

# The Effect of ISO 22000 Certificate Implementation on the Customer Loyalty

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**Abstract** – Nowadays, the success of the corporations depends on satisfying the customers in the target markets as much as possible. Buyers in today's world face with an extremely wide range of products and their expectations about the quality of goods and services are a lot more different than before. In this survey we analyzed the relation between the implementation of ISO 22000 with the customer loyalty. Our research shows a positive effect and relationship between the above achievement and the customer loyalty among the production companies of the food industry in Khuzestan province.

**Keywords** – ISO 22000, Loyalty, Food Production Companies.

## I. INTRODUCTION

As the 3rd millennium began, many of the old concepts of the pioneering organizations have been changed and consequently found new functions in the societies. The concept of "the customer" is not excluded from the above fact. By "the customer" One cannot only think about trades and marketing, but human relations and their cooperation in general. According to these facts, the buyers would choose materials and services that match better with their needs and expectations. Finally, the marketing section of the companies shall identify the pivotal factors on the customer satisfaction and absorb them. Nowadays the organizations shall appropriately introduce themselves to the customers in order to establish an appropriate structure. Such introduction would be performed in the light of the provision of satisfying materials and services. The key point here is to define the function of the customer correctly in the society's culture so that the provision of services for the customers would be considered as a value. In such circumstances a firm would expand in a right path and provide materials and services with high quality, as well as benefits from the valuable services of other firms and organizations. In overall the customer satisfaction would be improved as a result. Any failure in utilizing the quality techniques in the materials and services during the activities of quality determination would result the firm to be suffered from damaging activities. Such weak performance results in less competing between the units in a market and eventual stagnation and bankruptcy of the firms. Hence, the food production companies are implementing quality control systems such as ISO 22000 and ISO 9000 in order to enhance their methods. ISO 22000 system focuses on the technological requirements assurance, while ISO 9000 concerns mostly on management aspects (liuning et al 2006, les 2006). In 2005 a new standard called ISO 22000 has been established aiming on the introduction of security

management in food chain (Trix and Zibir, 2007). ISO 22000 presents a basis for the company to conform to the quality system, by visible documentation and creating standard procedures.

## II. EXPLAINING THE SITUATION

As the competition among firms and corporations for acquiring more shares in the market grows and the customers' approach for getting more satisfaction increases, the firms began to look for a better position in the market and the customer have been searching for clues to find the best suppliers since then. To reach these aims have a close relation with surveying the following concepts: quality, loyalty and the customer satisfaction. Obviously, As a result of globalization, the market would be more competitive and this is due to the opportunities made for the new rivals. Being a part of the world scenario make opportunities for small enterprises to participate in new markets. The organizations have found out that the customer satisfaction depends on the quality of the materials and the services and one of the major benefits of the customer satisfaction is to provide services with high quality, this won't be achieved unless utilizing precise standards in food production, namely, acquiring international valid certifications. Several surveys have been performed regarding the concepts of the food quality and the customer satisfaction, about measuring them and obtaining the relation between them. These surveys have been brilliantly shown the importance of the above concepts and proved that they have different meanings. However there is no certain viewpoint about the order of these concepts. In the light of the above there are uncertainties whether we shall focus on the improvement of the service quality as a tool to create desirable intentions of behavior in customers, or it is better to emphasize the importance of the customer satisfaction. Considering the fact that ISO 22000 is a valuable tool for food assurance since it assures us about the quality assurance standards and the quality of the applied processes in food production altogether, the question is whether the implementation of ISO 22000 is effective regarding the customer satisfaction and loyalty. In Our times, the age of knowledge and post-industry, rapid technological changes have forced the firms to think globally and prepare themselves to face the unpredicted competitions. The rise of the new rivals with their high the organizations in order to modify their performance and enhance the customer satisfaction would be to analyze the characteristics, opinions and expectations of the clients. Management experts consider the customer satisfaction as

the most important priority of the companies. From their viewpoint the managers' permanent commitment to satisfy the customers is a prerequisite for their future success (katler, 2012).

### III. THEORETICAL LITERATURE

As a result of globalization, the market would be more competitive and this is due to the opportunities made for the new rivals. However that doesn't mean that the small enterprises are in danger. Being a part of the world scenario make opportunities for small enterprises to participate in new markets which, however, depends totally on the quality of the products and services them offer. Globalization is a challenge needs to be considered. This challenge depends on increasing the customer loyalty, more congruence between products and the customer needs, more concentration on the social influences (public) of the company. Firstly, it shall be noted that the wording "quality of the product" is of some ambiguity. A more appropriate definition would be "suitable for the usage of the consumer", although such definition is not accepted globally but it is used by many individuals.

### IV. QUALITY OF SERVICES

The wording "quality" has been defined in different ways by various thinkers. Some of the important definitions are as follows: prediction (deming, 1982), adaptation to needs (Crosby, 1984), suitable for consuming (Juran, 1988), finally the customers' idea (Feigenbaum, 1945). In the middle of the 80s a solid basis for defining and determining the quality of services was found by Gronroos, Parasuraman et al in 1985. They were among the first thinkers who created a basis in order to develop this concept.

The definition of "quality of services" is more difficult, compared to "quality of the products" because of the unique characteristics of the services e.g. conceptuality, inseparability, equality, and their corruption ability (Chang & Yeh, 2002). despite the above limitations, Parasuraman found a general method to define the quality of services.

Quality of services has been defined in different ways by various researchers. Gronroos believes that it is composed of two sections: technical quality & applied quality. Technical quality is about the tools which are used for the provision of services. Applied quality is about the way these services would be provided by the staff. Kasper et al (1999) define the quality of services as a rating for the expectations of the customers from the provided services. According to the above definitions, customers are solely the judges for determination of the quality of services.

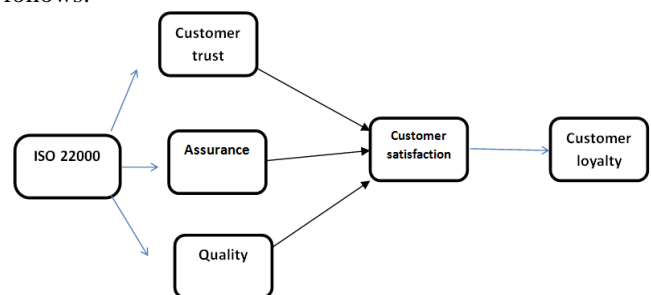
As the competition between local businesses, regional and global service companies is getting harder, they are trying moreover to improve the quality of their services so they would survive and remain in the market. Organizations would improve their quality standards to succeed internationally. Quality of services is a key term

of success at the competitive circumstances of our days. The researchers believe that quality is nothing more than obviating the clients' needs. Based on the above fact it has been found that the customers' viewpoint of the received services is in accordance with their previous experiences and the level of satisfaction from their relation with the company. The service management of each organization must focus on the improvement of quality and quench the staff desire by considering the customers' needs, continuously. It must increase the profit and their reputation in the local and international markets by enhancing the efficiency. They would be able to survive through more requests to access goods and services from their clients.

### V. MODELING AND METHODOLOGY

The quality study includes many aspects. One of their most important aspects is the surveying. McNiel believes that the social survey is the method of gathering a wide range of data statically from a large number of people in a short period of time. The main aspect of this essay is the range of people involved in the survey, which is the most frequent method in the social sciences.

This study shall be considered as an applicable survey with respect to its target, and shall be considered as descriptive survey with respect to its nature. The Statistical population in this study is customers of the Khuzestan province food producing companies which are carrying ISO 22000 certificate. The modeling of the study is as follows:



#### Assumptions:

- 1-Having an ISO 22000 certificate absorbs the customer trust.
- 2-Having an ISO 22000 certificate results in more assurance.
- 3-Having an ISO 22000 certificate shows material quality
- 4-customer trust results in customer satisfaction
- 5-assurance results in customer satisfaction
- 6-material quality results in customer satisfaction
- 7-customer satisfaction results in customer loyalty

According to the above results, the first assumption was approved at the meaningful level of 5%. So there is a positive relationship between ISO22000 and trust. The correlation between the implementation of ISO22000 and trust variable is equal to .633 showing a direct relation between these two variables. Also, the results of the correlation test conform to the path analysis. According to

Table 1: Assumption test results

P	Standardized Estimation	Independent Variable		Dependent Variable
0.000	.633	trust	----->	ISO 22000
0.000	.671	assurance	----->	ISO 22000
0.000	.597	quality	----->	ISO 22000
0.000	.453	satisfaction	----->	trust
0.006	.372	satisfaction		assurance
0.003	.429	satisfaction		quality
0.021	.736	loyalty		satisfaction

the above results, the 2nd assumption was approved at the meaningful level of 5%. So there is a positive relationship between ISO22000 and assurance. In other words there is 95% of certainty for the positive relationship between ISO22000 and assurance. The correlation between the implementation of ISO22000 and assurance variable is equal to .671 showing a direct relation between these two variables. The 3rd assumption was approved at the meaningful level of 5%. So there is a positive relationship between ISO22000 and quality. In other words there is 95% of certainty for the positive relationship between ISO22000 and quality. The correlation between the implementation of HACCP and quality variable is equal to .597 showing a direct relation between these two variables. The 4th assumption was approved at the meaningful level of 5%. So there is a positive relationship between customer trust and satisfaction. In other words there is 95% of certainty for the positive relationship between trust and satisfaction variables. The correlation between the trust and satisfaction variable is equal to .453 showing a direct relation between these two variables. The 5th assumption was approved at the meaningful level of 5%. So there is a positive relationship between customer assurance and their satisfaction. In other words there is 95% of certainty for the positive relationship between customer assurance and their satisfaction variables. The correlation between customer assurance and their satisfaction variable is equal to .372 showing a direct relation between these two variables. These results also confirm the results of the foreign studies carried out by (katler and Armstrong, 2012), (ting 2004), (Lee et al 2000), (Gilbert and Lesto 2006), (Soliman 2011), (Butel 1996). Also, the results of the correlation test conform to the path analysis. The 6th assumption was approved at the meaningful level of 5%. So there is a positive relationship between customer assurance and their satisfaction. In other words there is 95% of certainty for the positive relationship between quality and satisfaction variables. The correlation between quality and satisfaction variables is equal to .429 showing a direct relation between these two variables. These results also confirm the results of the foreign studies carried out by (Klems, 2008) and (Hezlina et al 2011). Also, the results of the correlation test conform to the path analysis. The 7th assumption was approved at the meaningful level of 5%. So there is a positive relationship between customer satisfaction and loyalty. In other words there is 95% of certainty for the positive relationship between satisfaction and loyalty variables. The correlation between satisfaction and loyalty variables is equal to .736 showing a direct relation

between these two variables. These results also confirm the results of the foreign studies carried out by (Katler and Armstrong, 2012), (Ting 2004), (Lee et al 2000), (Gilbert and Lesto 2006), (Soliman, 2011 and Butel 1996). Also, the results of the correlation test conform to the path analysis.

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