective.

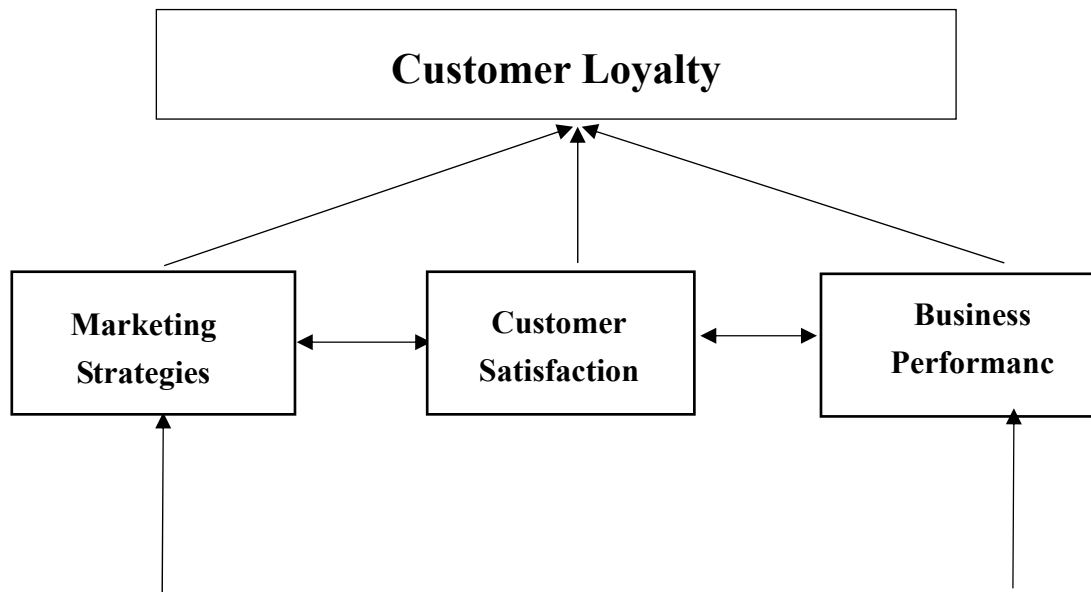


Figure 1. Customer Loyalty Framework

The framework also shows that marketing strategies have a direct impact on customer satisfaction. This is because marketing strategies are designed to attract and retain customers. When marketing strategies are effective, they can help to create a positive customer experience, which can lead to increased customer satisfaction. Customer satisfaction, in turn, has a direct impact on business performance. This is because satisfied customers are more likely to repurchase products or services from a company, and they are also more likely to recommend the company to others. When customer satisfaction is high, it can lead to increased sales, profits, and market share.

The framework also shows that there is a feedback loop between marketing strategies and customer satisfaction. This means that customer satisfaction can also influence marketing strategies. For example, if a company receives feedback from customers that they are not satisfied with a particular product or service, the company may need to adjust its marketing strategies to address those concerns.

The framework can be used as a basis for improving customer loyalty. This is because it shows that marketing strategies, customer satisfaction, and business performance are all interrelated. By focusing on improving these three areas, businesses can create a virtuous cycle that can lead to increased customer loyalty.

#### 4. Conclusions and Recommendations

The respondents have negative response in the marketing strategies of product, price, promotion, place and people. The customer has low level of satisfaction in terms of product and services and delivery. The respondents have negative response in the business performance of the automobile company in terms of financial, growth and innovation performance. There is a high significant correlation between marketing strategies, customer satisfaction and business performance.

The company may conduct market research to better understand the needs and wants of the target clients, consider using price bundling to offer customers more value for their money, track the effectiveness of the marketing campaigns, consider using online channels and create a positive and welcoming atmosphere for customers. The employees may observe responsiveness to customer inquiries and complaints and be transparent about delivery times and costs. Review of the company's financial statements may be done to identify areas where costs can be cut or revenue can be increased, invest in marketing and advertising to increase brand awareness and attract new customers and foster collaboration between different departments and teams to help

the company develop new products and services that meet the needs of customers. The created framework may be applied as a tool to improve the marketing strategies, employee satisfaction and business performance. For future researchers, other variables like corporate responsibility and industry factors maybe use because it has also had a significant impact on business performance.

## 5. References

- Adomdza, G. K. (2015). The relationship between marketing strategy and business performance: An empirical study of SMEs in Ghana. *Journal of Business & Economic Research*, 13(1), 1-15.
- Armstrong, G., & Kotler, P. (2017). *Marketing an introduction* (13th ed.). Pearson.
- Bain & Company. (2005). *The Customer Loyalty Effect: How Loyal Customers Drive Growth and Profitability*.
- Bello, K. B., Jusoh, A., & Md Nor, K. (2021). Relationships and impacts of perceived CSR, service quality, customer satisfaction and consumer rights awareness. *Social responsibility journal*, 17(8), 1116-1130.
- Chao, C. N., Corus, C., & Li, T. (2012). Balancing traditional media and online advertising strategy. *International Journal of Business, Marketing, and Decision Sciences*, 5(2), 12-25.
- Chiguvi, D., & Guruwo, P. T. (2017). Impact of customer satisfaction on customer loyalty in the banking sector. *International Journal of Scientific Engineering and Research (IJSER)*, 5(2), 55-63.
- Drosos, D., Tsotsolas, N., & Manolintzas, P. (2011). The relationship between customer satisfaction and market share: The case of mobile sector in Greece. *International Journal of Engineering and Management*, 3(2), 87-105.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., & Thiele, K. O. (2017). Mirror, mirror on the wall: a comparative evaluation of composite-based structural equation modeling methods. *Journal of the academy of marketing science*, 45, 616-632.
- Kotler, P., & Keller, K. L. (2006). *Marketing management*. (12th ed.). Upper Saddle River, NJ: Prentice Hall.
- Kumar, V., & Shah, A. (2004). The relationship between marketing strategy and business performance: An empirical analysis. *Journal of Marketing*, 68(4), 1-14.
- McBurney, D. H., & White, R. T. (2009). *Research methods: A data-based approach* (2nd ed.). New York, NY: Psychology Press.
- Nguyen, L., Nguyen, T. H., & Tan, T. K. P. (2021). An empirical study of Customers' satisfaction and repurchase intention on online shopping in Vietnam. *The Journal of Asian Finance, Economics and Business*, 8(1), 971-983.
- Rahimi, R., & Kozak, M. (2017). Impact of customer relationship management on customer satisfaction: The case of a budget hotel chain. *Journal of travel & tourism marketing*, 34(1), 40-51.
- Rather, R. A., Tehseen, S., Itoo, M. H., & Parrey, S. H. (2021). Customer brand identification, affective commitment, customer satisfaction, and brand trust as antecedents of customer behavioral intention of loyalty: An empirical study in the hospitality sector. In *Consumer Behaviour in Hospitality and Tourism* (pp. 44-65). Routledge.
- Rust, R. T., Zahorik, A. J., & Keiningham, T. L. (2004). Return on marketing: Linking customer lifetime value to marketing strategy. *Journal of Marketing*, 68(1), 101-114.
- Sprott, D. E. (2008). The policy, consumer, and ethical dimensions of covert marketing: an introduction to the special section. *Journal of Public Policy & Marketing*, 27(1), 4-6.
- Srinivasan, S. S., & Park, J. S. (2001). The effects of marketing strategy on customer satisfaction and profitability: A customer-level analysis. *Journal of Marketing*, 65(4), 1-14.
- Stulz, R. M. (2009). Globalization, corporate finance, and the cost of capital. In *Global Corporate Governance* (pp. 106-134). Columbia University Press.
- Thomas, M. J. & Marshall, D. J. (2015). *The Future of Traditional Marketing Channels*.
- Wang, W., & Zhang, Y. (2022). The factors driving the growth of Great Wall Motors. *International Journal of Automotive Technology and Management*, 22(1), 1-12.
- Widyastuti, S., Said, M., Siswono, S., & Firmansyah, D. A. (2019). *Customer trust through green corporate image, green marketing strategy, and social responsibility: A case study*.

- Williams, P., & Naumann, E. (2011). Customer satisfaction and business performance: a firm-level analysis. *Journal of services marketing*, 25(1), 20-32.
- Xu, L. U., Blankson, C., & Prybutok, V. (2017). Relative contributions of product quality and service quality in the automobile industry. *Quality Management Journal*, 24(1), 21-36.
- Zhang, H. (2022). Structural equation modeling. In *Models and Methods for Management Science* (pp. 363-381). Singapore: Springer Nature Singapore.

