Benefits and utilisation of customer satisfaction surveys

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Mikko Meriläinen

Mikko Meriläinen

HAMK
UNIVERSITY OF APPLIED SCIENCES

ABSTRACT

Valkeakoski
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Global Industrial Service

Author	Mikko Meriläinen	**Year** 2013
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ABSTRACT

The commissioning company was interested in measuring the level of satisfaction in their service business, located in a small municipality in Finland. Idea was to find out how they can be best utilized to serve business growth. The survey was conducted in paper form during the time period 05.01.2013 – 01.04.2013.

Customer satisfaction surveys can be used to find out what customers experience to be quality in service, to crowd source a new name as well as a tool to create information for marketing. Customer satisfaction surveys have been used to evaluate the businesses' performance, the general idea being that good satisfaction leads to less retention. The approach in the thesis is wider, searching for ways to increase profits for the company.

The research gave insight to the matter of anonymity in satisfaction surveys, as well as confirmed that the customer satisfaction is high. It also created information for marketing purposes by helping to identify the right channels through which the customers heard about the company. It also gave tips what the customers saw as quality.

Sometimes companies do too much or unnecessary work to please the customer. One of the ideas researched is that since there is a difference what the management sees as quality and what the customers see as quality, unnecessary parts of services can be removed, thus saving time and money. Unfortunately, such steps were not identified.

There are multiple ways how customer satisfaction surveys can be used to create growth in profit for the company with minimal costs. These ideas have been gathered from multiple experts in marketing and customer relationship management. Continuous customer satisfaction measurement also creates a tool for public relations management, when negative issues are handled carefully and with respect to the customer.

Keywords Satisfaction, Surveys, Quality, Marketing, Databases.

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Opinnäytetyö tehtiin pienellä paikkakunnalla Suomessa sijaitsevalle palveluyritykselle, joka oli kiinnostunut mittaamaan yleistä asiakastyytyväisyyden tasoaan. Tarkoituksena oli löytää keinoja, joilla asiakastyytyväisyystutkimuksia voidaan hyödyntää kasvun keinoina. Kysely suoritettiin paperisella vastauslomakkeella yrityksen omissa tiloissa aikavälillä 05.01.2013 – 01.04.2013.

Tutkimuksen perusteella asiakastyytyväisyystutkimuksia voidaan käyttää ainakin selvittämään, mitä asiakkaat kokevat laaduksi palvelussa, uuden nimen etsimiseen väkijoukkoa hyödyntämällä sekä työkaluna markkinointiin. Yleisesti asiakastyytyväisyystutkimuksia on käytetty yrityksen toiminnan mittarina, ajatuksena se, että hyvä asiakastyytyväisyys johtaa pienempään asiakkuudesta vetäytymisprosenttiin. Opinnäytetyössä on haettu laajempaa näkökulmaa, nimenomaan kasvu mielessä pitäen.

Opinnäytetyöstä saatiin tietoa anonymiteetin merkityksestä tutkimuksissa ja se myös vahvisti ennakkokäsitystä yleisestä asiakastyytyväisyydestä. Tutkimus antoi myös tietoa eri kanavien käytöstä markkinoinnissa, eli tietoa mitä kautta asiakkaat olivat yrityksestä kuulleet. Myös tietoa laadun ylläpitoon saatiin.

Usein yritykset tekevät turhaa työtä kuvitellen asiakkaiden arvostavan piirteitä, joita tosiasiassa asiakkaat eivät koe laaduksi palvelussa. Turhien osa-alueiden lopettaminen vapauttaa resursseja muuhun toimintaan. Turhia palvelun alueita kartoitettiin, mutta niitä ei löydetty.

On useita keinoja, joilla asiakastyytyväisyystutkimuksia voidaan käyttää kasvun tukena pienin kustannuksin. Näitä ideoita kerättiin useilta asiantuntijoilta niin markkinoinnin kuin asiakassuhteiden hallinnan aloilta. Jatkuva tyytyväisyyden mittaaminen luo myös pohjan julkisten suhteiden hallinnalle, kun negatiivisia palautteita käsitellään huolella ja asiakasta kunnioittaen.

Avainsanat Tyytyväisyys, Tutkimukset, Laatu, Markkinointi, Rekisteri

Sivut 26 s.

CONTENTS

1 INTRODUCTION

This thesis was commissioned when a service company from a small municipality in Finland needed help in measuring its customer satisfaction. The author had no previous experience from surveys, so all the information needed to be found from the literature.

The commissioning company has two main services, which are in this thesis referred to as Option1 and Option2. Both of these services have multiple sub-services, which are not handled in this thesis to preserve the anonymity of the company. It was not even the point of the thesis to measure customer satisfaction in specific services, but to measure the overall performance.

1.1 Use of customer satisfaction surveys

Customer satisfaction surveys can be used for many purposes. Still, it is a common mistake to use them just for measuring satisfaction among customers. They can also be used to gather information about what people would like to buy, to crowd source new business ideas or names, or to improve service effectiveness by removing unnecessary steps from the service thus, reducing costs.
(Make more strategic use of customer satisfaction surveys, 2003)

This means that they can be used in several ways to create growth for the company. They can be used to make the existing plans better whether they are about how to reduce costs or what kind of advertisements should be delivered and both of these can be seen as growth increasing. This was also seen as the main purpose of this thesis.

Customer databases can also be gathered with the help of surveys, which might make gathering information fairly difficult, since it would imply that the customer can be identified. This was already a problem while doing this thesis, since the information was not fully anonymous.

1.2 Before conducting the survey

There are multiple reasons for conducting surveys. Sometimes there is no other way to acquire information and sometimes it is just the cheapest method, or it might be the easiest and quickest way to get information. Surveys can be used in many ways, from understanding the focus group to new product development. (Alreck & Settle 1995, 3) In this thesis, the survey was conducted to gather information about current customers, to get material to help in marketing, and to crowd source a new name. Also information of the quality was required.

There are some questions that should be answered before starting a survey. These are 1) How much will it cost? 2) How long will it take and 3) How much will be learned? (Alreck & Settle 1995, 6) In this case the maximum cost of the survey was set to 50 euros and the time four (4) calendar months. The total time used was four months and total money needed 25 euros, so for these parts the survey was a success, since all the requirements were fulfilled.

The third question remains debatable. Information about the quality, information about the current customers and the material to help in marketing was acquired, but no way of measuring its monetary worth was established. Surveys should create value greater than the price, which is why the cost of the survey was held as low as possible. (Alreck & Settle 1995, 6)

2 DEFINITION OF GROWTH – DIFFERENT PERSPECTIVES

There are different ways to define growth. This is usually forgotten when the subject is approached even though growth of the company has been seen as a necessity for survival. Growth can be seen as growth in revenue, profit or as a structural growth, as in many other ways also. (Storbacka 2005, 28-38.)

There are of course, some restraints for the growth in the service business. A company manufacturing tangible products can start mass-producing or collect the product to a stock, but people providing services cannot do this. This is why growth has to be managed carefully. There is only a certain amount of people who can be served at a time, and the size of the venue is already a limiting factor even though it would be theoretically possible to hire endless amounts of people. (Kotler, Armstrong, Saunders & Wong 2002, 539)

2.1 Growth in revenue and profit

Usually when people talk about growth they mean the growth in revenue. This thinking is not very smart, since this does not necessarily mean that the company would be making more money. For example, structural growth causes great increases in revenue, but can actually cause the company to lose a lot of money. Zook and Allen present in their book “Profit from the Core, 2001”, that the company should fulfill three requirements at the same time: the company must grow their revenue and profit before taxes and create its owners such profit that it is greater than the cost of capital. (Storbacka 2005, 28-30.)

In a study conducted by Chris Zook and James Allen, these requirements were met only by 13% of the companies, after the criteria was set to be 5.5% inflation fixed growth in revenue and profit, and the income to be more than capital cost. It is noteworthy that this study was conducted during 1988-1998. This time period has been thought by many to be one of the best time periods in global economics. Also, over 90% of the companies had set even more ambitious goals concerning revenue and growth. (Storbacka 2005, 29.)

The revenue can also be grown by fixing the prices higher and using a well-planned marketing mix. Cost reduction is also a great way to increase profits without actually increasing sales. Sometimes service businesses have features in their services which create no value for the customer, but take out the time and resources of the company. These “unnecessary” features are possible to be recognized by conducting a customer satisfaction survey.

2.2 Absolute or relative growth

Absolute growth means that the company grows compared to its last reference point, which can be for example its last quarter or market year and this is not measured in percentages as relative growth is. This is quite problematic however, because some companies might be doing pretty badly even though they are growing. This can take place for example in rapidly growing industries or businesses. The demand for a product can be growing so fast that the company grows even though it loses its market share on all of its customer segments. (Storbacka 2005, 30.)

This is why there is a concept of relative growth which is measured in percentages. The growth should be compared to the overall growth of the industry and demand. Other crucial point is to compare the company to the main competitors' growths. The third point is of course to compare to the company's own growth. (Storbacka 2005, 30.)

2.3 Ansoff matrix

The Ansoff matrix is one of the clearest tools available when creating a policy for growth. This matrix has two different variables which allow the company to grow; they either develop the markets or the products. As stated, it is a policy matrix. It defines whether the company wants to use market penetration strategy, market development strategy, product development strategy or diversification strategy. These all have own benefits and downsides. (Trott 2008, 393)

Question 5 was formulated in the matrix to give support to marketing, which is the main strategy in market penetration and market development strategy, as can be seen from Figure 1. The question was about how many people would recommend the company to other people. They can tell people how many have been happy with the company. This is a good argument for both new and old markets.

Question 9 in the survey was asked to help the company determine its future direction. The question asks what kind of services or things to buy are missing from the nearby area, searching clues for the product development and diversification strategy.

Ansoff Matrix	**Current products**	**New products**
Current markets	1. Market penetration strategy	3. Product development strategy
New markets	2. Market development strategy	4. Diversification strategy

Figure 1 Ansoff Matrix

2.4 Market penetration strategy

This strategy focuses on the markets and the products that the company already has. This is basically done through increasing the sales volumes or the profits from the sales. The use of different marketing strategies to increase sales is a regular way of increasing sales. (Trott 2008, 393)

If the company has conducted proper customer satisfaction surveillance for many years, they have a lot of information on what kind of people like their products or services, or at least what services and products go hand in hand. For example, if 40% of people purchasing service A have also bought product X, it is natural to draw the conclusion that for people buying service A it is smart to try to sell product X.

2.5 Market development strategy

In this strategy, the company still uses the same products but sells them to different markets or customer segments. The good thing about this is that the company has experience about what they are selling or producing. Still, the markets might be totally unknown for the company, increasing risk of failure. (Trott 2008, 393)

Let us take a carwash company as an example. The carwash could stay with the same product, which is washing and waxing, but start selling it for boats as well. This could be promoted in local docks, boating clubs and so on.

2.6 Product development

Product development is an ongoing process for most companies. In Ansoff's model the products developed are meant for the existing markets. This is usually the case, since companies tend to know what their customers value making it easier for them to develop satisfactory products. Most companies do this to ensure that their products are able to compete with their competitors' products. (Trott 2008, 394)

2.7 Diversification

This implies dealing with the market segment that is usually the largest one for all the companies, which is “People that are not our customers”. This is the hardest policy from all of these to choose. This requires both using an extensive marketing mix and product development. (Trott 2008, 394)

The opportunities for growth, according to Trott, can come either through horizontal, forward or backward diversification. As an example of forward integration he mentions a manufacturer opening retail outlet. This means that if Apple would start manufacturing its own components it would be integrating its business backwards. Horizontal diversification would include buying competitors’ businesses. (Trott 2008, 394) s

3 SERVICE QUALITY AND CUSTOMER SATISFACTION

The terms service quality and customer satisfaction have usually been used interchangeably. Even so, these are two different issues. Service quality, when good, usually leads to good customer satisfaction. Still, you would not say that good customer satisfaction leads to good service quality. These two are definitely linked and affect the customer loyalty. Understanding these relationships can lead to professionals developing a model to improve services marketing. In this thesis, customer loyalty has been examined as a part of customer retention. (Caruana 2002, 811-812)

3.1 Service loyalty

“The degree to which customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service exists.” (Caruana 2002, 812)

All the issues mentioned are relatively easy to accept. If there are no repetitive purchases, there is no loyalty. If the customer possesses a negative attitude towards the provider, there are probably some other reasons why he comes back over and over again. Maybe the service provider lacks competition or is the only one who can deliver the service in a particular area.

3.2 Service quality

An important issue to understand is that the service quality is defined by the customer. This is called fitness for purpose, meaning that everyone has his own criteria depending on for example his status or job. (Buttle 2004, 242) It would not make much sense to make a bus that can go 200 km/h but for a race car driver it might be too slow.

Buttle also mentions some ideas that can be defined as fitness for purpose. One of these is to let the customer choose how he wants to contact the business. Some people prefer a face-to-face contact where some people find e-mail to be the only option. Another issue mentioned is that the customers can have tailor made services just for them. It also makes a difference how the staff acts towards the customers. (Buttle 2004, 242)

Quality is also about filling out promises. In services it can be considered bad quality if the company does not deliver on time even though they have said so. It is also bad quality to tell the customer a wrong price, or not to respond to customer complaints in a reasonable amount of time. (Buttle 2004, 242)

3.3 Customer satisfaction

The majority of satisfaction studies suggest that there are at least four sections related to customer satisfaction. These are:

1) Expectations;
2) Performance;
3) Disconfirmation; and
4) Satisfaction
(Caruana 2002, 815)

This basically means that the dis/confirmation comes from the expectations of the customer in relationship with the actual performance. This is also explained by this quote:

"The consumer's response to the evaluation of the perceived discrepancy between prior expectations (or some norm of performance) and the actual performance of the product as perceived after its consumption." (Caruana 2002, 815)

It can be seen that service quality is linked with customer satisfaction. The customer has expectation that he will not be billed wrongly, he will get what he needs, and everything else that the customer expects. This is the Expectations and Performance. These are then confirmed or disconfirmed, and will lead to satisfaction or dissatisfaction accordingly.

An interesting thing that comes up from this is that maybe it is not smart to make a survey where the people are asked to give grades to different areas of service made up by the interviewer without first making a survey what constitutes as a good service in the particular service field. In other words, how relevant can a customer satisfaction survey be without first making a service quality survey to first find out what is important for the customers?

This is a question which also A. Parasuraman and colleagues tried to tackle with SERVQUAL- model which is divided into five parts. These are reliability, assurance, tangibles, empathy and responsiveness. (Buttle 2004, 243)

3.4 SERVQUAL model

The SERVQUAL model is designed to give information what constitutes to be good service quality for the customers. It expects that there is a gap between expected service and perceived service which is a sum of four other gaps, and all these gaps can be measured through five core components. After these gaps have been measured they can be affected through changes in service. (Buttle 2004, 243-244)

3.5 The five core components of the SERVQUAL model

The first one is reliability. The reliability component means how well the company performs the service it promises. Making a good hamburger in five minutes every time for every customer creates a standard for the customers they can rely on. (Buttle 2004, 243)

Second one is assurance. This means how well the employees can get the customers to trust them, through their knowledge and good manners. People usually trust experts and being able to act like an expert gets one pretty far. (Buttle 2004, 243)

The third one is tangibles. This measures what kind of effect the company facilities, uniforms, common cleanliness and so on have to the customer’s experience. Nobody wants to go to a dirty fast food restaurant. (Buttle 2004, 243)

The fourth is empathy. This measures how well the company gives attention to an individual customer. This is also very much linked to the fifth one. (Buttle 2004, 243)

The fifth is responsiveness. This measures “the willingness to help customers and to provide prompt service.” (Buttle 2004, 243)

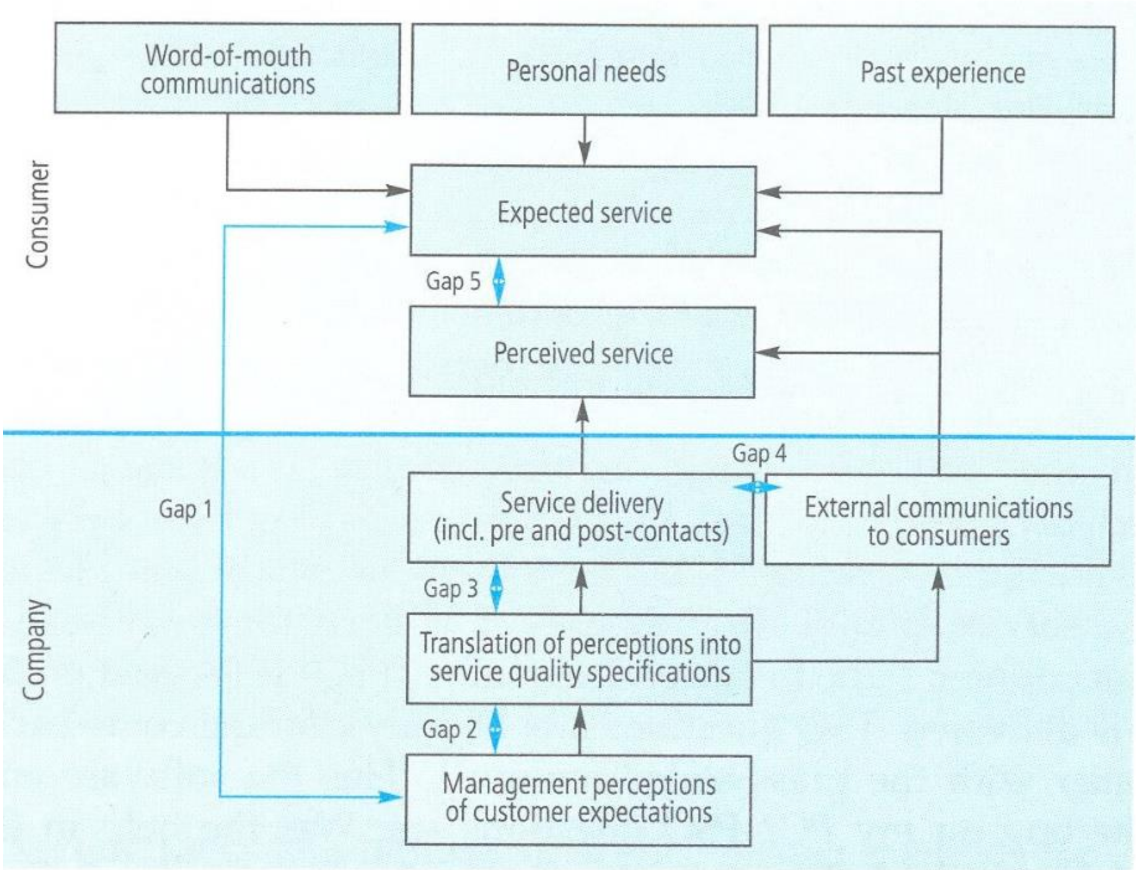

Figure 2 SERVQUAL- Model gaps (Buttle 2004, 244. According to Parasuraman, Zeithaml, Berry, 1988)

3.6 Five gaps in the SERVQUAL- model

As can be seen from the model, the fifth gap is the difference between expected service and the service received. This is what comes after all the other gaps have been put together.

The first gap is the difference between what the customer thinks the service should be like and what the management thinks the customer wants. For example, not all coffee drinkers want to get cheap coffee, but instead they like to have venues where they can hang out even after drinking the coffee. If the management assumes that the customers want to get cheap coffee and to get out of the cafeteria after that, there is a clear gap. (Buttle 2004, 244)

The second one is dealing only with internal affairs and is very much affected by the management's ability to handle their business. If the management cannot specify standards that bring the quality to customers which they think the customers want, there is again a big problem. (Buttle 2004, 244)

If the company cannot deliver the service according to the standards of the company, there is another gap. This is again the problem of the management. Maybe the people who have been hired have been chosen according to wrong standards or they have been given unclear work prescriptions.

Another reason could be that the company's e-mail system is not working and people cannot get their messages. It is notable, that this gap deals with delivering the service. (Buttle 2004, 244)

The fourth is a gap almost everyone can identify themselves with. This is the difference between what is communicated to the customer and what they actually get. For example, when people see the burgers on the menu of a fast food restaurant, they look nothing like the ones that people actually get. This means that they have overpromised what the burger will look like. (Buttle 2004, 244)

3.7 Managing the gaps

There are some very simple things that can be done to manage the gaps. The management is more likely to know what the customer sees as good quality if they work among the customers or deliver the service themselves every now and then. Another way is including the workers in decision making as consultants. Of course, also a service quality survey can be done. (Buttle 2004, 245)

The second gap can be reduced also by number of ways. Some actions can be outsourced and the company can focus in its core competences. The quality goals can be tried to be reached actively, for example creating documentation of the standards. (Buttle 2004, 244) Many restaurants have outsourced their bathroom cleaning and on the walls there might be a list which tells when the bathroom was last cleaned, what was fixed and who did it.

The third gaps should be managed by first identifying the problems and responding accordingly. If there are problems with e-mails or in contacting the company, maybe new computers or phones are needed. If there are problems in knowing who should deliver what part of the service and when, maybe the internal communication systems should be improved or the workflow made clearer. (Buttle 2004, 244)

Actually, the fourth gap is easiest to manage. The company can start encouraging customer feedback so that when these things happen the company knows immediately. If the problem is in an over promising advert it should be withdrawn immediately. Also internal communication should be improved in this kind of situations. The consequences of overpromising should be communicated throughout the company. (Buttle 2004, 244)

4 MARKETING SERVICES

The marketer's role is to understand the marketplace. This means identifying the possible customers and the size of the customer base and the channels through which they can be reached. These activities should also include knowing the competitors. "These research and monitoring activities are the way in which the marketing department's efforts help ensure that the organization is first into the market with the products or services to meet its customers' identified needs or wants." (Capon 2009, 234)

4.1 Service characteristics

Services have some keen characteristics that separate them from selling tangible products. Of course, all services are different and have slightly different characteristics. Some things that can be separated from products are intangibility, inseparability, variability, perishability and lack of ownership. (Kotler, Armstrong, Saunders & Wong 2002, 537)

4.2 Intangibility

You cannot really put a service on display so that it can be checked out by the customer before purchase. When there is no physical evidence to show for the customer, the company has to effect the customers opinions by all the tangible things they have, for example uniforms, venues, general appearance and so on. (Lämsä & Uusitalo 2012, 18)

This brings another characteristic to the marketing of services; people tend to believe word-of-mouth over promises made in advertisements. This is what gives the service credibility since there is always a risk involved buying something intangible. Kotler and colleagues suggest (Kotler, Armstrong, Saunders & Wong 2002, 538) that the service marketer should target people who are willing to promote the business farther. These are called opinion leaders.

4.3 Inseparability

The inseparability means that the service cannot be performed without its providers or consumers. Sure, there are different people who can do it, but buses always need drivers, schools need teachers and barbershops need barbers or there is no service. On the other hand, if there are no people who need a lift, kids to teach or hairs to cut there is no service. This is provider-customer interaction. What this means is that both the customer and provider affect the outcome of the service and also the satisfaction of the customer. (Kotler, Armstrong, Saunders & Wong 2002, 539)

Sometimes the whole service experience can be ruined or made by the other customers. Let's take a bar for example. If the general atmosphere is aggressive, bored and agitated, it is very likely that a positive person will be affected by this. On the other hand, person feeling bad might get really positive when getting to a bar full of happy, social and interacting people. (Kotler, Armstrong, Saunders & Wong 2002, 539)

4.4 Perishability

The perishability of services causes difficulties in planning the sales. If someone cancels their time to a test drive for a car this time cannot be charged or gotten back in any known way, and the service has lost its value. The maximum capacity of phone lines should be used when they are available or they are no use. If one thinks about the need for cabs on Labor Day, it is a lot higher than on a regular day. The perishability of course would not be a problem if there was a steady need for all services. (Kotler, Armstrong, Saunders & Wong 2002, 541)

Since service providers can only give service to a predetermined amount of customers at a time, it makes sense to affect the times when there are no customers or too much customers to increase profit. The more quiet times can be affected by giving seasonal discounts, or the other way around people can be charged more on special times. If you can only serve 5 people in a day and you have 50 people needing the service, the chances are that there are 5 people in that group who are willing to pay extra. (Kotler, Armstrong, Saunders & Wong 2002, 541)

4.5 Variability

Even the same service is different depending on the venues, providers, customers and even the time. Mainly the employees the customer can see really make the service experience. Even a good haircut feels worse if the barber has been rude or unpleasant. Of course companies can train people to be better in customer service. Again, also the customer can make or break the service with his own attitude. Because the conditions differ, no two services are ever alike. Kotler, Armstrong, Saunders & Wong 2002, 540)

4.6 Lack of ownership

When people buy services they can only enjoy it for a limited time if not consumed immediately. Cars get dirty after washing, people get hungry after eating and so on. Kotler and colleagues claim (Kotler, Armstrong, Saunders & Wong 2002, 543) that “Because of the lack of ownership, service providers must make a special effort to reinforce their brand identity and affinity with the consumer by one or more of the following methods:” These are, offering incentives, creating membership cards or making an argument where the customer actually saves by using the particular service. (Kotler, Armstrong, Saunders & Wong 2002, 543- 544)

4.7 Marketing mix

The traditional marketing mix consists of price, place, promotion and product. This is often referred as “4 P's of marketing”. Traditionally, this is for production companies, but for service businesses the service is the product, even though it has its own characteristics

The price, of course, means what the customer pays. This can be a list price, a discount price, monthly fee and so on. It is not always the cheapest price which attracts customers and so the price should be thought according to the target market. The price is what the customer sees as the cost for him. (Kotler, Armstrong, Saunders & Wong 2002, 98)

The product is what the customer values, which is why it should be taken in to account what customer really wants. This can again be measured with customer satisfaction surveys. If there are some things that the customer does not value in the product, they should be considered for removal. (Kotler, Armstrong, Saunders & Wong 2002, 98)

The place matters for service businesses really much, since it is the physical evidence the customer gets. The customer sees it as convenient. People will most likely choose a company in which they can test the car, buy it, get a loan for it and when problems occur take it there to be repaired. This can also mean that the location is otherwise convenient, for example easy to access or in a discreet place. (Kotler, Armstrong, Saunders & Wong 2002, 98)

Promotion is the actual communication to the customer. This can be advertisements, publicity, direct marketing and so on. This is everything that the customer sees from the company. (Kotler, Armstrong, Saunders & Wong 2002, 789- 790) Choosing the right channels where to promote the company is essential for the success.

4.8 Mental image marketing

When new services are marketed, it should be noted, that the reasons why people buy new things are different from the reasons they explain this behavior with. There are some basic reasons for this. First of all, people do not always recognize all the reasons why they want something new and on the other hand, people like to make their purchases seem rational for other people. (Rope & Pyykkö 2003, 53)

This means that people buy with emotion, but they need to be able to rationalize it to themselves and other people. People have some basic emotions, like laziness, seeking comfortability, envy, and so on, which make us want things that are hard to rationalize to anyone. (Rope & Pyykkö 2003, 52)

Let's think of a carwash. The rational side could be that the wax creates a surface to the car which protects it from the sun, increasing the life of the painting surface. Why this should be done by a professional is that they know better what kind of products to use and how to do it without getting scratches on the car.

This can be then divided in to an emotional factor that the customer recognizes in themselves, which could be that they get more free time in exchange of their money. This might be because they are lazy or envious that the neighbor has cleaning lady coming to their house every week and tries to compensate it.

Then there is an emotional factor which the customer does not recognize in themselves. This could be that a clean shining car gives them an idea from the car adverts they have seen, where people are young, without a care in the world or simply enjoying life at its full. Of course a clean car does not have anything to do with these things, but neither does a cola or a cold beer, but still people might associate these images to them.

Marketing is effective when these things are combined. Of course, creating an advert where there are implications of beautiful women surrounding a man after a carwash might seem ridiculous anyway, but if the main customer segment is married men in their middle age, the marketing might push the customers away.

5 CONDUCTING SURVEYS

Once the objectives have been defined, questions should be then made to measure the right things. In this thesis for example, the main objective was to come up with ideas how to get the company's profits to grow. This was then divided in to subsections:

1. Crowdsourcing new better name so the new name would include information about the Option2.
2. To help marketing for example by searching for the right channels to advertise.
3. To get information about the common satisfaction and dissatisfaction, and if there are some things the customers find to be unnecessary can they be removed to reduce costs.

5.1 Quantitative and qualitative methods

Quantitative research questions are the ones that create numerical data, information that can be measured and expressed in numbers. These numbers can then be interpreted in charts, making them easier to read. Qualitative research questions are the ones that can only be expressed in words. These are interpreted by experts of the field, leading to a subjective analysis. (Alreck & Settle 1995, 45)

5.2 Composing questions

There are some things to consider before making the questions for the survey. The questions should be clear, as short as possible, and measure the right thing. (Alreck & Settle 1995, 88) These are fairly easy things to accept without too much questioning. If the question is measuring the wrong thing, there is not much sense in asking it. If the question is not clear people answering it think they are answering a different question. This is why the questions should also be as short as possible, since the longer they are the more room they have for misinterpretation.

All the examples below are my own made according to “Alreck & Settle 1995” source so that they are easier for a Finnish person to understand and to serve this thesis

On the matter of the focus of the question: (Alreck & Settle 1995, 88)
Wrong: “Which carwash do you like the best?”
Right: “Which carwash are you most likely to use?”

In this example the conductor of the survey is interested about purchasing behavior. It would be wrong to ask “What is the best carwash?”, since the best carwash might be too far away or too expensive so it is not most preferably used.

On the matter of the shortness of the question: (Alreck & Settle 1995, 88)
Wrong: “If you have ever used carwashes, what were the main reasons for it the last time you felt a need for this kind of service?”
Right: “Why did you use carwash the last time you did?”

This also deals with the clarity of the question. People do not always understand what is asked from them and making questions longer than they need to be just confuses them. Another thing to consider is the use of the vocabulary. (Alreck & Settle 1995, 89-90)

Alreck & Settle divide the words people use into three categories. There are the ones that people use every day, then there are words that they understand but don't use that often, and then there are the words that do not mean anything to them. To avoid confusion, the survey should be made as easy to understand as possible by using simple language and focusing the language to the group researched. Of course it is natural to put marketing related words to a survey conducted for marketing employees, but it is not recommendable if the survey is done for regular people. (Alreck & Settle 1995, 90-91)

The questions should not be too demanding in nature. People probably do not remember the correct amount if they are asked to name the number of times they took their car to a carwash during the last five years. They might however be able to tell you how long time gap there usually is before taking the car to get washed again. (Alreck & Settle 1995, 91)

These are some things to consider when doing the questions. Other things to consider are for example, overgeneralisations, overspecifity, leading questions, and the use of overemphasis. (Alreck & Settle 1995, 89-97)

6 THE QUESTIONNAIRE AND THE ANALYSIS OF THE RESULTS

The commissioning organization did not want its name to be revealed, so all the information which might reveal company identity is left out or changed. They have two main services, which are in this thesis referred to as Option1 and Option2.

6.1 About the survey

The survey was conducted during the time period 05.01.2013 – 01.04.2013. The questionnaire was a one page paper sheet which was given to the owner of the company after the customer had filled it.

The customers were given a 10% discount for filling out the questionnaire. This was to ensure that sufficient amount of people will fill it out.

6.2 Question 1

”Where did you get information of our company?”

	Papers with 1 answer	Papers with 2 answers	Total
Friends/Family/Acquaintances	36	5	41
Web- pages	1	1	2
Search engine (Google, Yahoo)	0	0	0
Advertisement	5	3	8
Mobile Search Service	0	0	0
Something else, what?	2	1	3
No answer	1	0	1
Total amount of answers	45	10	55

Table 1 Question 1 results

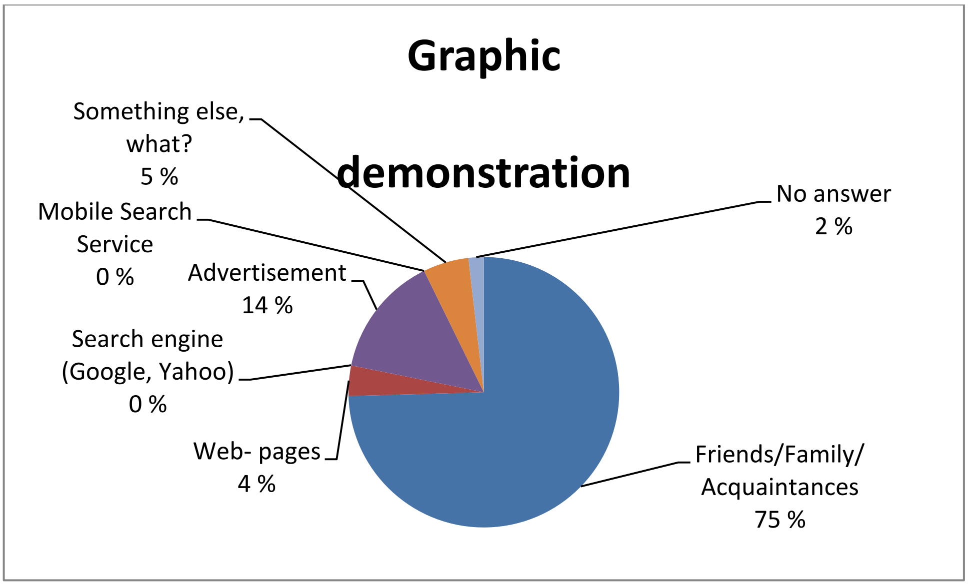

Figure 3 Graphic presentation of the results

75% of all the people answering the survey had heard about the company through friends, family or acquaintances. This means that the word of mouth is a major issue for the company, making customer satisfaction a significant factor. This result is easy to understand, since the company is located in a small municipality in Finland where there are less than 5200 people.

Also, people with negative experiences share them with two people in relation to people who share positive experiences with one people. (Buttle 2004. 251)

The second biggest source of information about the company was advertising. This means that the survey was not conducted in vain. Apparently it is good to understand the customer base for marketing purposes, since it is already bringing customers in. This number also tells us that marketing should be increased to bring in new customers, so that we can achieve organic growth. This is further handled in the chapter recommendations.

People who had answered “Something else, what?” had not defined their answers any further, but stated that because the owner is a local man. It was surprising to notice that no one had heard of the company through a search engine like Google or Yahoo, or through Mobile search services. This clearly tells us not to focus marketing on that media.

It is also noteworthy that the web- pages should be kept running since some people found the company through them.

6.3 Question 2

Did you use Option1’s or Option2’s services?

Option1	Option2	Both
38	1	11

Table 2 Question 2 results

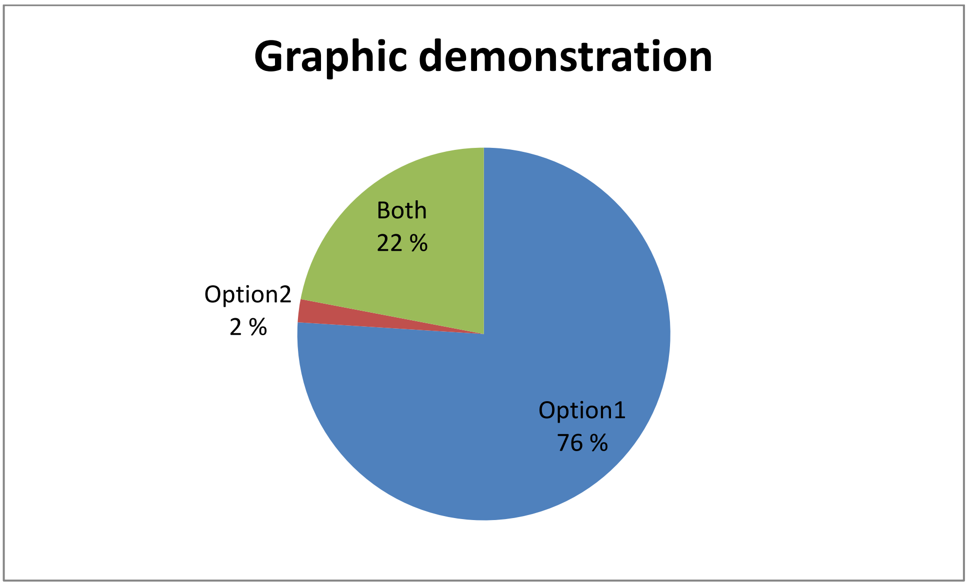

Figure 4 Graphic presentation of the results

It is clear that Option1 is more popular among people. What makes this graph interesting is that out of 50 people 12 still used the service even though it was only 1 person you had particularly chosen Option2. It would seem that it is advisable to promote Option2 further for the customers of Option1 and in its advertisements. The other alternative of course is to bring out Option2 in the company's name.

6.4 Question 3

"Which product or service did you buy?"

The answers to this question have been left out to protect the privacy of the commissioning company.

6.5 Question 4

"Have you used our services before?"

Yes	No
45	5

Table 3 Question 4 results

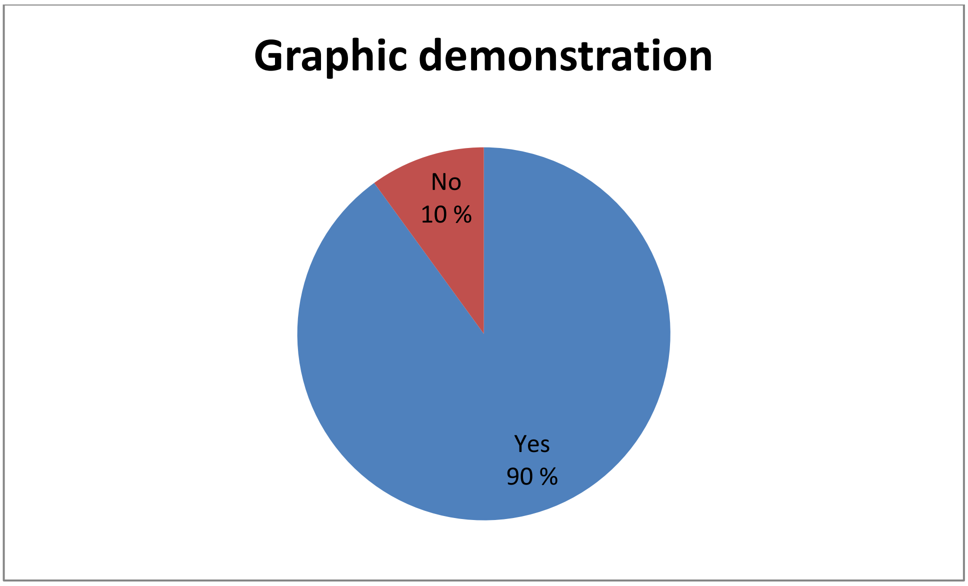

Figure 5 Graphic presentation of the results

This table tells us that customer retention is very small, which is good. It also indicates that the customers are very happy with the service. This also means that it could be relatively hard for the competitors to get their business running in the same municipality since people know the service and are familiar with it.

6.6 Question 5

"Would you recommend us to the people you know?"

Yes	No
50	0

Table 4 Question 5 results

This question was added into the survey for marketing purposes and it achieved its goal perfectly. It is easy to see even without this table that 100% of the people would recommend it. On the other hand, this kind of result indicates that the survey target group has been biased. However, the question served its purpose perfectly and now the company can say that this is an issue that has been researched and not something they came up with themselves.

6.7 Question 6

”How happy are you with (1= Very dissatisfied 5= Very satisfied)

Averages	
Customer service	4.98
The speed of service	4.9
Quality of work	4.92
Price	4.68
Good manners	4.98
Product knowledge	4.7
Availability	4.84
Overall grade	4.96

Table 5 Question 6 results

Again, judging by these replies we could say that we are dealing with a biased survey. It probably is true that the customers are happy but results this good should be confirmed with another customer satisfaction survey.

People were least satisfied with the price, but this is not alarming since most people were very satisfied with the price. This is also a factor which is hard if not impossible to affect. The prices have to be high enough for the company to make profit.

The second lowest grade was given to product knowledge. This could be affected by telling people more about why they had chosen particular products and what are their benefits. Availability was the third lowest issue here. It could be because there is no Saturday service, a reason which was mentioned in the answers to question 8. The reason why even this is so good must be in good customer service; people complaining about availability also mentioned, that it has usually been possible to use the service after the closing hours, and the owners’ flexibility was recognized here.

6.8 Question 7

“What were you satisfied with? Why?”

Overall service quality	26
Customer Service	18
Getting a time is easy	5
Skills	4
Good Manners	4
Price	4
Fast service	4
Tiivisteet had been dried	4
Price-Quality ratio	3
Flexibility	2
Knowledge	1
Local business	1
No similar services in the near-	1

by area	
Feels like coming home	1

Table 6 Question 7 results

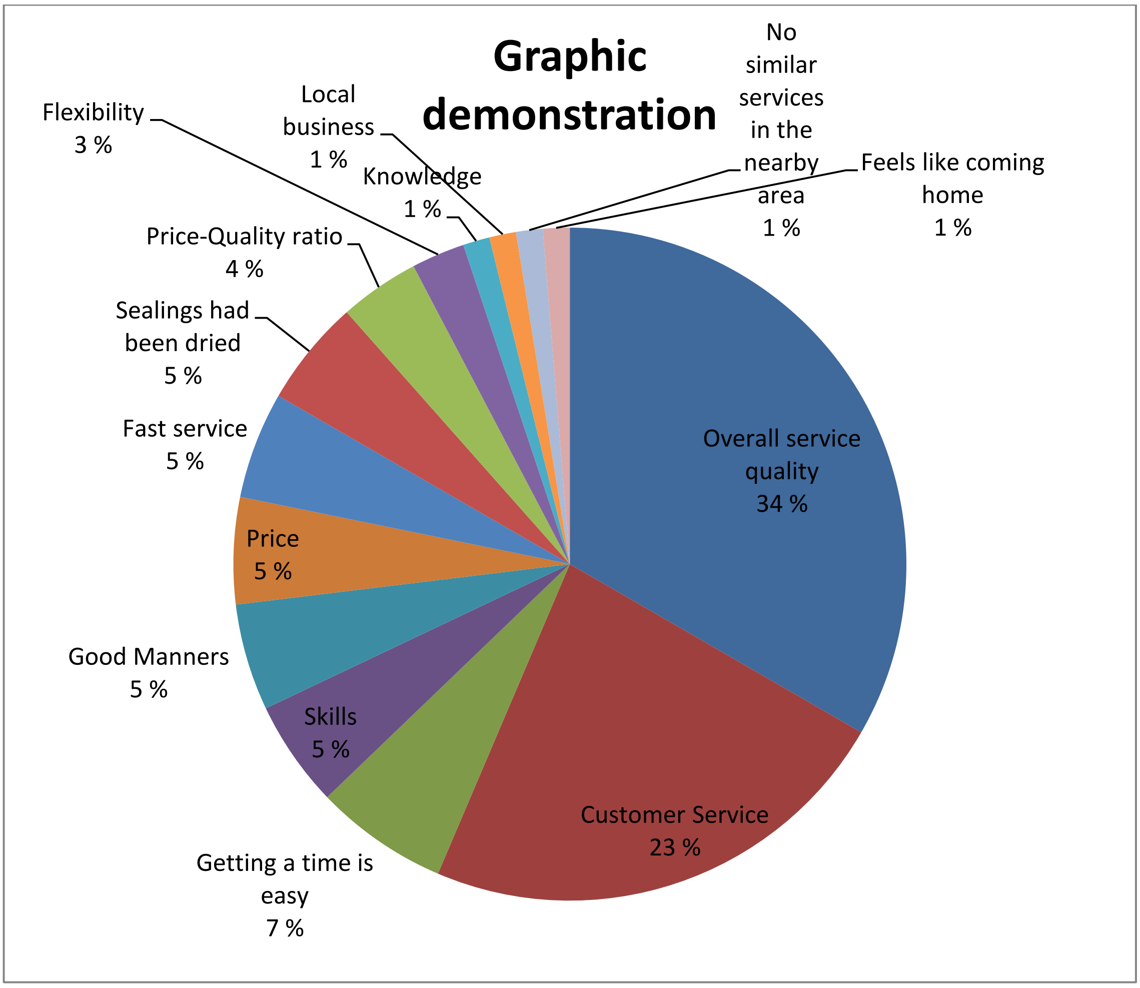

Figure 6 Graphic presentation of the results

From the total 78 answers overwhelming 34 percent were happy with the overall service quality. Customer service was mentioned in 23 percent which is very much connected to the good manners, which were mentioned by 5 percent of the reviewed people. This means that the company has adapted good policies in handling customers. In the answers we got was nothing that would indicate that the customer's experience could be made better by changing behavior. Instead it makes more sense to observe that these behavioral patterns are maintained.

Some of the things that should be maintained and observed can be found from the answers. People found it was very easy to get a time to the service (7 %) which is very much linked to the flexibility mentioned by 3 percent. This means that 1/10 people found this to be important. This is also in accordance with the definition of service quality, where the customers can have tailor made options for them. (Buttle 2004, 242)

More interestingly, 5 percent thought it was good that the sealings had been dried. This is just a minor detail, but the fact that so many people mentioned it, means that there are a lot of people who didn't think of it when asked what they were happy about. This is also a practice that should be kept and observed that it is done.

6.9 Question 8

"What were you unsatisfied with? Why?"

Coffee corner of the old place should still exist	1
No saturday service	1

Table 7 Question 8 results

This question's results are at the same time very pleasing and at the same time very disturbing. It is very pleasing because there are no apparent flaws that should be corrected immediately; there is, in fact, still a coffee corner and the person who was displeased about the "Saturday service missing" was very pleased that he was able to use Option1 after the closing hours.

What makes this disturbing is that this strengthens the hypothesis that the survey was in fact biased and more research should be done. There are of course other things that might cause the people not to complain. If no one is complaining, they might use someone else's services already. Customer complaints should be seen as a good thing, since they are a good way to improve the service further. (Buttle 2004. 251)

6.10 Question 9

"What kind of services/things to buy are missing from the nearby area?"

Volvo car repair	2
Car repair shop	1
Police	1
Tax services	1
"I will tell you next time"	1

Table 8 Question 9 results

This was to get help to possible growth opportunities in new markets or new products as seen from the Ansoff's matrix. None of these are in the core competences of the company, so this question was of little help. Also, it was only 6% who needed a car repair, so even though it could be a good support for Option1, it is not advisable to start a car repair.

6.11 Question 10

”Should our name be something else than Option1, since there is also Option2 in our premises? Any suggestions?”

No Need/Locals know the service	8
The name is good/ Familiar	5
No	5

Table 9 Question 10 results

Rest of the answers which had suggestions are left out for the privacy of the commissioning company. There were 7 answers and 3 of them were the same, so there was a total of 5 suggestions. These are sent to the commissioning company.

I think some of the names should be considered. After all, 24 percent of the customers used Option2. (Question 2) But, it is good to remember, that the name should bring the old name to customer’s minds and not be totally different. As the results of the whole survey indicate most of the customers are old ones and they should not be scared away. When choosing the name, it should be remembered to keep the resemblance to the old name but to bring out Option2.

7 RECOMMENDATIONS

There are some things that can be concluded from this survey and from the research conducted. Not all of them are equally important but all of them should be considered. The main reason for them not being necessary is that they are too expensive or too hard to handle with the current staff. The most concrete recommendation is to continue gathering customer satisfaction data with the survey sent for the company by the author.

7.1 Continuing to measure customer satisfaction

Since the questionnaire created such good results, it is recommendable to continue measuring customer satisfaction. Some of the results in the survey indicated that the survey could be somehow biased, which gives even more reason to continue the research.

It should be noted that since 75% of the respondents had heard about the company through a family friend or acquaintances, it is very likely that people do not want to give bad feedback in the fear of hurting the other person. This is a problem, since in fact negative feedback is the one that gives information on what to do differently. This is why research should be continued with a higher degree of anonymity.

Higher anonymity could be reached by setting up a return box to which the customers could return the survey instead of an employee collecting it from them. This way, people do not need to worry if someone will get to know who gave the review. No more discounts should be given since this is another issue that can cause the results to be biased.

When new information is gathered, in the survey form there should be a possibility for the customer to give his or her contact information so they can be contacted. Negative feedback should be responded to with an apology and an explanation of what has been done to correct the error. This is usually what people want. If they are given a gift certificate they might feel like they are being bribed and then they only come back to use the certificate. (Eight tried and true tips for responding to online reviews, 2000.)

Positive customer feedback should be reinforced with positiveness. This can mean giving a discount certificate or simply a personally written thank you letter. People like it when they are being noticed. The company receiving the feedback can always ask what they could do better. (How to Respond to Positive Reviews, 2012.)

These responses can also be utilised in internal marketing. The employees of the company are sure to have a better day when it starts with good feedback.

7.2 Service quality research

As mentioned before, it is not always clear what constitutes as good quality. The customers might have a totally different view on what is good quality than the management, since customers are the ones paying for it. Of course it is possible to rely on the qualitative replies in the current research. In the end it is recommendable to combine the results from this survey and to continue to gather data on what the customers consider to be good quality.

7.3 Customer databases

Customer databases have information about a customer's location, social status, income, buying behavior or anything that might be useful for providing tailor made services. These databases can be used for example giving personalized services and tailor made solutions for long-time customers. (Kotler, Armstrong, Saunders & Wong 2002, 789- 790)

This means that they can be used as personalized mailing lists. People who have used Option2 every spring can be reminded about the service by mail or e-mail when the time is right. These databases can include almost anything from favorite foods to their children's birthdays, so only imagination is the limit. Kotler, Armstrong, Saunders & Wong 2002, 791)

It does not require too much skills or effort to get a proper database done, but gathering the information is labour intensive. My suggestion is, that the customer database could be done by HAMK (or another school) students, as their thesis work for example. This is a cost-effective method giving a chance to study for the students and to gain something for themselves, also benefiting the community as a whole.

7.4 Sales forecasting and marketing

In marketing the fact that 100% of the respondents thought that the company could be recommended to someone they knew, should be used. Slogans like “100% would recommend us to their friends and family!” create trust and are in fact true.

The correct channels for this seem to be the local newspapers which have been used for advertising before and seem to be effective, since no one had heard of the company through the Internet search engines or Mobile Search Services. However, it would be recommended to advertise also in the bulletin board of local shops and service centers. Inexpensive and effective method to increase advertising would also be to create a Facebook profile where all the information on discounts and campaigns could be shared. Since so many people had heard of the company through their friends, family or acquaintances, it makes it easier to get people to join the community.

Means of direct marketing could be used to test if putting adverts on the bulletin boards of local organizations' and shops’ really helps. An advertisement which states that by answering to it one might win a prize could be tested to see how effective bulletin boards really are.

Sales should be monitored to create an insight to marketing and to help planning for summer vacations and so on. This can be done with a single Excel- file. The idea of this file is to identify patterns where there is a lot or little of work. The idea is very simple. All the idle hours during the day are logged in to the file which counts how many of them occur during every week of the year. This information can then be used to focus marketing to those weeks which are full of empty hours and minimize discounts and advertising for weeks that are busier than normally. This is also a great method for planning how much staff is needed.

7.4.1 Instructions on how to make the file

Open a new Excel- file. Write “Week 1” to A3 and grab it from the down-right corner so that the cursor turns into a black plus sign. Now drag the cursor down until it reaches “Week 52”.

After this is done, it is time to do the horizontal lines. Into cells B2-F2 write Day 1-Day 5. To the cell G2 write “Week total” and double-click G3s, and write there a formula “=SUM(B3-F3)”, again grab it from the down-right corner and drag it until it reaches G54. Now there is a right formula in each cell to count the hours during the week and the file should look like this:

	A	B	C	D	E	F	G	H	I	J
1										
2		Day 1	Day 2	Day 3	Day 4	Day 5	Week Total			
3	Week 1	3	1	0	2	3	9			
4	Week 2	2	2	2			6			
5	Week 3						0			
6	Week 4						0			
7	Week 5						0			
8	Week 6						0			
9	Week 7						0			
10	Week 8						0			
11	Week 9						0			
12	Week 10						0			
13	Week 11						0			
14	Week 12						0			
15	Week 13						0			
16	Week 14						0			
17	Week 15						0			
18	Week 16						0			
19	Week 17						0			
20	Week 18						0			
21	Week 19						0			
22	Week 20						0			
23	Week 21						0			

The gathering of the information is a long process, but in five years there is enough data to make relatively accurate forecasts. Even after the first year there might some anomalies that can be then tracked down to what was going on in the world during that time. The week totals can be put to order whether in descending or ascending order. This is a great and cost-effective way to gather information of when it is the right time to start marketing.

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