

Focusing on Key Customers and Customer Knowledge Management as Predictors of Customer Satisfaction among Graduating Students of UMTC

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Abstract

This study aimed to determine if focusing on key customers and customer knowledge management were predictors of customer satisfaction among graduating students of UMTC. 300 graduating students of UMTC were the respondents of this research. The statistical tools used were Mean, Pearson-r, and Regression Analysis. Quantitative non-experimental research utilizing correlational technique with regression analysis was the research design of this paper. Results revealed that the level of focusing on key customers among graduating students in terms of needs assessment, customized services, ongoing dialogue and employee empowerment was high. The level of customer knowledge management yielded a descriptive equivalent of high in terms of knowledge creation, knowledge acquisition, knowledge sharing and knowledge storage. For the level of customer satisfaction of graduating students of UMTC, it yielded a high-level result in terms of customer satisfaction, customer loyalty and customer retention. There was a positive significant relationship between focusing on key customers and customer knowledge management to customer satisfaction among graduating students. In addition, both the focusing on key customers and customer knowledge management was a predictor of customer satisfaction among the graduating students of UMTC.

Keywords: Master in Business Administration, focusing on key customers, customer knowledge management, customer satisfaction, Philippines.

1. Main text

1.1 Introduction

This COVID-19 pandemic hit student populations from Higher Education Institutions (HEIs), which quickly converted their learning method to online instruction as the instances mounted. The new standard harmed many children from low-income families, students with restricted network connections, and students with fewer technological gadgets than their peers from affluent households (Means & Neisler 2020, p. 2). These difficulties impacted the learning process for many students in Higher Education Institutions (HEIs). According to Shahsavar & Sudzina (2017, parag. 1), monitoring student satisfaction levels in an educational institution is crucial because it encourages students to do better in their studies, contributing to student retention. With this handle, the schools' administrative teams may concentrate on enrolling new potential students.

Similarly, service quality is a factor that influences student satisfaction, according to Chandra et al. (2020, p. 4). As a result, the primary product of higher education institutions (HEIs) is service, and it is critical to provide excellent service to promote student satisfaction and loyalty. Because perceptions of higher education institutions (HEIs) may differ from perceived service quality, the institution's management must monitor service quality in various institutions to ensure student satisfaction (Santos et al. 2020, parag. 14). As per Hwang and Choi (2019, p. 4), when researchers and policymakers understand the function and significance of service quality in higher education institutions (HEIs) through variables such as student satisfaction, institutional image, and behavioral intention, the institution's courses will improve and achieve success. In addition, Abbas & Sagsan (2019, parag. 3) state that customer satisfaction with service quality is one of the determinants of organizational success. Students are the key clients of higher education institutions (HEIs); hence their satisfaction must be assured.

Along with De Lima et al. (2020, parag 1), focusing on key customer and customer knowledge management on customer satisfaction is very important. According to Biczysko (2010), using CRM allows higher education institutions (HEIs) to conduct frequent surveys to measure student satisfaction, allowing the university to respond immediately to student demands - increasing student retention, which is of significant financial value to higher education institution management. As a result, efficient CRM adoption and utilization are becoming increasingly important in the operation of higher education institutions.

Furthermore, in today's highly competitive business environments, organizations tend to become more sensitive and responsive to changing customer needs, according to Madhani (2020, parag. 9). Instilling and consistently improving 'customer focus' are critical for firms to achieve and preserve competitive advantages. A customer-focused approach supports consumer engagement activities that distinguish and value the customer experience. A customer-focused culture must be built to provide exceptional customer value throughout the firm, evident in customer-oriented personnel, a developed infrastructure, and leadership dedicated to supporting a service culture. As a result, firms should prioritize developing and sustaining customer-focused strategies. Organizations that have been successful in being "customer focused" have developed customer-centered processes and standardized procedures that support such an approach.

The researcher has yet to find a study establishing the significant relationship between focusing on key customers and customer satisfaction, customer knowledge management, and the satisfaction of graduating students in UMTC. This need is necessitated by the fact that the institution operates in a highly dynamic and very crucial and with satisfied students, it promotes both academic achievement and student retention. Student satisfaction increases self-confidence, which helps students grow more confident, enhance valuable abilities, and acquire information in a virtuous cycle. Students' experiences on campus and the sum of their experiences influence overall satisfaction with the school. Therefore, this research will seek to find the significant relationship and which independent variable predicts customer satisfaction.

1.2 Literature Review

This research is grounded in the total quality management theory. Ravichandran and Rai (1999) developed a customer-focus construct as part of ISD's comprehensive quality management (TQM) framework. Based on a study of 123 respondents, they found support for the validity and reliability of using three scales to measure customer focus, namely: (1) active participation in determining system requirements, (2) identifying input needs in developing test plans, and (3) identifying output needs in developing test plans. Customer focus is a multifaceted concept rooted in management and marketing. The notion may be traced back to the 1950s management literature when Drucker (1954) claimed that customer focus should be the central strategic goal of every business and that the customer should be the main

reason for the firm's existence. Others have expanded on this underlying premise, resulting in what is now known as the marketing concept and a widespread conviction that customer relationship activity is an integral component of everyday management practice. Customer focus is more significant in today's operational contexts, as having a customer focus is critical to success in the current marketplace. Even with the importance of customer focus, some ambiguity surrounds the concept. Managers and executives are still trying to understand what it means to be customer focused and how to become customer-focused (Appiah-Adu and Singh 1998; Day 2003; Gulati and Oldroyd 2005; Seybold 2001 as cited in Lohan et al., 2011, p.4).

Similarly, the concept of this study is supported by the (Mukami, 2017, p. 42)'s proposition that the more emphasis placed on satisfying key customers, the better the organization's performance. The study found a statistically significant positive association between customer satisfaction and a focus on key customers. This is because satisfied consumers repurchase frequently and serve as goodwill ambassadors for the organization's products and services. All of these are aimed at meeting the requirements and desires of critical consumers in order to increase customer satisfaction and retention. Furthermore, the study found a statistically significant positive relationship between customer knowledge management and sales. That is when customer knowledge management improves, and so does customer satisfaction. Organizations must prioritize customer needs assessment, ongoing dialogue with customers, and employee empowerment to identify and address customer demands effectively.

Adding to that, customer knowledge management promotes customer satisfaction. Access to knowledge, technology, and information through connections with other enterprises enables open innovation, allowing the firm to execute it successfully. (Sisodiya et al., 2013 as cited in Zemaitis, 2014, p. 165). Through effective boundary-spanning with other firms, there is a positive relationship between firm performance and open innovation. It indicates that successful knowledge internalization promotes new non-linear thinking.

1.3 Statement of the Problem

Generally, this study aims to determine focusing on key customers and customer knowledge management significantly predict the customer satisfaction among graduating students of UMTC. Specifically, it sought to answer the following:

1. To describe the level of Focusing on Key Customers among Graduating Students of UMTC in terms of:

- 1.1 Need Assessment;
- 1.2 Customized Services;
- 1.3 Ongoing Dialogue; and,
- 1.4 Employee Empowerment

2. To describe the level of Customer Knowledge Management among Graduating Students of UMTC in terms of:

- 2.1 Knowledge Creation;
- 2.2 Knowledge Acquisition;
- 2.3 Knowledge Sharing; and,
- 2.4 Knowledge Storage

3. To describe the level of Customer Satisfaction among Graduating Students of UMTC in terms of:

- 3.1 Customer Satisfaction;
- 3.2 Customer Loyalty; and,

- 3.3 Customer Retention
4. To determine the relationship between:
 - 4.1 Focusing on Key Customers and Customer Satisfaction among Graduating Students of UMTC; and,
 - 4.2 Customer Knowledge Management and Customer Satisfaction among Graduating Students of UMTC
5. To determine if Focusing on Key Customers and Customer Knowledge Management predict the Customer Satisfaction among Graduating Students of UMTC.

1.4 Discussion of Results and Reflection

This section dealt with the presentation, analysis, and interpretation of data taking consideration on the research questions which sought to answer the main problem of the research. The data were sequentially presented below in the form of tables for the systematic and comprehensive analysis.

1.4.1. Level of Focusing on Key Customers

Table 1. Level of Focusing on Key Customers

Indicators	Mean	SD	Descriptive Level
Employee Empowerment	4.22	0.85	Very High
Needs Assessment	4.18	0.84	High
Ongoing Dialogue	4.14	0.84	High
Customized Services	4.12	0.82	High
Overall	4.16	0.79	High

Table 1 shows the level of focusing on key customers through the average scores in four categories. The general mean score achieved on focusing on key customers is 4.16, with a standard deviation of 0.79, described as *high*. It implies that focusing on key customers is often observed. The indicator with a mean rating of 4.22 was *Employee Empowerment*, described as *very high*, and the other indicator with a mean rating of 4.12 was *Customized Services*, described as *high*.

The level of focus on key customers of graduating students was high. This high level is parallel to the idea of Sharabi (2015, p. 1). The notion of "customer focus" refers to satisfying the needs and expectations of present and future customers by creating a thorough grasp of their requirements and then offering perceived value to them. A customer-focused approach will produce value, leading to loyal customers and corporate prosperity. This customer-centric approach has gradually permeated manufacturing, but not to the same level as in services. Service quality includes the outcome and the process because of the inseparability of service production and consumption. Even though the outcome is positive, if the method is defective, the quality is deemed insufficient because quality is defined as matching customer expectations in service qualities.

1.4.2. Level of Focusing on Key Customers

Table 2. Level of Customer Knowledge Management

Indicators	Mean	SD	Descriptive Level
Knowledge Storage	4.21	0.83	Very High
Knowledge Creation	4.20	0.83	Very High
Knowledge Sharing	4.19	0.84	High
Knowledge Acquisition	4.14	0.85	High
Overall	4.18	0.80	High

Table 2 shows the level of customer knowledge management through the average scores in four categories. The general mean score is 4.18 with a standard deviation of 0.80, described as *high*, which implies that customer knowledge management is often observed. The indicator has a mean rating of 4.21, was the knowledge storage describes as very high, and the other indicator has a mean rating of 4.14, described as high.

The level of customer knowledge management of graduating students was high. This high level is consistent with the proposition of Chaithanapat & Rakthin (2021, parag. 1), who noted that as the industrial revolution gave way to the information revolution, businesses nowadays tend to stress knowledge as a crucial determinant of success. Knowledge has evolved into one of the most important assets that businesses may have to obtain not just a competitive advantage but also continual improvements and other long-term advantages. Companies must find and acquire consumer information to gain a competitive advantage.

1.4.3. Level of Customer Satisfaction

Table 3. Level of Customer Satisfaction

Indicators	Mean	SD	Descriptive Level
Customer Satisfaction	4.16	0.86	High
Customer Retention	4.14	0.86	High
Customer Loyalty	4.12	0.85	High
Overall	4.14	0.83	High

The level of customer satisfaction of graduating students is shown in Table 3. The general mean score is 4.14 with a standard deviation of 0.83, described as *high*, which implies that customer satisfaction is often observed. The mean rating of customer satisfaction indices is interpreted as follows: *Customer Satisfaction* has a mean rating of 4.16 or high; *Customer Retention* has a mean rating of 4.14 or high; and *Customer Loyalty* has a mean rating of 4.12 or high.

The level of customer satisfaction of graduating students was high. This finding confirms the viewpoints of Minta (2018, parag.12). Customer satisfaction is one of the essential characteristics that managers should prioritize. The firm's competitive edge exceeded clients' demands and wants better than competitors. Customer satisfaction is derived from a subjective assessment that the chosen alternative meets or exceeds expectations. Furthermore, customer satisfaction was defined as determining how well products/services meet or exceed client expectations. Customer satisfaction was also the client's

mood/attitude toward a product/service after use. Customer satisfaction was crucial to marketing efforts since it linked the various stages of client purchasing behavior.

1.4.4. Significance of the Relationship of the Domains of the Focusing on Key Customers to Customer Satisfaction

Table 4. Significance of the Relationship of the Domains of the Focusing on Key Customers to Customer Satisfaction

Indicators	Dependent Variable	r-value	r ²	p-value	Decision
Needs Assessment	Customer Satisfaction	0.684**	0.4679	0.001	Reject H ₀
Customized Services		0.806**	0.6496	0.001	Reject H ₀
Ongoing Dialogue		0.831**	0.6906	0.001	Reject H ₀
Employee Empowerment		0.868**	0.7534	0.001	Reject H ₀

The significance of the relationship between the domains focusing on key customers and customer satisfaction is shown in Table 4. Showing correlations between the independent variable (IV), i.e., focusing on key customers, and the dependent variable (DV), i.e., customer satisfaction. The computed r-value for each relationship with a p-value of 0.001 which is less than the level of significance at 0.05 obtained by the measures, is therefore essential, leading to the rejection of the null hypothesis. Correlation shows how each variable relates to other variables. The findings showed that focusing on key customers of the graduating students had a significant positive, strong correlation with customer satisfaction.

Moreover, it was noted that needs assessment, customized services, ongoing dialogue, and employee empowerment indices of focusing on key customers, when correlated with customer satisfaction, yield the r- value of 0.868 with a p-value of 0.001 which is less than the significance level at 0.05. hence, significant. The correlations between focusing on key customers and customer satisfaction of graduating students had yielded significant outcomes, thereby dismissing the null hypothesis.

1.4.5. Significance of the Relationship between the domains of Customer Knowledge Management to Customer Satisfaction

Table 5. Significance of the Relationship between the domains of Customer Knowledge Management to Customer Satisfaction

Indicators	Dependent Variable	r-value	r ²	p-value	Decision
Knowledge Creation	Customer Satisfaction	0.857**	0.7344	0.001	Reject H ₀
Knowledge Acquisition		0.891**	0.7939	0.001	Reject H ₀
Knowledge Sharing		0.886**	0.7850	0.001	Reject H ₀
Knowledge Storage		0.881**	0.7762	0.001	Reject H ₀

The significance of the connection between customer knowledge management and customer satisfaction is shown in Table 5. The general r- value extracted from the measures with a p-value of 0.001 is less than the significance level at 0.05. The result is significant, so the null hypothesis that there is no significant relationship is rejected. In addition, it was noted that knowledge creation, acquisition, knowledge sharing, and storage are indices of customer knowledge management when correlated with customer satisfaction. The r-value is 0.891 with a p-value of 0.001 which is less than the significance level at 0.05; hence, significant.

When customer knowledge management indicators correlate with customer satisfaction, the r-value is 0.857, with a p-value of 0.001 which is less than the significance level at 0.05, hence significant. All the values stated essential correlations. The connection between customer knowledge management and customer satisfaction is significantly correlated with the results of this research; therefore, the null hypothesis of no connection has been rejected. This meant that students of the institution were highly motivated toward customer satisfaction.

1.4.6. Regression Analysis on the Influence of Focusing on Key and Customer Knowledge Management on Customer Satisfaction

Table 6. Regression Analysis on the Influence of Focusing on Key and Customer Knowledge Management on Customer Satisfaction

Independent Variables	Unstandardized		Standardized	t-value	p-value	Decision
	Coefficients		Coefficients			
	B	SE	Beta			
(Constant)	0.093	0.104				
Customer Knowledge Management	0.753	0.057	0.728*	13.139	0.001	Reject H ₀
Focusing on Key Customers	0.215	0.058	0.205*	3.709	0.001	Reject H ₀

Table 6 is the regression analysis focusing on key customers and customer knowledge management to customer satisfaction among graduating students in UMTC. The table shows a computed F-ratio of 799.432 and a p-value of 0.001, which means that the two independent variables can significantly predict customer satisfaction when taken as a whole. The R-value is 0.919, indicating a positive relationship between focusing on key customers and customer knowledge management. The overall R² is 0.844, indicating that 84.4% of customer satisfaction is explained by focusing on key customers and customer knowledge management. The remaining percentage is accountable to other variables not included in the study.

Moreover, focusing on key customers has a beta of 0.205* with a p-value of 0.001; and customer knowledge management has a beta of 0.728* with a p-value of 0.001. The independent variable has a p-value of 0.001, which is less than the 0.05 significance level. This indicates that focusing on key customers and customer knowledge management can significantly predict customer satisfaction among graduating students at UMTC.

This is in accordance with the theory of customer relationship management strategies and customer satisfaction: the case of chase bank (Kenya) limited-in receivership by Mukami (2017, p. 42) which asserts that an organization performs better the more its focus is placed on satisfying its key customers. Focusing on significant customers and customer satisfaction were statistically significantly positively correlated. This is related to the fact that delighted clients frequently make further purchases and promote the goods and services of the business. The common goal is to satisfy and keep the core customers' demands and wishes. The study found a statistically significant positive association between customer knowledge management and customer satisfaction. That is, an equivalent rise in customer satisfaction accompanies a rise in customer knowledge management. In order to effectively identify and respond to customer demands, organizations need to focus more on customer needs assessment, ongoing customer communication, and employee empowerment.

1.5 Conclusion

Based on the study's findings, the following conclusions are drawn: There is a high focus on key customers and customer knowledge management of graduating students, meaning the respondents often observe them. Similarly, the level of customer satisfaction among graduating students is also high, which means the respondents often observe customer satisfaction. Meanwhile, a significant relationship exists between focusing on key customers and customer knowledge management on the customer satisfaction of the graduating students. This means that all indicators of focusing on key customers and customer knowledge management significantly relate to customer satisfaction. Lastly, both independent variables predict customer satisfaction among graduating students.

1.6 Recommendation

Based on the findings of this study, in the level of focusing on key customers, one of the indicators obtained a very high result while the rest obtained a high result. However, among the four, only the customized services got the lowest Mean. It is recommended that based on the assessment of focusing on key customer domains of the UMTC, the organization has to improve its customized services, particularly in terms of altering them, so that customers see the value of a good explicitly tailored to their wants and requirements. This may be achieved by thoroughly studying the customers' demands, obtaining current data, segmenting the consumers, and integrating the technology. This will assist in elevating the customer experience and enhance engagement, revenue, and profitability.

On the other note, in the level of customer knowledge management, two indicators obtain a very high result while the rest obtain a high result. However, among the four, only knowledge acquisition got the lowest Mean. Based on the assessment of the customer knowledge management of the UMTC, to improve customer satisfaction in schools, it should increase its knowledge acquisition to improve customer satisfaction in schools. This may be done by obtaining, choosing, and analyzing data and experiences to generate and preserve knowledge within a specific subject. This is a crucial step in the learning cycle because it enables an organization to build and increase its knowledge base constantly.

Lastly, in the level of customer satisfaction, all indicators obtain a high result. However, among the three, only customer loyalty got the lowest Mean. It is recommended that based on the assessment of the customer satisfaction of the UMTC, The company needs to increase consumer trust and loyalty. This may be achieved in several ways, including by providing significant value to consumers each time the institution interacts with them. They can also be excellent in their interactions with clients or express empathy for their difficulties. The company's reputation is also extended through devoted clients.

Overall, maintaining consumer satisfaction and ensuring that the institution can successfully fulfill its goals while building customer relationship management need the commitment to keep a strong emphasis on essential customers and customer knowledge management.

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