

**CUSTOMER SATISFACTION: A KEY TO SURVIVAL FOR SMEs: A CASE OF
RATNANAGAR MUNICIPALITY**

Submitted by

Nabin Babu Adhikari

Roll no: 992/20

Registration No: 7-2-239-304-2015

*A Dissertation submitted to the Office of the Dean, Faculty of Management in partial
fulfilment of the requirements for the Degree of*
MASTER OF BUSINESS MANAGEMENT

At

Central Department of Management
Faculty of Management
Tribhuvan University

Kritipur
March 2023

Certification of Authorship

I hereby corroborate that I have researched and submitted the final draft of the dissertation entitled “customer satisfaction: a key to survival for SMEs”: A Case of Ratnanagar Municipality. The work of this dissertation has not been submitted previously for conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work have been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

Nabin Babu Adhikari

Signature:

Date of submission:

Report of Research Committee

Mr Nabin Babu Adhikari has defended the research proposal entitled “customer satisfaction: a key to survival for SMEs”: A Case of Ratnanagar Municipality. successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Prof. Dr Bhoj Raj Aryal and submit the thesis for evaluation and viva voce examination.

Prof. Dr. Bhoj Raj Aryal
Position:
Signature:

Dissertation Proposal Defended Date:

.....

Prof. Dr. Bhoj Raj Aryal
Position:
Signature:

Dissertation Submitted Defended Date:

.....

Signature:

Dissertation Viva Voce Date

.....

Approval Sheet

We have examined the dissertation entitled “customer satisfaction: a key to survival for SMEs”: A Case of Ratnanagar Municipality. presented by Nabin Babu Adhikari for the degree of Master of Business Management. We hereby certify that the dissertation is acceptable for the award of a degree.

.....
Prof. Dr. Bhoj Raj Aryal
Dissertation Supervisor
Signature

.....
Internal Examiner
Signature

.....
Internal Examiner
Signature

.....
Chairperson, Research Committee
Signature

Date:

Acknowledgements

I would like to take this opportunity to express my sincere gratitude to Prof. Dr. Bhoj Raj Aryal, supervisor, for invaluable guidance, support and encouragement throughout my research work. His expertise in the field, insightful feedback, and constructive criticism have been instrumental in shaping my ideas and enhancing the quality of my work. I am grateful for his patience, encouragement and constant support throughout the research process.

I would also like to extend my sincere thanks to the participants of this study, the owner and manager of SMEs of Ratnanagar Municipality, for their enthusiastic participation, and for providing their valuable insight. Their participation has not only enriched my research, but also provided me with a deeper understanding of the challenge and opportunities faced by SMEs in achieving long-term survival.

Furthermore, I would like to thank my family and friends for their unwavering support, encouragement and motivation during my academic journey. Their unwavering support has been a great source of strength for me. I am grateful to the entire family of MBM for easing dealing with the administrative formalities. They have been there for me during the highs and lows of the research process and have provided me with a much-needed sense of perspective and balance.

Lastly, I would like to thank all those individuals who have contributed to the success of this research project in one way or another. Their support, encouragement, and guidance have been invaluable, and I am deeply grateful for their contributions. Their insights and perspectives have enriched my research and helped me to develop a deeper understanding of the importance of customer satisfaction for SMEs.

Table of Contents

<i>Certification of Authorship</i>	<i>ii</i>
<i>Report of Research Committee</i>	<i>iii</i>
<i>Approval Sheet</i>	<i>iv</i>
<i>Acknowledgements</i>	<i>v</i>
<i>Table of Contents</i>	<i>vi</i>
<i>List of Tables</i>	<i>ix</i>
<i>List of Figures</i>	<i>x</i>
<i>Abbreviations</i>	<i>xi</i>
<i>Abstract</i>	<i>xii</i>
CHAPTER I INTRODUCTION	1
1.1. Background of the Study	1
1.2. Problem of Statement	2
1.3. Objective of the Study	4
1.4. Theoretical Framework	4
1.5. Hypothesis Development	5
1.5.1. Perceived Quality	5
1.5.2. Customer Expectations	7
1.5.3. Perceived Value	8
1.5.4. Customer Complaints	10
1.5.5. Customer Loyalty	11
1.5.6. Customer Satisfaction	13
1.6. Limitation of the Study	14
1.7. Significance of the Study	14
1.8. Organization of Study	14
CHAPTER II LITERATURE REVIEW	17
2.1. Literature Review Matrix	17
2.2. Theoretical Review	23
2.2.1. Kano Model	23
2.2.2. The Customer Lifetime Value Model	25
2.2.3. The Lean Six Sigma	26
2.3. Small and Medium Enterprise	27
2.4. Problem Faced by SMEs	28
2.5. Empirical Review	29
2.6. Benefits of Customer Satisfaction	34

2.7. The Importance of Measuring Customer Satisfaction	35
CHAPTER III RESEARH METHODOLOGY	37
3.1. Research Design.....	37
3.2. Description of Population and Sample	38
3.3. Sampling Techniques.....	38
3.4. Sources of Data	38
3.5. Instrumentation	39
3.6. Relibility and Validity.....	39
3.7. Research Gap	41
CHAPTER IV RESULTS AND DISCUSSIONS	42
4.1. Demographical Profile of Respondent.....	42
4.2. Assessing SMEs Focous on Customer Satisfaction: A Likert Scale Evaluation. ...	45
4.2.1. A Likert Scale Evaluation of Perceived Quality.....	45
4.2.2. A Likert Scale Evaluation of Perceived Expectations.	48
4.2.3. A Likert Scale Evaluation of Perceived Value.	50
4.2.4. A Likert Scale Evaluation of Customer Compalint.	52
4.2.5. A Likert Scale Evaluation of Customer Loyalty.....	55
4.2.6. A Likert Scale Evaluation of Customer Satisfaction.	57
4.3. Descriptive Statistics Analysis.....	60
4.3.1. Measuring Customer Satisfaction: Descriptive Statistics Analysis.	60
4.4. Hypothesis Testing Using Pearsons Correlation Coefficient.....	63
4.5. Relationship Between Customer Satisfaction and The Survival of SMEs	64
4.5.1. Relationship Between Customer Satisfaction and Perceived Quality	65
4.5.2. Relationship Between Customer Satisfaction and Perceived Expectations.....	66
4.5.3. Relationship Between Customer Satisfaction and Perceived Value.....	66
4.5.4. Relationship Between Customer Satisfaction and Customer Complaint.....	67
4.5.5. Relationship Between Customer Loyalty and Customer Satisfaction	68
4.6. Majors' Findings.....	68
4.7. Discussion	70
CHAPTER V SUMMARY AND CONCLUSIONS	72
5.1. Summary	72
5.2. Conclusion	73
5.3. Implications.....	74
5.3.1. Practical Implication	74
5.3.2. Research Implication	75

References..... 77
Appendix.....83

List of Tables

Table 1 Literature Review Matrix.....	17
Table 2 Cronbach's Alpha	40
Table 3 Demographical profile of respondent	42
Table 4 Age distribution of the respondents	42
Table 5 Business sector of the respondents	43
Table 6 Academic qualification of the respondents.....	43
Table 7 Position of the respondents	43
Table 8 Period of running business by the respondents.....	44
Table 9 Annual turnover in NRs. of the respondents.....	44
Table 10 A likert scale evaluation of perceived quality	45
Table 11 A likert scale evaluation of perceived expectations.....	48
Table 12 A likert scale evaluation of perceived value	50
Table 13 A likert scale evaluation of customer complaint	53
Table 14 A likert scale evaluation of customer loyalty	55
Table 15 A likert scale evaluation of customer satisfaction	58
Table 16 Descriptive Statistics.....	61
Table 17 Hypothesis testing using Pearson's correlation coefficient.....	63

List of Figures

Figure 1 The Proposed Conceptual Framework	5
Figure 2. Tip-of-the-iceberg phenomenon	35
Figure 3 Scatter diagram of customer satisfaction and Perceived quality	65
Figure 4 Scatter diagram of customer satisfaction and perceived expectations	66
Figure 5 Scatter diagram of customer satisfaction and perceived value.....	66
Figure 6 Scatter diagram of customer satisfaction and customer complaint	67
Figure 7 Scatter diagram of customer satisfaction and customer loyalty	68

Abbreviations

SMEs	:	Small and Medium Sized Enterprises
GDP	:	Gross Domestic Products
ACSI	:	American Customer Satisfaction Index
LSS	:	Lean Six Sigma
BFI	:	Bank and Financial Institutions
SEM	:	Structural Equation Modelling
SPSS	:	Statistical Package for Social Science
TU	:	Tribhuvan University
R ²	:	Coefficient of Determination
SD	:	Standard Deviation
SPC	:	Service Profit Chain
CLV	:	Customer Lifetime Value

ABSTRACT

This graduate research project entitled "Customer Satisfaction: A Key to Survival for SMEs: A Case of Ratnanagar Municipality," is the survey-based research study. The main objective of this study is to extent to which SMEs of Ratnanagar municipality focus on customer satisfaction. Similarly, to extent to which SMEs of Ratnanagar municipality measure customer satisfaction level and also to know the relationship between customer satisfaction and the survival of SMEs of Ratnanagar municipality.

Based on the literature review, many dependent factors were discovered. These variables were perceived quality, perceived expectations, perceived value, customer loyalty, customer complaints. The study was done to determine whether or not the independent variables have significant impact on the dependent variable.

As a research tools self-administered questionnaire is used to gather primary data from 385 respondents. The questionnaire was distributed via email, various social media, printed form, and other means. The convenience sampling method was utilized in this study. The study has a quantitative focus. To gather primary data, questionnaires with multiple choices, rating scales, Likert scales, and other demographic information were used.

Descriptive and explanatory research were used in the research design. Statistical Package for Social Science was used to assess the results of a research design that combined descriptive, correlational, and regression analysis (SPSS). Five independent variables—perceived quality, perceived expectations, perceived value, customer loyalty, and customer complaints—have been identified based on a review of the literature. The goal of the study was to ascertain whether or not the independent factors had any discernible effects on the dependent variable, i.e., customer satisfaction.

The study was conducted among the SMEs owner, manager of ratnanagar municipality. Participating in the poll were 385 people in total. Using the SPSS program, the researcher examined the respondent profile after analyzing the data. In addition, with the aid of the software, descriptive analysis, correlation, and regression were carried out to ascertain the outcomes of the survey.

The study examines the relationship between customer satisfaction and various factors such as perceived quality, perceived expectations, perceived value, customer complaints, and customer loyalty. The results indicate a significant positive correlation between each of the factors and customer satisfaction. Linear regression analysis shows that perceived

quality, perceived expectations, perceived value, customer complaints, and customer loyalty have a significant impact on customer satisfaction.

The findings suggest that SMEs need to focus on improving these factors to enhance their customers overall experiences and increase customer loyalty, which can lead to greater business success. This study contributes to the existing literature on customer satisfaction and provides practical implications for SMEs to measure and improve customer satisfaction.

CHAPTER I INTRODUCTION

1.1. Background of the Study

Small and medium-sized enterprises (SMEs) play an important role in the global economy, and customer satisfaction is critical to their survival and success. According to research, customer satisfaction has a direct impact on a company's profitability and long-term growth. Researchers discovered that customer satisfaction is positively related to customer loyalty, which leads to increased revenue and profitability for the company in a study published in the journal of services marketing. (Bitner, Booms, & Tetreault, 1990) SMEs are one of the leading solutions for reducing unemployment and poverty and boosting economic growth. SMEs are an important sector of the global economy, contributing significantly to the gross domestic product (GDP) and job creation globally. Most importantly, SMEs are crucial for the development and growth of the local economy by generating employment, which helps to alleviate poverty. flourishing SME sector in a community usually promotes a culture of self-dependency among the population, rather than depending on the government and its public sectors to provide jobs and secure sources of income. (Ismail, Khalid, & M, 2022) Customer satisfaction has a positive impact on a company's financial performance because satisfied customers are more likely to make repeat purchases and recommend the company to others. (Fornell, Johnson, Anderson, Cha, & Bryant, 1996) Aside from the direct benefits of increased revenue and profitability, satisfied customers can also have a number of indirect benefits for the company.

Customers who are satisfied, for example, are more likely to try new products or services offered by the company, which can help to drive innovation and expansion. (Reichheld, 2003) In today's world of intense competition, the key to long-term competitive advantage is to provide high-quality services that result in satisfied customers. (Shemwell & Yavas, 1998). The primary goal of any organization is to satisfy the needs and expectations of their customers in order to sustain their business. (Turel & Serenko, 2006) Customer satisfaction also depends on being responsive to their needs and concerns. (Gronroos, 1984) This can include listening to customer feedback and suggestions, responding to customer complaints quickly and effectively, and being flexible and adaptable in meeting customers' needs. Small and medium

enterprise must recognize the importance of building relationships with their customers if they are to survive in the long run. (Tatikonda & others, 2013) Companies can improve customer satisfaction by offering high-quality products or services, providing excellent customer service, and responding quickly to customer concerns or complaints. (Gustafsson, Nilsson, & Johnson, 2003) Customer satisfaction has a statistically significant positive impact on business outcomes. (Oliver R. , 1997) It is critical to remember that what pleases customers today may not please them in a year's time. Customer dissatisfaction, if ignored, can spell the end of a business, especially if the impact of customer dissatisfaction on the organization and its profitability is repeatedly underestimated. (Tatikonda & others, 2013) Customer satisfaction feedback should be collected on a regular basis, and if used correctly, this feedback on how satisfied customers are with the company and its products and services can be invaluable in building relationships and customer loyalty. As customer satisfaction and preferences change over time, improving customer satisfaction can be an ongoing process. (Gustafsson, Nilsson, & Johnson, 2003) Businesses that do not collect customer satisfaction data have no idea whether they are on the right track or where they need to adjust their offering to meet the needs of their customers. This is critical for SMEs because acquiring new customers is costly. Small and medium businesses must do everything possible to retain customers and encourage positive word-of-mouth about the organization.

As a result, customer satisfaction is critical to the survival and success of SMEs. SMEs can ensure the continued growth and success of their business by understanding the factors that influence customer satisfaction and actively working to improve the customer experience. so in conclusion, the purpose of this research will be to determine Ratnanagar municipality customer satisfaction measurement practices.

1.2. Problem of Statement

Small and medium-sized enterprises (SMEs) face difficulties in maintaining customer satisfaction, which is critical to their survival and growth. Despite the recognized importance of customer satisfaction for SMEs, there is a lack of understanding of the specific factors that contribute to it and how to improve it. Many SMEs struggle to identify gaps in their customer services and the strategies that can effectively address

them, making it difficult to maintain a satisfied customer base. We know Factors influencing customer satisfaction are important to understand in order to understand the reasons or factors that are responsible for creating customer satisfaction for a specific brand. Customer satisfaction is achieved when a brand meets the needs and desires of its customers. The factors could be human related and product related here researcher talks about price fairness and customer services. In these two variables results showed that both the factors significantly contributed to explain customer satisfaction but comparatively price fairness had the larger impact on customer satisfaction than customer services. (Hanif, Hafeez, & Riaz, 2010)

In today's highly competitive business environment, SMEs are constantly under pressure to keep their customers. Customer loyalty is an important factor in customer retention. They should build deep trust among the company's staff, which will become a good source of company reputation. In addition, different steps such as advertising, public relations and marketing campaigns are significant in changing customer's behaviours. (Khan, Salamzadeh, Iqbal, & Yang, 2022) similarly This research will also identify the best practices that SMEs can implement to boost customer loyalty. Similarly, "customer satisfaction" is an important factor in the survival and growth of small and medium-sized businesses (SMEs). Many SMEs, however, lack the knowledge and resources needed to effectively measure and improve customer satisfaction, as well as align their customer service strategies with their business objectives. This causes difficulties in retaining and attracting customers, threatening the survival and growth of these businesses. As a result, customer satisfaction is an important factor in developing a loyal customer base and differentiating a business. However, research on the specific ways SMEs can measure customer satisfaction and the impact it has on their survival is limited. The purpose of this research is to investigate the relationship between customer satisfaction and SMEs' survival, with a focus on measuring customer satisfaction and identifying strategies for SMEs to improve customer satisfaction in order to increase their survival.

To achieve the set objectives, the study sought to answer the following questions:

- i. Whether the Small and medium-sized enterprises of Ratnanagar Municipality focus on customer satisfaction?
- ii. Whether the Small and medium-sized enterprises of Ratnanagar Municipality measure customer satisfaction level?
- iii. Whether customer satisfaction levels have a significant impact on the long-term survival of Small and medium-sized enterprises in Ratnanagar Municipality?

1.3. Objective of the Study

The primary goal of this research is to identify the customer satisfaction measurement practices of Ratnanagar Municipality of Chitwan district SMEs. The following goals have been established:

- i. To examine Small and medium-sized enterprises of Ratnanagar Municipality focus on customer satisfaction.
- ii. To analyze Small and medium-sized enterprises of Ratnanagar Municipality measure customer satisfaction level.
- iii. To examine the relationship between customer satisfaction and the survival of Small and medium-sized enterprises of Ratnanagar Municipality.

1.4. Theoretical Framework

A theoretical framework is a logically developed and connected set of concepts and premises developed from one or more theories that a researcher creates to scaffold a study. To create a theoretical framework the researcher must define any concepts and theories that will provide the grounding of the research, unite them through logical connections, and relate these concepts to the study that is being carried out.

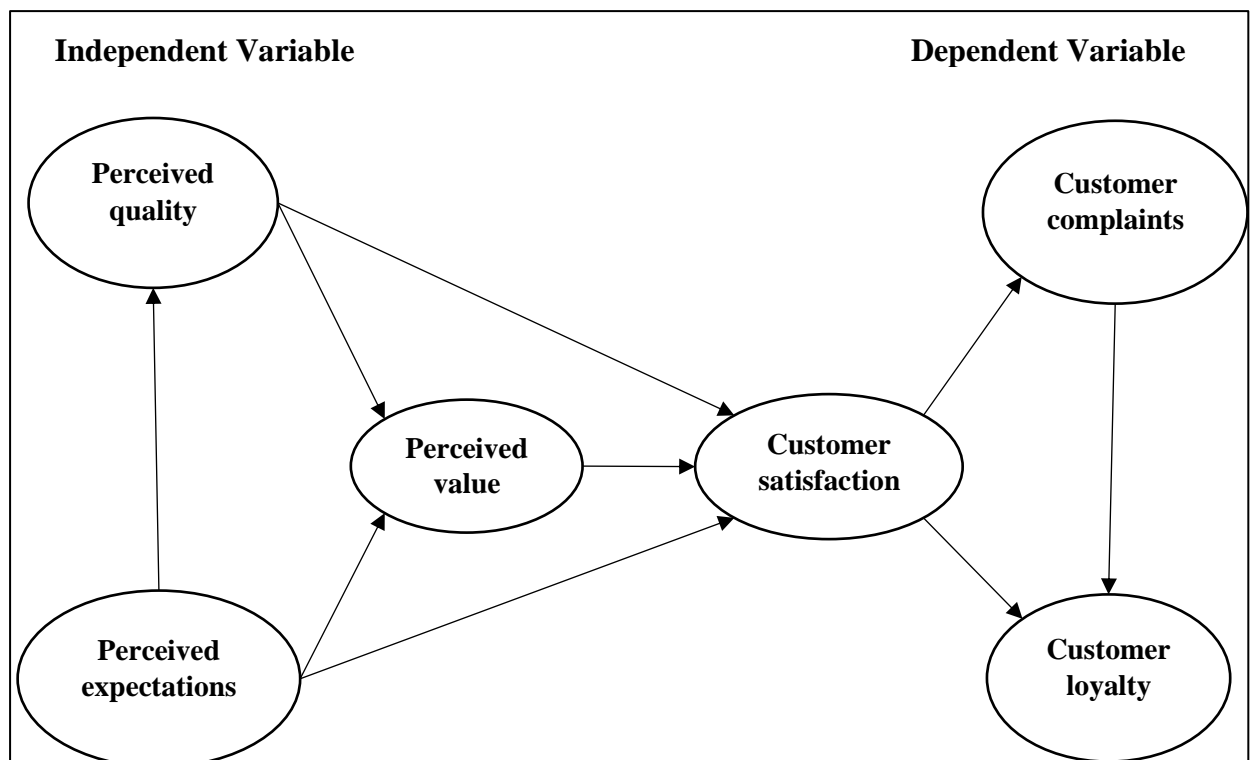


Figure 1 The Proposed Conceptual Framework (Tung, 2013)

1.5. Hypothesis Development

A competent and well-designed research study requires a research hypothesis. The research hypothesis aids in resolving the issue under investigation. Research hypotheses can be classified as inductive, deductive, directed, non-directional, null, or alternative. Building a solid research study starts with rejecting the null hypothesis and embracing the alternative hypothesis. The proposed hypothesis for my thesis from (Fourie, 2015) studies in the customer satisfaction: a key to survival for SMEs. The variables are below,

1.5.1. Perceived Quality

The first determinant of customer satisfaction is perceived quality, which is the served market's evaluation of recent consumption experience. Perceived quality is expected to have a direct and positive effect on overall customer satisfaction. Perceived quality is determined by the market's valuation of a recent experience with a business and consists primarily of two components: perceived product quality and perceived service quality. (Feng-Cheng, 2013) perceived quality could be evaluated based on the quality of the product, quality of the connection, shops, coverage areas and customer

service. A low level of loyalty was observed and, when the customers' perceived quality increases, they will be more satisfied, more likely to remain with the service provider, to recommend their current provider to others, and to express a lesser desire to switch providers. (Souki & Goncalves Filho, 2008)perceived service quality and customer satisfaction are influenced by a store's brand name, that the former is influenced by the latter, and that a positive perception of service quality (but not the level of customer satisfaction) contributes to the development of store loyalty. (Gurbuz, 2008)As the gap between perception and expectation is negative we can done that customer has more expectation than then they actual received. If management wants to enhance customers' satisfaction evaluations, it would be more valuable to influencing customers' perceptions of the product performance. (Saleem, Ghafar, Ibrahim, Yousuf, & Ahmed, 2015)The primary goal of a business organization is to persuade customers to purchase products or services in the long run. Nowadays, the most important issue for a business organization is to create a sustainable competitive advantage. Furthermore, brand is an important asset for any business organization because it leads to customer loyalty. As a result, customer loyalty is the most important factor in enhancing a company's competitive advantage. Furthermore, the perceived quality of customers' products or services when they purchase remains one of the most important values in marketing management. The perceived quality also contributes to the success or failure of a business; similarly, it influences the rate of acceptance of a company's products or services. (Tuan & Rajagopal, 2017)Perceived quality can be defined as a customer's perception of the overall quality or superiority of a product or service in comparison to alternatives. In order to create powerful brand loyalty, business firms have entered into various competitive levels, with perceived quality playing the most important role. Furthermore, perceived quality is an intangible value that refers to how customers feel about a particular brand's product or service. However, it is usually based on underlying elements such as reliability and performance of the products to which the brand is attached. (Aaker & Equity, 1991)

As a result, perceived quality is an important aspect of customer satisfaction, which is directly related to SMEs' survival. It refers to how customers perceive and evaluate a company's products and services.

H1: There is a positive significant relationship between perceived quality and customer satisfaction.

1.5.2. Customer Expectations

Expectations represent both prior consumption experience, which includes some non-experienced information such as advertising and word-of-mouth, and a forecast of the company's future ability to deliver quality. Customers have certain expectations of the product or service they wish to purchase, and these expectations are a personal vision of the experience's outcome, which could be positive or negative (Machado, Ribeiro, & Basto, 2014) understanding customer expectations is a prerequisite for delivering superior service, since customers evaluate service quality by comparing their perceptions of the service with their expectations. (Robledo, 2001) Marketing scholars have argued that firms should meet or exceed customer expectations in order to achieve customer satisfaction. Often, however, customer expectations may be unjustified, infeasible, or unproductive to meet. These need to be shaped rather than fulfilled. There are three broad approaches to the shaping of customer expectations: human resource management, framing, and compliance. These are described along with the type of expectation shaping tasks for which each is appropriate and illustrations of marketing mix tools which implement them. (Sheth & Mittal, 1996) The gap between customer expectations and managers' perception of such expectations is much larger than the gap between customer expectations and service providers' understanding of such expectations. (Luk & Layton, 2002) Customer expectation will be influenced by his or her perception of the product or service and can be created by previous experience, advertising, hearsay, awareness of competitors, and brand image. In the service context customer expectations may be defined as the desires or wants of consumers, what they feel a service provider should offer rather than would offer. In an industrial marketing or business-to-business context, the concept of expectations might be modified to encompass the idea of "negotiated" expectations. (Nicolae, Tanasescu, & Popa, 2013) Small and Medium

Enterprises (SMEs) face unique challenges in the business environment. SMEs need to successfully deal with the prevalent forces for change if they are to survive and grow and meet the expectations to create investment and employment opportunities. (Banham & others, 2010) some demographic variables have significant effects on some dimensions involved in expectations, perceptions of performance and satisfaction, and retention with income having the most effects and gender, ethnic, and marital status having the least effects. Those dimensions include service coverage, billing integrity, quality of line, customer service and customer service outlet. (Kassim, 2006)

As a result, Meeting or exceeding customer expectation can result in increased customer satisfaction, loyalty, and positive word of mouth, all of which can drive SMEs' revenue and growth. Failure to meet customer expectations, on the other hand, can lead to dissatisfaction, negative reviews, and a decrease in customer retention and revenue.

H2: There is a positive significant relationship between customer expectation and customer satisfaction.

1.5.3. Perceived Value

Perceived value is defined as "the consumer's overall assessment of a service's utility based on perceptions of what is received and what is given." Thus, there is a trade-off between the price, the benefits, and the quality of the product or service that they receive and what they provide. If a small business cannot quantify the value of their product or service, it will be very difficult for value to result in customer satisfaction. This means that the SME must set a price for their product or service that the customer is willing to pay and that corresponds to the perceived value. (Wilson, Zeithaml, Bitner, & Gremler, 2016) In today's world of intense competition, satisfying customers is only the base line and may not be sufficient for survival. Management should focus on gaining customer loyalty by enhancing customer perceptions of service quality and increasing as perceived by the consumer value. (Hu, Kandampully, & Juwaheer, 2009) customer value has an influence on customer satisfaction. The academic contribution of this study is that most studies on customer satisfaction concentrate on the predictors of customer satisfaction as being trust,

commitment and communication. The managerial implication is that business must place much emphasis on creating a sustainable customer value to achieve customer satisfaction. In so doing, organisations will be able to attain a competitive advantage and achieve organisational objectives. (Mbango, 2019) perceived value and customer satisfaction are variables of high interest to marketers. These variables have been suggested to have an influence on customers' post-purchase behaviour. (Tarn, 1999) Customer satisfaction is an important strategic performance which is influenced by service experience and perceived value. Customer firm type and geographical location have a significant influence on value perception and preference, and on the relationship between service value and customer satisfaction. This study suggests that semiconductor manufacturing service providers should deliver right value proposition to enhance satisfaction for different customer firm types in varying regions, and design customised service portfolios with various value foci to differentiate them and gain a competitive advantage. (Chou, 2014) customer perceived value is conceptualized as a function of benefit and sacrifice of technical, functional, temporal and spatial value dimensions where time and location are perceived as important value dimensions and that they are even more important dimensions than outcome and process elements. (Heinonen, 2004) With the incremental product development, one of the main objectives is to make it more attractive and valuable for the customer, which leads to increased sales and higher profit. When existing product design is modified to improve its perceived value, each change needs resource commitment. It is important to identify and pursue only those changes, which give maximum improvement in the perceived value. (Gautam & Singh, 2008)

As a result, perceived value is important because it can influence customers' purchasing decisions as well as their level of satisfaction with the products or services. A high level of perceived value can lead to increased customer satisfaction, loyalty, and repeat business, whereas a low level of perceived value can lead to dissatisfaction and customers looking for alternatives. SMEs can boost perceived value by providing high-quality, reasonably priced products or services with a good balance of features and benefits.

H3: There is a positive significant relationship between perceived value and customer satisfaction.

1.5.4. Customer Complaints

Customer complaints are calculated as the percentage of respondents who report having complained to a company directly about a product or service within a given time frame. According to Hirschman's exit voice theory, the immediate consequences of increased customer satisfaction are lower customer complaints and higher customer loyalty. (Hirschman, 1970) If customers are dissatisfied, they may choose to leave (e.g., go to a competitor) or to voice their complaints in an attempt to receive retribution. An increase in overall customer satisfaction, on the other hand, should reduce the number of complaints. Customer loyalty should rise as overall customer satisfaction rises. (Reichheld & Sasser, 1990) Thus, customer satisfaction has a negative relationship with customer complaints, as satisfied customers are less likely to complain. Today, complaints and the handling of complaints play a pivotal role in customer relationships. Moreover, companies are reluctant to admit that they have difficulties with customers' complaints, but as yet there appears to be no complete solution to this issue. To remedy this situation, customer complaints must be comprehensively collected and analysed. Issues must be classified, and timely solutions must be developed. (Faed, Hussain, & Chang) Effective complaint-handling by an organization can result in such benefits as consumer satisfaction, company / brand loyalty, favourable word-of-mouth publicity and decreased litigation. Therefore, organizations should consider the application of strategic marketing concepts when establishing complaint-handling policies. (Gilly & Hansen, 1985) In today's volatile market economies, economic and social benefits of the competition must be evaluated from various financial and non-financial aspects. Among these aspects, Customer satisfaction measurements are recognised as the non-financial performance indicator that is the most widespread. A high level of customer satisfaction is argued to lead to stronger company image, protection of current market share, increased customer loyalty, decreased customer complaints and strengthened financial performance. (Hallencreutz & Parmler, 2021) In recent years, this SME has been experienced in declining in sales and getting some complaints from their customers. Many studies suggest that service quality and customer satisfaction are the

key factors in the service industry. (Sanny, Angelina, & Christian, 2021) Intense competition, tougher food legislation, increasing customer expectations, large numbers of new products and recent food scares have all contributed to highlight the importance of handling customer complaints. Describes the advantages for companies in the areas of legal proceedings, brand loyalty, manufacturing, marketing, R&D, company image, word-of-mouth and consumer risk perception. (Mitchell & Critchlow, 1993)

As a result, customer complaints are an important factor to consider because they can provide valuable insights into areas where the business may be falling short of meeting the expectations and needs of its customers. Similarly, Businesses also can boost customer satisfaction, loyalty, and retention by resolving customer complaints.

H4: There is a negative significant relationship between customer complaints and customer satisfaction.

1.5.5. Customer Loyalty

A loyal customer is a source of competitive advantage through repeat purchase and positive word of mouth. (Thomas S. , 2013)Customer satisfaction has identified as an important influencer on customer loyalty. Further, customer trust impacted by customer satisfaction which proved that customer satisfaction is an antecedent of customer trust. Moreover, an indirect relationship between customer satisfaction and loyalty through customer trust was observed. (Bowen & Chen, 2001)Customer loyalty has been identified as an important factor in gaining a competitive advantage over other businesses in a highly competitive and dynamic environment. It is a multidimensional construct made up of two parts: attitude and behaviour. (Oliver R. L., 1999)Customer loyalty is defined as a buyer's promise to purchase specific products, services, and brands of an organization over a consistent period of time, regardless of competitors' new products and innovations, and these customers are not compelled to switch. Loyal customers have a positive perception of the organization, would recommend it to others, and would repurchase it. (Dimitriades, 2006)"Building customer loyalty is not a choice any longer with businesses: it's the only way of building sustainable competitive advantage. Building customer loyalty has become a core marketing goal shared by key players in all industries catering to business

customers. (Bansal & Gupta, 2001) In a business context loyalty has come to describe a commitment customer's to do business with a particular organisation, purchasing their goods and services repeatedly, and recommending the services and products to friends and associates. (McIlroy & Barnett, 2000) "At first glance, the concept of customer loyalty may appear to be obsolete in the Internet era, when customers can shop around." At the touch of a button, you can explore and evaluate competing alternatives while also checking reports from others. However, the evidence shows that the old rules of successful and profitable management still hold true: customer retention is still a key to long-term profits, while low loyalty has a high cost-penalty. Indeed, the very fact that customers can so readily assess the competing services and products on offers and then so easily make the new purchase does in itself give added weight to the importance of building strong ties of loyalty with customers". (Clarke, 2001) Customer loyalty research can be divided into three broad categories: behavioural approaches, attitudinal approaches, and integrated approaches. (Oh, 1995) The behavioural approach examines the customer's continuity of previous purchases and then measures customer loyalty through rates of purchase, frequency of purchase, and purchase possibility. The attitude approach derives customer loyalty from psychological involvement, favouritism, and a feeling of goodwill toward a specific product or service. In order to develop its own concept of customer loyalty, the integrated approach considers both behavioural and attitudinal variables. Customer loyalty is defined as a combination of a customer's favourable attitude and repurchase behaviour. Special attention would also need to be given to customer satisfaction, as it was determined that this factor had the largest influence on customer loyalty. Customer loyalty could lead to customer retention, which would result in greater profitability for the business and future sustainability. customer loyalty within a small service business environment and could lead to larger market share, higher customer retention and greater profitability for the business. (Van Vuuren, Roberts-Lombard, & van Tonder, 2012)

As a result, customer loyalty is critical because it can lead to repeat business and consistent revenue. Customers who are loyal to a company are also more likely to recommend it to others, which can lead to new customers and increased revenue.

Furthermore, customer loyalty can act as a buffer for SMEs during challenging economic times, as loyal customers are less likely to switch to competitors during a downturn.

H5: There is a positive significant relationship between customer loyalty and customer satisfaction.

1.5.6. Customer Satisfaction

Customers are the lifeblood of any organization and feedback on their satisfaction levels is important not only to big corporations, but also to small and medium businesses. Knowledge of customer satisfaction can help to better identify and satisfy customer needs and can prevent SMEs from spending a considerable amount of money on marketing to acquire new customers. (Fourie, 2015) Managers need to take into consideration many factors before making a decision where to invest and formulate a marketing strategy: either in creating consumer loyalty, increasing consumer satisfaction, increasing repurchase rate, or all three at the same time. Our meta-analysis confirmed that satisfied consumers do display strong loyalty and a higher repurchase intention rate; however, the relationship between satisfaction and actual repurchase rate is more complicated. (Curtis, Abratt, Rhoades, & Dion, 2011) Any organization has to listen to its external customers and clients. In a number of studies, it has been shown that the long-term success of a corporation is closely related to its possibility to adapting to customer needs and changing preferences. Satisfying customers should thus be a goal in its own right for all future-oriented organizations. In order to monitor customer satisfaction and to take action to improve it, a number of different methods have been devised and implemented in practice. (Eklof & Westlund, 2002)

In conclusion, the ACSI model is a powerful tool for measuring and understanding customer satisfaction. The model is based on the idea that customer satisfaction is the dependent variable that is influenced by a variety of independent variables such as perceived quality, perceived expectation, perceived value, customer loyalty, and customer complaints. Overall, the ACSI model is a valuable framework for organizations looking to improve their products or services and increase customer satisfaction.

1.6. Limitation of the Study

The study may be subjected to the following limitations.

- i. This study assume that the related published and unpublished documents, journals, articles and other previous studies are realistic.
- ii. The study is to be completed within the time frame of the academic session. Also, there is none availability of various references and sources.
- iii. The main causes for these limitations are due to technical and time constraint.
- iv. The accuracy of results depends on the accuracy of data provided by the respondents.
- v. This study is focused within the boundary of Ratnanagar Municipality.
- vi. After distributing the questionnaire, it is not possible to modify the items, even though they may be unclear to some respondents.

1.7. Significance of the Study

The study could provide valuable insights and recommendations to SMEs on how to improve customer satisfaction levels. This could help these businesses better meet their customers' needs and expectations, resulting in increased customer loyalty and retention, and, ultimately, improved chances of survival and success. The study could identify key areas of focus for SMEs in Ratnanagar Municipality of Chitwan district to improve their customer satisfaction and increase their chances of survival and success by analyzing data on customer satisfactions and the factors that contribute to it. The study could help the government and other stakeholders to make policy and decisions about how to support the growth and sustainability of SMEs in the Ratnanagar Municipality of Chitwan district. The study could provide valuable insights into the relationship between customer satisfaction and the survival of SMEs in Ratnanagar Municipality of Chitwan district by examining the relationship between customer satisfaction and others variables.

1.8. Organization of Study

The study is divided into three sections: the preliminary section, the body of the report, and the supplementary section. The title page, acknowledgements, approval sheet, and certificate of authorship, table of contents, list of tables, list of figures,

abbreviation used, and executive summary comprise the preliminary section. The following is a plan for research work:

The first chapter discusses the study's general context. It explains what this study is about and why it is worthwhile. It includes the topic introduction, problem statement, study objectives, research hypotheses, study limitations, and study structure. The second chapter is a review of previous studies that are relevant to the problem being investigated in this study. It includes a review of the literature on international studies as well as a review of studies in the Nepalese context. It includes a summary of the major findings of previous studies, which are presented under different headings. The conceptual framework for the study is built on the basis of these literature reviews. The study is divided into three sections: the preliminary section, the body of the report, and the supplementary section. The title page, acknowledgements, approval sheet, and certificate of authorship, table of contents, list of tables, list of figures, abbreviation used, and executive summary comprise the preliminary section. The following is a plan for research work:

The first chapter discusses the study's general context. It explains what this study is about and why it is worthwhile. It includes the topic introduction, problem statement, study objectives, research hypotheses, study limitations, and study structure. The second chapter is a review of previous studies that are relevant to the problem being investigated in this study. It includes a review of the literature on international studies as well as a review of studies in the Nepalese context. It includes a summary of the major findings of previous studies, which are presented under different headings. The conceptual framework for the study is built on the basis of these literature reviews. The third chapter discusses the methodology that was used in this study. It covers the research design, population and sample size, sampling method, data nature and sources, instrumentation, data collection methods, and data analysis. The fourth chapter presents and analyzes data in a systematic manner. This chapter analyzes the collected data using the various statistical tools and techniques discussed in Chapter 3. It attempts to explain the relationship between factors and presents the results as tables. The final section of this chapter presents the major findings from the data analysis and discussions. The fifth chapter contains the study's discussion, conclusion,

and implications. It summarizes the study's research findings and presents appropriate implications based on the study's conclusion. The recommendation for future research is presented in the final section of this chapter.

The report's final section includes a bibliography and an appendix that serves as a questionnaire. The bibliography includes the title of reference books, articles, reports, and so on, as well as the author's name and page number; and the appendix is an attachment of a questionnaire for the study's survey. It covers the research design, population and sample size, sampling method, data nature and sources, instrumentation, data collection methods, and data analysis. The fourth chapter presents and analyzes data in a systematic manner. This chapter analyzes the collected data using the various statistical tools and techniques discussed in Chapter 3. It attempts to explain the relationship between factors and presents the results as tables. The final section of this chapter presents the major findings from the data analysis and discussions. The fifth chapter contains the study's discussion, conclusion, and implications. It summarizes the study's research findings and presents appropriate implications based on the study's conclusion. The recommendation for future research is presented in the final section of this chapter.

The report's final section includes a bibliography and an appendix that serves as a questionnaire. The bibliography includes the title of reference books, articles, reports, and so on, as well as the author's name and page number; and the appendix is an attachment of a questionnaire for the study's survey.

CHAPTER II

LITERATURE REVIEW

Any scientific research is built on previous knowledge, studies, and research. They serve as the inspiration or foundation for new research. This chapter is based on a review of relevant articles, books, journals, reports, manuals, previously conducted published/unpublished thesis, related websites, and studies on the research's key components. This section describes the study's conceptual framework and investigates the survival and analysis of SMEs. This section displays the various works completed by scholars and authors who have previously contributed to such research projects.

2.1. Literature Review Matrix

Table II.1 Literature Review Matrix

Year	Authors	Findings
2011	(Williams & Naumann, 2011)	There are significant, and moderate-to-strong associations between satisfaction levels and a firm's financial and market performance. More specifically, there are strong links between customer satisfaction, and retention, revenue, earnings per share, stock price, and Tobin's q.
2015	Fourie(2015)	The study concluded that Customers are important seeing that they are the resource on which the success of the organization depends. It is

		therefore important that organization focus on serving their customers. A customer focus contributes to the success of the organization and ensures that all aspects of the organization put customer satisfaction first.
2017	(Ramanathan, Subramanian, & Parrott, 2017)	The study concluded that social media reviews dramatically impact upon customer satisfaction. Similarly, the empirical analysis identifies the significant and positive role played by service operations in customer satisfaction levels. Interestingly the authors did not find unequivocal support for brand satisfaction impacting on customer satisfaction. However, when promotions interact well with service operations, the level of customer satisfaction is significantly affected.

Similarly, the authors did not observe a positive outcome when there is an interaction between promotion and social media reviews. After reading the reviews, some potential buyers make a visit to store before making final decisions and surprisingly, promotional effects do not change their mind set.

2019 (Chien & Chi, 2019) The study concluded the NFA should maintain a good corporate image, provide good quality services in accordance with the company's characteristics, and meet exhibitors' exhibiting needs to increase the revenue and exhibitors' loyalty. Maintain a good corporate image, provide good quality services in accordance with the company's characteristics, and meet exhibitors' exhibiting needs to

2019	(Almohaimmeed, 2019)	increase the revenue and exhibitors' loyalty. Significant influence of customer relationship management on customer satisfaction, a significant influence of customer satisfaction on both customer loyalty and customer profitability. Therefore, the data doesn't support the hypothesis that customer loyalty mediates the relationship between customer satisfaction and customer profitability. On the other hand, there are significant relationships between customer satisfaction and customer profitability and between customer profitability and customer retention, while there is no significant relationship between customer satisfaction and customer retention.
2020	(Samudro, Sumarwan,	The study concluded that perceived value

- Simanjuntak, Yusuf, 2020) & contributes a stronger influence on customer satisfaction than perceived quality does. Perceived quality is reflected more by service while there is less point of differentiation on tangible product.
- 2021 (Al Idrus, Abdussakir, Djakfar, & Al Idrus, 2021) The study concluded that (1) product knowledge and service quality can increase competitive advantage and customer satisfaction in East Java SMEs; (2) competitive advantage can act as a mediator in the effect of service quality on customer satisfaction (3) product knowledge can increase customer satisfaction but the increase is not significant statistically.
- 2022 (Nofrizal, Lubis, Sucherly, Juju, & Listihana, 2022) The study concluded that all factors have a significant influence but on several factors that are not significant, namely the

uniqueness of the product on Buying Decision and product completeness on consumer satisfaction through Buying Decision.

2022 (Khan, Salamzadeh, Iqbal, & Yang, 2022) The study concluded that customer relationship management and company reputation have a positive and significant impact on customer loyalty. Additionally, customer satisfaction partially mediates the relation among customer relationship management, company reputation and customer loyalty. Hence, this study offers some suggestions to policymakers and practitioners. They should build deep trust among the company's staff, which will become a good source of company reputation. In addition, different steps such as advertising, public relations and marketing

2023	(Jasin & Firmansyah, 2023)	<p>campaigns are significant in changing customer's behaviors</p> <p>The study concluded that the marketing mix variable has a significant effect on customer satisfaction and repurchase intention. The service quality and the customer satisfaction also have significant effects on repurchase intention.</p>
------	-------------------------------	---

2.2. Theoretical Review

This section explained the theories used in this research as follows:

2.2.1. Kano Model

When considering customer satisfaction, the Kano model explains how the differences that separate the degree called sufficient from that of excellent are explained. According to the theory of attractive quality, quality attributes are dynamic, which means that a feature can change from satisfactory to unsatisfactory over time. (Kano, 1984)The Kano model provides a unique perspective for analyzing the possibilities for improving the quality of products and services Because it considers the nonlinear relationship between performance and satisfaction, The Kano model divides quality attributes into three categories. (Hogstrom, Rosner, & Gustafsson, 2010)

2.2.1.1. Must-Be Attributes

These characteristics correspond to the fundamental requirements of a product's quality. Customers will be extremely dissatisfied if they are not present or perform

poorly. On the other hand, if they are present or perform adequately, they do not bring satisfaction.

2.2.1.2. Performance Attributes

In terms of these characteristics, satisfaction is proportional to level of performance. Customers typically demand explicit performance attributes.

2.2.1.3. Attractive Attributes

These characteristics are critical to customer satisfaction. They will bring greater satisfaction if they are present or perform well. Customers will be dissatisfied if they are not present or if their performance is poor. Customers do not require or expect these characteristics.

As a result, the Kano model suggests that customer satisfaction is critical to the survival of SMEs. SMEs can build loyal customer bases and increase their chances of long-term success by focusing on meeting basic customer needs and constantly looking for ways to exceed customer expectations.

2.2.1.4. Service-Profit Chain

The service-profit chain (SPC) is a framework for connecting service operations, employee evaluations, and customer evaluations to a company's profitability. (Heskett, et al., 1994)The SPC is an integrative framework for understanding how a company's operational investments in service operations relate to customer perceptions and behaviors, and how these translate into profits. It provides much-needed guidance to a company about the complex interrelationships between operational investments, customer perceptions, and the bottom line. The service-profit chain is based on the premise that profitability to a firm derives from customer satisfaction and loyalty, which, in turn, are derived from a customer's sense of value received. This value, it is argued, is calculated with reference to the perceived quality of what is received, balanced against the aggregated costs to the customer of availing themselves of the service. (Walker, Johnson, & Leonard, 2006)The SPC explicitly bridges the internal and external environments of service companies; it identifies employee satisfaction, loyalty, and productivity as mediating variables between internal and external service quality, and it identifies customer satisfaction and loyalty as mediators between external service quality and firm financial performance. Thus,

the SPC connects three parts: (a) internal marketing, which includes internal service quality as well as employee attitudes and behaviour; (b) external marketing, which includes customer attitudes and behaviour; and (c) firm performance, which includes revenue growth and profitability. (Heskett, et al., 1994)

As a result, it leads to increased customer loyalty and profitability for the company. Maintaining high levels of customer satisfaction is especially important for small and medium-sized enterprises (SMEs), because SMEs frequently rely on repeat business and word-of-mouth advertising to grow their customer base. As a result, in order to survive and thrive in today's competitive business environment, SMEs must prioritize customer satisfaction.

2.2.2. The Customer Lifetime Value Model

A firm's customer lifetime value is the net profit or loss from a customer over the entire life of transactions with that customer with the firm. As a result, a firm's lifetime value of a customer is the net of revenues obtained from that customer over the lifetime of transactions with that customer minus the cost of attracting, selling, and servicing that customer, taking into account the time value of money (Berger & Nasr, 1998) Increase in profits from loyal customers due to the price premium paid by loyal customers, the additional profits from sales through referrals, the profit from cost savings obtained by serving an old customer, and revenue growth from a loyal customer due to an increase in sales to that customer. These are a summary of the most commonly held reasons for increased profitability from long-term customers. (Reichheld, Teal, & Smith, 1996) The product-centric approach faces certain obstacles to success that the customer-centric approach can overcome. Products are treated as assets in the product-centric view, and firms focus on selling more products at the highest possible margins, thereby increasing profits from each product. The competition can replicate both the products and the cost advantages. Customers (of the products) are treated as assets in the customer-centric approach, which focuses on both acquiring and retaining customers. These retained customers can provide a foundation for long-term competitive advantage. In the new economy, where more and more businesses sell services, such an approach becomes even more important, and customer relationships are critical. (Thomas J. S., 1997) CLV models help

quantify the firm's relationship with its customers, allowing the firm to make more informed decisions in a structured framework. CLV models also assist a company in determining who its profitable customers are, and customer profitability serves as a metric for allocating marketing resources to consumers and market segments. Marketing efforts should be focused on the most profitable consumer. (Mulhern, 1999)

As a result, customer who is pleased with the products or services they receive is more likely to do business with the company again, which can lead to a higher lifetime value. A dissatisfied customer, on the other hand, is more likely to take their business elsewhere, resulting in a lower lifetime value. As a result, it is critical for SMEs to focus on customer satisfaction in order to increase the lifetime value of their customers and improve their chances of long-term survival.

2.2.3. The Lean Six Sigma

Six Sigma is defined as an organized and systematic method for strategic process improvement and the development of new products and services that uses statistical methods and the scientific method to achieve dramatic reductions in customer defined defect rates. Six Sigma has evolved significantly and continues to expand in order to improve process performance, business profitability, and customer satisfaction. (Schroeder, Linderman, Zaheer, & Choo, 2004) Organizations must be able to meet customer needs in today's complex market situation and business environment, the needs and essentials for their satisfaction such as high product quality, competitive costs and faster delivery. Lean Six Sigma (LSS) is a method that has been widely used in research in various fields and continues to grow, to get the most common solution it is necessary to review the method. (Tampubolon & Purba, 2021) Six Sigma is a powerful breakthrough business improvement strategy that enables businesses to achieve and sustain operational excellence through the use of simple and powerful statistical methods. It is a business strategy that enables companies to significantly improve their performance by designing and monitoring daily business activities in ways that reduce waste and resources while increasing customer satisfaction. If successfully implemented, the Six Sigma approach begins with a business strategy and ends with top-down implementation, with a significant impact on profit. Six

Sigma is a process improvement methodology that has been widely used in industry. (Harry & Schroeder, 2000)

As a result, a focus on continuous improvement and defect identification and elimination can result in higher quality products or services, which can contribute to customer satisfaction. Customer satisfaction is critical to the survival of small and medium-sized enterprises (SMEs). An SMEs can improve its operations and better meet the needs of its customers by implementing lean six sigma, which can lead to increased customer loyalty and improved business performance.

2.3. Small and Medium Enterprise

The terms "micro, small, and medium enterprises" (SMEs) and "small and medium enterprises" (SME) are used interchangeably. It is also referred to as a micro, small, or medium business (MSMEs). Manufacturing, mining, trade, and services are the most common non-agricultural economic activities for SMEs. There is no agreed-upon definition of a SME. Many countries use a variety of size measurements depending on their level of development. Employees, total capital investment, and business turnover are common metrics. The entrepreneur must actively participate in management, there must be up to nine employees, and the annual financial transaction must be less than twenty lakhs. These are some situations in which these criteria 12 apply. A micro-enterprise is a small business that employs 10 to 15 people and is focused on making money and can be run by either man or women.

The majority of SMEs in Nepal manufacture textiles and related goods, consumer and home goods, and food products for both domestic and export markets. Small business activity in Nepal has been dominated by pulses, flour mills, rice, oil and dairy products, aerated drinks, juices and biscuits, processed goods, noodles and sweets, water, vegetables, and various domestic products and uses of those goods. Other industries in which SMEs are active include forest-based business activities, timber and handicrafts, handcrafted cloths and goods, textiles and clothing, carpets and leather products. SMEs are also heavily involved in the production of plastic, metal furniture, wooden & presses, utensils, jute products, livestock products, and poultry products. It is also used extensively in the production of rubber tires and plywood, tubes and colour paint products, boards, and zinc oxide. Similarly, several sectors in

which small businesses have begun to invest include agro-based ones such as vegetables, tea and agricultural goods, dairy products, animal products, and flower products. Small hydropower, tourist attractions, and buildings have also received capital investment in some categories, demonstrating the private sector's access to funding for infrastructure development.

Ratnanagar Municipality is located in the Chitwan district of Nepal. It is one of the district's municipalities. According to preliminary census statistics of 2078 district has an area of 68.67 square kilometres similarly population of municipalities is 99365.. The area is well-known for its biodiversity and culture, attracting a large number of tourists each year. The municipality has excellent infrastructure, including excellent road networks, electricity, and telecommunications. Due to its location, the municipality has a high potential for ecotourism. Small and medium enterprises play an important role in the economy of Ratnanagar Municipality because they create jobs, contribute to economic growth, and diversify the local economy. SMEs in Ratnanagar municipality are involved in a wide range of activities, including agriculture, manufacturing, services, tourism, and construction. Overall, SMEs play an important role in the Ratnanagar Municipality's economy, and the Municipality's government and local authorities are working hard to support and promote their growth.

2.4. Problem Faced by SMEs

For the attainment of goal of start-up and emerging growth company through innovation and market expansion requires huge capital. Those needs for huge capital cannot be met by company internal source therefore they should find appropriate financial sources. Availability of such sources depends upon the development of the financial system. Despite the increase in number of financial institution due to liberalization of the government policies in financial sector, access to finance for start-up and emerging growth company is still limited in Nepal. Ten years' internal war and devastating earthquake faced by Nepal drag economic development behind, however, banking & financial institutions as well as other financing sources has grown significantly. However, the service of BFIs and other sources has unable to reach the productive sector for economic prosperity. (Bista, 2016)Entrepreneurship

for women is often seen as a journey out of poverty and a march towards equality. Studies have proven that entrepreneurship, in the form of small and medium sized enterprises, can indeed empower women and through time, fundamentally transform power relations within a society, making it a place where women can lead. However, in the past, women's entrepreneurship in much of the developing world has gone little beyond informal business ventures which ensure daily survival for women and their families. In Nepal, embedded structural and socio-cultural constraints challenge women entrepreneurs and make it hard for them to realise their potential as leaders in business. (Bushell, 2008). In general, MSEs in Nepal have antiquated and inefficient production processes and technologies, limited capital bases, archaic management practices, undeveloped entrepreneurial cultures, and less knowledge and data about business processes and marketing activities. On the financial front, MSEs are frequently unable to obtain sufficient financing to complete comparatively more work. One factor contributing to entrepreneurs' inability to raise capital is their lack of knowledge about financial institutions that can provide loans. Another factor contributing to their inability to raise funds is financial institutions' proclivity to grant credit based on relationships rather than project viability. Many MSEs are hesitant to apply for financing from the formal sector because they perceive the process to be difficult and overly bureaucratic. Instead, People continue to rely on informal credit despite its high interest rates because it is easily and quickly accessible. On the front of product development and manufacturing, MSEs require assistance in selecting the best technological option, as well as obtaining the most recent technology that meets their specific needs and is capable of undergoing recurring upgrades. Most Mses' ability to export is severely hampered by a lack of access to technology. (Karki, 2013)

2.5. Empirical Review

(Jasin & Firmansyah, 2023) On the study the role of service quality and marketing mix on customer satisfaction and repurchase intention of SMEs products. The main objectives of the study were to determine the effect of service quality and marketing mix on customer satisfaction and repurchase intention. The methodology used by the researcher was non-probability sampling with purposive sampling technique. The data analysis used is instrument validity and reliability test, classical assumption test,

hypothesis test and path analysis using SPSS 25.0 for windows program. The study concluded that the marketing mix variable has a significant effect on customer satisfaction and repurchase intention. The service quality and the customer satisfaction also have significant effects on repurchase intention.

(Khan, Salamzadeh, Iqbal, & Yang, 2022) on the study *The Impact of Customer Relationship Management and Company Reputation on Customer Loyalty: The Mediating Role of Customer Satisfaction*. The main objectives of the study were to examine the customer believes regarding the company reputation. The methodology used by the researcher was Structured questionnaires were employed and total 345 questionnaires were distributed among the top management and 217 responses were received. After excluding those responses which were missing and not correctly completed, the remaining 181 were used for final analysis. For hypothesis testing, AMOS was used. The study concluded that customer relationship management and company reputation have a positive and significant impact on customer loyalty. Additionally, customer satisfaction partially mediates the relation among customer relationship management, company reputation and customer loyalty. Hence, this study offers some suggestions to policymakers and practitioners. They should build deep trust among the company's staff, which will become a good source of company reputation. In addition, different steps such as advertising, public relations and marketing campaigns are significant in changing customer's behaviours.

(Nofrizal, Lubis, Sucherly, Juju, & Listihana, 2022) on the study of *The key to success increasing customer satisfaction of SMEs product souvenir food*. The main objectives of the study were to find and test the key success factors for increasing consumer satisfaction in the small and medium industry of souvenir food products in Pekanbaru City, Indonesia by examining the variables of product uniqueness, product completeness, Buying Decision and consumer satisfaction so as to increase business profits. The methodology used by the researcher was sampling technique using proportional sampling, questionnaire, measurement scale used is a 5-point Likert scale, the analysis of the data obtained was tested for its reliability validity and hypothesis testing was carried out with Structural Equation Modelling (SEM). The study concluded that all factors have a significant influence but on several factors that

are not significant, namely the uniqueness of the product on Buying Decision and product completeness on consumer satisfaction through Buying Decision.

(Al Idrus, Abdussakir, Djakfar, & Al Idrus, 2021) on the study of the effect of product knowledge and service quality on customer satisfaction. The main objectives of the study were to reveal the contribution of product knowledge and service quality to customer satisfaction with competitive advantage as the mediation variable. The methodology used by the researcher was quantitative approach. The causal relationship across variables was examined with Structural Equation Modelling-Partial Least Squares (SEM-PLS). The sample of this research involved 140 respondents. Data was collected through a questionnaire and the items in the questionnaire were processed with a software called Smarts version 3.3.2. the study concluded that (1) product knowledge and service quality can increase competitive advantage and customer satisfaction in East Java SMEs; (2) competitive advantage can act as a mediator in the effect of service quality on customer satisfaction (3) product knowledge can increase customer satisfaction but the increase is not significant statistically.

(Samudro, Sumarwan, Simanjuntak, & Yusuf, 2020) on the study assessing the effects of perceived quality and perceived value on customer satisfaction. The main objectives of the study were to identify the effects of different factors influencing on customer satisfaction, such as perceived quality or perceived value in a case study in chemical industry. The methodology used by the researcher was quantitative method and employs Structural Equation Method (SEM) to ensure the correlation between constructs. The study concluded that perceived value contributes a stronger influence on customer satisfaction than perceived quality does. Perceived quality is reflected more by service while there is less point of differentiation on tangible product.

(Chien & Chi, 2019) on the study of corporate image as a mediator between service quality and customer satisfaction: difference across categorized exhibitors. The main objectives of the study were to explore Impact of service quality and corporate image on satisfaction and loyalty behavioural intention of the exhibition industry. The methodology used by the researcher was PLS-SEM assessment, questionnaire and pre-test. The study concluded the NFA should maintain a good corporate image,

provide good quality services in accordance with the company's characteristics, and meet exhibitors' exhibiting needs to increase the revenue and exhibitors' loyalty. Maintain a good corporate image, provide good quality services in accordance with the company's characteristics, and meet exhibitors' exhibiting needs to increase the revenue and exhibitors' loyalty.

(Almohaimmed, 2019) on the study Pillars of customer retention: An empirical study on the influence of customer satisfaction, customer loyalty, customer profitability on customer retention. The main objectives of the study were to explore relationships among five factors: customer relationship management, customer satisfaction, customer loyalty, customer profitability, and customer retention. The methodology used by the researcher was the sample of this research involved 750 respondents. The questionnaire developed for the purpose of this study is distributed by hand to respondents. Out of 750 questionnaires distributed, 497 are returned with a high rate of response. The Analysis of Moment Structures (AMOS, Version 22) is used to analyse the collected data. The study concluded that significant influence of customer relationship management on customer satisfaction, a significant influence of customer satisfaction on both customer loyalty and customer profitability. Therefore, the data doesn't support the hypothesis that customer loyalty mediates the relationship between customer satisfaction and customer profitability. On the other hand, there are significant relationships between customer satisfaction and customer profitability and between customer profitability and customer retention, while there is no significant relationship between customer satisfaction and customer retention.

(Ramanathan, Subramanian, & Parrott, 2017) on the study Role of social media in retail network operations and marketing to enhance customer satisfaction. The main objectives of the study were to understand how retail network leverage the potential of social media reviews along with unique service operations to satisfy customers. The methodology used by the researcher was the authors develop a conceptual model for the social media era the authors employed a survey questionnaire method to elicit opinions of retail customer satisfaction based on social media reviews, service operations and marketing efforts. The authors derive measures of the model from existing literature and expert opinion. The study concluded that social media reviews

dramatically impact upon customer satisfaction. Similarly, the empirical analysis identifies the significant and positive role played by service operations in customer satisfaction levels. Interestingly the authors did not find unequivocal support for brand satisfaction impacting on customer satisfaction. However, when promotions interact well with service operations, the level of customer satisfaction is significantly affected. Similarly, the authors did not observe a positive outcome when there is an interaction between promotion and social media reviews. After reading the reviews, some potential buyers make a visit to store before making final decisions and surprisingly, promotional effects do not change their mind set.

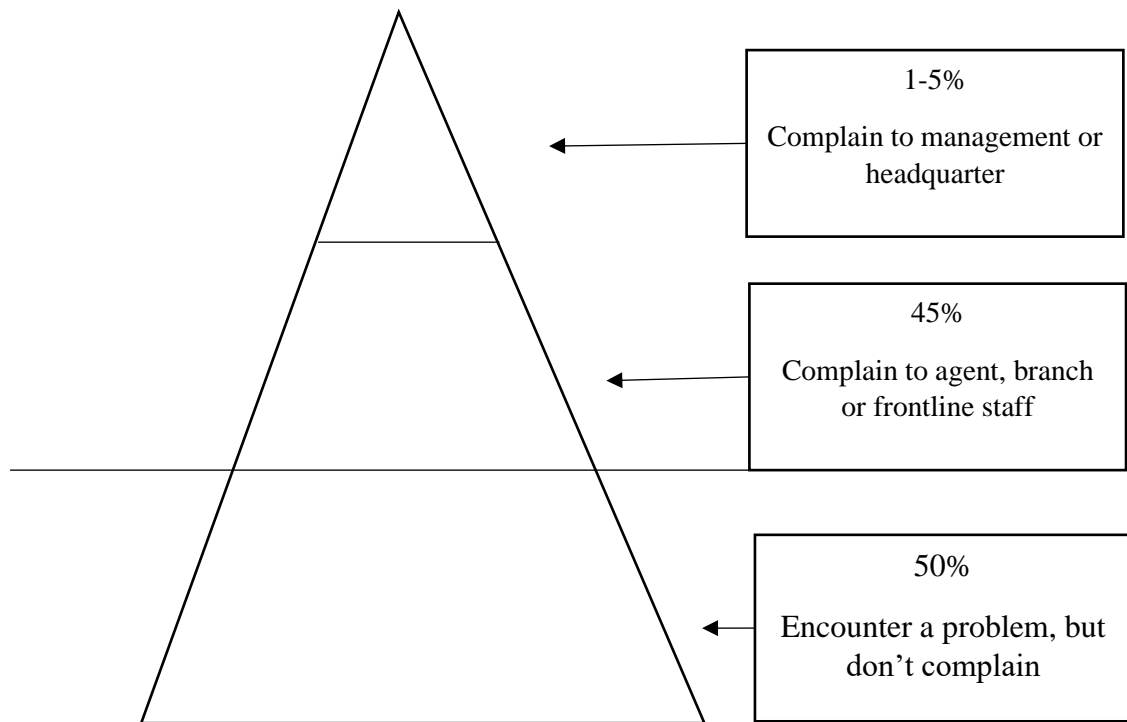
Fourie(2015) On the study of customer satisfaction: a key to survival for SMEs. Businesses that do not collect customer satisfaction information do not know whether they are on the right track or where they need to adapt their offering to satisfy their consumers' needs. For SMEs this is important, as it is expensive to acquire new customers. Numerous researches have been conducted in various industries showing that there is an array of benefits that come from having satisfied customers. It has been found that if customers experience satisfaction consistently that it should lead to customer loyalty. The main objectives of the study were to determine if South African SMEs collect data on customer satisfaction levels as well as how they go about to do this. A survey among South African SME owners found that customer satisfaction was of great importance to them and that the majority believed that their businesses were customer focused and customer friendly. The methodology used by the researcher was standard deviations, obtaining feedback from customers, Likert scale, frequency of testing customer satisfaction levels. The study concluded that Customers are important seeing that they are the resource on which the success of the organization depends. It is therefore important that organizations focus on serving their customers. A customer focus contributes to the success of the organization and ensures that all aspects of the organization put customer satisfaction first.

(Williams & Naumann, 2011) on the study of Customer satisfaction and business performance: a firm-level analysis. The main objectives of the study were to examine the relationships between customer satisfaction and a variety of company performance metrics at the firm-level of analysis. The methodology used by the researcher was

longitudinal analysis of series of quarterly surveys of customer attitudes, in relation to various company performance metrics of one large Fortune 100 company. The data were collected over a five-year period and were analysed with several statistical tests of association. The study concluded that there are significant, and moderate-to-strong associations between satisfaction levels and a firm's financial and market performance. More specifically, there are strong links between customer satisfaction, and retention, revenue, earnings per share, stock price, and Tobin's q.

2.6. Benefits of Customer Satisfaction

Customer satisfaction can result in cost savings. (Reichheld & Sasser, 1990) Customers who are satisfied are less likely to request refunds or return products, which can save money in the long run. Furthermore, satisfied customers may be more forgiving of minor errors or issues, which can lower costs. Customer satisfaction can result in increased productivity. (Bitner, 1990) Employees who can consistently meet or exceed customer expectations may be able to work more effectively and efficiently. This can result in increased productivity and possibly lower costs for SMEs. Numerous studies in various industries have shown that having satisfied customers has a variety of advantages. It has been discovered that if customers consistently experience satisfaction, this should lead to customer loyalty. Customer loyalty is defined as a buyer's promise to purchase specific products, services, and brands of an organization over a consistent period of time, regardless of competitors' new products and innovations, and these customers are not compelled to switch. Loyal customers have a positive perception of the organization, would recommend it to others, and would repurchase it. (Dimitriadis, 2006) During the 1980s, the company conducted research on customer complaint behaviour, and the study was replicated in various countries and industries with the same results. (Goodman, 2006) Goodman developed the tip-of-the-iceberg phenomenon based on these findings, as shown in Figure.



Source: Adapted from (Goodman, 2006)

Figure 2. Tip-of-the-iceberg phenomenon

The figure above clearly shows that half (50%) of customers who have problems do not complain; this is the tip of the iceberg. Customers who complain, on the other hand, are more likely to do business with the company again, even if their problems are not resolved. (Goodman, 1999) Without the necessary customer feedback, an organization will never truly know if the customer is satisfied and will not have the opportunity to correct its mistakes.

2.7. The Importance of Measuring Customer Satisfaction

Measuring customer satisfaction can assist SMEs in making informed decisions. (Gronroos, 1994) SMEs can make data-driven decisions about which products or services to offer, how to price them, and how to improve them by collecting data on customer satisfaction. This can assist SMEs in making more informed, strategic decisions based on customer needs and preferences. (Grigoroudis & Siskos, 2004) identified several reasons why businesses should measure customer satisfaction, including:

- To gain a reliable understanding of the market and its own competitive position.
- To be aware of customer dissatisfaction because customers do not like to share their dissatisfaction.
- To identify potential market opportunities.
- To create a customized customer satisfaction measurement process for the specific business.
- To reveal disparities in management and customer perceptions of quality service.

Firstly, we should see the procedure of measurement of customer satisfaction as no neutral act but as an intervention which affects subsequent interaction with our customers. Secondly, we should always remember that as organizations we are trying to nurture relations with our customers, not merely to measure and document what we have found in our research. Thirdly, we should be prudent in our use of measures and use these as yardsticks in a learning process. Finally, we should remember that we need standardized and repeated measures for statistical analysis but that this may not be valued by business organizations. (McColl-Kennedy & Schneider, 2000) Customers' complaints and comments can be collected through comment cards, websites, social media sites, phone calls, and frontline personnel. In Furthermore, the organization can conduct more structured research by administering self-administered or telephone surveys to obtain customer satisfaction feedback on specific issues. It should be noted that customer satisfaction feedback should not be gathered if an organization does not intend to act on it, particularly negative feedback. As a result, before collecting customer satisfaction feedback, organizations must decide what they intend to do with it. (Temkin, 2014) SMEs can learn about the aspects of their products or services that customers like and those that need to be improved by soliciting feedback from them. This can assist SMEs in concentrating their efforts on areas that will have the greatest impact on customer satisfaction. (Bitner, 1990)

CHAPTER III

RESEARH METHODOLOGY

The framework of this chapter lays out many procedures that the researcher will employ to investigate the subject, along with the justification for each action. The chapter explores and provides information on the following subjects in general: designing a study, description of the study area and population, sampling design, sample size, sampling techniques, types and sources of data, data collection techniques, and data visualization and analysis.

3.1. Research Design

A research design is a comprehensive plan outlining the steps to take in order to gather and analyze the necessary data. The plan outlines the steps to take in order to achieve the research goal. This study's research design is both descriptive and explanatory. The descriptive research design is the most popular among researchers since it is rich in applying several research methods to investigate the research variables under consideration. The use of an explanatory research approach yields operational definitions, demands prioritization, and a better-researched model for a topic that has not been thoroughly studied. It is essentially the kind of research design that focuses on thoroughly describing each part of the study.

Since the relationship with perceived quality, perceived expectations, perceived value, customer loyalty, customer complaints with the customer satisfaction studies are not much investigated in ratnanagar municipality of Chitwan districts. The most effective research design strategy is a descriptive and explanatory one. That is why, this method was selected for the study.

Based on the results of the main survey, this study's conclusions. To gather information from the respondents, a self-administered questionnaire technique was used. The information and facts supplied by the sampled respondents served as the sole foundation for the conclusions. The study's methodology is based on a number of statistical tests, including correlation, regression, mean, and standard deviation. Microsoft Excel and the statistical package for social science (SPSS) program were used to examine and evaluate the quantitative data. Researcher use of this software is widespread, and it is widely accessible in corporate settings. Calculating the mean,

median, and standard deviation for the respondent profile involved using descriptive statistics. In the course of the research, T-test analysis and hypothesis were performed. Since the Cronbach's alpha test is the best indicator for numerous scale items and the most often used test for the inter-item consistency dependability, it is used to analyze the reliability of scales.

3.2. Description of Population and Sample

Population is the total number of people living in a specific location. The total number of potential respondents in the industries for which a survey is being conducted makes up the population.

The overall population consists of all business owners and managers. The population segment from which a sample is taken in order to collect data is called the sample. 385 people made up the sample for this study. Owners and managers of SMEs were approached and requested to complete a self-administered questionnaire using a survey method in order to get responses from the sample. As the precise number of SME owners and managers is unclear, this research will be conducted with a sample size of 385 computed with a 95% confidence level, a 5% margin of error, and a z-value of 1.960.

3.3. Sampling Techniques

The data were collected using a convenient sampling technique. For hypothesis testing research, this approach is appropriate and frequently employed. Convenient sampling is now widely acknowledged in management science where data must be acquired from a diverse group of respondents and the validity of the relationship between variables must be assessed contextually. Nonetheless, as the research was conducted for academic purposes on a limited budget, convenient sampling was adopted. To reach and gather information from the potential respondents, a convenient method was adopted as a result.

3.4. Sources of Data

Data sources are the techniques used to obtain and gather information from respondents in order to conduct the study. Data come from primary sources and secondary sources, respectively. Only primary data served as the major source for the

research, which was conducted using data directly gathered through the use of a questionnaire. The SMEs management and owner were personally contacted for the necessary primary data. This was accomplished by the direct dissemination of the questionnaire via mail, social media, and some physical distribution by the researcher. The primary source of data used in this study was via. Six study variables and a 36-item questionnaire with a self-administered survey approach were utilized to gather this data.

3.5. Instrumentation

There are two types of research instruments: ones that are created by the researcher themselves and those that have already been created and are in use. In this study, six instruments were used, perceived quality, perceived expectations, perceived value, customer loyalty, customers complaints and customer satisfaction. These research tools have already been tested and validated in western environment.

A questionnaire was used to gather primary data. Each study variable was covered by closed-ended questions in the survey. The primary and secondary data are the foundation of this investigation. The conceptual framework was created in the early stage based on the secondary data collection process. The internet, books, journals, newspapers, and articles served as the secondary sources of information for the literature study. The primary source of data collection was employed in the research's latter stages to collect data, analyze that data, and draw conclusions. As a result, the questionnaire served as the primary data collection instrument.

The Likert scale was specifically chosen because it is the simplest to construct of any attitude scale. Instead of indicating only whether a respondent was favorably inclined on an issue, the Likert scale provides a reliable measure of the respondent's actual position on the continuum. Our supervisor approved the questionnaire. A pilot test with 40 students was also conducted to ensure that the questionnaire was reliable and valid for data collection.

3.6. Reliability and Validity

When a test or other measuring device is used as part of the data collection process, its validity and reliability are critical. The validity of a measurement refers to how

well it truly represents characteristics that exist in the phenomenon under investigation. To ensure external validity, steps were taken to collect a sample that was as representative as possible.

There are several tools for conducting reliability tests, but Cronbach's alpha is the most commonly used. When multiple-item measures of a construct or concept are used in research, calculating Cronbach's alpha has become common practice. Data with alpha values ranging from 0.70 to 0.95 are generally considered reliable. A low alpha value could be caused by a small number of questions, poor interrelatedness between items, or heterogeneous constructs. Cronbach's alpha is also used in this study to test the reliability of the data collected.

Table 2 Cronbach's Alpha

Variables	Number of items	Cronbach's Alpha
Perceived quality	6	.815
Perceived expectations	6	.817
Perceived value	6	.813
Customer complaint	6	.869
Customer loyalty	6	.821
Customer satisfaction	6	.818

(Source: Survey, 2023)

The study measured six variables: perceived quality, perceived expectations, perceived value, customer complaint, customer loyalty and customer satisfaction, with each variable having six items. The analysis showed that perceived quality had a Cronbach's alpha of 0.815, perceived expectations had a Cronbach's alpha of 0.817, perceived value had a Cronbach's alpha of 0.813, customer complaint had a Cronbach's alpha of 0.869, customer loyalty had a Cronbach's alpha of 0.821, and customer satisfaction had a Cronbach's alpha of 0.818.

These values indicate that all variables have acceptable levels of internal consistency and reliability, with customer complaint having the highest Cronbach's alpha and

perceived value having the lowest cronbachs alpha. These results suggest that the variables are reliable measures and can be used to assess customer perceptios in the study.

3.7. Research Gap

Non of the above thesis has done research entitled “customer satisfaction: a key to survival for SMEs”: A Case of Ratnanagar Municipality. So this research could be benefical for future researcher, planners, students, SME owner, employess, customers in future. SME owners can benefit from research that identifies effective strategies for achieving high levels of customer satisfaction, which can lead to increased customer loyalty, higher sales, and improved business performance. As this can help SMEs create positive workplace culture that promotes high levels of customer satisfaction. Customers can benefit from research that identifies the factors that contributes to high levels of customer satisfaction, as this can help SMEs provide better products and services that meet their need and preferences. Similarly policy makers can benefit from research that highlights the importance of customer satisfaction for SMEs and identifies policies and programs that can support SMEs in achieving high levels of customer satisfaction and long term survival. While there is a lot of literature on the importance of customer satisfaction for SMEs, there is a lack of research on the effectiveness of different strategies for achieving high levels of customer satisfaction. For example, while some SMEs may focus on offering personalized services, others may provide rewards or loyalty programs, or use technology to improve the customer experience. More research could be done to investigate the impact of different customer satisfaction strategies on SME survival and identify the most effective approaches for achieving high levels of satisfaction. This could provide valuable insights for SMEs looking to improve their customer satisfaction and increase their chances of survival in competitive markets.

CHAPTER IV

RESULTS AND DISCUSSIONS

The Chapter details the demonstration summary, analysis, and interpretations of the various data gathered for the research utilizing the various methods covered in earlier chapters. This chapter offers descriptive analysis to fulfill the study's goals.

4.1. Demographical Profile of Respondent

The demographical profile of respondent reflected with the table:

Table IV.1 Demographical profile of respondent

Gender	Frequency	Percent
Male	246	63.9
Female	139	36.1
Total	385	100

(Source: Survey, 2023)

It seems that the above data represents the gender distribution of a population, with males comprising the majority at 63.9% and females at 36.1%. The total sample size is 385 owners and manager of SMEs, with 246 males and 139 females. This means that there are more males than females in the group.

Table IV.2 Age distribution of the respondents

Age Group in years	Frequency	Percent
< 30	126	32.7
30-50	195	50.6
> 50	64	16.6
Total	385	100

(Source: Survey, 2023)

out of total sample size of 385 owners and managers of SMEs, 126 are below 30 years old, which makes up 32.7% of the sample. 195 owners and manager of SMEs are between 30-50 years old, which is 50.6% of the sample. Finally, 64 owners and managers are above 50 years old, which accounts for 16.6% of the sample. So, from above table we can concluded that the largest age group in the sample is between 30-50 years old.

Table IV.3 Business sector of the respondents

Business Sector	Frequency	Percent
Agriculture	105	27.3
Manufacturing	90	23.4
Services	109	28.3
Construction	81	21
Total	385	100

(Source: Survey, 2023)

Out of total sample size of 385, 105 individuals work in the agriculture sector, which accounts for 27.3% of the sample. Similarly, 90 individuals work in the manufacturing sector (23.4%), 109 work in services (28.3%), and 81 work in construction (21%).

Table IV.4 Academic qualification of the respondents

Academic Qualification	Frequency	Percent
High School	151	39.2
Bachelor's	151	39.2
Master's or above	83	21.6
Total	385	100

(Source: Survey, 2023)

Out of total sample size of 385, 151 individuals have a high school qualification (39.2% of the sample), while an equal number of 151 individuals have a bachelor's degree (39.2%). The remaining 83 individuals have a master's degree or higher (21.6% of the sample).

This information helps us understand the academic qualification of the population being studied, with a relatively equal number of individuals having high school or bachelors' qualifications, and a smaller proportion holding master's degree or above.

Table IV.5 Position of the respondents

Position	Frequency	Percent
Owner	161	41.8

Manager	128	33.2
Both	96	24.9
Total	385	100

(Source: Survey, 2023)

Out of the total sample size of 385 respondents, 161 individuals are owners (41.8% of the sample), 128 individuals are manager (33.2% of the sample), and 96 individuals have both positions (24.9% of the sample).

This information provides insights into the distribution of the positions held by the respondents. We can see that the largest group is made up of the owners, followed by managers and individuals who hold both positions.

Table IV.6 Period of running business by the respondents

Period of running business	Frequency	Percent
< 5	113	29.4
6-10	155	40.3
11-25	70	18.2
> 25	47	12.2
Total	385	100

(Source: Survey, 2023)

From the above table we can see that most of respondents said their business has been running for 6-10 years. Fewer people said their business has been running for less than 5 years or for 11-25 years. The smallest group of the people said their business has been running for more than 125 years.

Table IV.7 Annual turnover in NRs. of the respondents

Annual Turnover in NRs.	Frequency	Percent
< 10,00,000	80	20.8
10,00,000-50,00,000	149	38.7
> 50,00,000	156	40.5
Total	385	100

(Source: Survey, 2023)

So, from the above table we can see that majority of the business surveyed have an annual turnover of between 10 to 50 lakhs. Fewer businesses have an annual turnover

of the less than 10 lakhs or above 50 lakhs, with a slightly higher percentages of businesses having an annual turnover above 50 lakhs compared to those with a turnover less than 10 lakhs.

4.2. Assessing SMEs Focus on Customer Satisfaction: A Likert Scale Evaluation.

A likert scale is a commonly used type of survey question in which respondents are asked to rate their level of agreement or disagreement with a statement on a scale of 1-5. This type of evaluation can be a useful tool for assessing SMEs focus on customer satisfaction. As it allows to capture the nuances of respondents, opinions and attitude in a quantitative format. By analysing the likert scale responses, we can gain insights into key areas where SMEs are meeting or exceeding customer expectations, as well as areas where improvements may be needed. Overall, the use of a likert scale evaluation can help SMEs make data-driven decisions that are focused on improving customer satisfaction and retention.

4.2.1. A Likert Scale Evaluation of Perceived Quality.

A likert scale evaluation of perceived quality can be a powerful tool for understanding how customers perceive the quality of SMEs products or services. By asking respondents to rate their agreement with statements related to different aspects of products or services on a scale of 1-5, SMEs can gain insights into the specific areas where customers perceive the highest and lowest quality. This can help to identify opportunities to improve the quality of products or services and prioritize areas for improvement.

Table 8 A likert scale evaluation of perceived quality

Statements related to perceived quality	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The products or services offered by our small and medium-sized enterprises are of high quality.	3 (0.8%)	1 (0.3%)	14 (3.6%)	183 (47.5%)	184 (47.8%)
Our products or services are of	1	2	23	223	136

a higher quality than those of our competitors.	(0.3%)	(0.5%)	(6.0%)	(57.9%)	(35.3%)
Our products or services consistently perform as expected.	1 (0.3%)	5 (1.3%)	71 (18.4%)	208 (54.0%)	100 (26.0%)
Our customers are satisfied with the quality of our products or services	1 (0.3%)	0 (0.0%)	41 (10.6%)	197 (51.2%)	146 (37.9%)
Our products and services are durable and long-lasting.	1 (0.3%)	7 (1.8%)	81 (21.0%)	188 (48.8%)	108 (28.1%)
Our products or services are innovative and offer value to our customers.	1 (0.3%)	7 (1.8%)	59 (15.3%)	208 (54.0%)	110 (28.6%)

(Source: Survey, 2023)

Based on the results we can see majority of participants approximately 60% either agreed or strongly agreed with the statement that the products and services offered by our SMEs are of higher quality. In this statement most of the respondents had a positive perception towards the products and services offered by SMEs.

Approximately 64% of respondents agreed or strongly agreed on the statement that our products or services are of higher quality than those of our competitors. Where just 3% of the respondents disagreed or strongly disagreed similarly approximately 6% of respondents were neutral in their response. Overall, these results suggest that SMEs products and services are perceived positively in terms of quality, both in absolute terms and relative to those of competitors.

Approximately 77% of respondents either agreed or strongly agreed with the statement our products or services consistently perform as expected. Where just over 1% either strongly disagreed or disagreed with the statement. finally, a moderate number of respondents (approximately 18%) where neutral in their responses to the statement. Overall, these results suggest that our products and services are generally perceived positively in terms of their consistency in meetings expectations.

In the statement our customers are satisfied with the quality of our products or services. Majority of the respondents (approximately 64%) either agreed or strongly agreed. On another hand no respondents disagreed with the statement, finally a moderate number of respondents (approximately 16%) were neutral in their responses. Overall, these results suggest that our customers are generally perceived to be satisfied with the quality of products or services.

In the statement our products and services are durable and long lasting. Majority of the respondents (approximately 53%) either agreed or strongly agreed. On another hand (approximately 5%) respondents strongly disagreed or disagreed with the statement, finally a moderate number of respondents (approximately 42%) were neutral in their responses. Overall, these results suggest that majority of the respondents had a positive perception of the durability and longevity of our products and services.

In the statement our products and services are innovative and offer value to our customers. Majority of the respondents (approximately 57%) either agreed or strongly agreed. On another hand (approximately 4%) respondents strongly disagreed or disagreed with the statement, finally a moderate number of respondents (approximately 39%) were neutral in their responses. Overall, these results suggest that products and services are generally perceived in terms of their level of innovation and value provided to customers.

4.2.2. A Likert Scale Evaluation of Perceived Expectations.

A likert scale evaluation of perceived expectations can be powerful tool for understanding how customer expectations align with their actual experience of SMEs products or services. By asking a respondents to rate their agreement statement related to different aspects of products or services on a scale of 1-5. SMEs can gain insights into the specific areas where customer expectations may be higher or lower than what SMEs is delivering. This can help to identify opportunities to adjust products or services offering to better align with customer expectations, ultimately leading to increased satisfaction and retention.

Table 9 A likert scale evaluation of perceived expectations

Statements related to perceived expectation	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Our customers have high expectations for the quality of our products and services.	2 (0.5%)	6 (1.6%)	14 (3.6%)	213 (55.3%)	150 (39.0%)
Our customers expect the customization process to be easy to understand and complete.	1 (0.3%)	9 (2.3%)	59 (15.3%)	222 (57.7%)	94 (24.4%)
We generally meet or exceed our customers' expectations in terms of quality.	1 (0.3%)	0 (0.0%)	75 (19.5%)	208 (54.0%)	101 (26.2%)
We generally meet or exceed our customers' expectations in terms of customers services.	2 (0.5%)	7 (1.8%)	89 (23.1%)	192 (49.9%)	95 (24.7%)
We generally meet or exceed our customers' expectations in terms of price.	6 (1.6%)	29 (7.5%)	111 (28.8%)	181 (47.0%)	58 (15.1%)
We clearly communicate the features and benefits of our products or services to our	2 (0.5%)	11 (2.9%)	33 (8.6%)	209 (54.3%)	130 (33.8%)

customers.

(Source: Survey, 2023)

In the statement our customer has high expectations for the quality of our products or services. Majority of the respondents (approximately 94.3%) either agreed or strongly agreed. On another hand (approximately 2.1%) respondents strongly disagreed or disagreed with the statement, finally a moderate number of respondents (approximately 4%) were neutral in their responses. Overall, the majority of customers have high expectations for the quality.

In the statement our customer expects customization process to be easy to understand and complete. Majority of the respondents (approximately 82.1%) either agreed or strongly agreed. On another hand (approximately 17.7%) respondents strongly disagreed or disagreed with the statement, finally a moderate number of respondents (approximately 15.3%) were neutral in their responses. Overall, the majority of customer expect the customization process to be easy to understand and complete, there is a significant minority that disagree with this statement.

In the statement we generally meet or exceed expectations of our customers in terms of quality. Majority of the respondents (approximately 80.5%) either agreed or strongly agreed. On another hand no respondent's response strongly disagreed or disagreed with this statement, finally a moderate number of respondents (approximately 19.5%) were neutral in their responses. Overall, the majority of customer believe that generally they meet or exceed their expectations in terms of quality.

In the statement we generally meet or exceed our customers' expectations in terms of customer services. Majority of the respondents (approximately 95.67%) either agreed or strongly agreed. On another hand no respondent's (approximately 3%) strongly disagreed or disagreed with this statement, finally a moderate number of respondents (approximately 29.67%) were neutral in their responses. Overall, it suggests that a large majority of customers are satisfied with the company's customers services.

In the statement we generally meet or exceed us in terms of price. Majority of the respondents. (Approximately 74.55%) either agreed or strongly agreed. On another

hand (approximately 2.34%) respondents strongly disagreed or disagreed with the statement, finally a moderate number of respondents (approximately 23.12%) were neutral in their responses. Overall, the customers are satisfied with the price

In the statement we clearly communicate the features and benefits of our products or services to our customers. Majority of the respondents (approximately 88.06%) either agreed or strongly agreed. On another hand (approximately 3.38%) respondents strongly disagreed or disagreed with the statement, finally a moderate number of respondents (approximately 8.57%) were neutral in their responses. Overall, this suggest that company is generally effective in communicating product features to customers but there may still some room for improvement.

4.2.3. A Likert Scale Evaluation of Perceived Value.

A likert scale evaluation of perceived vale can be powerful tool for understanding how customer perceives the value of SMEs products or services. By asking a respondents to rate their agreement statement related to different aspects of products or services on a scale of 1-5. SMEs can gain insights into the specific areas where customer perceive the highest and lowest value. This can help to identy opportunities to improve the value proposition of SMEs products or services and prioritize areas for improvement.

Table 10A likert scale evaluation of perceived value

Statements related to perceived value	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Our customers feel that the price of our products and services is fair given the quality.	3 (0.8%)	5 (1.3%)	73 (19.0%)	175 (45.5%)	129 (33.5%)
Our customers feel that the quality of our products and services is good given the price.	1 (0.3%)	7 (1.8%)	63 (16.4%)	221 (57.4%)	93 (24.2%)
Our products or services are more reliable than those of our	1 (0.3%)	6 (1.6%)	55 (14.3%)	207 (53.8%)	116 (30.1%)

competitors.

Our products or service are more durable and long lasting than those of our competitors.	4 (1.0%)	9 (2.3%)	64 (16.6%)	200 (51.9%)	108 (28.1%)
--	-------------	-------------	---------------	----------------	----------------

Our customers believe that our products or services are worth the extra cost compared to similar products or services from competitors.	20 (5.2%)	60 (15.6%)	67 (17.4%)	185 (48.1%)	53 (13.8%)
---	--------------	---------------	---------------	----------------	---------------

Our products or services are more innovative than those of our competitors.	2 (0.5%)	15 (3.9%)	59 (15.3%)	225 (58.4%)	84 (21.8%)
---	-------------	--------------	---------------	----------------	---------------

(Source: Survey, 2023)

In the statement our customers feel that the price of our products and services is fair given the quality. Majority of the respondents 304 respondents out of 385 either agreed or strongly agreed with the statement this is equivalent to 79.22%. On another hand 78 respondents out of 385 either strongly disagreed or disagreed with the statement which is equivalent to 20.26%. finally, 73 respondents out of 385 had a neutral response which is equivalent to 18.96%.

In the statement our customers feel that the quality of our products and services is good given the price. Majority of the respondents out of 385, 314 either agreed or strongly agreed which represents of 81.6%. On another hand minority of respondents (71 out of 385) either strongly disagreed or disagreed with the statement which represents, finally a moderate number of respondents 63 out of 385 were neutral in their responses.

In the statement our products and services are more reliable than those of our competitors. Majority of the respondents out of 385, 323 either agreed or strongly agreed which represents of 83.9%. On another hand minority of respondents (61 out of 385) either strongly disagreed or disagreed with the statement which represents, finally a moderate number of respondents 634 out of 385 were neutral in their

responses. Overall, the data suggest that majority of respondents perceive their products and services is more reliable than those of their competitors

In the statement our products or services are more durable and long lasting than those of our competitors. Majority of the respondents out of 385, 308 either agreed or strongly agreed which represents of 80%. On another hand minority of respondents (13 out of 385) either strongly disagreed or disagreed with the statement, finally a moderate number of respondents 64 out of 385 were neutral in their responses. In overall majority of the respondents perceive their products and services are more durable and long lasting than those of their competitors.

In this statement our customers believe that our products or services are worth extra cost compared to similar products or services from competitors. There are still a significant number of respondents who either disagree or have neutral views on this statement. Specially 127 respondents have a negative view on the value of their products and services compared to those of their competitors. Where 62% of respondents agreed or strongly agreed with the statement.

In the statement our products or services are more innovative than those of our competitors. Majority of the respondents out of 385, 309 either agreed or strongly agreed which represents of 80%. On another hand minority of respondents (76 out of 385) either strongly disagreed or disagreed or neutral with the statement. In overall majority of the respondents perceive their products or services to be more innovative than those of competitors, which is a positive indicator for the company.

4.2.4. A Likert Scale Evaluation of Customer Complaint.

A likert scale evaluation of customer complaint can be useful tool for understanding the serverity and impact of customer complaints on SMEs. By asking a respondents to rate their agreement statement related to different aspects of products or services on a scale of 1-5. SMEs can gain insights into the specific areas where customer are most dissatisfied and where improvements are needed. This can help to identify the root causes of customer complaints and take targeted action to address them, ultimately leading to increased customer satisfaction and loyalty.

Table 11 A likert scale evaluation of customer complaint

Statements related to customer complaint	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Our small and medium-sized enterprises receive a higher number of complaints.	89 (23.1%)	211 (54.8%)	39 (10.1%)	30 (7.8%)	16 (4.2%)
Our small and medium-sized enterprises receive a low number of customers complaints.	4 (1.0%)	21 (5.5%)	97 (25.2%)	229 (59.5%)	34 (8.8%)
Our small and medium-sized enterprises effectively handle customers complaints	2 (0.5%)	8 (2.1%)	44 (11.4%)	266 (69.1%)	65 (16.9%)
Our small and medium-sized enterprises resolve customer complaints to the satisfaction of the customers.	1 (0.3%)	4 (1.0%)	44 (11.4%)	239 (62.1%)	97 (25.2%)
Our small and medium-sized enterprises follow up with customers after a complaint has been resolved to ensure their satisfaction.	3 (0.8%)	6 (1.6%)	68 (17.7%)	196 (50.9%)	112 (29.1%)
The customers have complained either formally or informally about the products and services.	3 (0.8%)	17 (4.4%)	73 (19.0%)	219 (56.9%)	73 (19.0%)

(Source: Survey, 2023)

In the statement our SMEs receive higher number of complaints. Minority of the respondents. (Approximately 11%) either agreed or strongly agreed. On another hand majority of respondents (approximately 78%) respondents either strongly disagreed or disagreed with the statement, finally a moderate number of respondents (approximately 10%) were neutral in their responses. Overall, these findings suggest

that there may not be a widespread perception that SMEs receive a higher number of complaints, at least among the respondents in this study.

In the statement our SMEs receive lower number of complaints. Majority of the respondents. 66.5% either agreed or strongly agreed. On another hand minority of 5.5% respondents either strongly disagreed or disagreed with the statement, finally a moderate number of respondents relatively large percentage 25.2% were neutral in their responses. Overall, these findings suggest that there may be general perception among the respondents in this statement that SMEs do not receives a higher number of customer complaints.

In the statement our SMEs effectively handles customers complaints. Majority of the respondents. (93.5%) either agreed or strongly agreed. On another hand minority of respondents (2.3%) respondents either strongly disagreed or disagreed with the statement, finally relatively small percentage 11.4% moderate number of respondents neutral in their responses. Overall, these findings suggest that there is general perception among the respondents in this statements that SMEs are effective in handling customer complaints.

In the statement our SMEs resolve customer complaints to the satisfaction of the customers. Majority of the respondents. 91.9% either agreed or strongly agreed. On another hand minority of respondents (1.6%) respondents either strongly disagreed or disagreed with the statement, finally relatively small percentage 11.4% moderate number of respondents neutral in their responses. Overall, these findings suggest that there is general perception among the respondents in this statements that SMEs are effective in resolving customer complaints to the satisfaction of the customers.

In the statement our SMEs follow up with customer after a complaint has been resolved to ensure their satisfaction. Majority of the respondents. 82.3% either agreed or strongly agreed. On another hand small proportion of respondents (2.3%) respondents either strongly disagreed or disagreed with the statement, finally relatively large percentage 17.7% moderate number of respondents neutral in their responses. Overall, these findings suggest that there is general perception among the

respondents in this statements that SMEs follow up with customers after resolving their complaints to ensure their satisfaction.

In the statement the customers have complained either formally or informally about the products and services. Majority of the respondents. 80.3% either agreed or strongly agreed. On another hand small proportion of respondents (4.4%) respondents either strongly disagreed or disagreed with the statement, finally relatively large percentage 19.0% moderate number of respondents neutral in their responses. Overall, these findings suggest that there is general perception among the respondents in this statements that customers complaints are a common occurrence in context of SMEs.

4.2.5. A Likert Scale Evaluation of Customer Loyalty.

A likert scale evaluation of customer loyalty can be powerful tool for understanding how loyal customers are to SMEs brand. By asking a respondents to rate their agreement statement related to different aspects of products or services on a scale of 1-5. SMEs can gain insights into the specific areas where SMEs brand is performing well and where improvements may be needed to increase customer loyalty. This can help to identify opportunities to strengthen SMEs brand and deepen customer relationships, ultimately leading to increased customer retention and revenue.

Table 12A likert scale evaluation of customer loyalty

Statements related to customer loyalty	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Our customers are likely to purchase from our small and medium-sized enterprises in the future.	1 (0.3%)	3 (0.8%)	40 (10.4%)	231 (60.0%)	110 (28.6%)
Our customers are likely to recommend our products or services to others.	2 (0.5%)	6 (1.6%)	48 (12.5%)	218 (56.6%)	111 (28.8%)
Our customers are willing to pay a premium price for our products or services.	36 (9.4%)	66 (17.1%)	106 (27.5%)	126 (32.7%)	51 (13.2%)

Our customers are more likely to repurchase products or services from our small and medium-sized enterprises if the price were to decrease.

5	5	52	200	123
(1.3%)	(1.3%)	(13.5%)	(51.9%)	(31.9%)

Our customers believe that our small and medium-sized enterprises offer a superior products or services compared to our competitors.

4	9	67	222	83
(1.0%)	(2.3%)	(17.4%)	(57.7%)	(21.6%)

Our customers are willing to forgive our small and medium-sized enterprises for mistake or issue that may arise.

132	156	46	43	8
(34.3%)	(40.5%)	(11.9%)	(11.2%)	(2.1%)

(Source: Survey, 2023)

In the statement our customers are likely to purchase from our SMEs in the future. Majority of the respondents. 88.57% either agreed or strongly agreed. On another hand small proportion of respondents (1.04%) respondents either strongly disagreed or disagreed with the statement, finally relatively large percentage 10.4% moderate number of respondents neutral in their responses. Overall, these findings suggest that there is general perception among the respondents in this statements that customers are likely to purchase from our SMEs in the future

In the statement our customers are likely to recommend our products or services to others. Majority of the respondents. 85.45% either agreed or strongly agreed. On another hand small proportion of respondents (2.08%) respondents either strongly disagreed or disagreed with the statement, finally relatively large percentage 12.47% moderate number of respondents neutral in their responses. Overall, these findings suggest that there is general perception among the respondents in this statements that customers are likely to recommend their products and services to others.

In the statement our customers are willing to pay a premium price for our products or services. Majority of the respondents. 46.98% either agreed or strongly agreed. On

another hand small proportion of respondents (54.02%) respondents either strongly disagreed or disagreed or neutral with the statement. Overall, these findings suggest that feedbacks and opinions of customers to ensure that SMEs are meeting their needs and expectations.

In the statement our customers are more likely to repurchase products and services from our SMEs if the price were to decrease. Majority of the respondents. 83.89% either agreed or strongly agreed. On another hand small proportion of respondents (2.60%) respondents either strongly disagreed or disagreed with the statement, finally relatively large percentage 31.51% moderate number of respondents neutral in their responses. Overall, these findings suggest that there is general perception among the respondents in their customers are more likely to repurchase products and services from our SMEs if the price were to decrease.

In the statement our customers believe that our SMEs offer superior products or services compared to our competitors. Majority of the respondents. 79.22% either agreed or strongly agreed. On another hand small proportion of respondents (3.38%) respondents either strongly disagreed or disagreed with the statement, finally relatively large percentage 17.40% moderate number of respondents neutral in their responses. Overall, these findings suggest that there is general perception among the respondents that their customers believe that their SMEs offer superior products or services compared to our competitors.

In the statement our customers are willing to forgive our SMEs for mistake or issue that may arise. A significant proportion of respondents 74.81% either disagree or strongly disagree. This may indicate that there are areas for improvement in terms of addressing and resolving customers issues or complaints.so it is important to take customers feedback seriously and to work to address any issues in order to maintain customer satisfaction and loyalty. Where 25.20% either agreed or strongly agreed or neutral in their responses.

4.2.6. A Likert Scale Evaluation of Customer Satisfaction.

A likert scale evaluation of customer satisfaction can be useful tool for understanding how satisfied are customers with SMEs products or services. By asking a respondents to rate their agreement statement related to different aspects of products or services on

a scale of 1-5. SMEs can gain insights into the specific areas where customers are most satisfied and where the improvement may be needed. This can help to identify customers satisfaction and prioritize areas for improvements, ultimately leading to increased customer loyalty and revenue.

Table 13A likert scale evaluation of customer satisfaction

Statements related to customer satisfaction	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Our customers are satisfied with the overall appearance and presentation of our products or services.	2 (0.5%)	3 (0.8%)	27 (7.0%)	226 (58.7%)	127 (33.0%)
Our customers are satisfied with the quality of our products or services.	1 (0.3%)	2 (0.5%)	20 (5.2%)	245 (63.6%)	117 (30.4%)
Our customers are satisfied with the level of customer services they receive from our small and medium-sized enterprises.	2 (0.5%)	5 (1.3%)	55 (14.3%)	217 (56.4%)	106 (27.5%)
Our customers are satisfied with the price of our products or services.	4 (1.0%)	17 (4.4%)	97 (25.2%)	168 (43.6%)	99 (25.7%)
Our customers are satisfied with level of communication they receive from our small and medium-sized enterprises.	2 (0.5%)	4 (1.0%)	54 (14.0%)	217 (56.4%)	108 (28.1%)
Our customers are satisfied with the follow-up they receive from our small and medium-sized enterprises to ensure their satisfaction with our products or services.	2 (0.5%)	3 (0.8%)	63 (16.4%)	188 (48.8%)	129 (33.5%)

(Source: Survey, 2023)

In the statement our customers are satisfied with the overall appearance and presentation of our products or services. Majority of the respondents. 88.3% either agreed or strongly agreed. On another hand small proportion of respondents (1.3%) respondents either strongly disagreed or disagreed with the statement, finally 6.8% moderate number of respondents neutral in their responses. So it is important to note

that vast majority of respondents have a positive perception, but there is still small minority who have negative or neutral opinions that may be worth addressing to improve customer satisfaction.

In the statement Our customers are satisfied with the quality of our products or services Majority of the respondents. 90.6% either agreed or strongly agreed. On another hand small proportion of respondents (0.8%) respondents either strongly disagreed or disagreed with the statement, finally 5% moderate number of respondents neutral in their response. So it is important to note that vast majority of respondents have a positive perception, but there is still small minority who have negative or neutral opinions that may be worth addressing to improve customer satisfaction.

In the statement our customers are satisfied with the level of customer services they receive from our small and medium-sized enterprises. Majority of the respondents. 80.8% either agreed or strongly agreed. On another hand small proportion of respondents (1.8%) respondents either strongly disagreed or disagreed with the statement, finally 13.8% moderate number of respondents neutral in their response. So it is important to note that vast majority of respondents have a positive perception, but there is still small minority who have negative or neutral opinions that may be worth addressing to improve customer satisfaction.

In the statement our customers are satisfied with the price of our products or services. Majority of the respondents. 66.9% either agreed or strongly agreed. On another hand small proportion of respondents (5.3%) respondents either strongly disagreed or disagreed with the statement, finally 24.3% moderate number of respondents neutral in their response. so it is worth nothing that while majority of customers are neutral or positive towards the price of their products or services, a significant number of customers are dissatisfied, which may worth investigating further to identify areas for improvement.

In the statement our customers are satisfied with level of communication they receive from our small and medium-sized enterprises. Majority of the respondents. 81.3% either agreed or strongly agreed. On another hand small proportion of respondents (1.5%) respondents either strongly disagreed or disagreed with the statement, finally 13.5% moderate number of respondents neutral in their response. so it is worth

nothing that while majority of customers are satisfied with level of communication they receive from their small and medium-sized enterprises.

In the statement our customers are satisfied with the follow-up they receive from our small and medium-sized enterprises to ensure their satisfaction with our products or services. Majority of the respondents. 79.3% either agreed or strongly agreed. On another hand small proportion of respondents (1.3%) respondents either strongly disagreed or disagreed with the statement, finally 15.8% moderate number of respondents neutral in their response. so, it is worth nothing that while majority of customers are satisfied with the follow-up they receive from there small and medium-sized enterprises to ensure their satisfaction with our products or services.

4.3. Descriptive Statistics Analysis.

Descriptive analyses were carried out in order to present descriptive scores of the variables used in the survey. The descriptive analysis in this study includes the computation of statistical measures such as mean and standard deviation. The SPSS output yielded a total of 36 items (questions) with specific mean scores. For overall question, a five-point Likert scale ranging from 'Strongly Disagree' to 'Strongly Agree' was used, with 1 representing 'Strongly Disagree,' 2 representing 'Disagree,' 3 representing 'Neutral,' 4 representing 'Agree,' and 5 representing 'Strongly Agree'. These values aid in the analysis of data pertaining to frequencies and aggregation in relation to research questions and variables.

4.3.1. Measuring Customer Satisfaction: Descriptive Statistics Analysis.

Descriptive statistics can be powerful tool for measuring customer satisfaction. By analysing data through descriptive statistical methods, we can gain insights into key metrics such as overall satisfaction scores, average ratings for specific aspects of products or services. This insights can help us to identify areas where SMEs are doing well and areas where it need to improve. Overall descriptive statistics provide a solid foundation for data-driven decision making in the context of customer satisfaction.

Table 14 Descriptive Statistics

Descriptive Statistics	No. of Items	Mean \pm SD	Min. Score	Max. Score
Perceived Quality	6	25.1 \pm 2.2	6	30
Perceived Expectations	6	24.2 \pm 2.5	6	30
Perceived Value	6	23.8 \pm 2.9	6	30
Customer Complaint	6	21.9 \pm 2.3	6	30
Customer Loyalty	6	21.7 \pm 2.5	6	30
Customer Satisfaction	6	24.7 \pm 2.3	6	30
Overall	36	141.3 \pm 10.3	36	180

(Source: Survey, 2023)

In perceived quality the mean score of 25.1 indicates that on, average, respondents rated the perceived quality of the products or services positively. Similarly, the standard deviation of 2.2 suggest that there is some variability in the responses, with some respondents rating the perceived quality higher or lower than the mean.

Similarly in perceived expectations the mean score of 24.2 indicates that on, average, respondents rated the perceived expectations of the products or services positively. Similarly, the standard deviation of 2.5 suggest that there is some variability in the responses, with some respondents rating the perceived expectations higher or lower than the mean.

In perceived value the mean score of 23.8 indicates that, on average respondents perceived the value of the products and services positively. The standard deviation of 2.9 suggest that there is some variability in the responses, with some respondents perceiving the value higher or lower than the mean.

In customer complaints we can see the mean score is 21.9 which suggest that on, average respondents reported a low number of complaints. The standard deviation of 2.3 indicates that there is some variability in the responses, with some respondents reporting more complaints than others.

In customer loyalty the mean score of 21.7 suggest on average, respondents reported a moderate level of customer loyalty. The standard deviation of 2.5 indicates that there

is some variability in the responses, with some respondents reporting higher or lower levels of loyalty the mean

In customer satisfaction the mean score of 24.7 suggest that, on average, respondents reported a higher level of satisfaction. The standard deviation of 2.3 indicates that there is some variability in the responses, with some respondents reporting higher or lower levels of satisfaction the mean.

In overall variable

The mean score of 141.3 suggest that, on average, respondents reported moderately high levels across all six dimensions. That is (perceived quality, perceived expectations, perceived value, customer complaints, customer loyalty and customer satisfaction). The standard deviation of 10.3 indicates that there is some variability in the responses, with some respondents reporting higher or lower levels across the dimensions than the mean.

The overall variables are comprised of scores from six different dimensions, each with six items, resulting in a total of 36 items. The minimum score for the overall variables is 36, which represents the lowest possible score that could be obtained if a respondent gave the lowest score possible (i.e.,1) for each item across all dimensions. The maximum score for the overall variables is 180, which represents the highest possible score that could be obtained if a respondent gave the highest score possible (i.e.,5) for each item across all dimensions.

So, from this descriptive analysis of six dimensions, SMEs can identify areas where their organization is performing well and areas where improvement is needed. From this they also can compare their scores to industry benchmarks or competitors scores to see how they are performing relative to others in their industry.

Overall, measuring customer satisfaction through these six dimensions can provide valuable insights that can help SMEs to make data driven decisions to improve customer satisfaction and driven business success.

4.4. Hypothesis Testing Using Pearsons Correlation Coefficient.

Hypothesis testing using pearsons coefficient an help to test specific hypothesis about the relationship between variables, such as whether a cetain variable is positively or negatively correlated with other variable. This can help to validate assumptions and make more accurate predictions about the future SMEs trends. Overall, the use of hypothesis testing using pearsons correlation coefficient can help SMEs to make data driven decision that are focused on optimizing business outcomes and increasing long term success.

Table 15 Hypothesis tesing using pearsons correlation coefficient

Variables	Pearson's Correlation Coefficient (r)	p Value
Perceived Quality	0.47	< 0.001
Perceived Expectations	0.43	< 0.001
Perceived Value	0.32	< 0.001
Customer Complaint	0.36	< 0.001
Customer Loyalty	0.42	< 0.001

(Source: Survey, 2023)

The above table is of person's correlation coefficient (r) so this table is conducted to analysis a correlation between variables with customer satisfaction.

We know,

A correlation coefficient between -1 and -0.7 or between 0.7 and 1 indicates a strong negative or positive correlation.

A correlation coefficient between -0.5 and -0.3 or between 0.3 and 0.5 indicates a moderate negative or positive correlation.

A correlation coefficient between -0.3 and -0.1 or between 0.1 and 0.3 indicates a weak negative or positive correlation

A correlation coefficient between -0.1 and 0.1 indicates no correlation.

In perceived quality we can see correlation coefficient (r) is 0.47, which indicates a moderate positive correlation between the two variables perceived quality and

customer satisfaction. Additionally, p- value is <0.001 , which suggests that the correlation is statistically significant.

In perceived expectations we can see correlation coefficient (r) is 0.43, which indicates a moderate positive correlation between the two variables perceived expectations and customer satisfaction. Additionally, p- value is <0.001 , which suggests that the correlation is statistically significant.

In perceived value we can see correlation coefficient (r) is 0.32, which indicates weak positive correlation between the two variables perceived value and customer satisfaction. Additionally, p- value is <0.001 , which suggests that the correlation is statistically significant

In customer complaint we can see correlation coefficient (r) is 0.36, which indicates a weak positive correlation between the two variables customer complaints and customer satisfaction. Additionally, p- value is <0.001 , which suggests that the correlation is statistically significant

In customer loyalty we can see correlation coefficient (r) is 0.42, which indicates a moderate positive correlation between the two variables perceived expectations and customer satisfaction. Additionally, p- value is <0.001 , which suggests that the correlation is statistically significant.

4.5. Relationship Between Customer Satisfaction and The Survival of SMEs

Customer satisfaction is a key driver of perceived quality, perceived expectations, perceived value, customer complaints and customer loyalty. So by measuring customer satisfaction and continuously improving it over time, SMEs can increase loyalty, retention, and advocacy, and ultimately improve their chances of survival and success in the long term.

4.5.1. Relationship Between Customer Satisfaction and Perceived Quality

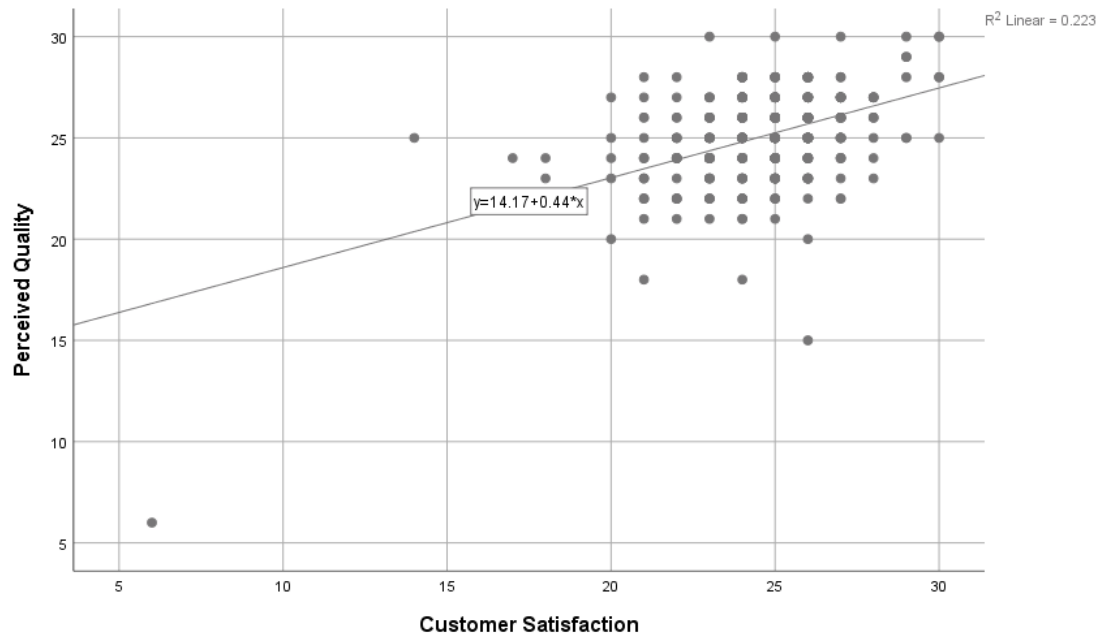


Figure 3 Scatter diagram of customer satisfaction and Perceived quality

So, in, the above figure of linear regression analysis to examine the relationship between perceived quality (y-axis) and customer satisfaction (x-axis). The results show that for every unit increase in customer satisfaction, perceived quality is expected to increase by 0.44 units. And the intercept (the expected value of perceived quality when customer satisfaction is zero) is 14.17. the R-squared value of 0.223 indicates that 22.3% of the variance in perceived quality can be explained by customer satisfaction.

4.5.2. Relationship Between Customer Satisfaction and Perceived Expectations

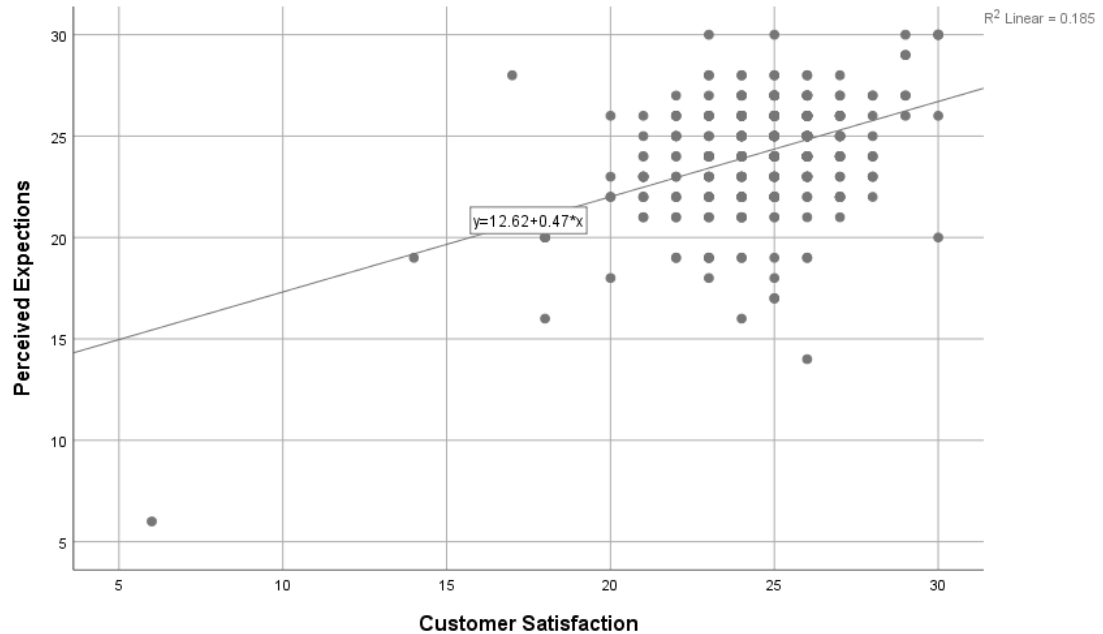


Figure 4 Scatter diagram of customer satisfaction and perceived expectations

So, in, the above figure of linear regression analysis to examine the relationship between perceived expectations (y-axis) and customer satisfaction (x-axis). The results show that for every unit increase in customer satisfaction, perceived expectations are expected to increase by 0.47 units. And the intercept (the expected value of perceived expectations when customer satisfaction is zero) is 12.62. the R-squared value of 0.185 indicates that 18.5% of the variance in perceived expectations can be explained by customer satisfaction.

4.5.3. Relationship Between Customer Satisfaction and Perceived Value

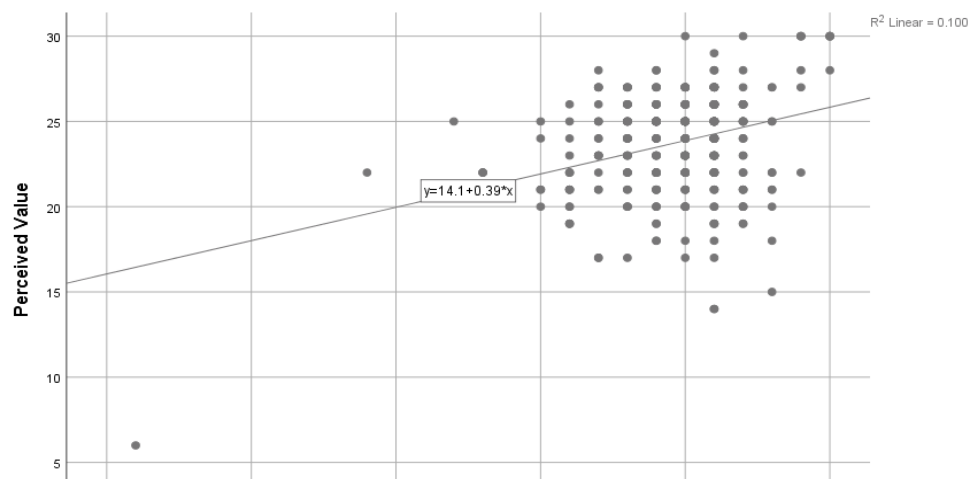


Figure 5 Scatter diagram of customer satisfaction and perceived value

So, in, the above figure of linear regression analysis to examine the relationship between perceived value (y-axis) and customer satisfaction (x-axis). The results show that for every unit increase in customer satisfaction, perceived value is expected to increase by 0.39 units. And the intercept (the expected value of perceived value when customer satisfaction is zero) is 14.1. the R-squared value of 0.100 indicates that 10% of the variance in perceived value can be explained by customer satisfaction.

4.5.4. Relationship Between Customer Satisfaction and Customer Complaint

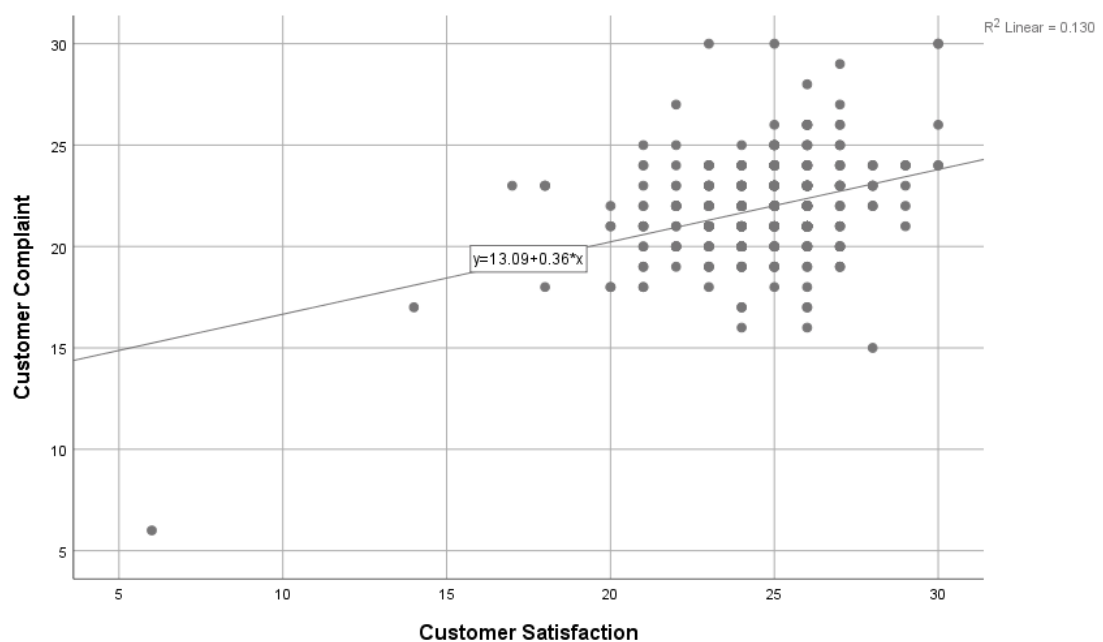


Figure 6 Scatter diagram of customer satisfaction and customer complaint

So, in, the above figure of linear regression analysis to examine the relationship between customer complaints (y-axis) and customer satisfaction (x-axis). The results show that for every unit increase in customer satisfaction, customer complaints expected to decrease by 0.36 units. And the intercept (the expected value of customer complaints when customer satisfaction is zero) is 13.09. the R-squared value of 0.130 indicates that 13% of the variance in customer complaints can be explained by customer satisfaction.

4.5.5. Relationship Between Customer Loyalty and Customer Satisfaction

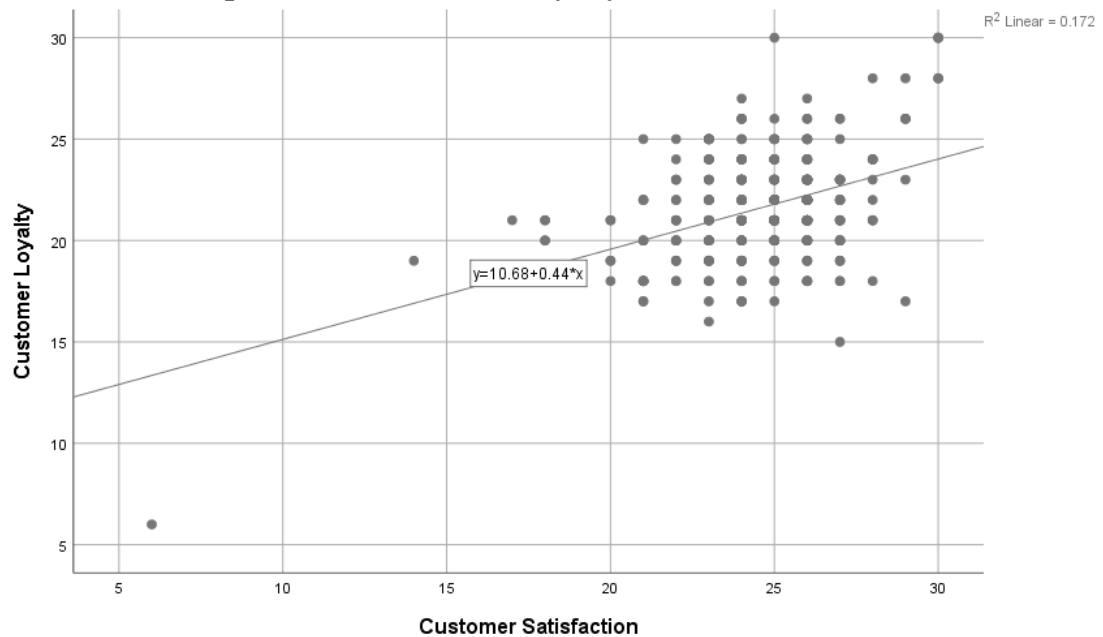


Figure 7 Scatter diagram of customer satisfaction and customer loyalty

So, in, the above figure of linear regression analysis to examine the relationship between customer loyalty (y-axis) and customer satisfaction (x-axis). The results show that for every unit increase in customer satisfaction, customer loyalty expected to increase by 0.44 units. And the intercept (the expected value of customer loyalty when customer satisfaction is zero) is 10.68. the R-squared value of 0.172 indicates that 17% of the variance in customer loyalty can be explained by customer satisfaction

4.6. Majors' Findings

- Out of total 385 respondents, 63.9percent were male and the remaining 36.1 percent were female.
- The majority of the population falls within the 30-50 age range, comprising over 50% of the total population, while those below 30 and above 50 make up 32% and 16.6% respectively.
- Out of total 385 respondents, 41.8% are owners, 33.2% are managers, and 24.9% are classified as both owners and managers.
- The majority of the respondents have been running for 6-10 years (40.3%), followed by those running for less than 5 years (29.5%). Where smaller

percentage of respondents have been running for 11-25 years (18.2%), while only 12.2% have been running for over 25 years.

- Out of total 385 majority of respondents operate in the service sector (28.3%), followed by agriculture sector (27.3%), manufacturing sector (23.4%), and construction (21%)
- Out of 385 majority of respondents hold a high school qualification (39.2%), followed by a bachelor's degree (39.2%). Where smaller percentage of respondents hold a master's degree or above (21.6%)
- The majority of the respondents have an annual turnover of above 50 lakhs (40.5%) followed by 10 to 50 lakhs (38.7%). Where a smaller percentage of respondents have an annual turnover of less than 10 lakhs (20,8%).
- The mean score of perceived quality in a five-point Likert scale is 25.1 indicates that on, average, respondents rated the perceived quality of the products or services positively. Similarly, the standard deviation of 2.2 suggest that there is some variability in the responses.
- The mean score of perceived expectations is 24.2 indicates that on, average, respondents rated the perceived expectations of the products or services positively. Similarly, the standard deviation of 2.5 suggest that there is some variability in the responses.
- The mean score of perceived value is 23.8 indicates that, on average respondents perceived the value of the products and services positively. The standard deviation of 2.9 suggest that there is some variability in the responses.
- The mean score of customer complaints is 21.9 which suggest that on, average respondents reported a low number of complaints. The standard deviation of 2.3 indicates that there is some variability in the responses, with some respondents reporting more complaints than others.
- The mean score of customer loyalty is 21.7 suggest on average, respondents reported a moderate level of customer loyalty. The standard deviation of 2.5 indicates that there is some variability in the responses, with some respondents reporting higher or lower levels of loyalty the mean.

- The mean score of customer satisfaction is 24.7 suggest that, on average, respondents reported a higher level of satisfaction. The standard deviation of 2.3 indicates that there is some variability in the responses, with some respondents reporting higher or lower levels of satisfaction the mean.
- Perceived quality, perceived expectations, and perceived value all have positive correlations with customer satisfaction, with perceived quality having the strongest correlation.
- customer complaints and customer loyalty also have positive correlations with customer satisfaction, with the customer loyalty having the moderate correlation.
- In linear regression models for each variables shows that perceived quality, perceived expectations, customer complaints, and customer loyalty all have a statistically significant relationship with customer satisfaction
- However, perceived value has a weaker relationship with customer satisfaction according to the linear regression model.

4.7. Discussion

The main goal of this study is to determine the customer satisfaction a key to survival for SMEs. Additionally, the precise aim of this study is: to extent to which SMEs focus on customers satisfaction, to extent to which SMEs measures customer satisfaction level. As a result, the researcher looked into how several aspects of customer satisfaction, such as perceived quality, perceived expectation, perceived value, customer loyalty, customer complaints, and customer satisfaction, influence the survival of SMEs. The findings of this study provide critical information about the customer satisfaction a key to survival for SMEs like perceived quality, perceived expectation, perceived value, customer loyalty, customer complaints, and customer satisfaction. The research sample was drawn from the owner and manager of Ratnanagar Municipality. The study was conducted to measure customer satisfaction similarly to know they focus on customer satisfaction or not. The five-point Likert scale is used similarly, the dependent and independent variables were derived from the literature review, and conceptualization was completed in the second chapter of this study. The variables extracted from the literature reviews form the basis of the

study's framework. Some of the research findings were similar to those of this study, while others were not.

perceived quality, perceived expectation, perceived value, customer loyalty, customer complaints are independent variables and customer satisfaction is a dependent variable. The findings of this study were based on five-point Likert scale descriptive and inferential statistics analysis of primary data collected via survey questionnaire. 385 responses were collected from the SMEs owner and manager of Ratnanagar municipality.

Data from the questionnaire were analyzed and interpreted using various statistical tools. The first section of the study focuses on respondent demographic profiles. It provides respondents' demographic information, such as age, gender, educational level, position, and time period for being an entrepreneur. The five-point Likert scale results was examined in the second part. The descriptive analysis of various factors was examined in the third part. The final section is about inferential analysis, which used various tools such as correlation and scatter regression. The correlation analysis revealed that all of the independent variables have a significant influence on the dependent variable. Furthermore, according to the scatter regression analysis, all independent variables have a positive and significant impact on the dependent variables.

CHAPTER V

SUMMARY AND CONCLUSIONS

The summary and conclusions are covered in this chapter. Here, the entire study is succinctly presented and the main summary is drawn. Major conclusions are also presented in a separate section of this chapter, and implications based on the research's results about customer satisfaction a key to survival for SMEs is also drawn.

5.1. Summary

The study aims is to extent to which SMEs of Ratnanagar municipality focus on customer satisfaction. Similarly, to extent to which SMEs of Ratnanagar municipality measure customer satisfaction level and also to know the relationship between customer satisfaction and the survival of SMEs of Ratnanagar municipality.

Based on the literature review, many dependent factors were discovered. These variables were perceived quality, perceived expectations, perceived value, customer loyalty, customer complaints. The study was done to determine whether or not the independent variables have significant impact on the dependent variable.

The researcher used a self-administered questionnaire to gather primary data from 385 respondents. The questionnaire was distributed via email, various social media, printed form, and other means. The convenience sampling method was utilized in this study. The study has a quantitative focus. To gather primary data, questionnaires with multiple choices, rating scales, Likert scales, and other demographic information were used. The five-point Likert scale was used to measure each variable.

Descriptive and explanatory research were used in the research design. Statistical Package for Social Science was used to assess the results of a research design that combined descriptive, correlational, and regression analysis (SPSS). Five independent variables—perceived quality, perceived expectations, perceived value, customer loyalty, and customer complaints—have been identified based on a review of the literature. The goal of the study was to ascertain whether or not the independent factors had any discernible effects on the dependent variable, i.e., customer satisfaction.

The study was conducted among the SMEs owner, manager of ratnanagar

municipality. Participating in the poll were 385 people in total. Using the SPSS program, the researcher examined the respondent profile after analyzing the data. In addition, with the aid of the software, descriptive analysis, correlation, and regression were carried out to ascertain the outcomes of the survey.

The study examines the relationship between customer satisfaction and various factors such as perceived quality, perceived expectations, perceived value, customer complaints, and customer loyalty. The results indicate a significant positive correlation between each of the factors and customer satisfaction. Linear regression analysis shows that perceived quality, perceived expectations, perceived value, customer complaints, and customer loyalty have a significant impact on customer satisfaction.

The findings suggest that SMEs need to focus on improving these factors to enhance their customers overall experiences and increase customer loyalty, which can lead to greater business success. This study contributes to the existing literature on customer satisfaction and provides practical implications for SMEs to measure and improve customer satisfaction.

5.2. Conclusion

The goal of this study was to discover customer satisfaction a key to survival for SMEs. perceived quality, perceived expectation, perceived value, customer loyalty, customer complaints are analysed to determine customer satisfaction.

Several valid conclusions can be drawn from the findings of this study. There are several factors that influence customer satisfaction, including perceived quality, perceived expectation, perceived value, customer loyalty, customer complaints. The correlations between these factors and customers satisfaction are all statistically significant (with p- values less than 0.001), suggesting that they are important predictors of customer satisfaction.

In particular, perceived quality appears to be the strongest predictor of customer satisfaction, with a correlation coefficient of 0.477 and a regression coefficient of 0.44. this suggest that improving perceived quality is likely to have the greatest impact on increasing customer satisfaction.

However, perceived expectation, perceived value, customer loyalty, customer complaints also appear to be important predictors of customer satisfaction. Improving any of these factors may also lead to increased customer satisfaction.

Overall, the findings suggest that SMEs should focus on improving the quality of their products or services, while also paying attention to other factors that influencing customer satisfaction. By doing so, they may be able to improve customer loyalty and reduce customer complaints, ultimately leading to increased profitability and success.

5.3. Implications

Perceived quality, perceived expectations, and perceived value all have positive correlations with customer satisfaction, with perceived quality having the strongest correlation. Similarly, customer complaints and customer loyalty also have positive correlations with customer satisfaction, with the customer loyalty having the moderate correlation. Like in linear regression models for each variables shows that perceived quality, perceived expectations, customer complaints, and customer loyalty all have a statistically significant relationship with customer satisfaction. However, perceived value has a weaker relationship with customer satisfaction according to the linear regression model.

Based on these findings, it is recommended to focus on improving perceived quality and addressing customer complaints and loyalty to improve customer satisfaction. It is also important to regularly measure customer satisfaction and monitor perceived value to ensure that customers feel like they are getting value for their money.

5.3.1. Practical Implication

The findings from the data suggest that SMEs can improve customer satisfaction by focusing on improving perceived quality, addressing customer complaints, providing personalized services, communicating the benefits of the products or services, and measuring and monitoring customer satisfaction.

To improve perceived quality SMEs should prioritize investing in product development and ensuring that their product or services meets the need and expectations of their customers. This could involve conducting regular quality check,

soliciting feedback from customers, and making necessary changes to improve product quality.

To address customer complaints, SMEs could involve providing training to employees on how to handle complaints process, and regularly following up with customers to ensures that their issue have been resolved.

To communicate the benefits of the products or services, SMEs should regularly highlight unique features, offer promotions and discounts, and solicit feedback from customers to ensure that their needs are being met.

To measure and monitor customer satisfaction, SMEs should regularly use surveys, focus groups, or social media to gather feedback on their products or services and use this feedback to make necessary changes to improve customer satisfaction.so following these recommendations, SMEs can improve their customer satisfaction and ultimately drive growth and success.

5.3.2. Research Implication

The study found that customer satisfaction is significantly correlated with perceived quality, perceived expectation, perceived value, customer loyalty and customer complaints further research could explore how SMEs can improve these factors to increase customer satisfaction.

Second, the study found that perceived expectations and perceived quality are strong predictors of customer satisfaction. SMEs could consider investing in improving their products and services quality and ensuring that they meet or exceed customer expectations.

Third, the relatively low R- square values for perceived value and customers loyalty suggest that others variables not measured in this study may be important predictors of customer satisfaction. Further research could explore these variables to gain a better understanding of their impact on customer satisfaction.

Fourth, the high standard deviation for customers complaints indicates that there is a wide range of customer experiences with the SMEs. further research could examine the reasons behind these complaints and identify strategies for reducing them.

Finally, the study found that customer satisfaction is an important driver of customer loyalty. SMEs could consider implementing programs or initiatives that aim to increase customer satisfaction to boost customer loyalty and drive business growth. By considering these research implications, SMEs can better understand the factors that drive customer satisfaction and loyalty, and take steps to improve their customer relationships.

References

- Aaker, D. A., & Equity, M. B. (1991). Capitalizing on the Value of a Brand Name. *New York*, 28(1), 35-37.
- Al Idrus, S., Abdussakir, A., Djakfar, M., & Al Idrus, S. (2021). The effect of product knowledge and service quality on customer satisfaction. *The Journal of Asian Finance, Economics and Business*, 8(1), 927-938.
- Almohaimmeed, B. (2019). pillars of customer retention: An empirical study on the influence of customer satisfaction, customer loyalty, customer profitability on customer retention. *Serbian Journal of Management*, 14(2), 421-435.
- Banham, H. C., & others. (2010). External environmental analysis for small and medium enterprises (SMEs). *Journal of Business & Economics Research (JBER)*, 8(10).
- Bansal, S., & Gupta, G. (2001). Building customer loyalty business-to-business commerce. *Customer Relationship Management. New Delhi: Tata McGraw-Hill*, 3-25.
- Berger, P. D., & Nasr, N. I. (1998). Customer lifetime value: Marketing models and applications. *Journal of interactive marketing*, 12(1), 17-30.
- Bista, B. (2016). Accessibility of financial service for startup and growth company: in context of Nepalese SMEs.
- Bitner, M. J. (1990). Evaluating service encounters: the effects of physical surroundings and employee responses. *Journal of marketing*, 54(2), 69-82.
- Bitner, M. J., Booms, B. H., & Tetreault, M. S. (1990). The service encounter: diagnosing favorable and unfavorable incidents. *Journal of marketing*, 54(1), 71-84.
- Bowen, J. T., & Chen, S.-L. (2001). The relationship between customer loyalty and customer satisfaction. *International journal of contemporary hospitality management*.
- Bushell, B. (2008). Women entrepreneurs in Nepal: what prevents them from leading the sector? *Gender & Development*, 16(3), 549--564.
- Chien, L., & Chi, S. (2019). Corporate image as a mediator between service quality and customer satisfaction: difference across categorized exhibitors. *Heliyon*, 5(3), e01307.
- Chou, C.-M. (2014). How does manufacturing service perceived value influence customer satisfaction? An investigation of global semiconductor industry. *International Journal of Production Research*, 52(17), 5041-5054.
- Clarke, K. (2001). What price on loyalty when a brand switch is just a click away? *Qualitative market research: An international journal*, 4(3), 160-168.

- Curtis, T., Abratt, R., Rhoades, D., & Dion, P. (2011). Customer loyalty, repurchase and satisfaction: A meta-analytical review. *The Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behavior*, 24.
- Das, S. a. (2020). Technology adaptation and survival of SMEs: a longitudinal study of developing countries. *Technology Innovation Management Review*, 10.
- Dimitriadis, Z. S. (2006). Customer satisfaction, loyalty and commitment in service organizations: Some evidence from Greece. *Management Research News*, 29(12), 782-800.
- Eklof, J. A., & Westlund, A. H. (2002). The pan-European customer satisfaction index programme—current work and the way ahead. *Total Quality Management*, 13(8), 1099--1106.
- Faed, A., Hussain, O. K., & Chang, E. (n.d.). A methodology to map customer complaints and measure customer satisfaction and loyalty. *Service Oriented Computing and Applications*, 8(1), 33-53.
- Feng-Cheng, T. (2013). Customer satisfaction, perceived value and customer loyalty: the mobile services industry in China. *African Journal of Business Management*, 7(18), 1730--1737.
- Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996). The American customer satisfaction index: nature, purpose, and findings. *Journal of marketing*, 60(4), 7--18.
- Fourie, L. (2015). Customer satisfaction: A key to survival for SMEs. *Problems and Perspectives in Management*, 13, 181--188.
- Gautam, N., & Singh, N. (2008). Lean product development: Maximizing the customer perceived value through design change (redesign). *International Journal of production economics*, 114(1), 313-332.
- Gilly, M. C., & Hansen, R. W. (1985). Consumer complaint handling as a strategic marketing tool. *Journal of Consumer Marketing*.
- Goodman, J. (1999). Basic facts on customer complaint behavior and the impact of service on the bottom line. *Competitive Advantage*, 9(1), 1-5.
- Goodman, J. (2006). Manage complaints to enhance loyalty.
- Grigoroudis, E., & Siskos, Y. (2004). A survey of customer satisfaction barometers: Some results from the transportation-communications sector. *European Journal of Operational Research*, 152(2), 334-353.
- Gronroos, C. (1984). A service quality model and its marketing implications. *European Journal of marketing*.
- Gronroos, C. (1994). From marketing mix to relationship marketing: towards a paradigm shift in marketing. *Asia-Australia Marketing Journal*, 2(1), 9-29.

- Gurbuz, E. (2008). Retail store branding in Turkey: its effect on perceived quality, satisfaction and loyalty. *EuroMed Journal of Business*.
- Gustafsson, A., Nilsson, L., & Johnson, M. D. (2003). The role of quality practices in service organizations. *International Journal of Service Industry Management*, 14(2), 232-244.
- Hallencreutz, J., & Parmler, J. (2021). Important drivers for customer satisfaction--from product focus to image and service quality. *Total quality management & business excellence*, 32(5-6), 501-510.
- Hanif, M., Hafeez, S., & Riaz, A. (2010). Factors affecting customer satisfaction. *International research journal of finance and economics*, 60(1), 44-52.
- Harry, M. J., & Schroeder, R. (2000). *Six sigma: the breakthrough management strategy revolutionizing the world's top corporations*. A CURRENCY Book, published by doubleday, a division of Random House Inc.
- Heinonen, K. (2004). Reconceptualizing customer perceived value: the value of time and place. *Managing Service Quality: an international journal*.
- Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, W. E., Schlesinger, L. A., & others. (1994). Putting the service-profit chain to work. *Harvard business review*, 72(2), 164-174.
- Hirschman, A. O. (1970). Exit, voice, and loyalty: Responses to decline in firms, organizations, and states. 25.
- Hogstrom, C., Rosner, M., & Gustafsson, A. (2010). How to create attractive and unique customer experiences: An application of Kano's theory of attractive quality to recreational tourism. *Marketing Intelligence & Planning*.
- Hu, H.-H., Kandampully, J., & Juwaheer, T. D. (2009). Relationships and impacts of service quality, perceived value, customer satisfaction, and image: an empirical study. *The service industries journal*, 29(2), 111-125.
- Islam, M. S., & Amin, M. (2021). A systematic review of human capital and employee well-being: putting human capital back on the track. *European Journal of Training and Development*.
- Ismail, A., Khalid, N., & M, M. (2022). *Factors Affecting Success and Survival of Small and Medium Enterprises in the Middle East* (Vol. 2). MDPI.
- Jasin, M., & Firmansyah, A. (2023). The role of service quality and marketing mix on customer satisfaction and repurchase intention of SMEs products. *Uncertain Supply Chain Management*, 11(1), 383-390.
- Kano, N. (1984). Attractive quality and must-be quality. *Hinshitsu (Quality, The Journal of Japanese Society for Quality Control)*, 14, 39-48.

- Karki, B. B. (2013). Micro enterprises in Nepal: Prospect and practices. *Janapriya Journal of Interdisciplinary Studies*, 2, 29--36.
- Kassim, N. M. (2006). Telecommunication industry in Malaysia: demographics effect on customer expectations, performance, satisfaction and retention. *Asia Pacific Business Review*, 12(4), 437-463.
- Khan, R. U., Salamzadeh, Y., Iqbal, Q., & Yang, S. (2022). The impact of customer relationship management and company reputation on customer loyalty: The mediating role of customer satisfaction. *Journal of Relationship Marketing*, 21(1), 1-26.
- Luk, S. T., & Layton, R. (2002). Perception Gaps in customer expectations: Managers versus service providers and customers. *Service Industries Journal*, 22(2), 109-128.
- Machado, M., Ribeiro, A., & Basto, M. (2014). An empirical assessment of customer satisfaction and quality of service: Comparing SERVQUAL and SERVPERF. *Revista Gestao Industrial*, 10(2).
- Mbango, P. (2019). The role of perceived value in promoting customer satisfaction: Antecedents and consequences. *Cogent Social Sciences*, 5(1), 1684229.
- McCull-Kennedy, J., & Schneider, U. (2000). Measuring customer satisfaction: why, what and how. *Total quality management*, 11(7), 883-896.
- McIlroy, A., & Barnett, S. (2000). Building customer relationships: do discount cards work? *Managing Service Quality: An International Journal*.
- Mitchell, V.-W., & Critchlow, C. (1993). Dealing with complaints: A survey of UK grocery suppliers. *International Journal of Retail & Distribution Management*.
- Mulhern, F. J. (1999). Customer profitability analysis: Measurement, concentration, and research directions. *Journal of interactive marketing*, 13(1), 25-40.
- Munkongsujarit, S. (2016). Business incubation model for startup company and SME in developing economy: A case of Thailand. 74--81.
- Nepal, H. (2008). Report on. *Asian Development Bank, Kathmandu*.
- Nicolae, L. I., Tanasescu, D., & Popa, V. (2013). Customer Expectations Management. *Valahian Journal of Economic Studies*, 4(3).
- Nofrizal, Lubis, N., Sucherly, Juju, U., & Listihana, W. D. (2022). The key to success increasing customer satisfaction of SMEs product souvenir food. *Cogent Business & Management*, 9(1), 2084897.
- Oh, H. C. (1995). An empirical study of the relationship between restaurant image and customer loyalty.

- Oliver, R. (1997). Customer delight: foundations, findings, and managerial insight. *Journal of retailing*, 73(3), 311-336.
- Oliver, R. L. (1999). Whence consumer loyalty? *Journal of marketing*, 63(4), 33-44.
- Pandey, K. R. (2008). " One Village One Product"(OVOP) program with special reference to Rainbow trout farming and marketing perspective in Nepal. *Rainbow trout (Oncorhynchus mykiss)*, 152.
- Ramanathan, U., Subramanian, N., & Parrott, G. (2017). Role of social media in retail network operations and marketing to enhance customer satisfaction. *International Journal of Operations & Production Management*.
- Reichheld, F. F. (2003). The one number you need to grow. *Harvard business review*, 81(12), 46-55.
- Reichheld, F. F., & Sasser, W. E. (1990). Zero defections: Quality comes to services. *Harvard business review*, 68(5), 105-111.
- Reichheld, F. F., Teal, T., & Smith, D. K. (1996). *The loyalty effect* (Vol. 1). Harvard business school press Boston, MA.
- Robledo, M. A. (2001). Measuring and managing service quality: integrating customer expectations. *Managing Service Quality: An International Journal*.
- Saleem, A., Ghafar, A., Ibrahim, M., Yousuf, M., & Ahmed, N. (2015). Product perceived quality and purchase intention with consumer satisfaction. *Global journal of management and business research*.
- Samudro, A., Sumarwan, U., Simanjuntak, M., & Yusuf, E. (2020). Assessing the effects of perceived quality and perceived value on customer satisfaction. *Management Science Letters*, 10(5), 1077-1084.
- Sanny, L., Angelina, V., & Christian, B. B. (2021). Innovation of SME service industry in Indonesia in improving customer satisfaction. *Journal of Science and Technology Policy Management*, 12(2), 351-370.
- Schroeder, R. G., Linderman, K., Zaheer, S., & Choo, A. S. (2004). Six sigma: a goal-theoretic perspective. *Quality control and applied statistics*, 49(1), 49--50.
- Shemwell, D. J., & Yavas, U. a. (1998). Customer-service provider relationships: an empirical test of a model of service quality, satisfaction and relationship-oriented outcomes. *International journal of service industry management*.
- Sheth, J. N., & Mittal, B. (1996). A framework for managing customer expectations. *Journal of Market-Focused Management*, 1(2), 137-158.
- Souki, G. Q., & Goncalves Filho, C. (2008). Perceived quality, satisfaction and customer loyalty: an empirical study in the mobile phones sector in Brazil. *International journal of internet and enterprise management*, 5(4), 298-312.

- Tampubolon, S., & Purba, H. (2021). Lean six sigma implementation, a systematic literature review. *International Journal of Production Management and Engineering*, 9(2), 125-139.
- Tarn, J. L. (1999). The effects of service quality, perceived value and customer satisfaction on behavioral intentions. *Journal of Hospitality & Leisure Marketing*, 6(4), 31-43.
- Tatikonda, L. U., & others. (2013). The hidden costs of customer dissatisfaction. *Management Accounting Quarterly*, 14(3), 34.
- Temkin, B. (2014). The six golden rules of customer experience. *Customer Relationship Management*, 6.
- Thapa, A. (2013). Microenterprise development as a poverty-reduction strategy in nepal: A multidimensional analysis of the factors determining microenterprise performance.
- Thomas, J. S. (1997). *Customer equity: Managing the customer-firm relationship*. Northwestern University.
- Thomas, S. (2013). Linking customer loyalty to customer satisfaction and store image: a structural model for retail stores. *Decision*, 40(1), 15-25.
- Tuan, V. K., & Rajagopal, P. (2017). The Mediating Effect Of Perceived Quality on The Customer Loyalty in Small And Medium-Sized Enterprises (SMEs) in The Mobile Phone Sector in Ho Chi Minh City (HCMC)-Vietnam. *International Journal of New Technology and Research (IJNTR)*, 11(3), 129-137.
- Turel, O., & Serenko, A. (2006). Satisfaction with mobile services in Canada: An empirical investigation. *Telecommunications policy*, 30(5-6), 314-331.
- Van Vuuren, T., Roberts-Lombard, M., & van Tonder, E. (2012). Customer satisfaction, trust and commitment as predictors of customer loyalty within an optometric practice environment. *Southern African Business Review*, 16(3), 81--96.
- Walker, R. H., Johnson, L. W., & Leonard, S. (2006). Re-thinking the conceptualization of customer value and service quality within the service-profit chain. *Managing Service Quality: An International Journal*.
- Williams, P., & Naumann, E. (2011). Customer satisfaction and business performance: a firm-level analysis. *Journal of services marketing*.
- Wilson, A., Zeithaml, V., Bitner, M. J., & Gremler, D. (2016). EBOOK: Services Marketing: Integrating customer focus across the firm.

6. Position	Owner	<input type="checkbox"/>
	Manager	<input type="checkbox"/>
	Both	<input type="checkbox"/>

7. For how long the business has been running?	
Less than 5 years	<input type="checkbox"/>
6-10 years	<input type="checkbox"/>
11-25 years	<input type="checkbox"/>
Over 25 Years	<input type="checkbox"/>

8. Annual Turnover	
Less than 1,00,0000	<input type="checkbox"/>
100,0000 -500,000	<input type="checkbox"/>
Over 500,000	<input type="checkbox"/>

A. Perceived Quality

STATEMENT	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The products or services offered by our small and medium-sized enterprises are of high quality.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our products or services are of a higher quality than those of our competitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our products or services consistently perform as expected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers are satisfied with the quality of our products or services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our products and services are durable and long-lasting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our products or services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

are innovative and offer value to our customers.

B. Perceived Expectations

STATEMENT	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Our customers have high expectations for the quality of our products and services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers expect the customization process to be easy to understand and complete.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We generally meet or exceed our customer's expectations in terms of quality.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We generally meet or exceed our customers' expectations in terms of customer service.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We generally meet or exceed our customers' expectations in terms of price.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We clearly communicate the features and benefits of our products or services to our customers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Perceived Value

STATEMENT	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Our customers feel that the price of our products and services is fair given the quality.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers feel that the quality of our products and services is good given the price.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Our products or services are more reliable than those of our competitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our products or service are more durable and long-lasting than those of our competitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers believe that our products or services are worth the extra cost compared to similar products or services from competitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our products or services are more innovative than those of our competitors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

C. Customer Complaint

STATEMENT	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Our small and medium-sized enterprises receive a higher number of complaints.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our small and medium-sized enterprises receive a low number of customer's complaints.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our small and medium-sized enterprises effectively handle customers complaints	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our small and medium-sized enterprises resolve customer complaints to the satisfaction of the customers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our small and medium-sized enterprises follow up with customers after a complaint has been resolved to ensure their satisfaction.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The customers have complained either formally or informally about the products and services.

D. Customer Loyalty

STATEMENT

Strongly agree Agree Neutral Disagree Strongly disagree

Our customers are likely to purchase from our small and medium-sized enterprises in the future.

Our customers are likely to recommend our products or services to others.

Our customers are willing to pay a premium price for our products or services.

Our customers are more likely to repurchase products or services from our small and medium-sized enterprises if the price were to decrease.

Our customers believe that our small and medium-sized enterprises offer a superior products or services compared to our competitors.

Our customers are willing to forgive our small and medium-sized enterprises for mistake or issue that may arise.

E. Customer Satisfaction

STATEMENT

Strongly Agree Neutral Disagree Strongly

	agree				disagree
Our customers are satisfied with the overall appearance and presentation of our products or services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers are satisfied with the quality of our products or services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers are satisfied with the level of customer services they receive from our small and medium-sized enterprises.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers are satisfied with the price of our products or services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers are satisfied with level of communication they receive from our small and medium-sized enterprises.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Our customers are satisfied with the follow-up they receive from our small and medium-sized enterprises to ensure their satisfaction with our products or services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thank you for taking part in my research. If there are any things else you would like to share with me, feel free to contact via below email address.

Best regards

Nabin Babu Adhikari
 anabin492@gmail.com
 MBM 5th batch
 Central Department of Management
 Tribhuvan University, Kritipur Kathmandu