IMPACT OF TOTAL QUALITY MANAGEMENT PRACTICE ON CUSTOMER RETENTION AND SATISFACTION

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ABSTRACT

Total quality management practice is a strategy of business-wide management to consistently increase the quality of products/services/processes by focusing on the needs and desires of consumers to improve customer engagement, loyalty and company performance. The relationship between overall quality control strategies and client retention, loyalty and efficiency is mixed. Total quality management is a firm-wide management methodology for the constant enhancement of products/services/processes quality with an emphasis on customer demands and preferences. This paper aims at exploring and recognizing the effect on consumers' retention and loyalty of full-fledged quality management activities, different methods of total quality. In order for a competitive edge to emerge and to boost corporate efficiency and customer loyalty an increasing number of companies use absolute quality control as a strategic basis. As a consequence of intensive global competition, the idea of total quality management was created. The concepts of total quality management, processes, tools and strategies are given significant importance by international trading and competitive competition organisations.

Key words: Total quality management, Customer retention. Customer satisfaction, Loyalty, Efficiency.

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1. INTRODUCTION

Total quality management approach is an overarching organisational management strategy of constantly enhancing product/service/process efficiency by concentrating on the needs and desires of consumers in order to improve engagement, loyalty and business efficiency. The partnership between overall quality control activities and retention, loyalty and efficiency of the consumers has mixed outcomes. This research would therefore analyse the impacts on consumer retention and loyalty of complete quality control activities.

The principles and methods of total quality management (TQM) are now recognised as part of almost every manager's "toolkit." Powel (1995) notes that most major corporations have taken on TQM somewhere and official award for consistency is a tribute to whether they work in Japan, the United States, Europe or Australia. Implementing TQM is a big organisational shift which calls for a change in the culture, procedures, strategic goals and beliefs of the organisation.

A growing number of organizations use total quality management as a strategic foundation for generating a competitive advantage and improving firm performance and customer retention and satisfaction. Firms that have won quality awards generally outperform other firms with respect to income measures, customer loyalty and stock market value. It is no surprise that the links among market orientation, total quality practices, and performance have attracted the attention of marketing and operations management researchers' alike

2. OBJECTIVES OF THE STUDY

The aims of this study are as follows:

1. To research the effect on TQM on customer retention and satisfaction.
2. To research the alternatives to the overall quality management framework.
3. Identifying the factors controlling the TQM in businesses.

3. REVIEW OF LITERATURES

Munizu, M. (2013) researched aims to test the effects on competitive advantage and corporate success on overall quality control (TQM). Data were obtained by a survey method. The findings of their study show that TQM experience impacts both business success and strategic advantages in both constructive and important ways.

Saffar, N., & Obeidat, A. (2020) explored the effects on employee efficiency, worked with a moderating share of expertise for the Interior Ministry of Qatar, of Total Quality Management (TQM) activities in their dimensions. TQM includes the focus on our clients, staff engagement, constant development, leadership & good direction and management of operations. The findings suggest that TQM activities with their measurements have a share of awareness effects on employee efficiency. The findings of their study help to establish and execute various strategic directions, which improve employee efficiency by embracing TQM and spreading a knowledge-sharing culture.

Hoang, D. T., Igel, B., & Laosirihongthong, T. (2006) explored the connection of Total Quality Management (TQM) with business innovation performance in Vietnam. In their study, they have checked the results of previous research, which found TQM a sequence of works. It shows that the TQM has a positive influence on the innovation of the organisation as a collective of operations. In all of the TQM activities it shows no shift in firm innovation. Leadership and management, process and strategic management and a consistent organisation have been the only constructive impact on its artistic performance.

Sweis, R. J., Al-Mansour, A., Tarawneh, M., & Al-Dweik, G. (2013) investigated the role of TQM predictors on Saudi healthcare employee empowerment. Results suggest that TM activities have a positive effect on workers as introduced. The study concluded that capacity-based projects, collaboration and coordination are healthier and deeper and that dedicated management, procedures are constantly strengthened and clients are happy.

Karia, N., & Asaari, M. H. A. H. (2006) analysed the effect on behaviours of workers through Total Quality Management (TQM) activities. The impact of preparation and training on workplace engagement, job satisfaction and organisational involvement are strongly positive. Empowerment and teamwork improve workplace engagement and satisfaction

considerably. The emphasis on consumers does not encourage engagement or happiness in the workplace.

Prajogo, D. I., & McDermott, C. M. (2005) examined the relationship between the activity and corporate culture of total quality management (TQM). Conclusions support the pluralistic view in which numerous subsets of TQM activities are described by different cultural groups. The key implication is that organisations must achieve divergent priorities by designing a structure that gives them sufficient flexibility to adapt different types of management (even contrasting ones). As the basis for the report, the test model uses the National Consistency Award Malcolm Baldrige parameters.

4. TOTAL QUALITY MANAGEMENT

Total quality management is an organisation's quality management strategy that is founded on the commitment of all of its members and seeks to achieve long term sustainability by pleasing its clients and supporting the members of the organisation and community. Total Quality Control is a coordinated framework to please consumers and suppliers internally and externally by integrating the market climate, improving continuously and breaking through with growth, enhancements and maintenance cycles while evolving corporate cultures.

Total Quality Management refers to the managerial and organisational role to carry out the planning, coordination, direction and control of operations which lead to the determination and execution of the quality standards and standards necessary for goods and services. In particular, the idea of full quality is the notion that perfection and ideal efficiency are very important in all market functions and their allies.

Total quality management philosophy is motivated by the core principles:

“Commitment, Culture, Improvement, Co-Operation, Focus of Customer, Control, Cross-Functional, Cause Analysis, Change, Concept of Teams”.

4.1. Customer Retention

The preservation of customers is a number of practises that ensure the long-term management of customers. Most of the businesses reports stated that keeping consumers is much better than buying them. Loyal clients are more likely to invest with you than the average consumer. Data show that increasing retention of customers by 5% can increase income from 25% to 95%. The great thing about loyal clients is that they tend, and become your brand ambassador, to share their good experiences.

Some of core customer retention policy has been stated bellow

“Customer feedback Survey, Educate your customer, Good communication with customer, Leverage personalization, Offer fast delivery and easy returns, Find ways to delight your customers consistently, Provide exceptional customer service, Use subscriptions to keep customers coming back”

4.2. Customer Satisfaction

Customer satisfaction can be increased, established success can continue or the company can expand well. There are approaches. You should only start offering great customer support, it will be quick to claim. This is too common, though. You should also concentrate on specifics, tasks that more than 'satisfy' your customers.

You want your business to love it so much that they're going to recommend it to everyone. By recognising how rare outstanding customer service is, you can begin to accomplish this purpose.

Different strategies for better customer satisfaction

“Be credible, Be real Be true, Listen to your customer, Respect your customer, Be transparent, Be consistent, Keep your promises”

5. RESEARCH METHOD

A quantitative methodology is used in this analysis. The quantitative approach emphasises theory or concept testing by means of variable metric measurements and by means of statistical tools. A questionnaire method was used for obtaining the data in this study's. The participants were Bhubaneswar, Odisha's customer, 120 retail customers of different showroom were participated in this study

Three main variable i.e Total Quality Management (TQM) practises, retention of customers, customer satisfaction were studied.

6. RESULT AND DISCUSSION

6.1. Validity and Reliability Test

Table-1 displays the findings of the validity and reliability test. Cronbach's α were centered on the table well above the 0.60 which indicate the data is reliable. It can then be inferred that the method used was correct and Trustworthy.

Table-1

Sl.No	Variables/Indicators	Cronbach's α	Description
1	Total quality management	0.781	Reliable
2	Customer retention	0.822	Reliable
3	Customer satisfaction	0.845	Reliable

6.1. Descriptive Statistics

Three main variable i.e Total Quality Management (TQM) practices, retention of customers, customer satisfaction were studied and the descriptive statistics has been mentioned bellow

Table 2 Descriptive statistics total quality management

Variables/Indicators	Mean	Description
Total quality management		
Commitment	4.45	Very High
Culture	3.80	High
Improvement	4.56	Very High
Co-Operation	4.78	Very High
Focus of Customer	4.83	Very High
Control	3.91	Very High
Cross-Functional	4.01	High
Cause Analysis	4.90	Very High
Change	3.6	Very High
Concept of Teams	4.23	High

Table 3 Descriptive of customer retention

Variables/Indicators	Mean	Description
Customer retention		
Customer feedback Survey	4.41	Very High
Educate your customer	3.82	High
Good communication with customer	4.33	Very High
Leverage personalization	4.88	Very High
Offer fast delivery and easy returns	4.81	Very High
Find ways to delight your customers consistently	3.95	Very High
Provide exceptional customer service	4.27	Very High
Use subscriptions to keep customers coming back	3.67	High

Table 3 Descriptive of Customer satisfaction

Variables/Indicators	Mean	Description
Customer satisfaction		
Be credible	3.74	High
Be real Be true	4.55	Very High
Listen to your customer	4.76	Very High
Respect your customer	4.31	Very High
Be transparent	3.97	High
Be consistent	4.37	Very High
Keep your promises	3.67	Very High

From the above table it is observed that most of customer reported positively on various aspect of TQM, customer retention and customer satisfaction all result indicates that TQM and customer retention and customer satisfaction are having positive impact on organizational outcome.

7. CONCLUSION

The goal of this analysis was to determine the impacts on customer retention and customer satisfaction of TQM activities. From the above research, it was found that TQM activities have a favourable and substantial impact on customer retention and customer satisfaction. Retention of consumers and customer satisfaction have a positive and important impact on corporate results. Via these activities, client engagement and customer loyalty, corporate efficiency is more affected. TQM activities offer the best reason for enhancing corporate efficiency across competitive advantage dimensions such as price or expense, delivery, creativity and time on the market. A better competitive edge will lead to the best results.

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