



MARKETING RESEARCH FOR CUSTOMER SERVICE DEVELOP- MENT OF A SPORT STORE

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ABSTRACT

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The thesis was commissioned by the Stadium sport store located in Lielähti, Tampere. The store is a part of a large Swedish sports retail chain Stadium. The thesis studied four different sport retail stores located in Lielähti, which were Intersport, Sportia, Budgetsport and Stadium. The stores were compared among consumers to determine their differences when it comes to customer service and to chart the demographics of the consumers. The chosen stores are all considered to be direct competitors of Stadium in Lielähti, which is the most densely competed area of sport retail business in Finland.

The purpose of the thesis was to find development suggestions for the customer service of the commissioner. Quantitative research was used to collect primary data by conducting a questionnaire survey. The secondary research was done in order to find out the strengths and weaknesses of Stadium and to determine the demographics of the customers of Lielähti area. The survey was executed in a multiple-choice format and the questionnaire had one open question. The most important parts were the three questions where respondents were asked to rate different characteristics of the store services on a scale of one to five. This method was chosen to provide the commissioner with a wide range of standardized data and to distinguish stores more clearly.

Survey data showed that fifty-five percent of the respondents were female and forty-five percent male. Most respondents in the Lielähti area were shopping with their family, meaning one or both parents with one or more children and other respondents were shopping either alone or with a friend or a spouse. The respondents were asked to rate the service contact speed, service quality and the appearance of the stores individually and Stadium was the top rated store in each category. Perhaps the most interesting section of the survey concerned the shopping behaviour and store selection of the consumers. The respondents were asked if they would visit only one store during their trip or others as well. Over half of the respondents told that they visit all of the stores and over eighty percent stated that they visit at least one other shop. This information concerning the consumers of the area provides a clear incentive for the stores to maintain an outstanding quality of customer service to make the most out of every customer. Clear strengths of Stadium that were found out are the service contact speed and quality. The only weakness that was found is the flexibility concerning different services.

The survey data was fairly even on all of the questions, but some distinctions can be made based on the responses. The commissioner store Stadium has a strong foot in the race of Lielähti area sport retail business as evidenced by the positive opinions from the survey responses. Any clear actions for customer service development did not surface, but as always with services, constant improvement is important.

Key words: marketing research, survey, customer service, sport retail

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1 INTRODUCTION

1.1 Objectives and aims

The purpose of the thesis was to find out how to develop the customer service of Stadium Lielahiti. The main research question was *how do customers view Stadium Lielahiti's service compared to other sport stores?* The idea was to find differences regarding the majority of the services in the four stores. The research sub questions were *what are the strengths and weaknesses of Stadium compared to the competition and what are the demographics of the sport store customers of the Lielahiti area?*

The thesis studied the competitive situation in the Lielahiti area and focused only on the four sport stores located in the centre of the neighbourhood during the first months of 2015. The theoretical framework for the thesis came from the marketing management and services marketing as well as from services management. The theory was used to find supporting arguments to recommend future development for the store's services. Both primary and secondary research were used in the thesis. *The intended outcome of the thesis was to provide Stadium with development suggestions for the customer service.*

The research concentrated on three main areas. One was the customer service of the staff and their service habits. The second was the store as in its appearance and overall tidiness. The last questions were to determine customer behaviour especially when it comes to choosing the stores to visit. The research also attempted to find out about the demographics of the sport store customers.

1.2 Research methods

The thesis used a quantitative research for collecting the primary data. The research method chosen for the data collection was a questionnaire survey. The target group for the questionnaire was the existing customers of the four chosen sport stores. The stores chosen were those that were considered as clear competitors for the commissioner and they were Intersport, Sportia and Budgetsport. The commissioner store Stadium was

also included in the research. Another research method used was a SWOT analysis to show more clearly the results of the survey. Some secondary research was also used to find out more about the stores in question and the area as a market place.

The SWOT analysis was used to compare Stadium's strengths, weaknesses, opportunities and threats compared to the competition. The aim was to find out where Stadium is doing well and where it can improve the most. This method was chosen because it provides information also for the development suggestions. It is an efficient way to demonstrate the whole situation.

1.3 The company

The commissioner for the thesis was the Stadium sport store located in Lielahiti, Tampere.. The store is a part of a large Swedish sports retail chain Stadium. The store in Lielahiti was opened in October 2012. Stadium is Sweden's largest sports chain with more than 140 stores in Sweden, Denmark, Finland and Germany. The history of Stadium begins in 1974 when two brothers, Ulf and Bo Eklöf started looking after a sport store in Norrköping called Spiralen Sport. The store gained success with a new store concept and they expanded by opening the first Stadium store in Stockholm Sergelgatan in 1987. The first store in Finland opened in 2001 in the shopping centre Forum in Helsinki. The Stadium chain is still owned by the Eklöf family and 25% by Ikano SA. Stadium also has web stores in Sweden, Denmark and Finland. (This is Stadium 2012.)

Stadium Lielahiti is the largest Stadium store in Finland and the only one categorized as a plus-store, meaning that the selection of goods is larger compared to other stores in the country. The selection also includes brands and items that are only available in Stadium Lielahiti. The store is located in western Tampere in the centre of a local neighborhood called Lielahiti. Prior to the opening of Stadium, the centre of Lielahiti already had two sport stores: Intersport and Sportia. A fourth sport store called Budgetsport was also opened shortly after Stadium during the spring of 2013. The first three stores are part of different sport retail chains while Budgetsport is actually part of Intersport. With the expansion of a Norwegian sport store chain XXL to Finland and their plans to open a new store in Lielahiti, the competition appears to only tighten in the small area.

The fairly small population of the area combined with the dense placement of different sport retailers made Lielähti an interesting area to study as a marketplace. There is no doubt that the wide selection of stores attracts customers from nearby cities as well, but the long-term survival of each of the four stores seems unlikely. As the competition gets fiercer all stores must try to evaluate their concepts and act accordingly to gain an edge in the race. Customer service plays a huge role in the field of sport retail business and the store that develops the best service is most likely to easiest stay afloat.

2 MARKETING MANAGEMENT AND SERVICES MARKETING

2.1 Services

Services are an essential part of marketing and marketing management. Hollanti & Koski (2007, 16) state that the main missions of marketing are finding out the needs of the customer, maintaining a competitive product/service, satisfying the needs of the customer, developing customer relationships, influencing customers' opinions and ensuring customer satisfaction. Differences among services affect customer behaviour and therefore understanding and developing services marketing is vital for understanding customer needs, decision-making and behaviour in service encounters.

According to Grönroos (1990, 25) a service is a complicated phenomenon. The word has many meanings ranging from personal service to service as a product. One of the basic characteristics of services is that they can be exchanged although they often cannot be experienced in a tangible sense. For most services, four basic characteristics can be identified: Services are more or less intangible; services are activities or a series of activities rather than things; services are at least to some extent produced and consumed simultaneously; and the customer participates in the production process at least to some extent.

The importance of services is hard to overestimate. Quality is what the customers perceive of services and therefore retail companies must optimize the quality of their services to suit the specific demands of different customer bases.

2.1.1 E-commerce

Consumers are increasingly drifting towards online shopping instead of visiting the physical stores. Eisingerich A. B. & Kretschmer (2008, 20-21) state that e-commerce has become an important tool for businesses all over the world, not only to get customers, but also to engage them with the company. Online automobile shoppers want information about cars, but they also want to learn about such other topics as travel,

sports, apparel, and finance. Online shoppers for upscale clothing might typically want information on art or even business. The same holds true for sports and sporting goods.

2.1.2 Multi-channel and omni-channel concept

E-commerce and online shopping cannot be viewed anymore as simply an alternative way for the customer to purchase products. All of the processes involved must be integrated and engaging for the consumers.

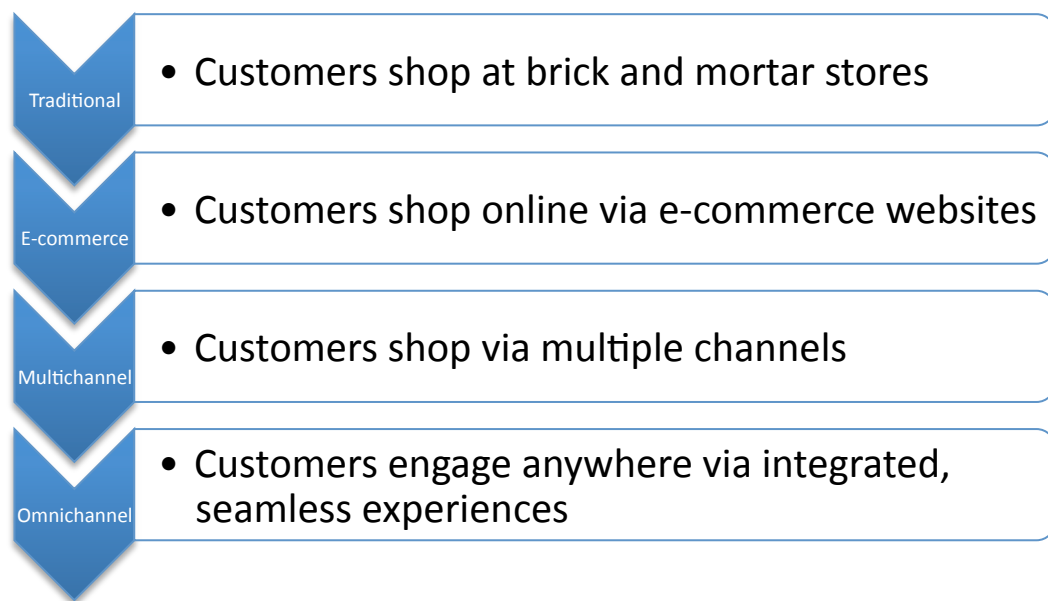


FIGURE 1. Understanding omni- and multichannel

Using several different channels to market goods to consumers (multi-channel retailing) is a strategy that has been employed by retailers for an extensive period of time. This business model treats each channel as separate business segments that are used to reach different groups of consumers. Multi-channel retailing has become a standard business model in the retail industry, as nearly all major firms have developed online operations to complement their existing stores. This model, however, neglects the increasingly apparent reality that consumers do not exhibit a constant preference regarding the channel through which they purchase goods. This developing consumer behaviour trend has given rise to a new breed of retail that has been labelled omni-channel retail. (Dorman 2013, 12.)

Omni-channel is the final step of the evolution, from a single channel to a complete and holistic experience that merges various touch points. More concisely, the omni-channel model assumes that customers will interact with a company using several different channels before making a purchase. For example, a customer may visit a physical store to inspect merchandise before ordering that same product online. The defining characteristic of omni-channel distribution is the assumption that any given customer will evaluate the product-of-interest at several different points before making his/her final purchase. (Harris 2012.)

2.2 Customer segments and market segments

Customer segmentation means creating groups of customers who have the same kinds of characteristics that can be for example age or gender. Customer segmentation enables a company to focus on certain groups whose needs they can successfully fulfil and this in turn can improve customer satisfaction. (Lämsä & Uusitalo 2012, 24.)

Hughes (1978, 131) explains that consumers do not buy products; they buy bundles of attributes that will meet their needs. This means that even though consumers may all buy the same generic product, segments of the consumers will buy different brands because they weigh their needs differently. For example some might buy the product for the brand, or for its special attributions or because of an emotional reason. Market segments emerge when individuals value and weigh these product features differently.

2.3 Customer service

As stated before customer service plays a huge role in modern retail business. In a situation as tightly competitive as the Lielähti area sport store business, the quality and correct implementation of customer service is a major chance for each competitor to stand out in a way to gain an edge over the other stores.

2.3.1 Moments of truth

According to Hollanti & Koski (2007, 149), customer satisfaction does not guarantee that the customer will purchase in the same place again, but it is a prerequisite. If the customers do not feel that the operation of the company is responsible they might feel betrayed and most likely will not use the services anymore. The moment of opportunity when the service provider gets to demonstrate to the customer the quality of its services is called as the moments of truth by Grönroos (1990, 42). Usually in the service-providing sector, the customer encounters multiple moments of truths. For example the first moment of truth can be seen as the moment a customer enters a store. How the customers are greeted and welcomed affects the whole service experience. There are many other moments of truths and the last one will be when the customer leaves the store. After that the moment is gone and there is no easy way to add value to the perceived service quality.

2.3.2 Perceived service quality

Grönroos (1990, 47,) claims that there are six criteria of good perceived service quality. The first one is the professionalism and skills, which means that the customers realize that the service provider had that knowledge and the skills required to solve their problems in a professional manner. Second is attitudes and behaviour so that the customer feels that the service employees are concerned and interested in solving their problems in a friendly way. Third one is about accessibility and flexibility when the customer feels that the service provider, its location and employees are all designed so that it's easy to access the service. Fourth is recovery when the customer sees that if something goes wrong, the service provider will take action to fix it. Last one is about the reputation and credibility. Here the customers believe that the service provider can be trusted and gives value for their money.

3 LIELAHTI AS A MARKETPLACE

The area of Lielähti resides approximately seven kilometres to the west of the city centre of Tampere. It is a growing neighbourhood with new residential and commercial buildings being built constantly. The latest commercial project was the Lielähtikeskus, which opened in the spring 2014. Lielähtikeskus is a shopping mall with private and also some public services like the public library and a health care centre. The builder was a company called the NCC who claims that Lielähti is the second most important commercial centre after the city centre (NCC 2015). The amount of the population is approximately 11 000 people out of the 225 000 living in Tampere. The expanding service and industrial area of Lielähti comprises a large selection of hypermarkets, restaurants, furniture shops, car shops, electronics shops and many more. The recent development and increase of the area's sport stores has made Lielähti the most densely competed area in the field of sporting goods in Finland.

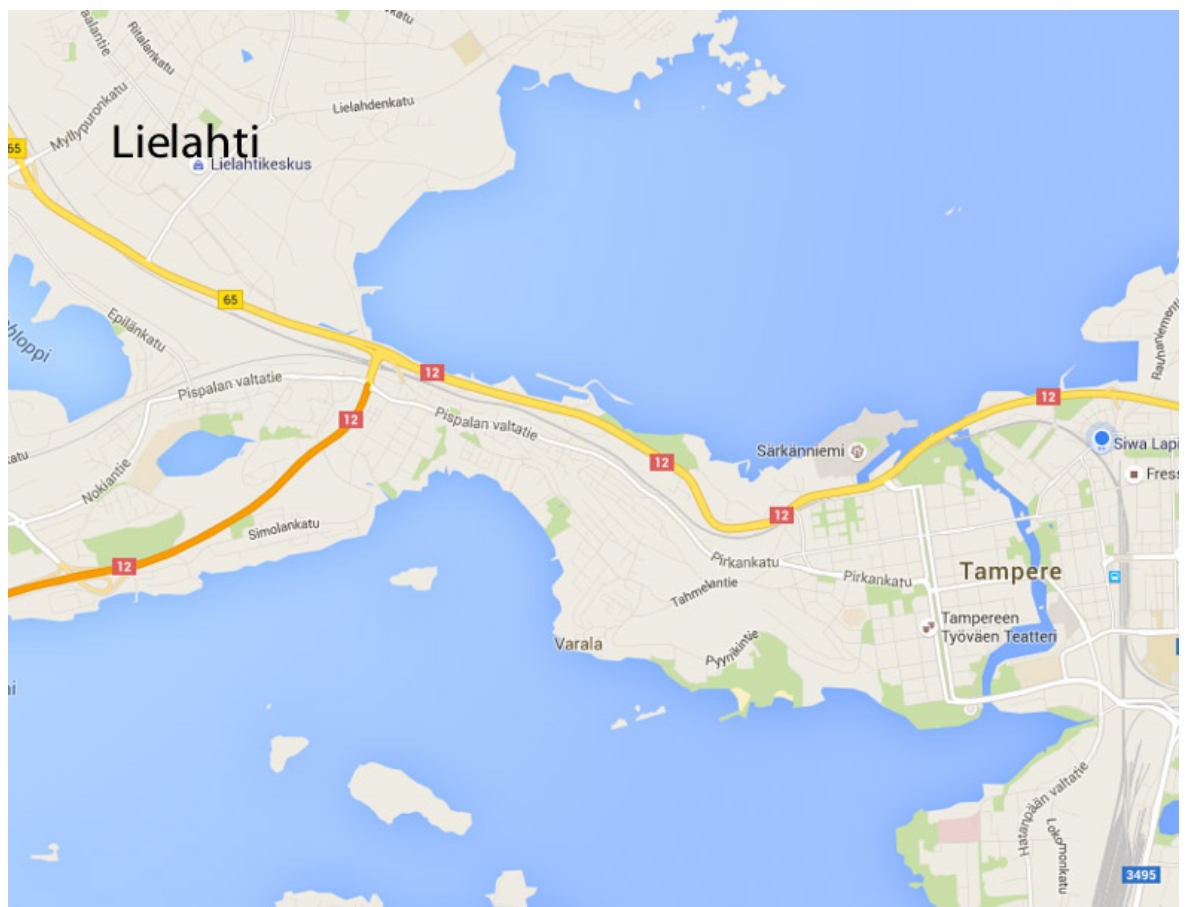


FIGURE 2. Map of Lielähti region (Googlemaps 2015)

The population of Lielähti is only about 11 000, but the number multiples when taking the nearby regions into account. When counting the residents of the regions next to Lielähti, the number of potential residential consumers rises to almost 70 000 according to the NCC. In addition, the service and industrial area in question resides right next to a main highway, which further attracts a broader audience to the area.

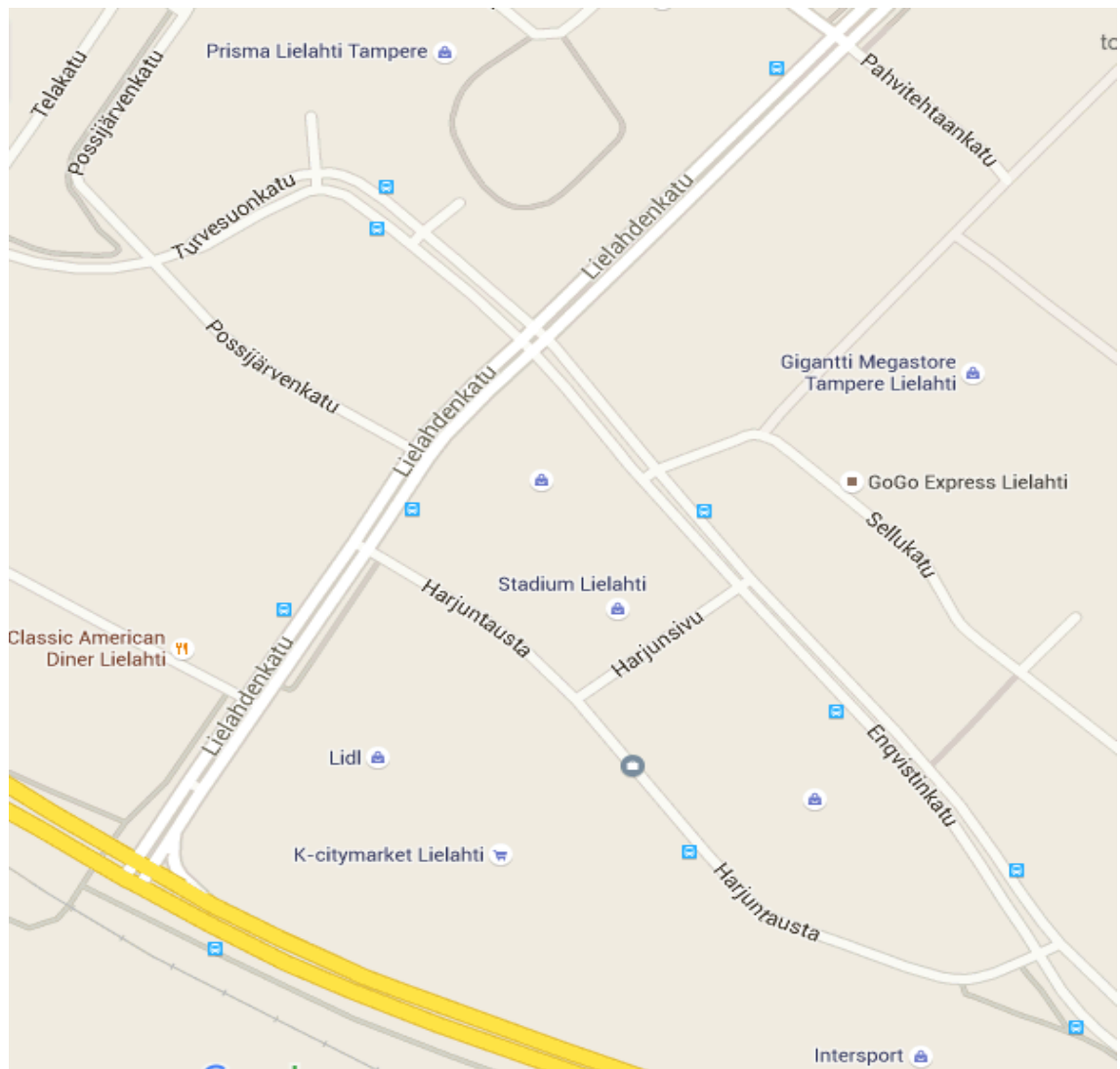


FIGURE 3. Map of Lielähti's service and industrial area (Googlemaps 2015)

The centre of Lielähti is full of commercial services as seen in the map above and all the sport stores are located in a strategically good place next to one of the main roads. Intersport and Sportia are located side by side with Budgetsport across the road. Stadium is a bit closer to the main road Lielahdenkatu and has a huge parking space shared with the customers of a convenience store Tokmanni.

The consumers of Lielähti

Lielähti is especially popular among families with children of all ages. The relatively small area has two elementary schools, one of which is actually located at a different, but still a nearby district called Lentävänniemi. There exists also one junior high school and many day-care centres. It is said that Lielähti will be the most significant new residential area of 2020 and 2030 (Tampereforum 2015). There have been a few big residential construction projects in the recent years that are targeted mainly for families with children (YIT 2015). Also senior housing has been built that supports the fact that the other residents of the area consist evenly of the elderly, young and older adults living alone or with a partner.

Lielähti is a respected suburban neighbourhood with a low crime-rate. The area has also been a concentration of commerce for many years despite that only recently its first actual shopping centre has been built. The people living in Lielähti are mostly middle or upper middle class of income and with most of them having children, the residents of the area create a fairly large demand for different kinds of goods and also have good purchasing power, which leads to growing business in the area.

Sports are traditionally hobbies of the youth and young adults, but sport stores are increasingly widening their customer segments and instead of selling only sporting goods, textiles and clothing are a large part of modern sport retail business. With this trend the number of target customers have increased. Therefore sport stores want to give everybody something and all customers should always be treated with quality service. But that does not mean that sport stores should not do any customer segmenting at all. There are indeed some segments that will benefit the stores if focused on more than others while still maintaining a good overall level of service. The demographics of the sport store customers are more closely examined in the next chapter.

4 THE RESEARCH STORES

4.1 Survey theory

In the thesis a quantitative research method was used and the primary data were collected by a questionnaire survey. The term survey means the form of data collection where the data is collected and standardized. With the term standardized here is meant that every question is asked in the same way from all the respondents. (Hirsjärvi, Remes & Sajavaara 2007, 188.)

This method was chosen for the data collection in order to collect a wide research data. Survey is an efficient way to collect data from multiple respondents and the data can be analysed in a short time period. The problems with this type of data collection method are that one can't be sure on how serious the respondents have been when answering the questionnaire and if they have understood the questions correctly. Some misunderstandings can occur but the questionnaire was drawn up with care and through this the possibility for misunderstandings was eliminated. The questionnaire had both multiple-choice questions and one open question, which gave the respondents an opportunity to explain more closely their reasons for choosing the store to visit. The main focus was on the multiple-choice questions due to the fact that they provided the kind of information needed. Also the multiple-choice questions are usually easier for the respondents and they create data that is easy to analyse and compare (Hirsjärvi, Remes & Sajavaara 2007, 196).

4.2 Data collection

There were four sports stores chosen for the research that were Stadium, Intersport, Budgetsport and Sportia. All of these stores are located in the centre of Lielahiti and the three stores can be regarded as competitors to Stadium. The data collection was organized so that a specific time was spent in front of the stores and everyone who came out were asked to participate in the study. To make the data collection as trustworthy as possible the same kind of circumstances were created for each data collection day. The same amount of time was spent every time for collecting answers and every customer

was asked to participate in the data collection. Overall 119 responses were collected in 12 weeks. The full questionnaire can be found in the appendix 1.

4.3 The research stores

The stores chosen for the research are all the other main sport stores in the centre of Lielähti that can be considered to be clear competitors to Stadium. Local hypermarkets like for example Prisma and Citymarket also have a fairly large selection of sporting goods but they were decided to be left out of the research. The reason is that their concept is very different compared to the service-oriented culture of the other stores. A bike store called Suomen Polkupyörätukku, which only sells bikes and bike accessories, was also left out. Even though the other stores also focus much of their sales on bicycles Suomen Polkupyörätukku cannot be considered as a direct competitor for the commissioner because it is only focused on one specific product selection.

4.3.1 Intersport

The Intersport Finland Oy is the leading sport store chain in Finland. The chain employs more than 900 people and has altogether 62 stores in Finland. In Finland it operates as a part of the Kesko Group (Intersport 2015). Intersport stores offer a wide combination of both sport and leisure time products. It has been in the same place in Lielähti since 2003 and thus has established a loyal customer base. Intersport is also very well strategically located in the heart of Lielähti and is easily accessible.

4.3.2 Sportia

Sportia has more than 50 stores located all over Finland and it is the third largest sports store chain in Finland (Sportia 2015). What makes it different from these other stores is the fact that it is focused also on different outdoor activities like for example fishing. Sportia as well as Intersport, has remained at the same premises for many years now and has a good reputation. It is located very close to Intersport and is also easy to access.

4.3.3 Budgetsport

Budgetsport is a Finnish sport store concept that has stores in 10 different cities. The main idea is to offer the best sport brands with the best prices. It is mostly focused on keeping the prices low and that way differentiates itself from the other sport stores. Budgetsport is the newest of these research stores to open a store in Lielähti. It opened its doors in the spring of 2013 just a bit after Stadium. It is also located close to Intersport and Sportia and shares a parking lot with another store. Budgetsport is a part of the same Kesko Group as Intersport.

4.3.4 Stadium

Stadium is a Swedish sports store chain that has 28 stores located all over Finland and holds the second place in the market share and revenue (Stadium 2015). The chain's concept relies on selling about fifty percent known brands like Nike and Adidas and roughly fifty percent of the company's own brands. The own brands are sold at clearly more affordable prices. Stadium also tries to differentiate itself with a more relaxed and youthful image. Stadium has perhaps the best location of the stores since it is easy to notice and is next to the main road.

4.4 Respondents

The survey collected altogether 119 responses during the 12 weeks the data collection lasted. All the four sport stores were mostly equally represented in the responses. In fact, 33 answers came from Intersport, 30 were gathered from Sportia, 25 from Budgetsport and 31 were collected from Stadium. Due to Finnish shyness most of the people were not eager to participate in the study but a required sample size was however achieved.

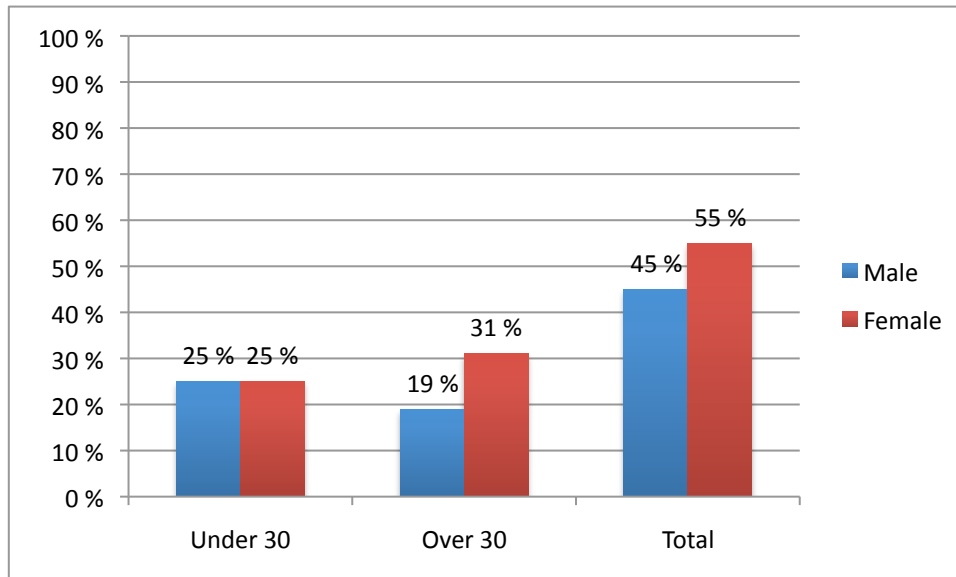


FIGURE 4. Age and gender of the respondents

The graph above shows the age and gender distribution of the respondents. Fifty-four of the 119 respondents were males and the rest sixty-five were females. The largest customer segment was females over thirty years old and the smallest was males of the same age group. The younger respondents were surprisingly exactly of equal representation. It was also interesting that both age groups were equally represented among the customers when both genders were accounted for.

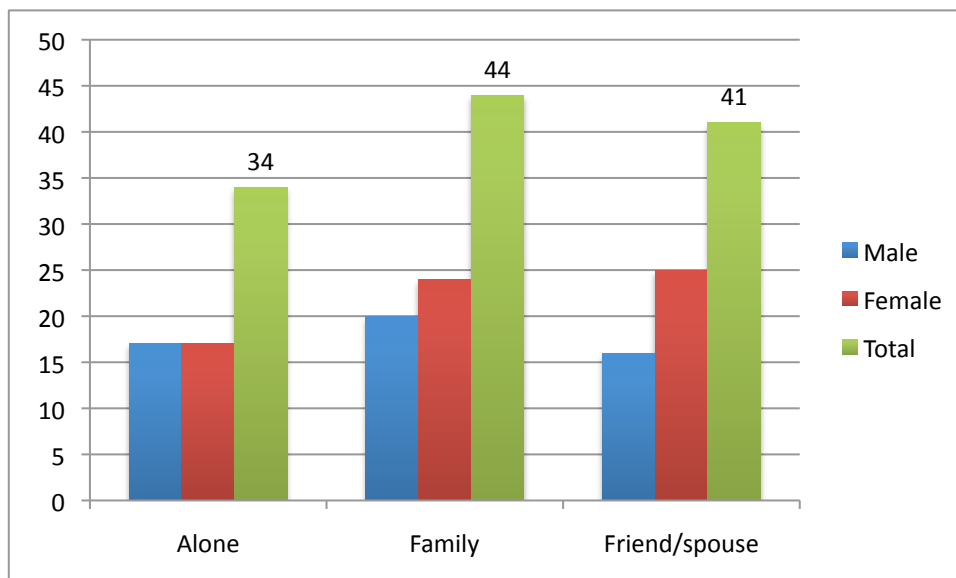


FIGURE 5. Shopping companion

The survey also asked the respondents whom they were shopping with. The options were, alone, with family, or with a friend or a spouse. The family option means a family

that was shopping together, both parents and with all of the children. Also, if only one parent was present with one or more children, that respondent was also counted to the family section. The last option accounted for respondents who were shopping with a friend or a spouse. In the figure 5 it can be seen that the results are divided quite equally but respondents were mostly shopping with their families. 34 respondents were visiting the stores alone and the rest were with a friend or a spouse.

4.5 Shopping behaviour

Lielahi has a large selection of retailers outside of sporting goods, which attracts customers to not just visit one single store but to circle the whole area. Most daily consumers that visit the area are probably shopping for food, but those in need of sporting goods, electronics or furniture were predicted to visit most if not all of the stores in the particular field of business. Especially the sport stores are located extremely close to each other; the largest distance is between Stadium and Intersport, which is approximately four hundred metres. The physical location of each store in such a small area creates an extra incentive for customers to visit each store especially in modern consumer culture where customer knowledge and price awareness is increasing.

4.5.1 Store selection

Out of the 119 respondents of the survey 68 (57%) responded that they either had visited or will visit all of the four stores during their shopping trip. All in all 85% of the respondents would visit at least two different stores and most of them three or all of the four. Seven respondents visited only Intersport, and Sportia had the same number. No one visited only Budgetsport, and Stadium had four customers who said they would not visit any other sport store. Out of the four research stores Budgetsport was the one, which was skipped the most with fourteen respondents answering that they would visit only the other three stores. Also interesting on Stadium's behalf was that out of the respondents who had already visited a store and planned to visit only one more store, Stadium was the most popular selection out of the four with ten answers. Intersport had three of those respondents and both Budgetsport and Sportia had only 1.

4.5.2 Open questions

There was only one open question in the survey, which purpose was to find out specific reasons for visiting each store. Overall there were twenty-seven answers and the most common one was because of an ad in an unspecified media. The specific answers for all the stores were the following: For Intersport two respondents answered the reason to visit the store being an ad, two had friends who work there, two pointed out the good selection of clothes, one liked the good quality and one was there for bike maintenance. For Sportia, five respondents visited the store for fishing equipment, two because of an ad, one had a friend working there and one was shopping for a bike. Budgetsport had three people visiting there due to an ad. Stadium had also three people visiting the store because of an advertisement, two were there to look for children's clothes, one thought that there were the best merchandise, one pointed out the good prices and service, one had discount coupons and one visited in order to find football shoes.

4.6 Analysing the data

The data were derived straight from the questionnaire answers and assembled and analysed with Microsoft Excel. The data were referenced and cross-referenced to retrieve answers for important questions.

4.6.1 Multiple-choice questions

The multiple-choice questions were perhaps the most important part of the survey. The survey asked the respondents on a scale of one to five, with one being the lowest grade and five the highest, how they viewed the different stores' attributes. The three questions examined were: How fast did the staff contact you, how good was the overall service and how would you rate the appearance of the store.

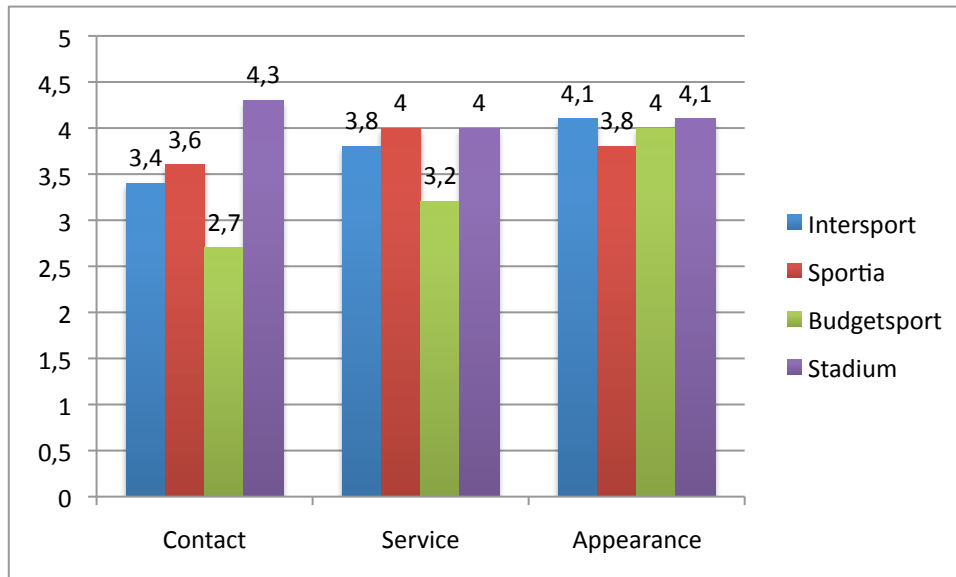


FIGURE 6. Store grading on a scale of 1-5

All of the grades were fairly equal and close to each other. All of the stores received grades above three in all the questions except for Budgetsport in the first question about the staff's contact. Budgetsport was graded with 2,7 while the next store after that was Intersport with a grade of 3,4. The first question had the greatest disparity between grading and in the third question, regarding the appearances, the differences were very small. Grades, that are four or above can be considered very good.

The commissioner store, Stadium was ranked first on all of the questions although it shared the podium with Sportia in service quality and with Intersport in store appearance. Stadium's grade in the first question, which concerned the contact speed of the staff, was very far ahead of the others, compared to the other questions. This is clearly a strength for Stadium that should be noted with future planning.

Out of all the research stores, Budgetsport had the lowest grades. This directly correlates with the store selection pattern of local shoppers skipping Budgetsport all together. Sportia was the second best store in light of the grading and judging, and based only on the grades it can be considered as Stadium's main competitor.

4.6.2 Other data

Over half (57%) of the visitors would visit all of the stores and eighty-five percent did not settle for only one shop but would visit at least one other store. This creates extra incentive for the stores to improve their customer service and to develop it. Every single customer should always receive the best possible service knowing, that they might be coming from another store or visiting one later, and the current service situation can be a valuable opportunity to create a positive image of the store.

Stadium is in a good situation, because based on the survey responses the store has already created a positive image in the consumers' minds. The store got the highest grades of all and also had a few loyal customers (3 %) who only visit Stadium. Comparing to Intersport and Sportia, which both had seven percent of loyal customers, Stadium still was a better store in grading. It is also good to take into account the fact that Stadium has only been in the area for a little over two years while Intersport and Sportia have a history of over ten years and have had more time to create a loyal customer base.

Marketing and advertising are also an important part of the stores' success, judging from the results of the open questions. Ten people out of twenty-seven answered that the reason they visited a specific store was because of an ad they saw in an unspecified media. Unfortunately marketing is a factor most stores don't have much power over, as they are all usually part of bigger companies, which have their own centralized marketing units.

5 SERVICE DEVELOPMENT SUGGESTIONS AND RECOMMENDATIONS

5.1 SWOT analysis

A SWOT analysis is a structured planning method that is used to evaluate the strengths, weaknesses, opportunities and threats of a project or business. The analysis can be used for a product, place, industry or even a person. It involves specifying the objective of the venture or project and identifying the internal and external factors that are favourable and unfavourable to achieve that objective (Brooksbank R. 1996, 16).

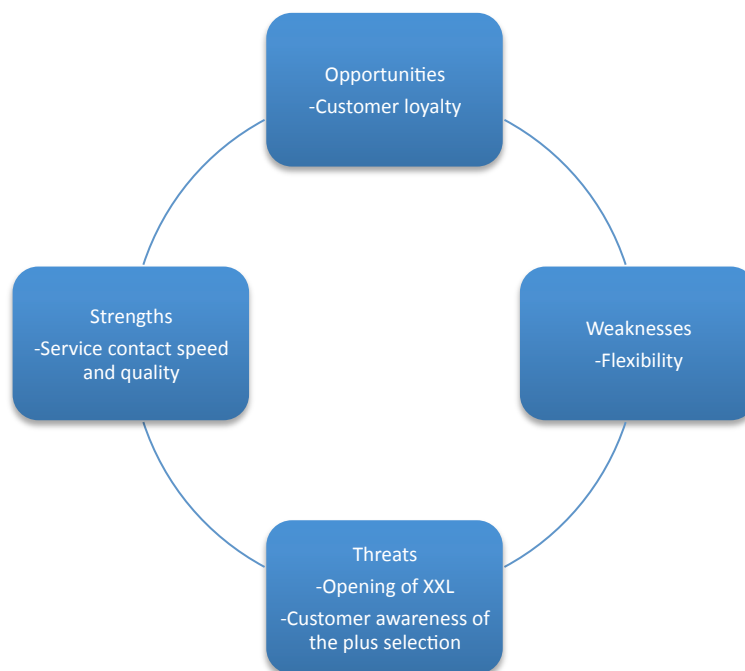


FIGURE 7. SWOT Analysis of Stadium Lielahiti

5.1.1 Strengths

The first clear strength of Stadium is the speed by which all customers are contacted once they enter the store. Respondents of the survey graded it as the clear number one and contacting customers quickly and helping them with their needs is certainly a positive thing to hold on. The perceived service quality was also good according to the respondents. Stadium should be pleased with these results, but it should not become lazy, but instead strive to continuously be better and achieve more.

5.1.2 Weaknesses

The area of Lielähti is small but the number of competing sport stores is large. Being more flexible from a marketing and pricing standpoint would help Stadium in comparison with the competition. In such a small area it is important to be able to react and adapt fast to different campaigns and other changes that the competing stores might be orchestrating. Being a part of a big company has its benefits but the flexibility of a single store is not one of them.

5.1.3 Opportunities

Stadium has not been in the Lielähti area for too long compared to the other stores. Intersport and Sportia have remained in the same premises for many years and thus, have had time to create a customer base and have had time to adapt to the marketplace demands. In this regard Stadium has a great opportunity to create a more loyal customer base, and judging based on the grades it received, the chances to engage more customers are good.

5.1.4 Threats

The Norwegian sport store chain called XXL opened its first store in Finland in April 2014 and has since opened other stores as well. Another store opened in Lielähti in 2015 during conducting this research and its effects concerning Stadium and the competition in the area remain to be seen. Five sport specific stores now inhabit the area and it is very unlikely that there is enough demand for all of them. XXL is also part of a big sport chain and can be a real threat to Stadium.

Another threat can also be the fact that the selection of Stadium might not be very clear for the customers. In the open questions, respondents mentioned as the reason to visit for example Sportia to be its selection of fishing equipment and bikes for the reason to go to Intersport. The only product selection mentioned in the case of Stadium was children's clothes. Stadium has however wide selections of bikes and other sport equipment but these were not mentioned as factors to visit the store.

5.2 Improvement suggestions

As evidenced with the results of the survey, the consumers of the Lielähti area think that Stadium is a good place to shop and appreciate the services more compared to the other competing stores. They also gave positive feedback on the store tidiness and overall appearance. Stadium has been in its place for a very short time compared to the others, but regardless of that, the good work of the staff and the concept are already showing good results among consumer opinions.

There is always room for improvement, but judging from the results of the survey it is difficult to say what concrete actions Stadium should do in order to improve its customer service even more. The flexibility issue is one that could be addressed concerning marketing and other operations, because of the possibility to be able to react more quickly to the competitive situation, but that belongs more to the strategic part of the company and its main office. Also raising people's awareness of Stadium and its product selection might help in the sense of differing from the other stores. Although creating a stronger brand image is mostly done by the marketing team, all the employees can make a difference. An employee is a representative of the company and can promote the brand. Welcoming customers, offering assistance and creating an overall good purchasing experience for the customer is essential. As stated in 2.3.1 a good customer service experience can lead to revisiting the store.

Customer segmentation is also something that can be highlighted since based on the questionnaire survey results, it is easy to draw conclusions about the customers. It turned out that most of the respondents were visiting the sport stores with their families and most of them were women over thirty years old. Also as stated in chapter 3, most of Lielähti's residents are families with underage children so they most likely create the biggest consumer group. Customer segmentation is also found to be an efficient way to improve customer satisfaction when focusing on the target groups' needs. However, with the sport stores' concepts changing from only selling sport equipment to more lifestyle based selections, customer segmentation can be hard to do at this point.

Stadium has already used an omni-channel approach, which is explained more closely in chapter 2.1.2. Stadium has implemented it in its concept in Finland and the customers

have provided positive feedback. Having a large and successful online store next to the brick and mortar stores is an efficient way to improve customer service. The concept is still in its first stages and developing it further could provide the actual stores with more freedom regarding marketing and other processes. If the stores could act more locally reacting to the customers and the competitive environment, major advances could be made regarding services.

All in all the single store, however, should just mainly focus on what it is doing and not make any major changes. The personnel seems to understand what good customer service means and are willing to act on it. Training new employees to have the same kind of a friendly customer service mind-set as the existing employees, evidently is the key for the future. The short time period Stadium Lielāhti has existed has already created very positive results and the company should rely on the staff and the work they have done. In time the work will show off and Stadium already has the lead in the race.

6 SUMMARY AND CONCLUSION

The intended outcome of the research was to provide Stadium Lielähti with customer service development suggestions. The main research question was the consumer opinions of Stadium compared to other sport stores of the area. The sub questions were about finding out the strengths and weaknesses of Stadium and determining the demographics of the consumers. In order to answer the main question a survey in the form of a questionnaire survey was conducted among the customers of the four research stores, which in addition to Stadium were Intersport, Sportia and Budgetsport. The survey was chosen as the research method to provide a wide range of clear standardized data. The primary data were collected from the survey and it was analysed to provide answers to the research questions. The theories of services management and marketing theory were studied to provide ideas on how customer services can be developed and how to increase customer satisfaction.

The questionnaire survey was the most valuable source of information since the responses painted a clear picture of the customer opinions of the research stores. The survey was easy to execute and the data were straightforward to analyse. The data collection resulted in enough responses from all the research stores so it can be considered as a success. Lielähti remains an interesting area of sport retail competition being the most densely competed area in Finland. The biggest problem in the Lielähti area business right now is that the area and the demand are fairly small compared to the competition. Therefore all of the stores must provide their customers with the best possible service and experience to maintain a steady flow of visitors.

One of the objectives was to find out the strengths and weaknesses of Stadium. When comparing to the other research stores Stadium was the clear number one in service contact speed and the quality of the service was also rated number one. The survey provided no apparent weaknesses for Stadium but flexibility is an issue that was brought up in conversations with the store manager of Stadium Lielähti. Marketing and advertising are key factors in bringing in more visitors and the store itself has virtually no control over them. Improving these things could provide Stadium Lielähti with an ever-larger edge over the competition.

After studying all the data and researching the theory of services management and marketing the conclusion is that Stadium should keep focusing on what it is doing because it is doing it well. The store has been in Lielahiti many years less compared to the other stores and conclusive conclusions should not be made during such a short time-span as two and a half years. As stated in chapters 2.1 and 2.3 customer service is an important part of sport retail stores' success and there is always room for improvement.

At the moment, as stated in chapter 3, the neighbourhood of Lielahiti is growing and the competitive situation of the business area is changing all the time. The expansion of XXL to the area creates even more pressure to the other stores. With time it is very likely that at least one or more stores will have to disappear because the population is most likely not large enough to create a demand to pay the expenses of all of the five large stores.

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APPENDICES

Appendix 1. Questionnaire

Kyselylomake

Kauppa: 1. Intersport 2. Sportia 3. Budgetsport 4. Stadium

Sukupuoli: Mies Nainen

Ikä: Yli 30v alle 30v

Liikkeellä yksin Perheen kanssa Kaverin/puolison kanssa

1. Kuinka nopeasti henkilökunta otti teihin kontaktia?

1 Erittäin hitaasti 2 Hitaasti 3 Keskinopeasti 4 Nopeasti 5 Erittäin nopeasti

2. Kuinka tyytyväisiä olitte saamaanne palveluun?

1 Erittäin pettynyt 2 Pettynyt 3 Neutraali 4 Tyytyväinen 5 Erittäin tyytyväinen

3. Millaisen arvion annatte myymälän siisteydelle?

1 Erittäin epäsiisti 2 Epäsiisti 3 Neutraali 4 Siisti 5 Erittäin siisti

4. Rastittakaa kaikki seuraavat kaupungit, joissa olette tänään käynyt/aiotte käydä.

1. Intersport 2. Sportia 3. Budgetsport 4. Stadium

5. Avoin kysymys: Oliko tämän liikkeen valintaan jokin erityinen syy?

Kiitoksia avustanne!