SERVICES MARKETING AND CUSTOMER RELATIONSHIP MANAGEMENT

Chapter Five

Managing Service Quality and Customer Satisfaction

Unit Introduction

One of the most important aspects of running a successful business is ensuring high service quality and client happiness levels. Consumer satisfaction is the consumer's overall rating of a service based on their experience. In contrast, service quality is degree to which service fulfills or exceeds customer's expectations. To effectively manage service quality and ensure that customers are satisfied, organizations need to emphasize fully comprehending and satisfying the requirements and requirements of their clientele (Akter et al., 2010). This includes implementing methods and systems to measure and enhance service quality, collection and analysis of input from customers, and taking action to address areas that need improvement. Customer satisfaction surveys, service level agreements (SLAs), customer support systems, and quality management systems (QMS) are a few of the more typical approaches to administering service quality and customer satisfaction. Businesses can discover areas for improvement and take action to guarantee that they are offering high-quality services that meet or exceed the expectations of their customers if they implement these strategies and put them into practice (Kumar et al., 2008).

Figure 5.1. Illustration of Quality Management Systems (QMS) (Source: JLB, Creative Commons License)

Learning Objectives

At the end of this chapter, readers will be able to:

1. Define service quality and its dimensions.
2. Explain the importance of service quality standards and measurement in managing service quality.
3. Describe the process of service quality management and the different strategies used to improve service quality.
4. Understand the characteristics of services and how they affect service quality.
5. Explain the SERVQUAL model and its role in measuring service quality.
6. Identify the different types of service quality gaps and how they can be addressed.
7. Define customer satisfaction and its importance in service marketing.

8. Discuss the factors that influence customer perception and loyalty.
9. Explain how to improve customer service and build brand equity.

Key Terms

1. Service Quality
2. Service Quality Standards
3. Service Quality Measurement
4. Service Quality Management
5. Service Quality Dimensions
6. Characteristics of Service
7. SERVQUAL
8. Service Quality Gap
9. Customer Satisfaction
10. Customer Perception
11. Customer Loyalty
12. Improving Customer Service
13. Brand Equity

5.1. Service Quality

Service quality is a term used to describe an output of a service delivery system. It’s related to perception, satisfaction of customers, & views, which are produced using various sources and contributing elements. This subject has gotten a lot more attention over the last ten years. Its acceptance in academic and intellectual studies has increased. Several models & ideas have been proposed to resolve & underline this problem. High-quality items were made possible by scientific & technological advances; the more frequently, the smaller the gap (Alsamydai, 2014). The study will discuss these quality gaps later. According to direct service employees like servers, even best customer service attempts can occasionally fail due to customer's negative attitude. It is accepted that the type of persuasion utilized may be influenced by psychological & physical health of the customer. As a result, there may be variations in the mismatch between customers' perceptions & their normative expectations over time (Zeithmal, 2000).

There's no single agreed-upon definition or measure of service quality. Service quality is complicated concept that includes several aspects that could vary drastically and quickly, making it easier to assess precisely. While suppliers strive for & define quality, consumers sense & perceive it. The entire delivery process is then evaluated, paying particular attention to those steps which are regularly repeated &, if done effectively, will preserve long-term client relationships. A crucial process design element termed quality will impact volume of demand for a specific product or customer profile. Recognizing impact of superior service on revenue and other financial indicators is crucial. A quality-based strategy should be considered a strategic force since it's beneficial & long-lasting and has the potential to significantly increase market share, promote growth, and provide challenges to those who would copy it (Parasuraman et al., 1985).

Figure 5.2. Schematic of service quality dimensions (Source: Future learn, Creative Commons License)

Studies have shown that one of the most important distinctions between commercial and retail banks is the level of service provided. Since they deal with customers face-to-face every day, banks must always maintain a professional image. Bankers are trained to understand connection between 2 dimensions of service quality & client happiness to get a competitive edge by addressing both intangible & tangible elements. This will lead to long-term revenue growth for banks. To be more precise, in order to have a successful marketing strategy, these organizations must understand how their target clients choose service providers. For instance, consider brand, reputation, dependability, physical facilities, & other elements (Ennew & Binks, 1996). If marketers can comprehend assessment attributes, presentation techniques will be far more effective & manageable. In the modern age, a single viral video clip displaying subpar customer service may completely ruin a company's brand. The number of clients lost due to word-of-mouth advertising would be astonishing. When offering front-line customer service, several businesses unwittingly made a small mistake that led to bankruptcy & public boycott. Service quality is thus seen as a critical concept, not just for brokerage & insurance enterprises in financial industry but also in education, hospitality, tourism, & any other field with significant levels of participation (Grönroos, 1984).

5.1.1. Service Quality Standards

A key element of business culture is service quality, which should develop and make explicit expectations as well as values. This approach will define the exact dimensions of the customer's attitude by concretizing. These may include your vocabulary and speaking style, appearance, surroundings, proxemics, reaction speed, body language & security. Additionally, when determining service quality, external & internal criteria become more refined if they are purposely content-specific. These elements include the target clientele, the attributes of the buildings, and human rights standards such as consumer protection laws (Sheremet et al., 2010).

Additionally, it provides details on the company's products and services as well as its main objectives, beliefs, and core values. Organization Standards, or OS, have a substantial impact on service quality. In the chart below, which outlines the purposes of organizational standards, the three primary community groups are represented: employers, employees, and consumers.

Quality standards were initially created to enhance product compliance in manufacturing & the supply chain because all functional operations are interrelated. They do, however, now apply to every division of the company. These sets are then maintained through benchmarks, which are quantitative criteria that may be assessed, monitored, and regulated to meet requirements. The quality management systems of international corporations probably meet the British Standards Institute's (BSI) recommendations. Quality should not be restricted while improving client service because doing so will increase business success (Kaynama & Black, 2000). Customer-defined standards are classified into two categories: harsh & mild. Hard standards use audits to assess observable and countable objects, whereas soft standards deal with views and beliefs that must be supported by perceptual measurements in order to be documented (Berkley & Gupta, 1994). The service provider should write up a succinct description of the objectives and deliver it to the relevant parties. They should keep procedure to routinely review written policies defining how service will be offered. Workplace protocols, communications, structures, & training are all required for the fundamental quality process. It can be distilled down to eight steps. Do internal and external market research while first defining quality within the organization. After that, create a precise competitive analysis by contrasting actual performance with reference standards. Next, offer a strategy for implementing the appropriate actions to close quality gaps. The third phase is routinely managing and monitoring performance (Carr, 1994).

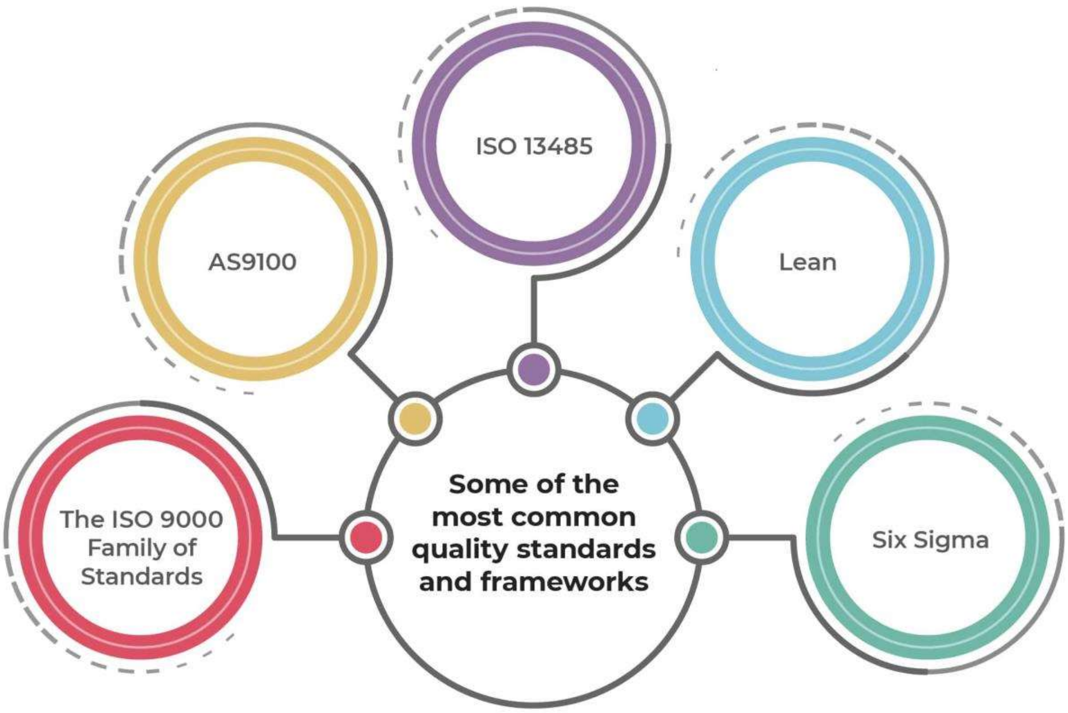

Figure 5.3. Diagram of Quality management standards (Source: Mark Hammer, Creative Commons License)

5.1.2. Service Quality Measurement

Quality control and assurance objectively assess compliance with certain requirements that physical products often possess. Since services are intangible and their quality is defined by a subjective evaluation based on human judgments, measuring them is challenging. To address this problem in an organized way, SERVQUAL is the most popular statistic (Whalen et al., 2016). Companies can measure the quality of their services in some ways, such as by conducting customer surveys to determine whether any of their customers are dissatisfied with the process.

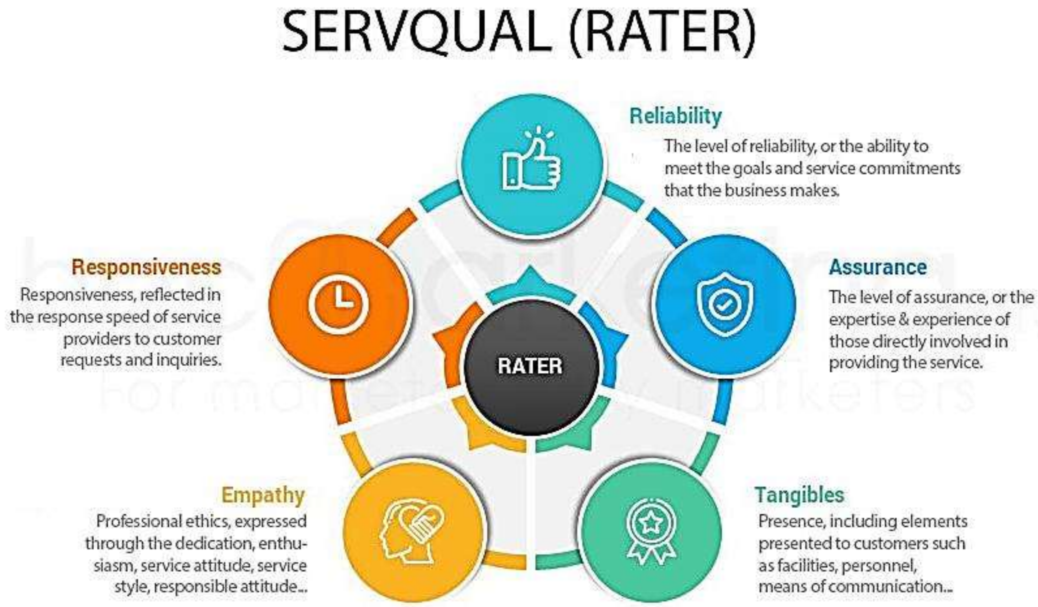

Figure 5.4. Illustration of SERVQUAL (Rater) (Source: Diem My, Creative Commons License)

These questionnaires will allow customers to share their thoughts and provide a sincere assessment of the staff (Carman, 1990). The management team can now take action to address issues. Similar to how firms should carefully evaluate their customers' opinions, concerns, and suggestions. This strategy can prevent them from reoccurring by eventually exposing the root causes. To gradually become more flexible and inventive, service unit should have a strong strategy for staff training operations & use the resources at its disposal wisely (Gavrea et al., 2016).

5.1.3. Service Quality Management

The term "service quality management" describes several procedures that involve maintaining and keeping track of systems for long-term goals in connection to the services offered to clients to keep track of changes & evaluate the effectiveness. Differentiation may be based on factors like the urgency of work, the time spent interacting with the customer service representative, or the payment of a premium charge. Free time is rumored to seem longer than active time. To put it another way, customers ought to be offered something to do at least while they wait for the services; otherwise, an encounter can be unpleasant & cause dissatisfaction and resentment (Babakus & Boller, 1992). Additionally, studies show that informing customers before the length of their wait or their precise spot in the waiting line will result in more beneficial outcomes because they've committed to doing so. When customers are aware of the rules & priorities that govern the service delivery process beforehand, they're more compliant & relaxed. Despite this, the waiting line must be fair and run on a first-come, first-served basis unless there's a separate queue for customers who have been given precedence. Customers will always ask for an explanation if a service is running slowly. Customer service representatives should be able to explain why they are communicating instances of unanticipated delays (Dotchin & Oakland, 1994).

5.1.4. Service Quality Dimensions

Service providers must be aware of the many influences on consumers' perceptions. In the research study "Competing on Eight Characteristics of Quality," author David Garvin created 8 criteria that pertain to service quality: durability, compliance, appearance, features, serviceability, reliability, performance, & perceived prestige. Later, in a modification, Parasuram and two other individuals said that only five requirements had to be fulfilled to be superior: empathy, tangibles, assurance, reliability, & responsiveness (Chowdhary & Prakash, 2007).

Businesses establish trust and inspire confidence by providing assurance, which relates to staff employees' knowledge, courtesy, and ability to adapt these techniques. This factor is particularly crucial given the inherent unpredictability of high-risk services. For instance, companies that work in securities and finance, real estate and construction, law, or surgical clinics desire a high degree of confidence from their clients so that they will have faith in the quality of the service they provide (Ene et al., 2019). Many customers choose to look at evaluations left by past customers rather than performing their evaluations because they worry that it may be beyond their capacity to do so. It is crucial to consistently offer top-notch service because the happiness of one client will affect the pleasure of the following client. According to Osman & Ramayah, certainty & empathy most affected client satisfaction in Malaysia's banking sector (Lehtinen & Lehtinen, 1991).

Giving each consumer exceptional care & attention while making every effort to comprehend & appreciate their point of view is the definition of empathy. Reliability is the element that has the largest influence on how consumers view quality. In sectors like the airline industry, keeping promises about service delivery, price, and problem-solving is increasingly important (Wilson et al., 2008). If the initial delivery is unsuccessful, the supplier moves onto the "Recovery" phase with higher expectations due to the first failure but also has a higher risk of receiving negative feedback. It should continue to deliver excellent results because it is one of the most important aspects of conventional service (Yang et al., 2004). Delivery will become more dependable with time, allowing the service provider to satisfy clients even with the most fundamental expectations fully (Santos, 2003).

Simply put, being responsive is being prepared to provide prompt service in various circumstances, much like the guest services provided by a hotel. Customers regularly have strange requests, inquiries, or complaints; as a result, service providers, especially front-line workers, should be aware of this & ready to manage it professionally. For this innovation, communication, dimension, & an emphasis on training that emphasizes adaptability are all necessary (Johnston, 1997). Physical objects like machinery, supplies, and buildings that serve several functions and project the organization's image are considered tangibles. This element serves as the "face" of the company & its staff, especially to new customers (Davis et al., 2003). Businesses should use this dimension to signal quality and enhance their reputation in the first thirty seconds (Kang & James, 2004).

5.1.5. Characteristics of Service

Before choosing a service or a product, consumers look for cost, color, and style. Characteristics associated with experience are those that are present only after or throughout the delivery process. Advertising, accounting, and education all display credibility characteristics since it is difficult to evaluate funeral services. Take a consultancy company as an illustration. Few clients know to determine whether the service provider delivered what was promised. Four important characteristics help you distinguish between services and products. Heated debates have surrounded these as a base for studying customer behavior and developing marketing plans (Wolak et al., 1998). These features must be established since they reflect customer preferences. One is the notion of promoting & selling products and services that cannot be seen, smelled, tasted, touched, or heard before purchase to excite clients' senses. Therefore, service providers cannot rely on a product-based strategy where customers can compare options before purchasing. Inseparability allows customers to impact performance & service quality according to simultaneous delivery & consumption stages. In other words, whereas tangible goods are manufactured & distributed by several resellers, services are inseparable from their source. The supplier would become an integral part of business, much like a taxi service & a cab driver. So, to use human resources, organizations need to develop technical proficiency & interpersonal skills related to particular activities (Saputra et al., 2020).

Three, heterogeneity, which can occasionally be a troubling indicator of high labor content, draws attention to the potential for large variability. Performance can decline during the day depending on the providers' mental or physical condition, and services offered can fluctuate. After a long, exhausting day, nail salon personnel can work more slowly in the evening instead of early morning. The idea of heterogeneity emerges, just like many clients kinds do, and organizations should strive to fulfill as many clients as they can with excellent and consistent quality (Shahid Iqbal et al., 2018). Perishability number four is the impossibility of producing services and storing them for use at a later time or in another period of time. In the absence of consumption, services tend to fade and expire since they are simultaneous acts. Inability to maintain a balance between supply and demand during peak periods like banks, restaurants, or railway stations can occasionally cause management issues for organizations. To address this challenge, businesses should utilize their capacity as efficiently as possible without endangering the demand-supply equilibrium (Ganesan-Lim et al., 2008).

5.1.6. SERVQUAL

SERVQUAL, a multidimensional research instrument, was created to track customer perceptions and expectations. The models which enable SERVQUAL's diagnostic utility give the conceptual underpinnings for scale development. It’s constructed utilizing expectation & disconfirmation paradigm, as was previously stated. The instrument has become most extensively used measurement scale across all service quality categories, a wide range of scenarios, & diverse cultural settings. Its large range of context-specific applications considerably supports organizations' ongoing interests, notwithstanding some criticism of the study. A. Parasuraman, L. Berry, and V. Zeithaml created SERVQUAL model in 1988 to establish quality systems in American businesses (Brady & Cronin, 2001). Defining how to measure a service at the time seemed ethereal and difficult. However, it became obvious over time how important the model was in offering a competitive edge, which had a considerable impact on the US market in the early 1990s. The SERVQUAL model, which quantifies observed quality using genetic and environmental factors, has established itself as a reliable and consistent qualitative analysis technique. As a result, perceived quality differs from objective quality, which entails objective evaluation based on norms that can be measured and objectively verified. The 22-question SERVQUAL questionnaire is widely considered to be a way of assessing service quality that is the most standardized. It’s typical practice in today's businesses to incorporate it into a more thorough conceptualization when evaluating customers (Datta & Vardhan, 2017).

Tip: While SERVQUAL can provide valuable insights into the perceived quality of service, it's important to also consider other factors such as customer expectations and cultural differences.

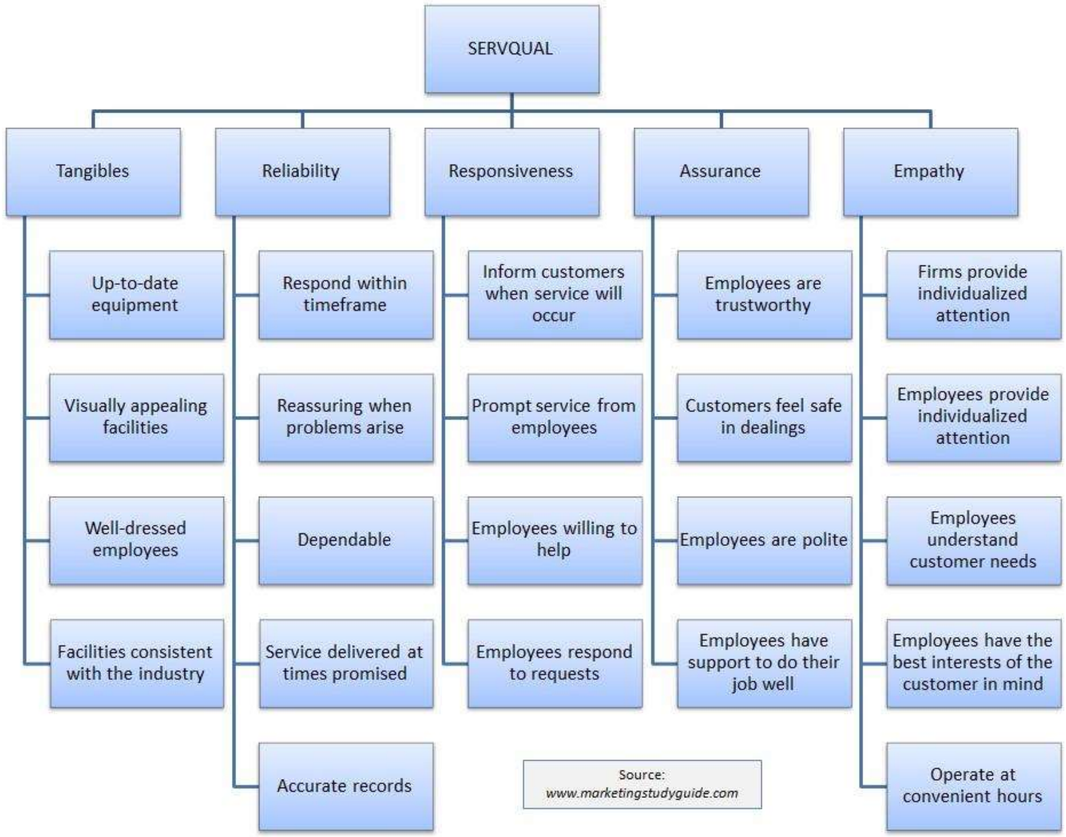

Figure 5.5. Schematic of SERVQUAL-22 Questionnaires (Source: Science direct, Creative Commons License)

The gaps model of service quality is a paradigm that identifies faults, highlights significant areas of service quality, and provides a SERVQUAL rating scale. It's a comparison and contrast, to put it simply, between what customers want and what they experience. Therefore, it is crucial to consider client desires instead of concentrating on the measuring system or company perspectives (Abu-El Samen et al., 2013).

5.1.7. Service Quality Gap

An expectancy pattern of SERVQUAL model is at its core, displaying gaps as discrepancies between perceptions & results. Quality is regarded bad when expectations of service delivery exceed perceptions, and vice versa. The model identified five gaps that indicate a mismatch between various criteria. Gaps 2 to 5 are not measurable but do have diagnostic significance; only gap 1 can be measured (Dabholkar et al., 2000).

The first gap is between management's perspective and customer expectations. Businesses may be unaware of what is required to obtain high satisfaction on occasion. When a service provider fails to meet the client's expectations, there is a void. Furthermore, the two parties' poor communication and comprehension are to blame. Hotel management, for example, may place an overwhelming emphasis on the property's facilities and services, despite the fact that visitors are more interested in employee response and room services. By performing thorough market research with exhaustive studies, conducting surveys, panels, or even direct interviews, it is possible to substantially reduce this information gap and reduce the barriers between administrative and consumer communication channels (Black et al., 2014).

The second gap is between service quality expectations and management expectations. Due to market conditions, managerial indifference, or resource limitations, businesses may have discovered what customers want but still be unable to provide the service to the desired level. This conflict arises when there is an understanding between service providers and customers yet the services are subpar because of poorly planned services, disconnected processes, or fictitious physical evidence. Businesses should be explicit with their goals and criteria, change performance to meet goals, and update, monitor, and explain service levels in order to close the policy-practice gap (Collier & Bienstock, 2014).

Between the requirements for service quality and service delivery, there is a third gap. Companies may have customer service policies, but they may not necessarily guarantee top-notch performance. Because of unpredictability, employment conflicts, a lack of work fit, poor supervision, and inadequate training, employees have a substantial impact on this gap. Another factor is technological failure. Since people still typically conduct service jobs rather than robots, finding the correct workforce is crucial. Companies should evaluate their HR and operations divisions in order to encourage staff retention, increase productivity, and create a customer-centric environment.

The fourth gap is between service delivery and external communications. The general public and customers have a tremendous impact on organizational statements through spokespeople and marketing. Sometimes businesses fail to alert clients to deceptive tactics to sway their attitudes. Exaggerated or extravagant promises should not be made by businesses in their marketing. Truthfulness, accuracy, and realism should characterize all kinds of communication, including digital content (Agrawal et al., 2015).

Fifth gap: expected vs. perceived service. Providing services surpassing or meeting customer expectations is the key to ensuring service quality. Without addressing any underlying problems from previous gaps or appropriately portraying error and misinterpretation, this gap cannot be quickly closed.

Expectations are expressed as functional and technical quality aspects in Grönroos' Perceived Service Quality model via pictures, communications, word-of-mouth, and experience. Grönroos provides a way to close the gap with the model, despite the fact that real applications have elements supporting both sides. By managing consumer expectations, the service provider can affect both sides of the perceived gap. Therefore great processes and transparent marketing strategies will aid in its closure (Alonso et al., 2018).

5.2. Customer Satisfaction

Simply said, customer satisfaction measures how pleased customers are with services received. It may be measured through surveys and ratings to understand and modify their needs. Customer satisfaction is the main objective of all enterprises, including nonprofits, governmental entities, and service providers. Customer satisfaction was often researched and addressed in the prior literature. The variables considered include societal norms and psychological & physiological aspects. There is no doubt positive correlation between customer satisfaction & service excellence. Contrarily, several research, whether cumulative or transaction-oriented, have demonstrated that the quality of the service influences how satisfied customers are (Al-Azzam, 2015). Two disagreement conceptions represent ultimate goals of the service providers. But it's important to remember that customer happiness is much more than just a collection of numerical statistics. Service quality is one of several antecedent factors contributing to customer satisfaction. Both developing & developed economies are impacted by globalization & liberalization, & drive to satisfy customers forces companies to make swift adjustments to stay ahead of the competition. The firms' approach to achieving customer happiness determines the long-term market share growth and protection. Studies show that customer dissatisfaction and adverse attitudes have a lot of negative effects on profits. Some claim that perception leads to satisfaction (Ahmad et al., 2018).

Remember:

Prioritizing customer satisfaction can lead to increased loyalty, positive word-of-mouth, and higher profits in the long run.

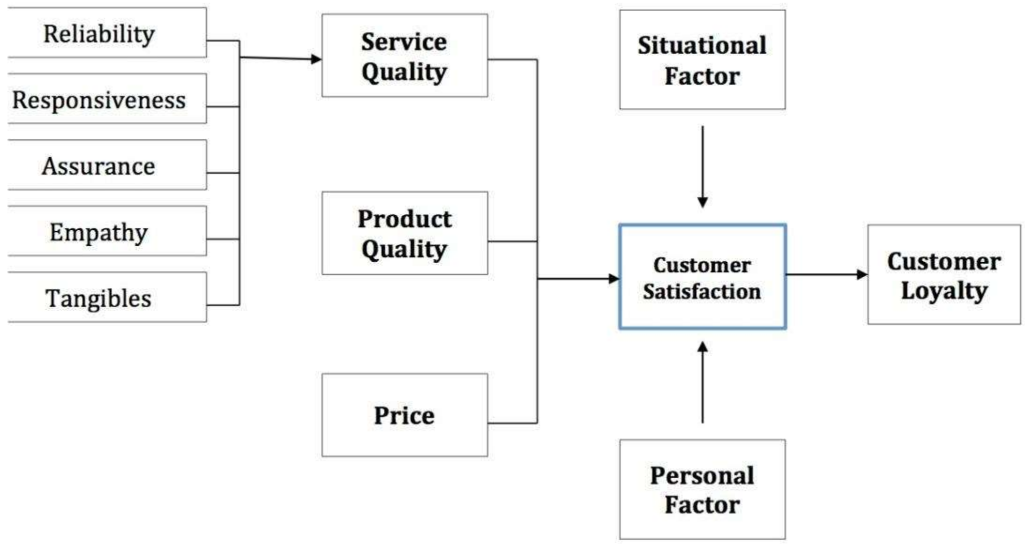

Figure 5.6. Diagram of customer satisfaction (Source: Wilson, Creative Commons License)

Customer satisfaction can be characterized as a process or an outcome, according to a review by Yi from 1991. Through Total Quality Management (TQM), several theorists have examined the measuring of satisfaction. It demonstrates that customer feedback should be more heavily weighted in quality improvement efforts than only internal organizational standards and KPIs. Furthermore, quality should be displayed in a way that facilitates a common customer perspective. Measuring satisfaction is beneficial to strengthen ongoing and systematic attempts to communicate with the entire clientele (Yap & Kew, 2007).

5.2.1. Customer Perception

How customers select a service provider, assess information, and reach choices is referred to as customer perception. This reflects their level of referral activity, their advocacy efforts, and their thoughts and feelings regarding the brand. Their perceptions of the world and of themselves are influenced by a variety of circumstances, including direct & indirect offering exchanges. According to a Survey Monkey survey, customers pay attention to an organization's message over 55% more after developing trust in it over time. Forbes claims to cultivate favorable opinions helps expand a devoted and long-lasting consumer base. Personal internal elements influence perception, including emotions, convictions, and expectations. A positive client experience increases the potential and opportunity for the firm as a whole (Umukoro & Momoh, 2021).

The cost of substitution is drastically reduced, which is a big plus, especially in this technologically advanced day where anything can be quickly replaced. When customers are dissatisfied with their current service, switching to another one is now a straightforward process thanks to technological improvements. In the luxury retail sector, high-end customers are more devoted to the brand than to usability, price, or other external factors (Hudson et al., 1996).

Over 200 students were polled in a 2012 survey by Arokiasamy to gauge their satisfaction with the caliber of services provided by the university. Similar results with a strong association between the two variables were obtained, underscoring the significance of educational services in raising students' attendance and zeal for learning. To find out what 540 department store customers thought of their relationship with the store, two researchers performed a random telephone survey of them. Unexpectedly, the empathy dimension was shown to have the greatest impact on satisfaction. Another study conducted in Taiwan found that initial impressions determine the thresholds for services to be experienced. The study's findings were used to identify approaches for closing gaps. Customers give the physical environment and surroundings a high rating, acknowledging that they can affect behavioral intentions like repeat business or word-of-mouth, according to a study by Jang and Ho in 2012. Customers are growing more sensitive about prices as global economy worsens. Because of this, retail enterprises are dynamic and must contend with unstable circumstances (Brudney, 2016).

5.2.2. Customer Loyalty

Unbelievably, 85% of customers surveyed by Rare Consulting claimed that the company's happiness, likeability, and trustworthiness were the reasons for their loyalty. One of the best investments is increasing customer loyalty because it significantly lowers operational expenses, cuts down on the time & effort needed to find new consumers, &, of course, increases profits (Eisyami et al., 2022). For existing clients, the typical conversion rate is over 65%, compared to just 10% for new ones. Better satisfaction levels correlate with better loyalty rates, according to research on Internet banking & e-commerce customers. However, satisfied customers do not inevitably convert into devoted ones unless they recognize long-term benefits & rewards. Cognitive and rational motives for recurring business outnumber affective and emotional motivations in this case. Along with a robust knowledge basis for categorizing and monitoring data, it's vital to measure client retention using a reliable set of metrics and execute exact calculations based on examined data (Hermawan, 2019).

5.2.3. Improving Customer Service

It is difficult to see all problems without honest input, no matter how proactive the company is. Getting as much feedback as possible, whether by websites, phone calls, email, or surveys, is crucial to stop clients from airing their complaints on social media. A generous and transparent return policy will also instill a high level of confidence, lowering the risk associated with the purchasing process because customers are continuously looking for a guarantee (Sheehy, 2019). Another problem is that good activity coordination is difficult for many businesses. Therefore, utilizing intelligent CRM platforms will simplify their workforce operations. CRM software cannot, however, resolve every problem; service providers must also strengthen their communication & problem-solving skills. IKEA is among the best examples of cutting-edge customer service because they offer internal amenities for particular clients. Recent additions include augmented reality apps that let clients digitally choose & arrange their furnishings. Another example is Google, which offers top-notch customer service and greatly impacts staff satisfaction. The pattern indicates that employees are likelier to work for a company with satisfied consumers (Hult et al., 2019).

5.2.4. Brand Equity

One of a most crucial ideas in marketing & development is brand equity, which can be summed up as general perception of the brand or its overall worth. According to Wood (2000), brand equity may also be considered the customers' company perception. From perspectives of information economics & cognitive psychology, academic literature has researched brand equity. Former claims that strong brand name offers credibility, whereas latter asserts that other factors affect attribute perceptions & consumer awareness (Iskandar & Aprilianty, 2021). Positive brand equity is valuable to businesses because it can be transferred to other product lines, boosting sales, revenue, and market share as the brand becomes more well-known & favored. Customers are also willing to pay more for goods even when competitors sell them for less, which increases the profit from each transaction. The significance of brand equity in determining price structure has been empirically proven. Businesses with strong brand recognition have the same pricing power as high-end fashion houses in apparel sector. For example, when Apple releases a new model, consumers worldwide stand in line for many hours to purchase a product that can be purchased elsewhere for less money. Apple's incredible positive brand equity, which translates to higher profit margins, is one factor in its success. David Aaker identifies ten characteristics which can be used to evaluate a brand's strengths in Figure 8 below, and he suggests tracking each one independently (Alakkas et al., 2022).

Did you know?

Brand equity, which encompasses the perceived value and emotional connection that consumers have with a particular brand, can be a valuable asset for companies seeking to build customer loyalty and command premium prices.

5.2.4.1. Brand Equity Pyramid

The brand equity pyramid was first called Kevin Lane Keller's Brand Equity model. The CBBE, or customer-based brand equity, model is another name for it. The premise behind the concept is that to develop strong brand equity, businesses must first mold consumers' views, thoughts, and sentiments using six questions that clients inadvertently ask. The first step is to draw attention to the brand identity by coordinating perceived values that consumers would recognize. The objective is to increase brand salience to ensure that perceptions are acknowledged. The second step entails creating a brand's meaning through behavior, traits, and imagery to satisfy customers' social and psychological demands. The objective is to define and convey the brand's values, mission, vision, and potential future factors like environmental sustainability and green efforts. Customers' requirements can be satisfied directly through real-world experiences or indirectly through marketing channels and word-of-mouth. The third step is a brand response to consumer evaluations of factors, including brand legitimacy, quality, and superiority. Fun, excitement, social acceptance, warmth, security, and self-respect are six of the pleasant emotions described by the model. The fourth step, brand resonance, entails forging close ties with customers. It is regarded as the most elusive but coveted, as strong relationship should be made through repeated purchases as well as support & active engagement (Hawker, 2019).

5.2.4.2. Brand Equity Measurement

Brand equity metrics quantify brand's worth and represent a guarantee of performance, quality, and other advantages over the competition. An index of brand equity developed by Bill Moran, a marketing professional, is based on three variables: effective market share, relative price ratio, and durability in customer loyalty and retention. When analyzing brand equity, Aaker contends that customers must be asked for information about specific proprietary brand assets. High brand equity leads to improved marketing performance and efficiency. According to a study that used structural equation modeling to examine the mediating impacts of customer satisfaction in the hotel sector, ideal self-congruence and physical quality were key factors. (Etxaniz Arratibel, 2023).

As brand awareness is an emotionally related statistic, businesses could try to inquire about customer's past purchasing behavior and potential future intent to repurchase. Net Promoter Score, or NPS, is a system which can increase customer loyalty by revealing information about emotional bond between brand & its consumers. Conjoint analysis is a statistical method based on survey data used to assess the value of brand attributes and disclose decision-making processes. Customer preference aspects can be evaluated through sales data, surveys, and focus groups. Sales performance and related metrics, such as average transaction value or sustained growth rate, can be evaluated. is directly correlated to financial measurements. Sales lift, market share, ROI of distribution channels, & pace of client acquisition are some examples of output metrics that are based on marketing efforts & results achieved (Suhonen, 2022)