

# *Influencers of Customer Satisfaction - Customer Loyalty Relationship: A Conceptual Research Model*

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## **Abstract**

The association between customer satisfaction and customer loyalty has so far attracted ample discussions, deliberations and discourses in theory and practice of marketing: Most of these discussion recognized a significant relationship between customer satisfaction and customer loyalty. From delineating both the concepts as plainly as possible to differentiating them from each other, researchers left no stone unturned and presented substantial literature pertaining to meaning and measurement of customer satisfaction and customer loyalty. The purpose of this study is to develop a holistic research framework for investigating the dynamic relationship between two metrics of business success - customer satisfaction and customer loyalty. The study argued for a positive relationship between customer satisfaction and customer loyalty. Moreover, various factors such as life situation of the customer or his cognitive processes have been identified as influencers of customer satisfaction - customer loyalty relationship.

**Keywords:** Customer Satisfaction, Customer Loyalty, Switching Costs, Perceived Risks

## **1. Introduction**

Global competition and consumption has brought customer centrality to the fore and any business organization inept to feel, capture and adapt to the nerves of contemporary trends is bound to find itself in a hapless position. As put by Hansemark and Albinsson (2004), customer satisfaction has been believed to have an impact on the market share and customer retention and thus, has been treated as the primary objective of businesses. Zineldin (2000) pointed that conventionally satisfied customers have been deemed as less price sensitive and prone to switching and are more likely to purchase extra and stay loyal. However,

McCarthy (1997) noted that satisfied customers of Xerox Corporation do not conform to these expectations since they did not necessarily repurchase from Xerox.

Various studies investigated the linear as well as non-linear relationship between customer satisfaction and customer loyalty (Anderson and Mittal, 2000; Agustin and Singh, 2005; Streukens and Ruyter, 2004; Verhoef, 2003). A large section of literatures have established customer satisfaction as a precursor of customer loyalty. However contradictory evidences have been offered about the form and significance of their relationship. Further, researchers probed into the factors that can affect the aforementioned relationship in the capacity of a moderator and presented mixed findings (Chandrashekar et al., 2007; Chiou et al., 2002; Evanschitzky and Wunderlich, 2006). With this backdrop, it becomes imperative to build a clear conceptual understanding of customer satisfaction - customer loyalty relationship. Exploring the possible external influences which hold the potential to alter this relationship by affecting its form or strength or both.

## **2. Theoretical Background**

Customer satisfaction has often been quoted as the most obvious antecedent of customer loyalty (Alegre and Cladera, 2009; Eshghi et al., 2007; Kandampully and Suhartanto, 2000; Streukens and Ruyter, 2004). However, contradictory evidences have also been presented in the literature as some studies did not find any, direct or indirect, relationship between these constructs (Jones and Sasser, 1995; Verhoef, 2003). Moreover Oliver (1999) acknowledged the effects of various mediators and moderators such as exchange-relevant constructs on customer satisfaction - customer loyalty relationship. The subsequent sections explain and explore the concepts and relationship of customer satisfaction and customer

loyalty before presenting a case for potential moderating variables which may influence the form or direction of the aforesaid relationship.

### 2.1 Customer Satisfaction

Customer satisfaction has been proposed as a construct extensively studied in the literature of customer behaviour (Fornell, 1992; Johnson and Fornell, 1991; McDougall and Levesque, 2000). It has been perceived as total evaluation of a product or service over a period as a result of purchase and consumption experience (Anderson et al., 1994; Oliver, 1999). Oliver (1997) called customer satisfaction a consumer's response to fulfilment which is a judgment on a product or service or any of its feature's ability to provide an enjoyable level of fulfilment resulting from consumption.

Kotler and Keller (2006) suggested that customer satisfaction stands for emotional states of pleasure or disappointment which a person may feel due to comparison between his perception and expectations of a product's performance. Tarus and Rabach (2013) postulated that a dissatisfied customer is one whose expectations exceeded the actual outcome of service interaction whereas a satisfied or delighted customer is a case of interaction matching or surpassing expectations.

Johnson et al. (2001) reviewed the literature on customer satisfaction and posited two rudimentary conceptualizations of satisfaction i.e., transaction-specific and cumulative satisfaction. Fornell (1992) referred to cumulative satisfaction as a customer's consumption experience over a period of time with regard to a particular product or service. Olsen and Johnson's (2003) definition of satisfaction fall under transaction specific approach where they considered satisfaction as customers' evaluation of experience of themselves and their reactions to a service transaction, and episode or encounter.

### 2.2 Customer Loyalty

Customer loyalty is a multidimensional concept which consists of behavioural and attitudinal rudiments (Oliver, 1999; Zeithaml, 2000; Rauyruen and Miller, 2007). Researchers studied the patterns of buying and

took proportion of total purchases into consideration (Cunningham, 1956; Blattberg and Sen, 1974) while others gave importance to sequence of purchasing (McConnell, 1968; Kahn et al., 1986). Bandopadhyay and Martell (2007) explored the behavioural perspective and underlined the main assumption of repeat buying has the capacity of incarcerating a consumer's loyalty towards the brand that holds interest. Baldinger and Rubinson (1996) suggested that in order to understand brand loyalty more clearly, the behavioural definition of loyalty needs to be stretched to include attitudes. The attitudinal perspective of customer loyalty has been explained as a willingness to retain a relationship with a service provider (Kim et al., 2004; Oliver, 1999).

Tarus and Rabach (2013) pointed that literature has bestowed substantial space to customer loyalty research. Yang and Peterson (2004) found the task of defining customer loyalty particularly difficult. The most well accepted and widely quoted definition of customer loyalty has been given by Oliver (1999) who posited that "a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts have the potential to cause switching behaviour". More recently, Rai and Srivastava (2013) defined customer loyalty as "a psychological character formed by sustained satisfaction of the customer coupled with emotional attachment formed with the service provider that leads to a state of willingly and consistently being in the relationship with preference, patronage and premium".

Firms give highest priority to customer loyalty as repeat buying of their products and services is critical in achieving success and profitability in the business (Hallowell, 1996; Oliver, 1997; Silvestro and Cross, 2000). Onyeaso and Johnson (2006) defined customer loyalty as an incorporeal strategic strength that will augment performance of an organization whereas Cooil et al. (2007) considered it as a tactical objective for managers.

### 2.3 Customer Satisfaction - Customer Loyalty

Fornell (1992) pointed that literature of marketing has been consistent in recognizing customer satisfaction as

a vital forebear to loyalty. In the context of service industry also, customer satisfaction has repeatedly and consistently been identified as a significant factor in determination of customer loyalty (Boshoff and Gray, 2004; Lam et al., 2004; Mittal and Lassar, 1998). Studies also pointed that customer satisfaction is the most researched antecedent of customer loyalty (Eshghi et al., 2007; Seiders et al., 2005; Cooil et al., 2007); García and Caro, 2009).

Studies found a positive relationship between customer satisfaction and customer loyalty (Anderson and Mittal, 2000; Streukens and Ruyter, 2004) and revealed that customer satisfaction also impacts the main pointers of customer loyalty (Kandampully and Suhartanto, 2003; Lin and Wang, 2006; Mittal and Kamakura, 2001). Lam et al. (2004) opined that satisfaction can affect a customer's attitude to a degree where he/she not only feels motivated to re-buy but also offer recommendations to the service provider. Kandampully and Suhartanto (2000) carried out their study in hotel industry and established significant positive impact of customer satisfaction on customer loyalty. Zins (2001) also supported these findings and confirmed customer satisfaction as a significant antecedent of customer loyalty in commercial airline industry. Yang and Peterson (2004) surveyed online customers and concluded that improving customer satisfaction can actually lead to customer loyalty. Studies in the context of B2B services, who investigated big organizations offering B2B services in USA and Canada, advocated for the strong positive relationship between customer satisfaction and customer loyalty (Lam et al., 2004; Murali et al., 2007). Alegre and Cladera (2009) found strong empirical evidence supporting customer satisfaction as an antecedent of customer loyalty.

Some studies exhibited the effect of customer satisfaction on a firm's profitability (Gomez et al., 2004; Rust et al., 1995) whereas other researchers found customer satisfaction to affect customer retention along with profitability (Anderson and Mittal, 2000; Heskett et al., 1994). However, some studies found no relationship between customer satisfaction and customer loyalty (Jones and Sasser, 1995; Verhoef, 2003). Such contradictory results have largely been attributed to the

use of varied measures of customer loyalty in various studies. Yi and La (2004) established a positive relationship between customer satisfaction and customer loyalty measured as repurchase intentions. Verhoef (2003) used repurchase behaviour as a measure of customer loyalty and revealed contradictory results with regard to relationship between customer satisfaction and customer loyalty. Lemon et al. (2002) took into consideration the nature of services and postulated that customers' decision regarding the continuance and significance of a relationship gets influenced by the type of service i.e., on-going or transaction specific.

Also, the non-linear models of customer satisfaction - customer loyalty relationship have been investigated by a number of studies who argued that non-linear models represent the relationship more accurately (Mittal and Kamakura, 2001; Fullerton and Taylor, 2002; Agustin and Singh, 2005).

Above discussion points toward the intricacies of customer satisfaction - customer loyalty relationship. In order to deepen the understanding of this association, studies investigated the variables that moderate the relationship between customer satisfaction and customer loyalty (Homburg and Giering, 2001; Magi, 2003; Mittal and Kamakura, 2001; Seiders et al., 2005; Verhoef et al., 2002).

#### **2.4 Moderators of Customer Satisfaction - Customer Loyalty Relationship**

Tuu et al. (2011) reviewed many studies (Bloemer and de Ruyter, 1998; Mittal and Kamakura, 2001; Szymanski and Henard, 2001) and asserted that the relationship between customer satisfaction and customer loyalty can be categorized as a moderate one with former accounting for only 35.9 percent of variance in latter. It has been argued that inclusion of other variables in addition to customer satisfaction is called for in order to uncover the hurdles and reasons of explaining variance in customer loyalty (Seiders et al., 2005; Cooil et al., 2007; Olsen, 2007). Various studies investigated the possible moderating effects on the relationship between customer satisfaction and customer loyalty (Chiou et al., 2002;

Evanschitzky and Wunderlich, 2006; Chandrashekar et al., 2007; Cooil et al., 2007; Tuu and Olsen, 2009). On the basis of these studies, Tuu et al. (2011) examined the collective moderating effects of perceived risk, objective knowledge and certainty on the aforementioned relationship and found that taking these factors along with customer satisfaction into consideration explained around 50 percent of the variance in customer loyalty. Following is an account of some moderating variables which have been tested in varied contexts and were found to be exercising significant moderating influences over the customer satisfaction - customer loyalty relationship:

#### **2.4.1 Switching Cost**

Fornell (1992) posited that the effect of customer satisfaction on customer loyalty differs in different industries and industry specific switching costs can be one of the factors that affect this association. Jones and Sasser (1995) pointed that switching costs may result in inducing fake loyalty instead of commitment based loyalty as customers are more likely to keep relationship with their service provider due to sizeable amount of costs involved in switching.

Empirical evidences have been found in support of the moderating role of switching costs in customer satisfaction - customer loyalty relationship (Jones et al., 2000; Lee et al., 2001; Yang and Peterson, 2004; Lam et al., 2004; Aydin et al., 2005). Jones et al. (2000) argued that in case of lower perceived switching costs, an unsatisfied customer is less likely to stay with his service provider than a satisfied customer whereas the possibility of staying with the current service provider increases even in the event of dissatisfaction when switching costs are perceived to be higher. Lee et al. (2001) studied the effect of switching costs on customer satisfaction - customer loyalty relationship and found that the relationship weakens when switching costs heightens as customers are likely to ignore their level of satisfaction while deciding to continue with their service provider when they estimate the amount of time and efforts in searching for a new service provider to be higher. Lee (2013) noted that the interaction of customer satisfaction and perceived switching cost has

a positive and significant effect on customer loyalty which implies that an increase in perceived switching costs leads to stronger relationship between customer satisfaction and customer loyalty.

Studies empirically investigating the moderating effects of switching costs on the customer satisfaction - customer loyalty relationship, revealed motley findings (Lee et al., 2001; Yang and Peterson, 2004; Aydin and Ozer, 2005). Nielson (1996) reasoned that the contradictory findings in respect of moderating role of switching costs may be attributed to the contingent influences of various situational elements such as nature of products, forms of businesses, types of consumers, etc. He et al. (2009) pointed that most of the studies conceptualized loyalty as a one-dimensional construct collectively measuring repurchase intention and recommendation leading to possible equivocal fallouts. They employed canonical correlations to examine the moderating role of switching costs between the three antecedents and consumer loyalty via four loyalty dimensions, i.e. repurchase intentions, appreciating behavior, complaining behavior, and price-increase tolerance and found significant evidence for the moderating effects on repurchase preference and partial support on account of other three dimensions.

#### **2.4.2 Gender**

Slama and Tashchian (1985) suggested that women get more involved while purchasing as according to Fournier (1998) they form an association with the brands. Fournier (1998); Mittal and Kamakura (2001) opined that buying behaviours of men differ from that of women. Moreover, Mittal and Kamakura (2001) found women to be more tolerant with relatively fewer psychological barriers. Saad and Gill (2000) noted that gender has been considered as a moderator in marketing literature. They posited that though several studies (Fournier, 1998; Korgaonkar et al., 1985; Odekerken-Schroder et al., 2000) examined the potential direct effects of gender on customer loyalty, gender also acts as a moderating variable in marketing and consumer behaviour. Mittal and Kamakura (2001); Homburg and Giering (2001) indicated that men who are satisfied with a product show higher probabilities of repurchasing it in



comparison to women satisfied with the product. Walsh et al. (2008) empirically supported the moderating role of gender in the relationship between different facets of satisfaction and certain measures of loyalty. However, they could not find any support for the moderating role of gender in customer satisfaction - customer loyalty relationship.

#### **2.4.3 Income**

Studies have found that income and customer loyalty are related (Crask and Reynolds, 1978; Korgaonkar et al., 1985; Zeithaml, 1985). Zeithaml (1985) suggested that consumption related decisions bear large impact of income as higher income allows more choices to the consumers making them less loyal compared to consumers in lower income category. Homburg and Giering (2001) noted that lower income positively moderates the customer satisfaction - repurchase behaviour relationship as it tends to be stronger when consumers earn less.

This can be explained with the findings of Farley (1964); Walsh and Mitchell (2005) who pointed that higher income is generally related to higher educational levels and higher ability to process information which play an important role in this context as suggested by Spence and Brucks (1997) who argued that consumers with greater cognitive aptitudes handle new information with better ease. Consumers in lower income groups are more likely to escape the "cost of thinking" (Shugan, 1980) by resorting to fewer information cues such as their own satisfaction while evaluating and buying. Cooley et al. (2007) found income as a negative moderator; an increase in income diminishes the impact of changing satisfaction on change in expenses. Others also established income as a moderating variable in the customer satisfaction - customer loyalty relationship (Evanschitzky and Wunderlich, 2006; Walsh et al., 2008). Walsh et al. (2008) stated that higher incomes provide flexibility to the consumers in case of dissatisfaction or boredom with usual service provider. Quite the reverse, consumers with relatively lower income level choose to stay with a service firm even if satisfaction levels drops down in order to avoid search costs. They further compared low-income group with high-income group

and asserted that low income group face relatively higher opportunity costs while switching and thus, sustaining an unsatisfactory relationship seems preferable to searching for and shifting to a new service provider as that brings in the possibility of even poorer consumption experience..

#### **2.4.4 Age**

The information processing theory asserts that older customers are unlikely to engage in new information search and tend to resort to heuristic or schema-based forms of processing (Wilkes, 1992; Yoon, 1997). Gilly and Zeithaml (1985) opined that information processing ability deteriorates with age. Wakefield and Baker (1998) proposed age as a moderator variable in relation to customer satisfaction - customer loyalty relationship. Various studies established the difference between repurchase behaviours of older and younger consumers empirically (Evanschitzky and Wunderlich, 2006; Homburg and Giering, 2001; Lambert-Paudraud et al., 2005; Mittal and Kamakura, 2001). Homburg and Giering (2001) pointed that younger customers' repurchase behaviour is strongly influenced by satisfaction and age moderates the relationship between customer satisfaction and customer loyalty where older customers are more apt to be loyal. Mittal and Kamakura (2001) suggested that retention of older customer gets less affected with the changes in customer satisfaction. Older consumers tend to be more loyal to a product in comparison to younger ones as they evaluate their experience with the product while making purchase decisions (Homburg and Giering, 2001; Lambert-Paudraud et al., 2005). Lambert-Paudraud et al. (2005) argued that older customers have narrow set of consideration and they tend to select long established brands. Evanschitzky and Wunderlich (2006) reviewed Oliver's (1999) study involving four stage loyalty model which considered age as a moderating variable. Walsh et al. (2008) proposed that the relationship between customer satisfaction and customer loyalty is stronger in case of older customers as they would have fewer decision criteria and proceeded to test the moderating effect of age which offered contradictory results as no moderating effect of age could be established.

### **2.4.5 Involvement**

Gainer (1993) found a relationship between involvement and regular buying behaviour. Mittal (1995) noted that involvement stands for the significance of a purchase is determined by the needs, value system and interests of the customer. Anderson and Sullivan (1993) argued that customers with favourable experiences over a period are more likely to forgive and refrain from switching to other brands. Bolton (1998) stated that length of relationship between a firm and its customer affects retention positively.

Wakefield and Baker (1998) reported direct relationship between involvement and repurchase intentions. Seiders et al. (2005) suggested that the higher level of satisfaction results in more involved customers buying more as customers with high involvement levels tend to spend more by purchasing more. Tuu and Olsen (2010) found that involvement positively moderates the relationship between customer satisfaction and repurchase behaviour.

Verhoef et al. (2002, 2003) supported the moderating influence of relationship length on the link between customer satisfaction and the number of services purchased and customer retention. However, Cooil et al. (2007) contradicted by stating that relationship length negatively moderates the relationship between customer satisfaction and purchasing behaviour.

### **2.4.6 Knowledge and Expertise**

Alba and Hutchinson (1987) defined expertise as the skill that enables successful performance of product-related responsibilities. Previous research shows that expertise influences brand evaluations and strength of attitude (Alba and Hutchinson, 1987; Bettman and Sujan, 1987; Mitchell and Dacin 1996). Walsh et al. (2008) referred to information processing theory while arguing that customers with higher expertise take a number of information cues into consideration for evaluation of a service. Thus their buying behaviour get more objective with more importance given to quality and availability of a product. They argued that expertise tends to sensitize to disparities in satisfaction, especially in case of range or variety and enables the adjustments in attitudinal

loyalty when lower satisfaction levels are reached. On the contrary, neophytes most likely are focused on discrete product information cues, such as level of satisfaction during earlier encounters. Clarifying this further, Walsh et al. (2008) explained that once novices experience satisfaction with a product, they choose to stay due to lesser reliability, inferior quality of available alternatives and the efforts required for acquiring and processing information to ensure new satisfactory alternatives.

It has been proposed that market expertise as a moderating variable in the customer satisfaction - customer loyalty relationship and greater knowledge of customer lessens the predictive power of customer satisfaction on customer loyalty (Cooil et al., 2007; Evanschitzky and Wunderlich, 2006; Tuu and Olsen, 2009). It has also been pointed that the moderating role of knowledge may differ due to the nature, level, content of knowledge and its measurement as a construct (Cordell, 1997; Fabrigar et al., 2006). Researchers found expertise to be negatively moderating the relationship of customer satisfaction with customer loyalty (Capraro et al., 2003; Evanschitzky and Wunderlich, 2006; Cooil et al., 2007; Tuu and Olsen, 2009). However, Tuu et al. (2011) asserted that objective knowledge positively moderates the aforementioned relationship which implies that the "true" knowledge of consumers bridges the gap between satisfaction and loyalty as it influences their evaluations and decision making process regarding continued consumption of products.

### **2.4.7 Certainty**

Krosnick et al. (1993) defined certainty as "the degree to which an individual is confident that his or her attitude towards an object is correct and is usually gauged by self-reports of certainty or confidence". Tuu and Olsen (2012) reviewed various studies and posited that certainty refers to the level of confidence a person brings to an attitude (Bennett and Harrell, 1975; Olsen, 1999; Smith and Swinyard, 1983). In the context of loyalty, Dick and Basu (1994) looked at certainty as an evaluative mechanism for consumers to evaluate the appropriateness or accurateness of individuals' beliefs about brands and alternatives.

Researchers discoursed about the potential interaction between certainty and customer satisfaction (Dick and Basu, 1994; Oliver, 1997). Spreng and Page (2001) linked certainty with customer satisfaction formation. Campbell et al. (2004) opined that confident customers tend to believe that a favourable outcome like satisfaction should be credited to their own behaviour and the factors leading to such favourable outcome shall be continued in future as well. Wu and Chang (2007) also suggested that satisfaction exerts greater impact on loyalty when customers possess higher confidence. Chandrashekar et al. (2007) explained the moderating role of certainty in customer satisfaction - customer loyalty relationship and stated that the link between satisfaction and loyalty strengthens when customers are confident about feeling satisfied with a product. Tuu et al. (2011) supported the research propositions of Dick and Basu (1994) and confirmed the findings of Chandrashekar et al. (2007) while investigating the moderating role of certainty. They found that certainty does moderate the relations of customer satisfaction with customer loyalty.

#### **2.4.8 Perceived Risks**

Perceived risk has been considered as a construct with multiple aspects related to a purchase decision such as potential financial, performance, physical, psychological or social losses (Jacoby and Kaplan, 1972; Tuu et al., 2011; Yuksel and Yuksel, 2007). Tuu et al. (2011) reviewed several studies and viewed perceived risk as an "integral construct" which has association with vital consequences with respect to health, performance, financial and social risks.

Campbell and Goldstein (2001) found that perceived risk moderates the impact of incongruity on evaluations in a way that higher risks mitigate the preferences for incongruity. Gurhan-Canli and Batra (2004) examined the moderating role of perceived risk in relation to product evaluation and choice. Tuu et al. (2011) noted that customers try to diminish the unfavourable impact of risk when it crosses the individual threshold of tolerance by gathering further information (Mitchell, 1999), swapping with low risk alternatives (Yuksel and Yuksel, 2007) or careful appraisals of substitutes and product trials (Cho and Lee, 2006; Dowling and Staelin,

1994). As opined by Oliver (1999), the impact of satisfaction on loyalty gets negatively affected in the presence of appealing alternatives which render susceptibility to customer satisfaction.

Tuu et al. (2011) argued that perceived risk exercise a negative moderating effect on the relationship between customer satisfaction and customer loyalty as the predictive power of satisfaction in relation to loyalty decreases in case of higher perceived risks.

### **3. Discussion**

Numerous studies indicate that customer loyalty bears a profound and positive impact of customer satisfaction. Several studies explored and established a significant relationship between these constructs and offered diverse perspectives about the nature of above mentioned linkage. An exhaustive survey of literature pertaining to customer satisfaction - customer loyalty relationship reveals that this relationship can be affected by a number of factors. A thorough perusal of literature pertaining to customer satisfaction - customer loyalty relationship revealed that demographic factors such as age, gender, income and a psychographic factor namely customer's level of involvement can play a moderating role. Along with these, customer's perception of costs of switching and the risks as well as his knowledge about the product or service and degree of confidence are also argued to affect the aforementioned relationship. The moderating influences of these factors have been acknowledged by different researchers who tested and analysed the customer satisfaction- customer loyalty relationship in the light of possible external influences. Fig. 1 proposes a research model which involves testing the relationship between customer satisfaction and customer loyalty along with the influencers.

The moderating factors depicted in Figure 1 can be classified into two broad categories of influencers which affect the impact of a customer's satisfaction on his loyalty. These are life situation of the customer and the cognitive processes that take place due to his interaction with outside stimuli. The life situation of a customer is determined by the demographic characteristics she/he possesses which to a reasonable extent affect her/his level of involvement with the product or service in question. These factors together form the nature of

customer's consumption interests, habits and patterns which in turn affect his service evaluation and consequent responses. Thus, customers in different life situations are expected to have varied parameters which affect the strength of their satisfaction or dissatisfaction and its impact on customer loyalty. Moreover, customers with different life situations would require distinct degrees of satisfaction in order to attain a state of loyalty in consumption based relationships.

The other set of influencers involves perceived switching costs and perceived risks which are largely related to consumer psychology that determine individual traits like perceptions, attitudes, motivation, learning, risk aversion, etc. along with customer's level of confidence and certainty and then knowledge, expertise & experience related to product or service. These factors belong to the cognizance and cerebral thought mechanism of mind and thus, are collectively denoted as the cognitive processes which play a major role in shaping a customer's evaluative criteria and the resultant behaviours.

Therefore, it is proposed that the relationship between customer satisfaction and customer loyalty gets influenced with various personal factors discussed above. These factors, though act as individual influencers of the customer satisfaction - customer loyalty relationship, can be grouped under life situation and cognitive processes that govern a customer's overall consumption behaviour.

Figure 2 represents the direct relationship between customer satisfaction and customer loyalty and the factors influencing the relationship and the broad classification of these influencers.

The present paper analyses the factors influencing the relationship between customer satisfaction and customer loyalty. Further research can be undertaken to provide empirical evidences to our claims. There may be certain moderating variables which operate in a particular context with greater strength than in others. More studies can be undertaken to identify the list of moderators by establishing their industry or culture specific significance.

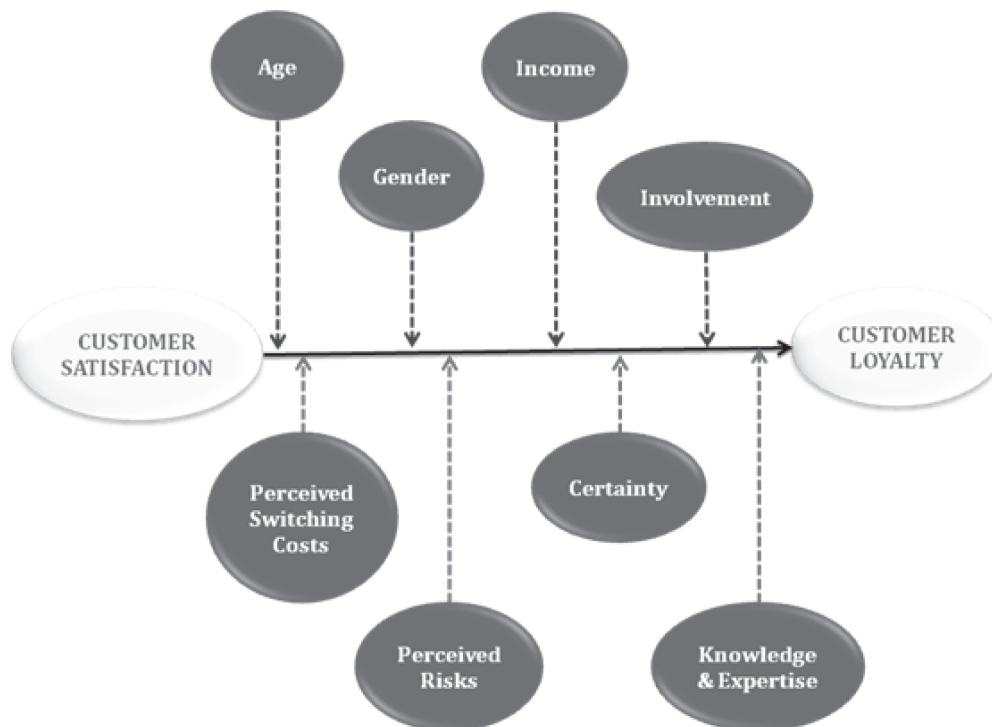
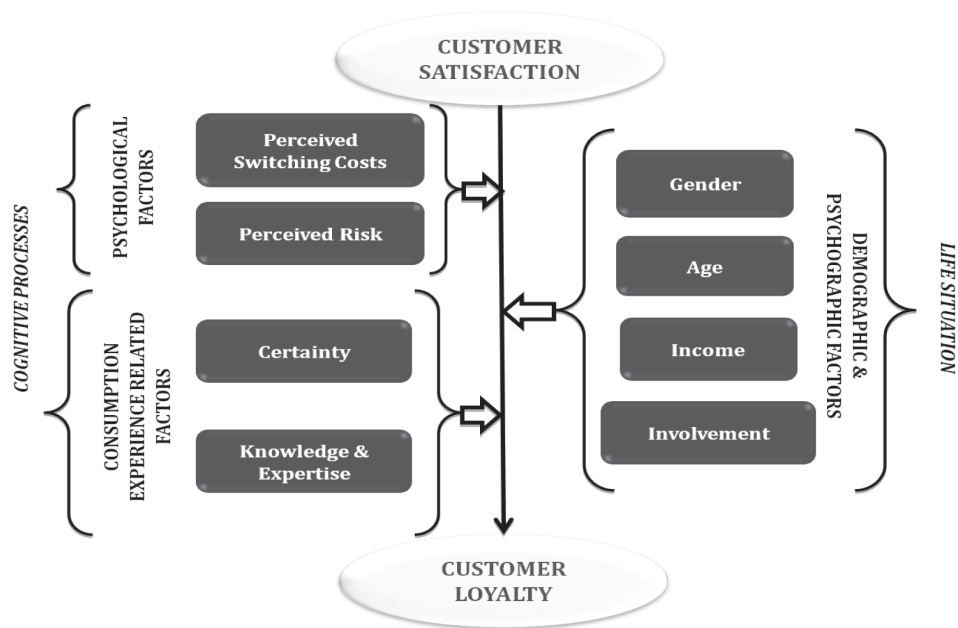


Figure 1 : Proposed Research Model





**Figure 2 : The Moderators of Customer Satisfaction - Customer Loyalty Relationship**

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