Sagar Bhandari

UNDERSTANDING THE RELATIONSHIP BETWEEN CUSTOMER SATISFACTION AND LOYALTY

Case study of FAFA'S restaurant in Helsinki, Finland

Thesis

CENTRIA UNIVERSITY OF APPLIED SCIENCES

Business Management

May 2020

ABSTRACT

Centria University of Applied Sciences	Date May 2020	Author Sagar Bhandari
Degree Programme Business Management		
Name of thesis UNDERSTANDING THE RELATIONSHIP BETWEEN CUSTOMER SATISFACTION AND LOYALTY. Case study of FAFA'S restaurant in Helsinki		
Language Instructor Eija Torkinlampi	**Pages** 33+1	
Supervisor Katarina Broman		

The main aim of this thesis was to discuss customer satisfaction and customer loyalty in restaurant business. The case company was FAFA'S restaurant in Helsinki. Customers are the key to success in any business. They are directly connected with the organization. The first and foremost objective was to study the concepts of customer satisfaction and loyalty. Secondly, the objective was to find out the difference between concepts of customer satisfaction and customer loyalty and finding the elements that affect them. The third objective was to find out how they can implement the strategies to make the customers satisfied and increase customer loyalty. The main aim of the thesis was to find out the relationship between customer satisfaction and customer loyalty in business.

Qualitative research method along with the case study was used to answer the research question. Also, an interview was conducted with Pasi Kaurala, director of development at FAFA'S. Moreover, this thesis is based on my personal work experience at FAFA's. According to all those data and theoretical research significant theories are written to better understand the main theme of customer satisfaction and loyalty. Additionally, a short SWOT analysis of related case company has been presented.

Overall, the main purpose of the research was to find customer satisfaction and loyalty level in FAFA'S restaurant. The research results show that the case company FAFA'S should be more aware of other competitors in order to be more successful in maintaining the relationship with customers. The result shows that FAFA'S should take several steps to engage with customers. Employees are also the backbone of a company without happy and positive employees nothing can happen in business that is why employees should not be ignored while focusing on customers.

Key words
Business, customer loyalty, customer satisfaction, organization, relationship

ABSTRACT
CONTENTS

PICTURES

TABLE

1 INTRODUCTION

In this modern era, most of the businesses have progressively come to understand the importance of customer satisfaction and customer loyalty. Satisfaction and loyalty are interconnected to each other. If the customers are happy and satisfied, then they will be loyal to your organization forever. By far, we can broadly understand that it is less expensive to keep existing customers than to win new customers. Customer satisfaction and loyalty are by far universally accepted and those things are very essential in order to get success in the business. These two factors are directly linked with the company's success. For sure some of the companies in the public sectors, loyalty and satisfaction of customers are the measure of success.

The main purpose of this thesis is to understand the relationship between customer satisfaction and customer loyalty in restaurant business. The happy and satisfied customers play a vital role in business' success. Nowadays, every company is already aware of that. Business organization should balance the relationship between customers and their quality of services. What we have seen in this decade is that most of the business organizations regulate the specific pricing strategy with good quality of service and good product to maintain the long-lasting relationship with the customers.

The thesis has seven different chapters. The first chapter illustrates the introduction. This introductory part where author tried to give information about the topic and the contents of the thesis. The first part is the concept definition. Chapter two is the presentation of FAFA'S. The third chapter is defining the meaning of customer satisfaction and customer loyalty. Similarly, the relation between customer satisfaction and customer loyalty described in fourth chapter. Furthermore, chapter five explains the elements that affect customer satisfaction and customer loyalty. Chapter six defines objective and research method. SWOT analysis has been done in the seventh chapter. In the last chapter conclusion and discussions are presented.

2 CASE COMPANY

The restaurant was firstly founded in 2011 in the center of the Helsinki. Iso Robertenkatu's FAFA'S restaurant was opened with a concept of fast, delicious and healthy food. There were many fast food restaurants in Helsinki. For example, Burger king, McDonalds, Hesburger, Subway etc. There were plenty of threats in the beginning. However, FAFA'S has overcome from all those threats and is making it larger day by day. It has served delicious and healthy food over almost the decade. FAFA'S restaurant offers different fast food than other fast food restaurants. FAFA'S has its own menu and basically it is famous for vegetarian food and mainly the dish is Arabic. FAFA'S has its own customer circle as most of them are loyal towards the organization. FAFA'S has been providing better service day by day and its customers are loyal. Most of the customers choose to be back at FAFA's as this restaurant has been a regular eating place for the customer.

Originally from Israel, Doron Karavani has brought flavors from his childhood into FAFA'S menu. Throughout the Middle East, falafel is a common street food and in recent years, it has become very popular amongst vegetarians and vegans throughout the Europe. It was a case of being in the right place at the right time and the Part of their success is due to their simplicity and authenticity. All of FAFA'S dishes are made from scratch soaking the chickpeas from which the falafel and hummus is made. The food is cooked to order, and restaurant likes the fact that the food is prepared in front of the customer, from fresh ingredients.

Doron Karavani is a long-time entrepreneur in the food and restaurant industry who has previously founded Gastronaut, a company that specializes in food delivery services and brought Ben & Jerry's ice cream to Finland. His strong experience and vision in the restaurant industry has been the driving force for FAFA'S to become what it is today. Doron's ability to develop and renew FAFA'S operations so that it is always in line with the customers' wishes in the best possible way is an integral part of the company's success. Doron ensures that FAFA'S is moving in the right direction, whether it is about new recipes, business concepts, or strengthening corporate culture.

FAFA'S restaurant has been serving food to their customer from different parts of the world. In Finland, FAFA'S has been providing its delicious food in 37 different location. FAFA'S has become larger day by day and it has started to serve the food in Estonia, Sweden and London. In total, Forty FAFA'S restaurants are in action. FAFA'S is not only providing the better food, FAFA'S is also responsible for

customer needs and desire. FAFA'S another goal is to be totally carbon neutral within 2020 in the co-operation with the carbon neutral protection efforts trader South Pole. FAFA'S target is to balance the carbon dioxide emission from its all activity.

FAFA'S is a fast food chain with the vision of providing healthy and nutritious food to the customer and FAFA'S is famous for vegan and vegetarian food. Basically, the food consists of pita breads and salads items. "FAFA'S is a green organization as far as our qualities. We need to serve very healthy food to the customer and simultaneously, we work in a manageable and beneficial manner. We are a little organization taking a stab at enormous change. Finnish-owned FAFA'S is one of the fastest growing vegetarian food-focused Fast Casual restaurant concepts. The goal is to serve customers in 100 restaurants till 2022, in line with the franchise concept. The chain is constantly looking for new entrepreneurs and business locations around Finland.

Ville Myllyniemi is a chief executive officer of FAFA'S oy. He has been working as a chief executive officer in FAFA'S for 3 years. He used to work as a chief operations officer at McDonalds for 2 years and a month and he was working as a restaurant manager in McDonalds for 15 years. He was a graduate from Haga-Helia university of applied sciences in hotel and restaurant management. During his period in McDonalds, he was awarded as restaurant manager of the year twice in 2006 and 2007. He strongly believes that the relationship of customers and organizations must be positive. As we would see it, organization must endeavor to offer just capable items without buyers requesting themselves". (Myllyniemi 2020.)

PICTURE 1. FAFA'S logo (Kaurala, Accessed 19th of May 2020.)

The above picture is the official logo of FAFA'S restaurant. The logo has not been changed since the starting. The restaurant has been serving the food from 2011. FAFA'S is very famous among the people as they love FAFA'S food.

PICTURE 2. FAFA'S Helsinki Sokos (Kaurala, Accessed 19th of May 2020.)

Picture 2 is one of the largest branches of FAFA'S. This restaurant is in the center of Helsinki in Sokos building and this is the franchised restaurant. S-Group got franchise from FAFA'S in 2018.

PICTURE 3. FAFA'S London (Kaurala, Accessed 19th of May 2020.)

Picture 3 is FAFA'S in London. FAFA'S has recently expanded its chain in London. FAFA'S brings Middle Eastern street food to the masses with its first UK opening on Monmouth Street in Seven Dials. From what started out as a modest street food kiosk in Helsinki, Punavuori, Tel-Aviv-born Doron Karavani (Chef executive officer) has now put FAFA'S firmly on the map; with 40 sites across three countries, it is widely heralded by chefs across Scandinavia as their fast food of choice.

PICTURE 4. FAFA'S food (Kaurala, Accessed 19th of May 2020.)

The picture above is a sample of FAFA'S food, and it is called falafel halloumi. This food is one of the famous foods of FAFA'S among the customers. This is vegetarian pita and the recipes are taziki sauce, matbuha sauce, fresh tomato and cucumber, tabouleh, 4 falafel balls, 1 slice of halloumi cheese and lettuce on the top.

3 DEFINING CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

Customer satisfaction and customer loyalty are inter-related elements in modern era business life, these are the only elements that help to survive in the market. Customer satisfaction and customer loyalty are more likely similar terms and these terms have very close relations with each other as both elements are very important in business life. (Goodman 2009.)

3.1 Customer satisfaction

Customer satisfaction is the demonstration of sufficiently doing to be satisfactory work to the customers. This is basically meeting the basic customers' desires. Customer satisfaction can be hard to define, in fact it is frequently relieved by customer desires, you can be satisfied if your expectations are too low but it's very hard to get satisfy if your expectations are too high. Customers are one of the main factors behind companies' success, customers drive through success, in every business organization customer satisfaction is essential. It plays vital role in companies' success; it is by far important that the organizations are focused to make their customers happy. (Szwarc 2005.)

According to Goodman (2009) a term customer satisfaction is certainly too deep to describe because their desires and expectations are increasing and changing every time and it makes slightly hard to give a clear way to their customers. Those companies that make the right way that company would be the successful. In one point some customers items or services can leave they may be unsatisfied while making other customers happy, that is why it is complicated. To increase the satisfaction level, it is important to give more consideration on the elements that affect customer satisfaction.

By fully considering the customer satisfaction is a very important step towards maintaining the satisfaction to services of any company or organizations, that means if their services are not in up to the mark they should improve the quality of services and level of standard. Customer satisfaction is a very important element in both factors i.e. making business strategy along with customer retention and items repurchase. Nowadays, people are very choosy such that if you want to sell your products or items you should have better ideas, better product or better content. Customer satisfaction is a measurement machine that predicts the future customers. (Hill, Roche & Allen 2007.)

The characteristic satisfaction of product, capacities, trustworthiness, dealing, and customer assist are the most significant things required to meet or surpass the customer satisfaction level. Only the happy customers repurchase the items. Not only are they regular customers, they work as a network; they could get some other new customer as well (Hague & Hague 2016). Keeping an old customer value is ten times better than winning a new customer, that is why it is better to make a good relationship with customers.

Company should make a customer centric strategy to get a better customer satisfaction result, only a satisfied customer can be the regular client of company. While doing the customer-oriented program they should be equally aware of customer expectations as well. While making a customer happy another can remain unhappy that is why, company should be aware of everything. Customer satisfaction comes with many things. For example, it is directly related with quality of product, service quality and money value. While making customers happy, company should not forget that company staffs are also the part of the business. Only a happy, positive and influenced employee can play the main role in achieving the company's target and goals.
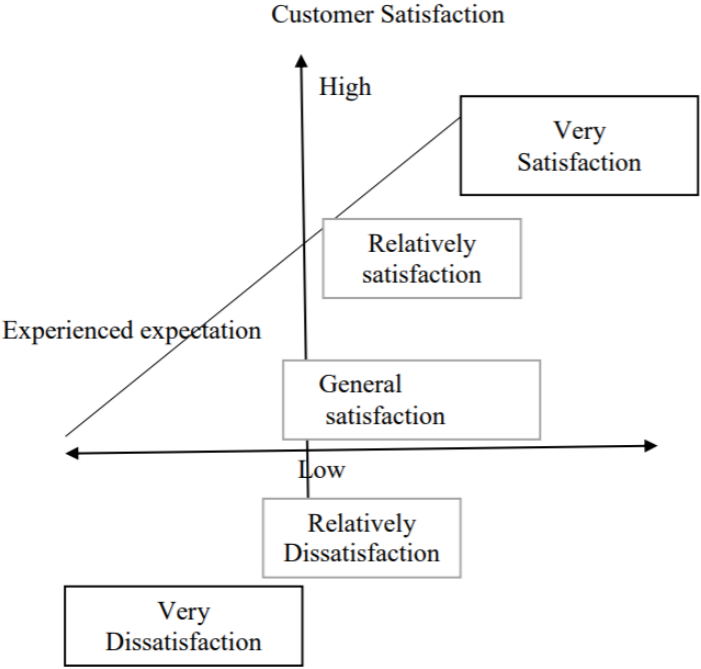
FIGURE 1. Customer satisfaction analysis model (Adapted from Tao 2014.)

The following customer satisfaction analysis model shows the customer satisfaction = expectations – satisfactions. The following chart shows the negative customer satisfaction as well as with the CE. The figure presents the difference between client experience and their expectations. The customer satisfaction analysis model is divided into five different parts and they are very dissatisfied, relatively dissatisfied, general satisfaction, relatively satisfied and very satisfied. At the point when the client experiences fundamental pads with client desire the customer satisfaction becomes higher. Contrasted the desire, the more regrettable client experience brings consumer loyalty. Still companies can improve their customer satisfaction level by following two things. First, try to give better service quality than it used to be before and second is the effective customer management. Although, most of the companies adopt the first thing to help the achieving companies' target. (Tao 2014.)

3.2 Customer loyalty

Customer loyalty is a fact of client that purchasing the items or taking the same services from same organization over a significant period. (Cambridge dictionary 2018). The idea and meaning of customer loyalty are very difficult to clarify. Numerous writers have given their own perception but still there is not a certified definition. Logically we can understand that loyalty can be figured out by constantly purchasing or using the same items from a provider. Loyalty has three different famous concepts and those are attitude that makes strong as far as uncovered conduct and as buying directly by individual qualities, conditions, or the buy circumstances.

The word business is turning out to be increasingly serious making it costlier for an organization to attract new clients. Companies are making it more costly because they want to provide better and good product to their customers and they want to make their customers loyal. Customers can be loyal towards the company if they get high quality services and quality product, that will show the value of customer relationship to build a well-developed business relationship. (Kotler 2003, 23.)

The capacity for any business to win clients and to keep them returning are some main characteristics in the achievement of the business goals. Organizations that have had the option to even more likely fulfill their clients, making them to hold returning are the pioneers in the business as far as piece of the pie and overall revenues. Accomplishing compelling consumer loyalty can prompt client maintenance that can be compensated by better client reliability and create business connections. There are very less chances

to change the company if the customers are loyal, that is why loyal, and loyalty has given positive part to give the positive profit margin. Loyal customers are always part of the business success, they do not change the company or organization just because of the changing the price rather they bring new customers throughout mouth to mouth.

The idea of customer loyalty is very deep and intense as the fields to which it is applied. Marketing sections should create customer loyalty program to guarantee that customer client buy more as often as possible and solely at their organization. Organization must add to some features to expand the "stickiness" of their web destination so that clients remain longer and buy often, expand the open door that clients will make an exchange. Customer loyalty program has been effective for the past decade in each company and it has been shown to be great top indicator for business performance index. (Hayes 2008.)

Factors forming the customer loyalty ⟩ Customer Loyalty ⟩ Growing Profit
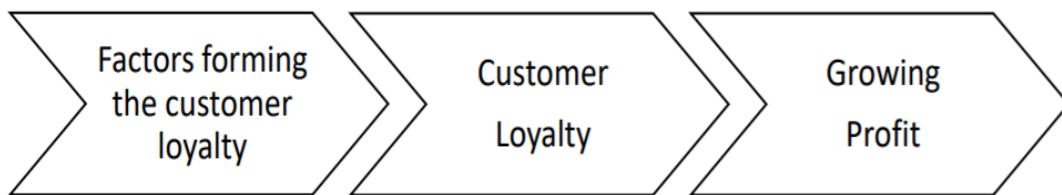
FIGURE 2. Customer loyalty model (Adapted from Loyalty model 2012.)

The figure chart (Customer loyalty model) describes the factors forming to the customer loyalty such as pricing, serving, promotion, customer oriented programs, better understanding the customer needs and expectations, after focusing on those things customer become loyal and that helps to bring profit margin in business.
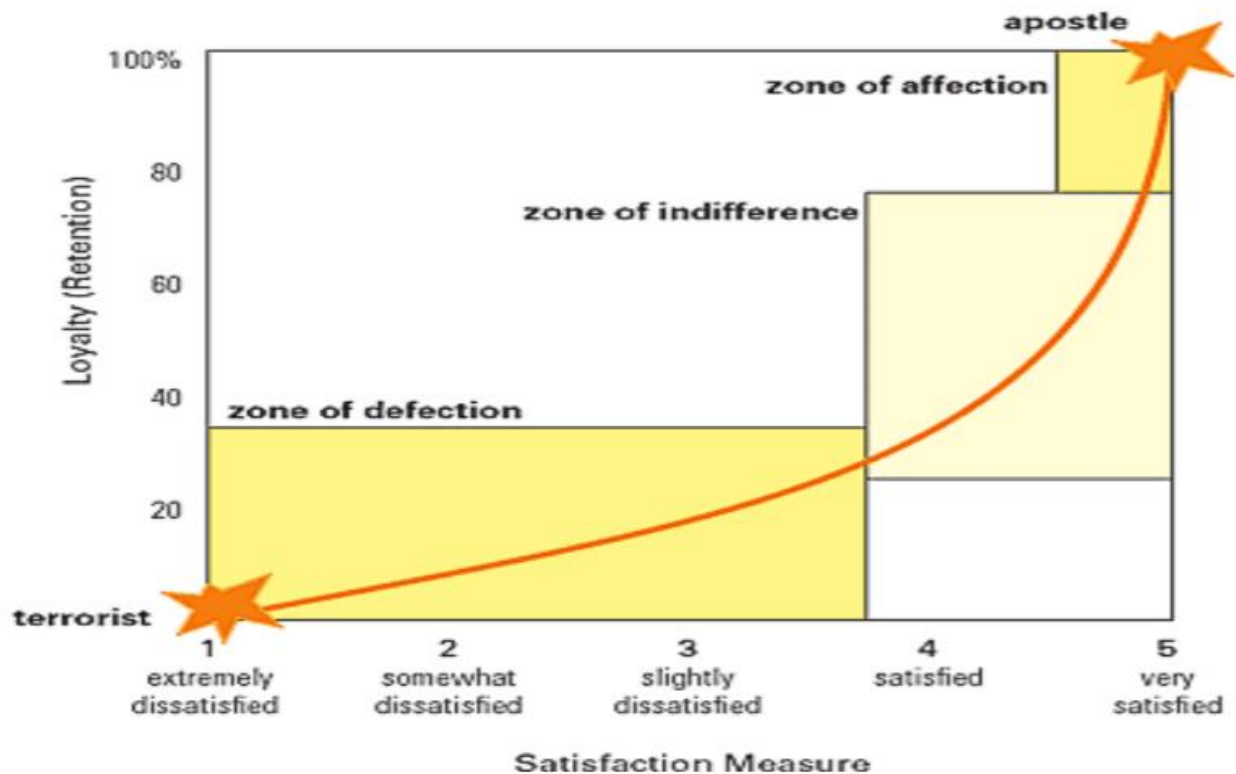
4 RELATIONSHIP BETWEEN CUSTOMER SATISFACTION AND LOYALTY

According to Coyne (1986), relation between customer satisfaction and customer loyalty is depended in two different sides. For example, if the customers buy something and their satisfaction level reaches a high point, at that time customer loyalty will be also increased automatically. Similarly, if the customer satisfaction level is decreased then customer loyalty percentage will be also decreased slightly.

In a business the relationship between customer satisfaction and customer loyalty is very important for surviving long lasting. A lot of business practices have been showing that customer satisfaction attracts towards loyalty. Relationship between customer satisfaction and customer loyalty is hard to define because of the factors associated with these. Several studies have been showing that any growth or upgrade in customer satisfaction would have an equivalent bearing on their faithfulness towards an item or administration. The idea of customer satisfaction is very important towards company goals and missions that mean how much percentage of satisfactory level is increased. The loyalty percentage of customer is also increased, that is why these two terms strongly connect with each other's action. Two of those terms must be interconnected with each other in order to get success in business organization thorough customer satisfaction and customer loyalty. (Dick & Basu 1994.)

The relationship between these two terms customer satisfaction and customer loyalty is very emotional. We cannot separate these two terms as they have strong connection. Researchers have been showing that customers' satisfaction is a key element to affect in loyalty for that reason organization must be aware of customer satisfaction. According to positive purchase experience, organization can turn their customers to loyal one. On the other hand, dissatisfied customers may bring some problem, they might influence some of their friends and family members so that it might get affect in positive business life. If the customers are unhappy with their items and services they may be directly tell to the organization or they may go to the media, associated organization, their feedback and comments could bring the positive changes in organization behavior and quality of their services. For the company's success, satisfaction and loyalty have been first and foremost priority. According to Lawfer, R. Manzie (2004) satisfaction is not only the one element that leads through loyalty. It has several steps for example, customers may go through awareness, investigation, development, responsibility.

A Satisfied Customer Is Loyal

PICTURE 5. Relationship between customer satisfaction and customer loyalty (Heskett et al. 2011, 71.)

Picture 5 shows the relationship with satisfaction and loyalty. There are three different customer zones (zone of defection, zone of indifference, zone of affection). This picture shows the customer loyalty level according to their satisfaction when purchasing the items. (Heskett et al. 2011.71.)

According to Heskett (2011) the term terrorist represents an extremely dissatisfied customer, that means they will never be happy with product or service. There are so many chances to discourage other people not to buy that product or not to take any service from that organization. That is why this term is named as "terrorist". The term apostle describes a very satisfied customer, those customers are the ones who are always backbone of the company. They are most loyal customers ever. Satisfied customers driven through success for the company that is why always maintain the service and quality level to make customers happy. (Heskett et al., 2011,75).

5 FACTORS THAT AFFECT IN CUSTOMER SATISFACTION AND LOYALTY

In this twenty first century understanding the customer satisfaction is necessary for every company. Understanding the needs and desires of customers are the challenging parts for any organization. There is some difference in factors affecting satisfaction and loyalty. According to Srivastava (2015) satisfaction is like an attitude but loyalty is a behaviour. In this chapter I am going to talk about factors that affect in customer satisfaction and loyalty.

5.1 Factors affecting in customer satisfaction

Since most of the companies are aware of customer satisfaction, it is very important to maintain the customers' satisfaction level. Companies need to be focused on factors affecting in customers satisfaction. Customer satisfaction is influenced by some of well-known elements. For example, high expectations, execution, product value, product quality, customer feeling those are some elements that affect in customer's buying behavior. I am going to briefly explain the factors that associated with customers' satisfaction.
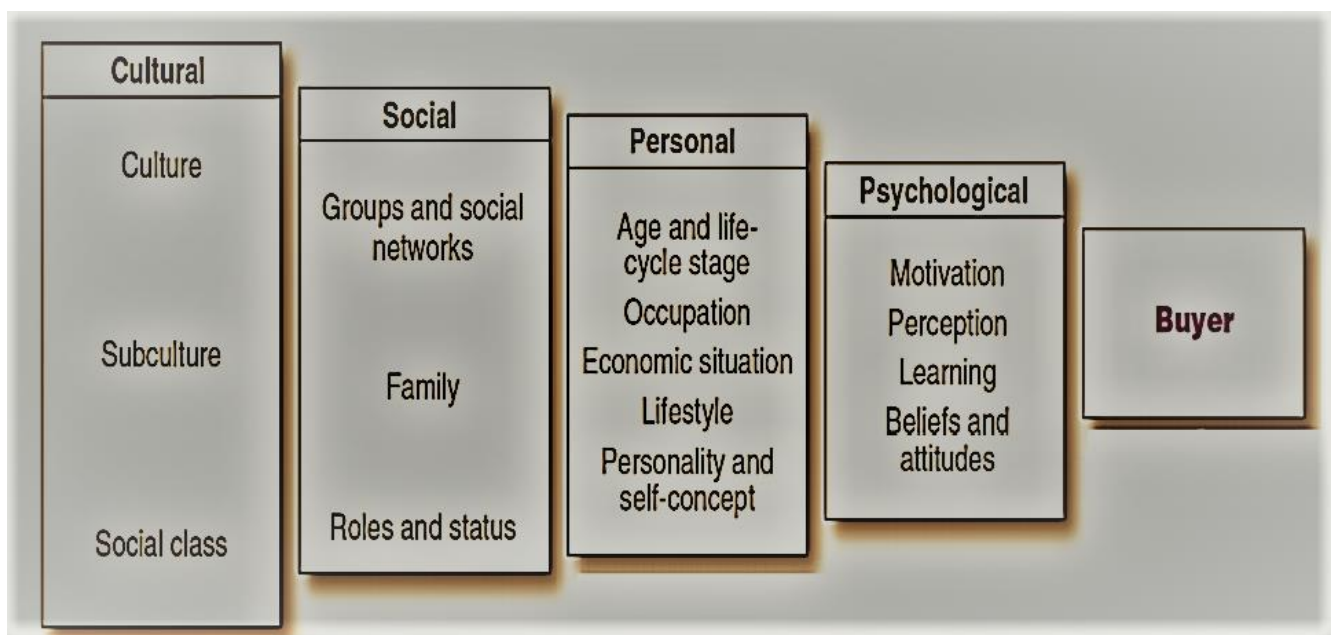
PICTURE 6. Factors affecting in customer behaviour (Adapted from Deep 2017.)

Cultural factors include set of qualities and philosophies of a specific network or mass of people. It represents the individuals' culture and social tradition. This is more like what people are learning since childhood from their parents or from the society, that will become their culture and tradition. In a simple way, culture is a way of showing the individuals' behavior. Cultural factors are like generation forwarding it to next generation.

The role of social factors is very important in buyers' purchasing decision. We are surrounding by different people and society where none of their thoughts are similar. We have family, friends, relatives and we go through by different people perception. For that reason, in a social factors group of people, family affect in a buyer purchasing behavior.

The personal factor incorporates all the individual factors. For example, monetary, persons activity, persons age, circumstances, and way of living style. Buyer may change the acquisition of merchandise and venture with the progression of lifestyle. Occupation and the monetary circumstance also play the critical role in buyers' behavior. On the different sides an individual with low pay may buy the reasonable product but individuals with high payment may choose the high-quality product.

Psychological factors such as encouragement, thought, schooling, character, mindset, believe are the key elements in affecting the consumers' habit in buying the items. You need to have hungriness to buy something, you need to have pure desire to get something. If a lady buys a burger from a restaurant the question is "why did she buy"? Because she was hungry, she had hungriness, she was motivated to buy the burger.

5.2 Factors affecting in customer loyalty

International markets and plenty of online information have derived extreme aggressive pressure and risen the consumer expectations. Quality of product and consumer satisfaction are the key words in today's business context. To achieve companies' goals and mission they are focusing to retain their customer for a long run. Customers are the main part of the business, which is why they must understand,

and they must know what people are looking for and what they want. Besides doing all those things, some of the companies are not being able to retain their customer for long time.

To maintain customer sustainability, it is very necessary to find the elements that drive loyalty in specific business. The factor which affects in customer loyalty need to be discovered and company must know those things before making strategy before implementing the plan. This is the important thing to find the factors that affect in customer loyalty for organization to drive the customer loyalty program effectively and nicely. Trust in a relationship brings confidence. Trust drive through the way of success. If a customer trust product or brand they feel more secured and relaxed to buy that product. In order to gain more customers' trust, you need to work for that. They always expect consistency and honest treatment from the supplier. There have been several relationships with customers that they have trusted the brand and product. We can take example of Adidas and Nike.

Concern for the customers is another important factor to maintain the loyalty. As an example, we can take the food and beverage company, they have been doing such a great job to meet the consumers' desires. Making hygienic food, putting good number of calories, environment friendly packaging, consumer friendly packaging, good size and affordable price are main concerning parts of the customers. Service quality is the most important factor that affects in customer loyalty. Customers may like your product but if customers feel like being not valued and not respected well, while doing business with you then that will rise the problem. There are less chances to return that customer. Customers like good service when they are dealing the business. In the following figure I will discuss some other elements that influencing in customer loyalty.
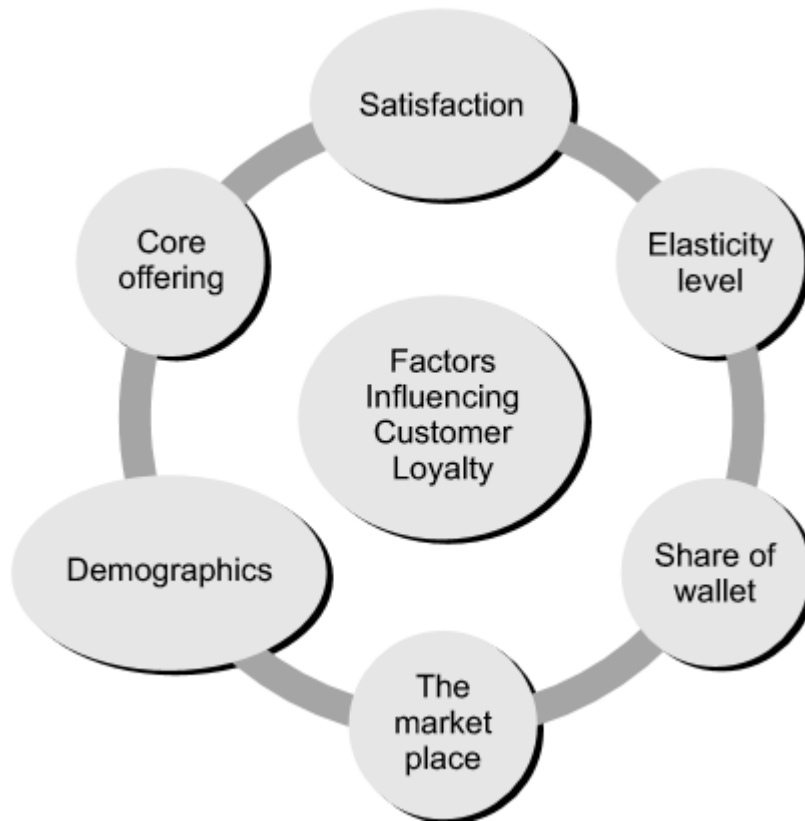
FIGURE 3. The loyalty guide (Adapted from customer loyalty concept, character and context, 2014.)

The above figure 3 shows the factors influencing in customer loyalty. I am going to explain some of these factors shortly. Satisfaction is a determine matrix of customer loyalty. Customer will be loyal towards company if the customers are satisfied with product and service. The result shows that 90% of people will be loyal towards the company if they are satisfied with product or service, only 10% of people will probably change the company because of various factors. Elasticity level stands for two basic things such as customer participation and customer decisiveness. Customer participation is basically about involvement of customer towards companies' product and service and customer decisiveness is uncertainty or indecisiveness in customers decision making driven by the level of involvement. Marketplace is also an important factor that loyalty matters. It also has two elements: switching prospects and inertia loyalty. Switching prospects depends on companies' service and quality. If the company providing good service and product they must think twice before switching the company. Inertia loyalty is like avoiding the further problem and compromise what they have in the present. In this stage they are afraid to switch the company because of unnecessary things. This usually happens in banking sector. Demographics is another important factor in loyalty because educated people know a lot

of information about product and company that is why there is less chance to stay loyal in educated area. Uneducated people do not have that many ideas about all those things that is why if they get good customer service in first time, they will probably stay loyal to the company. If the customers are loyal with company, they do not hesitate to spend their all money with certain brand or company, it does not matter how costly the product if they willing to get something then they will share their wallet with company (Rai & Srivastava 2014, 75-80.)

5.3 Importance of measuring customer satisfaction

Organizations are regularly measuring the customer satisfaction and the factors building it. The main element of retention the customer is customer satisfaction. Only the most satisfied customer repurchases the product regularly, buy more as often as the organization launch the new product and upgrades existing items. The satisfied and loyal customers' usually do not care about the brand, they do not care about the competition, they do not care about the price, they just believe in quality of service and how the company treats them. (Kotler & Keller 2006.)

The relation between customer satisfaction and loyalty is highly interrelated. In the measurement of satisfaction, if the measurement scale is one to five those who give one out of five are the totally dissatisfied customers and those will not come again to buy your products. Among two to four ratio are customers who have highly chances to come but at the same time there are highly chances to spread the bad comments in the market. Those people who give on a scale of five will come to buy product again and again and at the same time there are high chances to share the good words in the market about the product and service.

According to consumer orientation concept, the measurement of customer satisfaction is one of the vital things to do in an organization, and the main target of the measurement is to improve the quality in service continuously. In the organization satisfaction, measurement is important because if you cannot measure the object that means you will not understand the actual feelings towards product or service. In this modern era, the importance of customer satisfaction is heightened in any organization. Although, the evaluation of customer satisfaction is considered the most important factor in organization, customer satisfaction measurement program gives important data related with customers. For example, feedback, expectation, effective or not. With these perspectives we can say that customer satisfaction is a pattern

standard of execution and a possibly the greatness for the future. The significance of customer satisfaction measurement is also proved by the fact that customer has shown the interest towards repurchasing.

Through the customer satisfaction measurement organization gets to know about the most reliable market information and company should know the companies' current position also they should make the future strategies accordingly. Another main reason for measuring customer satisfaction is most people usually do not express their comments or feedback about the product or service, through measurement program it helps to express their satisfaction and dissatisfaction level towards product or service. There are so many ways to gather customers' information to measure the customer satisfaction. The following chart will discuss more source of information.
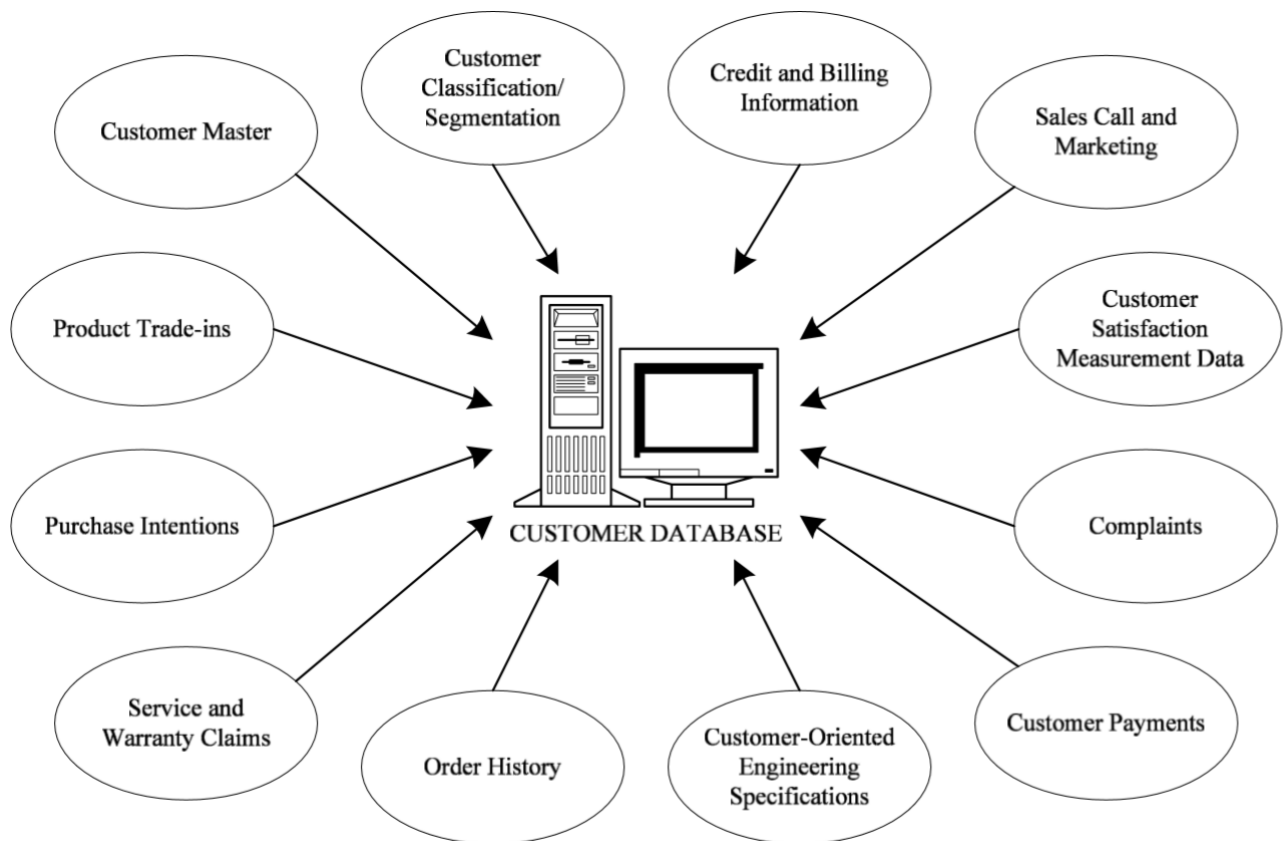
FIGURE 4. Source of information for the satisfaction measurement (Adapted from international series in operations research & management science 2010.)

In the organization there are many things that indicate the measurement of success. To measure the customer satisfaction company should not rely only in one index, company should go for the other matrix that influence in measurement programs. The above figure shows the satisfaction measurement programs

and source of information for the satisfaction measurement. When organizing the customer satisfaction measurement programs company should look for customer data from various sector. For example, company can look for the customer's order history if the company finds customer history is pretty good that means the indicator of satisfaction. (Hiller 2010.)

5.4 Strategies to enhance the customer satisfaction and loyalty level

Nowadays, Fulfilling the customer desire, needs, knowing their expectations, making them satisfied and being able to make them loyal towards company are the hardest and toughest part of the business. They have to not just to produce the item, but they have to do it according to customer desire and expectations. Producing, selling, delivering engaging with customers regularly are another hard part of the business. In order to establish a company in the market, organization must be able to deal with all those elements. Competition in the business give the better chance to improve their service and quality for the organization but for the customer it gives to get the good product and better service as their demand. Being able to make customer centric strategies they must be able to engage with customers to sustain in the market and make them customer loyal. All the companies are trying to make the customer-oriented strategies, companies who believes that only the customer centric strategies make them growth they will be succeed in the future. (Kotler & Keller 2006.) We can see the drastic difference between traditional strategy and modern strategy of the company. Following figure will show the difference between traditional strategy vs modern strategy.

(a) Traditional Organization Chart

Top management
Middle management
Front-line people
CUSTOMERS

(b) Modern Customer-oriented Organization Chart

CUSTOMERS
Front-line people
Middle management
Top management
CUSTOMERS
CUSTOMERS
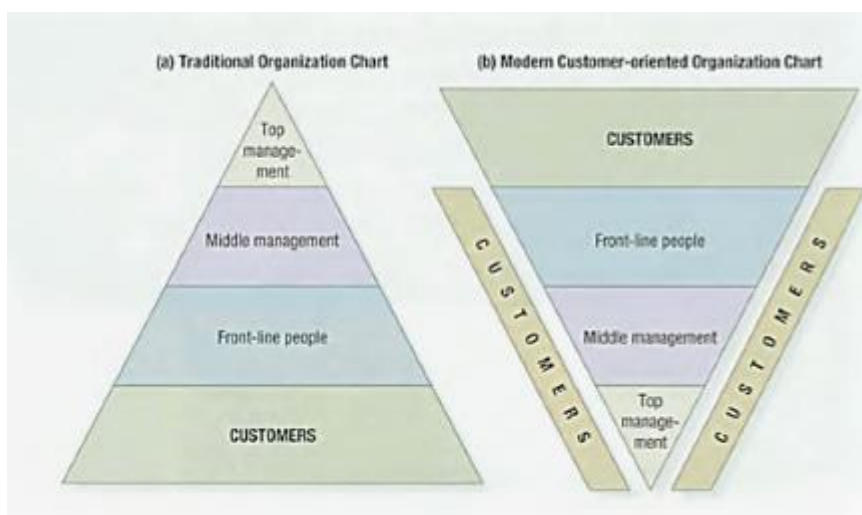
PICTURE 7. Adapted from Marketing management 2006.

The above picture explains about how the things change in organization from the past and present. According to the picture, in the past management level was on top and customers were in the bottom, middle management were on middle but in present organizations are being more customers centric that is why customers are on top priority nowadays. We can see on the chart that management level on the bottom while that was top priority on traditional organization chart.

The success of the company depends on their customer, how many of the customers are satisfied and how many of them are loyal towards company. Satisfaction and loyalty are the indicators of company success. The companies operate their service with adapting brand-new technologies to improve the quality of service shows how dedicated are the companies towards customers. If the organization knows the importance of customer-centric strategy to enhance the satisfaction and loyalty level, company will be succeeded sooner or later. In a customer relationship management customer related strategy plays the vital role to the end- to- end customer experience. Customer related strategies includes all the aspects related with customers such as producing according to customer expectations, selling, knowing the customer needs and desires. (Goodman 2009.)
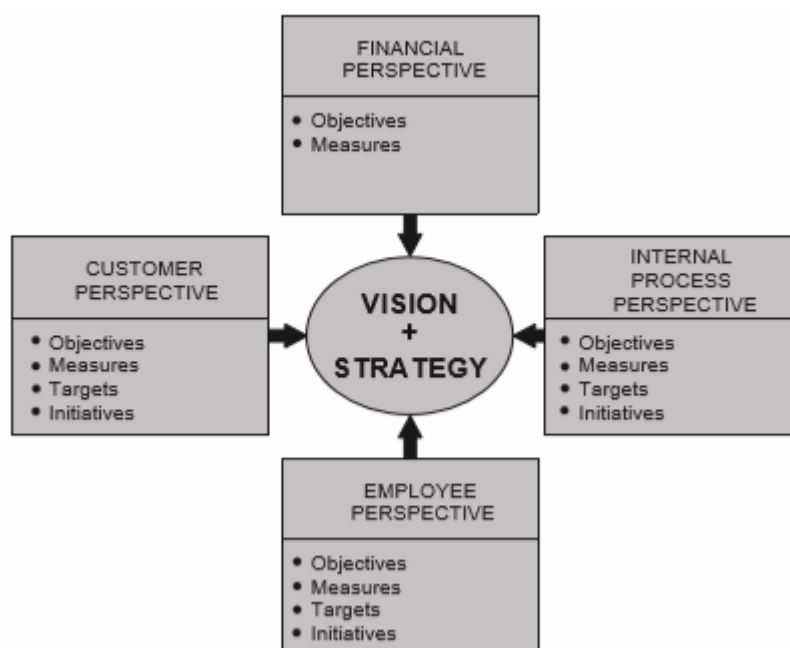
FIGURE 5. Strategy model (Adapted from Szwarc 2005.)

The above figure shows the customer loyalty strategy vision of a business. This chart has four different components such as: financial perspective, customer perspective, employee perspective and international process perspective. The main target of the all these perspectives is to create vision and make the strategy accordingly. The main objective of financial perspective is to find the element that how can they succeed financially? And how should business appear to their stakeholders. In a customer perspective strategic vision, they will discuss how to achieve their vision and how they come up with their customers. Likewise, internal business perspective related with international factors like stakeholders and customers. Internal aspects discuss about what business strategy they must come up with. Employee perspective is all about how they will sustain to their ability to change and improve to achieve their vision.

5.5 How satisfied customer drives company through financial success?

In every business organization internal and external factor are vital for their success but one of the most important factors is customer satisfaction. Most of the business' success rely on customer satisfaction. Only the satisfy customer stay loyal towards company. They are returning customer and at the same time they are ambassador of business. The relationship between customer and business is positive because if business do care about customer they will also care about business, if business do not care about customer, they will not care about you and your product. There are certain things which are the elements to increase business revenue throughout customer satisfaction. A satisfied customer is loyal and know their value the research shows that the loyal customers are more valuable than winning the new customer. In terms of financial performance retaining the customer is 6 to 8 times profitable for company. Customer satisfaction is like a lifecycle if they satisfied, they would keep trusting you and your product (Hill, Self & Roche 2002, 1-5.)

It's all about service than money most companies think that customers are divided because of high price. This is however, not true. The customers are distracted by poor service quality not by high price. A

satisfied and loyal customer basically can compromise the little increasement in price. Customers satisfaction helps you stand out in the competition If you provide quality service to your customers your competitors may not be happy because they are waiting for you to make one big mistake and that is less quality service. Providing quality service makes your competitors happy and your customers will get affected by your service. If you provide quality service and make them happy, they will stand with your organization and help you to stand with your competitors. A happy and satisfied customer will increase the positive word of mouth he or she will tell about your quality service to further 10 to 20 people. If you make them happy there will not be negative word of mouth in the market about you and your product that will help to business revenue (Rai & Srivastava 2014, 124-135.)

6 RESEARCH PROCESS

This research process was started when I got permission to write the case about the company from the development director Mr. Pasi Kaurala. To be able to find the right data about customer satisfaction and loyalty, I have taken an interview with FAFA'S development director Pasi kaurala. I have set some of the questions for interview and according to his interview this research process was done. This chapter is going to talk about research process and research methodology.

6.1 Research method

In modern day business life competition has been expanding rapidly to provide great customer service. All the business developers agree that research is perhaps the best way to prevail in an opposition. Research is a first way of starting any business either it can be profitable, or it can be non-profitable. In another word research is a method of collecting the right data or about the adequacy of mediators by giving the viability proof, as specialist co-ops and experts, use strategies and techniques, worked by examine methodologies to solidify, improve, create, refine and advance clinical parts of training to serve customer better. (Kumar 2011.)

Basically, research methodology indicates the data and investigate in those data. Usually, there are two types of research methods that are used by researcher and those are qualitative and quantitative research method. Although there are some other types of research method, we can see but those are less usable. Researcher has option to choose which one will be the right one for him/her. In a business analysis primary data seem to be the most reliable and specific. Mainly, primary data related with present analysis it covers all the present factors while, secondary data are collecting from books, online magazine, internet, or some other research papers. In business most researchers use the primary data collection method. (Taylor, Sinha & Ghosal 2006.)

The author conducts a qualitative research method to find the right data about customer satisfaction and their loyalty. The materials that are being used in this thesis are according to qualitative research method. Ninety percent data are gathered from qualitative method while, ten present data might be from different research method. The main aim of this research is to find the elements that affect in relation between customer satisfaction and loyalty.

6.2 Qualitative research

Qualitative research is characterized as a statistical surveying, technique that centres around getting information through open-ended and conversational correspondence. This technique is not just about what individual think yet in addition, why they suspect as much. For instance, consider an accommodation store hoping to improve its support. This method is related with exploratory research method. The qualitative method is used when people need an information, data, and views from the experienced people in related business regards what they think and why they think. Qualitative research method is mainly used to collect the specific information about the specific group of people, their culture and to know the people behaviours. (Silverman 2009.)

Qualitative research permits to gather information that is non-numeric and encourages us to investigate how choices are made and give us point by point understanding. Whatever methods are researcher decides to use the collecting data one viewpoint is exceptionally clear the procedure will create a lot of information through. Qualitative data analysis, for example, notes, recordings, pictures, and content reports, yet one of the most utilized strategies for qualitative information examination is content investigation. The characteristics of qualitative research methods are collecting all the data and giving proper information to researcher. Qualitative research method collects numerous forms of data by using the different types of method, for example, interview in either way like structured or even semi-structured way.

As we can see, interview is the best way to analysis of something. Direct interview can be useful either for getting job or to get direct feedback for a researcher. In the qualitative research method, interview is one of the greatest ways of collecting the materials. The main aim of the interview is to collect the information broadly and seriously. The main purpose of the interview is to share the experience and ideas. We can see there are mainly three different types of interviews are being used by researcher and they are structured interview, unstructured interview, and semi-structured interview. In this research I have make some sort of interview questions and researcher creates the meetings event with the experienced one. I have gathered the information with his direct involvement. In this following chapter I am going to explain the types of interview method.

6.2.1 Structured interviews

Structured interview is a systematic way of collect the information, getting to know the persons view, experience, or feedback. In this research method the research questions are already designed by a researcher. Questions can be made in various way for example, they might use the online portal, or they might use the paper material. In this structured interview there are equally chance to share their views and perspective for both interviewee and interviewer. In a mutual understanding, those collection of data can be recorded, and it should be shared both for the privacy matters. The interview questions depend on a researcher it will be either open-ended or close-ended.

The main objective of using structured interview is to gather a proper information about the related fields. The structured interview method is agreement between the size of meeting and the significance of the situation to be filled. Interviewee may give wrong information if the interview held offline or indirect interview for that reason direct organizational interview through interview can read the facial expression of interviewee that is why it is important. Influence of the questioner's instinct and experience is another element of the interview. Although, inquiries, in general, show that experience does not supplant preferences of the organized interview. (Petterson & Durivage 2008.)

6.2.2 Unstructured interviews

Unstructured interviews are the capacity of way to dealing and addressing the questions. Usually, unstructured interviews method does not follow the system. This method does not have proper questions or not even recording system. In non-organized interview, a researcher may ask a lot of frequent questions as per his/her demand. Interviewer allows much more freedom than in other interview method. Researcher can even change the arrangement of inquiries. Researcher may generally have more freedoms to record the reactions to incorporate few perspectives. Yet, this kind of adaptability brings about absence of similarity of one meeting with another and the examination of unstructured reactions turns out to be considerably more troublesome of the organized reactions acquired in the event of organized meetings. Unstructured interviews likewise request profound information and more noteworthy expertise with respect to the questioner. Unstructured interview, in any case, happens to be the focal strategy of gathering data if there should be an occurrence of exploratory or formulative research considers. Be that as it may, if there should arise an occurrence of elucidating contemplates, we regularly utilize the strategy of organized meeting in view of its being progressively prudent, giving a protected

premise to speculation and requiring generally lesser ability with respect to the questioner. (Kothari 1990, 98.)

6.2.3 Semi- structured interviews

Semi- structured interviews method is another most famous research method. Semi- structured method is mix characteristics of structured an unstructured interview. In this method questionnaire can ask a set of questions as it is necessary. In addition, the researcher can add some other stuffs too. Through semi-structured interviews researcher will get the proper information.

6.2.4 Interview analysis

From the starting of this research, I was determined to include the experience and knowledge of successful entrepreneur in the field of restaurant industry. With this process, I conducted an interview with Mr. Pasi Kaurala, development director in FAFA'S chain. I tried to meet him personally but because of the COVID 19 that could not happen. However, I arranged the meeting with him on skype. This interview was taken on 19th of May 2020 on skype. With his permission, interview was recorded on interviewer phone. Mr. Pasi Kaurala (Development director) of FAFA'S was very positive, helpful, and flexible throughout interview time and he answered all the questions very professionally. Questionnaire was set in three different phases. Phase 1 and 2 were about his personal life, his working experience, how he started his journey, his organizations' main goals and targets. Phase three was all about customer satisfaction and loyalty of FAFA'S restaurant.

Phase 1 and phase 2 questions of the interview were about his personal life how he started his journey in the organization. He likes to define himself as a very positive person. He is a fifty three years old and he worked in McDonalds for 21 years. He seems very energetic person and goal-oriented person. He also worked in Kotipizza for 3 and half years, similarly, he used to work as a restaurant entrepreneur for 2 years. Personally, he is very inspirational and motivation for everyone. He has plenty of working

experience and author has delighted to hear his experience and thoughts from his own words. After many years of working experience, he moved to FAFA'S organization as a development director in September last year.

Phase 3 was related with organization, customer satisfaction and loyalty. In the growth of FAFA'S restaurant Pasi Kaurala strongly believe that they will be one of the leading fast food restaurants in Finland within 2 years. The main goal and mission are to of course provide better and healthy food in the market. They are proud of what they are doing in the restaurant kitchen. They have their own receipe and making style. They use only handmade product in the restaurant. FAFA'S is planning to be a vegetarian fast food leader not only in Finland but globally. In terms of customer satisfaction and loyalty he strongly believes that this is the most important thing in the restaurant business. He also added that if you want to be in restaurant business there are two things first is food that has to be love by people and easy delivery method inside the restaurant or outside the restaurant. Pasi Kaurala agreed that customer satisfaction is a main thing in business but at the same time he also added that its about giving value of their money what customers are feeling about the food. According to Pasi Kaurala FAFA'S has different methods of measuring customer satisfaction and loyalty. They have used some traditional measuring method, but they are recently launched the new system to measure the customer satisfaction. If customer buys something from restaurant, they will get the receipt and, in that receipt, they can see their QR code from that code they can give instant feedback from their mobile devices about how they feeling restaurant service and food. He also added that in order to increase customer satisfaction and loyalty they are using the meal card system for example: if people buy 10 times food from FAFA'S they will get the one launch free and within this period they will get the 10 times stamp in one coupon. According to Pasi Kaurala there are of course opportunities, threats, weakness, and strength in every business. He somehow agreed that they also have some sort of weakness and threats in business, but they are dealing it differently. They do not want to be other fast food restaurant like McDonalds, Burger King or another restaurant. They want to put different impacts in the society. He added that people have emotional connection with FAFA'S. The restaurant has been serving the food for almost a decade and they are able to put good impact in the society and they are proud of it. In this modern era marketing is the first and foremost thing to get into the people. In the case of FAFA'S they are not spending that much amount in the marketing and they are using social media like Facebook and Instagram.

Overall, within this interview period, author has been able to know the customer satisfaction and loyalty briefly from the experience person. According to all the data I would say it was a successful interview. Author kept his finger crossed that this research will help to grow the business of FAFA'S in coming days.

7 SWOT ANALYSIS

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is a structure used to calculate the company's current situation and predict the future aspects. This tool is essential to find the objective that affects in business life for internal and external factors. Each and every business has their own goals or mission, without analysing those factors it could be difficult to find the right path for organization. In order to find the right way, they use the SWOT analysis method. Strengths and weakness work to find companies internal factors while opportunity and threats measure as a company's external aspects. Mainly, the SWOT analysing method was developed for commercial organization but nowadays it has been necessary tool for each and every individual business. SWOT determine the factors that influence in business. According to the Cambridge Dictionary, SWOT analysis is the reading or learning something before start doing something. SWOT method is information source to make a strong strategic plan, it builds business strength, it helps to reduce the business weakness and likewise, this method is fruitful to find the future opportunity and it also teaches how to overcome from business threats. (Kotler & Keller 2006.)

Since the I have own experience working in FAFA'S restaurant in Helsinki, author tried to analyse some of the factor that comes in SWOT. It was written based on interviews of restaurant manager and my own experience working there.

TABLE 1. SWOT analysis of FAFA'S restaurant in Helsinki

STRENGTH	WEAKNESS
- A good service quality. - Fresh and healthy dish compared to other fast food restaurant. - Big portion of meal. - Friendly and customer friendly environment. - Multinational staffs. - English language speaking restaurant.	- The price of food is slightly high comparison to other fast food restaurant. - Basically, the FAFA'S food is being made by pita bread and there are high chances to leaking the liquid thing in customers dress while eating their food. - Restaurant size is very small that might affect in customers choice.

➢ Most of the FAFA'S customers are loyal and satisfied.	
OPPORTUNITIES	**THREATS**
➢ FAFA'S can expand their branch in different location. ➢ Nowadays, the number of vegan people are slightly increasing for that reason restaurant can use the trick by naming vegan special restaurant. ➢ People are looking for new dish except burger so FAFA'S food can be their right choice.	➢ Growing market of similar fast food restaurant in Helsinki. For example, there are already many Arabian restaurant that serve the similar food.

The main strength of FAFA'S restaurant is customer satisfaction and their loyalty towards restaurant. Most of FAFA'S customers are repeated. They believe this restaurant just because they get the fresh and delicious food within quick time. The environment of the restaurant is quite good, the staff are friendly and main thing is that FAFA'S mainly hire the international worker because this is the only one restaurant in Finland where people speak English even though you are native people. The food portion is quite big comparison to other restaurant meal that is why people prefer to come in FAFA'S restaurant.

The main weakness of the restaurant is the price. The food price is slightly high compared to other fast food restaurants. In general, in other fast food restaurants you can get normal meal within 6 euro but in FAFA'S it costs 9 to have normal meal and without any drinks. Another weakness is leaking the liquid sauce from the food that might get affect in customers' clothes, we have already gotten the many

feedback regarding this problem. Restaurant size is another weakness because some people prefer to go in open and big size of restaurant but FAFA'S is a small size restaurant.

FAFA'S is basically a new concept restaurant. The other fast food chain has been serving food for a long time and people are looking for new taste and for that reason this restaurant started to serve the different types of meal than another restaurant. It can be larger than this, there can be so many branches in near future. Nowadays, many people are being vegan, and this restaurant is the vegan special restaurant that is why this restaurant might be their first priority.

The main threats of the restaurant are the growing number of Arabian and Turkish restaurant in Helsinki. The food concept of FAFA'S, Arabian restaurants, Turkish restaurants are pretty similar. If they sell similar types of food in less price then FAFA'S customer may go to that restaurant.

8 CONCLUSION

The main aim of the organization is to retain the good relationship with their customers as well as business. To achieve the future goals customer needs and desires should be fulfilled. consumer satisfaction plays the important role to growth business operations. Understanding the customers' feelings, their needs and demands are essential things to make the customers loyal. Customers are the main part of business. Organizations must know what they exactly want in order to sustain and grow in the market. One satisfied customer brings another customer. If they make their customer happy the number of customers may increase drastically, that is why customer satisfaction is a key component to make profit. The role of satisfied customers is not only in bringing the other customers but also in growing the business operations. Positive and satisfied customers will change the whole business scenario. This will be very helpful towards maintaining the relationship with people.

The research about FAFA'S restaurant has been done very genuinely to find out the customers' related elements and understanding the relationship of satisfaction and loyalty in the business. I was able to find out that customers are key of success, maintaining the good relationship with them is very challenging and at the same time this is opportunity to make companies service even better and grow companies' business widely by making customers satisfied and loyal. By seeing companies' data, reading customers' feedback very closely, interacting with some customers, taking interview of one of the FAFA'S manager and work experience of myself has come to know that the most customers are satisfied from the restaurant service and restaurant food and at the same time most of them are loyal towards company. The company's profitability rate depends on a satisfied customer. If the customers are happy, they will bring other customers, if the customers are happy with product or service that will encourage them to use same product from same company. There are of course some dissatisfied customers as well but throughout their opinion and feedback organization or service provider will learn, and they will make even better product and provide good service. FAFA'S is taking customers' bad feedback as a compliment to make them better in a future.

The research case company was FAFA'S restaurant. It is in different parts of Finland, Estonia, London and Sweden. I have chosen this particular case because I am worker of FAFA'S and I know many things about FAFA'S. Moreover, in the topic of customer and loyalty matters the restaurant industry would be perfectly fit for the thesis case. Nowadays, having a business, to be an entrepreneur is difficult. There are so many organizations establishing every day with different ideas and vision. The main aim

of this thesis was to know the customers' behaviour in a business and as a worker of FAFA'S I want to suggest in management panel. Within this research period I got a chance to know briefly about FAFA'S, I was able to build a good relationship with company management panel. Author would like to thank all of them who were part of the thesis and who helped in the project. The author carried out the qualitative research method in order to find the relatable data about customer satisfaction and loyalty.

According to management level, author work experience and rapid progress in expanding their chain operations it can be said that FAFA'S is providing excellent food service to their customers. It seems like customers are happy with FAFA'S service. customers' satisfaction comes with customer loyalty. If the FAFA'S customers are happy then obviously they will be loyal for the company. For that reason, we can say that satisfaction encourages towards loyalty. With this research author has come to understand the relation between customer satisfaction and loyalty. By defining satisfaction and loyalty have same definition the continuously, again and again using or consuming the same product can be the satisfaction and loyalty.

By reading various books, blogs and materials from e-resources the author got to know many things which were related with business and customers. After doing all this proper research author himself learnt many things like how to communicate with customers and how to deal with them in a good way. I feel that I can start my own business. In the thesis process author has done the SWOT analysis of the company and it will help them to be ready in any conditions. In this thesis readers can find the information about the interview with one of the management members of FAFA'S Pasi Kaurala (Development director). He shared all his experience throughout his professional life. Semi-structured interview was used in the research methodology. I could not meet him directly because of the corona virus that is why I conducted the video interview through skype during the research period.

Overall, the main aim of the thesis was to figure out the elements of customer satisfaction and loyalty. To measure the satisfaction level various methods have been utilized in the company. Another aim of the thesis was to understand the relation between customer satisfaction and loyalty and author has been able to find out their relation. Satisfaction and loyalty are the key elements of business success. understanding the relation of these two terms will be the biggest boost for the organization.

REFERENCES

Cambridge dictionary. 2018. Available:
https://dictionary.cambridge.org/dictionary/english/customer-loyalty. Accessed 2nd of May 2020.

Coyne, K. 1986. Beyond service fads: meaningful strategies for the real world. Sloan management review, Vol. 30, pp 69-76.

Deep, J. 2017. Factor affecting customer loyalty. Available:
http://www.yourarticlelibrary.com/marketing/consumer-behavior/factors-affecting-consumer-behaviour-with-diagram/48599. Accessed 20th of May 2020.

Dick, S.A. & Basu, K. 1994. Customer loyalty: Toward an integrated conceptual framework. Journal of the academic marketing science, Volume 22.

Eid, R. 2013. Managing customer trust, satisfaction, and loyalty through information communication technologies. United states of America: Business science reference.

FAFA'S. FAFA'S restaurant. Available: https://www.fafas.ee/ Accessed 23rd of May 2020.

Goodman, J. A. 2009. Strategic customer service: Managing the customer experience to increase positive word of mouth, build loyalty and maximize profit. New York: AMACOM.

Grogoroudis, E & Siskos, Y. 2010. Customer satisfaction evaluation: Methods for measuring and implementing service quality. New York: Springer US.

Hague, P. & Hague, N. 2016. Customer satisfaction survey: The customer experience through the customer's eyes. London: Cogent publishing limited.

Hayes, E. B. 2008. Measuring customer satisfaction and loyalty. United States of America: Quality press.

Hill, N., Roche, G. & Allen, R. 2007. Customer satisfaction: The customer experience through the customer's eyes. London: Cogent publishing limited.

Hollway, W & Jefferson, T. 2000. Doing qualitative research differently: Free association, narrative and the interview method. New Delhi: SAGE publication.

Humby, C., Hunt, T., & Phillips, T. 2003. Scoring points: How Tesco is winning customer loyalty. Great Britain: Kogan page limited.

Jacka, M. J. & Keller, J. P. 2009. Business process mapping: Improving customer satisfaction. Second edition. United States of America: John wiley & Sons, Inc.

Kothari, R. C. 2009. Research methodology: Methods and Techniques. Second edition. New Delhi: New Age International Pvt. Ltd.

Kotler, P. & Keller, L. K. 2006. Marketing management. Twelfth edition, New Jersey: Prentice Hall.

Kumar, R. 2011. Research methodology: A step by step guide for the beginners. Third edition. New Delhi: SAGE publication.

Lawfer, R 2004. Why customers come back: How to create lasting customer loyalty. British Columbia: Career press.

Mariani, G. 2017. M & A and value creation: A SWOT analysis. Turin, Italy: G Giappicheli editore.

Oliver, L. R. 2010. Satisfaction: A behavioral perspective on the consumer. Second edition. London and New York: Routledge Taylor & Francis Group.

Pettersen, N. & Durivage, A. 2008. The Structured Interview: Enhancing staff selection. Canada: Presses de l'universite du Quebec.

Rai, K. L. & Srivastava, M. 2014. Customer loyalty: Concept, Context, and character. New Delhi: Mc Graw Hill Education (India) Pvt. Ltd.

Silverman, D. 2004. Qualitative research: Theory, Method, and practice. New Delhi: SAGE publication.

Silverman, D & Maruasti, A. 2008. Doing qualitative research: A comprehensive guide. New Delhi.

Srivastava, M. 2015. Influencers of Customer Satisfaction – Customer Loyalty Relationship: A Conceptual Research Model.

Szwarc, P. 2005. Researching customer satisfaction & Loyalty. Great Britain: Creative print and design.

Tao, F. 2014. Customer relationship management based on increasing customer satisfaction: International journal of business and social science, Volume. 5, Issue: 5, pp. 250-265.

APPENDIX 1

Interview plan

1st phase

    Name: -
    Age: -
    Sex: -
    Profession: -

2nd phase
1. How long have you been working in this profession?
2. Previous work experience?
3. What are your organization main goals and missions?

3rd phase
1. How important do you think customer satisfaction is in restaurant business? And specially in FAFA'S restaurant.
2. How do you ensure a customer is satisfied? What measurement/ actions have been taken to increase customer satisfaction and their loyalty in your organization?
3. How do you assess or measure customer satisfaction and loyalty in FAFA'S ?
4. What do you think what are the main weakness and threats in FAFA'S?
5. What are the strength and opportunities of FAFA'S restaurant?
6. What is difference between FAFA'S food and another ordinary restaurant? Why people should go to FAFA'S?
7. How do you utilize the social media in your organization?

    Anything that you would like to add?

THANK YOU FOR YOUR TIME AND RESPONSE