



VAASAN AMMATTIKORKEAKOULU
VASA YRKESHÖGSKOLA
UNIVERSITY OF APPLIED SCIENCES

Emilia Peltonen

**CUSTOMER SATISFACTION
AND PERCEIVED VALUE
IN B2B RELATIONSHIPS**

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VAASAN AMMATTIKORKEAKOULU

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Opinnäytetyön toimeksiantaja on suomalainen perheyhtiö Teo Lehtimäki Oy, jonka päätoimialana on moottorikelkkojen varaosien tukkumyynti. Tutkimuksen tarkoituksena oli selvittää, missä määrin yrityksen asiakkaat ovat tyytyväisiä saamaansa palvelun laatuun, sekä miten koettu arvo vaikuttaa toimittajan valintaan. Tutkimuksen ensisijainen tavoite oli löytää keinoja, joiden avulla koettua arvoa, ja siten myös asiakastyytyväisyyttä, voitaisiin parantaa.

Teoriaosuus pitää sisällään keskeiset aiheet tutkimusongelmaan liittyen. Ensimmäinen kappale käsittelee asiakastyytyväisyyttä ja siihen vaikuttavia seikkoja sekä erilaisten tyytyväisyystasojen vaikutusta liikesuhteen jatkumisen kannalta. Seuraava kappale määrittää mitä asiakkaan kokema laatu on, mitkä seikat siihen vaikuttavat ja mihin laadun ulottuvuuteen tutkimus pääasiassa keskittyy. Kolmannessa kappaleessa selvitetään mitä asiakkaan kokema arvo pitää sisällään ja selvitetään sen vaikutus asiakastyytyväisyyteen, sekä esitellään keinoja, joilla arvoa voidaan lisätä. Viimeinen kappale esittelee pitkäaikaisten asiakassuhteiden vaikutusta yrityksen tuottoihin ja selvittää asiakastyytyväisyyden roolin asiakassuhteiden luomisessa, sekä esittelee keinoja asiakassuhteiden hallinnoimiseen. Tutkimusmenetelmänä toimi sekä laadullista että määrällistä tutkimusmenetelmää yhdistelevä kysely, joka koostuu kahdesta osiosta. Ensimmäinen osio pyrki kartoittamaan asiakkaiden yleisiä odotuksia laatuun ja arvoon liittyen, kun taas toinen osio keskittyi selvittämään missä määrin asiakkaat kokevat, että Teo Lehtimäki Oy kykenee vastaamaan heidän odotuksiinsa.

Tutkimustuloksista selvisi, että asiakkaiden yleinen tyytyväisyystaso on korkea. Asiakkaat kokevat, että yritys kykenee vastaamaan heidän tarpeisiinsa ja täyttämään heidän odotuksensa. Vaikka asiakkaat olivatkin valtaosin tyytyväisiä palvelun laatuun sekä tuotevalikoimaan, nosti tutkimus esille myös muutamia parannusehdotuksia, jotka liittyivät pääasiallisesti yrityksen tavoitettavuuteen sesonkiaikana sekä heidän tarjoamiin sähköisiin palveluihin. Moni asiakas ehdottikin extranet -ominaisuuden käyttöönottoa, joka vähentäisi puhelinliikennettä huomattavasti ja siten helpottaisi sekä asiakkaan että Teo Lehtimäki Oy:n toimintaa.

Avainsanat asiakastyytyväisyys, koettu arvo, koettu laatu, asiakassuhteiden tuottavuus

VAASAN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES
International Business

ABSTRACT

Author	Emilia Peltonen
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The thesis was written for a Finnish family owned company Teo Lehtimäki Ltd., specializing in the wholesale of snowmobile spare parts. The aim of the study was to determine the extent to which the company's customers are satisfied with the provided service quality, as well as to determine the influence of perceived value in the choice of supplier. The primary objective was to find out how perceived value, and thus customer satisfaction, could be improved.

The theoretical part consists of the key topics related to the research problem. The first chapter describes customer satisfaction and the factors influencing it as well as the effect of different satisfaction levels on the continuation of a business relationship. The following chapter defines customer perceived quality, the factors influencing it and the quality dimension in which the research mainly focuses on. The third chapter describes what customer perceived value includes, explains its impact on customer satisfaction, and identifies ways to increase value. The last chapter emphasizes the impact of long-term customer relationships on company profits and demonstrates the role of customer satisfaction in creating customer relationships, and presents ways to manage customer relationships. The research method utilized in this study was a self-administrative questionnaire combining both qualitative and quantitative research methods, which consists of two parts. The first part sought to identify customers' overall expectations regarding quality and value, while the second part focused on the determining the extent to which customers perceive that Teo Lehtimäki Ltd. is able to fulfil their expectations.

The results indicate that the customers' overall satisfaction level is high. The customers feel that the company is able to meet their needs and fulfill their expectations. Although the customers were mainly satisfied with the service quality and the product range, the research also brought up a few improvement suggestions, which were mainly related to the company's reachability during the high season as well as the company's electronic services. Several customers suggested introducing an extranet -feature, which would significantly reduce the phone traffic and thus facilitate both the customer's and Teo Lehtimäki Ltd.'s operations.

Keywords	customer satisfaction, perceived value, perceived quality, customer relationship profitability
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I INTRODUCTORY PART

The thesis is divided into the introductory part, theoretical part, and empirical part. The introductory part consists of defining the central topics of the thesis and explaining their relevance to the research. Also the case company is introduced so that the theoretical framework can be viewed from the case company's perspective. The introduction provides an overview of the thesis and states the objectives of the research as well as its limitations.

1 INTRODUCTION

The purpose of the thesis is to provide the case company with the means to increase customer relationship profitability by increasing customer satisfaction and customer perceived value. The aim is to define and describe the concept of perceived value and establish a link to customer satisfaction, so that this information can be applied in the case study.

The study has two main objectives: to measure the current customer satisfaction levels in connection with the provided service quality, and to reveal the customers' perceptions of the value of the company's offerings as well as the value of the entire business relationship. Customer satisfaction and customer perceived value are complementary, nonetheless, distinct concepts (Woodruff & Gardial 1996, 98). Customer satisfaction is a post-purchase evaluation of the perceived performance and it measures how well a business is doing, whereas customer perceived value points at future directions and it is independent of timing (Eggert & Ulaga 2002, 110). The topic concerns all businesses, as high customer satisfaction ratings are considered to be the best indicator of future profits (Kotler 1991, 19), as well as a strong predictor for behavioral variables connected to profits, such as repurchase intentions, word-of-mouth, and loyalty (Ravald & Grönroos 1996; Liljander & Strandvik 1995). A business-to-business perspective is applied throughout the study focusing on the supplier-customer relationships, as word-of-mouth, satisfaction, repurchase, and value may function differently in a business-

to-business setting than in a business-to-consumer context (Molinari, Abratt & Dion 2008).

Customer satisfaction is defined as the post-purchase evaluation of the product and service in view of pre-purchase expectations (Kotler 1991), and it is directly linked with the customers' attitudes towards the company, their expectations regarding the company's future performance capabilities, and the customers' willingness to select the company again (Stauss & Neuhaus 1997, 238). A satisfied customer who feels that the supplier excels in fulfilling their needs and solving their problems is likely to choose the supplier again, thus, satisfaction plays a big role in retaining customers and creating long-term customer relationships (Ravald & Grönroos 1996; Liljander & Strandvik 1995; Anderson & Sullivan 1993; Grönroos 2007, 268). And as the ability to create and maintain strong customer relationships is considered to be a sustainable foundation for a competitive advantage (Day 2000, 24), companies should focus on satisfying their customers. Loyal customers are also more profitable than price-sensitive customers who perceive little difference between alternatives (Reiccheld 1996), and customers tend to contribute more to the revenues as the relationship grows (Reiccheld 1990). Moreover, maintaining a customer relationship can be up to ten times more economical for the supplier than acquiring a new one (Heskett, Sasser & Hart 1990). Therefore, companies should focus on growing customer relationships, and the only way to promote customer loyalty and build long-term customer relationships is by ensuring that the customers are satisfied with the supplier's offerings and perceive that the supplier offers better value compared to competitors.

Quality is said to be the key to value creation and customer satisfaction (Kotler & Keller 2012, 154; Parasuraman, Zeithaml & Berry 1988). Product and service quality, customer satisfaction, and company profitability are intimately connected (Kotler & Keller 2012, 153), making quality an essential part of the theory. The main focus is on the service quality due to the fact that regardless of the industry, every business faces service competition (Grönroos 2007, 1), and to attain and

keep customers, the company needs to gain a competitive advantage, which can be obtained by providing superior services. Quality services are linked to customer retention, as companies with superior service quality also have higher customer loyalty rates compared to their competitors (Kovac, Chernoff, Denneen & Mukharji 2009). Customer perceived quality is defined as the difference between the customer's expectations and the actual experience (Grönroos 2007; Parasuraman *et al.* 1988; Grönroos 2007, 73–77), and since the main factor also affecting customer satisfaction is the expectations the customer has regarding the quality and whether or not the expectations were fulfilled (Hutt & Speh 2010, 268; Zineldin 1999, 720), understanding customer expectations – what they are, how they are formed and what affects them – is a precondition for delivering superior service quality (Parasuraman, Berry & Zeithaml 1991). The better the company can determine what customers expect, the better it will be able to provide services that meet these customer expectations (Molinari *et al.* 2008). Strategies that are built on customer quality standards and perceptions will channel resources more efficiently and meet customer expectations better than those based solely on company standards (Zeithaml 1988, 18).

However, high quality services are important in terms of satisfaction, but rather than purchasing goods or services, customers buy the *benefits* they provide; they buy *offerings* consisting of goods, services, information, personal attention, and other components, thus, the product is the total package of benefits the customer receives (Levitt 1980). Customers attach value to an offering depending on its perceived ability to solve the customers' problems or fulfil their needs (Levitt 1980), and as the business environment is constantly changing, acquiring updated information through marketing research is essential for the company's success and its ability to fulfil customers' changing needs and requirements (Burns & Bush 2001, 7). Generally, value can be defined as a better service that is adapted to the customer's needs (Gwinner, Gremler & Bitner 1998). Customer perceived value is

the outcome of a cognitive comparison process where the usefulness of the core solution¹ is evaluated based on the customer's perception of the benefits received and the sacrifices made (Zeithaml 1988, 14; Eggert & Ulaga 2002, 110; Monroe 1991). The perceived benefits refer to the perceived monetary value of the economic, functional, and psychological benefits the customer expects to gain from the offering, and the perceived sacrifices refer to the monetary, time, energy, and psychological costs of evaluating, obtaining, using, and disposing of the offering (Kotler & Keller 2012, 147). Delivering high value can also mean providing consistent quality at low costs (Heskett, Sasser & Hart 1990).

Since businesses buy mainly for economic rather than emotional reasons (Eggert & Ulaga 2002, 109), the key to gaining a competitive advantage against competitors with core products of the same quality and price relies on providing the customers with better value (Grönroos 2007, 1–5; Leventhal 2006, 431). Providing superior value to the customers is the essence of running a successful business because customers are likely to stay loyal to a company that delivers greater value than their competitors (Dawkins & Reichheld 1990), and even in markets with relatively little competition, providing customers with superior value is the most reliable way to achieve *sustainable* customer satisfaction and loyalty (Jones & Sasser 1995). Thus, perceived value can also be defined in terms of the customer's choice in a competitive setting (Gertz & Baptista 1995, 128). As total perceived value is the ratio of total benefits received to total sacrifices incurred, increasing value for customers includes two complementary strategies: increasing the benefits or reducing the sacrifices (Patterson, Johnson & Spreng 1997, 416; Monroe 1991). For instance, offering support services that facilitate the use of the core solution and including effective recovery processes for fixing problems increase the value of the offering. Moreover, services excelling in problem-solving or meeting customer needs encourage the customer to select a particular company

¹ The product or service most directly linked to the company's core competency: Teo Lehtimäki Ltd.'s core solution is a range of snowmobile spare parts

instead of their qualified competitor. (Jones & Sasser 1995, 90; Hutt & Speh 2010, 360.) However, since the perception of value is subjective, individual, and context-dependent (Zeithaml 1988, 14), identifying the perceived benefits and sacrifices of a particular company's customers is essential for being able to deliver high value for them.

1.1 Research problem and objectives

As obtaining measurable information of customer satisfaction levels and customer perceptions of quality and value can result in changes in the company's profitability (Anderson, Fornell & Lehmann 1994), the two main objectives of the study include successfully measuring the current customer satisfaction levels and finding out what creates value for the customer, so that a strategy to further improve satisfaction by increasing value can be developed.

First, the aim is to measure the current level of customer satisfaction in order to identify which areas require improvement. Satisfaction is measured in connection with service quality, as it is one of the key factors in business operations resulting in satisfied customers. Customer satisfaction is a function of perceived service quality and disconfirmation (Anderson & Sullivan 1993, 126) and in order to be able to measure customer satisfaction, the determinants of service quality the customers use in the evaluation process have to be identified. Moreover, customer satisfaction being dependent on how well the experienced quality measures up to the customer's expectations of quality (Zineldin 1999, 720), the research aims at revealing customers' expectations or requirements regarding the service quality and comparing them with the actual experienced quality to see what areas require improvement.

Second, just because a customer is satisfied with the service does not necessarily mean that the service is a good value (Petrick 2002, 120), and even though customer satisfaction can be increased by offering superior service quality, the most reliable way to achieve sustainable customer satisfaction and loyalty is by provid-

ing value to the customers (Jones & Sasser 1995), which is why the research takes both aspects into consideration. Customer perceived value is commonly defined as a ratio of the total benefits to total sacrifices (Patterson, Johnson & Spreng 1997, 416; Monroe's 1991; Zeithaml 1988, 14), and by finding out the customer perceived benefits and sacrifices related to obtaining the offering and maintaining the relationship, the case company can be presented with the means to improve customer satisfaction and promote customer loyalty by increasing the total customer perceived value.

The research is carried out by utilizing a self-administered questionnaire (SAQ) that collects both qualitative and quantitative data. Structured, attribute-based questions are utilized for identifying customer expectations regarding the performance as well as how the case company succeeds in fulfilling those expectations, and unstructured, open-ended questions are utilized to provide more insight into what customers perceive to be important in business relationships and how they would describe quality. The aim of research is to provide solutions, and the collected data is utilized to develop functional strategies that assess the particular research problem (Birks & Malhotra 2007, 2): how to increase satisfaction and perceived value.

The research seeks to answer the following questions:

1. What are quality and value as perceived by the key decision makers in the business relationship?
2. What kind of expectations and requirements do the customers have?
3. To what extent are the customers satisfied with the current service quality and how could the service quality be improved to fit customer requirements better?
4. What has the biggest impact on customer satisfaction?

1.2 Limitations

The theoretical framework will be limited to explain the most relevant topics for this particular research, and the information will be presented in a business-to-business context as the study focuses on supplier-customer relationships.

Moreover, although product quality has an impact on satisfaction and perceived value, the study focuses mainly on the quality of the provided services, due to the fact that the case company's competitors generally have core products of the same quality and price, and therefore, the only way to differentiate is by providing superior services (see Grönroos 2007, 1–5; Leventhal 2006, 431).

The study excludes the company's foreign customers due to lack of resources and time (for example language barriers in conducting the research and longer response time), as well as the case company's primary interest being in their domestic customer base. Even though foreign customers bring in 40% of the total revenue (Teo Lehtimäki Ltd.'s annual report 2014), the focus is on domestic customers due to their bigger contribution to the total revenue (60%). Furthermore, as the aim of every business relationship is to establish a mutually beneficial cooperation (Hines, Lamming, Jones, Cousins & Rich 2000, 274) the study focuses on the case company's key customers that are perceived to provide the most value to the company.

1.3 Structure

The thesis is divided into three main sections; introductory part, theoretical part, and empirical part.

The aim of the introduction is to provide an overview of the thesis by describing the main topics of the thesis and explaining their relevance to the study. Also the case company, for which the research is conducted for, is introduced. The introduction also defines the objectives of the research as well as the limitations of the study.

The theoretical framework comprises the central theories connected to the main research areas, customer satisfaction, and perceived value. It defines the main concepts, such as satisfaction, perceived quality, and perceived value, and demonstrates the importance of the research from a general business-to-business point of view and gives examples from the case company's context. Also the topics of customer relationship profitability and customer relationship management are introduced, as they are closely connected to customer satisfaction. The main purpose of the theoretical part is to present all relevant information that is required for solving the marketing problem in question and for developing the theoretical framework that provides the foundation for the entire research (Birks & Malhotra 2007; Burns & Bush 2001, 75).

The empirical part is dedicated to defining the research problems and methodology as well as to describing the stages included in the research process, and it provides basic guidelines for implementing the research and analyzing the results. The chosen research design is described and the collected data is analyzed. The major findings of the research are presented and future suggestions are made for the case company based on the results. Moreover, also the reliability and validity issues of the research are discussed.

1.4 Case: Teo Lehtimäki Ltd.

Teo Lehtimäki Ltd., founded in 1991, is a Finnish family owned company specializing in the wholesale of snowmobile spare parts. The company is headquartered in Kauhajoki, Southern Ostrobothnia, and has another office in Rovaniemi, Lapland. As a wholesaler, the company operates in the business-to-business environment, offering goods and services to retailers; businesses selling the spare parts to private consumers. Teo Lehtimäki Ltd.'s primary market is Finnish retailers due to their bigger contribution (60% in 2014) to the total revenues. Nevertheless, export plays a big role as well, as the company exports its products to retailers in Sweden, Norway, Estonia, Russia, and the European Alps region. The company is

currently the market leader in wholesale of snowmobile spare parts and has AAA rating, which is achieved only by 3.8% of companies in Finland.

In order to ensure good technical quality, the company imports its products from world-class manufacturers, such as Camoplast Solideal, CVTech-IBC Canada and Wössner Kolben Gmb, who are known for their high-quality products. Teo Lehtimäki Ltd.'s product range consists of a comprehensive variety of snowmobile spare parts such as Camoplast tracks, Wössner forged pistons, cylinders, sprockets, idler wheels, shafts, gearbox sprockets, fuel pumps, windshields, ski skins, carbide runners, clutches, connection rods, brake pads, and so on. The company also designs and develops special equipment for snowmobiles: for example the wide ski skins known by the name 'Vuotsolainen', lacking a translation into English, are nowadays used globally in the snowmobile industry. Moreover, in addition to their main line of products, snowmobile spare parts, the company also provides selected spare parts for other vehicles, such as ATVs, as well.

However, as most of the company's competitors import from the same manufacturers, meaning that their core products are identical, the only way to outperform the competition is by providing better quality (Grönroos 2007, 162; Ravald & Grönroos 1996, 19). In a business-to-business context, quality is seen as an antecedent of successful long-term customer relationships (Athanasopoulou 2009). Therefore, in addition to providing high-quality products, the company focuses on delivering their customers with good service. Their idea of good service includes flexibility and fast deliveries. The customers are offered flexible payment options and every order is processed and delivered to the customer in a timely manner. In addition, the company makes an effort to promote long-term customer relationships by occasionally offering long-term customers lower prices among other relationship benefits. Moreover, the company representatives visit their customers on regular basis, to promote new products and answer any questions they may have, which strengthens the bonds between the company and their customers. Another

aspect of good service is the fact that orders that were made before these visits are brought to the customers personally, free of charge. (Teo Lehtimäki Ltd. 2016.)

The company has not invested greatly in marketing communication tactics, as their main focus is on maintaining good business relationships with existing customers. Therefore, customer relationship management is an important aspect of the study as well. In attaining new customers, the company relies heavily on word-of-mouth promotion, which only occurs when the customers are satisfied as only very satisfied customers are likely to recommend the service to others. Consequently, reaching and maintaining high levels of customer satisfaction is essential for the company's future success. Other promotional tools used by the company to attain new customers includes email marketing to potential customers, the company's informative website (www.teolehtimaki.fi) available in nine different languages, and sales promotion at the annual Kelekkamessut² where company promotes new products and provides better value for money for the orders placed during the trade fair. Their website also consists of useful information regarding spare part matters, such as instalment and technical advice, which add value to their offerings. (Teo Lehtimäki Ltd. 2016.)

Customer satisfaction has not been previously measured in the company, and due to a change in management – Teo Lehtimäki retiring in 2009 and his son and son-in-law taking over the company – resulting in a few operational changes, the CEO of the company, Vesa Peltonen, decided that now would be a good time. The assumption is that the customers are mainly satisfied, but as there has been a decrease in the company's sales, presumably due to shorter winters resulting in a slight decline in demand (snowmobile spare parts being a seasonal product), the company feels it is necessary to find out what factors influence their customers' perception of quality and what creates value for them, in order to reveal what kind of measures could be applied to increase their satisfaction.

² Finland's biggest snowmobile trade fair held in Rovaniemi ('kelekka' translates roughly into *snowmobile* and 'messut' to *trade fair*)

II THEORETICAL PART

The theoretical part comprises the main topics related to customer satisfaction, including perceived quality and perceived value. Also customer relationship profitability and customer relationship management are introduced as the focus of the empirical research is on maintaining profitable, long-term customer relationships. In addition to providing the means for conducting the empirical study and interpreting the results, the importance of the research is demonstrated from a general business-to-business viewpoint and examples from the case company's context are provided. Moreover, since the study focuses on improving the service quality rather than the product quality, a service perspective is applied throughout the theory.

1 CUSTOMER SATISFACTION

Customer satisfaction is essential for any business' success, as satisfaction is directly linked with the customers' attitudes towards the company, the customers' expectations concerning the company's future performance capabilities, and the customers' willingness to continue the relationship or select the company again (Stauss & Neuhaus 1997, 238). A satisfied customer who has a positive attitude towards the company is also likely to engage in positive word-of-mouth and recommend the company to others. Moreover, the confidence in the company's ability to fulfil the customer's needs and meet their expectations increases as a result of consistently satisfactory performance. Customer satisfaction is in a central role in creating and maintaining customer relationships as a satisfied customer who feels that the company excels in fulfilling their needs and solving their problems is also likely to choose the company again. (Ravald & Grönroos 1996; Liljander & Strandvik 1995; Anderson & Sullivan 1993; Grönroos 2007, 268.) Since high customer satisfaction ratings are considered to be the best indicator of future profits (Kotler 1991, 19) and customer satisfaction being a strong predictor for behavioral variables connected to profits, such as repurchase intentions, word-of-mouth,

and loyalty (Ravald & Grönroos 1996; Liljander & Strandvik 1995), customer satisfaction should be a priority for any profit-driven business.

1.1 Definition

Customer satisfaction is defined as the post-purchase evaluation of the product and service quality in the view of pre-purchase expectations (Kotler 1991). Thus, satisfaction is the result of the customer's evaluation on how well the customer experience measures up to the customer's expectations of quality (Zineldin 1999, 720), and a performance that is perceived to equal expectations leads to satisfaction, whereas a performance that fails to meet expectations leads to dissatisfaction (Parasuraman, Zeithaml & Berry 1988).

Customer satisfaction research is mainly influenced by the *disconfirmation paradigm*, which defines satisfaction as a function of perceived quality and disconfirmation. The satisfaction outcome depends on the confirmation or disconfirmation of the performance expectations. The satisfaction construct is illustrated in **Figure 1**. Confirmation refers to a situation where the performance is perceived to equal expectations, and therefore, the satisfaction outcome is positive. On the contrary, disconfirmation refers to the performance failing to meet expectations, and has two possible outcomes depending on whether the disconfirmation is positive or negative. Positive disconfirmation occurs when the performance expectations are exceeded and results in a very satisfied customer, whereas negative disconfirmation means that the performance expectations were not met and the satisfaction outcome is negative. (Parasuraman *et al.* 1988; Anderson & Sullivan 1993, 126.)



Figure 1. The satisfaction construct.

1.2 The satisfaction outcome

The satisfaction outcome differs depending on the confirmation or disconfirmation of expectations. Stauss and Neuhaus (1997) identify three satisfaction types; demanding satisfaction, stable satisfaction, and resigned satisfaction, and two dissatisfaction types; stable dissatisfaction and demanding dissatisfaction. Since merely satisfying customers does not guarantee loyalty and only the completely satisfied customers are genuinely loyal (Jones & Sasser 1995), it is important to understand the difference among the satisfaction types. Different satisfaction levels imply different issues, thus, require different actions.

Demanding satisfaction is characterized by confidence and positive emotions towards the supplier and willingness to continue the relationship, due to the supplier's ability to consistently meet the customers' rising expectations. However, customer loyalty is subject to the company's ability to improve according to the customer's rising demands, and therefore, it is important that the company listens to the customer and makes an effort to improve according to customer needs. (Stauss & Neuhaus 1997, 241.)

Stable satisfaction is described a passive satisfaction state, where the customer perceives that the supplier is able to fulfil the customer's expectations and does not perceive any improvement requirements. The customer is confident regarding the company's future performance capabilities and is willing to continue the rela-

tionship. This kind of satisfaction does not require drastic actions, as the customer is already satisfied with what is delivered, thus, the focus should be on consistently delivering a satisfying experience. (Stauss & Neuhaus 1997, 241.)

Resigned satisfaction, however, is not caused by fulfillment of expectations and is characterized by passive behavior. The customer is not completely happy with the performance, but feels that it is unrealistic to expect more as the competitors are not perceived to be able to do any better either. This type of satisfaction implies that something that the customer requires is missing, and therefore, as soon as another company is able to provide what is missing, the customer will switch to the competitor. For that reason, the company should seek to identify and fulfil these requirements before it is too late. (Stauss & Neuhaus 1997, 241.)

1.2.1 Negative disconfirmation: dissatisfaction

Negative disconfirmation occurs when the company fails to fulfil customer expectations and is characterized by disappointment, generally leading to dissatisfaction (Parasuraman, Zeithaml & Berry 1988). Disconfirmation has a decreasing effect on customer expectations regarding the supplier's future performance capabilities, and therefore also their willingness to choose the supplier again diminishes (Stauss & Neuhaus 1997, 238). According to Hirschman (1970), a dissatisfied customer has three options: (1) stop purchasing the supplier's products or services or switching to the competitor, (2) communicate their dissatisfaction and demand improvements, and (3) stay with the supplier due to lack of alternatives, prohibitive switching costs, legal bonds, or other reasons (Gummesson 2002, 87).

Stauss and Neuhaus (1997) identify two dissatisfaction types: stable dissatisfaction and demanding dissatisfaction. Stable dissatisfaction is characterized by the customer's disappointment with the supplier's performance and an assumption that the supplier's ability to fulfil their expectations in the future remains low. These customers do not perceive that an improvement in the performance level is possible and usually do not communicate their disappointment. On the contrary,

demanding dissatisfaction is characterized by demanding behavior, where the customer is dissatisfied with the company's performance and demands improvement. Nonetheless, the customer does not feel obligated to continue the business relationship with the company and would not choose them again. (Stauss & Neuhaus 1997, 241.)

According to Anderson and Sullivan (1993), negative disconfirmation has a greater impact on customer satisfaction and retention than positive disconfirmation. Therefore, in order to keep the customer, the service provider has to manage satisfaction with effective complaints handling and efficient customer service when the performance fails to meet the customer's expectations (Anderson & Sullivan 1993). Moreover, the 'highly dissatisfied' customers are usually customers who previously identified themselves as 'highly satisfied' but lost their confidence in the supplier as a result of a service failure or a sequence of unrelated failures, and can usually be converted back to satisfied ones with effective recovery processes. If the company excels in compensating the service failure to the customer, the confidence in the company is not only restored; it is deepened. The key to converting a dissatisfied customer to a satisfied one relies in identifying the underlying reasons for their dissatisfaction, and making an effort to improve in the specific area the customer feels that the company is not able to deliver in. (Jones & Sasser 1995; Stauss & Neuhaus 1997, 241; Gummesson 2002, 88.) As already a mere five percent reduction in customer defections can boost profitability between 25% and 85% (Reichheld & Sasser 1990; Jones & Sasser 1995), the customers should be provided with frequent opportunities to express their possible dissatisfaction and the reasons behind it, so that the situation can be fixed and customer defections prevented. Frequently asking the customers whether they are satisfied with the company's performance and their offerings, alongside with providing free customer service, increases the company's ability to identify and assist the customers who experience service or product failures. (Jones & Sasser 1995; Stauss & Neuhaus 1997, 241.)

1.3 Customer expectations

Since the main factor affecting customer satisfaction are the expectations the customer has regarding the quality and whether or not the expectations were fulfilled (Hutt & Speh 2010, 268), understanding customer expectations – what they are, how they are formed and what affects them – is a precondition for delivering superior service quality (Parasuraman, Berry & Zeithaml 1991). The better the company can identify customer expectations, the better it will be able to provide services that meet these expectations (Molinari, Abratt & Dion 2008).

Expectations can be generally viewed as customers' predictions of what is likely to happen during a service encounter or as customer requirements regarding the quality of a service – what they feel a service provider *should* offer rather than *would* offer (Parasuraman *et al.* 1991, 42). According to Parasuraman *et al.* (1991), customer expectations consist of two levels: desired service and adequate service. Desired service reflects what the customer hopes to receive and adequate service refers to what kind of service the customer considers to be acceptable (Parasuraman *et al.* 1991). The range of service quality between desired quality and the level of quality considered acceptable is generally referred to as the zone of tolerance (Zeithaml, Berry & Parasuraman 1993, 6). The zone of tolerance depicts the accepted variation in the performance levels, and if the quality falls short from the acceptable level, dissatisfaction occurs. To prevent dissatisfaction, the company has to put an effort into understanding customer expectations.

Ojasalo (1999) identifies three types of expectations: implicit, explicit, and fuzzy expectations. Implicit expectations are expectations regarding the service that are so obvious that they are not constantly considered but the customer takes them for granted (Ojasalo 1999). For instance, an implicit expectation in the case company's context could be the assumption that the company automatically sends out the annual product catalogue to their customers, because it has been sent out every year since 1992 and has become something that the customers assume to receive undoubtedly every year. Therefore, implicit expectations can also be seen as

norms of the performance (Smith 2012). Moreover, implicit expectations reflect the basic elements of the product or service that all competitors are expected to provide, and a company that is not able fulfil the customer's implicit expectations is not likely to be in the customer's consideration set at all (see Jones & Sasser 1995). Explicit expectations are clear expectations regarding the service that the customer actively and consciously assumes to be met, and can be further divided into realistic and unrealistic expectations. For instance, expecting an order to be sent during the same day is a realistic expectation, but having the order delivered within the same day is an unrealistic expectation. Unrealistic expectations can be a result of a vague or unclear sales message or inaccurate word-of-mouth information. Fuzzy expectations are customer's unclear expectations, meaning that the customer perceives that something is needed but does not recognize what should be done or how, which makes it nearly impossible for the supplier to fulfil these kind of expectations as the customer is unable to communicate them. (Ojasalo 1999.)

Moreover, customer expectations reflect both past and current experiences (Smith 2012). For instance, an experience that failed to fulfil the customer's lowers their expectations as negative disconfirmation has a negative effect on the customers' expectations concerning the company's future performance capabilities (Stauss & Neuhaus 1997, 238). On the contrary, positive disconfirmation can have an increasing effect on expectations. Thus, the customer expectations provide a reference point for the level of satisfaction, and depending on whether disconfirmation is perceived, the customer satisfaction either increases or decreases from the reference point (Parasuraman *et al.* 1988; Anderson & Sullivan 1993). Furthermore, satisfaction is transaction-specific evaluation of the service quality (Boulding, Kalra, Staelin & Zeithaml 1993) and the customers' quality perceptions change over time as a result of added information through for example marketing communication, experiences, and other sources of information, or increased competition in a product category, and thereby also the customer expectations change (Zeithaml 1988, 18; Grönroos 2007, 77). Consequently, even if the customer is

satisfied with the quality of the company's offerings, it does not mean that the same standard and quality will result in satisfaction later on, making continuous improvement a priority in satisfying customers. The increasing customer expectations make delivering high quality an important strategic priority for any business (Hutt & Speh 2010, 215), and managing these expectations plays a big role in ensuring customer satisfaction.

1.4 Managing expectations – integrated marketing communication

Although expectations are shaped by the customer's individual needs, they are also influenced by the company's marketing communication, sales, image, word-of-mouth, and public relations (Grönroos 2007, 77). Since the company can influence customer expectations through marketing communication, it is important to never overpromise and ensure the consistency of the marketing communication messages, as satisfaction depends on how well the customer expectations are met (Parasuraman *et al.* 1988; Anderson & Sullivan 1993, 126; Grönroos 2007).

To ensure the consistency of the marketing communication messages, integrated marketing communication strategy can be used. The core idea behind integrated marketing relies in integrating the content of the company's marketing messages to ensure their consistency, which also reduces the probability of unrealistic expectations. Integrated marketing communication requires identifying different marketing communication channels and sources, as well as managing them in a consistent way in order to strengthen the company's reliability and trustworthiness (Kotler & Armstrong 2010, 424).

Duncan and Moriarty (1997) identify five different sources of marketing communication messages: (1) planned and (2) unplanned messages, (3) product and (4) service messages, as well as (5) the absence of communication (Grönroos 2007). Planned messages include the company's planned marketing communication messages, such as mass communication, brochures, advertising, sales, websites, and so on. Unplanned messages refer to marketing communication messages the com-

pany has no control over, such as word-of-mouth referrals, and news stories. The product(s) and the provided service(s) are also sources of communication messages, communicating 'what the company does' through product appearance, design, usefulness, and the raw materials used, which in integrated marketing should be in line with the company's advertisements and other planned messages. Service messages are involved in interactions with the service personnel, deliveries, claims handling, information, and so on, and the company should focus on consistently delivering services that meet customer expectations. Furthermore, also the absence of communication can be regarded as a source of communication messages, as it has an impact on the company's image, usually a negative one, and often results in a negative experience of the service and might lead to negative word-of-mouth. (Grönroos 2007.)

The main rule in managing expectations relies in never overpromising and always keeping the promises made. Furthermore, it is better to under-promise and over-deliver (Grönroos 2007), as it means that the customer's expectations are exceeded and results in a very satisfied customer (see Parasuraman *et al.* 1988). In addition to managing their planned messages and never making promises they cannot keep, the company can influence the unplanned messages as well, by consistently providing good quality products and services that fulfil customer expectations, as it can encourage the customers to engage in positive word-of-mouth and it has a positive impact on the company's image. Moreover, the unplanned messages are also often viewed as the most reliable ones, whereas the planned messages, such as advertisements, are considered the least reliable source of communication messages. Therefore, by consistently keeping promises and delivering quality as well as avoiding the absence of communication by keeping the customer informed, the company can ensure that the customers' expectations are met and that they are satisfied with the company's performance, resulting in a positive attitude towards the company (cf. Stauss & Neuhaus 1997, 238). (Grönroos 2007.)

2 CUSTOMER PERCEIVED QUALITY

Since customer satisfaction is dependent on how well the customer experience measures up to the customer's expectations of quality (Zineldin 1999, 720), the process of evaluating customer satisfaction related to service quality includes defining the meaning of quality in the context of the service in question, the characteristics of the service and its provider that project a high quality image, and the criteria customers use in evaluating service quality (Parasuraman *et al.* 1988, 16). Strategies that are built on customer quality standards and perceptions will channel resources more efficiently and meet customer expectations better than those based solely on company standards (Zeithaml 1988, 18). Therefore, identifying what customers perceive as quality is essential in terms of the company's ability to fulfil their expectations, thus, satisfy their customers.

2.1 Definition

On a general level, quality can be defined as “zero defects – doing it right the first time” (Zeithaml 1988), as the absence of mistakes or failures indicates that the product or service is of high quality. Zeithaml (1988) defines perceived quality as an “overall judgment of the superiority or excellence of a product or a service”, meaning that the quality is evaluated in a comparison context. Customers generally evaluate the product and service quality relative to the company's key competitors (Trivedi 2014, 96) and typically choose the company they perceive to provide the best quality. Consequently, providing quality is an antecedent of successful long-term customer relationships (Athanasopoulou 2009).

However, the definition of quality might differ depending on the context (Parasuraman *et al.* 1988, 16). For instance, quality in the context of a company providing accounting services might mean consistently accurate bookkeeping and confidentiality of the information, whereas quality in a company providing logistics and transportation services might mean punctual distribution and efficient supply chain management. In the case company's context it might mean fast de-

liveries and good technical assistance. Moreover, the meaning of quality differs among customers as well, since the perception of quality is very subjective and individual (Moscoso & Lago 2011), as it reflects the customer's needs and expectations, and is based on the customer's quality standards. Although customer needs, expectations, and requirements differ depending on the context, the primary requirement of quality is that it fulfills customer needs. ISO (International Organization for Standardization) defines quality as "the features and characteristics of a product or service that bears its ability to satisfy stated or implied needs" (ISO 8402-1986). Therefore, it is important to identify what features of the product and service communicate high quality, and to differentiate from the competition by customizing products and services to better fit the customers' needs (Trivedi 2014, 96).

2.2 Quality dimensions

According to Grönroos (2007, 77), perceived quality has two dimensions: the technical quality of the outcome and the functional quality of the process. The technical quality is an objective³ evaluation of *what* is received during the performance, which is usually a tangible product, for example a snowmobile track mat. On the other hand, the functional quality refers to a subjective evaluation of *how* the snowmobile track mat is delivered. The functional quality includes the customer's evaluation of different aspects of the service process, such as the responsiveness and friendliness of the service personnel (Parasuraman *et al.* 1985, 46–47). The total quality is thereby a combination of the product quality and the service quality. Moreover, also the company's image has an impact on the total quality, and the image functions as a filter. For instance, a good image can have a positive effect on the total perceived quality. The quality dimensions are portrayed in **Figure 2.** (Grönroos 2007, 77.)

³ (of a judgement) not influenced by personal feelings or opinions in considering and representing facts (<http://www.oxforddictionaries.com/definition/english/objective>)

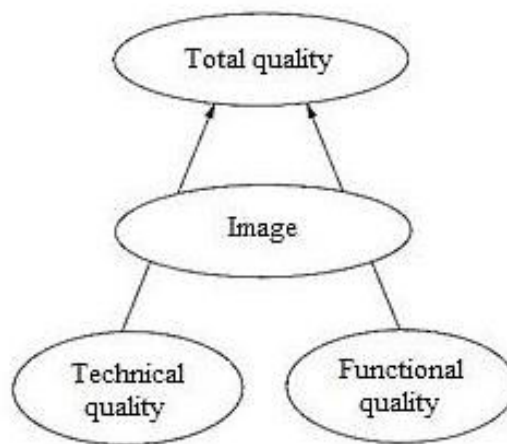


Figure 2. Quality dimensions. (Grönroos 2007)

Furthermore, as the perceived quality is usually described as the difference between the customer's expectations and the actual experience (Grönroos 2007; Parasuraman *et al.* 1988), also the customer's expectations influence the total perceived quality. Customer expectations are influenced by the company's marketing communication, sales, image, word-of-mouth, public relations, as well as the customer needs and values (Grönroos 2007, 77). The model of total perceived quality, depicted in **Figure 3**, illustrates how quality perceptions are formed and what affects them. Similarly to the disconfirmation paradigm (see Parasuraman *et al.* 1988), the total perceived quality depends on the size of the gap between expected quality and experienced quality, and determines how well the expectations were fulfilled. The smaller the gap is between the expected and experienced quality, the better the company was able to meet customer expectations, and thereby the better the total perceived quality. (Grönroos 2007, 77.)

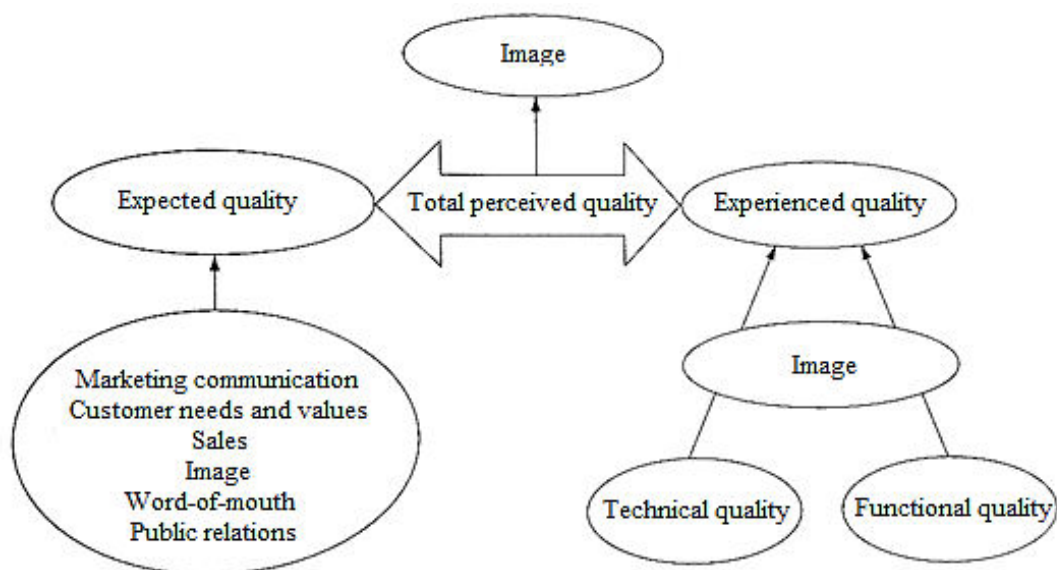


Figure 3. Total perceived quality. (Grönroos 2007)

Customer satisfaction is thereby also dependent on the total perceived quality and the satisfaction level increases as the size of the gap decreases. Therefore, the satisfaction among the company's customers is also a good indicator of the product and service quality that the customers are receiving (Jones & Sasser 1995). High perceived quality is a result of the experienced quality fulfilling the requirements of the expected quality, resulting in satisfaction. On the contrary, the total perceived quality is low when the experienced quality fails to meet the preceding expectations and often results in dissatisfaction. (see Parasuraman *et al.* 1988; Kotler 1991; Zineldin 1999, 720.) Therefore, it is important that customer expectations are managed with integrated marketing communication and ensuring that empty promises are not made. The company also has to put effort into understanding customer expectations in order to be able to provide products and services that meet these expectations.

Also Crosby and Stephens (1987) identify that the customer's overall satisfaction has three components: satisfaction with the product, the company, and the salesperson. The evaluation of customer's overall satisfaction includes thereby an assessment on how well each component fulfilled their expectations; the technical

quality of offering such as its durability and performance, the company's performance in terms of for example on-time delivery and invoicing accuracy, and the functional quality connected to the personnel such as their trustworthiness, expertise, and problem-solving skills.

Quality is said to be the most profitable way to run a business (Reichheld & Sasser 1990) due to its major strategic benefits in contributing to market share and return on investment (Anderson & Zeithaml 1984) as well as decreasing manufacturing costs and improving productivity (Garvin 1983). According to Jones and Sasser (1995), high-quality products and related services that are designed to meet customer needs lead to high levels of customer satisfaction, resulting in a significant increase in customer loyalty, which is the single most important driver of long-term revenues. Quality services are directly linked to customer retention and companies with superior service quality also have higher customer loyalty rates than their competitors (Kovac, Chernoff, Denneen & Mukharji 2009). Therefore, providing quality is beneficial for both the customer and the supplier, as long-term customers are more profitable than price-sensitive customers who perceive little difference among offerings (Reiccheld 1996).

2.3 Functional quality dimension

The study focuses mainly on the functional quality dimension: service quality. Services are often misleadingly considered to be something that is provided by a certain type of organization, overlooking the 'hidden' services provided by, for instance, a wholesaler, and viewing services as a sector rather than a business logic. Hidden service components are services that support the customer's value-creating process but are seldom considered as services by the customers. For instance, the logistics and distribution networks included in selling process ensure that the customer receives a specific product on time, but the customer normally perceives only the service encounter where the product is purchased, excluding the additional services required from the supplier's part to make the sale. Also for instance maintenance, complaints handling, and invoicing are services that are

provided during the usage of the core product but are rarely considered as services. (Grönroos 2007, 2.)

The main focus is on service quality, due to the fact that case company operates as a wholesaler, their core products consisting of a variety of snowmobile spare parts, and as snowmobile spare part manufacturers are a limited and a very specific branch, most of the company's competitors import from the same manufacturers, resulting in a situation where the offered core product is identical. In situations where companies are competing with identical core products, the only way of outperforming the competition is by providing better services (Grönroos 2007, 5; Levitt 1980). Moreover, building a competitive advantage based solely on the company's core product is nearly impossible; the only exception being the company having a sustainable technological advantage or continuously lower costs, which is rarely the case.

Furthermore, regardless of whether the company's core product is a good or a service, or whether the company operates on consumer markets or business-to-business markets, products are practically always combinations of the tangible and the intangible, resulting in a situation where service competition concerns every business (Grönroos 2007, 5; Levitt 1980). Service competition is a competitive situation where a company, rather than competing solely with the core product, competes with its total service offering (Grönroos 2007, 5; Leventhal 2006, 431). Even though a competitive distinction can be achieved through developing superior product features, companies that are competing with identical offerings, differentiate with the *execution*, i.e. how the product is delivered to the customer. Features of the execution include, for instance, the efficiency of the business transactions, the responsiveness to inquiries and complaints, clarity and speed of confirmations, and so on. In other words, companies differentiate with the quality of their services rather than the tangible products. As a result, the *offered* product is differentiated from the competition, although the *generic* product (cf. core product) is identical. (Levitt 1980.) Therefore, the functional quality dimension

plays a bigger role in retaining customers and creating strong relationships, and by developing and improving the functional quality dimension, the company can add substantial value for its customers and thereby create a competitive advantage against their competitors (Grönroos 2007).

2.3.1 Characteristics of a service

Services are different from goods; they are acts, deeds, performances, and efforts (Lovelock & Gummesson 2004) designed to deliver value for customers. A service is a complex phenomenon that can generally be described with four fundamental characteristics: intangibility, perishability, variability, and inseparability. Intangibility refers to the fact that a service lacks physical existence or form – a service cannot be seen or touched. The perishability of a service refers to the fact that a service exists only at the time of the production – it cannot be produced and warehoused before consumption. The variability of services means that, depending on the particular situation and context, a service encounter has various possible outcomes. The inseparability of services means that it is not possible to separate a service from the service provider, nor the production and consumption of the service. (Kotler & Keller 2012, 380–383; Withey & Lancaster 2007, 267; Grönroos 2007, 51–54.)

Services can therefore be defined as processes that consist of series of intangible activities, produced and consumed simultaneously, in which the customer participates as a co-producer (Grönroos 2007, 53). Therefore, even if the service provided was the very same, different customers can have different perceptions of the quality of the service. A service encompasses the whole ‘experience’ through which we satisfy customers’ needs and create value for them (Moscoso *et al.* 2011). These processes, the service encounters where the customer-supplier interaction takes place, are called moments of truth due to the fact that it is the situation where the service provider has the opportunity to demonstrate the functional quality to the customer. After the service encounter is finished, the service provider has lost the opportunity to demonstrate the service quality, and the customer

has already made an evaluation of the service. Therefore, in order to achieve good perceived quality, it is important to correct any possible mistakes during the moment of truth. (Grönroos 2007; Gummesson 2002)

For instance, an example of a moment of truth could be placing an order through phone; during this phone call, the customer evaluates for example the responsiveness of the personnel and the consistency of the information. It is important that the personnel has enough knowledge of the products and procedures. In case the personnel has to double check product prices or delivery times too many times, it does not transmit a reliable image to the potential customer and might lead to cancellation of the order. Another example of a moment of truth could be an encounter at the Kelekkamessut trade fair; the customer evaluates the company's potential quality, i.e. the supplier's ability to fulfill their needs, based on the information received from the company representatives. If they fail to convince the potential customer during the time spent listening to the information available about the company and their offerings, it is unlikely that the customer will use the supplier's services in the future. Therefore, it is important that the company acknowledges the characteristics of a service and strives to provide the best service quality in each moment of truth.

2.4 Determinants of service quality

Although quality might have different meanings depending on the context and service in question, the criteria that customers use in evaluating service quality is basically the same regardless of the service type. Parasuraman *et al.* (1985) identify different determinants of service quality that customers use when evaluating the service quality. A determinant of service quality is essentially a feature of a service that determines whether the service is perceived to be of high quality or not. In other words, it reflects what is required from a service in order to be perceived as a quality service by the customers. Customers' perceptions of service quality can be characterized by a set of determinants of service quality including reliability, responsiveness, competence, access, courtesy, communication, credi-

bility, security, understanding/knowing the customer, and tangibles, which are described in **Table 1**. (Parasuraman *et al.* 1985, 46–47.)

Table 1. Determinants of service quality. (Parasuraman *et al.* 1985)

Determinant	Description
<i>Reliability</i>	Consistency in performance and dependability
<i>Responsiveness</i>	Willingness or readiness to provide service
<i>Competence</i>	Possession of the required skills and knowledge to perform the service
<i>Access</i>	Approachability and ease of contact or reachability
<i>Courtesy</i>	Politeness, respect, consideration, and friendliness of contact personnel
<i>Communication</i>	Keeping customers informed in a language they can understand and listening to them
<i>Credibility</i>	Trustworthiness, believability, honesty, and having the customer's best interest at heart
<i>Security</i>	Freedom from danger, risk, or doubt
<i>Understanding/knowing the customer</i>	Making the effort to understand the customer's needs
<i>Tangibles</i>	Physical evidence of the service; the appearance of the office/warehouse, equipment, personnel, and materials

As the process of evaluating customer satisfaction related to the quality of the service includes defining what service quality is in the context of the service in question (Parasuraman *et al.* 1988, 16), the determinants are explained in the case company's context.

Reliability of the service means for example consistently meeting promised delivery dates, accurate invoicing, and having good product availability. Reliability of the service is important, as it also increases the trust for the supplier and decreases the customer perceived sacrifices. If the supplier continuously fails to meet prom-

ised delivery dates or fails to have the required products in stock, the dissatisfied customer might defect and switch to the competitor. Therefore, it is important that the provided service is reliable and consistent, and that the customer can count on that the supplier is able to deliver and keep their promises. (Parasuraman *et al.* 1985, 47.)

Responsiveness is a characteristic of the personnel and refers to their willingness to provide the service, including for instance answering phone calls quickly or calling the customer back, and replying promptly to customers' requests. Also sending out the product as soon as they receive the order communicates the personnel's willingness to provide the service to the customer. The responsiveness of the personnel has an effect on the customer's attitude towards the company and thereby also influences their satisfaction (cf. Stauss & Neuhauss 1997). (Parasuraman *et al.* 1985, 47.)

Competence refers to the possession of the required skills and knowledge to perform the service. The personnel has to have extensive knowledge of snowmobile spare part market as well as the products they are offering, so that they are able to solve any problems the customers might have regarding the installation for example. Personnel who are experts in their field also have a better ability to serve the customers and provide useful technical advice that adds value to their offerings. (Parasuraman *et al.* 1985, 47.)

Access refers to the service being easily accessible, which can be ensured by convenient operation hours and location as well as good reachability through phone and email. Access is also closely related to responsiveness, as reachability also transmits an image that the company is willing to provide the service. If the customer has to wait in line for long or has to wait for the company to call back, also the company's willingness to provide the service is questionable. (Parasuraman *et al.* 1985, 47.)

Courtesy is also a characteristic of the service personnel and refers to their politeness, respect, consideration, and friendliness. Good-mannered, friendly employees have a big effect on the perceived service quality. Many times the service is rated according to the personnel's politeness and friendliness, and a friendly personnel can have a big impact on the customer's service experience. (Parasuraman *et al.* 1985, 47.)

Communication is also important and it refers to keeping customers informed as well as listening to them. This includes informing the customers about new products, keeping them updated with the company's operations, explaining the price components of the service, and so on. Absence of communication often results in a bad service experience and might lead to negative word-of-mouth (Grönroos 2007). Therefore, it is important to keep customers informed about important things. Moreover, it also means providing the service in a language they can understand and the company currently provides their services in three languages including Finnish, Swedish, and English. Furthermore, communication also includes listening to the customer and making improvements according to their requests. (Parasuraman *et al.* 1985, 47.)

Credibility refers to the trustworthiness of the company and having the customer's best interest at heart. A good reputation and image can have a positive effect on the perceived service quality and the company's credibility (Grönroos 2007, 77). Credibility is also a characteristic of the contact personnel and refers to their trustworthiness and honesty, which includes for example keeping the promises that are made. (Parasuraman *et al.* 1985, 47.)

Security refers to freedom from danger, risk, or doubt. It includes physical safety, financial security, and confidentiality, which are not issues in the case company context. (Parasuraman *et al.* 1985, 47.)

Understanding/knowing the customer means making the effort to understand the customer's needs and to provide individual attention and customized service. As

the relationship continues, the service processes become smoother and faster, and fewer mistakes occur due to the fact that the supplier knows what their customers want and how they want it (Reichheld 1990). The better the customer perceives that the supplier knows and understands their needs and is able to provide a personalized service, the better the perceived service quality is, and therefore, the higher the customer satisfaction. (Parasuraman *et al.* 1985, 47.)

Tangibles include the physical evidence of the service, such as the appearance of equipment, personnel, and materials, which should also be of good quality. For instance, distinctive communication materials such as the product catalogue should be clear and facilitate the use of the core product (see Jones & Sasser 1995, 90). (Parasuraman *et al.* 1985, 47.)

The determinants of service quality are mainly used to assess the quality of the service in a particular service encounter and customers are likely to reevaluate the determinants in each service encounter due to the heterogeneity (cf. variability) of services (Parasuraman *et al.* 1985, 48). Moreover, in addition to evaluating the service quality based on the determinants of service quality, also the supplier's total service offering has an impact on the choice of supplier. According to Jones and Sasser (1995, 90), customer satisfaction is influenced by four elements of the service offering:

- the basic elements of the product or service that all competitors are expected to provide
- basic support services increase the effectiveness and usability of the product or service
- a recovery process for fixing problems or bad experiences
- extraordinary services that excel in meeting customer preferences or in solving their particular problems, making the product or service seem customized

First of all, if the supplier fails to provide the basic elements of the product or service, the supplier is the customer is not likely to choose the supplier at all, as they represent the core requirements that have to be met for being in the customer's consideration set (see Menon, Homburg, & Beutin 2005, 4–7; Hutt & Speh 216). Therefore, if Teo Lehtimäki Ltd. fails to provide the basic elements that are required from all snowmobile spare part wholesalers, such as snowmobile track mats⁴, the customer does not perceive that the product variety is able to fulfil their needs and is likely to choose another supplier. Teo Lehtimäki Ltd. provides a wide range of snowmobile spare parts from world-class manufacturers, including products that are not available anywhere else, such as the Vuotsolainen -ski skins, and is expanding their product variety according to customer requests. Basic support services include services that increase the effectiveness and usability of the product or service, including for instance the company's free customer assistance regarding spare part matters, such as installment, and sending a confirmation to the customer as the product has been delivered. Moreover, recovery processes for fixing problems or bad experiences also have a big impact on customer satisfaction, as a dissatisfied customer can be converted back to a satisfied one with effective recovery processes, which include the supplier's ability to fix problems quickly and compensate the bad experience, as well as preventing them by providing product guarantees and having reasonable return policies. Although snowmobile spare parts are generally designed to be durable, a damaged or malfunctioning product is always replaced to the customer free of charge (Teo Lehtimäki Ltd. 2016). Extraordinary services that excel in meeting customer's preferences or solving their particular problem usually encourage the customer to choose a particular supplier over the qualified competitor, and include providing individual attention and personalized services, as well as special treatment. (Jones & Sasser 1995, 90.)

⁴ An essential product category in the snowmobile market that generally generates the biggest profits (Teo Lehtimäki Ltd. 2016)

As a conclusion, customer satisfaction relies on the company's ability to identify and meet the specific customer expectations that the customers perceive to have the biggest impact on their satisfaction, as well as making an effort to continuously improve in these areas, in order to achieve an optimum level of satisfaction among the company's customers. The satisfaction (or dissatisfaction) of the majority of the company's customers helps the company to decide which of the four elements; the basic elements of the product or service, basic support services, recovery processes, or extraordinary services excelling in meeting customer preferences, the company should focus on delivering (Jones & Sasser 1995). For instance, if Teo Lehtimäki Ltd.'s customers perceive that the company is able to fulfil their expectations regarding the overall product and service quality, yet do not identify themselves as 'completely satisfied', it could mean that the company lacks the extraordinary services that excel in meeting customer preferences and should therefore focus on improving in that area. Moreover, since customers evaluate the service quality relative to the supplier's key competitors and are likely to choose the supplier that is perceived to provide the best quality, the company can differentiate from the competition by customizing their services to fit the customers' needs better through identifying the features of service quality that the customers value the most (Trivedi 2014, 96).

2.5 Relationship quality

Even though high-quality goods and services are important in the initial phase of the relationship, as the relationship goes on, relationship quality becomes more important than the quality of a single service encounter (Ravald & Grönroos 1996, 24). Relationship satisfaction is the joint evaluation of the business relationship by important individuals in both companies of the relationship and it encompasses the entire relationship as an offering: it reflects the entire value creation structure of interrelated production processes from the beginning of the relationship (Holmlund & Strandvik 1999, 686). The main difference between service quality and relationship quality is the fact that relationship quality includes the efforts to

improve the quality of relationships, not just the quality of goods and services (Gummesson 2008, 17). Moreover, in a business-to-business context, satisfaction results from evaluating all essential aspects of the business relationship (Geyskens, Steenkamp & Kumar 1999, 223).

A relationship comprises of a series of interactive service encounter between the companies over time (Buttle 2009, 27), and the customer's satisfaction after each service encounter has an impact on their *overall* satisfaction – it either increases or decreases from the baseline level (Parasuraman *et al.* 1988; Anderson & Sullivan 1993, 126–127). According to Holmlund (1997), relationships consist of acts, episodes and sequences, all of which have an impact on the relationship satisfaction. Interrelated acts, such as a phone call, inquiry, and placing an order, together form an episode, for example a product delivery process, and similarly, interrelated episodes form sequences. A sequence can be defined in terms of a time period, a product package, a campaign, or a project. Finally, several sequences form a relationship. (Holmlund 1997, 96.) The relationship construct is depicted in **Figure 4**.

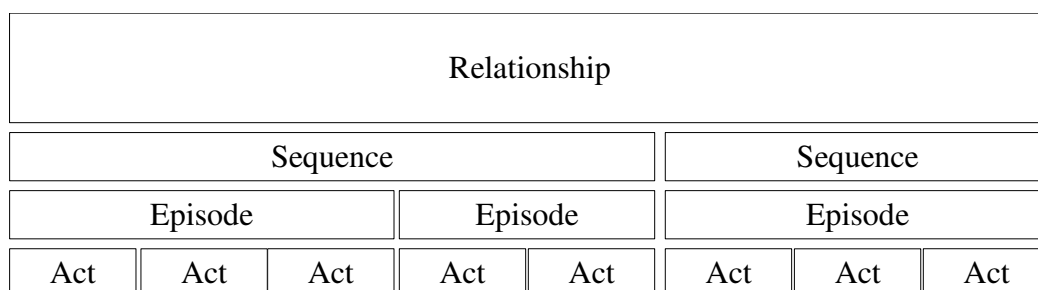


Figure 4. The relationship construct. (Holmlund 1997)

Making a distinction between the satisfaction related to one episode and the overall satisfaction related to the entire relationship is important, mainly because it demonstrates the difference between new customers and long-term customers. Episode level offers a simplified explanation to how satisfaction is formed, whereas the relationship level takes into consideration all aspects of the entire relationship. Furthermore, a satisfied customer who perceives a high relationship value is also said to be more tolerant towards occasional inferior performances (Ravald &

Grönroos, 1996). For instance, even if a long-term customer might be dissatisfied with the quality of the most recent episode, it does not necessarily have a big impact on the behavioral outcomes, such as word-of-mouth, if the overall relationship quality is perceived to be high and the company's overall image positive. On the contrary, if the supplier fails to provide good quality in the beginning of the relationship when the bonds are not yet created and the commitment is weak, the customer is likely to be dissatisfied and discontinue the relationship. Consequently, although the relationship level satisfaction has a bigger impact on the length of the relationship and is more important in terms of long-term customer relationships and relationship profitability than the episode level satisfaction, the episode perspective has to be taken into consideration as well, since positive episode value enhances the relationship value and a positive relationship value increases the relationship satisfaction (Ravald & Grönroos 1996, 24).

Liljander and Strandvik (1995) make a distinction between episode level and relationship level quality in their model of relationship quality, depicted in **Figure 5**. The model also demonstrates the connection between the main topics of the thesis; quality, value, and satisfaction, and incorporates them in a quality framework. According to the model, the perceived quality of one episode is evaluated by comparing the experienced quality with a comparison standard, which incorporates the customer's expectations (cf. Parasuraman *et al.* 1988; Kotler 1991; Zineldin 1999, 720; Anderson & Sullivan 1993, 126), whereas the relationship quality is an evaluation of the perceived performance across all episodes in the relationship. The comparison standard can be for instance competitor, excellent service, adequate, ideal, or brand norm. Value is determined by the zone of tolerance, which in episode level is the accepted variation in the performance levels between desired quality and the level of quality considered acceptable (Zeithaml *et al.* 1993, 6). If the quality falls short from the acceptable level, the value is perceived low, and leads to dissatisfaction (cf. Parasuraman *et al.* 1988; Kotler 1991; Zineldin 1999, 720; Anderson & Sullivan 1993, 126). The evaluation of value also includes the sacrifices made, such as the price paid of the offering or time spent

waiting, and it is compared to the episode quality. If the episode is perceived to offer enough benefits to justify the price, the perceived value is good (cf. Gallo 2015). Similarly, the zone of tolerance in the relationship level depicts the accepted accumulation variation in the performance within the entire relationship, and the relationship value, and therefore also the relationship satisfaction, is determined by the comparison of relationship quality and sacrifice, i.e. the overall service quality across episodes and the perceived sacrifice across all service episodes in the relationship. The episode satisfaction is the customer's cognitive evaluation of how well the supplier was able to meet their expectations based on the personal experience of one service episode (cf. Parasuraman *et al.* 1988; Kotler 1991; Zineldin 1999, 720; Anderson & Sullivan 1993, 126), and takes the episode sacrifice into consideration in the evaluation. Satisfaction, both episode level and relationship level, increases behavioral variables connected to profits, such as customer loyalty and commitment (cf. Ravald & Grönroos 1996), as well as strengthens the bonds that tie the customer to the company. (Liljander & Strandvik 1995; Grönroos 2007, 127-130.)

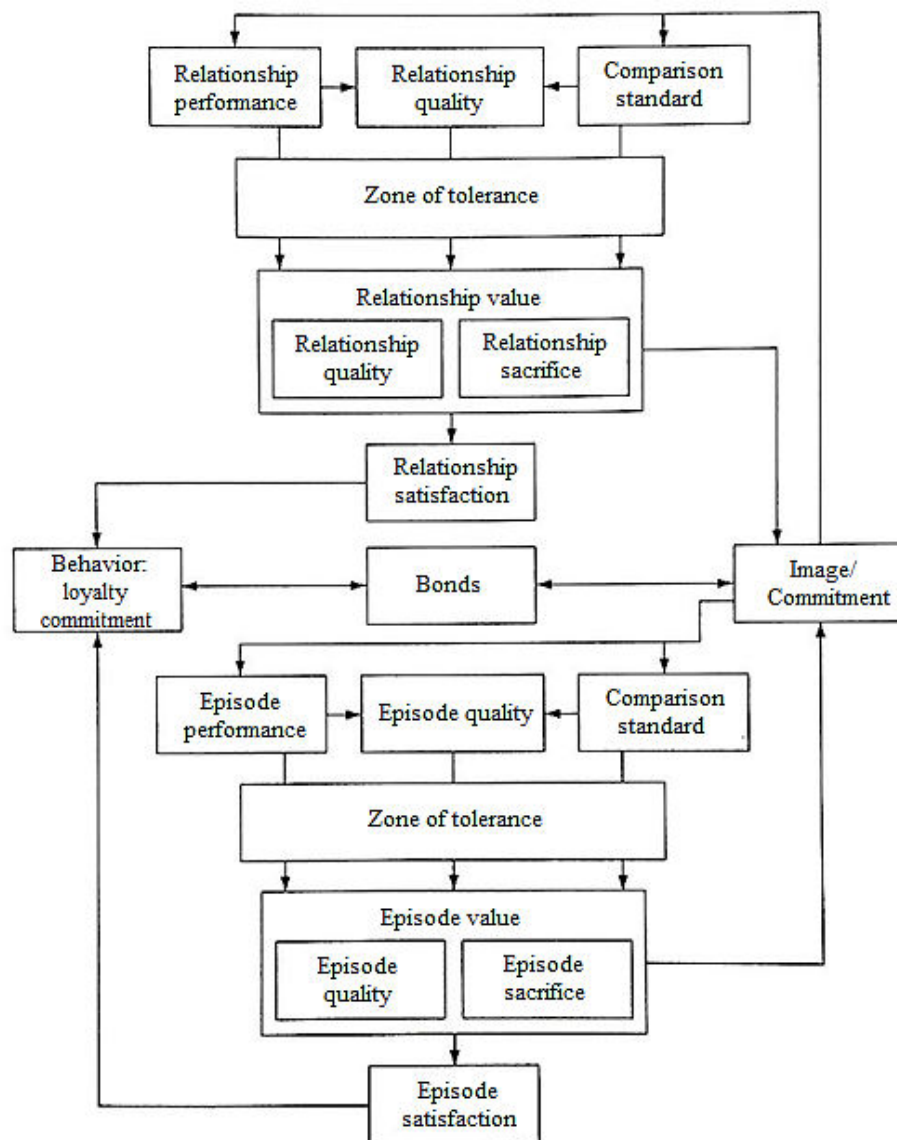


Figure 5. Relationship quality model. (Liljander & Strandvik 1995)

The model also suggests that customer satisfaction is a result of comparing the perceived quality, either episode or relationship level, with the perceived sacrifice. As businesses generally base their purchasing decisions on economic factors rather than emotional, customer perceived value is therefore an essential element in business-to-business relationships and has a significant effect on customer satisfaction (Eggert & Ulaga 2002, 109).

3 CUSTOMER PERCEIVED VALUE

Although companies can differentiate by offering better products and services than their competitors, also the price aspect of the offering has to be taken into consideration in business-to-business context as purchasing decisions are largely made based on economic reasons (Eggert & Ulaga 2002, 109). Perceived value is the customer's evaluation of the perceived quality compared with the perceived sacrifice. The lower the perceived sacrifice is, the better the perceived value.

Providing better value is the key to gaining a competitive advantage against competitors with core products of the same quality and price (Grönroos 2007, 1–5; Leventhal 2006, 431). Even in markets with relatively little competition, such as the snowmobile spare part market, providing customers with greater value than their competitors is the most reliable way to achieve sustainable customer satisfaction and loyalty (Jones & Sasser 1995; Khalifa 2004; Dawkins & Reichheld 1990). Perceived value has also been argued to be the most important indicator of repurchase intentions (Parasuraman & Grewal 2000), and customers tend to choose a supplier that provides the best value, making the ability to provide superior value one of the most successful competitive strategies (Ravald & Grönroos 1996, 19; Parasuraman 1997; Dawkins & Reichheld 1990; Jones & Sasser 1995, 90; Hutt & Speh 2010, 360).

3.1 Definition

Customer perceived value is commonly defined as “the customer's overall assessment of the utility of a product or a service based on perceptions of what is received and what is given” (Zeithaml 1988, 14). Monroe (1991) defines perceived value as the ratio of the total benefits received to total sacrifices incurred:

$$\text{Customer perceived value (CPV)} = \frac{\text{Perceived benefits}}{\text{Perceived sacrifice}}$$

The perceived benefits refer to the perceived monetary value of the economic, functional, and psychological benefits the customer expects to gain from the offering, and the perceived sacrifices refer to the monetary, time, energy, and psychological costs of evaluating, obtaining, using and disposing of the offering (Kotler & Keller 2012, 147).

According to Boksberger and Melsen (2009), value has two dimensions: transaction-specific value and end-state value. Transaction-specific value refers to the customer's evaluation of the value in a specific transaction, one service encounter, and includes variables such as service excellence, service recovery, value creation, and pricing. The end-state value comprises service profit chain, relationship marketing, and customer lifetime value. Also according to Lindgreen and Wynstra (2005), value has two aspects: the value of goods and services and the value of the supplier-customer relationships.

3.2 The value of an offering

The value of an offering is usually evaluated based on its perceived quality in relation to the cost of acquiring it (Fornell, Johnson, Anderson, Cha & Bryant 1996, 9). If the cost of acquiring the offering is perceived to be too high in comparison with the perceived quality, the offering is not perceived to provide good value. Therefore, delivering high value can mean delivering consistent quality at low costs (Heskett, Sasser & Hart 1990). The value of an offering can also be estimated based on its value for money, meaning that the offering is perceived to provide good value when the ratio of the price, quality, and quantity is considered acceptable (Stevens 1992, 44). If the perceived price is higher than the customer finds acceptable for the quality and quantity received, the perceived value of the offering is low. Consequently, even if a product or service is of high quality, it does not automatically mean that it provides value for the customer. Therefore, in creating a competitive advantage, the company should take also other aspects into consideration, such as the price of the offering and other related sacrifices.

Moreover, according to Parasuraman and Grewal (2000) customers evaluate different components of value: acquisition value, transaction value, in-use value, and redemption value. The acquisition value is the benefit relative to monetary costs that customers get by acquiring the service. Transaction value includes the comparison between the internal reference price of the customer and the actual price offered by the supplier; it is the 'pleasure' obtained by getting a good price deal. In-use value can be characterized as the utility derived from using the service, whereas the redemption value refers to the residual benefit received at the time of trade-in or termination. (Parasuraman & Grewal 2000.)

According to Gallo (2015), rational buyers evaluate the value of an offering by adding up the estimated benefits of the offering and comparing them to the cost of acquiring it, and make purchases based on whether the offering is perceived to offer enough benefits to justify the price, or if it offers more value compared to what another supplier is able to offer. Also Eggert and Ulaga (2002, 110) define the customer perceived value in business-to-business framework as "the trade-off between the benefits and sacrifices of the company's offering, as perceived by the key decision-makers in the customer's organization, also taking into consideration the competitors' offerings." The key-decision makers refer to the individuals of the customer companies that are in direct contact with the supplier and have an impact on the choice of supplier, including for example purchasing managers, import managers, supply chain managers, operations managers, and the CEOs of the companies. As customers typically choose the alternative that is perceived to offer the highest value, value can be seen as the customer's choice or preference in a competitive setting (Gertz & Baptista 1995, 128).

Similarly, Woodruff (1997, 142) defines perceived value as the "customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate achieving the customer's goals and purposes in use situations.", indicating that the customers evaluate the value of an offering based on its ability to fulfil their needs in particular use

situations. As customers might have different needs depending on the situation and due to the heterogeneity of services, also customer perceived value is highly context-dependent (Zeithaml 1988, 14). For instance, in a situation where the customer receives an urgent order from their customer, the supplier that is able to deliver the ordered product within the shortest timeframe is likely to be perceived to provide the best value in that situation, even if the monetary price was a bit higher.

Furthermore, the perception of value is also subjective and individual (Zeithaml 1988, 14) as customers attach value to an offering depending on its perceived ability to help solve the particular customers' problems or fulfil their needs (Levitt 1980). Both the customer's perception of value and their expectations regarding the service are subjective and depend on the particular customer as well as perceived alternatives, and even in situations where the provided service is the exactly same, the perceived value will still be different depending on the individual customer (Moscoso & Lago 2011). Therefore, value can also be defined as a better service that is adapted to the customer's needs (Gwinner, Gremler & Bitner 1998). Zeithaml (1988) identifies four meanings of value: value is low price, value is whatever the customer wants in an offering, value is the quality that the customer receives for the price paid, and value is what the customer receives for what they give.

Since there are often differences between the customers' value perceptions and the supplier's definition of value (Gallo 2015), and as the customers' willingness to continue the relationship depends on the value created for them, the benefits of continuing the particular business relationship should be actively communicated to the customers (Trivedi 2014, 96). Due to the nature of perceived value, knowing your customers and finding out how to best deliver value for them becomes an important part of developing the company's business strategy.

3.3 Value criterion

According to Grant (1995), creating a competitive advantage against competitors includes four steps: constructing a value chain based on different activities of the supplier and its customers, identifying the individual customers' value drivers and value differentiation variables, choosing the key variables and reinforcing them, and identifying what creates value for the customers. Customer value drivers include for instance company brand characteristics, customer services, customer response effectiveness, supply chain management, and logistics, including order management, product availability, and delivery frequency and reliability. (Walters & Lancaster 1999, 700.)

The customer's value criterion comprises of the characteristics of the offering that are considered to be the main reason for choosing a particular supplier instead of a qualified competitor. The customers tend to choose a supplier whose offerings enhance the customer perceived value. Similarly to the determinants of service quality, the value criterion are used in the comparison process where the customer compares the benefits and sacrifices in relation to what the competitors have to offer. The supplier's ability to provide value is determined by criterion such as security, convenience, performance, economy, aesthetics, and reliability, which are described in **Table 2**. (Walters & Lancaster 1999, 697.)

Table 2. Value criterion. (Walters & Lancaster 1999)

Value criterion	Features
<i>Security</i>	Brand strength, service/warranty
<i>Convenience</i>	Location, time
<i>Performance</i>	Choice, quality, cost/effectiveness
<i>Economy</i>	Price, value drivers, relative price levels with competitors
<i>Aesthetics</i>	Design and conformity
<i>Reliability</i>	Consistency of quality, continuity of benefits and costs

Value in business markets can thereby be defined as the monetary value of the technical, economic, service, and social benefits the customer receives in exchange for the price paid for obtaining the offering (Anderson & Narus 1998). Companies can deliver value to their customers by adding differentiation by increasing their service quality, providing exclusive features, increasing the functionality (e.g. performance and quality) of their offerings, and/or decreasing total sacrifices (Cox 2004; Walters & Lancaster 1999, 700). Since total perceived value is the comparison between total benefits received and total sacrifices incurred, increasing the total perceived value includes two complementary strategies: increasing the benefits and reducing the sacrifices (Patterson & Spreng 1997, 416; Monroe 1991).

3.4 Perceived benefits

Perceived benefits are the ‘get’ components of perceived value, and by increasing the benefits, customer perceived value can be increased (Patterson *et al.* 1997, 416; Monroe 1991; Kotler & Keller 2012, 147).

According to Zeithaml (1988, 14), the benefit components of value include salient intrinsic attributes, extrinsic attributes, perceived service quality, and other relevant high level abstractions. Similarly to the physical attributes, intrinsic attributes include the physical structure of the product, for example durability, features, perceived quality, and performance (Garvin 1987). The better the quality of the product is, the less likely it is that the customer has to waste valuable time on filing complaints, returns, and refunds. Therefore, a good product can have a decreasing effect on customer sacrifices and thereby increase the total perceived value of the offering. Extrinsic attributes are product-related, external attributes, including for example the price of the product, brand name, and level of advertising (Zeithaml 1988). The evaluation of service quality is based on the excellence or superiority of the service compared to services that are regarded as substitutes by the custom-

ers (Zeithaml 1988, 5). Good service quality has a decreasing effect on customer sacrifices and thereby an increasing effect on the perceived value of the offering.

Benefits can be divided into core benefits and add-on benefits; the core benefits represent the core requirements that have to be met for being in the customer's consideration set (such as a specific product) and the add-on benefits consist of differentiating attributes that create added value in the relationship and encourage the customer to select a certain supplier instead of the qualified competitor (Menon *et al.* 2005, 4–7; Hutt & Speh 216). The basic elements of the core solution that all competitors are expected to provide, basic support service (for example technical assistance) that makes the use of the core solution more efficient or easy, a recovery process for fixing problems, and extraordinary services excelling in problem-solving or meeting customer needs that they make the core solution seem customized, have a great impact on satisfaction as well as the choice of supplier. Companies can increase the value of their offerings by providing support services that facilitate the use of the core solution⁵, as well as including effective recovery processes for fixing problems. Services excelling in problem-solving or meeting customer needs encourage the customer to select a particular company instead of their qualified competitor. (Jones & Sasser 1995, 90; Hutt & Speh 2010, 360.)

3.5 Perceived sacrifices

Perceived sacrifice is what is given up to obtain an offering (Zeithaml 1988, 10). Generally, business-to-business customers evaluate the price of the offering based on its value for money; the ratio of the price, quality, and quantity is considered acceptable (Stevens 1992, 44). If the perceived price is higher than the customer finds acceptable for the quality and quantity received, the perceived value is low. Price is an important variable in business-to-business markets as purchasing decisions are generally based on economic factors rather than emotional factors (Eg-

⁵ The product or service most directly linked to the company's core competency: Teo Lehtimäki Ltd.'s core solution is a range of snowmobile spare parts

gert & Ulaga 2002, 109). According to Zeithaml (1988), customers encode prices in ways that are meaningful to them. In a business-to-business setting this means that customers might not always remember the actual price of the product but recognize the product's value in terms of their revenues, which can lead to differences in customers' perceptions of the price. However, as Teo Lehtimäki Ltd. is also a profit-driven business, rather than lowering prices, they should focus on reducing other customer sacrifices, such as time and effort. In addition to the monetary costs related to the offering, the perceived sacrifice includes also non-monetary costs included in evaluating, obtaining, using, and disposing of the offering, such as time, energy, and psychological costs (Kotler & Keller 2012). Similarly, Petrick (2002, 123) identifies time, effort, search costs, brand image, and convenience as the non-monetary costs included in the perceived sacrifice. Also according to Ravald and Grönroos (1996, 21–22), total customer perceived sacrifice includes all the monetary and non-monetary costs the buyer faces when making a purchase: purchase price, acquisition cost, transportation, installation, order handling, repairs and maintenance, and risk of failure or poor performance. Rather than lowering prices, the company can maximize the value for money by increasing the functionality of the offerings and reducing the total costs (Cox 2004, 413). Ensuring good service quality also has a decreasing effect on customer sacrifices as zero defects mean that using the supplier's offerings does not require high sacrifices from the customer's part.

3.6 Increasing perceived value

According to Monroe (1990), customers value a decrease in sacrifices more than an increase in benefits, which can be done by offering better, customized services that excel in solving the particular customer's problems. The less time and effort the customer has to put into evaluating, obtaining, and using the offering, the lower the perceived sacrifice is, and therefore, the more value they derive from using a particular supplier's services.

In order to improve customer satisfaction, companies intend to add more value to the core product by improving product and service quality or including supporting services (Ravald & Grönroos 1996, 19), which is also the only way to gain a competitive advantage against competitors with identical core products (Grönroos 2007, 1–5; Leventhal 2006, 431). These supporting services include for example after-sales service, warranties, recycling, and technical assistance. By adding something to the core product that is perceived to be important, beneficial or of unique value for the customer, the customer benefits increase as well as the perceived value of the offering (Ravald & Grönroos 1996, 25). Thereby, customer perceived value can be described as the result of comparing the core solution and additional services with the price and relationship costs (Grönroos 2007):

$$\text{Customer perceived value} = \frac{\text{Core solution} + \text{Additional services}}{\text{Price} + \text{Relationship costs}}$$

The benefits include the core solution and additional services, which together increase the customer perceived value. The sacrifices include the price and relationship costs. Grönroos (2007) identifies three types of relationship costs: direct relationship costs, indirect relationship costs, and psychological costs. Direct relationship costs refer to costs incurred due to internal systems the customer has to maintain due to the supplier's solutions, such as software, equipment, and personnel. Indirect relationship refer to costs that are result from time and resources devoted to maintain the relationship, and are often caused by service failures, such as delivery delays, inaccurate invoicing, or poor recovery processes. Indirect costs are minimized when the customer can rely on the supplier, which is generally a result of providing a consistent and reliable service. Lack of trust also results in psychological costs characterized by the customer's worry and insecurity of the supplier's ability to deliver an acceptable level of service quality. (Grönroos 2007.)

The most successful way of providing value is in terms of reducing the customer perceived sacrifice, so that the relationship costs are minimized and customer performance improved (Ravald & Grönroos 1996, 21). Teo Lehtimäki Ltd. can re-

duce customer perceived sacrifices by for instance simplifying processes. If the customer has to put a lot of time and effort into obtaining the product, for example by having to send several inquiries and not receiving a reply within the expected timeframe, the perceived sacrifice is high and thereby the perceived value of the offering is low. In order to avoid these kind of situations where the perceived sacrifice is high, features of the services that reduce the perceived sacrifice have to be identified and increased. By knowing the customer, the company is able to provide a customized service, i.e. providing the customers with exactly what customers wants, and how they want it.

Moreover, as Teo Lehtimäki Ltd. operates as a wholesaler, their main focus should be in logistics, which includes effective order management, having good product availability, and ensuring delivery frequency and reliability. Effective order management ensures that the products are delivered fast and the delivery contains the right products. Product availability can be ensured by keeping track of the customers' purchases within certain product categories and making sure that the required products are available in the warehouse when the customers need them. Perhaps one of the most important aspects could be delivery frequency and delivery, as Teo Lehtimäki Ltd. operates in the business-to-business market, meaning that their customers also have a responsibility to deliver the products to their customers on time (Gummesson 2002). Other possible areas for differentiation in the case company's context, in addition to better services and fast deliveries, include for example payment options and the possibilities to get assistance (Eriksson, Hilletoft & Hilmola 2013), that increase the perceived value of their offerings.

3.7 Relationship value

The relationship itself might have a major effect on the total customer perceived value (Ravald & Grönroos 1996, 23), and thereby also on customer satisfaction. In a long-term relationship with the supplier, the customer benefits include attributes, such as safety, credibility, security, continuity, that together increase the trust

for the supplier, and thereby encourage customer loyalty (Ravald & Grönroos 1996, 24).

Customer value characterizes the customer's overall assessment of the business relationship, based on the perception of the benefits received and sacrifices made (Menon *et al.* 2005, 5). Customer satisfaction is the result of the customer's perception of the received value in one transaction or the entire business relationship (Molinari *et al.* 2008). A successful way to provide value is reducing sacrifices by minimizing the relationship costs for the customer (Ravald & Grönroos 1996, 19), or alternatively, by maximizing the relationship benefits. The perceived value in relationships includes also the relationship benefits and sacrifices in addition to the benefits and sacrifices of one episode (Grönroos 2007):

$$\text{Customer perceived value} = \frac{\text{Episode benefits} + \text{Relationship benefits}}{\text{Episode sacrifice} + \text{Relationship sacrifice}}$$

Episode benefits and sacrifices refer to what is received and what is given during one single service encounter (episode), which can be for example receiving a track mat for a discounted pre-season price; the benefit includes the product and the supporting services, such as fast and easy ordering process, and the sacrifice includes the monetary price paid as well as other sacrifices, such as time spent waiting. In this case, the episode sacrifice is reduced by offering the customer a lower price than normal, which has an increasing effect on the total perceived value. Relationship benefits of the same situation include the possibility of ordering products for a reduced price; a new customer might not have this possibility. Another relationship benefit could be having confidence in the supplier as a result of consistent and reliable service; the customer knows that the product will be received on time.

The relationship benefits, i.e. the benefits for the customers of maintaining a relationship with a supplier, can be categorized into three types: confidence, social benefits, and special treatment (Gwinner, Gremler & Bitner 1988, 101–114). Con-

confidence includes reduced anxiety, increased faith in the supplier, and a general feeling of trustworthiness of the supplier, which is a result of consistent and reliable services that have increased the customer's satisfaction and resulted in positive expectations towards the supplier's future performance capabilities. Therefore, confidence has a decreasing effect on the relationship costs (cf. Grönroos 2007). Moreover, the stronger the customer's trust in the supplier is, the less likely they are to perceive competitors as substitutes, and therefore, the smaller the chance of them switching suppliers is (Storbacka, Strandvik & Grönroos 1994). Social benefits include personal recognition by the personnel, the customer being familiar with the personnel, and the development of friendship with the personnel. Moreover, Gummesson (2002) suggests that the supplier needs to put more effort on creating personal relationships with the customers, since it is a strong bond tying customers to the company, and increases customer retention. Special treatment means extra services, special prices, and higher priority than other customers, which increase the value of the business relationship (Gwinner *et al.* 1988, 101–114.)

Gwinner *et al.* (1998) define value as a better service that is adapted to the customer's needs. As the business relationship continues, the processes become smoother and faster due to the fact that the supplier knows its customers and is thereby able to provide a customized service that excels in meeting customer expectations and fulfilling their needs, which in turn reduces the customers' non-monetary sacrifices, such as time and effort. Consequently, a long-term supplier might be perceived to provide the superior value than their competitors who are not able to provide the same kind of customized services due to lack of knowledge of the customer's needs and preferences. Since the customers' willingness to continue the relationship depends on the value created for them, the benefits of continuing the particular business relationship should be actively communicated to the customers (Trivedi 2014, 96).

4 RELATIONSHIP SATISFACTION AND PROFITABILITY

The company's ability to create and maintain strong customer relationships is a foundation for sustainable competitive advantage (Day 2000, 24), and the key is in the supplier's ability to provide superior value for its customers (see Ravald & Grönroos 1996, 19; Parasuraman 1997; Dawkins & Reichheld 1990; Jones & Sasser 1995, 90; Hutt & Speh 2010, 360). Satisfied customers are less likely to switch to suppliers, which also complicates competitors' market entry as well as them gaining market share (Buchanan & Gilles 1990). Teo Lehtimäki Ltd. operates as a wholesaler of snowmobile spare parts, a very specific and limited market, which means that there is also only a limited amount of snowmobile spare part dealers, making the ability to create and maintain customer relationships essential for the company's success. By successfully satisfying their customers, the company increases their willingness to continue the relationship, and thereby increases customer loyalty.

According to Reichheld (1990), customers also contribute more to the profits as the business relationship grows. Since long-term customers are less likely to switch suppliers, they also become less price-sensitive, which can lead to stable unit purchase volumes and therefore an increase in the supplier's total sales volume (Buchanan & Gilles 1990). Moreover, maintaining a customer relationship can be up to ten times more economical for the supplier than acquiring a new one (Heskett, Sasser & Hart 1990; Reichheld 1990). The customer's willingness to choose the supplier again decreases the acquisition costs, as the acquisition cost of a customer is a one-time investment. Therefore, the longer the relationship, the lower the amortized cost. Moreover, the supplier's ability to fulfill the customer expectations increases as a result of gaining experience with its customers. By knowing its customers and their expectations, the supplier is able to customize their services and processes to fit a particular customer's needs, and as a result, fewer mistakes are made, the service processes become smoother and faster, leading to a reduction in the supplier's expenses as well as the customer perceived

sacrifices. In addition, since customers know what to expect from the company and have fewer problems, they become more familiar with the processes, the consistency in their order placement increases, and thereby they also become less expensive to serve. (Buchanan & Gilles 1990; Reichheld 1990; Grönroos 2007.)

Moreover, the customers' attitudes towards the company and whether the customer perceives the company to be capable of fulfilling their expectations have an effect on the word-of-mouth they spread; a satisfied customer is likely to engage in positive word-of-mouth promotion and referrals (Buchanan & Gilles 1990; Stauss & Neuhaus 1997), and since Teo Lehtimäki Ltd. is relying heavily on word-of-mouth promotion in getting new customers, satisfying their current customers is also an important part of their strategy for acquiring new customers.

The profitability effect of long-term customer relationships is illustrated in **Figure 6**. Acquisition cost refers to the overall expenses connected to 'convincing' a customer to choose a certain supplier over another, including for example the product cost and the research and marketing expenses. The base profit includes the price paid by customers during the first years of the relationship, which do not yet cover the producing costs of the service – only after some years the accumulated base profits have covered the initial acquisition expenses. Revenue growth refers to customers' increasing contribution to profits as the relationship grows. Cost savings refer to reduced operating expenses, fewer mistakes, and increased efficiency to meet customer expectations. Referrals, a result of satisfying customers, have a favorable effect on profit as well, since new customers are acquired with lower acquisition costs than normal. Price premium refers to the fact that long-term customers often pay a higher price than new customers, due to for example introductory offers. (Reichheld 1990.)

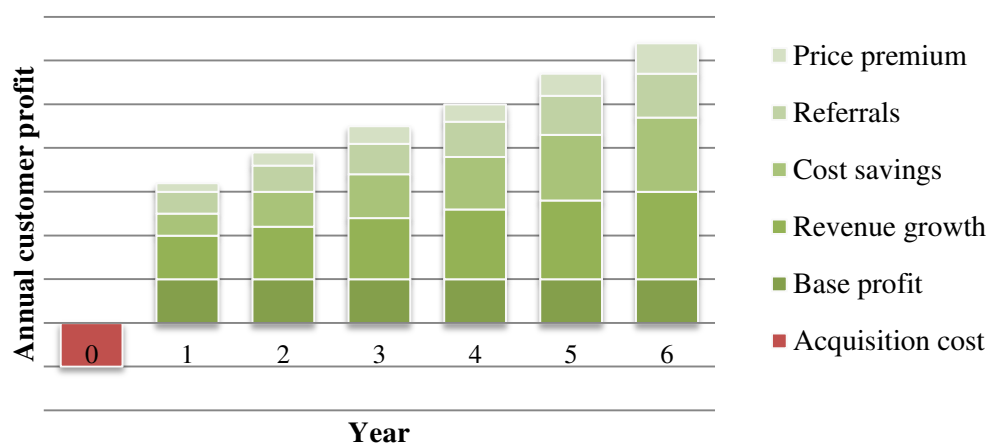


Figure 6. The profitability effect of loyal customers. (Reichheld 1990).

The company's revenue growth, cost savings, referrals and price premium all increase as the relationship with the customer lengthens, confirming that creating and maintaining customer relationships has a positive impact on company profitability. And since customer satisfaction impacts the customers' willingness to continue the relationship, the supplier's ability to satisfy its customers is the key to creating, and maintaining, profitable customer relationships. (Reichheld 1990; Stauss & Neuhaus 1997, 238.)

4.1 Customer relationship profitability

The customer relationship profitability model, depicted in **Figure 7**, demonstrates how quality, value, satisfaction, and profitability are connected. By establishing a link from perceived value to customer satisfaction, from customer satisfaction to relationship strength, from relationship strength to relationship length, and lastly, from relationship length to customer relationship profitability, the model shows that profitability ultimately depends on the value created for customers. It also highlights the importance of strong relationships in relation to company profitability.

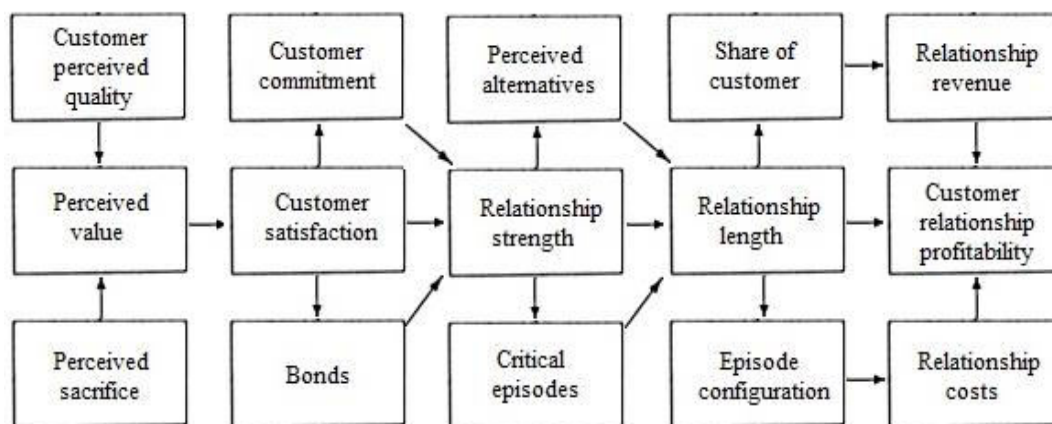


Figure 7. The customer relationship profitability model. (Storbacka *et al.* 1994)

Perceived value is the result of comparing customer perceived quality and perceived sacrifice. The customer is satisfied when the perceived value is high, as it indicates high perceived quality and low perceived sacrifice. Customer satisfaction is therefore defined as the result of receiving high quality at low sacrifice. Customer satisfaction is important in building strong relationships due to the fact that it promotes customer commitment and creating different kinds of bonds between the supplier and the customer (Grönroos 2007, 162; Ravald & Grönroos 1996, 19). Bonds are exit barriers that tie the customer to the supplier and strengthen the relationship. The more bonds there are connecting the customer to the supplier, the stronger the relationship is. For example, a customer tied by only a legal bond can terminate the relationship after the contract expires, whereas a customer tied by also a knowledge bond and psychological bond is more committed to the supplier and therefore more likely to continue the relationship. Therefore, the creation of bonds is essential in building long-term relationships. (Liljander & Strandvik 1995.) Different kind of bonds are explained in **Table 3**.

Table 3. Bonds in relationships. (Liljander & Strandvik 1995)

Type of bond	Description
<i>Legal bond</i>	A contract between the customer and supplier
<i>Economic bond</i>	Price reductions based on relationship and financial incentives for retention
<i>Technological bond</i>	The purchase of a specific product that requires the use of a specified deal for repairs/maintenance and/or original spare parts from manufacturer or supplier
<i>Geographical bond</i>	Limited possibilities to obtain the service from other suppliers due to distance or lack of transportation
<i>Time bond</i>	Suitable/flexible business hours
<i>Knowledge bond</i>	Supplier knows the customer and how to fulfil their needs
<i>Social bond</i>	Customer and supplier know each other well. The main characteristic is mutual trust
<i>Cultural bond</i>	Customers may identify themselves with a subculture (e.g. language, country) and therefore relate more strongly to certain companies
<i>Ideological bond</i>	Choice of supplier based on personal values
<i>Psychological bond</i>	The customer is convinced of the superiority of the supplier (brand image)

Another upside to strong customer relationships is the fact that customers become more tolerant towards occasional inferior performances as the relationship grows (Ravald & Grönroos, 1996). The stronger the relationship, the less critical episodes affect it. A critical episode is a situation where the supplier's performance fails to meet the customer's expectations, for example by providing inferior quality in a service encounter. The length of the relationship depends on how the situation is solved. Since negative disconfirmation has a greater impact on customer satisfaction and retention positive disconfirmation, in order to keep the customer, the service provider has to manage satisfaction with effective complaints handling

and efficient customer service when the performance fails to meet the customer's expectations (Anderson & Sullivan 1993). For example, if the ordered product is out of stock, it results in a longer delivery time and therefore an increase in customer perceived sacrifice. The supplier can compensate the increased customer sacrifice caused by the delay by for example offering a free delivery or a discounted price, or suggesting a substitutive product. Consistently providing good quality and having the customer's best interest at heart is essential for the continuity of customer relationships. Moreover, the strength of the relationship also determines the amount of perceived alternatives. As a result of knowing its customers, the supplier is able to offer customized solutions to fit the customer's needs or solve their problems (episode configuration), which decreases the relationship costs as well as reduces the possibility of the customer perceiving a competitor as a substitute.

4.2 Customer relationship management

As the length and strength of the business relationship depends on how satisfied the customer is with the relationship as a whole (Storbacka *et al.* 1994), it is not about what kind of offering the supplier provides but rather what kind of relationship the supplier is capable of maintaining (Ravald & Grönroos 1996, 23).

According to Grönroos (2007), the purpose of marketing is to identify potentially profitable customers and establish relationships with them, as well as maintaining and enhancing the relationships, and when necessary, terminating relationships with customers so that the economic objectives of both the supplier and the customers are met. Also Gummesson (2008, 30) states that the fundamental property of every business-to-business relationship is collaboration. Therefore, the aim of every customer-supplier relationship should be to establish a collaborative relationship that is founded on a mutually beneficial cooperation (Hines, Lamming, Jones, Cousins & Rich 2000, 274). Central to every business relationship is the exchange process where value delivered and received (Day 2000, 24). The supplier provides goods and services in order to operationally increase the revenue that

they can receive from a particular customer, as well as to commercially maximize the monetary price that can be obtained from delivering a specific product or service, whereas the customer is concerned operationally with the functionality of the offering – its performance, quality, on-time delivery and so on, and commercially with the total relationship costs incurred (Cox 2004, 413). Teo Lehtimäki Ltd. provides goods and services to their customers in exchange for money, and the customers provide money and other resources (for example access to new markets) in exchange for goods and services (Cox 2004, 415).

Customer relationship management, CRM, refers to building and maintaining customer relationships that create value for the company (Kumar 2010). CRM recognizes the long-run value of the customers, both potential and current ones, and seeks to increase profits and company value by developing, maintaining, and enhancing prosperous, long-term supplier-customer relationships (Berry 1983, 25; Morgan and Hunt 1994, 22; Grönroos 1990, 138; Payne & Frow 2005, 168). CRM strategies can be used for decreasing the company's total marketing costs, increasing the customer profitability, thus, the company profitability (Kumar 2010), and therefore, implementing a CRM strategy would be worthwhile for the case company as well.

CRM generally refers to practices, strategies, and technologies that are used for managing and analyzing customer-supplier interactions throughout the business relationship, with the aim of improving the relationships with as well as increasing retention and sales (Rouse 2014). Companies can introduce a CRM database to facilitate managing the relationships, which they can also use to support the company's future marketing decisions. A CRM database consists of information about a company's business partners, products, business transactions, and marketing attributes. According to Johannes (2013), a CRM database has generally three technical divisions: general data, address data, and relationship data. General data consists of general information, such as customers' order history, used marketing tactics, and other relevant information. Address data includes the business part-

ners' physical mailing address as well as communication data such as telephone and mobile numbers, fax numbers, and email address. Relationship data connects business partners to one and other and describes the interactions between them, and includes information about the contact person. The customer information submitted to the CRM database is normally acquired from orders, enquiries, customer service contacts, research questionnaires, and so on. Therefore, the research provides data that the company could add to their CRM database. (Johannes 2013; Stone & Woodcock 1995.)

5 THEORETICAL FRAMEWORK

The theoretical framework provides an overview of the theories discussed in the theoretical part and describes their relevance in connection to the research. The research has two objectives: to measure the current customer satisfaction levels in connection with the provided service quality, and to reveal the customers' perceptions of the value of the company's offerings as well as the value of the relationship. The main topics include customer satisfaction, customer perceived quality, customer perceived value, and customer relationship profitability.

The first topic is customer satisfaction, which is defined as the post-purchase evaluation of the product and service quality in the view of pre-purchase expectations (Kotler 1991). The reason why customer satisfaction is essential for any business' success is the fact that satisfaction determines the customers' willingness to continue the relationship (Stauss & Neuhaus 1997, 238). The different satisfaction outcomes are explained alongside with their implication. In addition to identifying customer expectations and consistently striving to fulfil these expectations, also the importance of effective recovery processes in connection to satisfaction is emphasized. Another important aspect in satisfying customers is the consistency in the company's marketing communication messages, and the role of integrated marketing communication in establishing satisfaction is discussed.

The second chapter describes customer perceived quality, which is strongly connected to satisfaction as satisfaction is dependent on how well the customer experience measures up to the customer's expectations of quality (Zineldin 1999, 720). Different definitions for quality are given and the two dimensions of quality are explained. As the research aims to measure satisfaction levels in connection with the provided service quality, the functional quality dimension is chosen as a focus point and different characteristics of services are identified. Also the determinants of service quality used in evaluating the quality of a service are described. Moreover, the difference between episode quality and relationship quality is explained

alongside with their impact on satisfaction, and the link to the next topic, perceived value is recognized.

The topic of customer perceived value includes explaining its role in creating a competitive advantage against competitors with core products of the same quality and price (Grönroos 2007, 1–5; Leventhal 2006, 431). Customer perceived value is defined as “the customer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithaml 1988, 14). The benefits and sacrifices included in customer value perceptions are identified, and different ways to increase customer perceived value are introduced. The chapter also describes value from two aspects: the value of goods and services and the value of the supplier-customer relationships (Lindgreen & Wynstra 2005), and the difference between episode and relationship level benefits and sacrifices.

The last chapter makes a connection between satisfaction, quality, and value and ties the thesis together, and emphasizes their importance in connection to customer relationship profitability. Also the reason why long-term customer relationships are more profitable is explained and also the concept of customer relationship management is briefly introduced alongside with its connection to the study.

III EMPIRICAL PART

The empirical part is dedicated to defining the research problem(s) and introducing the research methodology. The first chapter defines what marketing research is and what kinds of processes are normally involved. The research process of the conducted study is described in detail and the chosen research method(s) examined. The research results and the major findings are presented, and suggestions for future research are discussed as well. Also the reliability and validity issues of the research are discussed.

6 MARKETING RESEARCH

Marketing research refers to the process of designing, gathering, documenting, and analyzing relevant and useful information that is connected to a particular research problem or question that needs solving (Nair 2009; Burns & Bush 2001, 7; Blythe 2012, 98). Marketing research is typically conducted to find solutions to a particular problem a company is facing, such as a decrease in sales, or it can also be used for identifying and defining marketing opportunities (Burns & Bush 2001, 9). Generally, the core function of marketing research is to provide support to the company's marketing decisions (Birks & Malhotra 2007, 2; Churchill & Iacobucci 2010, 3; Burns & Bush 2001, 7).

The American Marketing Association's (AMA) definition of marketing research is widely used in the literature (see e.g. Burns & Bush 2001; Churchill & Iacobucci 2010; Kolb 2008; Brassington & Pettitt 2007) as it summarizes the functions of marketing research:

“Marketing research is the function which links the consumer, customer, and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve our understanding of marketing as a process.”

Marketing research can be utilized to support all aspects of marketing, and depending on the aim of the research it can focus on for example product, pricing, distribution, promotion, buying behavior, or general corporate research (Churchill & Iacobucci 2010, 5). As this particular study involves revealing what creates value for customers and how it could be increased to enhance loyalty, the research focuses on the buying behavior aspect of marketing and involves subcategories such as satisfaction, segmentation, awareness, preferences, and behavior (Churchill & Iacobucci 2010, 5).

In addition to supporting the company's decision-making processes, marketing research also enables the company to monitor and reflect upon their previous marketing decisions and to evaluate the successfulness of those decisions (Birks & Malhotra 2007, 2; Burns & Bush 2001, 12). Therefore, marketing research can be seen as a learning tool – depending on the problem that needs solving, the aim of marketing research is to provide the company with new, relevant information connected to the marketing problem and to offer solutions. Moreover, as the business environment is constantly changing, acquiring updated information through marketing research is essential for the company's success and its ability to fulfil customers' changing needs and requirements (Burns & Bush 2001, 7).

Marketing research is included in all stages of the information management process; defining what kind of information is required to solve the particular research problem, designing the method for gathering the data and implementing it, analyzing the collected information, as well as interpreting the findings and their implication on the research problem (Nair 2009; Churchill & Iacobucci 2010, 5). The aim of marketing research is to provide solutions, and therefore, it is important that the collected data is relevant and can be utilized to develop functional strategies that assess the particular research problem (Birks & Malhotra 2007, 2). The collected data, raw facts, is analyzed to gain information about their implication,

which is then analyzed to gain knowledge about what should be done (Kolb 2008, 12).

In this case, the marketing research process includes collecting data on Teo Lehtimäki Ltd.'s customers' expectations regarding the performance, their current satisfaction levels, and the perceived value of the relationship, and then utilizing that information for creating useful strategies that enhance the company's 'attractiveness' and increase customer retention and loyalty (Churchill & Iacobucci 2010, 3). Depending on the results, this can mean for instance developing new, improved services, increasing the service quality or the functionality of their offerings, or decreasing the total sacrifices (Cox 2004; Walters & Lancaster 1999, 700). The aim of the research is to find out what would be the best and most efficient way to solve this particular marketing problem, which is how to increase customer satisfaction and perceived value, and thereby customer loyalty and retention.

6.1 Marketing research process

Although the stages of a marketing research process are basically the same, the description and division of the processes differ depending on the source. For instance, according to Bernard (2006, 69), the ideal research process consists of four stages; problem, method, data collection and analysis, and support/reject hypothesis/theory, whereas Birks and Malhotra (2007) divide the research process into six stages; problem definition, developing the research approach, defining the research design, data collection, data analysis, and preparing and presenting the results, and Burns and Bush (2001, 71) identify 11 stages; establishing the need for marketing research, defining the research problem, establishing the research objectives, determining the research design, identifying the types and sources of information, determining the methods of accessing data, designing data collection forms, sampling, collecting the data, analyzing the data, and preparing and presenting the final research report.

Regardless of the source, the research process and the procedures included are basically the same; the research starts with defining the problem that requires solving, developing the best research approach and method for solving that particular problem, collecting the required data and analyzing it to understand its implications, and finally, offering a solution to the problem. However, marketing research is not always a step-by-step process and every research is different (Burns & Bush 2001, 71). The research process of this particular study (adapted from Birks & Malhotra 2007 and Burns & Bush 2001) is illustrated in **Figure 8**.

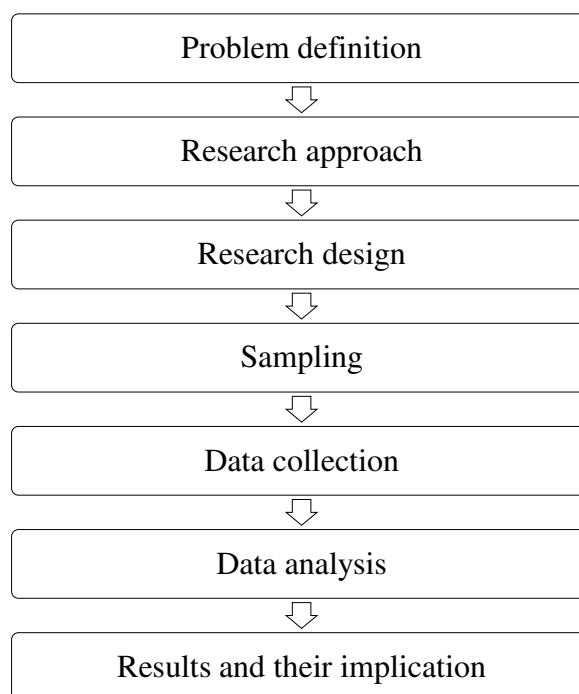


Figure 8. The stages of marketing research process.

6.1.1 Problem definition

Problem definition refers to understanding the marketing problem that needs solving and research support (Birks & Malhotra 2007). As mentioned before, it can be connected to any aspect of marketing; product, pricing, distribution, promotion, buying behavior, or general corporate research (Churchill & Iacobucci 2010, 5). It is important that the marketing problem is defined properly, so that the following stages of the research process concentrate on solving that particular problem and

that the research approach and design correspond to solving the problem. Different marketing problems require different approaches as the quality and quantity of data requirements differ depending on the problem that is being solved. For instance, the best method for a research focusing on determining how much product placement affects consumers' decisions to purchase, could be an observational method where a certain product is placed in a visible location in a shop to see if people would buy it more. Whereas a study focusing on finding out whether a company's customers are satisfied or not, observational method would perhaps not be the best option, and the method supporting the solving of the marketing problem could be for instance a quantitative questionnaire or qualitative interviews. Therefore, properly specifying and defining the problem is essential for the success of the research as it defines *what* is being researched, sets the objectives for the research, and provides a foundation for all the following stages of the marketing research process (Bryman & Bell 2015, 10; Brassington & Pettitt 2007, 151; Burns & Bush 2001, 74).

The aim of this research is to successfully measure Teo Lehtimäki Ltd.'s customers' current satisfaction levels as well as identify what creates value for them, so that a strategy to further improve satisfaction by increasing value can be developed. The methods for increasing value mentioned in the literature include two complementary strategies: increasing the benefits or reducing the sacrifices (Patterson *et al.* 1997, 416; Monroe 1991), and the study seeks to find out which of these would suit this particular case the best.

6.1.2 Research approach

Developing the research approach includes identifying the components that have an impact on the research design. It includes determining what kind of information is required for solving the marketing problem in question as well as defining the objectives of the research, as well as developing the theoretical framework that provides the foundation for the entire research. (Birks & Malhotra 2007; Burns & Bush 2001, 75.)

In this case, according to the theoretical framework developed in the previous section, it includes collecting relevant information related to customer satisfaction and perceived value, such as the determinants of service quality, customer expectations, and perceived sacrifices in business-to-business relationships, in order to be able to conduct the research and obtain useful data that corresponds to the research problem. In order to be able to measure customer satisfaction, attributes of the customer experience that create value for the customers and increase the perception of quality have to be identified and the customer satisfaction measurement process then designed according to the attributes (Gouillart 2011).

6.1.3 Research design

Developing the research design includes defining how the data will be gathered (Birks & Malhotra 2007). The research design is developed based on the information defined in the previous stages, and depending on the aim of the research, there are three different types of research that can be utilized: exploratory research, descriptive research, and causal research. The emphasis in the exploratory research is on discovering new ideas and insights, and it is typically carried out for a problem that has not been clearly defined. Descriptive research determines the frequency with which something occurs or describes the relationship between two variables, and is typically used to describe the characteristics of the population or the marketing phenomena being studied. Causal research design concentrates on cause-and-effect relationships which are normally studied through different kinds of experiments. (Churchill & Iacobucci 2010, 58–59; Burns & Bush 2001, 77–78; Kolb 2008, 24.) This study utilizes a combination of exploratory and descriptive research; open-ended questions to discover new insights to further improve the case company's business relationships, and attribute-based questions to describe the frequency of the variables and the relationship between them.

Developing the research design also includes designing the content of the chosen data collection method. This study uses a self-administered questionnaire as the data collection method. Designing a questionnaire it includes determining the con-

tent of individual questions, the structure of the questions (unstructured or structured), the order of the questions as well as the format and layout of the questionnaire. There are several factors that have to be taken into consideration regarding the question wording, format and order: the questions should be clear and unambiguous, meaning that they are expressed in a way that makes it completely clear what is meant, so that every respondent understands the question in the same way, and also the vocabulary used in the questions should fit the target population's core vocabulary and not contain words that they are not familiar with. Moreover, each question should focus on one particular topic or issue and the respondents have to have enough knowledge about the topics to be able to answer. (Burns & Bush 2001, 347–352; Bernard 2006, 270–271.)

6.1.4 Sampling

Sampling refers to the process of choosing a sample from the population that is in line with the research. The sampling process begins with defining the target population, which consists of sample units that can be for instance individuals, households, firms, organizations, countries, and so on. The population is the group that is being studied, and it is specified by the objectives of the research. (Churchill & Iacobucci 2010, 283; Burns & Bush 2003, 334.) In this case, the population is Teo Lehtimäki Ltd.'s most valuable domestic customers. The next step is to select the best sampling approach and to determine the sample size (Burns & Bush 2001, 410). The aim of the sampling process is to obtain a representative sample that reflects the population accurately and can be seen as a small-scale version of it (Bryman & Bell 2015, 187). There are basically two types of sampling approaches that can be applied in the process of selecting the sample from the population: probability sampling and non-probability sampling (Bryman & Bell 2015, 187; Brassington & Pettitt 2007, 164–165).

Probability sampling, a sampling approach where the sample is selected by random and each unit in the population has an equal chance of being admitted to the sample (Bryman & Bell 2015, 187; Brassington & Pettitt 2007, 164–165), in-

cludes four different techniques to choose from: simple random, systematic, stratified, and cluster. In simple random sampling, every unit is selected independently from each other by random, whereas in systematic sampling, the units are chosen according to the sampling interval, which depends on the population and sample size; when a sample of 20 is selected from a population of 100, a random starting point is chosen and every fifth ($100 \div 20 = 5$) unit is admitted to the sample. Stratified sampling includes dividing the population into subpopulations (strata) as homogeneously as possible, for instance according to demographic characteristics, and selecting a sample from each subpopulation by random. This technique maximizes the variance between groups and minimizes the variance within groups, thus, reduces sampling error. Cluster sampling divides the population into internally heterogeneous groups (clusters), based on for example geographic characteristics, and draws the sample from one of the clusters. For instance, if the population is Finland, it can be divided into 19 regions (clusters), of which one is chosen as the cluster of which the sample is selected from by random. (Bernard 2006, 149–158; Bryman & Bell 2015, 190–193.) There are a number of approaches for determining the sample size in probability sampling, such as the arbitrary approach, which states that the sample should be at least 5 % of the total population, the conventional approach, where the sample size is based on what is estimated or believed to be accurate, and the confidence interval approach, where the sample is calculated according to the believed variability within the population, the desired accuracy, and required confidence level (Burns & Bush 2001, 423–436).

Non-probability sampling, a sampling approach where the sample is not chosen by random and some units are more likely to be admitted to the sample than others (Bryman & Bell 2015, 187; Brassington & Pettitt 2007, 164–165), the different techniques include: quota, snowball, convenience, and judgmental sampling. Quota sampling aims in creating a sample with the same structure as the population by dividing the population into different subpopulations of interest based on specified characteristics, and the sample is chosen according to the proportion of each sample in the population. Snowball sampling is a network sampling method

that chooses an initial group of respondents from the population by random and continues as a chain of referrals as each respondent recommends other units from the population. In convenience sampling, the sample consists of respondents with convenient accessibility and proximity. Examples of studies utilizing convenience sampling are for instance street interviews and magazine questionnaires. Judgmental sampling, which is the sampling technique used in the case study, is based on the researcher's judgement of elements that are considered interesting or significant for the study. (Bernard 2006, 187–194.) In contrast to probability sampling, non-probability sampling has only one reasonable way to determine the sample size; the sample size is based on the researcher's judgement about the value of the information relative to the cost of acquiring it (Burns & Bush 2001, 445).

As this study utilizes the judgmental sampling technique, where the sample is chosen based on the CEO's assessment of the company's key customers, also the sample size is determined by judgement. A sample size of 30 customer companies was estimated to be appropriate and to include enough variation. The main reason for choosing judgmental sampling method was the fact that in order to find out how satisfaction could be increased by increasing benefits or reducing sacrifices, the respondents have to be familiar with the company and its offerings, and although the company has approximately 400 domestic customers listed in their system, only a small percentage are frequently in contact the company. Therefore, the respondents were chosen based on judgment and the sample includes only customers who are familiar with the company and its offerings; customers were selected based on either purchasing frequency or relationship length. (Peltonen 2016)

6.1.5 Data collection

Data collection is the stage where the information that is required for solving the particular marketing problem is gathered by the means defined in the previous stage (Birks & Malhotra 2007). For example, exploratory research would require

conducting the interviews, descriptive research distributing the questionnaires, and causal research implementing the experiment. The data collection of this particular study was done through an online self-administrative questionnaire created in e-lomake⁶ and distributed to the selected sample of the population through email.

In addition, the data collection phase also includes pretesting and pilot work, which takes place before implementing the actual data collection process, with the aim of discovering possible errors and confirming that the research measures what it is supposed to measure (Bordens & Abbott 2011, 27; Blythe 2012, 104). In this study, the pretesting was done in cooperation with three key decision-makers of the case company and the questionnaire design and content was adjusted according to their wishes, without compromising the validity of the research design. Normally pretesting and pilot work includes testing the research by conducting a miniature version of it with respondents similar to the actual sample (Bordens & Abbott 2011, 28; Blythe 2012, 104; Burns & Bush 2001, 370–371). After piloting, the actual questionnaire was distributed through e-lomake to the sample of 30 customers, with weekly reminders, and the respondents were given a four weeks' time to answer. When a saturation effect is noticed or an acceptable response rate is received, the data can be analyzed.

6.1.6 Data analysis

Preparing and analyzing the data refers to editing, coding and verifying the gathered data and analyzing it (Birks & Malhotra 2007). In this stage, the collected data is analyzed and connections to the theoretical framework developed in the second stage are made. The aim is to interpret the results in a way that answers the research question(s) defined in the first stage. For instance, one research area of this particular study was to identify customer expectations, which was done

⁶ E-lomake (<https://e-lomake.puv.fi/>) is online software used for designing and publishing online forms and questionnaires as well as managing the results that can be converted to Excel or SPSS.

through asking the respondents to describe what factors they consider in choosing of a supplier, i.e. what do they expect from a supplier. The respondents were also directly asked to rate on a scale from one to five, how well they perceive Teo Lehtimäki Ltd. to fulfil their expectations. By interpreting the answers and comparing the expected or desired performance with their actual experience with Teo Lehtimäki Ltd., conclusions regarding the quality of the relationship can be made and strategies to improve the satisfaction can be developed. The responses were transferred from e-lomake into Excel, which was used for analyzing the data.

Data can be divided into two categories: qualitative and quantitative data. Qualitative data is generally in the form of text, audio, video or image, and is generally obtained in exploratory and causal research, whereas quantitative data consists of numbers or values, normally obtained in descriptive research. This research collected both qualitative data through the unstructured, open-ended questions, and quantitative data through the structured, multiple-choice questions. Moreover, there are also two types of analysis; qualitative analysis, which includes using visualization methods, such as hierarchical clustering, in order to identify patterns and making connections, and quantitative analysis, which is numerical or statistical analysis, where the collected data is statistically analyzed. (Bernard 2006, 451–453.)

Regardless of the type of the data or analysis, the data analysis process generally consists of three different stages: editing, tabulating, and interpreting the data (Blythe 2012, 108). Editing data refers to discarding inconsistent or spoiled responses, tabulating data includes totaling and cross-tabulating the responses, and interpreting data includes making conclusions about the obtained data in connection to solving the marketing problem (Blythe 2012, 108).

In this research, all the responses are valid and there was no need for discarding data in the editing stage. Tabulating includes calculating the mean (the average), median (the middle value) and mode (the most frequent value) of the quantitative responses as well as the standard deviation (how closely the values are clustered

around the mean value), to support the interpretation process. Different values are compared using cross-tabulation. Interpreting data includes interpreting what the numbers, values, tables, charts, etc., constructed in the tabulating stage actually mean and what is their implication. The qualitative data, text, is analyzed by making connections between the responses and identifying differences and similarities. Moreover, different kinds of charts are utilized to illustrate the differences and similarities of the answers as well as the distribution of opinions. The quantitative data is analyzed statistically by calculating and comparing values and identifying patterns between them. Also the quantitative data is visualized with different kinds of charts and tables.

In addition, the data analysis process normally includes also coding, where response categories are assigned with a numerical value (Burns & Bush 2001, 82–83). As the questionnaire included several scale-questions measuring frequency, importance, level of agreement, and so on, coding the responses was a big part of the process. However, as the questionnaire was designed in e-lomake, the numerical values of the alternatives were done as the questionnaire was designed. Moreover, both the questionnaire and the responses required to be translated into English as the original language of the research is Finnish. The questionnaire was designed in Finnish, meaning that some things might get lost in translation.

6.1.7 Results and their implication

Preparing and presenting the report is the last stage of the marketing research process, and it includes preparing a report that summarizes the entire research and presents the results and major findings. It includes presenting the research question(s) or problem(s), describing the chosen research approach and research design, describing the data collection process and analysis. (Birks & Malhotra 2007.) In this case, results were analyzed and the major findings were presented, which also included preparing a list of improvement areas for the case company as well as a strategy to improve the customer satisfaction. The results of the conducted study are presented in ANALYZING THE RESULTS. Moreover, also the

validity and reliability issues of the research are discussed and suggestions for future research are given.

7 IMPLEMENTATION OF THE RESEARCH

This study was conducted for Teo Lehtimäki Ltd., a Finnish family owned company specializing in the wholesale of snowmobile spare parts. As a wholesaler, the company operates in the business-to-business environment, offering goods and services to retailers, giving the study a business-to-business perspective. The research provides insight to Teo Lehtimäki Ltd.'s customers' perceptions of service quality, expectations, perceived value, and their overall relationship satisfaction. The primary reason for conducting the research was simply to find out how satisfied the customers are with the business relationship in general, and to identify what kind of improvements could be made to strengthen the relationship.

The company's primary market, Finnish retailers, was chosen as a focus group for this particular study, mainly due to their bigger contribution (60% in 2014) to the total revenues as well as the CEO's specific request to focus only on their domestic customers. Moreover, since business-to-business relationships based on a mutually beneficial cooperation (Hines *et al.* 2000, 274), the sampling technique used was judgmental sampling and only the company's key customers were admitted to the sample. As a result, the sample included 30 customer companies. The response rate was 73 %, with 22 responses.

Apart from collecting customers' background information, such as relationship length and contribution to revenues, the customers remain anonymous and the individual results are not given to the case company. The aim is to provide the case company with an idea of how satisfied their customers are regarding the different aspects affecting the choice of supplier, such as service quality and product variety, and to provide the company with a comprehensive list of improvement ideas that could further increase the customers' overall satisfaction.

The research results should provide an answer to the following questions:

1. What are quality and value as perceived by the key decision makers in the business relationship?

2. What kind of expectations and requirements do the customers have?
3. To what extent are the customers satisfied with the current service quality and how could the service quality be improved to fit customer requirements better?
4. What has the biggest impact on customer satisfaction?

7.1 Research methodology

The research is carried out by utilizing a self-administered questionnaire (SAQ) that combines attribute-based measurement instruments and qualitative measurement instruments. Attribute-based measurement instruments are measurement models that are based on attributes describing the features of a service and qualitative measurement instruments are measurement models based on the assessment of critical incidents (Grönroos 2007, 83). The aim of the attribute-based measurement instruments is to find out product and service features that contribute to customers' value perceptions and which features increase their willingness to continue the relationship. A qualitative measurement instrument is utilized in the form of open-ended questions, providing the respondents a chance to freely express their thoughts in terms of, for instance, in what kind of situation did they perceive that the case company failed to deliver. (Bernard 2006, 258–261.)

The main reason behind choosing this particular research method was to increase the customers' willingness to talk about sensitive topics, such as the underlying reasons for their possible dissatisfaction. The majority of the respondents have been cooperating with the case company for several years and might be hesitant to impress their negative feelings that could possibly damage the relationship. The chosen research method provides the respondents with anonymity and since there is no interviewer included, they might be more willing to answer more honestly (Bernard 2006, 259–260). Moreover, SAQ is also more economic and less time-consuming than the alternative research method that was considered as option B; face-to-face interviews (Bernard 2006, 258). After discussing the possible research methods with the CEO of Teo Lehtimäki Ltd., an agreement was reached

and the decision to implement the research through SAQ was made. Another advantage of using SAQ includes avoiding interviewer bias (the interviewer affects the question phrasing or the responses), which is the biggest drawback of face-to-face interviews (Blythe 2012, 108), as all respondents receive the same questions. Moreover, it allows asking a bit more complex questions than in an interview, as the respondent has time to read and think about each question and, if necessary, revise them. It also enables asking attribute-based batteries, which are widely used in the case study. Most importantly, SAQ might encourage the respondents to talk about sensitive topics more openly and give more honest answers compared to a situation where an interviewer is present. (Bernard 2006, 258–261; Bryman & Bell 2015, 240–241.)

On the contrary, the biggest disadvantage of SAQ is the fact that there is no control over how the respondents interpret the questions or a possibility to explain questions in case the respondent does not understand them since there is no interviewer involved (Bernard 2006, 260; Bryman & Bell 2015, 242). Therefore, it is important that the questions are designed in a way that eliminates any possibility of misunderstandings: clear and unambiguous questions, simple vocabulary, and each question focusing on one particular topic (Burns & Bush 2001, 347–352; Bernard 2006, 270–271). Moreover, since SAQ is interviewer absent, there is no opportunity to ask the respondent to elaborate their answers or give more details in the open-ended questions (Bryman & Bell 2015, 242).

7.2 Questionnaire design

The questionnaire uses mainly two types of questions: quantitative, attribute-based questions for identifying customer expectations regarding the performance, what affects the choice of supplier, as well as how the case company succeeds in fulfilling those expectations, and qualitative, open-ended questions to provide more insight into what customers perceive to be important in business relationships and how they would describe good quality.

The majority of the attribute-based questions are scaled-response questions, which measure for instance frequency, level of importance, level of agreement, probability, and thereby produce numeric data. The scales utilized in the questionnaire are mainly interval scales that measure opinions and superiority, and the range is from one to five. The reason behind choosing a scale from one to five is that it is simple and clear; it has a clear minimum, maximum, and mean. A 1–10 scale is utilized to measure Teo Lehtimäki Ltd.'s performance and overall satisfaction, in order to get more specific information about the range in opinions. For measuring satisfaction a 1–5 scale would not be enough because the intervals are very small. However, it is suitable for questions that measure level of agreement since the intervals are clear: 1=strongly disagree, 2=somewhat disagree, 3=neutral, 4=somewhat agree, 5=strongly agree.

All the questions, both quantitative and qualitative, are short, simple and clear, so that they are easy to understand and reasonably fast to answer. Moreover, the questions are designed to be unambiguous, meaning that they are expressed in a way that makes it completely clear what is meant, so that every respondent understands the question in the same way. Each question focuses on one particular topic and the respondents have enough knowledge about the topics to be able to answer. Moreover, any information the respondents might not know is specified in the questionnaire. Also the vocabulary used in the questions is simple and fits the target population's core vocabulary and does not contain complicated words. (Burns & Bush 2001, 347–352; Bernard 2006, 270–271.)

7.3 Questionnaire structure

A questionnaire begins with a brief introduction and it should identify the researcher or the sponsor, describe the purpose of the research, explain the criteria in respondent selection, as well as request participation (Burns & Bush 2001, 357). The questionnaire was distributed to the customers through email and the customers' email addresses were provided by Teo Lehtimäki Ltd. Each email was sent separately and a personalized cover letter was written to each respondent in

order to increase their willingness to take part in the research. The original cover letter can be found in APPENDIX 3 and the English translation in APPENDIX 4. The purpose of the cover letter was to explain what was being researched and why, how the respondents were selected, and to briefly explain the research structure and length as well as how much time is required to answer each question carefully. Moreover, the cover letter was designed to encourage the respondents to answer, to reserve enough time for it, as well as to contact the researcher in case of any questions or doubts. Due to the sampling technique, the questionnaire was accessible only with a user ID and password, which were provided in the email.

The questionnaire itself also begins with an introduction, where the purpose of the research is repeated; *“The purpose of this study is to determine the satisfaction level of Teo Lehtimäki Ltd.’s customers, as well as the factors affecting it.”*, the structure of the questionnaire is explained in more detail; *“The questionnaire consists of two parts; the first part seeks to define what factors influence the customer perceived quality and value on a general level, and the second part concentrates on finding out the extent to which Teo Lehtimäki Ltd. meets customer expectations as well as how satisfied the customers are regarding the service quality and related issues.”*, and the respondents are provided with more detailed information regarding the questionnaire, such as their anonymity and the importance of providing correct information; *“Apart from obtaining certain background information, the respondents remain anonymous and answers are not given directly to the company. Respondents are divided into groups based on the length of the customer relationship as well as the amount and frequency of purchase transactions. Suggestions for improvement are forwarded in accordance with the office that is mainly dealt with.”*, and they are also informed that the questionnaire is quite long and requires investing time in it; *“For the best possible outcome, the research is quite diverse and extensive, which also means that it may require investing some time in completing it. I hope that you would use plenty of time to respond to the questionnaire as well as to reflect on the questions.”* Moreover, although the question wording and formatting was done according to the advice in the relating

literature, the respondents were encouraged to contact the researcher in case something was unclear nonetheless; *“If any question is unclear or raises questions, do not hesitate to contact me by e-mail: (researcher’s email address).”* The respondents are thanked in advance for investing time in completing the questionnaire and the fact that the research is actually conducted for them as it aims in making improvements according to their wishes; *“A big thank you in advance to all respondents. We hope that the survey would bring up as many improvement and development ideas as possible, so that Teo Lehtimäki Ltd. would be able to improve the quality of their services and thus customer satisfaction.”* And lastly, the respondents were encouraged to contact the researcher at any point – before, during or after the research – if necessary; *“Finally, I would like to emphasize that all kinds of suggestions for improvement are welcome, and if you think of something after submitting your answer, feel free to send me your ideas via email!”*

The questionnaire consists of two main sections: part one includes questions regarding general customer perceptions of quality, value and satisfaction, and part two focuses on quality, value and satisfaction in relation to Teo Lehtimäki Ltd.’s performance, and the main reason for this division was to first discover what the customers expect in general from any supplier and then comparing those answers to the responses in the second part to see how Teo Lehtimäki Ltd.’s performance fits those requirements.

The questions included in the questionnaire sent to the customers are explained one by one, and as every question should have a clear purpose (Bernard 2006, 272), the reason for asking that particular question is identified as well. Since the target population of the research is explicitly the company’s Finnish customers, the questionnaire is in Finnish. The questions are also translated into English. The original questionnaire can be found in APPENDIX 1 and the English translation in APPENDIX 2.

7.3.1 Background information

The first section consists of four questions regarding the respondents' background information: relationship length, purchasing frequency, purchasing amount per year, and contact office. The aim of this section is to gather information about the respondents so that they can be identified in the analysis part. Moreover, their responses are compared in order to see whether there are differences in satisfaction levels, perceived service quality, and perceived value among the groups.

Relationship length

1. How long have you been a customer of Teo Lehtimäki Ltd.?

Since long-term customers tend to be more tolerant against inferior performances and the relationship benefits, such as safety and credibility, increase over time (Ravald & Grönroos 1996), the purpose of this question is to provide insight into whether the length of the business relationship has an impact on customer satisfaction and perceived value. Moreover, also Teo Lehtimäki Ltd.'s ability to fulfil the customers' expectations increases over time due to episode configuration (Storbacka *et al.* 1994), and therefore, long-term customers are estimated to perceive the company to succeed in fulfilling their expectations. Furthermore, long-term customers are also likely to be satisfied with the relationship since they have chosen to continue the relationship; satisfaction has an increasing effect on the customers' willingness to choose the company again (Stauss & Neuhaus 1997, 238).

Purchasing frequency

2. How often do you order products from Teo Lehtimäki Ltd.?

The respondents are grouped according to their purchase frequency to see if customers who place orders more often, thus, are more in contact with the case company, have a different perception of the quality of the provided services than cus-

tomers who order less frequently. The question is a multiple choice question and the alternatives include: several times a week, once a week, 2–3 times a month, approximately once a month, and less frequently. Customers who order at least 2–3 times a month are considered to be able to provide the best insight into the level of the service quality and the company’s performance. However, also the relationship length has to be taken into consideration, as a customer who has been with the company for several years but currently orders once a month or less frequently might still be more familiar with the processes and personnel compared to a new customer who orders on weekly basis.

Purchasing amount per year

3. With what amount do you purchase spare parts from Teo Lehtimäki Ltd. per year?

Customer satisfaction is seen as a strong predictor of repurchase intentions and loyalty (Ravald & Grönroos 1996), and according to Reicched (1990) customers tend to contribute more to the profits as the business relationship grows. However, as satisfaction and repurchase may function differently in a business-to-business setting (Molinari *et al.* 2008), the aim is to find out whether customer satisfaction is actually connected to the customers’ contribution to revenues or are their purchase decisions based on purely economic factors relationships (Eggert & Ulaga 2002, 109).

Contact office

4. Which office are you mainly in contact with?

Teo Lehtimäki Ltd. has two offices: the headquarters in Kauhajoki and another office in Rovaniemi. The function of this question is to find out whether the provided quality is consistent inside the company; the respondents are asked to answer to the questions of the second part (measuring Teo Lehtimäki Ltd.’s performance) based on the office they selected in this section. If there are differences in

satisfaction levels, the aim is to find out reasons behind the difference and to provide the particular office with improvement suggestions.

7.3.2 Part 1: quality, value and satisfaction on a general level

Part one concentrates on identifying the customers' perceptions on good service quality, to what extent does the product range and personnel affect the choice of supplier, as well as on finding out to what extent does satisfaction affect the customers' willingness to continue the relationship. The aim of the section is clarified to the respondents as well; *“This section seeks to identify the customers' points of view on what good service includes, the extent to which the product variety and personnel affect the choice of supplier, as well as the extent to which satisfaction affects the continuation of the business relationship The section includes four different themes: choice of supplier, quality, personnel, and satisfaction..”* Moreover, since satisfaction is the function of perceived quality and disconfirmation (Parasuraman *et al.* 1988), part one functions as a comparison standard for part two and the respondents' expectations and whether they are fulfilled or not can be interpreted from their answers (Grönroos 2007, 99–100).

In order to make the structure of the questionnaire clear and coherent, the questions are divided into four sections according to the topic category (see Burns & Bush 2001, 363): (1) choice of supplier, (2) quality, (3) personnel, and (4) satisfaction. The division also facilitates the analysis part, as the data is already grouped according to the topic. Each section consists of 4–6 questions, including both multiple-choice and open-ended questions.

Choice of supplier

1. Which are the main factors that affect the choice of supplier*?

The question seeks to identify the core benefits and add-on benefits that the customers evaluate in choosing a supplier; what are the core requirements that have to be met for being in the customer's consideration set and what kind of add-on

benefits encourage the customer to select a certain supplier instead of the qualified competitor (Menon *et al.* 2005, 4–7; Hutt & Speh 216). Choice of supplier is defined with a star (*) so that the respondents understand that the choice of supplier refers to both the customers' willingness to choose a supplier over the qualified competitor, as well as their willingness to continue the relationship with a particular supplier i.e. their willingness to choose the supplier again (Stauss & Neuhaus 1997, 238).

2. How would you describe good service and what is it characterized by?

This question seeks to determine how the customers define good service and provides insight into what kind of service they think a supplier should offer (Oliver 1981, 33). By asking the customers to describe good service, also the desired service – what the customers hope to receive (Parasuraman *et al.* 1991) is defined. Moreover, it provides insight into what kind of expectations they have in general in terms of service quality and the better the customers' expectations can be identified, the better Teo Lehtimäki Ltd. will be able to provide services that meet customer expectations (Molinari *et al.* 2008).

3. How important do you perceive that the following factors are in choosing a supplier*? (1=not at all important, 2=not very important, 3=neutral, 4=quite important, 5=very important)

- 3.1. The supplier offers products and services with a better price-quality ratio
- 3.2. The supplier offers better services at a competitive price
- 3.3. The supplier provides better quality for the price
- 3.4. The supplier offers the best discounts and payment terms
- 3.5. The supplier offers value for money
- 3.6. The supplier offers competitive prices
- 3.7. The supplier is able to offer products and services according to
The supplier needs
- 3.8. The supplier offers products that are easy to use
- 3.9. The supplier knows the customers and their needs
- 3.10. The supplier is an expert in their field
- 3.11. The supplier offers the best advice

3.12. The supplier offers a personalized service

Since customers tend to choose a supplier that provides them with the best value (Dawkings & Reichheld 1990; Jones & Sasser 1995, 90; Hutt & Speh 2010, 360; Ravald & Grönroos 1996, 16), this question seeks to identify the individual customers' value drivers and value differentiation variables so that they can be reinforced and used for creating a competitive advantage in the case company's context (Walters & Lancaster 1999, 700). The first six questions measure the importance of value for money, and the rest of the questions measure the perceived benefits of the products and services. The aim is to find out what are the differentiating attributes that create added value for the customers and encourage them to select a certain supplier instead of the qualified competitor (Menon *et al.* 2005, 4–7; Hutt & Speh 216). For instance, if offering the best discounts and payment terms is perceived as a very important factor in choosing the supplier, and offering the best advice is seen as not very important, it is obvious that the customer chooses a supplier based on value for money and would value a decrease in the monetary sacrifices more than an increase in the benefits. According to Monroe (1990), customers value a decrease in sacrifices over an increase in benefits, and this question should provide insight into whether it applies to Teo Lehtimäki Ltd.'s customers.

4. Which of the previous criteria do you consider the most important in the choice of supplier*?

Since the previous question enables rating all of the aspects of value as 'very important', this question aims to find out which one is the single most important factor affecting the choice of supplier. It also defines one of the core requirements that have to be met for being in the customer's consideration set (Hutt & Speh 216).

Quality

1. What is a good product or product range characterized by?

Although the study focuses mainly on the functional quality dimension, also the technical quality dimension is taken into consideration (see Grönroos 2007, 77), as good products and a good product range can be seen as benefits that can have a decreasing effect on total perceived sacrifices (see Monroe 1991; Ravald & Grönroos 1996, 21). This question provides a general overview what the customers are looking for in a particular product or product range.

2. How important do you perceive that the following factors are in choosing a supplier? (1=not at all important, 2=not very important, 3=neutral, 4=quite important, 5=very important)
 - 2.1. Product durability
 - 2.2. Products fit our needs
 - 2.3. Products are easy to use
 - 2.4. Product availability
 - 2.5. Product quality
 - 2.6. Versatility of the product range
 - 2.7. Good price-quality ratio of the products
 - 2.8. Profits gained from the products over time

This question seeks to answer basically the same question as the previous one but provides alternatives. The alternatives include different characteristics of products, such as durability, ease of use, and quality, as well as characteristics of a product range, such as product versatility and product availability. Moreover, two alternatives (2.7. and 2.8.) measure the importance of the monetary value of the products. The aim of this question is to provide a comparison standard to a similar question in part two that measures Teo Lehtimäki Ltd.'s product quality. The responses indicate what kind of requirements the customers have related to products. For instance, if the versatility of the product range is rated as very important in this part, and Teo Lehtimäki Ltd.'s product range is not considered to be versa-

tile, the company should expand their product range to increase the customer perceived benefits.

3. How much does the product range affect the choice of supplier?

- Very little
- Quite little
- Not a lot or a little
- Quite a lot
- Very much

The aim of this question is to find out how much do the customers perceive that the product range affect choosing a supplier, and the responses are taken into consideration in part two that measures how satisfied the customers are in terms of Teo Lehtimäki Ltd.'s product range.

4. Could you choose a supplier based solely on the product range?

In connection to the previous questions, also this question aims to find out how important the product range is, and whether the customers would choose a supplier based solely on their product variety.

5. How accurate is the following statement: I favor a supplier who...
(1=completely inaccurate, 2=somewhat inaccurate, 3=not accurate nor inaccurate, 4=somewhat accurate, 5=completely accurate)

- 5.1. ...stands out with its expertise
- 5.2. ...stands out for its ability to provide systematic solutions to our problems
- 5.3. ...seeks to understand and respond to the customers' needs
- 5.4. ...provides a fast and flexible service
- 5.5. ...succeeds in providing quality service on the first try
- 5.6. ...consistently fulfils the promised delivery dates of orders
- 5.7. ...invoices correctly and the invoices are reliable
- 5.8. ...responds quickly and comprehensively to complaints
- 5.9. ...additionally provides technical advice

Since customers generally evaluate service quality relative to the supplier's key competitors and are likely to choose the supplier who provides the best quality

(Trivedi 2014, 96), this question measures what kind of supplier do the customers favor and what kind of characteristics are desirable in a supplier. The statements measure the importance of certain determinants of service quality, including competence, reliability, understanding the customer, and responsiveness (see Parasuraman *et al.* 1985, 46–47). The same characteristics are measured in part two in Teo Lehtimäki Ltd.’s context, and the responses are compared in order to identify areas of improvement.

6. Do you think that a company’s website is an important part of the service offering?

Also the tangibles are an important part of the service offering and can provide additional value to the customers (see Hutt & Speh 2010, 216). ‘Tangibles’ as a determinant of service quality is defined as the physical evidence of the service, such as the appearance of the equipment and materials (Parasuraman *et al.* 1985, 47), including the company’s website. A useful and informative company website can be seen as a basic support service that increases the effectiveness and usability of the offering (Jones & Sasser 1995, 90). For instance, Teo Lehtimäki Ltd.’s websites include technical advice, installation instructions, and recommendations on how to use the spare parts, and so on, which can increase the effectiveness and usability of the offerings and provide added value for the customers.

Personnel

1. How would you describe good customer service personnel?

This question seeks to determine how the customers describe good customer service personnel and identifies what kinds of characteristics of the personnel the customers perceive to project a high quality image (see Parasuraman *et al.* 1988, 16). It also provides more insight into the desired service (see Parasuraman *et al.* 1991).

2. How big of an effect do the following characteristics of the personnel have on the choice of supplier? Why? (1=very low, 2=somewhat low, 3=neither high nor low, 4=quite high, 5=very high)
 - 2.1. The reliability and consistency of the service
 - 2.2. The personnel's attitude and willingness to provide the service
 - 2.3. The competence and professionalism of the personnel
 - 2.4. The personnel's vast knowledge of the market and the products
 - 2.5. Personnel's courtesy and friendliness
 - 2.6. Keeping the customers up to date
 - 2.7. Reachability

In connection to the same topic, this question seeks to answer basically the same question but provides alternatives and asks for the reason why. The alternatives include different characteristics of personnel and the service they provide. The measured determinants of service quality include reliability, responsiveness, competence, access, courtesy, and communication (see Parasuraman *et al.* 1985, 46–47). The aim is to find out to what extent these characteristics of the personnel affect the choice of supplier, i.e. how important they perceived to be in terms of satisfaction.

Moreover, this question provides a comparison standard to a similar question in part two that finds out which characteristics the customers would use for describing Teo Lehtimäki Ltd.'s personnel, with the aim to identify improvement areas. For instance, if the reachability of the personnel is rated high in this part, and customers perceive that Teo Lehtimäki Ltd.'s personnel is not easy to contact, the company should make an effort to improve in this area in order to reduce customer perceived sacrifices.

3. Which of the previously mentioned features of the personnel is the most important for your satisfaction? Why?

Since the previous question enables evaluating all of the characteristics of the personnel to have a 'very high' effect on the choice of supplier, this question seeks to determine which of the characteristics of the personnel the customers perceive to

be the most important in terms of their satisfaction, as well as the reason behind their choice.

4. Could you choose a supplier based solely on the personnel?

In connection to the previous questions, the aim of this question to find out the extent to which the personnel has an effect on the choice of supplier.

Satisfaction

1. What are the main factors that affect whether you are satisfied with a supplier or not? (You can list factors connected to service quality, personnel, products, and so on.)

The aim of this question is to provide an overview of the factors that the customers perceive to affect their satisfaction the most, and identifies the factors that have the biggest impact on their willingness to continue a business relationship (Stauss & Neuhaus 1997, 238).

2. If you are satisfied with the supplier's offerings, how likely would it be that you would: (1=very unlikely, 2=rather unlikely, 3=neutral, 4=quite likely, 5=very likely)
 - 2.1. Recommend the supplier to other companies
 - 2.2. Tell positive things about the supplier to other companies
 - 2.3. Encourage other companies to use the supplier's services
 - 2.4. Compare other companies to the supplier's performance
 - 2.5. Do more business with the supplier in the coming years
 - 2.6. Expect the business relationship with the supplier to last a long time
 - 2.7. Continue doing business with the supplier even if prices increased slightly
 - 2.8. Perceive the continuation of the business relationship to be important

Customer satisfaction is considered to have a positive effect on repurchase intentions, word-of-mouth, and loyalty (Ravald & Grönroos 1996; Liljander & Strandvik 1995). Satisfaction has a positive impact on the customers' attitudes towards the company, the customers' expectations concerning the company's fu-

ture performance capabilities, and the customers' willingness to continue the relationship (Stauss & Neuhaus 1997, 238), and the aim of this question is to find out the likelihood of the satisfied customers recommending the supplier, engaging in positive word-of-mouth, continuing the relationship even if prices increased slightly, etc.

3. If you are not satisfied with the supplier's offerings, how accurate is the following statement: (1=completely inaccurate, 2=somewhat inaccurate, 3=not accurate or inaccurate, 4=somewhat accurate, 5=completely accurate)
 - 3.1. I would not recommend the supplier to other companies
 - 3.2. I would tell negative things about the supplier to other companies
 - 3.3. I would not do more business with the supplier in the coming years
 - 3.4. I would not perceive the continuation of business relationship as important
 - 3.5. I would perceive that changing the supplier would be profitable

On the contrary, the aim of this question is to find out how likely it is that the customers would engage in negative word-of-mouth and switch suppliers if they were dissatisfied. According to a study, a dissatisfied customer is likely to tell 10–20 people, whereas a satisfied customer tells only five people (Gummesson 2002, 92–93), however, as word-of-mouth may function differently in a business-to-business setting than in a business-to-consumer context (Molinari *et al.* 2008), the aim of these two questions is to find out what behavior is likely in case of confirmation/disconfirmation. Moreover, as a result of losing confidence in the supplier's ability to deliver, the possibility of them switching to the competitor increases (cf. Gummesson 2002, 87; Stauss & Neuhaus 1997, 238), and this question seeks to find out how likely it is that the customers would end the relationship.

4. To what extent do you believe that satisfaction is a prerequisite for the continuation of the business relationship?

Satisfaction plays a big role in retaining customers and creating long-term customer relationships (Ravald & Grönroos 1996; Liljander & Strandvik 1995; An-

derson & Sullivan 1993; Grönroos 2007, 268), and this question enables the customers to tell with their own words how important they view satisfaction to be, and whether they view it as a condition for continuing a business relationship.

5. Which of the following has the biggest impact in terms of your satisfaction?
 - 5.1. Versatility of the product range
 - 5.2. The quality of the products
 - 5.3. Personalized and reliable service
 - 5.4. Better products and services for the price-quality ratio

The last question of the first part aims in summarizing the questions asked so far and making a conclusion on what the customers perceive to be most important factor regarding satisfaction. It also tests the reliability of the measurement instrument and the respondents are expected to be consistent in their responses, otherwise the reliability of the research is questionable.

7.3.3 Part 2: Teo Lehtimäki Ltd.

Part two concentrates on determining the extent to which Teo Lehtimäki Ltd. is able to meet customer expectations of quality and other related factors. The purpose is to find out how customer satisfaction could be improved. The aim of the section is clarified to the respondents as well; *“This section seeks to determine the extent to which Teo Lehtimäki Ltd. meets customer expectations regarding quality, as well as other related factors. The aim is to find out how customer satisfaction could be improved. Therefore, it is important that you try to answer the open-ended questions as comprehensively as possible. No answer or opinion is stupid but rather very important in terms of opportunities for improvement. Thanks in advance for your time!”*

Similarly to part one, the questions are divided into different sections according to the topic category (see Burns & Bush 2001, 363): (1) Teo Lehtimäki Ltd.’s performance & relationship value, (2) Teo Lehtimäki Ltd.’s products, (3) Teo Lehtimäki Ltd.’s service quality, (4) Teo Lehtimäki Ltd.’s personnel, and (5) Teo

Lehtimäki Ltd. & satisfaction. Each section consists of 2–10 questions, including both multiple-choice and open-ended questions.

Teo Lehtimäki Ltd.’s performance & relationship value

1. In connection to the last service encounter, which of the following statements are accurate? You can choose several.
 - My experience was as good as it was supposed to be
 - The service was of very good quality
 - The service was excellent
 - The service fulfilled my expectations
 - The service was bad
 - The service did NOT fulfil my expectations

A relationship consists of acts, episodes, and sequence (Holmlund 1997), and this question aims in measuring the company’s performance during the last episode. The episode level satisfaction influences the customers’ expectations regarding the company’s future performance capabilities (Stauss & Neuhaus 1997, 238), and has an impact on the overall relationship satisfaction (Liljander & Strandvik 1995).

2. How would you describe Teo Lehtimäki Ltd.’s product and service quality?

The aim is to find out whether the customers are satisfied with the product and service quality, and what kind of characteristics do they use to describe them. In part one, the customers described good service and good product or product range, which gives insight into their expectations regarding the quality. The aim is to compare the desired service (see Parasuraman *et al.* 1991) to the perceived performance, as well as compare their product quality description to the their requirements connected to product quality, in order to see how well the company is able to fulfil their expectations.

3. How well do you perceive Teo Lehtimäki Ltd. to fulfil your expectations?

- Extremely well
- Quite well
- Not well or poorly
- Quite poorly
- Extremely poorly

This question provides insight into how well the customers perceive that the company is currently fulfilling their expectations, and as customer satisfaction depends on how well the customer experience measures up to the customer's expectations of quality (Zineldin 1999, 720), it also provides insight into their overall satisfaction level. If the customers perceive that the company is fulfilling their expectations extremely well, it indicates that they are also satisfied with the company, whereas if they perceive that their expectations are met extremely poorly, it indicates that the customers are very unsatisfied.

4. How would you describe the business relationship with Teo Lehtimäki Ltd.? (You can freely describe for example why you have chosen Teo Lehtimäki Ltd., what kind of service do you usually receive, and so on.)

Although high-quality goods and services are important in the initial phase of the relationship, the relationship quality becomes more important than the quality of a single service encounter as the relationship goes on (Ravald & Grönroos 1996, 24). The question seeks to find out how the customers would describe their relationship with Teo Lehtimäki Ltd., and provides insight into the relationship quality. Moreover, the relationship itself might have a major effect on the total customer perceived value (Ravald & Grönroos 1996, 23), and the customer perceptions of the value of the relationship can be interpreted from their responses.

5. Do you perceive that the business relationship provides value for you?

- Yes
- No

The question finds out whether the customers perceive that the relationship provides value, and the details are discovered in the following question.

6. To what extent do you agree that, in comparison with other suppliers, Teo Lehtimäki Ltd... (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree)

- 6.1. ...offers products and services with a better price-quality ratio
- 6.2. ...offers better services at a competitive price
- 6.3. ...provides better quality for the price
- 6.4. ...offers the best discounts and payment terms
- 6.5. ...offers value for money
- 6.6. ...offers competitive prices
- 6.7. ...is able to offer products and services when the customer needs them
- 6.8. ...offers products that are easy to use
- 6.9. ...knows the customers and their needs
- 6.10. ...is an expert in their field
- 6.11. ...offers the best advice
- 6.12. ...offers a personalized service

Customers tend to choose a supplier that provides them with the best value (Dawkins & Reichheld 1990; Jones & Sasser 1995, 90; Hutt & Speh 2010, 360; Ravald & Grönroos 1996, 16), and this question measures the perceived value of Teo Lehtimäki Ltd.'s offerings. A similar question was asked in part one, measuring the importance of the same aspects of value in choosing a supplier, and by comparing the answers, the attributes that create added value for the customers and encourage them to select Teo Lehtimäki Ltd. instead of the qualified competitor can be identified (Menon *et al.* 2005, 4–7; Hutt & Speh 216).

Teo Lehtimäki Ltd.'s products

1. To what extent do you agree that Teo Lehtimäki Ltd.'s... (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree)
 - 1.1....products are durable
 - 1.2....products fit our requirements
 - 1.3....product range is versatile
 - 1.4....products are easy to use
 - 1.5....products provide a good profit over time
 - 1.6....the price-quality ratio of the products is good
 - 1.7....product availability is good

Good products and a good product range can be seen as benefits that can have a decreasing effect on total perceived sacrifices (see Monroe 1991; Ravalid & Grönroos 1996, 21), and this question seeks to find out how the customers would describe Teo Lehtimäki Ltd.'s products and product range. The importance of each characteristic was determined in part one, identifying what kind of requirements the customers have related to products. The responses are compared in order to recognize improvement areas.

2. Is there something missing from Teo Lehtimäki Ltd.'s product range?
What?

The product range should fit the customer's needs and requirements, and the better it meets customer needs, the better value the customer perceives (Levitt 1980). The purpose of this question is to find out what the customers perceive to be missing from the product range. If there are several suggestions and similarities among the responses, the case company should consider making that addition in their product range in order to increase the total perceived value, and thereby customer satisfaction and loyalty (see Kotler & Keller 2012, 154; Parasuraman et al. 1988).

Teo Lehtimäki Ltd.'s service quality

1. Would you describe Teo Lehtimäki Ltd.'s service quality as 'good'? Why? Why not?

The aim is to find out whether the customers perceive that the overall quality of the provided services to be good, as well as the reason *why*. Good service quality was defined in part one.

2. To what extent do you agree that Teo Lehtimäki Ltd... (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree) If you answered 1, 2 or 3, could you specify?
 - 2.1. ...stands out among the competitors with their expertise
 - 2.2. ...stands out for the ability to provide systematic solutions to our problems
 - 2.3. ...seeks to understand and respond to customers' needs
 - 2.4. ...offers a fast and flexible service
 - 2.5. ...succeeds in providing quality service on the first try
 - 2.6. ...consistently fulfills the promised delivery dates of orders
 - 2.7. ...invoices correctly and the invoices are reliable
 - 2.8. ...responds quickly and comprehensively to complaints
 - 2.9. ...provides technical advice, which is very important
 - 2.10. ...provides fast deliveries

The question gives insight into possible improvement areas in terms of their service quality and measures their overall performance. The company's perceived performance is compared to the expected performance that was measured in part one.

3. To what extent has Teo Lehtimäki Ltd. fulfilled your expectations in terms of service quality?

As the main factor affecting customer satisfaction is the expectations the customer has regarding the service and whether or not the expectations were fulfilled (Hutt & Speh 2010, 268), this question provides insight into customer satisfaction and sheds light on whether their service quality requires improving.

4. What kind of expectations has Teo Lehtimäki Ltd. not been able to fulfil?

A performance that fails to meet expectations generally leads to dissatisfaction (Parasuraman *et al.*1988), and the aim of this question is to identify what kind of expectations the company has not been able to fulfil, so that the company's ability to identify features of a service that require improvement and situations to avoid.

5. What kind of improvement suggestions would you give in connection Teo Lehtimäki Ltd.'s service? (e.g. reachability, willingness to provide the service, etc.)

Also this question seeks to identify what kind of expectations the company has not fulfilled and features of the service that the customers have not been satisfied with, and provides insight into what could be improved in terms of their services in order to reach higher satisfaction levels. It also provides insight into customer perceived sacrifices.

6. How often do you use Teo Lehtimäki Ltd.'s website?

- Several times a week
- Once a week
- 2–3 times a month
- Approximately once a month
- Less frequently

The aim of this question is to find out how often do the customers use the company's website. The following question seeks to find out how they would describe the website and a customer who uses it several times a week might be able to provide a better insight into what could be improved than a customer who uses is less frequently than once a month. Moreover, the importance of a company's website as a part of their service offering was measured in part one, and customers who perceive the website to be important but do not use Teo Lehtimäki Ltd.'s website very often, might be a sign that they are not satisfied with the content.

7. How would you describe Teo Lehtimäki Ltd.'s website?
(e.g. usefulness, clarity, versatility, etc.)

The company's website can be an important part of the service offering and can provide additional value to the customers (see Hutt & Speh 2010, 216), but only if they are useful and increase the effectiveness and usability of the offerings (see Jones & Sasser 1995, 90). Currently Teo Lehtimäki Ltd.'s websites include technical advice, installation instructions, and recommendations on how to use the spare parts, and so on, which can increase the effectiveness and usability of the offerings and provide added value for the customers. This question seeks to simply find out how the company's website could be improved.

8. How important is receiving a paper copy of Teo Lehtimäki Ltd.'s annual product catalogue?
- Very important
 - Quite important
 - Neutral
 - Not very important
 - Not at all important

The aim of this question is to find out how much added value does the paper version of the company's product catalogue provide for the customers. Not many companies nowadays send out paper versions as everything tends to be online. Sending out the paper version is a big expense for the company and it will not be sent out the upcoming season if the customers do not perceive that it is important to receive it. The catalogue is currently provided in Finnish, Swedish, and English, and sent to customers before the season starts.

9. Would a mere online product catalogue suffice?
- Yes
 - No

In connection to the previous question, the aim is to find out if the paper version of the product catalogue necessary or if an online catalogue would be enough.

10. What kind of improvement suggestions do you have regarding Teo Lehtimäki Ltd.'s product catalogue?

The aim is to discover more insight into how to improve the product catalogue to fit customer requirements and needs, so that the added value of the offerings could be maximized.

Teo Lehtimäki Ltd.'s personnel

1. To what extent do you agree that, in comparison with the personnel of other suppliers, Teo Lehtimäki Ltd.'s personnel... (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree) If you answered 1, 2 or 3, could you specify?
 - 1.1. ...is more competent and professional
 - 1.2. ...has a better attitude
 - 1.3. ...provides a reliable and consistent service
 - 1.4. ...has enough knowledge about the market and the products
 - 1.5. ...is reachable through phone
 - 1.6. ...is reachable through email
 - 1.7. ...is polite and respectful
 - 1.8. ...offers better advice

The alternatives include different characteristics of personnel and the service they provide, and seek to find out to which extent the characteristics describe Teo Lehtimäki Ltd.'s personnel in comparison with other suppliers. By interpreting the responses, possible improvement areas can be identified. Moreover, the importance of the determinants was measured in part one, which defined what are the most desirable characteristics in a service provider, and is used as a reference point.

2. Which of the following descriptions fit Teo Lehtimäki Ltd.'s personnel?
You can choose several.
 - The service is reliable and consistent
 - Customers are kept up to date about important issues
 - Phone calls are responded to quickly (or called back)

- Emails are responded to promptly
- Orders are delivered on time
- I contact the company for technical advice as well
- None of the above

This question aims in discovering the company's strong points and improvement areas. The points that get the most responses are the ones the company is currently doing well in, whereas the points that are either not chosen or chosen only by one or two respondents are the points that require improvement. The questions measure different determinants of service quality.

3. What could be improved in terms of personnel performance?

This question seeks to identify what the customers perceive the personnel could improve in, and provides insight into how the performance has not met customer expectations or requirements.

4. If you have been in contact with both offices, have you noticed a difference in...

If you answered yes, could you specify?

- 4.1. ...their reachability?
- 4.2. ...their willingness to provide the service?
- 4.3. ...the reliability and consistency of the service?
- 4.4. ...their qualifications?

Since the service should be consistent within the company, and regardless of which office they contact, the personnel should be able to provide the same level of service quality. The aim of this question is to find out whether the company has succeeded in providing consistent service within the two offices, and if not, how the situation can be fixed.

5. What grade would you give to Teo Lehtimäki Ltd.'s personnel's overall performance? (on a scale of 1–10; 1=fail, 10=excellent)

As the personnel is responsible for the provided service quality, this question also gives insight into how good the perceived service quality is and how satisfied the customers are regarding the service quality.

Teo Lehtimäki Ltd. & satisfaction

1. Could you give examples of situations where you have been extremely satisfied with the provided service?

The aim of this question is to find out in what kind of situations the customers have felt extremely satisfied so that individual needs can be identified and the overall performance improved accordingly. Moreover, it provides examples of situations where the customers' expectations have been exceeded (see Parasuraman, Zeithaml & Berry 1988; Eggert & Ulaga 2002, 109; Anderson & Sullivan 1993, 126).

2. Could you give examples of situations where you have not been satisfied with the provided service? Could you also tell how the situation was solved?

The aim of this question is to identify what has occurred in situations where the customers have been dissatisfied with the company's performance, so that an effort can be made to improve in the specific area the customers feel that the company has not able to deliver in, as well as to prevent it from happening again (see Jones & Sasser 1995; Gummesson 2002, 88). Moreover, based on the responses, recovery process for fixing problems or bad experiences can be developed (Jones & Sasser 1995, 90).

3. How satisfied are you with Teo Lehtimäki Ltd.'s overall performance? (on a scale 1–10; 1=extremely unsatisfied, 5=neutral, 10=extremely satisfied)

What is the main reason for this?

The purpose of this question is to find out how satisfied the customers are in terms of the entire relationship as well as to reveal the underlying reason. Especially if the score is low, it is important to know what the reason for it is, so that the problem can be addressed and fixed.

4. Which of the following statements are accurate in your case?

- I highly recommend Teo Lehtimäki Ltd. to other companies
- I will tell positive things about Teo Lehtimäki Ltd. to other companies
- I will encourage other companies to use Teo Lehtimäki Ltd.'s services
- I compare other companies to Teo Lehtimäki Ltd.'s performance
- I am very satisfied with Teo Lehtimäki Ltd.'s overall performance
- I will do more business with Teo Lehtimäki Ltd. in the coming years
- I expect the business relationship with Teo Lehtimäki Ltd. to last
- I will maintain the relationship with Teo Lehtimäki Ltd.
- I would continue doing business with Teo Lehtimäki Ltd. even if prices increased slightly
- I perceive the continuation of the business relationship to be important
- None of the above

This question measures the customers' attitudes towards the company, the customers' expectations concerning the company's future performance capabilities, and the customers' willingness to continue the relationship, which are all increased when the customer is satisfied (Stauss & Neuhaus 1997, 238). The same behavioral variables were measured in part one, which works as a reference point; if a customer answered positively to recommending a company to others in case they are satisfied but are not willing to recommend Teo Lehtimäki Ltd., it means that they are not completely satisfied with the company's performance.

8 ANALYZING THE RESULTS

The responses to the questions are presented one-by-one and the central information interpreted from the data is presented. An overall view of the results and their implication is provided in Summary and conclusions –chapter.

8.1 Background information

The customers are divided into different groups according to the length of the relationship, purchasing frequency, purchasing amount per year, and contact office, in order to find out whether there are differences in satisfaction levels, perceived service quality, and perceived value among the groups.

1. Length of the relationship

The average relationship length was 11 years, which was also the mode of the sample. The shortest relationship was one year whereas the longest was 25 years. The relationship length was distributed as follows: 1, 2, 2, 5, 6, 6, 7, 7, 10, 10, 11, 11, 11, 11, 12, 14, 15, 16, 20, 21, 21, 25. Based on the length of the relationship, the respondents were divided into four groups: 1–2 years (3 respondents), 5–7 years (5 respondents), 10–12 years (7 respondents), 14–16 years (3 respondents), and 20–25 years (4 respondents). The 64 % of the respondents have been cooperating with the Teo Lehtimäki Ltd. for 10 years or more, and therefore, have been cooperating with both the old and the new composition of the company, and might provide insight into how the change has affected the service quality.

2. Purchasing frequency

The customers were grouped into five groups, depending on their purchasing frequency: several times a week (4 customers), once a week (4 customers), 2–3 times a month (8 customers), approximately once a month (5 customers), and less frequently (1 customer). The average purchasing frequency was approximately 2–3 times per month, which was also the mode of the sample as it was the purchasing

frequency of 36 % of the sample. As customers who purchase several times a week or once a week contribute to another 36 % of the sample, altogether 72 % of the respondents are in contact with the case company several times a month and can be assumed to be familiar with the processes and personnel. Moreover, 23 % of the respondents purchase at least once a month, and the average relationship length of those respondent was 12.4 years, meaning that even though they do not purchase very often in comparison to the majority of the respondents, they still have several years of experience with the company and should therefore be able to provide useful insight into the company's perceived performance and possible improvements. Only one of the customer companies purchases less frequently than once a month, which was also the newest (one year) customer in the sample. 95 % of the customers admitted to the sample are in contact with the company at least on monthly basis, meaning that they are familiar with the processes and the personnel, and should therefore be able to provide useful insight into the possible improvement areas.

3. Purchasing amount per year

The average purchasing amount was 12,000 € per year, with a minimum of 1,500 € and a maximum of 45,000 € per year. 18 % of the respondents purchase with more than 25,000€ per year, 23 % with more than 10,000€, and 23 % of the respondents purchase with less than 5,000€. 40 % of the respondents with a purchasing amount of more than 10,000€ per year are considered to be the most valuable customers in monetary value, and they are also long-term customers with an average relationship length of 13 years.

4. Contact office

Customers mainly choose the office based on location due to shorter delivery times; Kauhajoki delivers mainly to South and Central Finland, whereas Rovaniemi is in charge of customers located in Northern Finland. 91 % of the respondents cooperate with the office in Kauhajoki and only 9 % with Rovaniemi.

Therefore, the results will mainly be for the headquarters in Kauhajoki. However, the results will also provide the Rovaniemi office with insight on how to improve their services, as the first part is dedicated to revealing customer expectations and features of the desired service (Parasuraman *et al.* 1991).

8.2 Part 1: quality, value and satisfaction on a general level

This part of research focuses on revealing customer expectations and requirements regarding product and service quality as well as behavioral variables connected to satisfaction, and will function as a comparison standard for the second part of the research, which concentrates on evaluating Teo Lehtimäki Ltd.'s performance. The main idea of this part was to confirm the theories related to the topic and to see what the customers expect and what kind of requirements they have.

Choice of supplier

1. Main factors affecting the choice of a supplier

91 % of the customers listed product variety and availability as the most important factors distinguishing the supplier from its competitors. Customers choose a supplier based on their ability to fulfil their needs (Levitt 1980), and having a good product variety that corresponds to customer needs and requirements as well as good availability of those products has an impact on the choice of supplier (see Walters & Lancaster 1999, 700). If the customer perceives that the product range does not correspond to their needs, they are likely to choose a supplier with a more suitable product range. Other factors related to products include the quality of the products, which reduces the perceived sacrifices as the risk of having to put time and effort into filing complaints (Zeithaml 1988). In addition, one respondent mentioned that having a product variety that consists of spare parts for old snowmobile models as well is important when choosing a supplier.

Other factors that were frequently mentioned by the respondents included good service quality and price. Service quality as such was mentioned in 36 % of the

responses. However, as service quality is generally evaluated based on the determinants of service quality (Parasuraman *et al.* 1988, 46–47), also the determinants of service quality mentioned in the responses can be interpreted to indicate that good service quality is an important factor that creates value for the customers. When taking into consideration both service quality and the determinants, service quality was mentioned in 73 % responses. The determinants include the reliability of the service, which was mainly mentioned in the context of deliveries, as well as personalized service and friendly personnel, and the reachability of the company (Parasuraman *et al.* 1988, 46–47). Consequently, the customers expect a supplier to not only provide good products but also deliver good service quality, and expect the personnel to have vast knowledge of the market and the products. According to the respondents, the sales person should be able to for example recommend similar spare parts if a certain part is out of stock. Moreover, also the importance of technical advice connected to the maintenance and instalment of the products was listed as an important factor by two respondents, which emphasizes the value of the supporting services (Ravald & Grönroos 1996, 19).

The price of the products was also frequently mentioned. Price is an important factor in business-to-business operations, as both companies in the relationship are profit-driven businesses. 46 % of the respondents mentioned price, among other factors, as a main factor in the choice of supplier. However, none of the respondents listed price alone. Some respondents specified that the price should be competitive and reasonable, and one respondent said that there should be possibility for negotiation. Consequently, the customers evaluate the potential value of a supplier's offerings as they mentioned good products and services as well as a competitive price. Perceived value is defined as the ratio of the perceived benefits and the perceived sacrifice (Monroe 1991), and although it was not specifically mentioned, the results indicate that the customers choose a supplier based on the value they are able to provide; having a product variety that fulfills the customer's needs as well as having those products available when the customer needs them,

reduces the customer's non-monetary sacrifice, such as time and effort, increasing the total perceived value (Grönroos 2007).

2. Describing the characteristics of good service

The responses include a lot of similarities to the responses to the previous question, indicating that good customer service affects the customer's choice of supplier. The respondents mainly listed basic elements of a service that all competitors are expected to provide (Jones & Sasser 1995), such as on-time deliveries and personnel reachability.

Reachability and the consistency and reliability of the deliveries were the two most frequently mentioned determinants of service quality (Parasuraman *et al.* 1988, 46–47). Reachability was mentioned in 50 % of the responses, which was also the most frequent answer. Customers expect to be able to reach the company when necessary, whether it is for placing an order, making an inquiry or asking for technical advice, and whether it is through phone or email. 41 % of the respondents mentioned the importance of on-time deliveries and the reliability of the deliveries, which can be seen as the respondents' value criteria in the supplier-customer context (see Walters & Lancaster 1999, 700). One respondent specified that they have the responsibility to deliver the products to their customer on time as well, and if the supplier fails send a product when promised, it has a negative effect on the customer's customer as well (Gummesson 2002, 79).

Apart from being reachable, other characteristics of the personnel mentioned in the responses include expertise, extensive knowledge regarding the market, good attitude, ability and willingness to provide technical advice, trust, and taking the customer's individual needs and requests into account (Parasuraman *et al.* 1988, 46–47). Expertise was one of the top answers and was mentioned in 27 % of the responses, indicating that customers expect that the personnel has enough knowledge of the market so that they are able to provide the customers with useful technical advice regarding spare part matters. In other words, a good supplier is

able to solve any problem the customer may have in terms of the snowmobile spare parts.

Moreover, also the importance of recovery processes for fixing problems (Jones & Sasser 1995) was mentioned by 27 % of the respondents; they defined good service as taking responsibility in case mistakes occur as well as fixing them immediately. Consequently, good service does not necessarily mean that every service encounter goes perfectly; it can also mean being able to fix situations where something goes wrong (Jones & Sasser 1995). The customers acknowledge the reality that service failures and mistakes can occur sometimes and that good service includes fixing the situation fast. Only a few customers mentioned the extraordinary services that excel in meeting customer preferences or in solving their particular problems (Jones & Sasser 1995), indicating that the customers expect to simply receive what was promised when promised (Grönroos 2007).

3. The importance of perceived value in the choice of supplier

The respondents were asked to rate the certain aspects of value by their importance (1=not at all important, 2=not very important, 3=neutral, 4=quite important, 5=very important) in choosing the supplier. The variance among the different aspects of value was minor and all of them scored important. Moreover, the standard deviation was below 0.7, meaning that also the difference among respondents was small and the responses are clustered closely around the mean value. The average (mean) of each aspect is shown in **Table 4**, alongside with the most frequent response (mode). The responses are ordered from highest to lowest according to the average.

Table 4. Aspects of value: level of importance in the choice of supplier.

Statement:	mean	mode
The supplier is able to offer products and services when the customer needs them	4.91	5
The supplier is an expert in their field	4.86	5
The supplier offers a personalized service	4.77	5
The supplier offers the best advice	4.59	5
The supplier provides better quality for the price	4.50	5
The supplier knows the customers and their needs	4.50	5
The supplier offers competitive prices	4.45	4
The supplier offers products and services with a better price-quality ratio	4.41	4
The supplier offers better services at a competitive price	4.36	4
The supplier offers value for money	4.36	5
The supplier offers the best discounts and payment terms	4.32	4
The supplier offers reasonable prices	4.14	4
The supplier offers products that are easy to use	4.05	4

On average, the most important factor in choosing a supplier was the supplier's ability to offer products and services when the customers need them, which was also mentioned in the previous questions in the context of expectations regarding the supplier's reachability and ability to deliver products on time. The second most important was that the supplier is an expert in their field, which was also frequently mentioned in the previous questions in the context of the supplier's knowledge of the market and their ability to provide assistance. The third most important factor was offering a personalized service; the customers are more likely to choose a supplier who provides them with customized services since providing customized services also means being able to fulfil an individual customer's needs better (see Menon *et al.* 2005, 4–7; Hutt & Speh 216). The difference between the lowest and highest average was only 0.96, which is not significant. Therefore, all the aspects are quite important or very important in the choice of a

supplier and should be taken into consideration in Teo Lehtimäki Ltd.'s operations.

4. The most important criteria in a supplier

The respondents were asked to choose one criteria that affects their choice of a supplier the most, i.e. which is the most important characteristic or feature of a supplier in their opinion. Their responses provide insight into their value criterion that is considered to be the main reason for choosing a particular supplier instead of a qualified competitor (Walters & Lancaster 1999, 697). By identifying the individual customers' value drivers and value differentiation variables, Teo Lehtimäki Ltd. can build a competitive advantage against competitors by reinforcing them (Walters & Lancaster 1999, 700). Although all of the criteria scored high in the previous question, only seven of them were mentioned by the respondents in this part. The distribution of the responses is illustrated in **Figure 9**. The criteria connected to service quality are in shades of blue and the ones related to the value for money are in shades of purple.

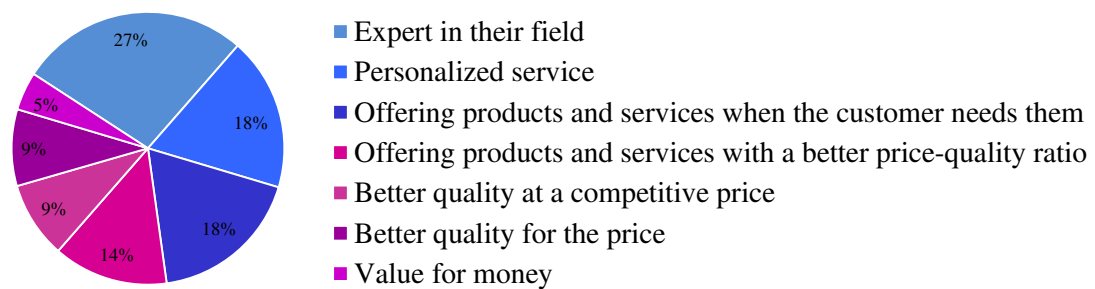


Figure 9. The most important criteria in a supplier: value drivers.

As can be seen from the figure, the majority of the respondents chose features connected to services. The most frequent answer (mode) was that the supplier is an expert in their field, which was chosen by six respondents. Therefore, the ability to provide technical advice is an important value driver and by reinforcing it, Teo Lehtimäki Ltd. can increase the value of their offerings (Walters & Lancaster 1999, 700). Also the second and third most important criteria were connected to

service quality; personalized service was chosen by four respondents and supplier's ability to offer products and services when the customers need them were both perceived as the most important criteria by four respondents. The rest of the responses took the price of the offering into consideration; three respondents said that offering products and services with a better price-quality ratio was the most important criteria, two respondents chose providing better quality at a competitive price, two respondents said that the supplier's ability to provide better quality for the price was the most important criteria in choosing a supplier, and one respondent chose a supplier based on the value for money (Fornell *et al.* 1996, 9; Zeithaml 1988). Therefore, the best way to add more value to the core product is by improving the company's service quality and including supporting services (Ravald & Grönroos 1996, 19), without neglecting the importance of a good price-quality ratio of the products.

Quality

1. Describing the characteristics of a good product and product range

All of the respondents mentioned product quality, of which 30 % specified that the durability of the products is the single most important quality feature. A good product that is durable and of good quality reduces the risk of having to waste time and effort in returning or changing it and therefore a durable product reduces the perceived sacrifice as well (Petrick 2002, 123; Garvin 1987). One respondent mentioned the importance of a functioning warranty despite the good quality of the product (see Walters & Lancaster 1999, 697). Also the importance of a wide product range and good product availability was mentioned in 46 % of the answers. If one supplier has to offer all the products the customers have demand for, the perceived sacrifice is reduced as the customer does not have to invest time and other resources into finding another supplier for certain products or product categories (see Kotler & Keller 2012). Three respondents underlined the importance of the product range being up-to-date and correspond to the demand, as the customer needs change constantly (see Zeithaml 1988, 18; Burns & Bush 2001, 7).

Moreover, three respondents also mentioned extrinsic attributes of the benefit component (Zeithaml 1988), as they mentioned the quality-price ratio and the fact that the products should be priced accordingly.

2. The importance of product features in the choice of supplier

The respondents were asked to rate certain product features by their importance (1=not at all important, 2=not very important, 3=neutral, 4=quite important, 5=very important) in choosing a supplier. Again, the difference between the different product features was small and all of them scored important. The standard deviation is between 0.43 and 0.69, meaning that also the difference among respondents' opinions was small. The average (mean) of each aspect is shown in **Table 5**, alongside with the most frequent response (mode).

Table 5. Product features: level of importance in the choice of supplier.

Product features:	mean	mode
The product availability	4.77	5
The products fit the customer's requirements	4.68	5
The quality of the products	4.68	5
The durability of the products	4.55	5
The products' good price-quality ratio	4.41	4
The versatility of the product range	4.23	4
The profits gained from the products over time	4.09	4
The products are easy to use	3.95	4

The responses are in line with the answers of the previous question, confirming the validity of the measurement (see Bordens & Abbott 2011, 130). On average, the most important features of the products and product range are the availability of the products, their compatibility with the customer's requirements, and their quality, all of which have a decreasing effect on customer perceived sacrifices (see Zeithaml 1988).

3. The extent to which the product range affects the choice of a supplier

The respondents were asked to rate the extent to which the product range affects the choice of a supplier. The question is a multiple-choice question and the options include very little, quite little, not a lot or a little, quite a lot, and very much. The distribution of the responses is illustrated in **Figure 10**.

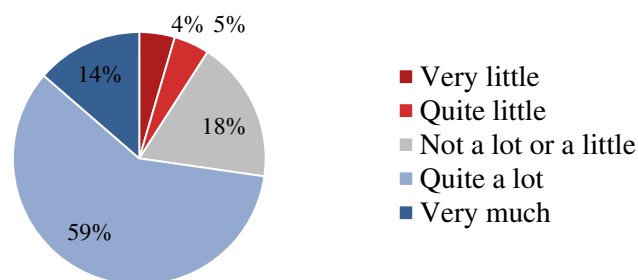


Figure 10. The effect of the product range in the choice of supplier.

As the majority, 73 %, of the respondents said that the product range does affect the choice of supplier either quite a lot or very much, a conclusion can be made that the product range has a considerable effect on the choice of supplier and it should be extensive enough and adjusted according to customer needs. Therefore, the product range is the core benefit that has to be included in the supplier's offering in order to be in the customer's consideration set (Menon *et al.* 2005, 4–7; Hutt & Speh 216). However, 27 % did not perceive that the product range has that big of an effect on their choice of supplier, indicating that they perceive that other factors, such as the service quality, play a bigger role in the choice of supplier.

4. Choosing a supplier based solely on the product range

23 % of the respondents could choose a supplier based solely on the product range. One of the respondents who said that product range affects the choice of supplier very much, would however not choose a supplier based solely on the product range. 39 % of the respondents who said that the product range affects the choice of supplier 'quite a bit' would choose a supplier based only on the product range. Thus, the product range is an important part of the customers' evaluation

regarding the supplier's ability to fulfil their needs and should therefore be versatile enough to ensure being in the customers' consideration set (Menon *et al.* 2005, 4–7).

5. The level of accuracy of the statements regarding preference

The respondents were asked to rate the accuracy (1=completely inaccurate, 2=somewhat inaccurate, 3=not accurate or inaccurate, 4=somewhat accurate, 5=completely accurate) of nine statements connected to features of the provided service. The statements are listed in **Table 6** according to the mean, and the mode of each point is shown as well.

Table 6. Level of accuracy of statements regarding preference.

Statement:	mean	mode
I favor a supplier who offers a fast and flexible service	4.82	5
I favor a supplier who consistently fulfills the promised delivery dates	4.64	5
I favor a supplier who seeks to understand and respond to customer needs	4.59	5
I favor a supplier who in addition offers technical advice	4.59	5
I favor a supplier who invoices correctly and the bills are reliable	4.55	5
I favor a supplier who stands out among the competitors with their expertise	4.45	5
I favor a supplier who succeeds in providing a quality service on the first try	4.32	4
I favor a supplier who responds quickly and thoroughly to complaints	4.32	4
I favor a supplier who stands out for the ability to provide systematic solutions to our problems	4.09	4

The difference between the answers is not significant and all of the statements are regarded as somewhat accurate or completely accurate, meaning that features of the supplier described in **Table 6** are important, and should be taken into consideration in the case company's context in order to increase the value of their offer-

ings. The supplier's ability to offer a fast and flexible service is the most important feature according to the mean value, and the second most important is the supplier's ability to consistently fulfil the promised delivery dates, both of which were also mentioned several times in the previous questions that measured what affects the choice of supplier and what is considered as good service quality. These responses will later on be compared with Teo Lehtimäki Ltd.'s performance to see how well the performance meets the desired performance.

6. Whether a company's website are an important part of the service offering

86 % of the respondents perceive the website to be an important part of the service offering, and therefore, it can be considered to be included in the basic support services that increases the effectiveness and usability of the offering (Jones & Sasser 1995, 90). For that reason, if the responses in the second part indicate that there is room for improvement in Teo Lehtimäki Ltd.'s website, making those improvements would increase the total customer benefits and add value for the customers.

Personnel

1. Describing good customer service personnel

The definitions of good customer service included several similarities and the respondents identified a set of different features of good customer service. The respondents' definitions of good service should be used as a guideline in the case company's customer service: this is the kind of customer service they should aim in providing as it reflects the customers' desired service (see Parasuraman *et al.* 1991). Some responses were more thorough than others but each answer provided a valid point on what is good service and also included a lot of similarities as well.

The most frequent characteristic of good service was that the customer is treated as an individual and the service is personalized to fit a particular customer's needs and requests (Jones & Sasser 1995, 90), mentioned by 63 % of the respondents.

Treating the customer as an individual means listening to them and taking their requests into consideration in the business operations. For instance, one respondent said that good service includes taking the requests from the 'field' (referring to the customer and the customer's customer) into consideration and that for instance customer's requests regarding new products should not be ignored. The supplier's ability to update their inventory according to demand as well as removing unnecessary products from the range was also mentioned in the previous questions regarding the choice of supplier. Listening to the customer is perceived as an important feature (see Parasuraman *et al.* 1985, 46–47) and it was mentioned by eight respondents. For instance, a customer of 21 years said that good service includes listening to the customer and seeking to find the best solution for that specific customer's needs or problems. Therefore, the better the customer perceives that the supplier knows and understands their needs and is able to provide a personalized service, the better the perceived service quality is (Parasuraman *et al.* 1985, 47).

The ability to provide technical advice was identified as an important value driver in the previous questions (Walters & Lancaster 1999, 700), and it was again mentioned in six responses. The respondents pointed out that the supplier should be an expert in their field and have extensive knowledge about for example the suitability of the spare parts to different snowmobile types as the retailer might not have that information available. One respondent pointed out that the supplier should be able to answer any question related to the market and if not, they should find out and get back to the customer, which is related to another response that indicated that the supplier should be willing to help the customer and provide the service. The personnel's competence is perceived as an important determinant of service quality since it increases their ability to serve the customers and provide technical advice, and also their responsiveness, i.e. willingness to provide the service, is perceived to be an important feature of the personnel that has an impact on the customers' satisfaction (Parasuraman *et al.* 1985, 47).

In addition to helpfulness, other characteristics of the personnel that were frequently mentioned in the responses include honesty, reliability, trustworthiness, patience, friendliness, and reachability (Parasuraman *et al.* 1985, 46–47). The respondents value a supplier who keeps their promises. One respondent also pointed out that if the supplier over-promises something, the customer should be compensated somehow (see Grönroos 2007). Fixing problems and offering solutions was perceived as a characteristic of good service by three respondents (Jones & Sasser 1995). Moreover, one respondent said that, in addition to focusing on the customer's needs and problems, and offering solutions to those problems, the personnel should be able to have a friendly conversation with the customer as well, especially if it is a company they have been cooperating with for years. This respondent has been Teo Lehtimäki Ltd.'s customer for 16 years, meaning that having a non-work related, friendly conversation with the personnel is perceived as a relationship benefit that adds value for the customer (Gwinner *et al.* 1988, 101–114).

2. The personnel's effect in the choice of supplier

The respondents were asked to rate characteristics of the personnel according to their effect (1=very small, 2=somewhat small, 3=neither small nor big, 4=quite big, 5=very big) on the choice of supplier. Moreover, the respondents were provided with a possibility to specify *why*. The characteristics are listed in **Table 7** according to the mean, and the mode of each point is provided as well.

Table 7. Characteristics of the personnel: effect in the choice of supplier.

Characteristic of the personnel:	mean	mode
Reachability	4.86	5
Personnel qualifications and professionalism	4.77	5
The reliability and consistency of the service	4.64	5
Staff attitude and their willingness to provide the service	4.59	5
Vast knowledge regarding the markets and products	4.41	5
The staff courtesy and friendliness	4.32	5
Communication (keeping the customer up to date)	4.32	5

All of the characteristics were perceived to have a significant effect on the choice of supplier and as the difference between the perceived importance of the characteristics was not remarkable, they should all be taken into consideration in Teo Lehtimäki Ltd.'s performance. The respondents' observations regarding the reason why the characteristics are important are briefly described.

Reachability was perceived to be an important characteristic of the personnel due to the fact that orders are generally placed through phone or email and if the customer is unable to contact the supplier, there will not be a sale, and thereby it is also in the supplier's best interest to be reachable. One respondent pointed out that also problems are usually solved through phone, which makes the supplier's reachability essential from the customer's point of view. Moreover, customers expect the personnel to have sufficient information about the products so that they can turn to the company in terms of technical advice and other problems, not only for placing orders. This was also covered in the previous question that defined good service personnel. One respondent pointed out that the personnel has to have extensive knowledge about the spare parts, as the retailer cannot always know which product is suitable for a specific end-customer. Also the reliability and consistency of the service was perceived to have a very high effect on the choice of supplier, and the respondents specified that the customer has to be able to trust the supplier, for example, that they send out correct products, that their invoicing is reliable and correct, and so on. Staff attitude and their willingness to provide the service was also perceived to be important and one respondent pointed out that bad service usually drives customers away. Investing in good service quality pays off, as it generally leads to satisfied, long-term customers (Grönroos 2007). Vast knowledge regarding the markets and products is also helpful in the process of updating the inventory and eliminating unnecessary products from the range. One respondent said that if the supplier does not know what they are selling and sends out wrong parts, everyone loses. Therefore, it is important that the supplier has extensive knowledge regarding the suitability of the products for different snowmobile types and models. Communication, as in keeping the customer up to date,

was also perceived important and one respondent pointed out that it is essential in order to know about possible changes, and suggested that customers could be sent a newsletter once or twice a year informing about new products and any possible changes in the company's operations. (Parasuraman *et al.* 1985, 46–47.)

3. The characteristic with the biggest impact on satisfaction and the reason why

The respondents were asked to choose one of the characteristics listed in the previous question that they perceive to have the biggest impact on their satisfaction as well as to specify why. However, only 41 % of the respondents specified the reason behind their choice. The distribution of the responses is illustrated in **Figure 11**.

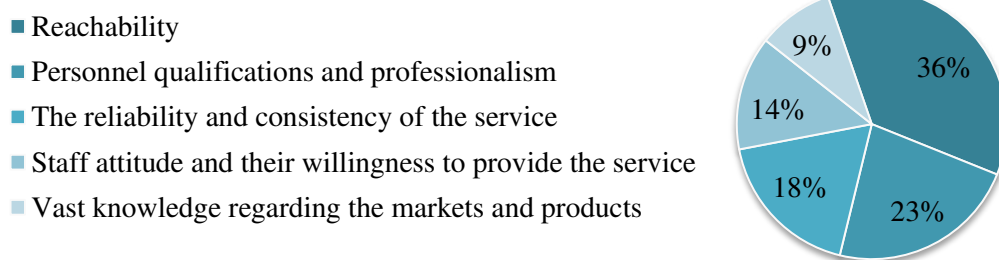


Figure 11. The characteristic of the personnel with the biggest impact on satisfaction.

36 % of the respondents chose reachability as the most important feature of the personnel. The customers feel that it is important to be able to reach the supplier in case of any problems or questions regarding prices, product availability, delivery times, and so on. Two respondents said that if they are unable to contact the supplier, there will not be a sale, and that in the worst case they would contact the competitor. Another respondent said that ‘a seasonal branch requires rapid reacting’ and another referred to the fact that they have to keep the promises made to their customers (Gummesson 2002), meaning that it is essential that the supplier is reachable for product availability inquiries. Moreover, one of the respondents said

that reachability is the most important characteristic since orders are normally placed through phone and also possible problems are solved over the phone. The importance of the personnel's reachability was emphasized in the previous question as well.

23 % of the respondents felt that a qualified and professional personnel was the most important factor in terms of their satisfaction. The main reason was identified to be the reduced sacrifices in terms of time and effort (Petrick 2002, 123); one respondent said that knowledge about the products is essential, as 'sending out wrong products does not benefit anyone'. One respondent pointed out that a qualified and professional personnel facilitates the retailer's job, as they can be sure that the information obtained is correct and that the products are suitable for the specified use. Therefore, a qualified and professional personnel reduces the customers' perceived sacrifices and increases the total value of the relationship. Having a vast knowledge of the markets and products is also connected to the qualifications of the staff, and it was chosen by two customers. One of them specified that it is important as it enables them to contact the supplier for advice and assistance regarding the markets and products.

Four respondents perceived the reliability and consistency of the service to be the single most important factor in terms of their satisfaction, and one of them specified that it ensures that everything goes smoothly and no mistakes occur (Grönroos 2007). Moreover, the reliability and consistency of the service reduces the perceived sacrifice, as the customer can be sure that the orders will arrive on time, the invoicing is correct, and so on. Three respondents chose staff attitude and willingness to provide the service as the most important factor in terms of their satisfaction. One respondent said that if the personnel's attitude is good and they are willing to provide the service, it is very likely that they would use their services in the future as well. Therefore, the personnel should not only be experts in their field who are easily reached and who provide a reliable and consistent service, but

they should also be willing to serve the customer and ensure a good experience in each service encounter (Parasuraman *et al.* 1985; Grönroos 2007).

4. Choosing a supplier based solely on the personnel

50 % of the respondents would not choose a supplier based solely on the personnel, 36 % would, and 14 % cannot say. Furthermore, 20 % of the respondents who would not choose a supplier based solely on the product range would, however, do so based only on the personnel. Moreover, 71 % of the respondents who would choose a supplier based only on the product range would also do so based only on the personnel, meaning that these respondents take both the personnel and the product range into consideration and that they are equally important. In addition, the respondents who answered 'cannot say' are respondents who would not choose a supplier based only on the product range, indicating that the personnel might have a bigger effect on the choice of the supplier, however, it is not the only factor affecting the choice.

Satisfaction

1. The factors with the biggest influence on satisfaction

The respondents were asked to list the main factors with the biggest impact on their satisfaction to get a better picture how to increase satisfaction. The responses also communicate the respondents' expectations as satisfaction requires fulfilment of customer expectations (Parasuraman *et al.* 1988). The responses included a lot of similarities and some of the responses were more comprehensive than others. Factors connected to services and service quality were mentioned in 91 % of the responses, of which 20 % included only service characteristics. The impact of good service quality on satisfaction is therefore significant, however, as the majority of the responses (80%) included also other factors related to products and pricing, a conclusion can be made that it is the totality of the services, products, and pricing that has the biggest impact on the customers' satisfaction, and thereby the customer perceived value (Storbacka *et al.* 1994).

2. Likelihood of certain behavioral outcomes in connection to satisfaction

The respondents were asked to rate the likelihood (1=very unlikely, 2=rather unlikely, 3=neutral, 4=quite likely, 5=very likely) of certain behavioral outcomes in connection to satisfaction. The behavioral outcomes are listed in **Table 8** according to the mean value, and the mode of each point is provided as well.

Table 8. Behavioral outcomes connected to satisfaction and their likelihood.

Behavioral outcomes:	mean	mode
Expecting the business relationship with this supplier to continue for a long time	4.77	5
Telling positive things about the supplier to other companies	4.73	5
Recommending the supplier to other companies	4.68	5
Continuing doing business with the supplier even if prices were to slightly increase	4.68	4
Perceiving the continuation of the business relationship important	4.68	5
Maintaining the business relationship with the supplier	4.68	5
Encouraging other companies to use the supplier's services	4.64	5
Doing more business with the supplier in the upcoming years	4.45	5
Using the supplier as a comparison standard	3.95	4

The behavioral outcomes with the highest mean value included expecting the business relationship to continue for a long time; satisfaction increases the customer's willingness to continue the relationship (Stauss & Neuhaus 1997, 238), and telling positive things about the supplier to other companies; satisfaction also increases the customer's willingness to provide positive word-of-mouth (Ravald & Grönroos 1996; Liljander & Strandvik 1995). 68 % of the respondents are very likely to recommend the company to others when they are satisfied and 27 % are quite likely to do so. 68 % of the respondents said that it is very likely that they would perceive the continuation of the relationship to be important and the remaining 32 % quite likely. The behavioral outcome with the biggest standard deviation (0.76) was continuing doing business with the supplier even if prices were

to slightly increase. However, only one respondent said that it is rather unlikely that they would continue the relationship, if the prices were to slightly increase. Three respondents chose neutral, indicating that if the supplier is perceived to provide value despite the increase in prices, it is likely that they would continue the relationship, whereas if the service was not that good to begin with, switching suppliers would be probable. All in all, the responses indicate that satisfaction has a substantial impact on the customers' willingness to continue the relationship and it increases the probability of positive word-of-mouth and referrals (see Anderson & Sullivan 1993; Ravald & Grönroos 1996; Liljander & Strandvik 1995).

3. The accuracy of certain behavioral outcomes in connection to dissatisfaction

The respondents were asked to rate the accuracy (1=completely inaccurate, 2=somewhat inaccurate, 3=not accurate nor inaccurate, 4=somewhat accurate, 5=completely accurate) of certain statements regarding behavioral outcomes connected to dissatisfaction. The behavioral outcomes are listed in **Table 9** according to the mean value, and the most frequent answer is also shown.

Table 9. Behavioral outcomes connected to dissatisfaction and their likelihood.

Behavioral outcome:	mean	mode
Switching suppliers would seem worthwhile	3.00	1
I would not recommend the supplier to other companies	2.91	1
I would not do more business with the supplier in the future	2.86	4
I would not perceive the continuation of the business relationship important	2.86	1
I would not encourage other companies to use the supplier's services	2.82	1
I would tell negative things about the supplier to other companies	2.18	1

In contrast to the previous question, there was a lot of variance between the answers and the average standard deviation was 1.5. The minimum of each behavioral outcome was 1 and the maximum 5. As many as five respondents answered 'completely inaccurate' to each question, which does not correspond to the theoretical part; according to the theory, dissatisfaction decreases the customer's will-

ingness to continue the business relationship (Stauss & Neuhaus 1997, 241). However, these respondents who answered 'completely inaccurate' to each point, stated in the following question that satisfaction is either 'essential' or 'very important' for the continuation of the relationship, making it questionable whether they have correctly understood the rating system.

46 % of the respondents would perceive switching suppliers to be worthwhile if they were dissatisfied with their current supplier. 64 % of the respondents would not engage in negative word-of-mouth even if they were dissatisfied, and three respondents stated that they would tell negative things about the supplier to other companies. Although not many of the respondents admitted that they would engage in negative word-of-mouth, the supplier should still ensure not to give a reason for negative word-of-mouth.

4. Whether satisfaction is a prerequisite for the continuation of a business relationship

All of the responses imply that satisfaction is a prerequisite for the continuation of a business relationship (see Athanasopoulou 2009), and one respondent specified that 'normally bad suppliers get eliminated'. Two respondents underlined the importance of the supplier's overall performance and the totality.

5. Biggest impact on satisfaction

The respondents were asked to choose which of the following factors have the biggest impact on their satisfaction: the versatility of the product range, the quality of the products, personalized and reliable service, or better products and services for the price-quality ratio. Although it has become evident in the previous questions that all of them are important for the customers, they were allowed to select only one of the alternatives to see which could be identified their value driver (Walters & Lancaster 1999, 700). The distribution of the responses is shown in **Figure 12**.

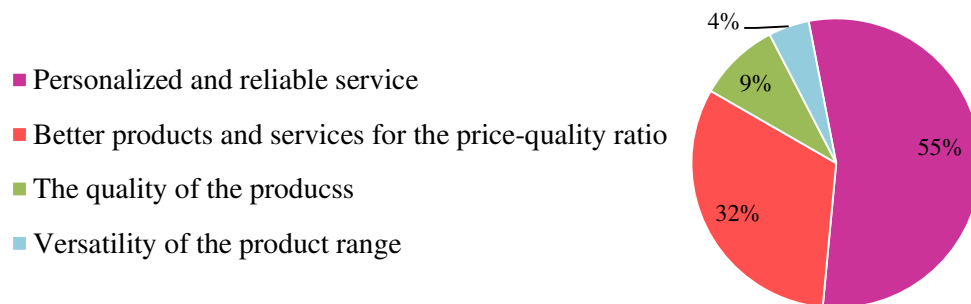


Figure 12. Biggest perceived impact on satisfaction.

Even though the versatility of the product range came off as highly important in the previous sections, only one respondent chose it as the most important factor. Also product quality was mentioned frequently in the previous questions regarding satisfaction and what affects it, however, only two respondents selected product quality as the single most important factor affecting their satisfaction. Better products and services for the price-quality ratio was chosen as the most important factor by 32 % of the respondents, indicating that value does play a big role in customer satisfaction.

The majority of the customers rated personalized and reliable service as the most important, which underlines the importance of service quality and its ability to fulfil customer's individual needs (Parasuraman *et al.* 1985, 47). Personalized service refers to succeeding in fulfilling the customer's expectations and needs, which has a big impact on satisfaction, and reliable service refers to the customer not having to worry if the order is going to be invoiced correctly, whether the delivery will arrive on time, or whether the supplier sends out the correct product, all of which reduce customer perceived sacrifices (Kotler & Keller 2012; Petrick 2002, 123; Ravald & Grönroos 1996, 24; Grönroos 2007).

All in all, although product quality and variety have been frequently mentioned in the previous sections as an important factor in choosing a supplier as well as in terms of the customers' satisfaction, the majority of the respondents perceive that the functional quality dimension (Grönroos 2007) has a bigger impact on their satisfaction, and the case company should focus on providing better that are adapted

to the customer's needs (Gwinner *et al.* 1998). Moreover, the best way to add more value to the core product is by improving the company's service quality and including supporting services (Ravald & Grönroos 1996, 19).

8.3 Part 2: Teo Lehtimäki Ltd.

This section includes similar questions to the first part, but they are asked in the case company's context. The aim of the previous part was to gain an understanding of what customers expect and require in a supplier, which features of a service, product or personnel do they value over others, and the answers are compared to the customers' evaluations of Teo Lehtimäki Ltd's performance. Moreover, as the customers were divided into different groups, their answers will be compared in this section to see if there is any difference between for example a customer who has been with the company for over 20 years and a customer of less than 10 years.

Teo Lehtimäki Ltd.'s performance & relationship value

1. Evaluation of the performance in the last service encounter

The respondents were asked to select which of the seven statements, shown in **Figure 13**, describe the last service encounter with Teo Lehtimäki Ltd. Two alternatives are not shown at all as none of the respondents perceived the service to have been bad or not meet their expectations. The distribution and frequency of the responses can be seen in **Figure 13**.

- My experience was as good as it was supposed to be
- The service was of very good quality
- The service was excellent
- The service met my expectations
- The service was good quality right the first time

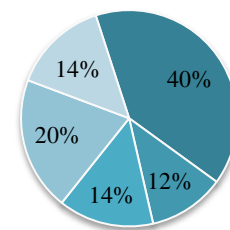


Figure 13. Teo Lehtimäki Ltd.'s performance in the last service encounter.

All of the respondents perceived good service quality in the last service encounter, and five respondents regarded it as excellent. All in all, the respondents felt like

their expectations were fulfilled and the service quality was acceptable but for the majority it did not exceed their expectations.

2. Describing Teo Lehtimäki Ltd.'s product and service quality

The product and service quality was mainly described as good or excellent, and one respondent described it as above average. One respondent said that, during the five years of cooperation with Teo Lehtimäki Ltd., there has not been a situation where they have been disappointed. Two respondents mentioned the professionalism of the personnel and one respondent specifically pointed out that the Kauhajoki office provides an excellent service. Eight respondents mentioned the good price-quality ratio of the products and services, indicating that the products and services provide value for the customers (Zeithaml 1988, 10).

Although the majority of the respondents said that the products are of good or excellent quality, one respondent pointed out that some of the products are not very durable, and as the durability of the products had an average of 4.55, Teo Lehtimäki Ltd. could look into replacing the products that are not very durable with a better alternative, if possible. However, a customer of 15 years said that the service quality has always been good, and that the product quality is what is advertised, indicating that although there might be products that are less durable or of lesser quality than others, the company does not make empty promises, which is important in terms of fulfilling expectations (Grönroos 2007). One respondent said that the product variety should be expanded, whereas another respondent said that it corresponds to their customers' needs from all over Finland, and another respondent said that Teo Lehtimäki Ltd. offers products that are not available anywhere else, which confirms the fact that different customers have different needs.

All of the customers were happy with the provided service but were hoping that the company would reduce the non-monetary sacrifices by updating their electronic services to the competitors' levels, mainly referring to the extranet -feature which allows customers to view information regarding product availability, con-

tract prices of the products, and so on, and also enables placing orders online. Currently the main source of information is via phone or email as the company's website does not include information about product availability or prices, and orders are also placed through either phone or email. Including this extranet -feature to the company's offerings would not only reduce the customers' perceived sacrifice (Kotler & Keller 2012; Petrick 2002, 123), as they have to always call and check for availability or for placing an order, but also facilitate Teo Lehtimäki Ltd.'s operations as it would reduce the phone traffic significantly. Therefore, acquiring the extranet -feature is something the company should seriously consider doing, as it would benefit both the customer and the company itself.

3. Teo Lehtimäki Ltd.'s ability to fulfil expectations

The respondents were asked to rate Teo Lehtimäki Ltd.'s ability to fulfil their expectations on a scale from one to five, one being extremely poorly and five extremely well. The average was 4.59, with a minimum of 4, and a mode of 5 indicating that the customers perceive that Teo Lehtimäki Ltd. is generally able to fulfil their expectations. 59 % of the respondents perceive that the company succeeds excellently in fulfilling their expectations, and the remaining 41 % that the company is able to fulfil their expectations 'quite well'. Consequently, although the overall service and product quality is regarded as good, 41 % of the respondents perceive that there is still room for improvement.

4. Describing the business relationship with Teo Lehtimäki Ltd.

The relationship with Teo Lehtimäki Ltd. was mainly described as good, indicating that the relationship value is perceived to be good (Grönroos 2007). One respondent said that Teo Lehtimäki Ltd. provides a flexible service and offers quality products, which is why they have been a customer for 16 years now. Teo Lehtimäki Ltd.'s flexible service was mentioned in two other responses as well, which was also identified as a value driver in the first part of the questionnaire, alongside with providing a fast service, and the speed of the company's deliveries

was mentioned as a value driver in four responses. Three respondents said that Teo Lehtimäki Ltd.'s expertise is outstanding and the main reason for choosing them instead of the competitors. The importance of the personnel's expertise was also emphasized in the questions of the first section regarding choice of supplier and satisfaction, and the ability to provide technical advice was identified as the most important criteria in a supplier by 27 % of the respondents (Walters & Lancaster 1999, 700).

A customer of 15 years said that Teo Lehtimäki Ltd. provides products that other importers do not have and that the quality of the products is good, especially the repaired crankshafts and cylinders, and underlined that the provided service has always been friendly and good. One respondent specified that the reason why they chose Teo Lehtimäki Ltd. is the fact that the company's product range fits their needs perfectly (see Levitt 1980). Creating a competitive advantage is important for a company's success, and providing exclusive products is one way to create it (Menon *et al.* 2005, 4–7; Hutt & Speh 216).

Another way to create a competitive advantage is by providing personalized, better services, which was also mentioned in some responses. For example, two respondents described the relationship as close and personal, and said that the provided service is excellent. A customer of seven years described Teo Lehtimäki Ltd. as a 'reliable partner', indicating that the relationship itself might have a major effect on the total customer perceived value (Ravald & Grönroos 1996, 23). A customer of 21 years said that the relationship is stable, and pointed out that the service quality has improved over the years. A customer of 20 years said that they are satisfied with the service as all the deliveries arrive on time, complaints are dealt with quickly, and also mentioned that they have received additional, extra services as well (see Jones & Sasser 1995, 90). Also another respondent mentioned the extra services provided by Teo Lehtimäki Ltd., by mentioning that the personal company visits that aim in promoting new products provide them with additional value (Grönroos 2007).

5. Perceived value of the business relationship

All of the respondents state that the relationship with Teo Lehtimäki Ltd. provides value for them.

6. Teo Lehtimäki Ltd.'s performance in comparison with other suppliers

The customers were asked to rate their level of agreement (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree) of 12 statements that required them to compare Teo Lehtimäki Ltd. to other suppliers. In part one, the same statements were rated according to their importance (1=not at all important, 2=not very important, 3=neutral, 4=quite important, 5=very important) in choosing a supplier, which is used as a reference point for the desired performance. The importance in choosing a supplier and Teo Lehtimäki Ltd.'s perceived performance is illustrated in **Figure 14**.

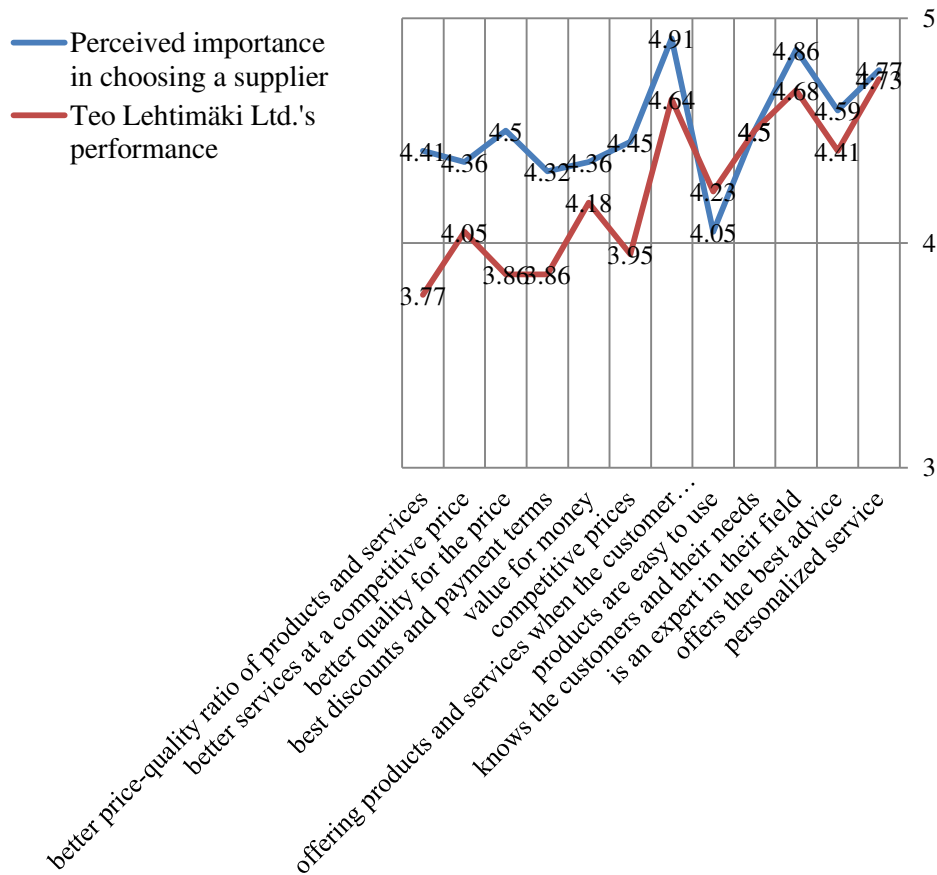


Figure 14. Teo Lehtimäki Ltd.'s performance in comparison with desired value.

The first six questions measure the importance of value for money; to what extent do the customers agree that Teo Lehtimäki Ltd. offers products and services with a better price-quality ratio, better services at a competitive price, better quality for the price, the best discounts and payment terms, value for money, and competitive prices. In general, Teo Lehtimäki Ltd. is perceived to offer value for money, however, some respondents point out that the competitors offer the same core products and might offer certain products for a lower price, but say that it depends greatly on the product in question. According to part one, offering better products and services for the price-quality ratio has the biggest impact on 32 % of the respondents' satisfaction. Moreover, 37 % of the respondents regarded providing value for money as the most important criteria in a supplier. Although the majority of

the respondents agree that Teo Lehtimäki Ltd. provides value for money with better quality, some respondents are not completely satisfied with the price-quality ratio, but also point out that it depends on the order and product in question. The distribution of responses is illustrated in **Figure 15**.

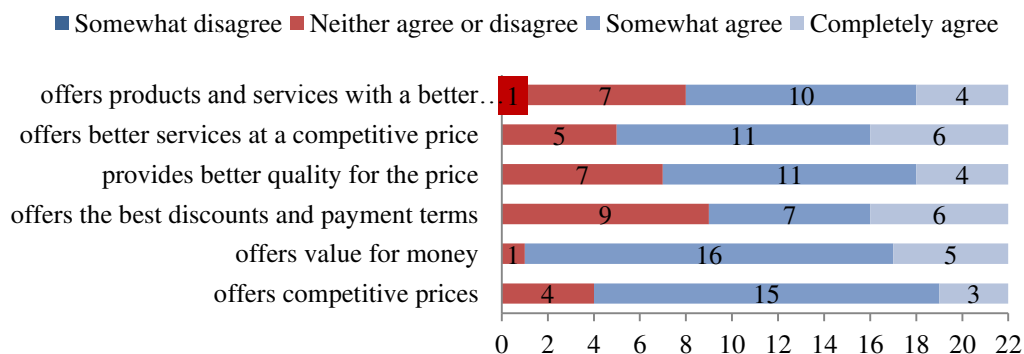


Figure 15. Teo Lehtimäki Ltd. and value for money: level of agreement.

Nevertheless, in a situation where the competitors have identical core products, the key to gaining a competitive advantage is in adding value by providing better supporting services (Grönroos 2007, 1–5; Leventhal 2006, 431), therefore, rather than reducing the customers' monetary sacrifice, the company should focus on delivering a better service than the competitors to add value for the customers. Questions 7–12 measure the perceived benefits of the products and services; to what extent do the customers agree that Teo Lehtimäki Ltd. is able to offer products and services when the customer needs them, offers products that are easy to use, knows the customers and their needs, is an expert in their field, offers the best advice, and offers a personalized service. The level of agreement was significantly better in comparison with the statements measuring value for money. Offering personalized services yielded the highest average (4.73), which was also regarded to have the biggest impact on the customer's satisfaction in part one by 55% of the respondents, and offering products that are easy to use the lowest (4.23), which was also the least important of the statements in choosing a supplier. Moreover, the performance also fulfills better the desired service defined in part one, as the values are closely clustered to the value representing their importance. The

average of each statement was above 4, meaning that the respondents agree that Teo Lehtimäki Ltd. succeeds in providing value for the customers with their services. Apart from three responses, all the statements were either completely or somewhat agreed with. 73 % of the respondents completely agree that Teo Lehtimäki Ltd. is an expert in their field, and only one respondent neither agree or disagree, and the rest of the respondents somewhat agree, indicating that the majority of the respondents perceive the personnel's expertise to be better than the competitors'. Offering the best advice compared to other suppliers was perceived to be completely accurate by half of the respondents, nine respondents said it to be somewhat accurate, and two customers neither agreed nor disagreed. Apart from offering products that are easy to use, the most frequent answer (mode) to the statements was 'completely agree', indicating that the company knows their customers, succeeds in providing personalized services, and offers valuable advice as they are regarded as experts in the snowmobile spare part field. The distribution of the responses can be seen in **Figure 16**.

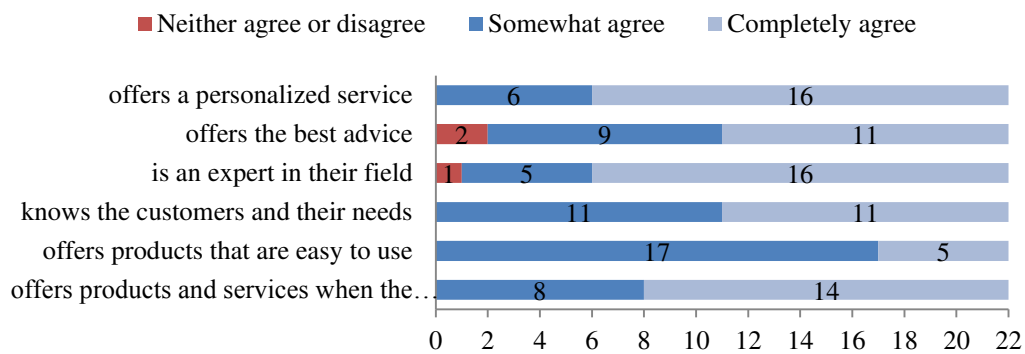


Figure 16. Perceived benefits of Teo Lehtimäki Ltd.'s offerings: level of agreement.

Teo Lehtimäki Ltd.'s products

1. Teo Lehtimäki Ltd.'s products

The respondents were asked to rate their level of agreement (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree) of different product-related statements. The distribution of the opinions is illustrated in **Figure 17**.

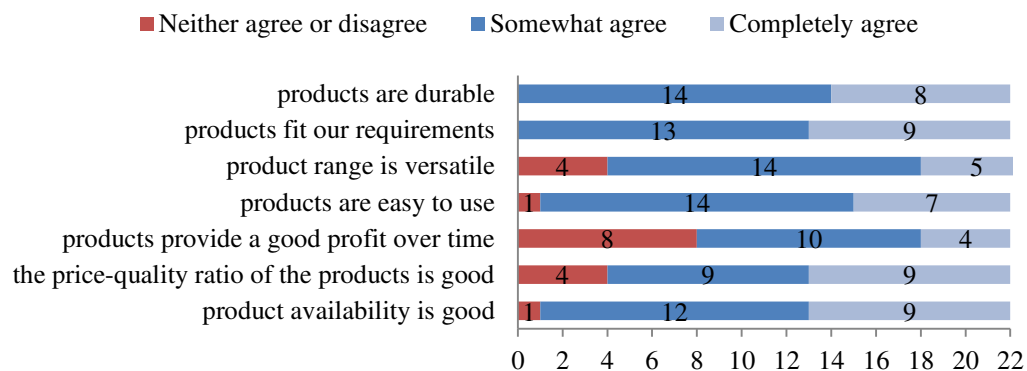


Figure 17. Teo Lehtimäki Ltd.'s product features: level of agreement.

According to the responses in part one, the most important features connected to the products were the availability of the products, that they fit the customer's requirements, and that the product quality is good. According to the responses, Teo Lehtimäki Ltd. can be assumed to have good product availability most of the time, however, 13 respondents indicate that there might be some room for improvement. The products are also viewed to fit their requirements, indicating that Teo Lehtimäki Ltd.'s product range is fulfils the customers' needs, but on the other hand, there might also be something missing from the product range as 18 % do not agree or disagree that the product range is versatile and 64 % agree only to some extent – the issue is assessed in the following question. Durability can be seen as a quality feature of snowmobile spare parts, and 36 % of the respondents completely agree that Teo Lehtimäki Ltd.'s products are durable and the rest somewhat agree, indicating that some products might be more durable than others.

The majority of the respondents agree that the products are of good quality, the product range is versatile, and the product availability is good. However, not all of the respondents agree that the products provide value for money, which was also indicated in the previous questions. 25 % of the respondents who neither agree nor disagree that the products provide a good profit over time, indicated in part one that the profits are an important factor in choosing a supplier.

2. Possible shortcomings in Teo Lehtimäki Ltd.'s product range

55 % of the respondents did not perceive that anything was missing from Teo Lehtimäki Ltd.'s product range, including one respondent who neither agreed nor disagreed that the product range is versatile, indicating that it is versatile enough as no suggestions were given. The remaining 45 % of the respondents said that the product range could be more versatile. Their suggestions included adding drive belts to the product range, investing in better quality ski runners, extending to ATV spare parts, adding more electric parts to the product range, and increasing the variety of spare parts for new snowmobile models. One respondent also mentioned that there is an increasing demand for reasonably priced exhaust systems, namely power pipes, and that the company should invest in those.

As a good product range can be seen as a benefit that can have a decreasing effect on total perceived sacrifices (see Monroe 1991; Ravald & Grönroos 1996, 21), the company could increase differentiation and increase the perceived value of their offerings by expanding the product range according to customer suggestions. Moreover, as listening to the customer was mentioned by 36 % of the respondents when they were asked to describe good service personnel in part one, the company should take their suggestions regarding the product range into consideration. Furthermore, the supplier's ability to update their inventory according to demand was also mentioned in the other questions regarding the factors that affect the choice of supplier. By adding the requested spare parts into their product range, the company is able to provide better value for them and succeed better in fulfilling their needs (Ravald & Grönroos 1996, 19).

Teo Lehtimäki Ltd.'s service quality

1. Teo Lehtimäki Ltd.'s service quality

Every respondent said that Teo Lehtimäki Ltd.'s service is good and the reason varied from the personnel's friendliness to their expertise. One respondent said that the quality of the service is not only good but excellent and that there has not been one negative event during their history of six years. Three respondents said that the company's expertise and reachability makes a difference. One respondent said that the overall service quality can be regarded as high, but that their electronic services require updating.

2. Teo Lehtimäki Ltd.'s performance and service quality

The respondents were asked to rate their level of agreement (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree) on different statements measuring their performance and service quality as well as indicate the reason for their response if they answered 1, 2, or 3. The average level of agreement ranges from 4.23 to 4.56, which implies that the majority of the respondents feel that the company's performance and service quality is good. However, a few improvement areas can be identified from the responses as well. The major findings of are presented.

Based on the average (above 4.50) and the most frequent answer being 'strongly agree' (=5), the areas the company is currently doing well in include their ability to understand and respond to customers' needs, provide a quality service, consistently fulfil the promised delivery dates of orders, and provide useful technical advice, which all add value to their offerings. Moreover, based on the average (4.64), standard deviation (0.49), and the most frequent answer (5), the company is currently excelling in providing fast deliveries and a fast and flexible service, which is also what their business is built on according to the company's website. The importance of fast and on-time deliveries was also mentioned by 41 % of the

respondents when they were asked to describe characteristics of good service in part one.

According to the most frequent answer, the majority of the respondents perceive that the company stands out for their expertise and the ability to provide systematic solutions to the customers' problems, and also responds fairly quickly and comprehensively to complaints. The majority of the respondents perceive Teo Lehtimäki Ltd.'s invoicing to be correct and reliable, however, according to four respondents there is room for improvement in the company's invoicing, as the invoices sometimes arrive late and occasionally include errors. Since the sample size is fairly small, the company should pay more attention to their invoicing and ensure that the information is correct, as there might be other customers in the total population who encounter the same problem.

3. Teo Lehtimäki Ltd.'s ability to fulfil expectations in terms of service quality

46 % of the respondents state that Teo Lehtimäki Ltd. has been able to fulfil their expectations well. 41 % of the respondents say that Teo Lehtimäki Ltd. has been able to fulfil their expectations regarding the service quality extremely well, as they used phrases such as 'perfectly', '100%', 'always', 'the service quality is impeccable', 'we are extremely satisfied', 'very good quality, no need for complaints', and so on. Although all of the respondents regarded the service quality to be good in the first question, 14 % of the responses indicate that there is still room for improvement, as they said that the company has fulfilled their expectations 'reasonably', '99%' and 'fairly well'. Since the main factor affecting customer satisfaction is whether or not the expectations were fulfilled (Hutt & Speh 2010, 268), based on the responses, Teo Lehtimäki Ltd.'s customers' overall satisfaction level can be regarded as good.

4. Expectations that Teo Lehtimäki Ltd. has not been able to fulfil

73 % of the respondents said either that there has not been such a situation or that they cannot think of one. Five of the six respondents that did have expectations

that are not fulfilled said that the extranet -feature is the main thing that is missing from the company's offerings, and that other electronic services require updating as well. One respondent mentioned that Rovaniemi often sends wrong products, indicating that the Rovaniemi office should pay more attention to order handling.

5. Improvement suggestions in connection Teo Lehtimäki Ltd.'s service

59 % of the respondents did not have any improvement suggestions regarding the company's service, and the remaining 41 % pointed out that the electronic services could be updated, the accuracy of order processing should be improved, and the reachability could be better.

The main area of improvement is in the company's electronic services as it was mentioned by 78 % of the respondents who had improvement suggestions. They said that acquiring the extranet -feature, which has been previously mentioned on several occasions, would facilitate and speed up the ordering process as product availability could be checked online. Currently all inquiries and orders are placed either through phone or email, and as two respondents said that there is room for improvement in Teo Lehtimäki Ltd.'s reachability, introducing the extranet -feature would decrease the perceived sacrifices, as the customers could check product availability and place orders without having to call the company and possibly wait in line or wait for them to call back. Therefore, the extranet -feature would increase the total perceived value of the company's offerings, and as it would decrease the phone traffic, it would be a mutually beneficial investment.

In addition to the extranet -feature and better reachability, one respondent – the same respondent who indicated in the previous question that they have received wrong products on several occasions – pointed out that Rovaniemi should improve the accuracy of order processing, as the customers also have a responsibility to deliver the products to their customer on time, and if the delivered product is not correct, it has a negative effect on the customer's customer as well, as they have to wait longer for the correct part (Gummesson 2002, 79).

6. Frequency of using Teo Lehtimäki Ltd. 's website

83 % of the respondents use the company's website at least on monthly basis. Part one identified which respondents perceive the website to be an important part of a company's service offering and the frequency of using Teo Lehtimäki Ltd.'s website is illustrated in **Figure 18** with the perceived importance.

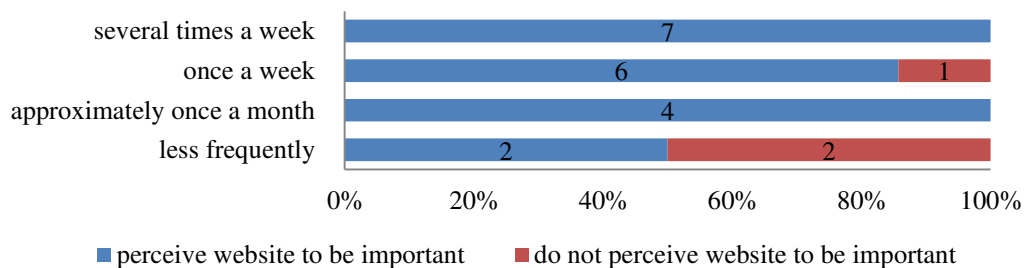


Figure 18. Website usage frequency and importance of website

Two respondents who perceive the website to be an important part of a company's offerings use Teo Lehtimäki Ltd.'s website less frequently than once a month, which might mean that the website does not offer them additional value or fulfil their needs. On the other hand, one respondent who did not view website to be an important part of a company's offerings, uses Teo Lehtimäki Ltd.'s website once a week, which can mean that they find it to add value to the offerings. The next question seeks to find out the underlying reason for website usage and possible improvement areas.

7. Describing Teo Lehtimäki Ltd. 's website

The majority of the respondents say that they are not satisfied with the website and that improvements should be made. The main criticism assesses the outdated layout; four respondents point out that the website is outdated and should be updated to correspond to the current standard. Also the clarity of the website shares opinions; five respondents perceive that the website is clear and easy to use whereas three respondents think that they are incoherent and confusing. Three re-

spondents say that the website is useful as soon as they got the hang of it but state that the layout could be clearer. One respondent point out that the product catalogue is easier to use for checking the product variety. On the other hand, the respondents seem to be very satisfied with the content, which they describe as comprehensive, and point out that the website includes a lot of valuable information including technical advice, useful installation instructions, and recommendations on how to use the spare parts, which is a redeeming quality. One respondent pointed out that the websites are also useful for their customers, as they can explore the product range before placing an order and find useful information regarding installation. However, the respondents also mention the missing extranet -feature, which would provide added value for the customers. They list features of extranet that would increase the perceived benefits; the ability to check product availability online, search for spare parts by snowmobile model, check prices, as well as place orders. Moreover, one respondent says that introducing a feature that enables the customer to find a substituting product for a spare part with the original product number would be an excellent addition.

86 % of the respondents perceive that the company's website are an important part of the service offering and can provide additional value to the customers (see Hutt & Speh 2010, 216), and therefore, in order to increase the usefulness of the website, the layout should be updated and improved to correspond to customers' requirements. Moreover, also introducing the extranet -feature would significantly increase the usefulness of the website and by making the requested improvements, the company's website would increase the effectiveness and usability of the offerings (see Jones & Sasser 1995, 90).

8. The importance of a paper copy of Teo Lehtimäki Ltd.'s annual product catalogue

According to the responses, the paper version of the company's annual product catalogue provides added value for the customers and is perceived to be an important part of the company's service offering by the majority of the respondents.

The distribution of the level of importance of receiving a paper copy of the catalogue is illustrated in **Figure 19**.

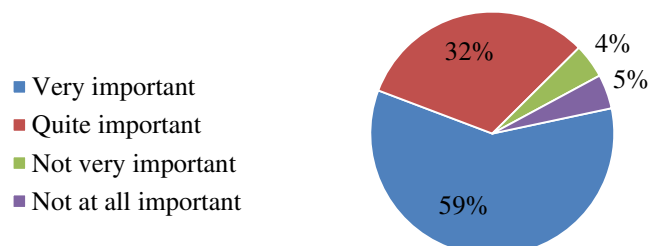


Figure 19. Importance of a paper copy of the product catalogue.

9. Only an online product catalogue

82 % of the respondents do not think that an online catalogue alone would be enough. Four respondents, three of which said that receiving the paper version was quite important, state that an online catalogue would suffice.

10. Improvement suggestions regarding Teo Lehtimäki Ltd.'s product catalogue

The main improvement suggestions relate to the layout of the catalogue, including a clearer product catalogue and more product pictures. One respondent suggested that the layout and structure of the catalogue could be similar to the one of Duell Bike Center. The respondents also suggested what could be improved in terms of the content of the catalogue, including an alphabetical index, which would facilitate the use of the catalogue, and having the original product number visible in the catalogue to be able to compare products, and including the product's aptitude to the product information/description. The current catalogue does not include prices and several customers hoped that the suggested retail price would be added to the catalogue. By adding the requested features and making the suggested improvements, the usefulness of the catalogue can be increased, which also makes the use of the core solution more efficient or easy (see Jones & Sasser 1995, 90). On the other hand, one respondent pointed out that they are extremely satisfied that they

receive the product catalogue in Swedish as it provides them with added value (see Hutt & Speh 216), and did not offer any suggestions for improvement.

Teo Lehtimäki Ltd.'s personnel

1. Teo Lehtimäki Ltd.'s personnel in comparison with other suppliers

The respondents were asked to compare Teo Lehtimäki Ltd. to other suppliers and state their level of agreement (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree) regarding certain characteristics of the personnel. The distribution of opinions is shown in **Figure 20**.

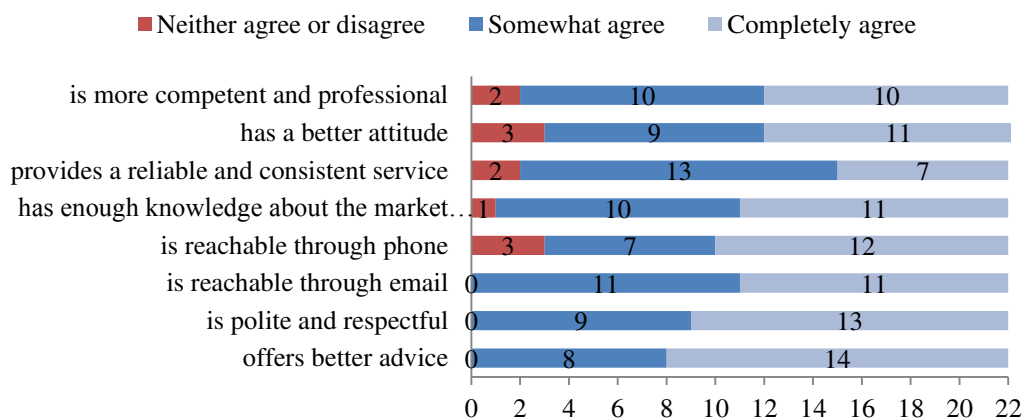


Figure 20. Characteristics of Teo Lehtimäki Ltd.'s personnel: level of agreement.

The overall performance of the personnel is good according to the responses. The majority of the respondents regard the personnel to be competent and professional, to have a better attitude, and to provide a reliable and consistent service, although a few respondents did not completely agree. The personnel is regarded to be polite and respectful and to offer better advice than other suppliers by the majority of the respondents. Moreover, the company seems to be more reachable through email than phone, which indicates that there is room for improvement in their reachability through phone. Respondents who neither agreed or disagreed indicated that the statements fit the Kauhajoki office better than Rovaniemi.

2. Describing Teo Lehtimäki Ltd.'s personnel

The respondents were asked to choose statements that they think describe Teo Lehtimäki Ltd.'s personnel. 91 % of the respondents stated that phone calls are responded to quickly or the customer is promptly called back. In the first part of the questionnaire, reachability was considered to have the biggest impact on satisfaction by 36 % of the respondents. 86 % of the respondents regarded the provided service as reliable and consistent, and 73 % felt that orders are delivered on time. Although the company was perceived to respond faster to emails, 54 % did not choose the alternative 'emails are responded to promptly' in this question, meaning that also the reachability through email could be improved. 41 % of the respondents contact the company for technical advice, indicating that the personnel is viewed as experts in their field. 32 % of the respondents perceive that customers are kept up to date about important issues. One respondent previously suggested that the company could send a newsletter once or twice a year informing about new products and any possible changes in the company's operations, which would be a good idea as the majority of the respondents did not choose the alternative to describe Teo Lehtimäki Ltd.

3. Improvements in terms of personnel performance

Most of the respondents did not have any improvement suggestions. Two respondents pointed out that Rovaniemi requires a little bit of training and technical advice. One respondent, who chose Rovaniemi as their contact office, said that the reachability is not very good during the high season, and suggested that the problem could be fixed by introducing the extranet -feature. Another respondent also mentioned that increasing the amount of the company's electronic services would decrease the amount of phone calls. A third respondent also said that Rovaniemi should improve their reachability.

4. Difference among offices

77 % of the total sample has been in contact with both offices, 47 % of which have noticed a difference in their performance. Eight respondents perceived that there are differences in the reachability of the different offices, and specified that Kauhajoki is more reachable and answers better to phone calls. On the contrary, nine respondents had not noticed a difference. Four respondents had noticed a difference in the willingness to provide the service, specifying that the Kauhajoki office seems to be more willing to provide the service than Rovaniemi, whereas 13 had not. According to four respondents, also the reliability and consistency of the service differs depending on the office, and Rovaniemi's deliveries tend to contain more defects and deficiencies. Five respondents state that they have perceived a difference in personnel qualifications and that Kauhajoki is more competent. All in all, the respondents who perceive that there is a difference in the performances among the two offices perceive Kauhajoki office to succeed better. However, 53 % of the respondents who have been in contact with both offices have not noticed a difference in their performance.

5. Teo Lehtimäki Ltd.'s personnel's overall performance

The respondents were asked to rate the personnel's overall performance on a scale from 1 to 10, 1 being fail and 10 excellent. The average for the personnel's overall performance is 8.77 with a standard deviation of 0.75, meaning that the overall performance is perceived to be very good and the difference between responses was small. The most frequent answer was 9, which was answered by 12 respondents. Three respondents gave 10 out of 10 for the personnel's overall performance, six gave an 8, and one rated the overall performance as 7. Consequently, the majority of the respondents are satisfied with the personnel's overall performance, however, there seems to be room for improvement as well.

Teo Lehtimäki Ltd. & satisfaction

1. Situations where the customers have been extremely satisfied with the provided service

Situations where the customers have been extremely satisfied with the provided service include for example the company responding quickly to product inquiries, providing fast deliveries, offering useful technical advice, and being reachable. Three respondents, however, could not think of a particular situation.

The respondents mentioned extraordinary services that excel in meeting customer preferences or in solving their particular problems (Jones & Sasser 1995, 90). For instance, one respondent said that they are extremely satisfied that they have been able to pick up products during evenings and weekends, i.e. outside of the company's office hours. One respondent also mentioned that they are very satisfied that Vesa is reachable outside of the office hours as well. Flexibility in the opening hours and reachability makes the service easily accessible and therefore increases the total perceived quality (Parasuraman *et al.* 1985, 47). Other responses also indicate that the company generally responds fast to phone calls and emails.

One respondent points out two occasions when Teo Lehtimäki Ltd. has provided them with exceptional service; when the ordered products were personally delivered to their shop without extra cost, and on the other occasion the company had provided exceptional technical advice regarding a product they had ordered. Moreover, 32 % of the respondents mentioned situations where they have received exceptional advice regarding the suitability of the products, instalment, or other kind of technical advice, and pointed out that the company stands out for their expertise.

Fast deliveries seemed to be the main reason for satisfaction. For instance, one respondent said that they had ordered a track mat in the afternoon and were surprised as the product was delivered to them the next morning. Also another respondent mentioned a similar situation where they had ordered a product in the

morning and received it during the same day. They point out that not many suppliers are able to provide the same kind of service, indicating that Teo Lehtimäki Ltd.'s fast deliveries add value for the customers and differentiate them from the competition (Cox 2004; Walters & Lancaster 1999, 700). Moreover, several respondents say that the company generally provides fast deliveries.

On the other hand, one respondent mentioned a situation where they had ordered a product based on the information provided on the website and as the product was not suitable after all, the company replaced the product and paid for the expenses. Also another respondent said that in case they have had to return a product, it has always been easy and effortless, which indicates that Teo Lehtimäki Ltd.'s recovery process for fixing problems or bad experiences have a positive impact on satisfaction (Jones & Sasser 1995, 90).

2. Situations where the customers have not been satisfied with the provided service and how the situation was solved

77 % of the respondents had not experienced a situation where they have not been satisfied with the provided service. The remaining 23 % listed situations where they have not received correct products, delays in deliveries, and problems with reachability during high season. One respondent said that he ordered springs from the Rovaniemi office and they failed to deliver the right product three times, which led the customer to purchase from the competitor. It seems as if the situation was not fixed, which indicates that the Rovaniemi office should put more effort in improving their recovery systems. On the other hand, another customer of the Rovaniemi office also said that defective and incorrect deliveries have been the main reason for dissatisfaction, but that the situation has normally been fixed by the next day. Another complaint connected to deliveries includes the fact that sometimes the deliveries take longer than expected. One respondent said that reachability is not very good during high season and that the problem could be fixed by introducing the extranet -feature.

3. Satisfaction related to Teo Lehtimäki Ltd. 's overall performance

Three respondents said to be extremely satisfied with the company's overall performance, and specified that the main reason is the excellent service they provide as well as their expertise and vast knowledge of the market. 12 respondents are very satisfied (=9) with the overall performance due to the service and fast deliveries. Six respondents are satisfied (=8) and say that the totality is functional and the relationship has been good. One respondent is somewhat satisfied (=7) and said that Rovaniemi should improve their service. As a result, the overall satisfaction is good (average 8.77) but certain aspects of the service offering should be improved in order to reach a higher level of satisfaction.

4. Behavioral outcomes connected to satisfaction

The respondents were asked to choose behavioral outcomes that they perceive to be accurate in their case, revealing the customers' attitudes towards the company, the customers' expectations concerning the company's future performance capabilities, and the customers' willingness to continue the relationship (Stauss & Neuhaus 1997, 238). According to the responses, the respondents expect the relationship with Teo Lehtimäki Ltd. to last and regard the continuation to be important. The majority of the respondents state that they are very satisfied with the overall performance, and 68 % of the respondents will encourage other companies to use Teo Lehtimäki Ltd.'s services. The behavioral outcomes and the frequency of responses are illustrated in **Table 10**.

Table 10. Behavioral outcomes connected to Teo Lehtimäki Ltd.

Behavior:	Frequency
I expect the business relationship with Teo Lehtimäki Ltd. to last	22
I perceive the continuation of the business relationship to be important	19
I am very satisfied with Teo Lehtimäki Ltd.'s overall performance	16
I will encourage other companies to use Teo Lehtimäki Ltd.'s services	15
I will maintain the relationship with Teo Lehtimäki Ltd.	15
I will tell positive things about Teo Lehtimäki Ltd. to other companies	14
I highly recommend Teo Lehtimäki Ltd. to other companies	11
I will do more business with Teo Lehtimäki Ltd. in the coming years	10
I would continue doing business with Teo Lehtimäki Ltd. even if prices increased slightly	10
I compare other companies to Teo Lehtimäki Ltd.'s performance	8
None of the above	0

8.4 Summary and conclusions

The main findings of the research are presented in this chapter and the conclusions and suggestions for the case company are made. The research had four main research questions that the research aimed to answer, and they are addressed one-by-one.

1. What are quality and value as perceived by the key decision makers in the business relationship?

Customer perceptions regarding quality were identified by asking them to describe good service quality. Reachability and the consistency and reliability of the deliveries were the two most frequently mentioned determinants of service quality (Parasuraman et al. 1988, 46–47). In a business-to-business context, the most important feature of service quality was the supplier's ability to deliver products on time, as the customers have the responsibility to deliver them to their customers as promised (Gummesson 2002). Other definitions of quality included characteristics of the personnel such as their expertise and extensive knowledge regarding the

market and products, and thereby their ability as well as their willingness to provide technical advice if necessary (Parasuraman et al. 1988, 46–47). Good service quality was also described as taking the customer's individual needs and requests into account and providing a personalized service. Quality was also defined as 'zero defects – doing it right the first time' (Zeithaml 1988), or alternatively, as the ability to fix problems fast in case of service failures (Jones & Sasser 1995). In general, quality was defined as a good service that fulfils the customers' expectations and offers them added value.

Value was defined in terms of what factors affect the choice of supplier, since customers choose a supplier whose offerings enhance the customer perceived value (Walters & Lancaster 1999, 697). The majority of the respondents listed product variety and availability as the most important factors distinguishing the supplier from its competitors. Customers choose a supplier based on their ability to fulfil their needs (Levitt 1980), and having a good product variety that corresponds to customer needs and requirements as well as good availability of those products increases the total perceived value. Also the quality of the products was viewed important as it reduces the perceived sacrifices since the risk of having to put time and effort into filing complaints is reduced by ensuring good product quality (Zeithaml 1988). Perceived value also depends on the price of the offering and the respondents frequently mentioned a good price-quality or reasonably priced products as an important factor in choosing a supplier (Zeithaml 1988). Moreover, also features of service quality were mentioned in terms of the supplier's knowledge of the market and their ability to provide assistance and technical advice. Therefore, the best way to add more value to the core product is by improving the service quality and including supporting services (Ravald & Grönroos 1996, 19), without neglecting the importance of a good price-quality ratio of the products.

2. What kind of expectations and requirements do the customers have?

Generally, the customers expect to receive what was promised when was promised (Grönroos 2007), and the company is perceived to succeed in this well. The

customers' quality and value definitions also provide insight into what kind of expectations and requirements they have, indicating that customers generally expect to receive a good service, get the ordered products delivered on time, and to receive free customer service and technical advice when necessary.

Customers also listed different requirements regarding the offered services that would improve the company's future performance capability and add value to their offerings, and the main improvement suggestions that were mentioned in the responses included updating the company's electronic services to the competitors' level, mainly referring to the extranet -feature, as well as other communication materials, such as the product catalogue, and also a newsletter informing about new products and any possible changes in the company's operations was requested to be sent once or twice a year to keep the customers up-to-date about important matters. Other areas of improvement included invoicing accuracy and order handling. Moreover, the customers requested some additions to be made to the product variety in order to increase the total perceived value of the offering.

The main area of improvement is in the company's electronic services as it was mentioned by 78 % of the respondents who had improvement suggestions. They suggested that acquiring the extranet -feature, which was mentioned in several other context as well, would facilitate and speed up the ordering process as product availability could be checked online. Currently all inquiries and orders are placed either through phone or email, and as there was some criticism regarding the company's reachability during high season, introducing the extranet -feature would decrease the customer perceived sacrifices, as the customers could check product availability and place orders without having to call the company and possibly wait in line or wait for them to call back. Other benefits of the extranet -feature include the ability to search for spare parts by snowmobile model and to check prices. Also introducing a feature that enables the customer to find a substituting product for a spare part with the original product number was proposed as it would be an excellent addition that adds value to the offerings. Therefore, the ex-

tranet -feature would increase the total perceived value of the company's offerings and as it would also decrease the phone traffic, it would be a mutually beneficial investment.

Also the company's website was perceived to require some improvements and the main criticism assessed the outdated layout of the website and the customers pointed out that it should be updated to correspond to the current standard. Although the content of the website was describes as comprehensive and it was perceived to include a lot of valuable information including technical advice, installation instructions, and recommendations on how to use the spare parts, some respondents suggested that the layout should also be clearer so that website would be easier to use. As the company's website can be seen as a basic support service that increases the effectiveness and usability of the product or service (Jones & Sasser 1995, 90), the added value can be increased by improving the usefulness of the website according to the customers' suggestions.

Other communication materials, including the product catalogue, was also perceived to require improvements in order to maximize its added value. The customers hope for a clearer product catalogue with more product pictures and they suggested that the layout and structure of the catalogue could be similar to the one of Duell Bike Center. Distinct features of the catalogue that were mentioned included an alphabetical index, which would facilitate the use of the catalogue, also having the original product number visible in the catalogue was requested so that the customers would be able to compare products, and some customers suggested including the product's aptitude to the product description. Moreover, the current catalogue does not include prices and including the prices as well as the suggested retail price to the catalogue was requested by several customers. By adding the requested features and making the suggested improvements, the usefulness of the catalogue can be increased, which also makes the use of the core solution more efficient or easy (see Jones & Sasser 1995, 90).

Some responses also indicate that the company should improve their invoicing accuracy, as the invoices were said to sometimes arrive late and occasionally include errors. By improving their invoicing accuracy, unnecessary customer sacrifices are minimized and the total perceived quality thereby increased. Moreover, the results also imply that the Rovaniemi office should focus on improving the accuracy of their order handling and processing as they were perceived to send wrong products on several occasions, which also has a negative effect on the customer's customer, as also they have to wait longer for the correct part (Gummesson 2002, 79). Sending out correct products is regarded as the basic elements of the service that all competitors are expected to provide (Jones & Sasser 1995, 90), and it is essential that the situation is corrected.

Moreover, although the majority of the respondents regard the product quality to be good and even excellent, the results also indicate that some products are of lower quality, mainly referring to the durability of the products, therefore, Teo Lehtimäki Ltd. could look into replacing the products that are not very durable with a better alternative if possible, in order to increase the perceived value of their offerings. Customers also requested some additions to be made to the product range, including drive belts, investing in better quality ski runners, extending to ATV spare parts, adding more electric parts, and increasing the variety of spare parts for new snowmobile models. Also the increasing demand for reasonably priced exhaust systems, namely power pipes, was mentioned and the company could look into investing in those.

3. To what extent are the customers satisfied with the current service quality and how could the service quality be improved to fit customer requirements better?

The majority of the respondents are satisfied with the provided service and the company's overall performance was rated on average as 8.77/10. The standard deviation was 0.75, meaning that the difference between responses is not significant. In general, the customers are satisfied with the provided service quality, and have pointed out features such as the company's fast deliveries, the personnel's

expertise and willingness to provide the service, and their reachability. Although the customers were generally satisfied with the provided service, the results also brought up possible areas of improvement. According to the answers, the respondents are very satisfied with the service that the Kauhajoki office provides. However, respondents who expressed their dissatisfaction specified that the main reason is the difference in service quality between the two offices, and that the main areas of improvement for the Rovaniemi office would be in their reachability and willingness to provide the service as well as in their order and delivery management as the deliveries tend to contain more defects and deficiencies. Some suggested training for the Rovaniemi office so that their ability to provide technical advice would be updated to the Kauhajoki office's standard. Moreover, the company is generally perceived to be more reachable through email than phone, which indicates that the company's reachability through phone could be slightly improved.

4. What has the biggest impact on customer satisfaction?

According to the results, the totality of the services, products, and pricing has the biggest impact on the customers' satisfaction. The customers evaluate both the benefits and the sacrifices of the offerings, and mentioned also a few relationship benefits in their responses, such as confidence and special treatment (Gwinner et al. 1988, 101–114). Benefits that were perceived to have the biggest impact on satisfaction included good service quality, the reliability and consistency of the service, good product variety and the good price-quality ratio of those products, and most importantly, on-time deliveries. As the company's customers consist of retailers who have a responsibility to deliver the products to their customers on time (Gummesson 2002), the reliable and on-time deliveries seemed to have the biggest impact on their satisfaction. Moreover, the customers value a supplier who is able to provide a personalized service and has the ability to solve any problems the customer is facing. The ability to provide technical advice was identified as an important value driver and although Teo Lehtimäki Ltd. was already perceived to

provide good technical advice, by reinforcing it the value of their offerings can be increased (Walters & Lancaster 1999, 700). Some respondents mentioned sacrifices, including mostly the monetary sacrifice of the offerings as well as time and effort required from the customer's part when service failures occur (Kotler & Keller 2012; Petrick 2002, 123). Consequently, Teo Lehtimäki Ltd. can reinforce customer satisfaction by continuing to ensure that deliveries are sent on time, continuously improving their service quality in general to avoid any mistakes from happening, and striving to treat the customers as individuals and find solutions to their individual problems and needs.

9 RELIABILITY AND VALIDITY

As the research results should not be assumed to provide the ultimate truth, the reliability and validity issues of the research should be evaluated (Churchill & Iacobucci 2010, 7).

The reliability of a research refers to its ability to provide similar results if the research was repeated under similar conditions. Reliability is the consistency of the responses, and the less variability there is, the more reliable the measure is. (Bordens & Abbott 2011, 130; Burns & Bush 2001, 329.) There are several methods for assessing the reliability of a measure, such as test-retest, equivalent forms, and split-half. The idea behind the test-retest reliability is to repeat the same question later on, i.e. retest the same phenomena, and compare the responses. Equivalent forms reliability measures the reliability of the responses by using equivalent questions, meaning that the questions might have different wording but they measure the same phenomena, to see if the respondents answer them identically. Split-half reliability includes splitting the sample into half and comparing their responses among the two groups to ensure that they are consistent. (Burns & Bush 2001, 330–331.) The reliability assessment method used in this research was equivalent forms reliability, where similar questions were asked in the questionnaire to ensure that the respondents are consistent in their answers. For instance, ‘How well do you perceive Teo Lehtimäki Ltd. to fulfil your expectations?’ and ‘What kind of expectations has Teo Lehtimäki Ltd. not been able to fulfil?’ both measure whether the customers perceive that the company is able to fulfil their expectations but use different wording. Therefore, the responses should also be equivalent, meaning that if a respondent feels that Teo Lehtimäki Ltd. has been able to fulfil their expectations extremely well, there should not be expectations they have not fulfilled, and the other way around.

When assessing the validity of a research, normally two perspectives are taken into consideration: internal and external validity. Internal validity refers to the degree to which the research measured what it was designed to measure, and the re-

search is internally valid if it measured what it was supposed to, and external validity refers to the degree to which the research results can be generalized to a larger population. (Bordens & Abbott 2011, 114, 118, 133.) The aim of the conducted research was to measure the current customer satisfaction levels in connection with the provided service quality, and to reveal the customers' perceptions of the value of the services as well as the value of the entire business relationship. The results indicate that the research has internal validity since it measured what it was supposed to measure and the results provide an answer to all the research questions. The research has external validity as well and the results can be generalized to the entire population as the responses were consistent with each other and differences in the perceived service quality or satisfaction was minor.

Moreover, the validity of a research can be assessed by evaluating the accuracy of the measurement instrument used in the research. There are several different approaches, such as face, predictive, and convergent validity, for evaluating the validity of a measurement. (Burns & Bush 2001, 332.) Face validity refers to how well a measurement instrument appears to measure what it is supposed to measure. The face validity of a question is evaluated by its appearance, which is a subjective assessment made by the researcher and therefore it is also the weakest assessment method. (Bordens & Abbott 2011, 133; Burns & Bush 2001, 333.) Predictive validity is concerned with the extent to which a question predicts or relates to other questions, and whether it predicts another measure as is expected. For instance, a respondent who answers that it is very important to receive a paper copy of Teo Lehtimäki Ltd.'s annual product catalogue, should answer in the negative to the question that asks if a mere online product catalogue would suffice. If the (researcher's) logical predictions are supported by the findings, predictive validity has been established. Convergent validity is evaluated by using two different data collection methods to obtain the same information. For instance, if the results of the questionnaire were to be supported with a face-to-face interview, the research would have convergent validity. (Burns & Bush 2001, 333–334.)

10 SUGGESTIONS TO FUTURE RESEARCH

Since the aim of the research was to find out how customer satisfaction could be increased by providing better value for the customers, and the research results provide the case company the means to do so, a follow-up research could be conducted in the future in order to find out how well the company was able to implement the changes and to see if there is a difference in satisfaction levels.

Moreover, since the sample size was quite small and specific, the research aiming to find out the company's most valuable customers' perceptions of the offerings and the relationship in general, a wider research could be carried out in order to find out the actual percentage of the company's customers who are satisfied. The same questionnaire template could be used focusing mainly on part two that concentrates on Teo Lehtimäki Ltd.'s performance.

Furthermore, as only 9 % of the respondents were customers of the Rovaniemi office, a separate research using the same questionnaire template could be implemented with a sample consisting of solely Rovaniemi's customers. The research could provide more insight into how big of a percentage of their customers agree on the improvement areas that were identified in this research and would provide the office with a more comprehensive list of improvements. Moreover, as the Rovaniemi office was mainly brought up in the context of negative disconfirmation, a research with a bigger sample might also bring up features that they are currently excelling in.

And lastly, the company also exports its products to retailers in Sweden, Norway, Estonia, Russia, and the European Alps region, and it would be interesting to see what kind of differences international customers perceive in the service quality and the company's offerings. As the questionnaire is already translated into English, the necessary material for conducting the research is already prepared and therefore would not require as much resources as this study.

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APPENDIX 1

Teo Lehtimäki Oy:n asiakastyytyväisyys

Tutkimuksen tarkoitus

Tutkimuksen tarkoituksena on selvittää Teo Lehtimäki Oy:n asiakkaiden tyytyväisyystaso, sekä taustalla vaikuttavat seikat.

Kysely koostuu kahdesta osasta; ensimmäisessä osassa pyritään määrittelemään mitkä seikat vaikuttavat asiakkaan kokemaan laatuun ja arvoon yleisellä tasolla, ja toinen osa keskittyy selvittämään missä määrin Teo Lehtimäki Oy täyttää asiakkaiden odotukset sekä miten tyytyväisiä asiakkaat ovat palvelun laatuun ja siihen liittyviin seikkoihin.

Muutamien taustaseikkojen selvittämisestä huolimatta, vastaajien nimettömyyttä vaalitaan, eikä vastauksia luovuteta suoraan yritykselle.

Vastaajat jaetaan ryhmiin asiakassuhteen pituuden sekä ostotapahtumien määrän ja tiheyden perusteella. Parannusehdotukset välitetään eteenpäin sen mukaan, kumman toimipisteen kanssa ollaan pääosin tekemisissä.

Parhaan tuloksen saamiseksi tutkimus on monipuolinen ja laaja, mikä myös tarkoittaa sitä, että vastaamiseen saattaa kulua tovi. Toivoisin kuitenkin, että käyttäisitte kunnolla aikaa kyselyyn vastaamiseen sekä kysymysten miettimiseen. Jos jokin kohta on epäselvä tai herättää kysymyksiä, älkää epäröikö ottaa minuun yhteyttä sähköpostitse: (tutkijan sähköposti)

Iso kiitos jo etukäteen kaikille vastanneille. Toivomme, että kysely toisi esille mahdollisimman paljon parannus- ja kehitysideoita, jotta Teo Lehtimäki Oy saisi valmiudet parantaa palvelujensa laatua ja siten asiakastyytyväisyyttä.

Haluan vielä korostaa, että kaikenlaiset parannusehdotukset ovat tervetulleita, ja jos niitä tulee mieleen vielä kyselyn täyttämisen jälkeen, saa niitä vapaasti lähettää minulle sähköpostitse!

Asiakkaan taustatiedot

Taustatietojen perusteella asiakkaat luokitellaan eri ryhmiin tulosten analysointivaiheessa. Siksi onkin erittäin tärkeää, että taustatiedot ovat oikein.

1. Kuinka pitkään olette olleet Teo Lehtimäki Oy:n asiakkaana? (Liikesuhteen alkamispäivämäärä tai mahdollisimman tarkka arvio liikesuhteen pituudesta)

2. Kuinka usein tilaatte tuotteita Teo Lehtimäki Oy:ltä?

- Useita kertoja viikossa
- Kerran viikossa
- 2–3 kertaa kuukaudessa
- Noin kerran kuukaudessa
- Harvemmin

3. Kuinka suurella summalla tilaatte varaosia Teo Lehtimäki Oy:ltä vuodessa?

4. Kumman toimipisteen kanssa olette pääosin tekemisissä?

- Kauhajoki
- Rovaniemi

OSA 1: laatu, arvo ja tyytyväisyys yleisellä tasolla

Tämä osio pyrkii kartoittamaan asiakkaiden näkökulmia siihen, mitä hyvä palvelu pitää sisällään, missä määrin tuotevalikoima ja henkilökunta vaikuttavat tavarantoimittajan valintaan, sekä missä määrin tyytyväisyys vaikuttaa liikesuhteen jatkumiseen. Osio sisältää neljä eri aihealuetta: toimittajan valinta, laatu, henkilöstö, ja tyytyväisyys.

Toimittajan valinta

1. Mitkä seikat päällimmäisenä vaikuttavat tavarantoimittajan valintaan*? Kertokaa vapaasti omin sanoin.

2. Voisitteko lyhyesti kuvailla omin sanoin millaista hyvä palvelu on teidän mielestänne ja mikä sille on ominaista?

3. Kuinka tärkeiksi koette seuraavat seikat tavarantoimittajan valinnassa*? (1=ei ollenkaan tärkeää, 2=ei oikein tärkeää, 3=neutraali, 4=melko tärkeää, 5=erittäin tärkeää)

- 3.1. Tavarantoimittaja tarjoaa hinta-laatu suhteeltaan parempia tuotteita ja palveluja
- 3.2. Tavarantoimittaja tarjoaa parempia palveluja kilpailukykyiseen hintaan
- 3.3. Tavarantoimittaja tarjoaa parhaat alennukset ja maksuehdot
- 3.4. Tavarantoimittaja tarjoaa vastinetta rahalle
- 3.5. Tavarantoimittaja tarjoaa kilpailukykyiset hinnat
- 3.6. Tavarantoimittaja kykenee tarjoamaan tuotteita ja palveluja silloin kun asiakas niitä tarvitsee
- 3.7. Tavarantoimittaja tarjoaa helppokäyttöisiä tuotteita
- 3.8. Tavarantoimittaja tuntee asiakkaat ja heidän tarpeensa
- 3.9. Tavarantoimittaja on asiantuntija alallaan
- 3.10. Tavarantoimittaja tarjoaa parhaat neuvot
- 3.11. Tavarantoimittaja tarjoaa henkilökohtaista palvelua

4. Mikä edellä mainituista seikoista on teidän mielestänne tärkein kriteeri tavarantoimittajan valinnassa*?

*Tavarantoimittajan valinnalla viitataan asiakkaan halukkuuteen valita tietty toimittaja kilpailijoiden joukosta, sekä asiakkaan halukkuuteen valita kyseinen toimittaja uudelleen. (HUOM! tämä pätee myös muiden osioiden kysymyksiin, joissa viitataan "tavarantoimittajan valintaan")

Laatu

1. Mikä on teidän mielestänne ominaista hyvälle tuotteelle tai tuotevalikoimalle?

2. Miten tärkeiksi koette seuraavat tuotevalikoimaan liittyvät seikat tavarantoimittajan valinnassa? (1=ei ollenkaan tärkeää, 2=ei oikein tärkeää, 3=neutraali, 4=melko tärkeää, 5=erittäin tärkeää)

- 2.1. Tuotteiden kestävyys
- 2.2. Tuotteiden sopivuus tarpeisiimme
- 2.3. Tuotteiden helppokäyttöisyys
- 2.4. Tuotteiden saatavuus
- 2.5. Tuotteiden laatu
- 2.6. Tuotevalikoiman monipuolisuus
- 2.7. Tuotteiden hyvä hinta-laatu suhde
- 2.8. Tuotteista ajan mittaan saatu voitto

3. Miten paljon tuotevalikoima vaikuttaa tavarantoimittajan valintaan?

- Erittäin vähän
- Melko vähän
- Ei paljon eikä vähän
- Melko paljon
- Erittäin paljon

4. Voisitko valita tavarantoimittajan pelkän tuotevalikoiman perusteella?

- Kyllä En

5. Kuinka oikeassa seuraava väittämä on kohdallanne: Suosin tavarantoimittajaa, joka... (1=täysin väärässä, 2=melko väärässä, 3=ei oikeassa eikä väärässä, 4=melko oikeassa, 5=täysin oikeassa)

- 5.1. ...erottuu kilpailijoiden keskuudessa asiantuntemuksellaan
- 5.2. ...erottuu kyvyllään tarjota järjestelmällisiä ratkaisuja ongelmiimme
- 5.3. ...pyrkii ymmärtämään ja vastaamaan asiakkaan tarpeisiin
- 5.4. ...tarjoaa nopeaa ja joustavaa palvelua
- 5.5. ...onnistuu ensimmäisellä kerralla tarjoamaan laadukasta palvelua
- 5.6. ...täyttää johdonmukaisesti tilausten luvatut toimituspäivät
- 5.7. ...laskuttaa virheettömästi ja laskut ovat luotettavia
- 5.8. ...vastaa nopeasti ja perusteellisesti valituksiin
- 5.9. ...tarjoaa lisäksi teknistä neuvontaa

6. Koetteko, että yrityksen nettisivut ovat tärkeä osa palveluvalikoimaa?

- Kyllä En

Henkilöstö

1. Miten kuvailisitte hyvää asiakaspalvelijaa?

2. Miten suuri vaikutus seuraavilla henkilöstön ominaisuuksilla on tavarantoimittajan valinnassa? (1=erittäin pieni, 2=melko pieni, 3=ei suuri eikä pieni, 4=melko suuri, 5=erittäin suuri) Miksi?

- 2.1. Palvelun luotettavuus ja yhdenmukaisuus
- 2.2. Henkilöstön asenne ja palvelualttius
- 2.3. Henkilöstön pätevyys ja ammattitaitoisuus
- 2.4. Henkilöstön laaja tietopohja markkinoista ja tuotteista
- 2.5. Henkilöstön kohteliaisuus ja ystävällisyys
- 2.6. Asiakkaiden ajan tasalla pitäminen
- 2.7. Henkilöstön tavoitettavuus

3. Millä edellä mainituista henkilöstön ominaisuuksista on eniten merkitystä tyytyväisyyteenne? Miksi?

4. Voisitko valita tavarantoimittajan pelkän henkilöstön perusteella?

- Kyllä
- En
- En osaa sanoa

Tyytyväisyys

1. Mitkä seikat pääasiassa vaikuttavat siihen, oletteko tyytyväinen toimittajaan vai ette? (Voitte luetella palvelun laatuun, henkilöstöön, tuotteisiin, jne., liittyviä seikkoja)

2. Jos koette olevanne tyytyväisiä toimittajan tarjoamiin tuotteisiin ja palveluihin, miten todennäköistä olisi että: (1=erittäin epätodennäköistä, 2=melko epätodennäköistä, 3=neutraali, 4=melko todennäköistä, 5=erittäin todennäköistä)

- 2.1. Suosittelette toimittajaa muille yrityksille
- 2.2. Kertoisitte positiivisia asioita toimittajasta muille yrityksille
- 2.3. Kannustaisitte muita yrityksiä ostamaan toimittajan palveluja
- 2.4. Vertaisitte muita yrityksiä toimittajaan
- 2.5. Tulisitte tekemään enemmän liiketoimintaa toimittajan kanssa lähivuosina
- 2.6. Odottaisitte liikesuhteen tämän toimittajan kanssa kestävän pitkään
- 2.7. Jatkaisitte liiketoimintaa toimittajan kanssa vaikka hinnat nousisivat hieman
- 2.8. Kokisitte liikesuhteen jatkumisen tärkeäksi

3. Jos ette koe olevanne tyytyväisiä toimittajan tarjoamiin tuotteisiin ja palveluihin, miten hyvin seuraavat väittämät pitävät paikkansa? (1=erittäin huonosti, 2=melko huonosti, 3=ei hyvin eikä huonosti, 4=melko hyvin, 5=erittäin hyvin)

- 3.1. En suosittelisi toimittajaa muille yrityksille
- 3.2. Kertoisin negatiivisia asioita toimittajasta muille yrityksille
- 3.3. En tulisi tekemään enempää liiketoimintaa toimittajan kanssa lähivuosina
- 3.4. En kokisi liikesuhteen jatkumista tärkeäksi
- 3.5. Kokisin toimittajan vaihtamisen kannattavaksi

4. Missä määrin olette sitä mieltä, että tyytyväisyys on edellytys liikesuhteen jatkumiselle?

5. Millä seuraavista on suurin merkitys teidän tyytyväisyyteenne?

- Tuotevalikoiman monipuolisuus
- Tuotteiden laatu
- Henkilökohtainen palvelu ja palvelun luotettavuus
- Hinta-laatu suhteeltaan paremmat tuotteet ja palvelut

OSA 2: Teo Lehtimäki Oy

Tämä osio keskittyy selvittämään missä määrin Teo Lehtimäki Oy täyttää asiakkaiden odotukset laatuun sekä muihin seikkoihin liittyen. Osio on jaettu pääosin aihealueen mukaan: yleinen suorituskyky ja liikesuhteen arvo, tuotteet, palvelun laatu, henkilöstö, ja tyytyväisyys.

Tarkoituksena on selvittää, miten asiakastyytyväisyyttä voitaisiin parantaa. Siksi onkin tärkeää, että yrittäisitte miettiä avoimiin kysymyksiin mahdollisimman perusteellisia vastauksia. Mikään vastaus/mielipide ei ole tyhmä, vaan kaikki ovat erittäin tärkeitä parannusmahdollisuuksien kannalta. Kiitos jo etukäteen ajastanne!

Teo Lehtimäki Oy: suorituskyky & liikesuhteen arvo

1. Viimeisintä palvelutapahtumaa ajatellessa, mikä seuraavista väittämistä on totta?

Voitte valita useampia.

- Kokemukseni oli niin hyvä kuin sen pitikin olla
- Palvelu oli erittäin hyvälaatuisia
- Palvelu oli erinomaista
- Palvelu täytti odotukseni
- Palvelu oli huonoa
- Palvelu EI täyttänyt odotuksiani

2. Miten kuvailisitte Teo Lehtimäki Oy:n tuotteiden ja palvelujen laatua?

3. Kuinka hyvin koette Teo Lehtimäki Oy:n vastaavan odotuksiinne?

- Erittäin hyvin
- Melko hyvin
- Ei hyvin eikä huonosti
- Melko huonosti
- Erittäin huonosti

4. Kuinka luonnehtisitte liikesuhdetta Teo Lehtimäki Oy:n kanssa?

(Voitte vapaasti kertoa esim. miksi olette valinneet juuri Teo Lehtimäki Oy:n, millaista palvelua olette tottuneet saamaan, jne.)

5. Koetteko liikesuhteen tuottavan teille arvoa?

- Kyllä En

6. Missä määrin olette samaa mieltä siitä, että muihin tavarantoimittajiin verrattuna, Teo Lehtimäki Oy... (1=täysin eri mieltä, 2=melko eri mieltä, 3=ei eri mieltä eikä samaa mieltä, 4=melko samaa mieltä, 5=täysin samaa mieltä) Jos vastasitte 1, 2 tai 3, voisitteko tarkentaa?

- 6.1. ...tarjoaa hinta-laatu suhteeltaan parempia tuotteita ja palveluja
- 6.2. ...tarjoaa parempia palveluja kilpailukykyiseen hintaan
- 6.3. ...tarjoaa parempaa laatua hintaan suhteutettuna
- 6.4. ...tarjoaa parhaat alennukset ja maksuehdot
- 6.5. ...tarjoaa vastinetta rahalle
- 6.6. ...tarjoaa kilpailukykyiset hinnat
- 6.7. ...kykenee tarjoamaan tuotteita ja palveluja silloin kun asiakas niitä tarvitsee
- 6.8. ...tarjoaa helppokäyttöisiä tuotteita
- 6.9. ...tuntee asiakkaat ja heidän tarpeensa
- 6.10. ...on asiantuntija alallaan
- 6.11. ...tarjoaa parhaat neuvot
- 6.12. ...tarjoaa henkilökohtaista palvelua

Teo Lehtimäki Oy:n tuotteet

1. Missä määrin olette samaa mieltä siitä, että Teo Lehtimäki Oy:n... (1=täysin eri mieltä, 2=melko eri mieltä, 3=ei eri mieltä eikä samaa mieltä, 4=melko samaa mieltä, 5=täysin samaa mieltä)

- 1.1.tuotteet ovat laadultaan kestäviä
- 1.2.tuotteet sopivat tarpeisiinne
- 1.3.tuotevalikoima on monipuolinen
- 1.4.tuotteet ovat helppokäyttöisiä
- 1.5.tuotteista ajan mittaan saatu voitto on merkittävä
- 1.6.tuotteiden hinta-laatu suhde on hyvä
- 1.7.tuotteiden saatavuus on hyvä

2. Puuttuuko Teo Lehtimäki Oy:n tuotevalikoimasta mielestänne jotain? Mitä?

Teo Lehtimäki Oy:n palvelun laatu

1. Luonnehtisitteko Teo Lehtimäki Oy:n tarjoamaa palvelun laatua 'hyväksi'?
Miksi? Miksi ette?

2. Missä määrin olette samaa mieltä siitä, että Teo Lehtimäki Oy... (1=täysin eri mieltä, 2=melko eri mieltä, 3=ei eri mieltä eikä samaa mieltä, 4=melko samaa mieltä, 5=täysin samaa mieltä) Jos vastasitte 1, 2 tai 3, voisitteko tarkentaa?

- 2.1. ...erottuu kilpailijoiden keskuudessa asiantuntemuksellaan
- 2.2. ...erottuu kyvyllään tarjota järjestelmällisiä ratkaisuja ongelmiimme
- 2.3. ...pyrkii ymmärtämään ja vastaamaan asiakkaan tarpeisiin
- 2.4. ...tarjoaa nopean ja joustavan palvelun
- 2.5. ...onnistuu ensimmäisellä kerralla tarjoamaan laadukasta palvelua
- 2.6. ...täyttää johdonmukaisesti tilausten luvatut toimituspäivät
- 2.7. ...laskuttaa virheettömästi ja laskut ovat luotettavia
- 2.8. ...vastaa nopeasti ja perusteellisesti valituksiin
- 2.9. ...tarjoama tekninen neuvonta on erittäin tärkeää
- 2.10. ...tarjoaa nopeat toimitusajat

3. Missä määrin Teo Lehtimäki Oy on täyttänyt odotuksenne palvelun laadun kannalta?

4. Millaisiin odotuksiin Teo Lehtimäki Oy ei ole kyennyt vastaamaan?

5. Millaisia parannusehdotuksia antaisit Teo Lehtimäki Oy:n palveluun liittyen?
(esim. tavoitettavuus, palvelualltius jne.)

6. Kuinka usein käytätte Teo Lehtimäki Oy:n nettisivuja?

- Useita kertoja viikossa
- Kerran viikossa
- 2–3 kertaa kuukaudessa
- Noin kerran kuukaudessa
- Harvemmin

7. Millaisiksi luonnehtisitte Teo Lehtimäki Oy:n nettisivuja?
(esim. hyödyllisyys, selkeys, monipuolisuus jne.)

8. Miten tärkeäksi koette Teo Lehtimäki Oy:n vuosittaisen tuoteluettelon saamisen paperiversiona?

- Erittäin tärkeäksi
- Melko tärkeäksi
- En osaa sanoa
- En kovin tärkeäksi
- En lainkaan tärkeäksi

9. Riittäisikö pelkkä nettiluettelo?

- Kyllä
- Ei

10. Millaisia parannusehdotuksia teillä olisi Teo Lehtimäki Oy:n tuoteluetteloon liittyen?

Teo Lehtimäki Oy:n henkilöstö

1. Missä määrin olette samaa mieltä siitä, että muiden toimittajien henkilöstöön verrattuna, Teo Lehtimäki Oy:n henkilöstö...(1=täysin eri mieltä, 2=melko eri mieltä, 3=ei eri mieltä eikä samaa mieltä, 4=melko samaa mieltä, 5=täysin samaa mieltä) Jos vastasitte 1, 2 tai 3, voisitteko tarkentaa?

- 1.1. ...on pätevämpi ja ammattitaitoisempi
- 1.2. ...omaa paremman asenteen
- 1.3. ...tarjoaa luotettavaa ja yhdenmukaista palvelua
- 1.4. ...omaa riittävästi tietoa markkinoista ja tuotteista
- 1.5. ...on helposti tavoitettavissa puhelimitse
- 1.6. ...on helposti tavoitettavissa sähköpostitse
- 1.7. ...on kohtelias ja kunnioittava
- 1.8. ...tarjoaa parempaa neuvontaa

2. Mitkä seuraavista kuvauksista sopivat Teo Lehtimäki Oy:n henkilöstöön? Voitte valita useamman.

- Palvelu on luotettavaa ja yhdenmukaista
- Asiakkaat pidetään hyvin ajan tasalla tärkeistä asioista
- Puheluihin vastataan nopeasti (tai soitetaan nopeasti takaisin)
- Sähköposteihin saa nopeasti vastauksen
- Lähetykset lähtevät ajallaan
- Otan yritykseen yhteyttä myös teknisten neuvojen merkeissä
- Ei mikään yllä olevista

3. Mitä henkilöstöön liittyviä seikkoja olisi teidän mielestänne varaa parantaa?

4. Jos olette olleet tekemisissä molempien toimipisteiden kanssa, oletteko huomanneet eroa... Jos vastasitte kyllä, voisitteko tarkentaa?

- 4.1. ...henkilöstön tavoitettavuudessa? Kyllä En
- 4.2. ...henkilöstön palvelualttiudessa? Kyllä En
- 4.3. ...palvelun luotettavuudessa tai yhdenmukaisuudessa? Kyllä En
- 4.4. ...henkilöstön pätevytydessä? Kyllä En

5. Minkä arvosanan antaisit Teo Lehtimäki Oy:n henkilöstön yleiselle suorituskyvyille? (asteikolla 1-10, 1=hylätty, 10=erinomainen)

Teo Lehtimäki Oy & tyytyväisyys

1. Voisitteko antaa esimerkkejä tilanteista, joissa olette kokeneet olevanne erittäin tyytyväisiä saamaanne palveluun?

2. Voisitteko antaa esimerkkejä tilanteista, joissa ette ole kokeneet olevanne tyytyväisiä saamaanne palveluun? Voisitteko lisäksi kertoa miten tilanne ratkaistiin?

3. Kuinka tyytyväinen olet Teo Lehtimäki Oy:n kokonaissuoritukseen? (asteikolla 1-10; 1=erittäin tyytymätön, 5=neutraali, 10=erittäin tyytyväinen) Mikä on päällimmäinen syy tähän?

4. Mitkä seuraavista väittämistä ovat teidän kohdallanne totta?

- Suosittelen suuresti Teo Lehtimäki Oy:tä muille yrityksille
- Tulen kertomaan positiivisia asioita Teo Lehtimäki Oy:stä muille yrityksille
- Kannustan muita yrityksiä ostamaan palveluja Teo Lehtimäki Oy:ltä
- Vertaan muita yrityksiä Teo Lehtimäki Oy:n toimintaan
- Olen erittäin tyytyväinen Teo Lehtimäki Oy:n yleiseen suorituskykyyn
- Tulen tekemään enemmän liiketoimintaa Teo Lehtimäki Oy:n kanssa lähivuosina
- Odotan liikesuhteen Teo Lehtimäki Oy:n kanssa kestävän pitkään
- Tulen todennäköisesti säilyttämään liiketoiminnan Teo Lehtimäki Oy:n kanssa
- Jatkaisin liiketoimintaa Teo Lehtimäki Oy:n kanssa vaikka hinnat nousisivat hieman
- Koen liikesuhteen jatkumisen tärkeäksi
- Ei mikään yllä olevista

KIITOS!

Iso kiitos vastauksestanne!

Jos teillä jäi mieleen jotain, mitä toivoisitte, että Teo Lehtimäki Oy ottaisi huomioon toiminnassaan, kertokaa siitä avoimesti alla olevaan kenttään. Myös kommentteja kyselyn rakenteesta ja sisällöstä otetaan mielellään vastaan.

Jos teihin saa ottaa yhteyttä lisäkysymysten sattuessa, jättäkää sähköpostiosoitteenne alla olevaan kenttään:

Kaikenlaiset parannusehdotukset ovat tervetulleita, ja jos niitä tulee mieleen kyselyn täyttämisen jälkeen, lähetäkää niitä vapaasti minulle sähköpostitse: (tutkijan sähköposti)
Huom! Myöskään sähköpostitse lähetettyjä kommentteja ei luovuteta suoraan yritykselle.

Tietojen tallentamiseksi, painakaa vielä "Seuraava >>" ja vahvistakaa tietojen lähetyksen painamalla "Valmis"

APPENDIX 2

Teo Lehtimäki Ltd.'s customer satisfaction

Purpose of the study

The purpose of this study is to determine the satisfaction level of Teo Lehtimäki Ltd.'s customers, as well as the factors affecting it.

The questionnaire consists of two parts; the first part seeks to define what factors influence the customer perceived quality and value on a general level, and the second part concentrates on finding out the extent to which Teo Lehtimäki Ltd. meets customer expectations as well as how satisfied the customers are regarding the service quality and related issues.

Apart from obtaining certain background information, the respondents remain anonymous and answers are not given directly to the company.

The respondents are divided into groups based on the length of the customer relationship as well as the amount and frequency of purchase transactions. Suggestions for improvement are forwarded in accordance with the office that is mainly dealt with.

For the best possible outcome, the research is quite diverse and extensive, which also means that it may require investing some time in completing it. I hope that you would use plenty of time to respond to the questionnaire as well as to reflect on the questions. If any question is unclear or raises questions, do not hesitate to contact me by e-mail: (researcher's email)

A big thank you in advance to all respondents. We hope that the survey would bring up as many improvement and development ideas as possible, so that Teo Lehtimäki Ltd. would be able to improve the quality of their services and thus customer satisfaction.

Finally, I would like to emphasize that all kinds of suggestions for improvement are welcome, and if you think of something after submitting your answer, feel free to send me your ideas via email!

Customer's background information

The customers are divided into different groups in the analysis part. Therefore, it is very important that the information is correct.

1. How long have you been a customer of Teo Lehtimäki Ltd.?
(The start date of the relationship or an accurate estimate of the length of the relationship)

2. How often do you order products from Teo Lehtimäki Ltd.?

- Several times a week
- Once a week
- 2–3 times a month
- Approximately once a month
- Less frequently

3. With what amount do you purchase spare parts from Teo Lehtimäki Ltd. per year?

4. Which office are you mainly in contact with?

- Kauhajoki
- Rovaniemi

PART 1: quality, value and satisfaction on a general level

This section seeks to identify the customers' points of view on what 'good service' includes, the extent to which the product variety and personnel affect the choice of supplier, as well as the extent to which satisfaction affects the continuation of the business relationship. The section includes four different themes: value, quality, personnel, and satisfaction.

Choice of supplier

1. Which are the main factors that affect the choice of supplier*?

2. How would you describe good service and what is it characterized by?

3. How important do you perceive that the following factors are in choosing a supplier*? (1=not at all important, 2=not very important, 3=neutral, 4=quite important, 5=very important)

- 3.1. The supplier offers products and services with a better price-quality ratio
- 3.2. The supplier offers better services at a competitive price
- 3.3. The supplier provides better quality for the price
- 3.4. The supplier offers the best discounts and payment terms
- 3.5. The supplier offers value for money
- 3.6. The supplier offers competitive prices
- 3.7. The supplier is able to offer products and services according to customer needs
- 3.8. The supplier offers products that are easy to use
- 3.9. The supplier knows the customers and their needs
- 3.10. The supplier is an expert in their field
- 3.11. The supplier offers the best advice
- 3.12. The supplier offers a personalized service

4. Which of the previous criteria do you consider the most important in the choice of supplier*?

*Choice of supplier refers to the customer's willingness to choose a specific supplier among the competitors, as well as the customer's willingness to choose a particular supplier again. (NB! This applies to the questions in the following sections that refer to "choice of supplier")

Quality

1. What is a good product or product range characterized by?

2. How important do you perceive that the following factors are in choosing a supplier? (1=not at all important, 2=not very important, 3=neutral, 4=quite important, 5=very important)

- 2.1. Product durability
- 2.2. Products fit our needs
- 2.3. Products are easy to use
- 2.4. Product availability
- 2.5. Product quality
- 2.6. Versatility of the product range
- 2.7. Good price-quality ratio of the products
- 2.8. Profits gained from the products over time

3. How much does the product range affect the choice of supplier?

- Very little
- Quite little
- Not a lot or a little
- Quite a lot
- Very much

4. Could you choose a supplier based solely on the product range?

- Yes
- No

5. How accurate is the following statement: I favor a supplier who... (1=completely inaccurate, 2=somewhat inaccurate, 3=not accurate nor inaccurate, 4=somewhat accurate, 5=completely accurate)

- 5.10. ...stands out with its expertise
- 5.11. ...stands out for its ability to provide systematic solutions to our problems
- 5.12. ...seeks to understand and respond to the customers' needs
- 5.13. ...provides a fast and flexible service
- 5.14. ...succeeds in providing quality service on the first try
- 5.15. ...consistently fulfils the promised delivery dates of orders
- 5.16. ...invoices correctly and the invoices are reliable
- 5.17. ...responds quickly and comprehensively to complaints
- 5.18. ...additionally provides technical advice

6. Do you think that a company's website is an important part of the service offering?

- Yes
- No

Personnel

1. How would you describe good customer service personnel?

2. How big of an effect do the following characteristics of the personnel have on the choice of a supplier? (1=very low, 2=somewhat low, 3=neither high nor low, 4=quite high, 5=very high)

2.8. The reliability and consistency of the service

2.9. The personnel's attitude and willingness to provide the service

2.10. The competence and professionalism of the personnel

2.11. The personnel's vast knowledge of the market and the products

2.12. Personnel's courtesy and friendliness

2.13. Keeping the customers up to date

2.14. Reachability

3. Which of the previously mentioned features of the personnel is the most important for your satisfaction? Why?

4. Could you choose a supplier based solely on the personnel?

- Kyllä
- En
- En osaa sanoa

Satisfaction

1. What are the main factors that affect whether you are satisfied with a supplier or not? (You can list factors connected to service quality, personnel, products, and so on.)

2. If you are satisfied with the supplier's offerings, how likely would it be that you would: (1=very unlikely, 2=rather unlikely, 3=neutral, 4=quite likely, 5=very likely)

- 2.1. Recommend the supplier to other companies
- 2.2. Tell positive things about the supplier to other companies
- 2.3. Encourage other companies to use the supplier's services
- 2.4. Compare other companies to the supplier's performance
- 2.5. Do more business with the supplier in the coming years
- 2.6. Expect the business relationship with the supplier to last a long time
- 2.7. Continue doing business with the supplier even if prices increased slightly
- 2.8. Perceive the continuation of the business relationship to be important

3. If you are not satisfied with the supplier's offerings, how accurate is the following statement: (1=completely inaccurate, 2=somewhat inaccurate, 3=not accurate or inaccurate, 4=somewhat accurate, 5=completely accurate)

- 3.1. I would not recommend the supplier to other companies
- 3.2. I would tell negative things about the supplier to other companies
- 3.3. I would not do more business with the supplier in the coming years
- 3.4. I would not perceive the continuation of business relationship as important
- 3.5. I would perceive that changing the supplier would be profitable

4. To what extent do you believe that satisfaction is a prerequisite for the continuation of the business relationship?

5. Which of the following has the biggest impact in terms of your satisfaction?

- Versatility of the product range
- The quality of the products
- Personalized and reliable service
- Better products and services for the price-quality ratio

PART 2: Teo Lehtimäki Ltd.

This section seeks to determine the extent to which Teo Lehtimäki Ltd. meets customer expectations regarding quality, as well as other related factors. The section is divided according to the theme: Teo Lehtimäki Ltd.'s performance and relationship value, products, service quality, personnel, and satisfaction.

The aim is to find out how customer satisfaction could be improved. Therefore, it is important that you try to answer the open-ended questions as comprehensively as possible. No answer or opinion is stupid but rather very important in terms of opportunities for improvement. Thanks in advance for your time!

Teo Lehtimäki Ltd.'s performance & relationship value

1. In connection to the last service encounter, which of the following statements are accurate? You can choose several.

- My experience was as good as it was supposed to be
- The service was of very good quality
- The service was excellent
- The service fulfilled my expectations
- The service was bad
- The service did NOT fulfil my expectations

2. How would you describe Teo Lehtimäki Ltd.'s product and service quality?

3. How well do you perceive Teo Lehtimäki Ltd. to fulfil your expectations?

- Extremely well
- Quite well
- Not well or poorly
- Quite poorly
- Extremely poorly

4. How would you describe the business relationship with Teo Lehtimäki Ltd.? (You can freely describe for example why you have chosen Teo Lehtimäki Ltd., what kind of service do you usually receive, and so on.)

5. Do you perceive that the business relationship provides value for you?

- Kyllä En

6. To what extent do you agree that, in comparison with other suppliers, Teo Lehtimäki Ltd... (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree)

- 6.13. ...offers products and services with a better price-quality ratio
- 6.14. ...offers better services at a competitive price
- 6.15. ...provides better quality for the price
- 6.16. ...offers the best discounts and payment terms
- 6.17. ...offers value for money
- 6.18. ...offers competitive prices
- 6.19. ...is able to offer products and services when the customer needs them
- 6.20. ...offers products that are easy to use
- 6.21. ...knows the customers and their needs
- 6.22. ...is an expert in their field
- 6.23. ...offers the best advice
- 6.24. ...offers a personalized service

Teo Lehtimäki Ltd.'s products

1. To what extent do you agree that Teo Lehtimäki Ltd.'s... (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree)

1.1....products are durable

1.2....products fit our requirements

1.3....product range is versatile

1.4....products are easy to use

1.5....products provide a good profit over time

1.6....the price-quality ratio of the products is good

1.7....product availability is good

2. Is there something missing from Teo Lehtimäki Ltd.'s product range? What?

Teo Lehtimäki Ltd.'s service quality

1. Would you describe Teo Lehtimäki Ltd.'s service quality as 'good'? Why? Why not?

2. To what extent do you agree that Teo Lehtimäki Ltd... (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree) If you answered 1, 2 or 3, could you specify?

- 2.1. ...stands out among the competitors with their expertise
- 2.2. ...stands out for the ability to provide systematic solutions to our problems
- 2.3. ...seeks to understand and respond to customers' needs
- 2.4. ...offers a fast and flexible service
- 2.5. ...succeeds in providing quality service on the first try
- 2.6. ...consistently fulfills the promised delivery dates of orders
- 2.7. ...invoices correctly and the invoices are reliable
- 2.8. ...responds quickly and comprehensively to complaints
- 2.9. ...provides technical advice, which is very important
- 2.10. ...provides fast deliveries

3. To what extent has Teo Lehtimäki Ltd. fulfilled your expectations in terms of service quality?

4. What kind of expectations has Teo Lehtimäki Ltd. not been able to fulfil?

5. What kind of improvement suggestions would you give in connection Teo Lehtimäki Ltd.'s service? (e.g. reachability, willingness to provide the service, etc.)

6. How often do you use Teo Lehtimäki Ltd.'s website?

- Several times a week
- Once a week
- 2–3 times a month
- Approximately once a month
- Less frequently

7. How would you describe Teo Lehtimäki Ltd.'s website? (e.g. usefulness, clarity, versatility, etc.)

8. How important is receiving a paper copy of Teo Lehtimäki Ltd.'s annual product catalogue?

- Very important
- Quite important
- Neutral
- Not very important
- Not at all important

9. Would a mere online product catalogue suffice?

- Yes
- No

10. What kind of improvement suggestions do you have regarding Teo Lehtimäki Ltd.'s product catalogue?

Teo Lehtimäki Ltd.'s personnel

1. To what extent do you agree that, in comparison with the personnel of other suppliers, Teo Lehtimäki Ltd.'s personnel... (1=strongly disagree, 2=somewhat disagree, 3=neither disagree nor agree, 4=somewhat agree, 5=strongly agree) If you answered 1, 2 or 3, could you specify?

- 1.1. ...is more competent and professional
- 1.2. ...has a better attitude
- 1.3. ...provides a reliable and consistent service
- 1.4. ...has enough knowledge about the market and the products
- 1.5. ...is reachable through phone
- 1.6. ...is reachable through email
- 1.7. ...is polite and respectful
- 1.8. ...offers better advice

2. Which of the following descriptions fit Teo Lehtimäki Ltd.'s personnel?
You can choose several.

- The service is reliable and consistent
- Customers are kept up to date about important issues
- Phone calls are responded to quickly (or called back)
- Emails are responded to promptly
- Orders are delivered on time
- I contact the company for technical advice as well
- None of the above

3. What could be improved in terms of personnel performance?

4. If you have been in contact with both offices, have you noticed a difference in...
If you answered yes, could you specify?

- 4.5. ...the reachability? Yes No
- 4.6. ...their willingness to provide the service? Yes No
- 4.7. ...the reliability and consistency of the service? Yes No
- 4.8. ...their qualifications? Yes No

5. What grade would you give to Teo Lehtimäki Ltd.'s personnel's overall performance?
(on a scale of 1–10; 1=fail, 10=excellent)

Teo Lehtimäki Ltd. & satisfaction

1. Could you give examples of situations where you have been extremely satisfied with the provided ser-

vice?

2. Could you give examples of situations where you have not been satisfied with the provided service? Could you also tell how the situation was solved?

3. How satisfied are you with Teo Lehtimäki Ltd.'s overall performance? (on a scale 1–10; 1=extremely unsatisfied, 5=neutral, 10=extremely satisfied) What is the main reason for this?

4. Which of the following statements are accurate in your case?

- I highly recommend Teo Lehtimäki Ltd. to other companies
- I will tell positive things about Teo Lehtimäki Ltd. to other companies
- I will encourage other companies to use Teo Lehtimäki Ltd.'s services
- I compare other companies to Teo Lehtimäki Ltd.'s performance
- I am very satisfied with Teo Lehtimäki Ltd.'s overall performance
- I will do more business with Teo Lehtimäki Ltd. in the coming years
- I expect the business relationship with Teo Lehtimäki Ltd. to last
- I will maintain the relationship with Teo Lehtimäki Ltd.
- I would continue doing business with Teo Lehtimäki Ltd. even if prices increased slightly
- I perceive the continuation of the business relationship to be important
- None of the above

THANK YOU!

A big thanks for your response!

If there is anything else you would like Teo Lehtimäki Ltd. to take into account in their operations, please write it in the comment section below. Also comments about the questionnaire structure and content are welcome.

If you can be contacted in case of additional questions, please leave your email in the comment section below:

All kinds of improvement suggestions are welcome, and if something comes to mind after filling out the questionnaire, please feel free to send them to me through email: (researcher's email)

NB! Comments sent via email will not be given directly to the company.

To save the data, please click "Next >>" and confirm sending the data by clicking "Done"

APPENDIX 3

Hyvä (asiakkaan nimi),

Teen asiakastyytyväisyystutkimusta Teo Lehtimäki Oy:lle, joka on toivonut, että osallistuisitte tutkimukseen. Tutkimus suoritetaan kyselylomakkeen kautta, johon pääsette käsiksi alla olevasta linkistä:

#url#

Tarvitsette seuraavan tunnuksen ja salasanan kirjautuaksenne:

Tunnus: #tunnus# Salasana: #salasana#

Kysely korvaa ensisijaisen tutkimusmenetelmän, haastattelun, joten kyselylomake on hieman normaalia pidempi. Toivoisin kuitenkin, että käyttäisitte vastaamiseen ja kysymysten miettimiseen reippaasti aikaa. Suosittelen varaamaan vähintään puoli tuntia vastaamiseen, jotta ehtisitte rauhassa miettiä jokaista kysymystä. Parhaan tuloksen saamiseksi kyselyssä on myös hieman toistoa. Suurin osa kysymyksistä on monivalintakysymyksiä. Yrittäkää myös miettiä mahdollisimman tyhjentäviä vastauksia avoimiin kysymyksiin.

Kiitos jo etukäteen ajastanne!

Jos teille tulee vielä kyselyn täyttämisen jälkeen jotain mieleen, voi minulle laittaa sähköpostia joko tähän osoitteeseen tai henkilökohtaiseen sähköpostiini: (sähköpostiosoite).

Vastausintoa ja oikein mukavat päivänjatkot!

Ystävällisin terveisin,

Emilia Peltonen

APPENDIX 4

Dear (customer's name),

I am conducting a customer satisfaction research for Teo Lehtimäki Ltd., who has requested that you would take part in the study. Research is carried out through a questionnaire, which you can access through the link below:

Url

You will need the following user ID and password to login:

ID: # ID # Password: # password #

The survey replaces the primary research method, interviews, and therefore the questionnaire is slightly longer than normal. I would hope, however, that you would invest enough time for answering the questions and reflection. I recommend reserving at least half an hour to respond, so that you would have enough time to think about each question. For the best results, the survey also contains a bit of repetition. Most of the questions are multiple-choice questions. Try to answer as comprehensively as possible to the open-ended questions.

Thanks in advance for your time!

If something comes to mind after completing the survey, you can send me email to either this address or my personal email: (email address).

Have a nice day!

Regards,

Emilia Peltonen