Towards Retention And Moving Beyond Acquisition

Refining Consumer Customer Retention at Varaani Works Oy

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ABSTRACT

In today's highly competitive cloud business market, increasing customer retention strategies emerges as an important challenge faced by most marketers. An even more demanding task, is minimizing the customer churn rates within organizations. For business to remain successful, they have to develop methods and strategies that ensure they acquire and retain only the profitable customers.

The purpose of this study was to establish ways of refining consumer customer retention at Vaarani Works Oy. The company was interested in solutions that would provide a high consumer customer retention with low customer churn rates as they expanded into consumer markets.

An analytic model was developed to test whether consumer customer relationships would have a positive impact on customer retention and ultimately reduce customer churn rates. Theoretical material was gathered from various source including previous work done on the topic. Close attention was however paid on customer relationship, retention and the impact of trust and commitment as the main constructs. A quantitative research method and a deductive approach was used in the research. Primary data was gathered through a self-compiled survey questionnaire. The questionnaires were distributed to a convenience sample of 31 individuals. All the respondents were either currently using cloud services or at some point used the services. The data was gathered and analyzed using descriptive statistics via the SPSS system.

The empirical findings supported the theoretical literature gathered. Relationship development in consumer markets was seen to be as important as those in the business markets. Trust and commitment were established as key ingredients to successful relationship. Long- term relationship built on trust and commitment translated to Customer retention. In conclusion, developing consumer relationship strategies within B2C markets has a significant positive impact as compared to no relationship at all.

Keywords   Customer Retention, Relationship Marketing, Customer Relationship, Trust and Commitment.

Pages   41 p. + appendices 6 p.

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1 INTRODUCTION

This chapter will try to give an insight into the thesis topic background including the concept of customer retention and highlight its importance. The author will then proceed to discuss the problem and the research question and the purpose of the study will be presented. Finally, the author will outline how the research will be conducted.

1.1 Background

In the past, companies have taken their customers for granted due to supplier shortage and poor quality or service suppliers, thus rendering the consumers at their mercy. Fast market growth meant that the companies paid less and less attention to customer satisfaction thus loosing those customers and gaining new consumers to replace them. The sale were considered as satisfactory in that same era (Kotler 2001, 667). This could be referred to as the 'leaky bucket theory' where companies opt to try and fill up the leaky bucket by acquiring new customers to replace the old ones neglecting the fact that the bucket still has leaks(Woodward 2009). Firms have therefore focused their marketing strategies around attracting new customers to replace the lost ones and ultimately trying to increase their market share.

According to Kotler (2001,671) this high customer churn resulting from acquiring almost an equal amount of new customers to replace the ones that left, involves a higher cost than if the company retained its original customers and did not have to acquire new ones to replace the ones who leave. Customer acquisition has thus proven to be more costly than ever as the ever demanding customers have more expectations and plenty of options to choose from (Drege 1991, 52). In order to retain customers in industries characterized by high levels of competition, firms have not only been forced to meet the needs and expectations of every consumer but also surpass those expectations if they wish to have a competitive advantage over other product and services providers (Mascareigne 2009).

The advent marketing theory approach in the early 1960s, characterized by large scale industrial development and mass production, which viewed all consumers as homogeneous buyers with the same needs, is no more. According to Mascareigne (2009), customers' needs are important to consider when developing products or services, otherwise consumers will opt for competitors' products that meet their needs. The research indicates that it is indeed the value of the customers experience along with the product that is important. Marketers and stakeholders are therefore very interested in knowing what customer experience really is and how they could try and capture their consumers' emotions and improve on their experiences. According to Kate Leggett (2015), a leading expert in customer service strategies, a world class customer experience is essential to not only increasing customer satisfaction, but also improving on customer loyalty. Leggett states that "*A happy customer is a loyal customer*"

The sentiments are further supported by Kotlers' (2001, 671) arguments that, a delighted customer remains loyal and favorably talks to others about the company and its products. According to Kotler, losing one customer means losing a stream of purchases that the customer would make over a life time. Customers who are unhappy due to bad experiences, may opt to defect, hence breaking their chain of stream purchases. The loss may be much greater than just losing the one customer. If the customer decides to share their bad experience with others, this may cause them to defect as well (Lowenstein, 1995, 15). Companies thus need to realize that losing one customer means losing more than one sale and the cost of acquiring that customer or replacing the customer by far outweighs the cost of retaining a productive customer (Kotler 2001, 667).

According to Frangeul (2012), earlier research conducted on customer complaints management, came up with similar outcomes amongst satisfied and dissatisfied consumers. The research noted that a satisfied customers will talk to three people, a dissatisfied customer will talk to around ten people and a dissatisfied customer whose problem was fixed will talk to around five people. While a dissatisfied customer may end up creating bad press coverage for an organization by spreading their dissatisfaction news to others, the contrary is true with a satisfied customers. Kotler (2001, 670) argues that satisfied customers are likely to buy a product again, talk favorably to others about the product, and pay less attention to competition and brands. The key to making lasting connections, growing consumers and reaping from their customer lifetime value is customer satisfaction.

Research conducted by various scholars and documentation from other scholars, suggests that customer satisfaction is without a doubt a key factor to lasting connections. However, it is truly its negative counterpart dissatisfaction that has the greatest impact on customer retention. Lowenstein (1995, 12) points out that naturally a satisfied customer can have a long term relationship with a business, but it is also very likely for the same customer to defect and head to the competition or be on an 'attrition' stage. Lowenstein also mentions that previous research conducted on the matter has also signaled that customer satisfaction is certainly an important aspect towards building customer relations, but has really little influence in terms of retaining the same customers. He argues that dissatisfaction will undoubtedly bring a negative outcome on retention but satisfaction will have a small or negligible amount of effect on customer retention. The bottom line is that the customer can easily defect to the competitors who have lower prices whilst satisfied with their current product or service provider (Alrubaiee & Al-Nazer 2010, 156-165).

The author however sees that there are better ways to ensure that a business remains profitable by retaining profitable and loyal customers. There has been a significant shift in today's marketing efforts towards establishing and building customer relationships rather than emphasizing on single transactions. According to (Alrubaiee et al. 2010, 156-165) establishing long term relationships with the customers is a crucial aspect for business success.

1.2 Problem Discussion

Unfortunately, classic marketing theories and practices have specialised in the art of attracting new customers rather than retaining the existing ones. Most companies have invested lots of money in customer acquisition strategies, but few companies have done the same on customer retention. Consumers now have more power than before thanks to social media, easy online comparison-shopping and a proliferation of choices.

Consumers are no longer searching for news or the products they wish to buy, instead, they are being pushed to them by friends, acquaintances and business colleges (Qualman 2012). This in essence increases the chances of consumer customer from 'jumping ship' and opting to purchase from other competitors or services providers.

Kotler (2001, 667) argues that by reducing the customer defection rate by only 5%, companies can improve profits by anywhere from 25-85%. Companies must therefore pay close attention to their customer defection rate, measure their retention rate, identify causes for defection and undertake necessary steps to reduce or eliminate them. As today's markets are highly characterised by high competition and increasingly low consumer loyalty in brands and products, organisations should rethink ways of ensuring that their customers continue with the stream of purchases.

The financial impact on customer retention is evident based on two assumptions presented by (Pezenshki 2009). The first assumption supported by many other scholars was that customer acquisition was more expensive than retaining the existing customer. The costs associated with customer acquisition like advertising, promotion, starting operating costs and so on, meant that the new customers would not be profitable to the business at least not within the initial stage. The second assumption is based on the fact that existing customers generate more profits as they tend to spend more, buy high margin products, require less advertisement and might act as product, service or brand advocates thus convincing others to join and make purchases as well.

Pezesnki (2009) quotes Reicheld and Sasser 1990, emphasising on the importance of customer retention, zero customer defections and the identification of reasons for defection as well as the profit impact on the business:

 "*Ultimately, defections should be a key performance measure for senior management and a fundamental component of incentive systems- Managers should know the company's defection rate, what happens to profits when the rate move up and down and why the defection occur*"

This research was commissioned by a local Finnish hybrid cloud Solutions Company located in Tampere. The company was interested in solutions that would provide a high consumer customer retention rate with low customer churn rates as they expanded into consumer markets. The organisation expected high consumer market volumes to grow significantly larger than that of Business to Business (here in referred to as B2B) in the coming year.

Research over the years has shown that B2B transactions are more relationship driven. They try to maximise on the value of the relationship rather than the transactions. On the contrary, Business to consumer (B2C) interactions are mainly product driven and maximize on the value of the transaction rather than the relationship (Bataineh, Salhab & Shoter 2015, 117-128.) It therefore becomes important for the organisation to identify reasonable solutions to ensure that their consumer customers become repeat customers and building a relationship with them is critical now than ever.

According to Mascareigne (2009), businesses' in dire need of establishing ways to gain competitive advantage over the others, can utilise strong customer relations to ensure an upper hand. Kotler (2001, 667) backs up the sentiments by noting that in order for companies to succeed in today's fiercely competitive marketplace, they have to move from a product and selling philosophy to a customer and marketing philosophy where establishing and building customer relations is at the top of their minds.

Building a competitive advantage requires an in-depth look at the surrounding factors contributing to ultimate success or failure. Consumer and competitor insight becomes a resounding necessities in identifying what needs to be improved on the consumer side, and, establishing where the organisation stands and what lessons can be learnt and adopted from the competitors.

Although there has been several studies conducted on Customer retention, few have focussed on both consumer and competitor insight as a valuable sources of information to reduce consumer churn rates and produce high retention rates.

Retaining your existing customers and delivering profitable growth is important now more than ever. (Woodward 2009, 2-10) Argues that the leaky bucket approach is a very expensive way to run a business especially in the current economic situation. The author continues suggesting that one of the largest causes of customer churn is actually acquisition. According to Woodward, Customer value expectations are defined during and soon after the point of acquisition. The author argues that if expectations are established based on company strategies such as meeting sales (discounted offers), it becomes difficult for the consumer to change those value expectations. Consequently, consumers churn when products resume their original undiscounted prices. Lowering entry barrier for consumers through unsustainable propositions to get them to buy a product they cannot affords at full price is definitely a big contributor to consumer churn.

Whilst it's true that consumer churn rates are higher than ever, are there ways organisations can stop the bleeding before it's too late?. If indeed most experts agree it is more effective to retain customers than to acquire them, why are there no strategies put in place to ensure that customers are appreciated and kept 'happy' until the end of their customer life value.

It's therefore absolutely critical for any business to get their acquisition strategy right at the initial stage, or otherwise end up spending lots of investments on acquiring customers who will never be repeat customers or have a short lived relation with the business (Thompson 2005.)

1.3 Research Question

Traditional marketing theories are still stuck in peoples' minds and thus lots of studies conducted have mainly focussed on customer acquisition and paid little attention to creating, maintaining and enhancing strong relationships. The latter would lead to enhanced customer retention and reduce the churn rates. The main motivation for this study is to identify solutions that will help in developing consumer customer retention and lower consumer churn rates. This has emanated from the fact that the commissioning company has had a shift in its strategy and the current focus is on B2C markets. They would like to retain as much of their clients as possible and low the churn rates. The research should at minimum be able to offer specific guidelines to the company as to how they can keep the churn rates low and develop their retention strategy as they progress with the shift. The research question is thus;

How can Consumer relationship and insight from the competitors, help improve and develop consumer customer retention and reduce consumer customer churn rates at Varaani works Oy?

1.4 Research Objectives

- *Understanding the concept of customer relationship influence to customer retention and establishing a concrete theoretical framework.*

- *Assessing the current situation and establishing the already existing practices promoting customer retention and identify the missing gap.*

- *Collect insight from competitors and consumers that can be used to fill in the gap and analyse the data.*

- *Find appropriate recommendations to enhance consumer customer retention and reduce consumer churn rates based on data analysed and theoretical support.*

1.5 Research Methods

The study will be based on a desk top research as well as field research. Theoretical data and knowledge will be based on books, eBooks, e materials as well as other publications. The author will also utilise reliable internet content on the topic to further the understanding of the topic under discussion.

Consumer and competitor insight will be gathered from both the internet and through a formal questionnaire that will be sent out to the organisations clients to gain insight as to how customer retention can be improved.

Further information shall be provided by the commissioning company to direct the author during the course of research. Findings shall be critically analysed to formulate an array of recommendations that can be used to develop and further the study.

1.6   Thesis Outline

The thesis is composed of five distinct chapters that include; Introduction, Theoretical review, Methodology, Empirical findings and Data analysis and finally the Conclusions. The outline of the thesis is as illustrated in figure 1 here below.

Introduction

Theoretical Framework

Methodology

Empirical Findings And Data Analysis

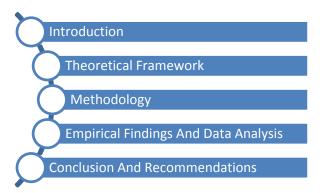Conclusion And Recommendations

Figure 1   Illustration of the thesis outline

Chapter 1; This chapter will be introduce the thesis topic as well as shade some insight into the research itself. The author will introduce a background to the topic and supporting theory as well as define the thesis objectives. The author will also discuss the importance of the topic and present why it is important for the commissioning company.

Chapter 2; Theoretical literature to support the research will be introduced at this point. The author will highlight already existing supporting evidence that will be used later on to support the research question. Various sources will be used to gather the literature.

Chapter 3; The author will discuss at length the methods used during the research process. The chapter will also highlight the reasons for the chosen methods, their short comings and their advantages.

Chapter 4: The author will present the data collected during the research. A critical analysis of the data will be conducted and an interpretation of the result will be presented at this stage

Chapter 5; Finally, the author will present a conclusion to the research and offer recommendations to the commissioning.

2 THEORETICAL REVIEW

This chapter will present existing knowledge and research on the subject topic. The author will present relevant theories relating to the research question and develop constructive arguments that will act as a base framework for the empirical part of the research later in the studies.

2.1 Customer Relationship Marketing

To establish the importance of customer relationship influence towards customer retention, a definitive understanding of what is meant by customer relationship marketing need to be developed.

Relationship marketing (RM) has definitely been a term on most scholars' and marketing practitioners tongues. It carries with it a key shift in managerial thinking towards developing mutual value through relationships rather than extracting value from transactions (Mulindwa 2005). Various authors have defined customer relationship in different ways. However, key words or meanings used on the text that stick out the most include; maintain, develop, enhance, build and manage.

Kotler (2001, 667) defines Relationship Marketing as *"the process of creating, maintaining, and enhancing strong, value –laden relationships with customers and other stakeholder"*

Pezeshki (2009), notes that, relationship marketing has been used as a strategic tool aimed at enhancing customer relationship and profitability. The purpose of relationship marketing is therefore not limited to creating, enhancing and managing customer relationship but rather add an economic value to a business (Zhang & Feng, 2009). Pezeshki (2009) further quotes a descriptive definition of what relationship marketing is from Porter (1993). *"Relationship marketing is the process whereby both parties, the buyer and the provider, establish an effective, efficient, enjoyable, enthusiastic and ethical relationship; one that is personally, professionally and **profitability** rewarding to both parties"*.

After a comprehensive review of various definitions of relationship marketing, it becomes clear that the main purpose of RM, is not only establishing, enhancing and building relationship with customers and stake holders, but also include a financial factor, where by the relationship should be beneficial to both parties (Alrubaiee et al. 2010, 156-165). According to Palmatier (2008, 3) various definitions of relationship marketing may seem to contradict the fact that the financial aspect or profit is a motive. However, underlying a 'win-win' terminology, is usually a recognition that most managers are consequently motivated by profit and agree that unprofitable relationships should be terminated.

Due to the heightened competitive situation in today's market, businesses have to take full advantage of customer relationship to maximize on their profitability and ensure that customers always come back. (Bataineh et al. 2010, 117-128).

According to Kotler (2001, 667) traditional marketing philosophies focused on attracting new customers rather than creating, maintaining and enhancing strong relationships with consumers. Woodward (2009, 2-10) argues that it is certainly important for organisations to establish acquisition strategies, but it is equally important to ensure there is sustainable and profitable growth. Establishing and enhancing relationships with new customers and maintaining the existing customers are vital factors to keep a business alive. Bob Thompson (2005), Founder of CRMGuru.com, and author to '*secretes to customer retention and increased profits*', argues that most business' claim to have devoted customer retention strategy, but their management systems and budget do not back up the statements. Whilst it is true that consumer churn rates are higher than ever, are there ways organisations can stop the bleeding before it is too late?. If for certain most experts agree it is more effective to retain customers than to acquire them, why are there no strategies put in place to ensure that customers are appreciated and kept 'happy' until the end of their customer life value in most organisation?

The concept of RM emphasises on defensive marketing (customer satisfaction and customer retention) as a long term value to a firm rather than offensive marketing (focusing on customer transactions). RM therefore tries ensure development of a customer from the initial acquisition stage. The focus is to acquire the right customer using the right means and ensure that the customer maximises the entire customer life time value with an organisation (Woodward 2009, 2-10). RM has been said to reduce customer churn rates and generally increased customer retention. This has in turn increased profits within organisation (Mulindwa 2005).

Previous research conducted on the issue have indicated that by increasing customer retention rate by 5%, a business has a potential of increasing its profits by 25%-95% (Wolf 2015). Nowadays, business' are considering RM as a strategy used to enhance customer relationship and profitability (Pezeshki, 2009).According to Kotler (2001, 603), companies should seek more than just making that one sale and that their main focus should be targeting that one customer, winning the customer from the competition and keeping that customer within their folds for as long as the customer is profitable. A profitable relationship in this case entails, repurchase made by the customer as well as advocacy of the brand to others who in turn generate revenue by making purchases and advocating the brand as well.

The cycle is such that, the amount spent to attract and retain that customer, is covered by their life time value, plus, the additional client base value gained through them without necessarily spending a fortune on marketing to the additional clients, gained through the first client. In a nutshell, the amount of revenue generated from a given customer overtime, should exceed the company's cost of attracting, selling and servicing that customer (Lowenstein 1995, 12-21.)

RM thus becomes quite essential as most companies strive to create long term profitable relationship with the customers by crafting superior customer value and satisfaction than what is offered by the competition.

To most customers, a sale is only the beginning of a relationship as they are either eager to forego other options and limit their choices or they simply want to ease their decision making process by reducing information processing and perceived risks associated with change and future decisions (Singh & Khan 2012). Companies, especially those in the subscription economy and service industry, have realized how important repeat purchases from loyal customers are and that the most revenue is generated from this purchases.

The evolution of RM has been an important concept for Business-to-business (B2B) marketing activities towards ensuring sustainable growth. However, the main question is whether the same strategy can be used for Business-to-customer (B2C) and whether it would profitable enough. The main premise of relationship marketing focusses on the life time value of customer and not just the value of a single transaction thus making the strategy equally beneficial to (B2C) business. Moreover, key characteristics of RM as suggested by (Singh & Khan 2012) are; every customer is considered as an individual person or unit; implementations are based on interactions and dialogues; firms are predominantly directed towards existing customers; firms are striving to achieve profitability through the decrease of consumer churn rates and trying to strengthen customer relationship.

All the above mentioned components are identified as important factors in B2C markets where consumers are yearning for individualised services and firms looking to capitalise on repeat purchases. Successful relationship marketing is thus a key corner stone strategy towards establishing a sustainable competitive advantage through customer retention in either markets, B2B or B2C (Bataineh et al. 2015, 117-128).

RM aims at creating an effective and easy two-way communication between the customers and the business, tracking their activities and providing tailored information to customers based on their activities and in return making them happy clients (Rouse 2014). However, there is still a huge need of establishing and maintaining those relationships that are deemed 'healthy' or profitable. In the business world, keeping an unhappy customer within your folds might mean the beginning of an end in your business. Letting go of the customer while they are unhappy might spell more doom into your business than if you retained them. Good customer relationship strategies should be able to detect and find out ways as to how the relationship can be improved and how the situation can be mitigated without causing more harm (Skok 2013.)

The business should be able to identify between the weak, strong and bad relationships in order to handle them accordingly (Wu 2011). According to Wu, it is important to quantify the strength of any relationship and ultimately identify and understand the weak ties. By understanding the weak ties, a business can focus on the problematic components and try and restore broken relationships. Wu also adds that by understanding the components you can affect, a business can build the relationship more effectively with the customer.

According to Wu (2011), business relationships can be enhance by four components; Time (length and duration of the relationship), Intensity (Degree to how close or strained the relationship is between a customer and business) Trust (the extent of believe by a customer on a business service or product) and finally reciprocity (extent to which a business lets its customers serve the business as well as they are served. Enhanced cooperation).

It is worthwhile noting that relationship marketing activities are less likely to have a direct financial performance impact. Relationship marketing is rather meant to build and maintain customer-seller relationship and in turn influence the customer's behaviour which generates consumer financial outcomes. In order to develop a successful relationship, trust and commitment are seem as vital elements towards that goal (Walter, Mueller, Helfert & Wilson 2002). Long-term successful relationship have over time shown those characteristics and thus the author sees them as an important aspect towards continuity of the study.

2.1.1   Commitment

The development, expansion and continuity of a relationship depends heavily on the importance and viability of the value brought about by that relationship to the involved parties. Although throughout the relationship phase difference may occur, the development of the relationship over time is dependent on the ability of both suppliers and consumers to collaborate to achieve mutual benefits. Both parties duly become dependent towards developing and making the relationship rewarding and hence begin to commit themselves to make it work (Al-abdi 2010). Ultimately, a critical point towards customer retention requires long term commitment by the customer and the firm in maintaining the relationship (Wilson, Soni, O'Keeffe 1995)

Commitment can consequently be described as the degree to which a persons is invested towards continuation of a relationship. It therefore reflects a long term expectation that a relationship will continue and a desire to maintain a valued relationship (Wilson et al. 1995). Studies have shown that, developing customers' commitment in relationships can lead to increased profits, customer retention as well as willingness to refer and recommend by the customers (Walter et al. 2002). Moreover, relationships are built on the foundation of mutual commitment. Committed relationship partners pose less chances of switching even when competing suppliers are performing at the same value level. According to Morgan & Hunt 1994, a central point to relationship marketing is relationship commitment. One can hence argue that the development of mutual commitment involves the same process as creating a long term buyer-seller business relationship. Difference may however occur in instances where there is less intense personal components and high degree personal interaction present in most buyer-seller relationship (David, Wilson et al 1995).

Commitment is seemingly deemed to be portrayed in advanced stages of a relationship.

It is a pledge of continuity between involved parties based on the beliefs that there is effectiveness of long term mutual benefits (Al-abdi 2010). Walter et al 2002, suggest that customer commitment is composed of three different dimensions: Affective, instrumental and temporal. A customer that is affectively committed to a supplier, is more likely to make repurchases or buy additional services from that supplier in preference over the suppliers competitors. A customer with instrumental commitment shows some form of investment towards a relationship in terms of time and other resource. Temporal commitment indicates a type of relationship that exist overtime (Mulindwa 2005).

Customer commitment is a crucial factor in determining whether or not the relationship will move forward. It identifies where the relationship is heading and assess whether there is need to continue with the relationship.

2.1.2   Trust

Trust enables people to live in uncertain and risky environs and aids individuals by decreasing the number of options one has to consider in any given situation. In the business world, trust is essential towards successful transactions and the development of long term relationships (Winch and Joyce 2006) Trust is considered to be a key component in keeping and maintaining long-term relationships (Morgan and Hunt 1994). Customer anxiety for the services received reduces with time as the relationship develops. Therefore, customer relationship and trust can be said to go hand in hand and thrive well together (Asiyah, Hadiwidjojo, Sudiro & Ashar2014).

Consumer trust has been identified as a key element in determining the success of B2C service offerings. Customers are nevertheless weary and cautious and try to reduce risk and avoid uncertainties. This cautious nature by the customers ensures that they only continue a relationship if they have confidence and trust in the abilities and competencies of the service provider (Butaineh et al. 2015, 117-128). Firms must for this reason build customer confidence by providing quality services that will in turn build customer trust and develop loyalty. Previous research conducted have shown trust as a strong trigger for enhancing customer retention (Sarwar, Abbasi & Pervaiz 2012.)

Establishing a trustful relationship between the supplier and customer can be mutually benefiting as it maintains a bond as well develops loyal behaviour. Furthermore, consumers aspire to have relationship partners that they can trust because trust is associated with a partner's reliability, integrity and competence (Bataineh et al 2015, 117-128). Beard (2014), implies that, individuals conduct business with people they trust and as the trust increases, so does the commitment. The bottom line still remains that, customers are more likely to make repurchase from a firm they deem trustworthy, and that trust is a key component towards building a long term relationships. Trust is otherwise imperative towards establishing customer retention (Morgan & Hunt 1994).

Moreover, Sarwar et al. (2012) argues that there several characteristics of a good relationship; amongst these, mutual trust within a relationship drives a customer to become more involved in satisfactory business exchanges. The author however cautions that, trust on its own cannot maintain the continuity of a business relationship or be used to justify repeat business. The elimination of trust can however have adverse detrimental outcome towards an organisation in terms of customer retention.

2.2 Impact of Customer Relationship on Customer Retention

It is without a doubt that successful RM has an important role in increasing customer loyalty and satisfaction. The main purpose of RM is to improve customer and business communication, build on trust, enhance customer business cooperation and ultimately turn that loyal customer into a repeat customer. To top it up, the repeat customer might as a result of loyalty, become a product, service or brand advocate (Kotler 2001 671). Grönroos (1995, 21), describes customer relationship marketing as the art of getting and keeping customers. Lowenstein (1995) quotes Peter and Waterman in their book *In search of excellence, "one key principal to retaining and reducing customer attrition is staying close to the customer in order to locate and eliminate small problem before they become big"*

According to Zuora, a Relationship Building Management Company, one of the nine keys of building a successful subscription business is nurturing and developing deeper customer relationships. They emphasis on the importance of strong relationships as the core of the subscription business model. They argue that, acquiring new customers is critical to the business, but for the business to survive, they need to realize that majority of the customer transactions are from the existing customers (Benner 2014.)

Relationship building and maintenance is equally important during and after attrition period. Organisations can learn valuable information from both current customer as well as customers who decide to leave. Customer leaving or on attrition mode have different reason for their decisions and thus a customer leaving due to high prices might have a different perspective from another leaving due to unsatisfying service and the same applies to those who are about to leave (Lowenstein 1995, 15). Lowenstein emphasises on the importance of getting feedback from either parties as valuable information can be gained to help develop and build on customer retention with the organisation. Customer in attrition mode or those that have already left can be willing to add and give feedback that can be used to help the organisation avoid the same fate with other customers. Moreover, a business that avoids debriefing this clients and passing it on as waste of time, risk perpetuating a false impression in their business by stating that the clients who are still buying from them are satisfied and loyal. These customers might be on attrition mode or stuck with the business for other reasons. The business will also be losing on valuable information about what the former customers think of their product and services, what the competition is offering that gives them a competitive edge, and the likelihood of repurchase by these clients.

An article by Talia wolf (2015), a conversion optimization expert, adviser and speaker on customer retention, indicates that consumer purchase behaviour is shifting towards emotional connection leading to repurchases. According to Wolf, consumer don't buy products because of their features or price, but rather buy a product based on how it makes them feel. The author further argues that most consumers don't remember where they buy a product or service nor the price but they remember the experience. It is up to the business to keep reminding this consumer of the experiences. The real value of relationship with clients emerges when the business is able to identify, monitor and group consumer data and purchase history to package a personalized experience for this consumers. Retaining customers requires the business to be able to meet and exceed the customers' needs at exactly the right time before the competition throws a curve ball at them (Kotler, 2001, 668).

It is also worthwhile and important to note that, customers can only be retained if they are willing to be retained, or are loyal and motivated enough to resist the competition. Applying this strategies that have a positive impact on improving customer relationship and retention can be one of the best tactics towards achieving the highest potential of customer profitability. Companies with a high retention rate not only grow faster but also post high profit margins every other year or at minimum exhibit high profitability in business.

2.3   Customer Retention Theories

To understand the relevance of the study, the author sees the urge to provide guidance on different terms used within the text. Different definitions of the terms used within the text will be explained to give a general outlook of the topic under discussion.

Retention and defection can be treated as two sides of the same coin. According to Pezeshki, (2009), retention rate can be defined as the average probability that a particular customer will repurchase a product or a service from the same firm. Defection on the other hand, or churning rate as defined by other scholars, is considered to be the average probability that a particular customer will switch or defect from one firm to another firm. Defection has also been defined as the state in which a customer, for personal reasons, begins to question their continued patronage to a supplier, and otherwise choose to terminate the relationship (Lowenstein 1995, 14.)

Many companies believe that offering the best products, services and prices alone is enough to ensure loyalty. According to (Lowenstein 1995, 11), companies should not only relay on this aspects, but, also try and identify what their customers want, then set up customer satisfaction programmes. Customer satisfaction alone is not enough without sufficient understanding of what it takes or is required to keep customers loyal. Lowenstein emphasises on that fact by suggesting that customers who say they are satisfied, are often just as likely to defect or change their loyalty just like the other customers.

Essential business goals include cost saving and increasing firms profitability. According to Palmatier, (2008) this goals can be achieved through customer retention as a key element to success. A key cost saving factor that most business need to take into consideration, is the fact that selling to current or existing customers requires far less resources and effort than prospective customers (Mulindwa, 2005).

According to Lowenstein, there can be up to five stages of a customer's life cycle that include acquisition, retention, attrition, defection and reacquisition. He further argues that most businesses largest cost emanate from replacing lost customers. Companies have more to benefit from increased lifetime spending of customers. Conventional business methods have in past entertained the thoughts that once a customer is acquired, the customers can be satisfied through superior product or services. This alone is not enough as studies conducted earlier have indicated that even the most satisfied customers can choose to discontinue their patronage. Satisfaction is thus not the best indicator for customer loyalty or better yet there can be more than one reason for attrition with different degrees of impact (Lowenstein, 1995, 21)

Customer retention requires a proactive approach rather than a reactive approach. An article on Customer experience by (Shanahan 2015) depicts a clear picture on how most business are behaving in reality. Shanahan points out how most business resort to reactive methods to retain clients while proactive methods supported by knowledge about a client, or a good relationship background, would lead to an even more satisfying long term business relation between the two parties. "*The Company acted when I threatened to leave*" or equivalent wordings are sentiments shared by most customer now days. Most business fail to realize that when a customer becomes tired and frustrated enough by a product or service, they not only opt to leave but also pose a great threat at convincing others not to use the products or services, or worse off convince other customers to leave as well (Lowenstein 1995).

Shananan, (2015) suggests that there are better ways to dealing with customer retention other than trying to replace the lost customers or swamping customers who threaten to leave with offers, discounts or promotions. Don Peppers (2013) on his article on customer retention, shares almost similar thoughts to those of Shananan but does not necessarily dismiss reactive customer retention methods as viable option towards customer retention. Although it is debatable as to which method or strategy would be most viable if not both, it is still quite clear that a customer is more likely to remember a negative experience than a positive experience.

Alina Tugend (2012) quoting a professor in her article '*Praise is fleeting, but brickbats we recall*' could not have explained it any better; "*some people do have a more positive outlook, but almost everyone remembers negative things more strongly and in detail*". Thus, a client who ends up leaving, or is about to defect, and the business decides to act upon it before the attrition, or after the attrition try to win back the client, stands a huge risk of losing that same customer, and otherwise has a long way to go towards building trust and loyalty again.

Moreover, regardless of the number of times a company has delivered on a particular customer's expectations, the customer will with no doubt quote that one occasion when the company did not deliver (Beard 2014).

Needless to state, a customer with a bad experience history with a particular organisation, is less likely to be loyal to that company in the future. Having considered the thoughts presented above, the author tends to lean towards proactive measures to enhance customer retention and to counter attrition reasons.

2.3.1 Countering Customer Attrition

There are different ways of countering customer attrition in different kinds of organisations. The basics still remain the same though. Business have to identify the reasons for attrition or attempted attrition in order to deal with them appropriately. Existing customers spend more, purchase higher margin products or services and are more likely to refer their friends, relatives or other customers to the business (Uk essays, 2013). Losing that one customer should not be treated as a 'business as usual' circumstance by any business and the business should make it their sole mission to identify ways and methods to keep those customer within their folds of they are to survive their competition-

According Lowenstein (1995, 15), many companies are seen to dismiss their former customers as lost causes especially in times when their businesses are growing and customer acquisition is rapidly growing. Lowenstein argues that these clients can add valuable information to the business in terms of letting the business know what their thoughts are on the product or service, reason for defection, what the competitor is doing better and more importantly their likelihood to repurchase. Lowenstein also uncovers the fact that most complaints by former or current clients are never registered. An estimated 90% of the complaints are never reported nor registered even in organisations with the most sophisticated complaint registration systems.

Unregistered complaints are seen to cause more negative impact on customer retention than the registered complaints. Many customers do not make the effort to register complaint and complaining customers may have different demographic and personalities from other customers. Moreover registered complaints may not be a representative of all customer problem and the registered complaints will not show the extent of dissatisfaction (Mascareigne 2009). Lowenstein, (1995, 16) suggests that customer driven businesses will make it their responsibility to simply ask their current customers as well as former customer for the unregistered complaints and find out why they were never register in the first place.

According to Woodward (2009), most companies with customer retention issue have one thing in common. Instead of the companies trying to unearth the root cause of defection, they result to 'topping up' the leaky bucket by massively investing in customer acquisition.

Customer retention process should beginning with the selection of the right customers and in the right manner (Gallo, 2014). Woodward suggests that customer acquisition is perhaps the single largest reason for attrition. He argues that the customer life cycle begins with customer acquisition and if the acquisition process is wrong, then the problem follows through the entire life cycle.

According to Woodward, a business that chooses to acquire customer with aggressive acquisition strategies such offering discounts that are unsustainable, will end up having, not only customer management problems, but also defection issues. When the prices return to normal, the customers attracted through this methods might not be able to afford those product and therefore opt to leave. It is hence absolutely critical for businesses to get their acquisition strategy right in terms attracting the right customers with the right methods.

Although such strategies might be drastic and maybe endanger business development, they may not be a bad choice compared to losing a customer very time a new one comes. Sustaining and developing a business calls for keeping the already existing profitable customers within the business. Wolf (2015), suggests that customers should absolutely be treated like royalties by offering special discounts and sales to the already existing customers. She argues that by doing so, the business has the potential of turning this customer into loyal customer and keeping them as buyers. Wolf processes a simple coupon program like 'invite a friend coupon' that adds a little bit of value to the customer who does so or 'discount for loyal friend' can easily boast sales and attract new customers at low cost.

2.4 Difference Between Business-to-Business (B2B) and Business-to-Customer (B2C) Customer Retention

The author sees a great need to identify the difference and the similarities between this two markets in terms of customer retention. It is equally important to define the two terms to distinctively different them from each other.

B2B is described as the form of relationship where a company is on the supplier side, while another business company is on the customers' side. On the other hand, B2C can be described as form of relationship where, a business is on the suppliers end and a consumer on the customers end (Kolis & Jirinova 2013). Traditionally, customer retention in B2B markets has been better modelled around relationships between businesses with performance satisfaction as a key ingredient. B2B transactions are built on trust, social and structural bonds as well as investments that bind the parties together in a relationship (Tierney 2014.) Loyal B2B customers buy based on the power of a relationship built on trust, integrity and the clients being put on the front line. Building a rapport with any B2B prospect, hence, requires learning how to communicate well with them in order to build a long term client relationship (Hennessey 2015).

B2B purchases are hardly done on a whim and there is usually a clear outcome that needs to be achieved. Trust is seen as a major component in most B2B transactions as they more than usual entail big number of transactions that are more complex than those in B2C markets. Usually, these transactions, lean on different people responsible for the transactions, and the number of steps in these transactions (Kolis & Jirinova 2013).

Kolis & Jirinova, identify two perspectives of customer relationship: relationship breath and relationship depths. Relationship breadth represents the phase or the evolution of a relationship. This can be equated to the length or the level of commitment a customer is at towards a relationship. On the contrary, relationship depth focusses on the factors that strengthen or weaken a relationship with trust and satisfaction being the key players. Both markets are characterised with commitment and trust when it comes to building customer relationships. However, evidence does still suggest that Customer relationship management (CRM) systems have better performance in B2B than in B2C markets.

Customers in B2C markets are seen to be less loyal and therefore poses a huge risk of switching to competitors. With purchase complexity in B2B markets, it is easy to understand why switching from one supplier to another may not be an easy task. Businesses are more invested in suppliers than consumers are. This is due to the fact that there are high financial and progress risks involved. In short, switching stakes in B2B are much higher than those in B2C (Kolis & Jirinova 2013.)

A popular view amongst scholars recently suggests that organisations have paid too much emphasis on the two market segments leading to customer negligence. Whilst purchase decisions on both segments are conducted by 'Humans', organisations are still missing on that aspect. Marketers are in too deep into the segments and establishing complex terminologies that are unnatural to consumers. The primary focus for most marketers should be towards establishing a human connection with the customers and not segmenting them into business and consumer customers (Kramer, 2014). Bryce Sasaki (2014), share similar thoughts and echoes that, "*business do not buy products or services, but people do*". He further argues that be it B2B or a B2C brand, purchases are made by humans; individuals or groups. Marketing approaches should thus shift towards creating a Human to Human (H2H) relationship and move beyond B2B and B2C segments.

In conclusion, it is understandable why marketers are still stuck in the terminology war due to the stake involved and the different approaches taken in both markets. However, at the end of the day, purchase decision will be made with humans whether it is within an organisational setting or outside that setting. The same person who makes a purchase decision in a boardroom about the purchase of office desks, is the same person who will individually make a decision to purchase a similar desk for his or her home office.

2.5 Competitor Insight

Various sources looked at by the author reveal a different outlook as to whom in particular are the market leaders in the cloud computation. Some source have similar leaders at the top of the list while others have different views depending on what the evaluation criteria was. The author feels that it is important to identify the market leaders and borrow a leaf from them even though they might not be direct competitors.

The reason behind this logic is based on the fact that a proper competitor analysis would have to be carried out to identify who are the direct competitors to the case study company. An effective competitor analysis would entail identifying the key competitors in a line of business, assessing their objectives, strategies, strength and weaknesses and their reaction patterns as well as selecting which competitor to attack or avoid (Kotler 2001, 682). The scope of research however limits that sort of studies. Moreover, the author feels that substantial knowledge can still be gained by analysing what some of the industry leaders are doing to retain their clients. Although the industry leaders are somehow not direct competition to the case study company, they are still competition and can offer valuable competitor insight. Some of the market leaders have been used as examples within the text and highlight what they are doing in particular

The health of Software as a Service (SaaS) business is directly dependent on its ability to retain its customers and prevent customer churn. Companies have to ensure that their clients are kept happy by delivering on the benefits they promise to the customers. As the business grows and becomes bigger, it becomes more difficult to replace the amount of lost customers through renewals as opposed to a small company in its initial starting stage (Skok 2013).

According '*winning in the SMB cloud: Charting a path to success*' by Mckinsey & Company, Diamadi, Dubey, Pleasance & Vora (2011), identified 3 key economic levers that would both led to increased business as well as customer retention by cloud solutions providers discussed here below.

2.5.1 Increasing Average Revenues Per User (ARPU) Through Cross Selling And Upselling

ARPU are considered to be critical metrics in determining the health of cloud Services Company. The ability of driving higher revenues from existing customers within a business provides the company with an opportunity of spending less in pursuing new customers.

Business have to effectively understand what their customer needs are and tailor their offerings to match those needs. This will in turn increase the organisations ARPU. Dayal, Ma & Low (2014), suggest that Small Medium Enterprises (SME) can benefit more by increasing ARPU through cross-selling and up-selling of services.

Markidan (2014), implies that upselling and cross-selling can bring a business closer to a customer, bring more revenue, create a better retention and lower churn rates if used properly. Organisations can achieve this by offering, free trial products, to buy limited period offers, adopting a freemium model, focus on migrating existing customers to premium packages and bundling of services to end users (Dayal et al..2014). Dropbox has adopted some of the mentioned strategies and it is no surprise that they are among the best when it comes to cloud solutions. When user approaches the end of their available storage space in Dropbox, the company prompts you to upgrade each time you check the amount of space left. Once the storage space is exhausted, you can easily upgrade right on the App or web platform.

This is an essential way of ensuring the customer is happy and that the solution is found at the right time and place (Markidan 2014). Google drive on the other hand, has been accused of using user stored data and activity, to serve them with more personalized advertisement as a form of generating cross sales (Griffith 2014). This without a doubt dangles the line between violating user rights and offering personalized services to the clients. Other cross-selling and upselling options include;

- Premium upselling where customers upgrade from a basic to a premium solution. Customers can be charged more as they continue to increase their storage capacity. Method used most cloud service companies including Dropbox and OneDrive.

- Renewal and refresh where customers makes a new contract for an updated product. Method used by most cloud solution companies. Justcloud.com has an upselling platform for upgrades on the existing contract. E.g. including a recycle bin or priority support where a client pays extra for this services but can remove the option if services are no longer need and keep the original contract services or product.

- License increase where a client gets an option of prolonging their licences for a longer period than usual for a lower price or offer. Justcloud.com currently uses this strategy where clients can purchase multiyear contracts at a lower monthly charge. The outcome is a reduced monthly charge for the clients and an increased stable revenue for the company.

2.5.2 Driving Loyalty And Stickiness

Driving loyalty and retaining customers by actively reducing churn rates is a major objective in most organisations. Different organisation have different methods and approaches of combating churn. Diamadi et al. (2011), identified various approaches that were being used by different organisations. The first approach involved understanding customer life time value (CLTV) and identifying behavioural indicators such purchase decisions, support calls, feedback or complaints that would help predict churn. The second approach involved a proactive approach towards managing churn. The third approach identified was driving stickier services.

The fourth method involved establishing 'save desks' as a last resort before the consumers leave by having personnel who would try solve the customer problems. Lastly, some players indicated that they sort out serial churners before acquiring them as customers. As identified earlier, customer acquisition is an essential of the customer life cycle. Business have to ensure that the process is done right to avoid future misfortune. It is the business responsibility to ensure that they attract the right customer and wit the right methods (Woodward 2009).

2.5.3 Minimising Customer Acquisition Cost

Preventing churn starts with customer acquisition and continues throughout the entire customer life cycle. Customer acquisitions costs are generally deemed to be much higher than those of retaining existing customers. High costs can be attributed to different factors such as wrong strategies and acquiring the wrong customers all together. Thompson (2005), points out that, there are a huge possibility of organisations acquiring and retaining unprofitable customers. According to the scholar, the most common mistake arises from acquiring new customer with price promotions that are unsustainable for both parties. Customers who cannot afford the product and services end up leaving or flipping to the next deal offered by the competitor. This in turn generates high churn, low margins from the customers and a short lived customer life cycle (Woodward 2009).

According to Diamadi et al. (2011), one of the simplest forms of minimising customer acquisition costs, used by cloud services providers, includes; starting with non-cloud customers by offering them a risk free trial period. Dropbox has used a similar approach where they offer a free trial service. Unlike Dropboxs' strategy, Diamadi et al. suggest that the risk free trial period should be limited to a certain period maybe to ensure customers to become reluctant to progress to the next level membership. This path towards customer acquisition is consider to cost very low compared to other strategies. Moreover, siting Dropbox as an example, whose strategy also includes delighting their current customers by letting them invite their friends to the service, creates and opportunity to increase the customer portfolio. The current customers in return remain delighted by gaining additional storage space for every new member who is recruited on their behalf. This off course acts as a double edged sword, where the company is able to attract new customers at a relatively low cost as well as keep their existing customers delighted and happy (Wolf). Other methods suggested by Mckinsey include; partnering with other players in cloud landscape or merging with smaller companies that fit the customer demographic (Diamadi et al. 2011)

2.6 Relevance To The Case Study

Research conducted on cloud services and product usage have indicated an estimated 23% growth within the year 2015 (Gaudin 2014). This is attributed to the efforts in developing security and hybrid platforms to enhance the usage and to make usage more secure.

According to Gaudin, the industry is further estimated to be worth $118 billion by IDC in the year 2015 and is expected to be worth at least $200 billion by the year 2018. Hybrid cloud services alone are estimated to be worth $84.67 billion by 2019 according to a report *'Hybrid Cloud Market by Solution'* by *marketsandmarkets.com* (Kar 2015). The expected growth rate for hybrid cloud services in the year 2015 was predicted at 50% as they are of a smaller base compared to other cloud services and a lot of enterprises and customers are currently investing in hybrid deployments (Gaudin, 2014).

Although the predicted growth is high, a huge chunk of the growth margin is attributable to large companies that were previously reluctant to invest in cloud services because of security concerns, vendor lock-in and the difficulties in cloud solutions, have had a change of reason in the matter. The cloud sector is seen to have matured and measures towards countering this concerns have been put in place to reassure IT influencers and reinforce the immense benefits from cloud services deployment (Navarro 2014). What is without a doubt true about the cloud market is that is has continually gained acceptance to become one of the key elements in delivering IT services within organisations (Korzeniowski 2015).

According to a research conducted by IDC 2014, competitive pressure within the cloud service and infrastructure industry will continue to increase due to the rising availability of alternative management software solutions (Turner, 2015). Although the competition is turf and big players in the industry are increasingly becoming dominant, a report by Diamadi et al. 2011 (2011), reveals that small medium business (SMB) still have a chance at capturing the market share. They further their argument by concluding that there is still significant potential for players of all sizes.

The cloud service is indeed rich and robust. Its richness ensures that size is not the destiny of the business and hence ensuring that the market will remain fragmented with the opportunity for many. For companies to remain competitive, they will have to think of better and efficient ways to attract the appropriate customers and retain them until the end of their CLV (Customer Life time value) (Wu 2011).

The bottom line still remains, customer retention and reduced churn rates increase the success factor for SMBs'. RM is otherwise seen as a unique way towards achieving high retention as well as reduce churn rate. The industry still exhibits lots of potential for SMB and there is a huge market share for small cloud services companies. To remain relevant in the market, small organisation have to think of ways they can reduce and cut down on costs such as acquisition costs. Even more so, reducing churn rates becomes an important aspect for business survival as the market continues to grow attracting more players in the industry.

3 METHODOLOGY

This chapter will begin by describing the chosen methods of research applied during the research process to answer the research question presented. The author will try and develop suitable arguments for choosing the methods used during the research and try and justify the approach used and adopted throughout the research process.

Research methodology has been defined as "the process used to collect information and data for the purpose of making business decisions that may include use of publication research, interviews, surveys and other research techniques that may include both present and historical information"(Creswell 2003).

When Carrying out any form of research that involves people opinions, feeling or experiences, one is bond to follow both or either of the distinct paths; qualitative or quantitative research paths (Davies 2007, 9). The theory was used deductively and formulated at the beginning of the studies to act as a framework for the empirical part of the studies. The objective was to test and verify the theory. The chosen method of conducting the research was through a qualitative approach.

When selecting the methodology to be adopted, it is necessary to acquaint the reader with knowledge from both secondary and primary data sources. A questionnaire was used to gather the primary data. Other sources included formal one on one talks with the commissioning company representative. The secondary data was collected from various books, eBooks and journals, reports and publications as well as other internet sources were utilised.

3.1 Research Purpose

The research was descriptive in nature as it tried to look into real life firms and how they retained their customers. It also described the strategies that were being used by various firms. The research was able to describe some of the features that were contributing to low and high customer retention that enabled the author to formulate a concrete theoretical framework for the study.

In a different context, the research can be said to be explorative in nature as it tries to identify ways in which churn rates can be reduced as well as increasing customer retention.

3.2 Research Approach

According to Saunders et al. (2007), there are two approaches of conducting a research; induction and deduction approach. An inductive approach stems from data that is collected, analysed and consequently used to formulate the theory.

A deductive approach on the other hand begins from the theory or hypothesis being developed, and the data collected is used to test and analyse the theory (Mascareigne 2009). A deductive approach was therefore aborted while undertaking the research. This was duly conducted by analysing previous work and material that dealt with customer retention and churn reduction.

Creswell (2003) identifies three approaches that can be used to collect data; quantitative, qualitative and mixed method approach. The theory was formulated from previous studies and the author tried to answer the research questions by collecting numerical data to support the theory. Thus, a quantitative approach was used to provide the researcher with the ability to collect data that is numerical in nature. This was conducted by undertaking a survey questionnaire.

3.3   Research Strategy

There are about five ways of collecting and analysing data identified by Yin (1994). They include; experiments, surveys, analysis of archival information, histories and case studies. Case studies, histories and experiments are more than often used to answer questions of 'why' or 'how' (Mascareigne 2009). The researchers question was based on 'how' customer retention could be increased and 'how' customer churn rates could be reduced. Therefore, case studies was seen as in-depth way of obtaining literature that could be support data collected. Different case studies with similar objectives as those of this research were put to use to develop the literature and form a base framework for the research.

However, data was collected via a survey that was undertaken. Yin (1994) identifies questionnaires as an easy and cost effective way of collecting primary data. A research questionnaire was hence developed based on previous literature on relationship marketing, commitment, trust and customer retention. The questionnaire consisted of four sub sections that focussed on; general questions, questions relating to Trust, questions relating to Commitment and finally questions relating to customer retention.

The questionnaire was composed of 22 questions of which 21 were compulsory with 1 being optional. Apart from the general questions, all the other questions were measured using a five point Likert- type scale. The scale ranged from 1 strongly disagree, 2 disagree, 3 Neutral, 4 agree and finally 5 strongly agree.

The results of the survey questionnaire were analysed using descriptive statistics. The data was initially analysed by Google forms summary form and later data was moved to IBM Statistical Package for Social Science (SPSS) software for an in-depth analysis

3.4 Sample Selection

With the exception of a few types of research, most scientific research focus on small segments or samples of a bigger population. A population refers to the category of people or group that the research will focuses on (Davies 2006). When conducting a research, one cannot study everybody, everywhere doing everything. Therefore, a sample from the population has to be established (Mascareigne 2009).

Since the research was conducted from the customers point view, the population was composed of individuals whom were previously or at present using cloud service from different providers. Decisions about the sample size have to take into consideration the resource available at ones disposal. Davies (2007, 54) suggest that the sample size should be 'as good as you make it' meaning; one should have enough time to recruit, get the data and analyse it, the sample should be able to meet the objectives of the studies and that you can recruit a sample you have access to.

The initial plan was to have a sample population from the commissioning company customer base to answer the question. This did not take place due to unavoidable circumstance and the possible inadequacy of time and enough respondents to ensure that the research was scientific enough.

Therefore, the sample was selected from a Company based in Nokia region with a work force of around 50 employees. 50 questionnaires were sent out and 33 questionnaires were returned with 2 of them being disqualified for inconsistent data. The total correctly completed questionnaires received was 31. All the employees who participated had either used or were currently using cloud services.

3.5 Validity And Reliability

A questionnaire draft was developed and was sent to the commissioning company for approval and verification. The questions however had to be translated from English to Finnish as the survey participants were mainly Finnish speaking individuals. Some of the meaning from the original questionnaire might have been lost during the translation due to language change.

Once the verification was done, sample questionnaires were sent to a pre-selected sample group of 5 individuals.

Due to the fact that the questionnaire was originally developed to suit customers from the commissioning company, the author feels that the questions might not highlight the main points intended due to the study group used. The questions were however formulated in such way that they would be suited for respondents who were not direct clients to the commissioning company. They were also without any preferences or attitude words that would lead respondent to certain favourable answers.

To test the internal reliability of the data, a Cronbach's alpha test was undertaken. In most scientific research conducted, Cronbach's alphas larger than 0.7, are considered as acceptable. From the 17 items tested, all of them indicated a Cronbach's alpha large than 0.8.

The Cronbach's alpha was 0.849 which indicates a high level of internal consistency for the chosen scale. Table 1 below give a brief summary of the Cronbach's test that was conducted.

Table 1   Summary Cronbach's Alpha test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.849	.844	17

4 EMPIRICAL DATA AND DATA ANALYSIS

This chapter will show and discuss the outcome and the data from the survey questionnaire. The author will evaluate and discuss all the questions and come up with comparison information from the theory. Both English and Finnish Questionnaire can be found in the appendix section.

4.1 Background Information

The research received 31 successfully completed questionnaires from the population sample. Table 1 below, shows how the sample population data was distributed based on the background information collected. Out of the 31 respondents, there were 11 Male respondents (about 36%) and 20 Female respondents (about 64%). This could be an indication that there are more women using cloud services than there are men. Moreover, a comparison between gender and current cloud services users, indicated that women had more numbers than those of men.

Most users were found to be 25years and below. The number however indicated that there was slightly little difference between the different age group categories. Respondents were asked to indicate how long they had used cloud service in the past and at present. The results indicated that most of the users had used or were currently using the services for less than 3 years. This might be an indication that there is low loyalty with most cloud service users. Furthermore, a test conducted to evaluate the number of current user compared with the years of patronage, reveals that there is high churn rate and low retention as the period prolongs. Customer are therefore more likely to switch patronage after the third year of patronage.

Out of the population sample accessed, 17 respondents are currently still using cloud services while 14 respondents have terminated their relationship. This aspect clearly supports the theory collected indicating that the cloud service market is still expanding and gaining more popularity.

The research also identified past and current user service providers from the respondents. Elisa Sauna Lahti and Microsoft OneDrive seemed to be the most used service providers. This might have been so since the research was conducted within Finland and thus more people were maybe bound to use local services. Microsoft programmes are also widely used with organisations. The research sample population was gathered from a working environment within an organisation therefore indicating that the respondents were familiar with the service offered by Microsoft. Moreover, there is reason to believe that Microsoft users within the organisation have at one point used Microsoft OneDrive for personal or work reasons.

The table below (Table 1), shows at a glimpse, the results of the respondents' background information collected during the research.

Characteristics	Variables	Frequency	Percentage %
Gender	Male	11	35.5
	Female	20	64.5
Age	25 and below	9	29.0
	26-35	7	22.6
	36-45	7	22.6
	45 and above	8	25.8
Years of Patronage	1 or below	9	29.0
	2-3	9	29.0
	4-5	7	22.6
	5 and above	6	19.4
Current Cloud use	YES	17	54.8
	NO	14	45.2
Service providers	Dropbox	5	16.1
	Elisa SaunaLahti	7	22.6
	Google Drive	4	12.9
	Microsoft Onedrive	7	22.6
	Nil	8	25.8

Table 2   Distribution of the sample based on background information

4.2   Questions Relating to Trust And Customer Relationship

According to the theory collected, it was indicated that for a relationship to thrive and become successful, trust was to be initiated. Trust was therefore directly linked to retention as consumers have to have trust in a service, product or firm for them to remain loyal. To test whether these sentiments were true, five questions directly linked to trust were devised. The questions were as follows:

Question 1 (Q1); Trust is a major component to me when deciding whether or not to use cloud services

Question 2 (Q2); I would immediately change to another service provider if my current service provider did not deliver on their promises

Question 3 (Q3); I would give feedback to my service provider (Constructive or otherwise)

Question 4 (Q4); I am extremely cautious and suspicious of new company services or service from companies I haven't worked with before.

Question 5 (Q5); The company should be able to implement my suggestion or at least take action upon them

		Q1	Q2	Q3	Q4	Q5
N	Valid	31	31	31	31	31
	Missing	0	0	0	0	0
Mean		4.19	4.16	3.55	3.06	3.16
Mode		5	4	3	3	3
Std. Deviation		1.108	1.036	1.121	1.181	1.128

Table 3   Summary of descriptive statistics of Trust

The results indicate that indeed trust was a major issue to most respondents when deciding whether or not they would use cloud service from a certain provider. 17 (about 55%) of the respondents, 'strongly agreed' via the Likert scale used, that trust was a major factor to them when they considered using cloud services. 7 respondents also 'Agreed' via the Likert scale used, with the statements above. Cross tabulations revealed that, Female respondents above the age of 45 years, had the highest figure in terms of 'strongly agreeing' on the statements above. The younger generation however, indicated that trust was not a major concern for them. This may be attributed to the advance knowledge and skills coupled by easy access of information by this generation leading to multiple choices of preference. Young generation is less settled and like to be more explorative

The respondents also indicated that they most likely terminate their relationship with a service provider who would be less likely to stick to their promise. This indicates that when trust between the consumer and a firm is broken, a consumer is likely to leave the relationship and seek an alternative option.

Trust is seen as a relationship adhesive. Q3 and Q5 were meant to test the adhesive nature consumer and business relationship. Q3, Q4 and Q5 revealed neutral responses from the respondents. This may be due to the fact that the sample population used, gave their responses based on the service providers their used and not necessarily a common provider. Most respondents however shared almost similar vies as indicated on Table 2 above. Further analysis of Q3, revealed that a combined number of the respondents who 'agreed' and 'strongly agreed' to Q3, were more than the respondents with a neutral stand. According to the theory, enhanced business to consumer relationship can cumulate into trust between both parties therefore leading to a mutually benefiting relationship. Consumers at this level, can easily air their grievances or give positive feedback to a firm.

Based on the findings, the author concludes that consumer relationships can be built and maintained if there is trust. Consumers want to interact with companies they can trust. If there is mutual trust, consumers will easily give feedback to the business, easy off suspicions about the business and possibly remain loyal to that particular business.

4.3 Questions Relating to Commitment And Customer Relationship

Four questions were drafted to test commitment between the business and the consumer. The author found it essential to test the levels commitment toward a business and a relationship by the consumer. The question were are as follows

Question 6 (Q6); I would immediately terminate our relationship with the business if the competitors had better terms or deals

Question 7 (Q7); I would rather have a low level relationship with a business or a service provider
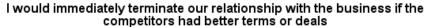
Question 8 (Q8); I would rather work with a company that pays more attention to building our relationship
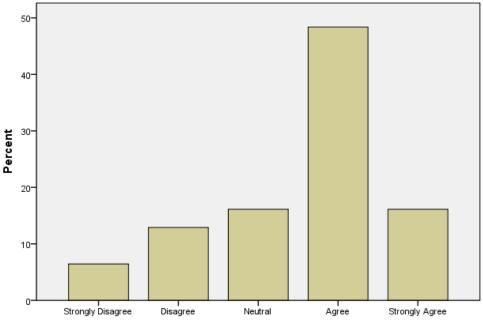
Question 9 (Q9); Working with an unknown service provider might be a big mistake

Table 4   Summary descriptive statistics of commitment and customer relationship questions

		Q6	Q7	Q8	Q9
N	Valid	31	31	31	31
	Missing	0	0	0	0
Mean		3.55	3.10	3.58	3.06
Mode		4	3	3	3
Std. Deviation		1.121	.831	.992	1.063

Table 3 above is used to highlight a summary of the descriptive statistics results on commitment and customer relationship. A general view of the table above indicates that most of the respondents in this section had a neutral view on the question indicated above. However, looking at an in-depth look at each question, different outcomes are visible. A frequency distribution chart revealed that 48.4% of the respondents agreed with the statement Q6 as in Figure 2 below.

I would immediately terminate our relationship with the business if the competitors had better terms or deals

Figure 2   Frequency analysis; Q6

A further cross tabulation investigation between the variables Gender, Age and Q6, revealed that, the younger generation aged 25 and below, agree with the statement. As discussed in the section above, this age group is faced by immense options and means of finding better deals and are more experimental when it comes to product usage. Commitment towards business services and products is heavily guided by the level of relationship. Poor relationship lead to poor commitment, less retention and increased churn rates as seen in the theory.

Neutral feelings were brought out by the respondents while viewing Q7. Out all the respondents, 51.6% of them had a neutral response as to whether or not a low relationship between B2c was preferred. However 22.6% of the total respondents still thought that a low relationship between consumers and the business was not beneficial to them. A combined percentage of those who thought that high level relations ship would result in the best outcome was higher than that of those who thought otherwise. Moreover, a cross tabulation of the variable 'Current cloud use' and Q7, reveals that respondents who 'agreed' or 'strongly agreed' to statement Q7, were currently not using any cloud service.

This could be an indication of previous dented relationships between the respondent and their former service provider, leading to a negative outlook by the respondents.

The results also indicated neutral feeling by the respondents towards Q8 with 38.7% of the respondents taking a neutral stand. However, a cumulative outlook as to the number of those who 'agreed' and 'strongly agreed'

with the statement, was higher than that of those who 'disagreed' and' strongly disagreed'. The information was used to infer that customer relationship was certainly at the core of most consumers' minds. The implication is that consumers would otherwise not be interested in developing and building a relationship if they were not committed to a particular business. In other words, a commitment towards building a relationship, reflected their desire to stay with the business.

The last variable looked at in this section was Q9 which also reflected a neutral stand according to Table 3. The question was developed to test whether the respondent would be willing to work with other service providers and what their current commitment was with the current service providers. Majority of the respondents agreed with the statement Q9 indicating that there was a commitment towards the current service providers they were using. Interestingly, majority of the respondent who 'agreed' or strongly agreed with the statement were currently using cloud services indicating some form of commitment towards their service providers. Starting a new relationship with a completely new service provider might be a difficult thing to do with most consumers. Consumers whom are happy with the relationship between them and the business, are less likely change patronage.

To conclude the section, the author gives reason to believe that commitment has a strong relationship to customer retention. Result from the data gathered, point out how customer relationship can solidify commitment between the consumer and a business resulting to increased retention. Committed customers are more likely to remain loyal towards business. Customer relationship is therefore seen as a leeway towards gaining and developing commitment.

4.4   Questions Relating to Customer Retention And Customer Relationship

The author sought to test different aspects that directly influenced customer retention by assessing trust commitment as well as customer relationships. The section contained seven distinct questions that were carefully to support the literature used during the research. The questions were as follows;

Question 10 (Q10); Customer satisfaction is the ONLY component that will keep me loyal to my service provider

Question 11 (Q11); I will probably change the service provider just to see what the competition has to offer

Question 12 (Q12); I definitely will not be changing the service provider for at least one year

Question 13 (Q13); I would recommend a company that I am loyal to, to my friends, acquaintances and colleagues

Question 14 (Q14); I would happily provide information about prospective customers to a company I am loyal to

Question 15 (Q15); I would say positive things about a company I am loyal to

Question 16 (Q16); I would ditch a company with a poor complain and grievances system

Question 17 (Q17); Our relationship is mutually beneficial

Just like in the other sections, a descriptive statistics frequency was used to evaluate the variables. A general outlook at the frequency table, reveals a 'Neutral' mean from all distinct variables. Table 4 reveals the outcomes below the text. The first variable, Q10, was used to test whether the respondents considered their loyalty towards a service provider were tied down by satisfaction alone. The results were a bit astounding to the author because in theory and mostly in reality, there are other factors that directly influence consumer loyalty. 54.8 % of the respondent 'agreed' while 12.9% of the total respondents 'strongly agreed' to the statement Q10. In the author's opinion, this might have been due to the fact that most cloud services accounts were free accounts to a certain level, mostly tied by usage space. With that in mind, it is considerably understandable for the respondents to indicate that their loyalty was tied down to satisfaction alone. Moreover, results from Q11, highlighted the fact the respondents were satisfied by their current service providers. 35.5% of the respondents 'Disagreed' while 12.5% strongly disagreed on the statement Q11. The cumulative percentages was higher than that of 'agreeing' and 'strongly agreeing' respondent in the same statement. Lowestein (1995), however warns businesses that, satisfaction alone is not enough to retain customers. He further states that, lack of customer satisfaction can lead to low customer retention, but satisfied customers can also choose to terminate their patronage for other reasons.

Table 5   Summary descriptive statistics of customer retention and relationship questions

		Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17
N	Valid	31	31	31	31	31	31	31	31
	Missing	0	0	0	0	0	0	0	0
Mean		3.45	2.58	3.16	3.84	3.03	3.90	3.65	3.55
Mode		4	2[a]	3[a]	4[a]	3	4	5	4
Std. Deviation		1.207	.992	1.128	1.098	1.197	.978	1.330	1.091

*a. Multiple modes exist. The smallest value is shown

Majority of the respondents also indicated that they would continue their patronage with their current service provider for at least more year one year. A cumulative 42% of the total respondents 'agreed' and strongly agreed' with the statement Q12. A cross tabulation test was conducted to verify whether the number of patronage years had an effect on statement Q12. There was no conclusive evidence indicating whether the variable had any effect on Q12 thus influencing the respondents choices.

64.6% of the respondents indicated that they would be recommend a business they were loyal to. This can be used to demonstrate the effects of customer relationship. According to the theoretical literature presented, customers are more likely to recommend a business to others if they have reached a certain level of a relationship phase. Trust is a key aspect as indicated in the previous sections analysis. Customers are afraid to 'loose face' in the eyes of their colleagues, relatives or friends. Thus, they will only recommend a product or service if they trust that the service or product is worthy. Similar reasoning is supported by the responses received on both Q14 and Q15. A cumulative 32.3% of the respondents either 'agree' or 'strongly agree' with statement Q14, while 77.4% of the respondents 'agree' or 'strongly agree' statement Q15.

A bulk of the respondents in Q16 and Q17 either 'agreed' or 'strongly agreed' with the statements. 58.1% of all the respondents in Q16 thought that they would terminate their relationship with a company that had a poor complain and grievances system. This proves that consumers are interested in providing feedback and having their voices heard. They are also keen in developing relationships with the businesses as they would otherwise not care about giving feedback or airing their grievances. Consumers who are frustrated enough with a poor service or product, ends up leaving or terminating their patronage (Lowenstein 1995). Therefore, a customer who is interested in giving feedback or otherwise complain, is keen on staying with the company. This customer will only leave when it becomes clear that they are not getting what they want. Furthermore, Kotler (2001), implies that, losing one customer means losing a stream of lifetime purchase from; that client and all the other clients or potential clients that the dissatisfied customer manages to convince about the poor services.

To conclude the chapter, based on the literature gathered, and the empirical data, the author believes that there is sufficient evidences supporting the establishment of a relationship based cooperation between the company and the consumer. Trust and commitment and commitment can only be develop through a relationship based cooperation. They will in turn develop the consumers into loyal customers hence creating retention.

5   CONCLUSION AND RECOMMENDATIONS

This chapter will try and come up with a conclusion to the research. Based on the findings and the literature used, the chapter will off appropriate recommendations and provide answers to the research question.

Retaining customers in today's markets means being in business tomorrow and the day after tomorrow. It has become has become an organisational issue and the task no longer lies on a single department with the organisation. Relationship marketing tactics are consider to be effective at building and developing long-term relationship that more than often ensure success through mutual benefits.

Based on previous research, literature used and the data presented, it is evident that developing a customer relationship in a B2C market is quite viable. Based on the constructs trust and commitment, sustainable relationship between the consumer and a business can prove to be profitable. To achieve this level of relationship, the author suggests:

1. The company should develop proper expectations for customers from day one. This means that they should try and attract the right customer and with the right methods. The study highlighted the fact customer life cycle begins at the initial contact stage. Getting the acquisition process wrong can strain the relationship in the long run. The company can otherwise attract customers at a lower cost through periodic free trials of the product. This way they can begin to build and develop the relationship, build trust and test potential customer commitment. All this at a lower acquisition cost. This also call for attracting the right customers and calculating their potential customer life time value to ensure that a potential customer is profitable enough to pursue.

2. Capitalise on product uniqueness and the value proposition

    Hybrid cloud services are a new concept in the market. The Hub spot offers a unique way to attract and retain customers. Data safety and security issue when it comes to cloud services are thing most people are afraid off. The knowledge that customers can be in charge and at a higher level of their data is a huge selling point. The product also offers a stickiness solution. Customers identify with the risk of working with new service providers and most clients would rather work with one they trust. In short, it would be easy to retain a customer using the hub spot services as it would cause more hassle for the clients to source for other service providers whom they trust. Moreover, if the product delivers as per the stated propositions, there is a great chance that commitment will be established quit soon.

3. Proactive retention strategies as opposed to reactive

The research provided insight as to how important it was to have the right retention strategy. The company should focus more on proactive retention strategies and only rely on reactive retention strategies as a last resort. Proactive methods can be simple gestures that are used to delight the customers' e.g. additional storage space for every positive tweet you make about our product or the company. The company can also be proactive in terms of collecting feedback from customers. This would enable them to be at par with customer issues and deal with them before they blow out of hand. This will also help in assessing churn triggers within customers. The company should otherwise use reactive methods when they is no other option. 'Save desks' can be established to try and convince customers who are on attrition mode to stay. This customers can be offered better deals that are sustainable to prolong their CLV. If nothing else, at a minimum level the save desks should be able to obtain valuable feedback information as to why the customers opt to leave.

The research also identified that most client were not willing to give feedback to the business. Most of the case are probably due to lack of either appropriate feedback mechanisms or they are entirely missing. Based on the research, the author recommends that the company pushes to retrieve the unregistered complains or feedback from former customers. The information would be valuable in terms of identifying reasons for defection and maybe identify a pattern for defection

The author see it as a worthwhile measure for the company to identify the attrition process and evaluate whether all the customers take the same route while leaving. This will be essential in identifying similar characteristic exhibited by customers while leaving and enable the company to know who is about to leave and potentially counter the reason before the customers become frustrated enough. By studying such data the organisation can also evaluate what are the most common and similar reason that most customers poses while in the attrition process.

The information is valuable and can enable the company to fix the leaky holes and potentially save other customers from having a bad experience that might trigger attrition.

To conclude the chapter, relationship marketing is seen a viable option towards reducing the customer defection. The suggestion given above are only as good as their implementation. As a caution however, the proposed ideas alone cannot solve the entire retention problem and probably will not fix all the loop holes.

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Kuluttajakysely

Arvoisa vastaanottaja,

Opiskelen Tradenomiksi (AMK) Hämeen ammattikorkeakoulussa Valkeakoskella ja työstän opinnäytetyötä liittyen markkinointisuhteisiin ja asiakaspysyvyyteen pilvipalveluyrityksissä. Opinnäytetyöni toimeksiantaja on valinnut teidät vastaamaan kyselyyni sillä uskomuksella, että vastauksenne antaa minulle hyödyllistä tietoa tutkimukseni kannalta. Vastauksenne käsitellään luottamuksellisesti ja yksityisyyttänne kunnioittaen.

Kiitos jo etukäteen vastauksestanne ja ajastanne.

Ole hyvä ja valitse mielipidettäsi lähinnä oleva vaihtoehto.

Taustatiedot

1. **Ikä?**
a) 25 tai alle   b) 26-35   c)36-45   d) 45 tai yli

2. **Sukupuoli**
a) Mies   b) Nainen

3. **Kuinka kauan olet käyttänyt pilvipalveluita?**
1 tai alle   b) 2-3   c) 4-5   d) 5 tai yli

4. **Käytättekö tällä hetkellä mitään pilvipalveluita?**
a) Kylla   b) Ei

Kuka on/oli käyttämänne palvelun tarjoaja?

Ole hyvä ja valitse parhaiten sopiva vaihtoehto käyttämällä seuraavaa arvoasteikkoa:
Vahvasti erimieltä=1, Erimieltä=2, En osaa sanoa=3, Samaa mieltä=4, Vahvasti samaa mieltä=5

Suhde kuluttajan ja palveluntarjoajan välillä

Luottamus
1. Päättäessäni pilvipalveluiden käytöstä, luottamuksella on minulle suuri merkitys

    1   2   3   4   5

2. Vaihtaisin palveluntarjoajaa, mikäli nykyinen ei pitäisi lupauksiaan

    1   2   3   4   5

3. Antaisin palautetta palveluntarjoajalle

1   2   3   4   5

4. Olen hyvin epäilevä ja varovainen aloittaessani asiakkuuden uuden palveluntarjoajan kanssa

1   2   3   4   5

5. Palveluntarjoajan tulisi toteuttaa ehdotukseni tai vähintään reagoida niihin

1   2   3   4   5

Sitoutuneisuus

6. Irtisanoisin asiakkuuteni, jos kilpailevalla palveluntarjoajalla olisi tarjota parempi sopimus

1   2   3   4   5

7. Haluan etäisen asiakassuhteen palveluntarjoajaan

1   2   3   4   5

8. Tahtoisin palveluntarjoajan, joka kiinnittää enemmän huomiota asiakassuhteemme rakentamiseen

1   2   3   4   5

9. Yhteistyö tuntemattoman palveluntarjoajan kanssa saattaisi olla virhe

1   2   3   4   5

Asiakaspysyvyys

10. Asiakastyytyväisyys on ainoa tekijä, joka pitää minut uskollisena palveluntarjoajalle

1   2   3   4   5

11. Vaihdan luultavasti palveluntarjoajaa nähdäkseni mitä kilpailijoilla on tarjota

1   2   3   4   5

12. En aio vaihtaa palveluntarjoajaa seuraavan vuoden aikana

1   2   3   4   5

13. Suosittelisin käyttämääni palveluntarjoajaa ystävilleni, tuttavilleni ja kollegoilleni

1   2   3   4   5

14. Voisin nimetä palveluntarjoajalle mahdollisia uusia asiakkaita kysyttäessä

1   2   3   4   5

15. Kuvailen yleensä positiivisesti palveluntarjoajaani

1   2   3   4   5

16. Vaihtaisin palveluntarjoajaa, jos he käsittelisivät valitukset asiattomasti

1   2   3   4   5

17. Asiakassuhteemme hyödyttää meitä molempia

1   2   3   4   5

QUESTIONNAIRE TO CONSUMERS

Dear Sirs' & Madams,

I am a BBA student at the Häme University of applied sciences in Valkeakoski undertaking a survey in the area of relationship marketing and customer retention in the cloud computing industry. You have been selected among my respondents because I believe the information provided will be of utmost help towards finding a solution and providing an answer to the research question. The information provided kept confidential and used solely for academic purposes. No personal data shall be revealed.

Thank you very much for taking your time to answer the few questions provided.

Kindly circle or place a visible mark on the appropriate answer that best describes your opinion.

Background Information
1. What is your age?

a) 25 and below   b) 26-35   c)36-45   d) 45 and above

2. Gender

a) Male   b) Female

3. How long have you been using cloud services?

a) 1year and below   b) 2-3   c) 4-5   d) 5 and above

4. Are you currently using any cloud services?

a) YES   b) NO

5. Who is or was your service provider?

       _

Please indicate the extent to which you agree with the following statements by circling or ticking the appropriate answer using the scale below:
Strongly disagree=1, Disagree=2, Neutral=3, Agree=4, strongly agree= 5

Relationship between the company and the customer

Trust
1. Trust is a major component to me when deciding whether or not to use cloud services

    1   2   3   4   5

2. I would immediately change to another service provider if my current service provider did not deliver on their promises

    1   2   3   4   5

3. I would give feedback to my service provider (Constructive or otherwise)

    1   2   3   4   5

4. I am extremely cautious and suspicious of new company services or service from companies I haven't worked with before.

1   2   3   4   5

5. The company should be able to implement my suggestion or at least take action upon them

1   2   3   4   5

Commitment

6. I would immediately terminate our relationship with the business if the competitors had better terms or deals

1   2   3   4   5

7. I would rather have a low level relationship with a business or a service provider

1   2   3   4   5

8. I would rather work with a company that pay more attention to building our relationship

1   2   3   4   5

9. Working with un unknown service provider might be a big mistake

1   2   3   4   5

Customer Retention

10. Customer satisfaction is the ONLY component that will keep me loyal to my service provider

1   2   3   4   5

11. I will probably change the service provider just to see what the competition has to offer

1   2   3   4   5

12. I definitely will not be changing the service provider for at least one year

1   2   3   4   5

13. I would recommend a company that I am loyal to, to my friends, acquaintances and colleagues

1   2   3   4   5

14. I would happily provide information about prospective customers to a company I am loyal to

1   2   3   4   5

15. I would say positive things about a company I am loyal to

1   2   3   4   5

16. I would ditch a company with a poor complain and grievances system

    1   2   3   4   5

17. Our relationship is mutually beneficial

    1   2   3   4   5

Thank you for taking part in this educative Survey.