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**CUSTOMER SATISFACTION AND CUSTOMER LOYALTY**

**Case Trivsel Städtjänster (Trivsel siivouspalvelut)**

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**ABSTRACT**

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<p>The report emphasized the role and the importance of customer satisfaction and loyalty. Customers are the link to a business success. A business organization should focus on a huge number of customer, for this customer satisfaction and loyalty should be incorporated along the long-term goals. This thesis was implemented to an analyzing the relationship between customer satisfaction and customer relationship. The objective of this research is to study the concept of customer satisfaction, customer loyalty and its relationship. Moreover, this thesis studies the factors that influence customer satisfaction and loyalty. The thesis project examines customer satisfaction provided by Trivsel and customer loyalty received by Trivsel from its customers. The commissioner of this thesis was Karolina Lassfolk (Operational Director, Trivsel). This thesis also analyzes the factors that have impact on customer satisfaction and result in customer loyalty. Recommendations on improving the service quality and getting customer retention are ultimately proposed.</p> <p>In this thesis, the theoretical background chapter reviews studies on customer satisfaction and customer loyalty and the relationship between these two terms. Various methods that have been widely used to measure customer satisfaction and the outcome results of having loyal customers are presented. The thesis presents best practices and the relevant recommendation on how to improve Trivsel customer satisfaction level. This result was accomplished using a quantitative and qualitative research method by means of a questionnaire. The questionnaire was distributed into three different parts, multiple choice questions, open questions and customer's opinions in the end. The questionnaire was distributed to the customers of Trivsel over a period of one month.</p> <p>In conclusion, the research reveals that the current service level of Trivsel can be marked as positive and customers are very satisfied with the service. However, improvement on certain things should be done in order to increase the level of customer satisfaction. It is recommended that the company should improve its service regarding feedback system, implement staff training as well as conduct regular advertising campaign to attract new customers and also to inform existing customers about upcoming events.</p>		
<b>Key words</b> Customer Satisfaction, Customer Loyalty, Marketing, Relationship, Service Quality, Value.		

## **ABSTRACT**

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## **ABBREVIATIONS**

ISO International organization for standardization.

ICS International customer satisfaction.

QMS Quality management system

## 1 INTRODUCTION

Every business organization's success depends on the satisfaction of the customers. Whenever a business is about to start, customers always come "first" and then the profit. Those companies that are succeeding to satisfy the customers fully will remain in the top position in a market. Today's business company has known that customer satisfaction is the key component for the success of the business and at the same time it plays a vital role to expand the market value. In general, customers are those people who buy goods and services from the market or business that meet their needs and wants. Customers purchase products to meet their expectations in terms of money. Therefore, companies should determine their pricing with the quality of the product that attracts the customer and maintains the long-term affiliation.

The organization should make sure that they are providing full service, equivalent to their monetary value. This will increase the number of customers and holds the long-term relationship between the customer and the organization. And the existing customer will help to attract the new customers by providing or sharing the information about the products and services of the companies. Satisfaction means to feel content after what the person desired or wanted. It is difficult to know whether the customers are satisfied with the availability of the product or services. So, giving satisfaction to the customers is not an easy task, for this different factor is needed to be taken into consideration. Nowadays, competition can be noticed between the business organizations and marketplaces everywhere and has been one of the challenging tasks for the competitors. Though it seems to be tough in the growing market, competitors are developing their marketing channels effectively.

One of the important aspects to ensure the attention of the customers is to provide the best and the most favorable products at this competing market. If a customer's satisfaction is earned, then it is sure that customer loyalty will also come along with it. Moreover, in the absence of the customer, a business organization would not exist. In order to increase the number of the customers, development of customer's satisfaction is very important. In terms of achieving business goals, these two terms are very important. Hence, the relation of customers and the business organization or market is, therefore, the most important one.

The thesis consists of eight chapters. The first chapter provides the general introduction part where it includes the research objective, background, research and motivation. The case company and the information about the commissioner is described in the second chapter. In the third chapter the concept of customer satisfaction and customer loyalty are defined and explained based on literature review. In addition, factors influencing customer satisfaction and loyalty, measuring customer satisfaction, importance and approaches are explored. Similarly, in chapter four methods of managing customer relationships are described. Moreover, in chapter four the author has described the strategy of increasing customer satisfaction and loyalty. Further, in chapter five the author has described the empirical study. Chapter six further analyses the data that are collected for this research, including data from interviews and questionnaires. Chapter seven of the research which is the last chapter presents the conclusion, the result of this research together with the set of recommendations that have been provided for the case company not forgetting references and appendix.

In the empirical study the writer has used both qualitative and quantitative research methods by designing a questionnaire and interviewing two main interviewees of the case company operational director and project manager. There were 15 questions that were designed for the questionnaire and 10 questions that were asked in the interview with different persons in the study. In addition, the questionnaire survey was conducted with the customers of the Trivsel to figure out the customer satisfaction and loyalty. The questionnaire was distributed among 30 customers of Trivsel. The answers got through the interviews of the customers of Trivsel will make it easier for the writer to give suggestions for further improvement. Through the research, it would help the company in the improvement and development in the services. To highlight the way of satisfying the customers, the thesis has gone into the depth of the case company. In this study, Trivsel will be presented as a case company to give an overview of the company. And Karolina Lassfolk will be presented as a commissioner.

The aim and objective of the thesis is to examine the relationship between customer satisfaction and customer loyalty and to analyze how these elements lead business to success in a long term. This thesis emphasizes measuring the customer satisfaction and loyalty in order to bring the improvement in the business organizations. The purpose is to define the conceptual framework within which to analyze the factors that influences customer satisfaction and customer loyalty and profitability of the customers.

## 2 PRESENTATION OF TRIVSEL

The cleaning company Trivsel was founded in 2009 with the name SJT Cleaning in a small town named Jakobstad by the brothers Saul, Tomas and Johan Mäenpää. Here, in this chapter the author has mentioned some customer point of views, company services, company goal, company growth and success. Moreover, to understand about the case company in depth the writer has collected the information of the commissioner in detail which is mentioned below. Further, it emphasizes on what the case company is doing to make the customer highly satisfied and gain their loyalty.

Trivsel believes that it is a young, enthusiastic and innovative company, which aspires to be the best and the most efficient company in its field. The company aim is to grow and develop in a cleaning field that inspires confidence and help to take responsibility for all kinds of cleaning task. The company provides effective cleaning by skilled staff. Skilled staff helps in both optimizing the time and the cost. Until 2009 Trivsel was known as a SJT cleaning company and it was only providing services to the limited customers. But 2014 became the year to step a new millennium. It stepped into a new market with new name Trivsel and with the new motto and new commitment. Gradually this company begun to offer its services to private customers. Now the company has extended its network in different places inside Finland. The business started with a small office in Jakobstad and now has become the large organization with some branch officers in different cities of the country. (Trivsel- städtjänster 2017.)

Over these years, the company has earned a reputation that has a unique combination of quality, value, trust and reliability. The Trivsel slogan is to provide purely high- quality service to the customer's. Trivsel offers complete cleaning solutions for businesses of any size. Trivsel offers a wide variety of services including all type of industry, commercial spaces, apartments and residential complexes with trained staffs. Trivsel provides services such as cleaning warehouse, floor care, office cleaning, stair cleaning, building cleaning, moving cleaning, window cleaning, final cleaning, industrial cleaning, cleaning shop, facade and roof cleaning, public building etc. Similarly, individual cleaning, home window cleaning, home cleaning, moving service are also being provided to the customers. Trivsel is a quality oriented company which guarantees the top service qualities and offers a friendly business relationship. (Trivsel- städtjänster 2017.)

The company works together with a cleaning plan that is efficient and friendly to follow for cleaners. The company believes that employees will always give a good impression while serving the customers and believes in the satisfaction of the employee. The company intends to grow and aim to develop a cleaning company which generates the confidence and provides all types of cleaning service. The company has broadened its services in the area of Kokkola, Vassa, Nykarleby, Seinäjoki and Helsinki. At the moment, there are more than 50 staff working under Trivsel company. They are providing quality service by understanding company motto along with fulfilling customer wants. (Trivsel- städtjänster 2017.)

The current goal of the company is to recruit cleaning supervisors for the expansion of the cleaning service more effectively. The Supervisors will be delegated authority to take care of the project that they will be provided. Then, it will be their responsibility to take good care of the project and update about the situation to operative team. Likewise strengthen share in kokkola and Helsinki, to increase sales by 20% with stable profitability and participate in fairs to strengthen Trivsel brand falls under company strategy for this year. To work on this strategy and get desired success Trivsel is working on it. The company HR team has implemented some rules which help to make it easier to achieve the company goal. Such as Monthly news about the company status and analyzing it, then, if necessary take corrective action. Similarly, renewals of the staff policy, to organize a training day for the staff and educational training for cleaning supervisor etc. Such kind of educational training helps to add more skill and knowledge for the supervisors. Which helps them to tackle the problems that may occur during the work. Such additional capabilities of staff bring smoothness and quality in service work. (Lassfolk 2017.)

The commissioner Lassfolk is an operational director as well as team leader of Trivsel in Jakbostad. Lassfolk has started to work in Trivsel since 2012 as a normal cleaner. Lassfolk was dedicated and hardworking towards her work. Because of her dedication towards the work, there is a good image in the company. In 2015 Lassfolk was appointed as a supervisor who was in charge of all the activities that was carried within the company. Lassfolk deals with the customer's problems and also tries to solve it soon. Making contract with new customers, recruiting new employees also fall on her duty. Lassfolk has a very good understanding about the customer's satisfaction and loyalty in the case company Moreover, Lassfolk is a good teacher and supervisor with strong training skills. Lassfolk knows very well how customers can be made satisfy so, that in the future the case company can hold a good remark.

### **3 CUSTOMER SATISFACTION AND CUSTOMER LOYALTY**

Customer loyalty and satisfaction is vital for modern day business for two main reasons. First, customers are scarce resource it is far easier to obtain from an old customer than from a new one. Second, customer loyalty and satisfaction has a positive effect on the profitability revenues of the company (Rosenberg & Czepiel 2017.)

#### **3.1 Customer satisfaction**

Customer satisfaction has been one of the top tools for a successful business. Customer satisfaction is defined as an overall evaluation based on the total purchase and consumption experience with the good or service over time (Fornell, Johnson, Anderson, Cha & Bryant 1996). With marketing, customer satisfaction also comes along with it which means it ascertains the expectation of the customer on how the goods and services are being facilitated by the companies. Actionable information on how to make customers further satisfied is therefore, a crucial outcome (Oliver 1999.)

At a glance, customer satisfaction is a crucial component of a business strategy as well as customer retention and product repurchase. To maximize the customer satisfaction companies should sell ideas and methods after the completion with all the necessary documents. As for example, customers will buy a car after taking a closer look at it such as how is the engine, what is its model, how many kilometers it has been traveling, and is there any cracks or not. Therefore, they do not feel disappointed after purchasing it. Otherwise, if the company uses only their sell and build method customers might expect that the car is exactly the same as what they see in the pictures or during the exhibition and later on the company might receive complaint if anything is wrong. Customer satisfaction is a barometer that predicts the future customer behavior (Hill, Roche & Allen 2007.)

However, the product and its features, functions, reliability, sales activity and customer support are the most important topics required to meet or exceed the satisfaction of the customers. Satisfied customers usually rebound and buy more. Besides buying more they also work as a network to reach other potential customers by sharing experiences (Hague & Hague 2016.) The value of keeping a customer is only one- tenth of winning a new one. Therefore, when the organization wins a customer it should continue to build up a good

relationship with the client. Providing the quality of goods and services in the 20<sup>th</sup> century is not only to satisfy the customers but also to have a safe position. Indeed, this has benefited the customers significantly on consuming qualitative products (Rebekah & Sharyn 2004.)

Customers often look for a value in the total service which requires internal collaboration among the department that is responsible for different elements of the offering, such as the core product (goods or services) delivering the product, product documentation, etc. Moreover, from profitability and productivity perspectives only activities that produce value for customers should be carried out. Hence, firms have to get to know their customers much better than has normally been. However, the company should be able to build trust with the customer so it is easy to get the feedback from the customer. This is how customer oriented product or service could be developed (Hill, Brierley & MacDougall 2003.)

Customer satisfaction is dynamic and relative. Only the idea “customer-centric” can help companies improve satisfaction and keep customer truly, conversely, if competitors improve customer satisfaction, then it may loss corporate customers. While improving customer satisfaction, customer expectations should be noticed. Service quality, product quality and value for money have a direct positive impact on customer satisfaction. Employee satisfaction is equally important before achieving the customer satisfaction. If employees have a positive influence, then they can play a big role to increase customer satisfaction level. Satisfaction is a dynamic, moving target that may evolve overtime, influenced by a variety of factors. Particularly when product usage or the service experience takes place over time, satisfaction may be highly variable depending on which point in the usage or experience cycle one is focusing. (Lovelock, C & Wright, L.2007,86-87.)

Customer satisfaction is influenced by specific product or service features and perceptions of quality. Satisfaction is also influenced by customer’s emotional responses, their attributions nather perception of equity (Zeithal & Bitner. 2003, 87-89.) Increased customer satisfaction can provide company benefits like customer loyalty, extending the life cycle of a customer expanding the life of merchandise the customer purchase and increases customers positive word of mouth communication. When the customer is satisfied with the product or service of the company, it can make the customer to purchase frequently and to recommend products or services to potential customers. It is impossible for a business organization to grow up in case the company ignores or disregards the needs of customers (Tao 2014.)

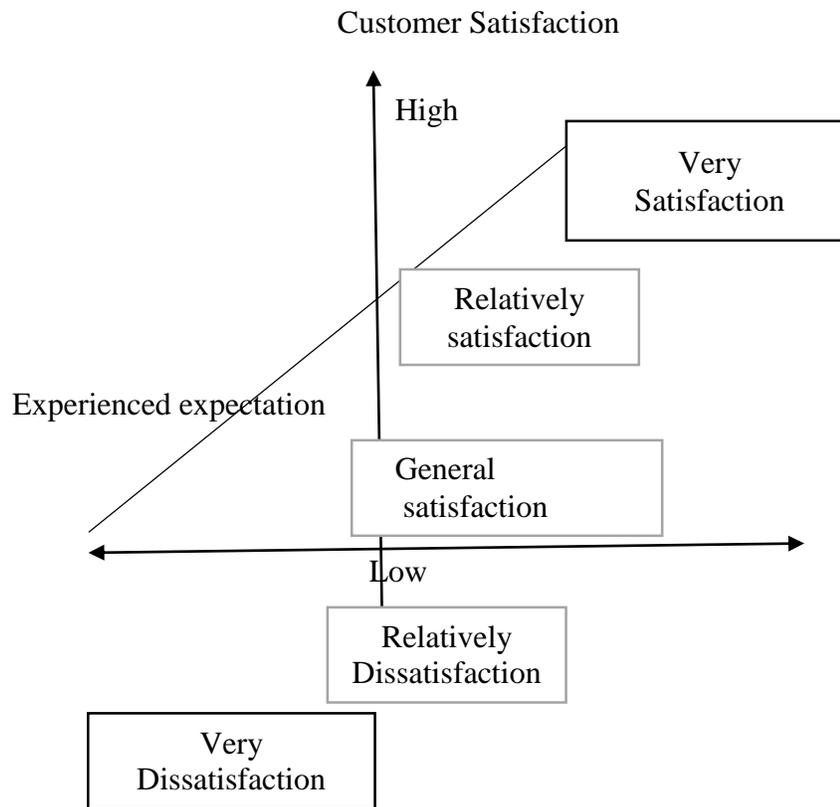


FIGURE 1. Customer satisfaction analysis model (Adapted from Tao 2014.)

Customer relationship management triangle law describes: Customer satisfaction = customer expectations - customer satisfaction. In the given figure customer satisfaction can be seen negatively correlated with customer expectations. The figure clear difference between the customer experience and customer expectation. Therefore, it is divided into five intervals (very dissatisfied, relatively dissatisfied, general satisfaction, relatively satisfied and very satisfied). When the customer experience essential flats with customer expectation, the customer satisfaction become higher. On the contrary, compared with the expectations, the worse customer experience brings lower customer satisfaction. There are two ways to improve customer satisfaction for companies. First service improvement, to enhance the customer experience and second try to effectively manage customer expectations by reducing the desired level. However, the first approach is widely used in the organization and achieved great success. In the future, companies will need to still make some adjustment for continuous improvement (Tao 2014.)

### 3.2 Customers loyalty

Oliver (1999,33) defines loyalty as "a deeply held commitment to rebuild and re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behaviors. "Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and re-patronage. Although customer satisfaction is a crucial part of a business, satisfaction alone cannot take a business to a top level. Customer satisfaction produces a positive financial result, especially in regular purchases. Today's unforgiving market where creating and maintaining customer loyalty is more complex than it used to be in the past years. This is because of technological breakthrough and widespread of the internet uses. Loyalty building requires the company to focus the value of its product and services and to show that it is interested to fulfill the desire or build the relationship with customers (Griffin 2002.)

Thomas and Tobe (2013) emphasize that "loyalty is more profitable." The expenses to gain a new customer is much more than retaining existing one. Loyal customers will encourage others to buy from you and think more than twice before changing their mind to buy other services. Customer loyalty is not gained by an accident, they are constructed through the sourcing and design decisions. Designing for customer loyalty requires customer-centered approaches that recognize the want and interest of service receiver. Customer loyalty is built over time across multiple transactions.

A relationship with a customer is equally important in customer loyalty and this requires that company work in a broader context that extends beyond itself, as no company can be world class at everything (McDonlad & Keen 2000). Gremler and Brown (1999) divided customer loyalty into three different categories that include behavior loyalty, intentional loyalty, and emotional loyalty. Behavior loyalty is repeating purchasing behavior while intentional loyalty is the possible buying intention. Emotional loyalty, however, is achieved when a customer feels that a brand corresponds with their value, ideas, and passion.



FIGURE 2. Model of customer loyalty (Adapted from the loyalty model 2012.)

Figure 2 Illustrates how much customer loyalty is as much a process as other. According to the model of the customer loyalty factors forming customer loyalty such as understanding the customer’s needs, wants. The company must pay attention to price, promotion, service and products in order to gain the customer loyalty. At the same time to create the comfort environment between the customer and the company is vital. Investment to loyal customers brings advantages to the business such as growing effectiveness and profit of the business

### 3.3 Factors influencing customer satisfaction and loyalty

At the beginning of the new millennium, customer satisfaction seems to be everywhere. Customer satisfaction is a significant element in service delivery because understanding and satisfying customer’s needs and wants can engender increased market share from repeat purchases. The orientation to customer satisfaction is not a recent phenomenon. Number of successful business people over the years have identified the importance of customer satisfaction and output of it in a business result (Vavra 2002.) Generally, customer loyalty is a behavior while customer satisfaction is an attitude. Therefore, there are certain differences between the factors which influence customer satisfaction and customer loyalty (Gajjar 2013.) Generally, price, quality, reliability, empathy, responsiveness are the main factors that influence the customer satisfaction and loyalty. Some of the detail factors that influence customer satisfaction and loyalty are discussed separately below.

### 3.3.1 Factors influences customer satisfaction

Consumer behavior refers to the selection, purchase, and consumption of goods and services for the fulfillment of their basic and the fundamental needs. There are different phases involved in consumer behavior. Initially, the consumer finds the needs and then goes for the selection and budgets the commodities and take the decision to consume. Product quality, price, service, consumer emotion, personal factors, situational factors, a perception of equity or fairness, product features are some of the factors that influence the customer satisfaction. On the other hand, several factors like mentioned in the figure influence the purchasing behavior of the consumer (I research Service 2017)

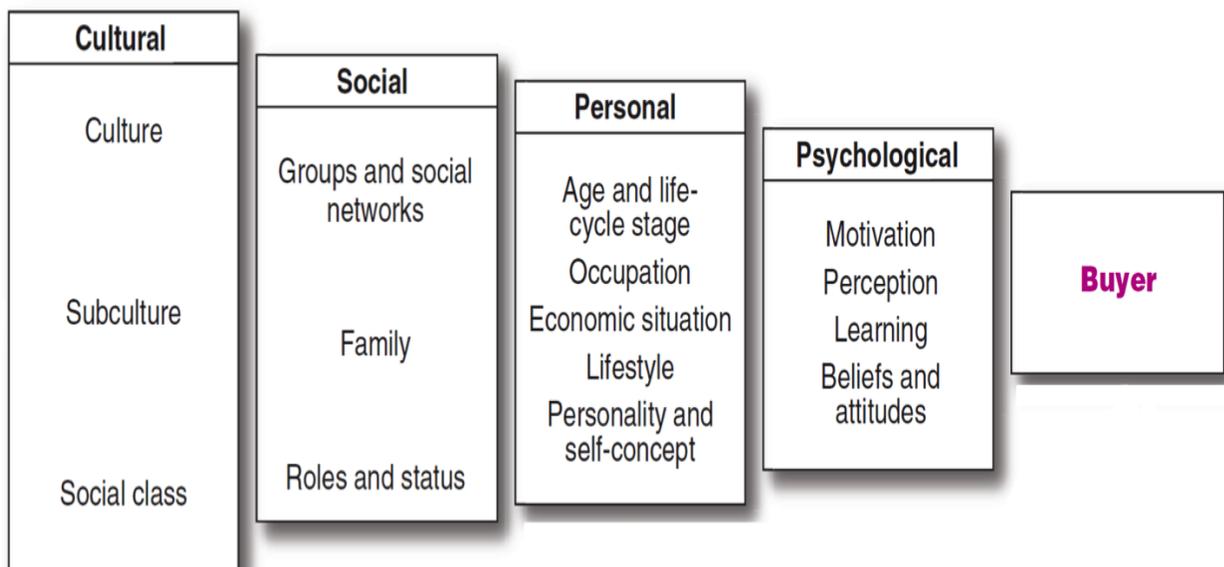


FIGURE 3. Factors Influencing Consumer Behavior (Adapted from Deep 2017.)

**Cultural factors:** Culture is crucial when it comes to understanding the needs and behavior of an individual. The values, perceptions, behaviors and preferences are the factors basically learned at the very early stage of childhood from the people and the common behaviors of the culture. Norms and values are carried forward by generation from one entity to the other. Cultural factors represent the learned values and perceptions that define consumer wants and behaviors. Consumers are first influenced by the groups they belong to but also by the groups (aspirational groups) they wish to belong to.

**Social factors:** Human beings live in an environment surrounded by several people who have different buying behavior. A person's behavior is influenced by many small groups like family, friends, social networks, and surrounding who have different buying behaviors. These groups form an environment in which an individual evolves and shape the personality. Hence, the social factor influences the buying behavior of an individual to a great extent.

**Personal factors:** This consumer behavior includes personal factors such as age, occupation, economic situation, and lifestyle. Consumer changes the purchase of goods and services with the passage of time. Occupation and the economic situation also have a significant impact on buying behavior. On the other hand, a person with low income chooses to purchase inexpensive services. The lifestyle of customers is another crucial factor affecting the consumer buying behavior. Lifestyle refers to the way a person lives in a society and is expressed by the things in the surroundings.

**Psychological factor:** Many psychological factors like motivation, perception, learning, and attitudes and beliefs play a crucial role in purchasing a particular product and services. To increase sales and encourage the consumer to purchase the service organization should try to create a conscious need in the consumer's mind which develops an interest in buying the service. Similarly, depending on the experiences of the costumer's experiences, beliefs, and personal characteristics, an individual has a different perception of another. Attitudes allow the individual to develop a coherent behavior against the class of their personality. Through the experiences that the consumers acquire, the customer develops beliefs which will influence the buying behavior.

The factors that influence customer vary from people to people and by the culture of the people. Hence, for a successful consumer oriented market service provider should work as a psychologist to procure consumers. By keeping in mind that affecting factors can be made favorable and goal of consumer satisfaction can be achieved. The study of consumer buying behavior is gateway to success in the market. Overall the result shows that brand image, and perceive value, price, health concern and quality influences customer satisfaction.

### **3.3.2 Factors influences customer loyalty**

Customer loyalty is another important factor in customer satisfaction. The impact of the satisfaction in loyalty has been the most popular subject in study of the marketing theory. Therefore, several studies have proved that satisfaction and loyalty have the direct connection between one another. As satisfied customers are loyal and dissatisfied customers are a vendor (Heskett 2011.)

Finding the loyal customer is not accessible even the customers seem to be satisfied with the products and the services. In fact, the behavior and attitude of the customers towards the particular goods and services matters the most. If the behavior of the customers is positive to the service holder, then those customers are said as a loyal customer (Abdullah 2012.) There are two types of customer loyalty based on behavioral and emotional loyalty on the goods and services. Behavioral loyalty refers to frequent shopping in a particular retailer and emotional loyalty refers to the customers' concern towards certain retailer on the basis of past buying experience and attitude. In this both behavioral and emotional loyalty model, increased satisfaction should increase customer loyalty. When customers are not satisfied, customers have the option to express the complaints going to the competitor. But, the study has shown that 60-80% of the customers are satisfied and very satisfied on the survey just prior to the defection. Therefore, there should also be other factors besides satisfaction that have a certain impact on customer loyalty (Reichheld & Schefter 2000.)

At the time of 1980 product durability and service quality used to be evaluated by customer loyalty. But, there has been dramatic changing in the late 1980 and in 1990, when the needs and wants of the customers were identified by the retailers in the market. Nowadays, in this modern era, the companies have changed this concept towards the initial target consumers by manufacturing ordinary product benefits in order to persuade customers' satisfaction and loyalty (Abdullah 2012.) Service quality, product quality, price strategy, store attributes are the four major variables that influence customer loyalty. Service is one of the most complex factors which do not exist before they are consumed. In order, to develop the service management it is important to understand what customers are really looking for and what the customers evaluate. Customers expect the quality of service through retailers, so, the service marketers have to assess how customers perceive the quality of the "services feature" implied by the perceived service quality framework.

Service quality refers to the result of the comparison that the customer makes their expectation about the service and their perception of the way the service has been performed (Grönroos, C. 2007). Originally, there was no any model for the quality measurement based on a service quality. Normally, customer satisfaction studies are conducted to figure out how satisfied customers are with a certain service. Later on, Leonard Berry and his colleagues developed the SERVQUAL (SERvices QUALity) instrument which is important for measuring the customers' service quality. The relationship between customer satisfaction, customer loyalty and service quality are studied based on the complaints from the dissatisfied customers. (Ziethaml & Bitner 2003,134.)

Hence, consumer complaints are overviewed through customers' expectations, perceptions on the service of goods. The perceived value of the consumers is liable on the expectations and outcomes of the evaluation process of the customers. Further, service quality has a significant relationship with the customers' satisfaction which directly affects the customers' loyalty. Therefore, the retailer should focus on these factors to increase customer relationship with satisfaction and loyalty in this competitive retail market globally.

Product quality is also another core factor of the customer's satisfaction and loyalty. Product quality is a collection of features and sharp brand product characteristics which have a contribution to the ability to fulfill specified demand. Product qualities also have different dimensions such as features, performance, reliability, durability, serviceability and customer perceived quality. Out of all these dimensions, mainly five elements, product durability, product variety, product freshness, product attractiveness and product equity have been used to measure the satisfaction and loyalty of the customers.

Variety of products helps the retailers understand the buying behavior of the customers because the perceptions of the quality product vary from one another. Because of product variety, the firms will get an opportunity to pay attention towards the customer and also increase the greatest product variety. This will increase the growth and volume of the product as well as the customers' satisfaction and loyalty to a great extent. Hence, the firms had begun to develop the satisfaction and loyalty of the customers by offering quality goods and services.

### **3.4 Relation between customer satisfaction and loyalty**

Based on Coyne (1986), there are two critical thresholds affecting the link between customer satisfaction and customer loyalty. On the high side, when satisfaction reaches a certain level, loyalty increases dramatically, at the same time satisfaction declined to a certain point, loyalty dropped equally dramatically (Oliva, Oliver & MacMillan 1992.) The customer is link to a business success. Customer satisfaction and loyalty should be incorporated into the long-term goal of a business. Customer satisfaction is a key element for every organization wishing to increase customer loyalty and create a better business achievement. The role of satisfaction in loyalty largely indicates that the former is a key determinant of the latter (Dick & Basu 1994.)

“Satisfaction” is an attitude, whereas loyalty is described as a behavior. Chen and Wang (2009) suggest a view of customer satisfaction as a kind of consistency evaluation between prior expectations and perceived service performance. Accordingly, the positive evaluation of the product or service that the customer acquires is a major reason to continue a relationship with a company’s service or products, and an important pillar that upholds loyalty. Satisfied customers are thus more likely to repurchase, lower their price sensitivity, engage in positive word-of-mouth recommendation, and become loyal customers (Chen & Wang 2009.)

Customer satisfaction and loyalty represent a top priority of the company's success and profit. Satisfaction does not automatically lead to loyalty it needs a step by step process. Steps are described as customers going through different phases such as awareness, exploration, expansion, commitment, and dissolution. (Arantola 2000.) Customer loyalty can be considered to be a byproduct of customer satisfaction. The satisfaction of business customer leads to customer loyalty (Fornell 1992.) Customer loyalty will increase significantly when satisfaction accomplishes at a certain level and at the same time customer loyalty will decline automatically if the satisfaction level drops to a certain point. Moreover, highly satisfied customers are tending to be more loyal than the customers who are merely satisfied. Overall, it is clear that there is a significant positive relationship between customer satisfaction and customer loyalty. Customer loyalty leads to an increase in both sales and profitability (Chi 2005.)

## A Satisfied Customer Is Loyal

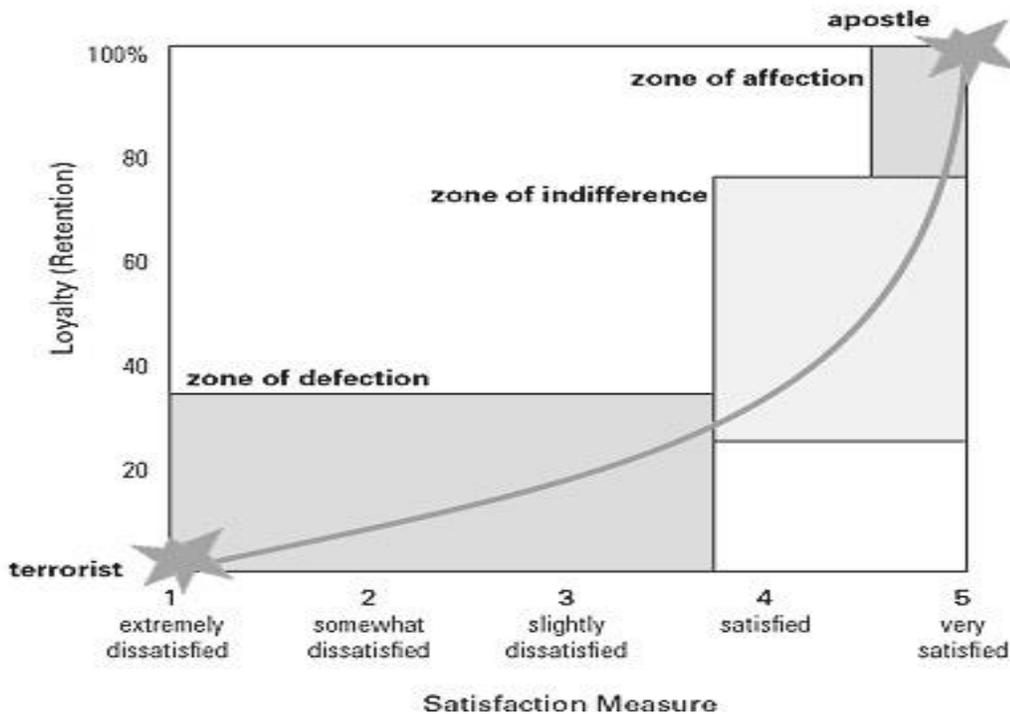


FIGURE 4. Relationship between Customer Satisfaction and Loyalty (Adapted from Heskett et al.2011, 71.)

The above figure shows that loyalty of customers based on their satisfaction. It briefly divides the customers into three groups and subdivides into three different zones. The terrorist is “extremely dissatisfied” customers. According to Heskett et al. (2011) unhappy customers are more likely to speak out against a poorly delivered service at every opportunity. In some instances, they even can discourage acquaintances from trying a service or product. On the other hand, “Apostles” are those customers who are truly satisfied with the company and the service offered resulting in true loyalty to the company. Satisfied customers are prepared to pay more for the product or services. Every satisfied customer is supposed to spread the positive word of mouth to community they live in. Thus, satisfaction is the main driver of loyalty and for that customer must be highly satisfied.

### 3.5 Measuring customer satisfaction

Measuring customer satisfaction is a key performance indicator within business and is often part of the balanced scorecard. The main aim of measuring customer satisfaction is to make a prompt decision for the continuous improvement of the business transactions. Attracting a new customer as a source to build on existing relationship, customer satisfaction measurement is essential to be measured. Similarly, to retain the current customer base, measuring customer satisfaction is equally important. Actionable information on how to make customers more satisfied is, therefore, a crucial outcome. Unless the organization focus on their improvement efforts in the right area the organization cannot maintain the competition level of business in a market. To recognize the needs of the customer is to satisfy the customer and to meet the need of the customer, a measurement of customer satisfaction is what matters the organization. (Hill, Roche & Allen 2007.)

Measuring a customer satisfaction may be different in the different organization since there are different approaches to measure customer satisfaction. As one of the measurements of the performance of the quality management system, the organization shall monitor information relating to customer perception as to whether the organization has met the customer requirements. The methods for obtaining and using this information shall be determined. (American National Standards Institute/International Organization for Standardization/American Society of Quality 9001-2000). Every organization seeks customer satisfaction where these sorts of parameters helps an organization to measure the customer's satisfaction and demands so that organizations can provide them with appropriate services as per their requirements. The possible dimension to measure customer satisfaction could be quality, price, trust relationship, complaints, problems and many others. The key point of measuring customer satisfaction is to conclude how to improve it and how to keep building a good relationship with customers and potential customers.

International Organization for Standardization (ISO) 9000: 2000 states

*"As one of the measurements of the performance of the Quality Management System, the organizations shall monitor information relating to customer perception as to whether the organization has met customer requirements. The methods for obtaining and using this information shall be determined".*

The requirement has been there in the Quality Management System (QMS) 9000 standard clause 4.1.6 which says:

*“Trends in customer satisfaction and key indicators of customer dissatisfaction shall be documented and supported by objective information. These trends shall be compared to those of competitors, or appropriate benchmarks, and reviewed by senior management.”*

International Customer Satisfaction (ICS) is an international quality guideline that encourages to create and to implement a Quality Management System (QMS). ISO certification 9001 allows any organization to gear towards achieving the quality goal (ISO Update 2017.) Many strategies exist regarding the customer satisfaction measurement, but overlooking the fundamentals of how to measure customer satisfaction can be detrimental to a business. Measurement of customer satisfaction refers to the collection of data and providing information about how customers are satisfied or dissatisfied with the products and the service. Data collection helps the organization to understand what is the main reason behind the level of the satisfaction. This will motivate the customers to focus on the business organization. In addition, it adds to the improvement of the service delivery.

During 1960-1980 customer satisfaction was initially considered as a problem of consumer behavioral analysis and the most important effort from this was the following. (Grigoroudis & Siskos 2010.) Nowadays organization has started to track the satisfaction level so that they can improve the services. In addition, it has a great impact on understanding the issues that cause the satisfaction or dissatisfaction with the service experience. In this way, if the organization is able to understand why and how the customers are satisfied then, they can focus on its resources. (Hill, Roche & Allen 2007.)

Negotiation with the customers will enable to understand more deeply results infeasible requirements. Having mutual co-operation as well as the trust between customers and suppliers, suggestions from the customer's contentment. Additionally, when it comes to the customer satisfaction all the factors should be considered such as the price of the product, the quality of the product, what varieties of the products are available in the store. Some of the few dimensions of customer satisfaction measurement are the quality of service, the speed of service, pricing, complaints or problems, trust in employees, the closeness of the

relationship with contacts in a firm, types of other services needed, recognizing the position in the client's mind. (National Business Research Institute 2017.)

### **3.6 Importance of customer satisfaction**

Customer satisfaction is extremely important because it is the way of getting feedback from the customers in a way that they can use it to manage and improve their business. Customer satisfaction is the best indicator of how the business looks like in the future. Customer satisfaction helps in doing SWOT analysis that could help them to develop their business in an advance and in a systematic way. Besides this, it will also help in making the right decision to use the appropriate resources while manufacturing the products. Similarly, it maintains the relationship with the existing customers and also creates the possibility to acquire others. (SSRS research 2016.)

When products are bought customers expect perfection instead of quantities. There are varieties of products that are similar in the market and sometimes it is difficult to distinguish which one is qualitative and durable. This is the great opportunity for the business organization doing marketing of their products and services to understand what exactly customers are seeking for. Customer satisfaction is a key indicator of the marketplace that evaluates the success of the organization. People have varieties of tastes and choices and therefore, satisfaction also differs from one person to another. It also may vary the expectation of the consumer depending on the option they may have, such as the national and international market (Kotler & Keller 2006.)

A technique for assessing the customer satisfaction should also have to go through the international market procedure to meet the requirement internationally. In the process, granting the satisfaction to the customer in both physical and technological aspects has changed drastically. However, there is still no method of measuring customer satisfaction. But the feedback from the customer can be taken as a crucial tool for measuring customer satisfaction. (European Institute of Publication Administration 2017.) On the other hand, it's cheaper to retain customers than acquire new ones. To make a customer's cost lot of money. Marketing team spends lots of money and time in convincing their excellence. Customer satisfaction is a primary aim of every company. Customer satisfaction ensures the customer wants to return to purchase the

service. Satisfied customers are more likely to recommend their friends and families which will help to grow the business. A totally dissatisfied customer decrease revenue, whereas satisfied customer has a positive effect on profitability.

### **3.7 Management approaches about customer expectation**

Customer expectations are the belief about service delivery that serves as standard or reference points against which performance is judged. Customer expectation is difficult to know in service delivery, wrong actions and failure which could cause of losing a customer, waste of investment, time and eventually business. Customer expects some level of service quality from a service provider during the transaction, therefore customer's opinion about the quality standards and also what kind of standard customer expect are essential to know. (Zeithaml et al. 2009,75.)

Knowing what the customer expects is one of the most critical factors in delivering good and service quality (Zeithaml et. Al. 2009). Customer expectations are the standards of performance against which service experiences are compared. The difference between what a customer expects and perceives in the service delivery formed customer gap. Which leads to customer dissatisfaction with the product or service. To close this gap, the gap model (gap 1, 2, 3,4 and the not knowing what customer expects, not selecting the right service designs and standards, not delivering to service standards, not matching performance to promise respectively) of service quality suggests that four gaps called provider gaps from one to four needs to be closed. It is important for companies to close the gap between customer expectations and perceptions in order to satisfy their customers and build long-term relationships with them. (Zeithaml & Bitner 2000, 481 – 482.)

Grasp is the psychological expectations of customer. On the basis of effective management of customer expectation, firstly it cannot ignore basic collection and analysis of customer information which includes information collection and statistical information based on properties of clients, the level and instability consumption, personal preferences, service and satisfaction feedback information regarding the analysis of customer expectations and needs provide a basis to measure the level of information support. Analyze customer needs, assess customer expectations: Customer need analysis is an important basis and means of

measuring customer expectation. According to Japanese management expert Kano model, customer demand is divided into three categories such as basic demand, expected demand and surprise demand. Zeithaml & Bitner (2003, 84-85) portray customer perceptions as the subjective assessments of actual service experiences. This refers to how customers perceive services, how they assess the quality of received services, whether they are satisfied, and whether they have received good value. Accordingly, customer perceptions of service are also defined as customer perceptions of quality, satisfaction and value. The customer perceptions are the way that people see something based on their experience. Everyone's perception will be, at least, slightly different. Perception is also described as the end result of a number of observations by the customer.

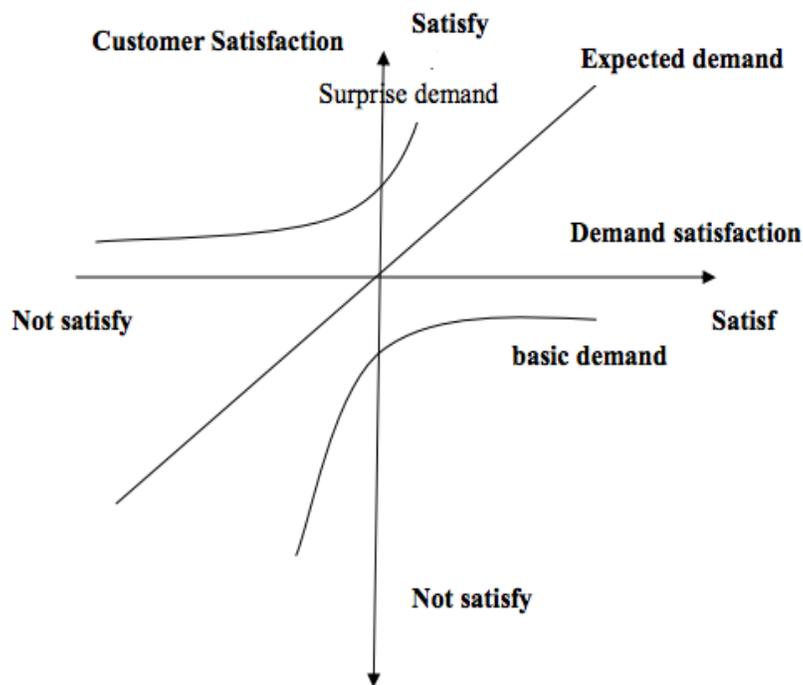


FIGURE 5: Indicate Customer Demand Levels (Adopted: Zeithaml & Bitner 2003.)

In the above-mentioned figure 5 illustrates, the basic demand is considered service by a customer that should be provided, low level of satisfaction and a high level of satisfaction are not very satisfied since the demand is opposite. A low level of satisfaction is also not satisfied, it will be very satisfied with the high level of satisfaction; expected demand is in between satisfaction and customer satisfaction which are linearly related.

#### 4 MANAGING CUSTOMER RELATIONSHIP

Customers have different needs and demands about how they wanted to be treated. Therefore, very seldom organization satisfy the needs of every potential customer in a similar manner. In service contexts, it is often difficult to satisfy targeted groups of customers. Because customers frequently meet and interact with each other and influence fellow customer's perception of the service. Therefore, to manage a good customer relationship organization should deal with the customers in different ways. It is important to have a customer segment to keep in relation to a different targeted group of the customers. It is also important to keep in mind that customers in a relationship with a service provider often want to be recognized and treated individually, even though they are part of a larger segment. In addition, the modern technology available to the firms also supports the individualistic treatment of customers. Direct customer contacts in most of the services give a good starting point for the individual treatment of the customers. (Grönroos 2007, 362.)

On the other hand, it is important to know the need of the customers. To maintain a relationship first of all, the service purchased by customers has to fit the customers. Designing for relationships requires a customer centered approach. Maintaining customer relationship just do not happen accidentally, they are constructed through the service and product provided. Relationships build over to create a loyal customer and loyal customer multiplies the transactions. The relationship infrastructure consists of the building blocks for a business. The components of substructure build on top of each other to create a growing infrastructure. A relationship requires the right blend of the texture and touch. There are some instances where service industry cannot provide sufficient levels to build the relationship. (McDonald & Keen 2000.)

Today, the customer requires flexibility, availability, creativity and price advantages from the service provider. Therefore, new attributes are required for an organization to succeed in a dynamic world where customers wish, customer preferences, customer behavior and loyalties are equally focused (Swift 2001, 29.) Today, in order to maintain a relationship with a customer: "Customers are always right" trend has been highly given importance. According to Kumar and Petersen (2012), the companies who have implemented the idea of customer relationship management are the most successful ones regardless of their business field. Therefore, managing customer relationships and relationships with other parties require a service oriented culture.

#### **4.1 Trust, commitment, and attraction**

Trust, commitment, and attraction play an important role in relationship markets. As in relationships between people or organizations, especially in business relationships, whether they are big industrial cooperation or supply chain organizations, it is commonly agreed on that related partners in business need to have a high degree of commitment to achieve and maintain success in their relationships. Mutual commitment plays an important role in a relationship, due to its significant benefit for companies and widely considered as the most advanced phase of partner's interdependence (Wetzels, de Ruyter & van Birgelen 1998.)

Trust is a belief in the reliability. In other word, it is one party expectation that other party will behave in a certain predictable way in a given situation. If the other party doesn't behave in an expected way, then the trusting party (customer) will face the more negative situation. The trust concept can be divided into four categories. First is generalized trust; this trust is derived from social norms. The second is system trust is depending on the laws, contract and industry regulation. The third is personality-based trust and this is based on a human tendency to rely upon another person to behave in an expectable way according to expectations because of personality trends. The last one is a process- based trust follows from contacts and experience that have been taken place over a time an ongoing relationship between two parties. (Grönroos. 2007,.40.)

Commitment is one party in a relationship feels motivated to do business with another party. It is also defined as a long-term desire to maintain a valued relationship. A customer is committed to a supplier similarly expected loyalty from the supplier or service provider. The manufacturer may feel committed to repair and maintenance provider who has consistently proved that it can offer skillful and timely service of its production machines. Here if a supplier has taken extra trouble to do so, then beside the excess demand for its service at some point the sense of commitment has become even deeper. (Grönroos 2007, 41.) Commitment always relates to trust and trust is to be considered the most critical and key factor for developing commitment among the partners. Trust and commitment being "two highly interrelated notions for success "of any partnership, that stimulate a relational bond between the parties. Further, it leads to improvements in efficiency, productiveness and effectiveness, when existing simultaneously (Chu & Fang 2006.)

Attraction is a third key concept in relationship marketing. It means there should be something which makes supplier or service provider interesting to give the customer. Attraction can be based on the financial, technological or social factor. A globally operating accounting expert may find large firm affiliations in various countries an attractive potential customer, which offers large financial opportunities. Manufacturer of the latest technology for a manufacturing process is an attractive partner for a manufacturing firm. Similarly, social contact highly appreciated may become a base for good relationship that can lead to a business relationship. If attraction between two parties exist there is a basis for a relationship to develop. If there is a lack of attraction the parties will probably not start doing business with each other (Grönroos .2007, 41.)

Law of attraction is one of the important principles to utilize in business to success. Law of attraction can be understood by understanding that like attracts like. This means a person realizes it or not he/she will be responsible for bringing both negative and positive influences into lives. The important part to understand the law of attraction is to understand that spending days in regrets about the past or fears of the future, it shows more negativity appearing, instead of looking for better things in every experience gives chance to appear positive energy. (Law of attraction 2017.)

If the existence of trust in a business partner and commit to that partner may be more important to the customer who sees more value in the relationship itself. Such type of customer relationship oriented and may appreciate the existence of trust and commitment rather than being satisfied with every single exchange transaction. Long term relationship always doesn't work to maintain a long-term business relationship. The customer may want to experience new alternative for a change. Overloading relationship with the service provider may create certain blindness to a customer.

The customer may not see the new financial opportunities or offer new technology from the alternative service provider. Existing relationship partner might follow developments that have been taking place. In such case, the customer will be lockup with low quality or old fashion suppliers. The trust and commitment have remained but the customer has not experienced the financial or technological attraction which initially may have been the reason for the relationship to start (Grönroos 2007, 41.)

## 4.2 The value of the customers

A fundamental tenet of customer relationship management is that organization win by attracting and keeping the most valuable customers. The most important assets of the firm are long term customers. Firms should know the long-term value of their individual customers. The lifetime value of the customer should be measured which will help the organization to realize the importance of keeping the existing customers. To understand the worth of the customer it is important to think broadly about the ways in which customers add value to the firms. Recognizing the value of a customer will lead to better decisions about how to expand the business activities.

Most businesses understand the costs of acquiring a customer, but they are unaware of the costs of losing a customer. There are several reasons behind the customers stop doing business with the firm, such as uncertainties of moving away, not understanding the value of the customer's death and so on. Poor service, poor goods, and the quality which does not meet the customer requirements are often the results of the giving the value of the customers away. Here value does not refer to the price it refers to the perceived benefits stood to be gained in the context of price. Based on the appropriate understanding of the customer situation and needs firm should create the essential values (Gupta, Lehmann & Stuart 2004.)

Customer value and value of the customers in business have a different interpretation and that should not be confused. Customer value refers to what the customer gets in a product or service whereas the value of a customer in business is the stand which keeps the company in running a business. The primary aim of the business organization is to make a clear attempt in creating customer value in order to attract and retain customer to deliver quality as well as the superior value of the business to the customers. Implementing an effective marketing strategy concept by offering qualified goods and services of the company will meet and exceeds the expectations of customer needs better than other competitors. (Jobber & Chadwick 2012.) For the long-term survival of the company and for the success customer value can be taken as an important prerequisite. In this competitive market, understanding the way of the customer's judgment and value a service or a product has been crucial. Although the research of the customer value in many areas stands still it has already generated a lot of fruitful insights into the value creation process from customer and company perspectives.

The value of the customers could not be gained at once services need to be enhanced. And one should always remember that prospective customers may become profitable in future. Based on figure 3 it is illustrated that how the value of the customer could be gained. Improvement of quality, enhancement of quality, prompt action, improvement of productivity, customer relationship and cost management are the major factors to be considered regarding to get the value from the customers.

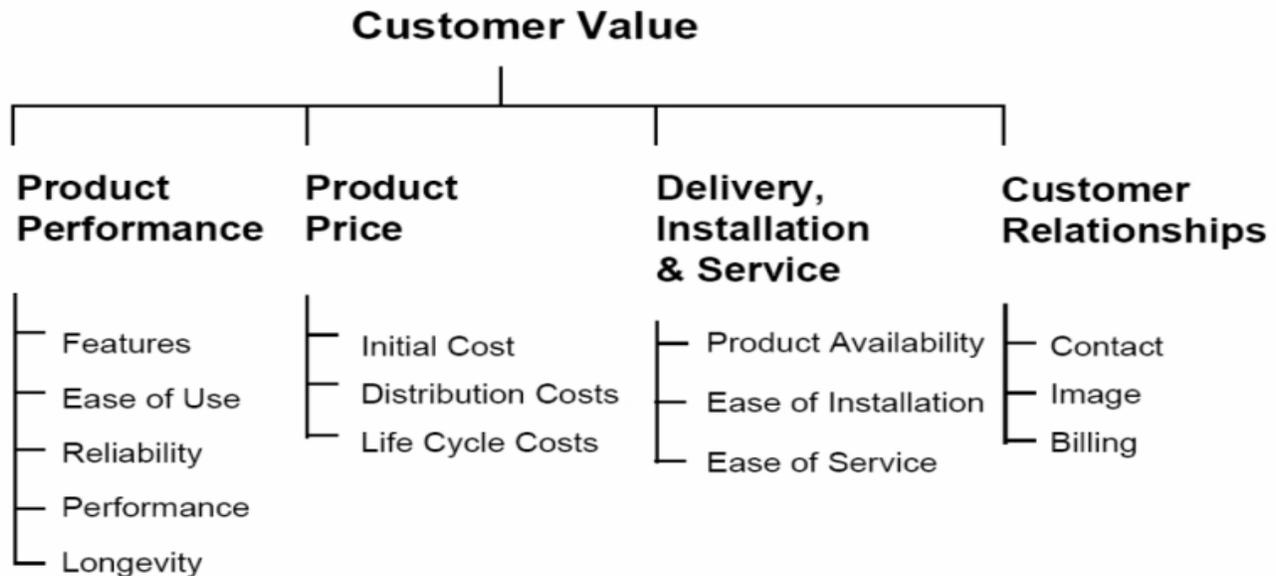


FIGURE 6. Customer Value Tree (Adapted from Beaumont & Leland 1996.)

In the above figure, customer value tree is presented clearly pointing out the key major factors in retaining the value of the customers. As customer value is evaluated on the benefit of the product or service that is perceived by the customers. Therefore, the product or services should be reliable, durable and also should be featured one. On the other hand, the price of the product determines the value of the customers. Customers seek the product and services prior to the payment of the price. If the product price meets the expectations of the customers the value will increase simultaneously otherwise it may decline. However, it is also very important to maintain the relationship with the customers along with price, product and so on. Regular contact will grab the attention of the customers and also help to create the best image of the organizations. This shows that the organization is more concerned about their customers' needs and desires. Moreover, customers also feel like the organization is keeping effort on meeting customers' satisfaction which creates the possibility to be a long-term oriented customer of the organization.

### 4.3 Create service brand relationship

Brands are the names and symbols and they are the key element to establish company relationship with customers. Brands represent the consumer's feelings and perception about the product and its performance everything that service or products mean to customers and finally, brands stay in the customer's mind. Products are made in a factory, but the brands are created in the mind. Brands are the major enduring asset of the company. For example, if McDonald's every asset they own, building and every equipment were destroyed in a terrible disaster, they would be able to borrow all the money to replace it very quickly because of the value of McDonald's brand so brands are more valuable than the totality of the assets (Kotler & Armstrong 2001, 257.)

When branding a service, there would not be ready-made, standardized product to be taken as a starting point for making a brand relationship. Instead, the service process will be the heart of the branding process. So, the basis for branding process will be most often the company itself and its service process. A service brand relationship can be developed in different ways in the context of services, because of process nature of service, managing and planning the service is the heart of the branding process. In the service branding, planned marketing communication is only a supporting element in the branding process. No planned communication effort can compensate if the service process leads to a negative brand value. There will be a risk if a service marketer only focuses on planned communication as a key branding activity. The brand promise may not be fulfilled by service process. If brand fulfillment missing in the mind of the customer, a brand image corresponds to the brand identity is not developing and the branding process has failed. The intended brand image emerged when a value of a customer and the value of the organization does not conflict with each other instead complement to each other (Grönroos 2007, 335.)

It is important to keep in mind while building a branding relationship that, the main task of branding process would be managing the service process which provides the customers with positive brand contact also the corresponding brand message that will create a favorable brand relationship. Brand enables through internal efforts required to prepare and motivate employees in the organization and in. If the service process doesn't create a positive brand image in the customer's mind, this cannot be compensated for by planned marketing communication supporting a brand identity that may not establish in service process and in organizational

culture. So, brand image is an asset to any firm, though it has an impact on customer perceptions of the communication also operation of the firm in many respects. Brand image is a function of expectations as well as of experience and also Image has an internal impact on employees as well as an external impact on the customer (Grönroos 2007, 337-340.)

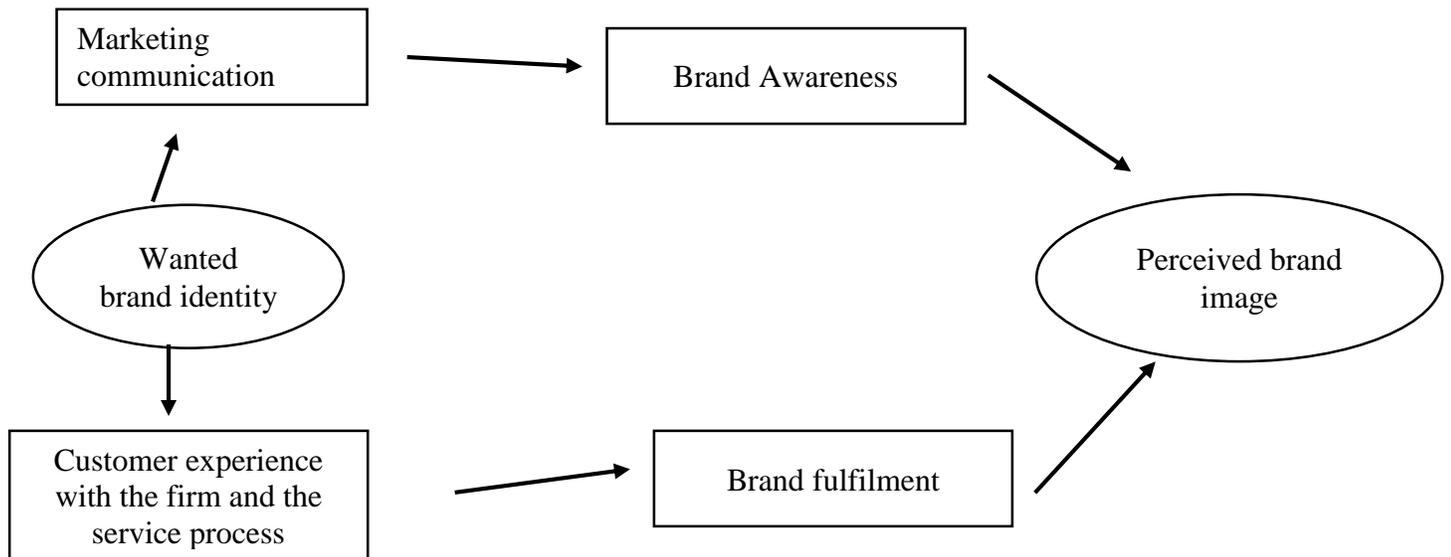


FIGURE 7. The service branding process (Adapted from Grönroos 2007.)

In figure 3 the service branding process is illustrated. Analysis of brand image is a starting point for a managed branding process, the firm wants its customer and other stakeholders, such as financing institutions, network partners, and employees, to have brand identity. Through the planned marketing communication, the brand awareness is created. The purpose of doing this is that firstly, all customers are made aware of the existence of a given service and the secondly, provided that the planned communication efforts support and do not counteract the customer's experience of service firm and service process and its outcome. These experiences are supported by marketing communication effort. In the service branding process, the experienced customer has with the firm and service process from the brand fulfillment. Such brand fulfillment leads to perceived brand image in customer minds and planned marketing communication efforts are only supportive.

#### **4.4 Customer relationship marketing**

In this competitive environment, a business organization cannot survive longer with a transactional attitude towards customers. It has been very important to focus on marketing lenses which are considered as a major aspect for satisfying and maintain customers. In this context, it has been clear that customer satisfaction is entitled as an important theoretical and practical issue for the marketers and the researchers (Rakhsha & Majidazar 2011.) Satisfaction is the feeling of the individuals after comparing product and service performances with their expectations. If the business organization meets the expectations of the customers, then there is the possibility of a long-term relationship (Kotler 1996.)

Customer relationship marketing is the biggest paradigmatic shift in marketing theory and practical in the existing world. It is concerned with attracting, developing and retaining customer relationship (Berry & Parasuraman 1991.) To identify, establish, maintain, enhance and terminate the relationship with customers and other stakeholder customer relationship marketing plays a crucial role. Moreover, it is the best contemporary marketing strategies for the companies to satisfy their customers' needs and wants. Along with this, it has evolved from the direct response marketing, it focuses more on customer retention and satisfaction of their needs. Instead of focusing on delivering and selling the products, many companies are targeting in developing and marketing long-term relationships with customers and this is defined as a relationship marketing.

Enhancement and focus on the customer, building relationships with the customers have become necessary for the companies in the past few years because business success depends on clients. Therefore, companies are trying to keep the existing customers through which it will easier to gain the steady income. Once the customers are attracted towards the firm, they are more likely to stay in the relationship when they are constantly supplied with quality products and services and good value over time. Under relationship marketing, loyalty, long-term relationship and customer retention are three factors that determine the profitability of the business. It is true that if the customers are satisfied they are willing to pay more for the products and services and maintain a long-term relationship. Therefore, the business organization should make an effort to understand the core factor of the business to increase the customers.



FIGURE 8. The main elements influencing of relationship marketing (Adapted from Godson 2009.)

The link between the elements that impacts the relationship marketing is dedicated in above graph. From the above diagram, it is clear that customers and the firms are the main core factors of the customer relationship marketing. A core element in building up of meaningful customer relationship is to stay in touch with the organization. Customer seeks better quality service from the companies, whereas firm pays attention to the needs and wants of the clients. Marketing research is an essential element in the relationship marketing. Another great way is to get a feedback of people's wants and needs. Relationship marketing helps to increase the profitability and competitive advantage through the globalization of world markets. Moreover, relationship also helps to understand the customers demand. Gaining the retention of the customer is another element that influences the customer relationship marketing. With the customer relation marketing approach, a company is focused more on how to retain customers as opposed to simply how to acquire more customers. In summary, customer relationship marketing is a major shift in marketing practice, from mass marketing to individualized marketing.

## 5 STRATEGY OF INCREASING CUSTOMER SATISFACTION AND LOYALTY

The art of keeping a customer is a strategy of increasing the satisfaction and loyalty. As discussed in the previous chapter, customer satisfaction and customer loyalty are correlated, although the constructs are distinct with one another. Customer loyalty is referred as the overall final outcome and the cumulative experience which customers have with the company from the starting point (Brunner, Stöcklin & Opwis 2008.) Customer satisfaction leads to customer loyalty because people already had a good experience with the products and services provided by the company. Existing customers are more aware of controlling and minimizing the risks before first hand and are rational. In the previous studies, customer satisfaction is considered as the former of the loyalty in service (Belás & Gabčová 2016; Coelho & Henseler 2012; Lam Shankar, Erramilli & Murthy 2004.) Therefore, the relationship between these two factors possesses the positive result in a business organization which is referred as a success.

With regard to customer satisfaction, customer loyalty is being more important for firms in this era. Loyal customers are more likely to consume the products and services from the same organizations rather than from new one. On the other hand, existing customer serves as a “fantastic marketing force” by sharing the experiences, positive word-of-mouth, acting as an advisory and so on (Raman 1999). This will help to promote the marketing sector more effectively and efficiently. Moreover, the different type of relationships can be found between customer satisfaction and customer loyalty such as the core of loyalty is satisfaction, loyalty as a major component of satisfaction, satisfaction is the initial phase of loyalty (Munari, Ielasi & Bjetta 2013). There are various factors that increase the customer satisfaction which has been described detailed here.

“An acceptable outcome is an absolute necessity for good perceived quality, but an excellent service process creates a distinct and suitable competitive edge” (Grönroos 2007). The quality of the service using the needs, status or lifestyle aspects create an extra value for increasing the customer satisfaction and Loyalty. To develop service management, it is important to understand what customers are really looking for and what they evaluate. Customer expectation has a decisive impact on customer’s quality perceptions. In the quality management process, unexpected surprises are better than big promises. Many quality development processes are destroyed by too many promises.

On the other hand, managing the customer complaints can play the important role in increasing the customer satisfaction and the loyalty. At some point, every business organization has to deal with the unsatisfied or upset customer. The challenge is to handle such customers and make the customer believe on the service again. Business nowadays needs to positively delight customers if the organization wants to give the customer satisfaction and earn loyalty. It is important to listen carefully to what the customer says and shows the value of their problem and ask a question in caring and concerned manner. Apologize and become a partner with the customer in solving the problem. Take a time to review the issue with the customer and accept the challenge to turn into something constructive (Entrepreneur organization 2017.)

Customer feedback and information are the important steps of developing an organization. Customer feedback is an important tool for a business organization to improve their business and product services. Feedback is the best way of measuring the customer satisfaction. The process of winning new business and retaining an existing customer is only possible with the feedback and complaints from the consumers. Customer feedback provides the tangible data which can be used a better business decision. Customer feedback provides valuable insight into what customers think about product and services which help to build a successful business organization in future. (Client Heartbeat 2015.)

Information and communication technology impacts countries all over the world (Huarng 2015.) The continuous flow of the information to the employees and the customers helps in the development of the company. Information systems form an integral part of a working environment. New technology creates new opportunities for the business organization. Over the past decades, information and communication technology has helped to grow the business rapidly. At this era, internet users in social media are tending to be more than 70 percent. Social media is an effective channel for the customers to share the experiences with the company and can be taken as the great opportunity to increase the customer satisfaction. For this the company should pay more attention to make sure that the social media monitoring tools are working efficiently. The customer prefers reading other's customer reviews and recommendation, based on that it would be easier for them to make the decisions on buying the products

## 6 EMPIRICAL STUDY

According to the University of Arizona, “an empirical study is one that includes scientific methodology based on experimentation, systematic observation, or measurement, rather than theoretical formulation”. An empirical study includes different section such as an abstract, an introduction, a method section, a result section, a discussion or conclusion section and also a list of references (University of Arizona 2016.)

This topic describes the methodology used in the research work to collect the accurate data and results. In order to analyze the primary data, the author has used both qualitative and quantitative methods in the research work. Qualitative research is often seen as primary exploratory research. It can be obtained through many sources such as in-detail interviews, theme interviews, focus groups, observation and projective methods. It enables better understanding of target groups; how customer relates to a single product or service or which factor affect their purchasing decisions (Mäntyneva 2003, 69-70.) Quantitative data collection methods are much more structured than qualitative data collection methods. Quantitative research uses mathematical theories and statistics. It includes various forms of surveys such as online surveys, paper surveys, mobile surveys, face to face interview, telephone interview and so on (Snap surveys 2017.)

In the qualitative research the authors had conducted structured interview. In well-structured interviews the researcher can focus on specific themes. Here, the specific theme refers customer satisfaction and customer loyalty. On the basis of both customer satisfaction and customer loyalty the questions are designed. Altogether there are 10 questions regarding customer satisfaction and loyalty listed for the interview. The idea behind conducting the structured interview is to get the depth answer about the customer satisfaction and loyalty through different perspectives. It took about one hour to take the interview with two interviewees. The quantitative research method includes a questionnaire. It is the research techniques that are used to gather quantitative data. Here, the questionnaire was distributed to the customers of Trivsel and the purpose behind the questionnaire is to give the opportunity for the customers to express their opinions. Altogether there were 15 questions which was distributed to 50 customers. Among 50 customers, only 30 customers responded to the questions. It took 1 month to collect all the answers, though the deadline was for 3 weeks. At the end, the answer was converted into data to analyze the result and further was presented using pie charts.

Customer loyalty is a program that awards different kinds of benefits to a customer in exchange for being involved with the host organization. Loyalty programs have become important marketing tools for many organizations. To increase the amount of purchase, many products oriented and service oriented business organization uses the loyalty program. Loyalty program helps both to increase the more customer and marketing. There is various type of loyalty programs Some of the loyalty programs can be in the form of customers earning points for every purchase they make, which they can end up using to redeem valuable goods or services from company. Building a customer loyalty keeps a business afloat without expensive marketing costs. (Peppers &Rogers 2011, 66-67.)

Knowing the customers is the very first step to increase the satisfaction level. Once the organization deals with the customer, it means that the interest and the taste of the customers are well known which helps to get an idea on how the service provided by the company actually meet their expectations Furthermore, understanding the customers help to revise the strategies and decisions respect to the requirements of the customers to deliver the positive buying experience. It is obvious that the success of the business in mirrored on how the customers are treated. All the customers want to be treated like an individual and this is why personalized service leads to the improvement on loyalty.

Offering personalized service personally is better rather than ensuring the customer to end up with the automated machine. In addition, all the customers are not familiarized with the product and the services. Therefore, providing product training and customer service is important. Helping the customers to understand the working efficiency of the product will help to gain the trust of the organization. When people spend money on purchasing the product it is sure that expectation doubles to understand how the product works. Meeting the expectations of the customer accurately helps to build a responsible image of the company (Tweak Your Biz 2017.) Sometimes adding offers of service such as discount, surprise gift can attract more attention of customers and unexpectedly can go a long way in building relationship. Considering these little things can build a positive image of the service which helps in increasing customer satisfaction extremely. (Client Heartbeat 2015.)

## 6.1 Research Method

There has been an increasing competition on a company's competency to provide high-quality service. Research is one of the greatest tools to succeed in a competition. Research is an integral part of any business either for a profitable or non-profitable organization. In other words, it's a way to gather evidence for an organization. Research is one of the ways of collecting accurate sound and reliable information about the effectiveness of interventions, by providing the effectiveness evidence. As service providers and professionals, use techniques and procedures built by research methodologists to consolidate, improve, develop, refine and advance clinical aspects of practice to serve clients better (Kumar 2011.)

According to Ghauri & Gronhaug (2005,40) research methodology refers to the collection of data and their analysis. Basically, research method is of two types, qualitative and quantitative. The researcher can choose the method of the research and choose either a primary data source or the secondary. Primary data are often based on current analysis and are specific, whereas secondary data are taken from the sources such as books, journals, media, the internet, research papers and so on. Often primary data are more reliable and can be taken as a source of getting feedback and the steps for the improvement. But at the same time, primary data are often challenging, time- consuming and costly. Basically, research is a complex process which starts with identifying the area of research, selecting a specific topic, deciding research strategy, deciding research methods, collecting data, deriving information and presenting findings (Taylor, Sinha & Ghoshal 2006.)

The questionnaire method was implemented to abstract the data of customer satisfaction and loyalty in are various organization. According to Malhotra (2005), quantitative research is based on numerical character and is aimed at qualifying the data through statistical analysis. The questionnaire consists of structured and open-ended questions which gives the opportunity to the customer to have their own opinion and feedback for the improvement in the future. The researchers made a question for the customer satisfaction and loyalty together with the concerned authority and the supervisor. On the other hand, the interview was conducted with the organizational director to get detail information about company as well as future strategy and plans in regard to the customer satisfaction and loyalty. Moreover, qualitative method is used to know the steps that the organization took to increase the customer satisfaction and loyalty.

## 6.2 Validity and Reliability

The use of the validity and reliability in quantitative research is prevalent. These two terms, validity and reliability refer to the psychological variables or concept, being measured. In other words, to fragment comprehensive evaluation in measurement validity and reliability are used. Comprehensive evaluation helps to gather evidence, including theoretical information, by seeking answers to the silent questions (Berzonsky & Adams 2004.)

Validity is fundamental in evaluating measures in the thesis. In this thesis, the research is valid because the collected data and the research questions are in a systematic way. All the things that needed to be measured has been measured. The answers given by the participants are truth full and beneficial for those who are not part of the research. Additionally, the purpose of the research was to know how satisfied the customers are with the products and services of the case company Trivsel. In order to ensure the validity of thesis the author has conducted the questionnaire. Before conducting the survey Trivsel was informed and also had an open discussion about what the company want to know about the customers. However, the validity will determine whether the research truly measures the exact thing which is intended to measure or how truthful the research results are (Golafshani 2003.)

Reliability is a concept to evaluate quality in quantitative study with a purpose of explaining and quality concept in qualitative study with the purpose of generating understanding this relates to the concept of a good quality research. This customer satisfaction survey was the first survey conducted at Trivsel. The research helps to illustrate the business activities of the company, customer opinions about the company and the services. The conductor of this research has gathered the information to understand how the customer feels about the services of the company and to create improvements where needed (Stenbacka 2001.)

This research work is reliable because the data were a true reflection of what the customer felt. It is difficult to get the similar result in the similar circumstances due to the disorganized routine of the respondents. The questionnaire was conducted in September 2017 using survey monkey tool. But unfortunately, the respondents didn't reply through it. Therefore, the questionnaire was distributed in the written paper to the customers for 5 weeks. The number of the respondents withn these 5 weeks was very high therefore the time period in collecting and analyzing the data was perfect for reliable results.

### 6.3 Questionnaire Design

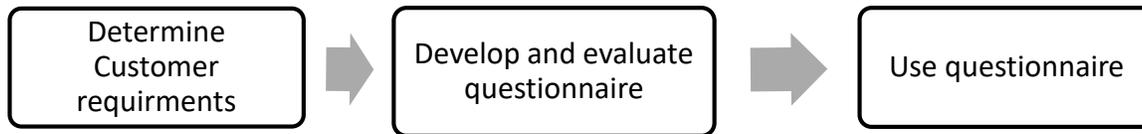


FIGURE 9. A general model for the development and use of customer satisfaction questionnaires (Adopted from Hayes 2008.)

The heart of a survey is its questionnaire. Before designing a questionnaire, it is important to determine the customer's requirements and the expectation from service. Knowledge of the customer requirement is essential because it provides a better understanding of the way that customer define the quality of service and products. If customer requirements can be recognized, then it's easier to know how to satisfy the customer. Secondly knowledge of customer requirement will facilitate the development of the customer satisfaction questionnaire. After a deep study of customer requirements, the second process is to develop the questionnaire. This step includes many specific components. The ultimate goal of this is to develop a questionnaire that allows the assessment of specific information about the customer's perception. The specific information should be corresponding to customers' requirement. Once a questionnaire has been developed, the further step would be proceeding (Hayes 2008.)

While developing the question and finalizing it, the possible recommendation from the case company and the instructor are consulted, to avoid the possible damage done by the questionnaires to the image of the case company. Badly constructed and worded questions or complicated answers may cause "distortion between the parties, which means that the parties do not fully understand each other and thus this affect the research validity of the comparisons made between respondents and answer. (Wilson 2003.) In total 15 questions are designed where the respondents can choose the alternatives in 11 questions and 4 questions are designed as an open question where respondents can give the possible recommendations and feedbacks to improve the service quality of the case company. Similarly, 10 questions are designed to interview the organizational members.

## 6.4 Interviews

Another method in the study is the interview that is done to obtain various perspectives on the research work. Interviews give a new insight into a social phenomenon to reflect and reason on a variety of subjects in a different way. (Folkestad 2008.) Interviews can be conducted in various ways like face-to-face interview, telephone interview, computer assisted and so on. If the interview is conducted well it can be the great source about the issues. Consequently, conducting interviews does not only provide with insights into a matter, but also can suggest sources of corroboratory or contrary evidence (Yin 1994). Since the interviews were the primary technique of the data collection, it was therefore very important to be mindful of the data analysis in the earlier stages. Therefore, the author of this thesis has chosen this method as it matches the study of the research work.

In this specific interview, one can see that the interviewer has done some homework. The interviewer creates the questions regarding the company itself and the service given to the customer and the satisfaction level of the customer as well as the trust that the organization has won from the service. Some questions were prepared as for the research guide and some questions were made encountered during the interview. The interview was made by sending the question through the mail to the interviewer. The interviewer's questions can be found in Appendix 2. The two-interviewees helped in receiving information about the case company. Since the interview was conducted with two different persons working in two different responsible lines it helped the interviewer to understand the company from every side such as from the director point of view and quality manager point of view. The interviews conducted for this study were structured. Structured interviews use questionnaires based on a predetermined set of questions. (Saunders, Lewis & Thornhill 2009.)

As discussed in the introduction, two depth interviews were taken with the operational director Karolina Lasfolk and project manager Marina Asplund, of the cleaning service Trivsel. These two people were the right persons to interview in order to get the big picture of the whole company and to understand the working framework of the company. At the same time, it would be easy to understand the teamwork since all of them work under the same roof in a different department. Two of the interviewees have years of experience regarding the customer service. Additionally, the main advantage of the personal interviews is that they involve face to face communication, for this both the interviewers and interviewee need to develop necessary skill to carry out interviews (Wilson 2003.)

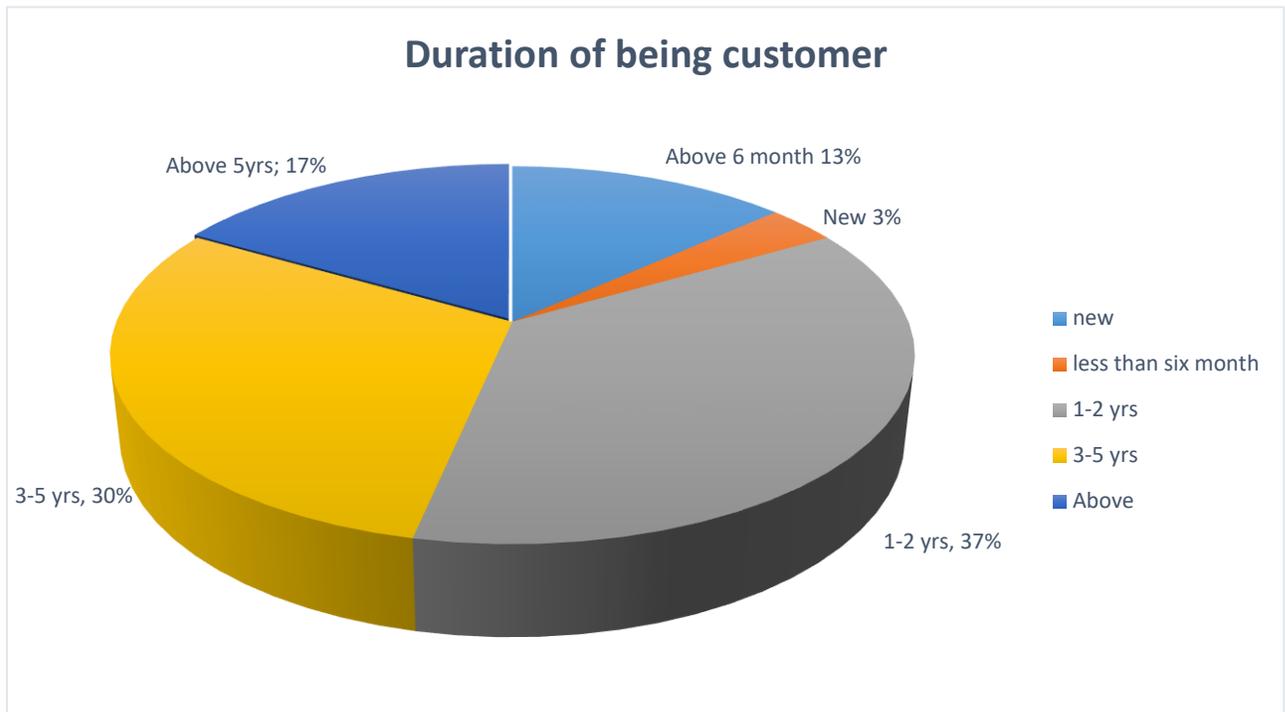
## **7 DATA ANALYSIS AND RESULTS**

In dealing with any life problem, it is often found that data at hand are inadequate, and hence, it becomes necessary to collect data that are suitable. There are several methods of collecting data which differ considerably in a context of money costs, time and other resources at the disposal of the researcher (Kothari 2004). The data for this research method was collected via several methods, these included qualitative research method and quantitative research method. The type of quantitative research method applied in the study includes questionnaire whereas quantitative research includes an interview. The data collected on this subject is done by the distribution of questionnaires to the different organizations located in Jakobstad, that have been using the service of the company.

The data and information collected from the respondents are presented, interpreted and analyzed according to respondents. Similarly, the interview method allows the researcher to get to the base of the study, which will enable the researcher to present the organizational view towards the development of the customer satisfaction and the step towards the customer loyalty achievement. Firstly, the authors have presented the analysis of questionnaire and then the interview are presented briefly.

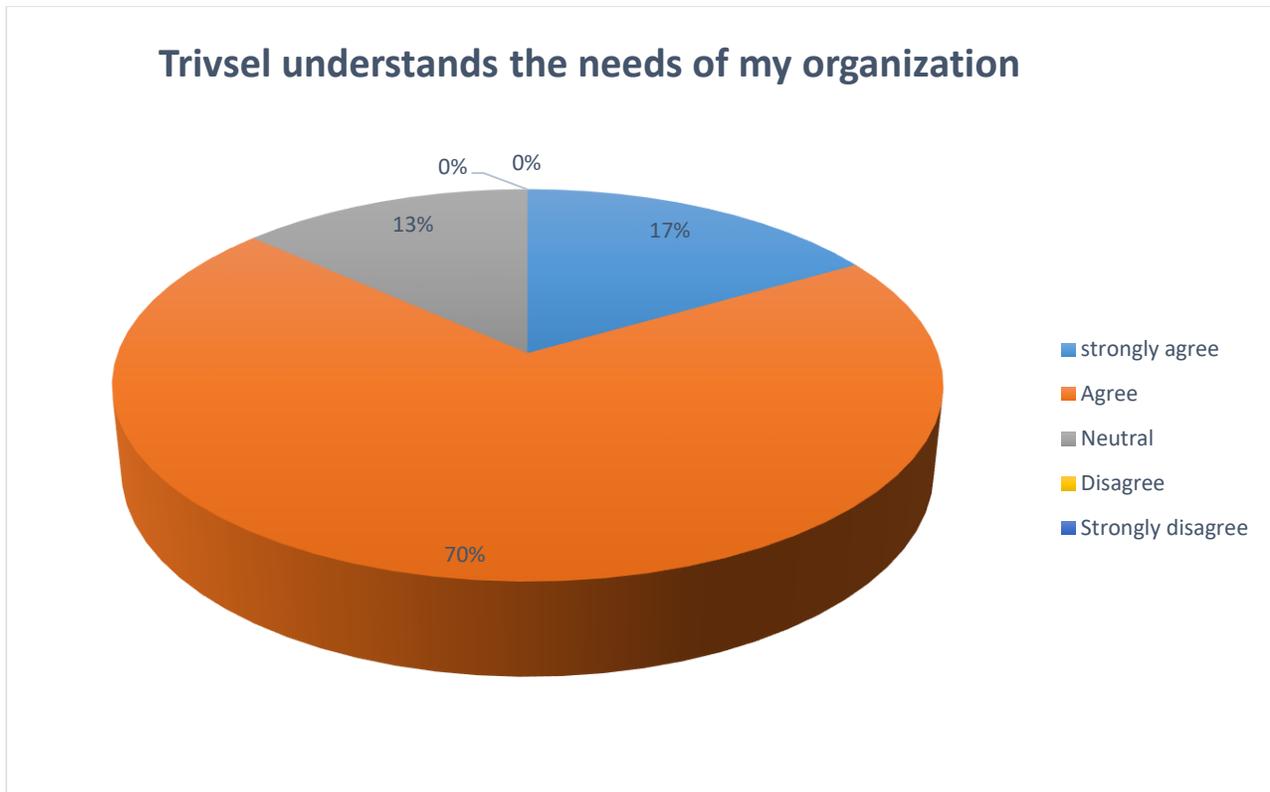
### **7.1 Analysis of Questionnaire**

A questionnaire survey was conducted among customers who has been taking the service from Trivsel. Including private customer and the organization 50 papers with the questions were distributed through the e-mail but since the researchers didn't get the answer from the respondents the researcher, distributed the printed version of the questions to the service user and was able to collect 30 papers. The questions are listed below in Appendix 1. The questions were made in two formats; 11 questions were alternative questions whereas 4 questions were open-ended questions. In the open-end question section customer was urged to provide their valuable comments, suggestions and recommendation for further improvement of services and attainment of their satisfaction and loyalty. The reason to include open-ended questions in the survey was that customers can express anything that they felt missing. The graph below shows the result abstracted through the analysis of questionnaires.



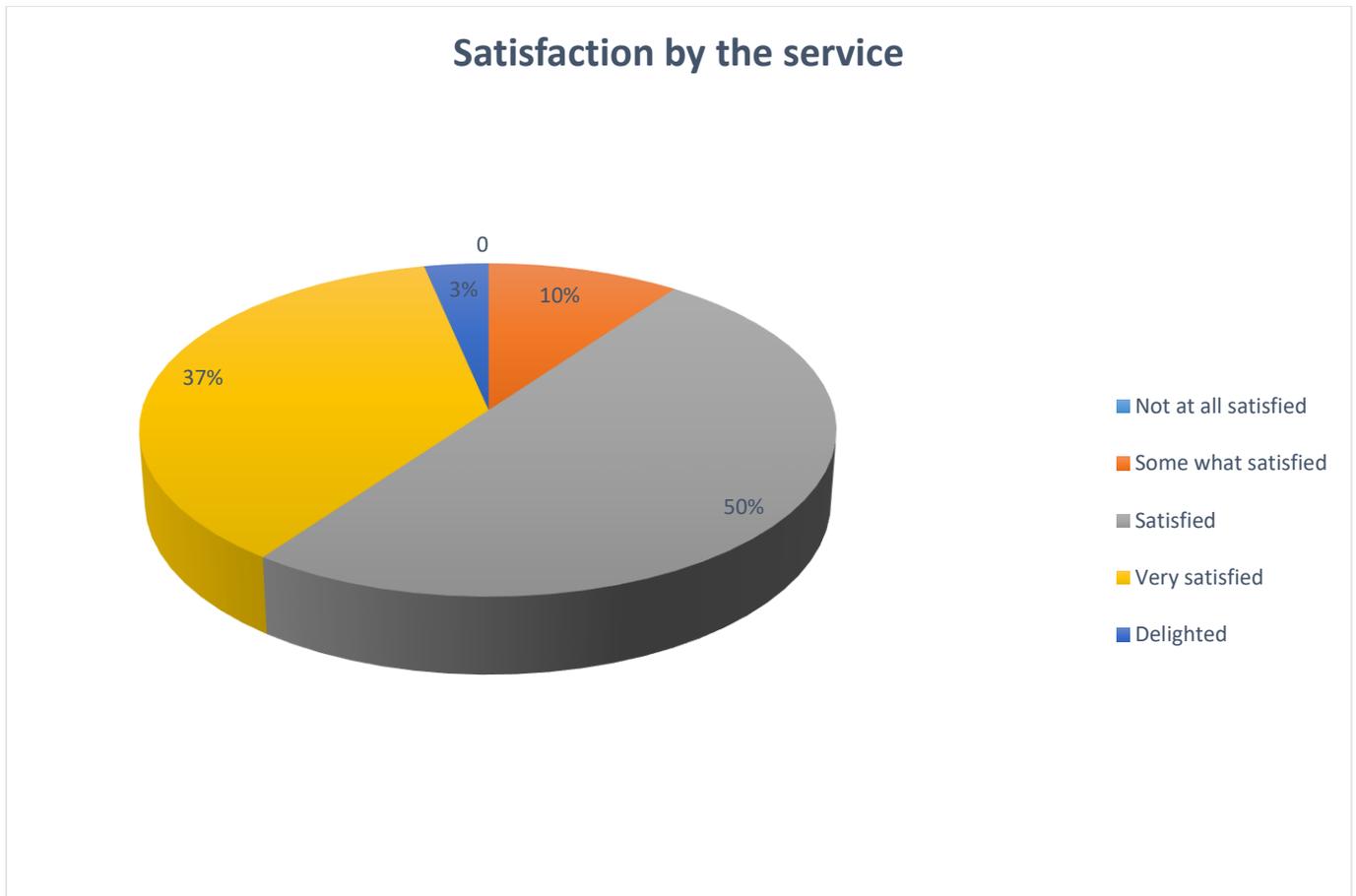
GRAPH 1. Duration of being customer

The first question asked in the survey was about the duration of being a customer for the Trivsel where five alternatives were given. Graph one states that the majority of customers (37%) is taking service from 1-2 years. After Trivsel has expanded, with its new name from SJT to Trivsel it has been able to gain many new customers as shown in a chart. And the other reason might be that the town where Trivsel is situated is growing more as a city with lots of new buildings. Similarly, 30% of the customer has been using the services for 3-5 years. Whereas 17% customer has been using for more than 5 years. This figure states that the case company is doing well to gain the customer loyalty and it is earning the trust of the customers. Further, the figure illustrates that customers that have been using the service for more than 6 months are 13% and 3% of the customer are new.



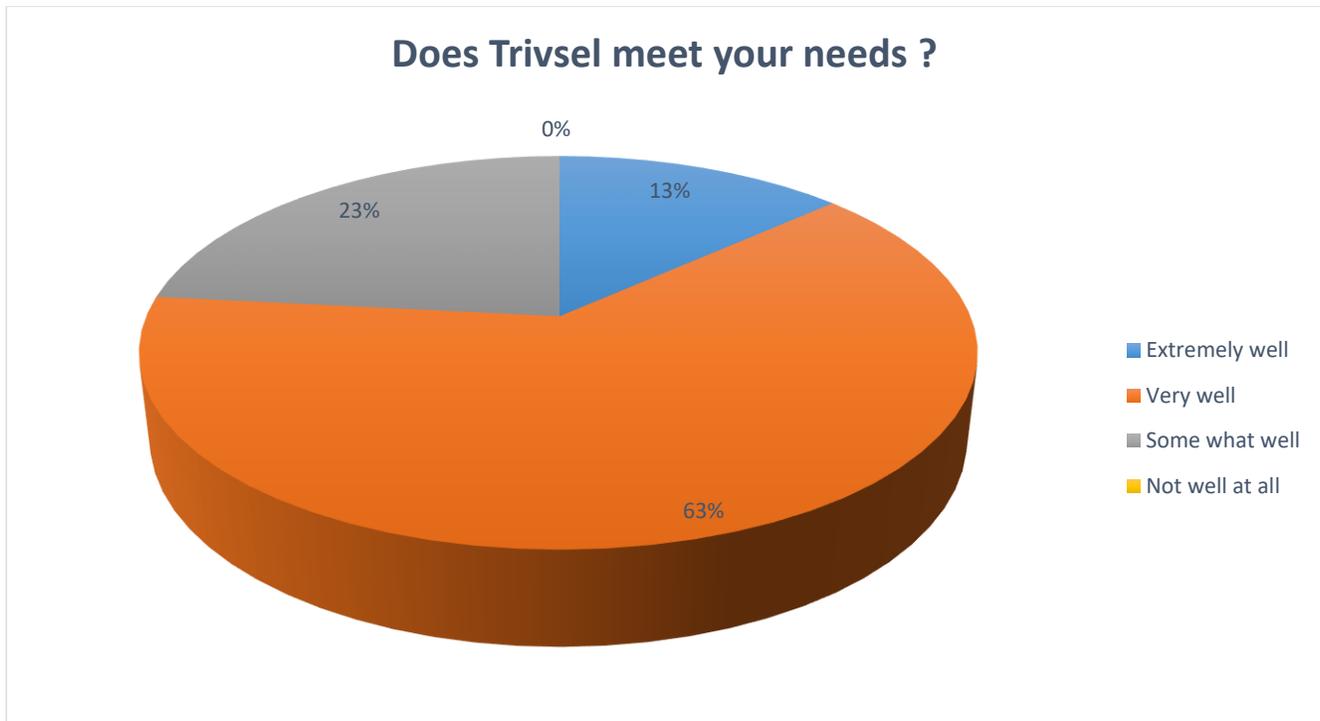
GRAPH 2. Trivsel understand the needs of my organization

In a business, it is very important to understand the need of the customer. Lack in need recognition may lead an organization to failure. Here according to graph 2, 70% of the customer agree that Trivsel understand the needs of the customer. Similarly, 17 % of customer strongly agree Trivsel understand the needs where 13% are neutral on this question it is seen in the graph there was no customer who thinks Trivsel doesn't understand the needs of the customer; 0% on disagree and strongly disagree. The study reveals that the majority of the customers believes in Trivsel service which implies Trivsel was being able to provide quality service to the customers. One of the important tasks in understanding the need of the organization is developing the culture of taking care of customers' needs by feedback method.



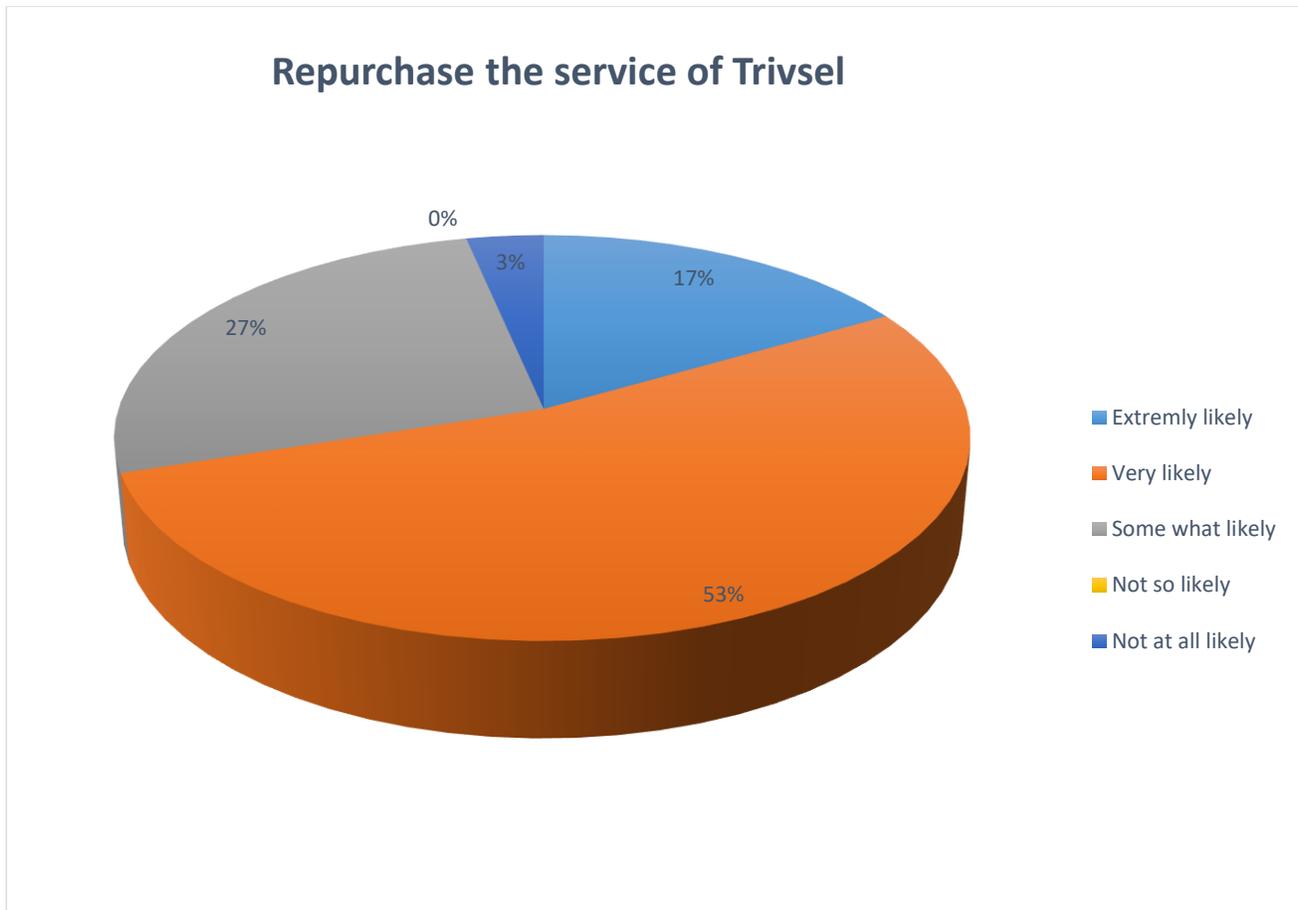
GRAPH 3. Satisfaction by the service

Graph 3 shows that the majority of the customers were satisfied with Trivsel service i.e. 50%, which occupied half percentage out of the total number of customers. The reason for including this question was to find out the satisfaction level of the customer by Trivsel service at the same time the main purpose of the thesis was also to find the level of satisfaction. Similarly, 37% were strongly satisfied and this indicates the Trivsel company was really doing a great job on cleaning field. The result further shows 10% were somewhat satisfied and 3% were delighted. The figure states that there were no any respondents who were not satisfied at all. It clarifies that Trivsel is doing great in its field.



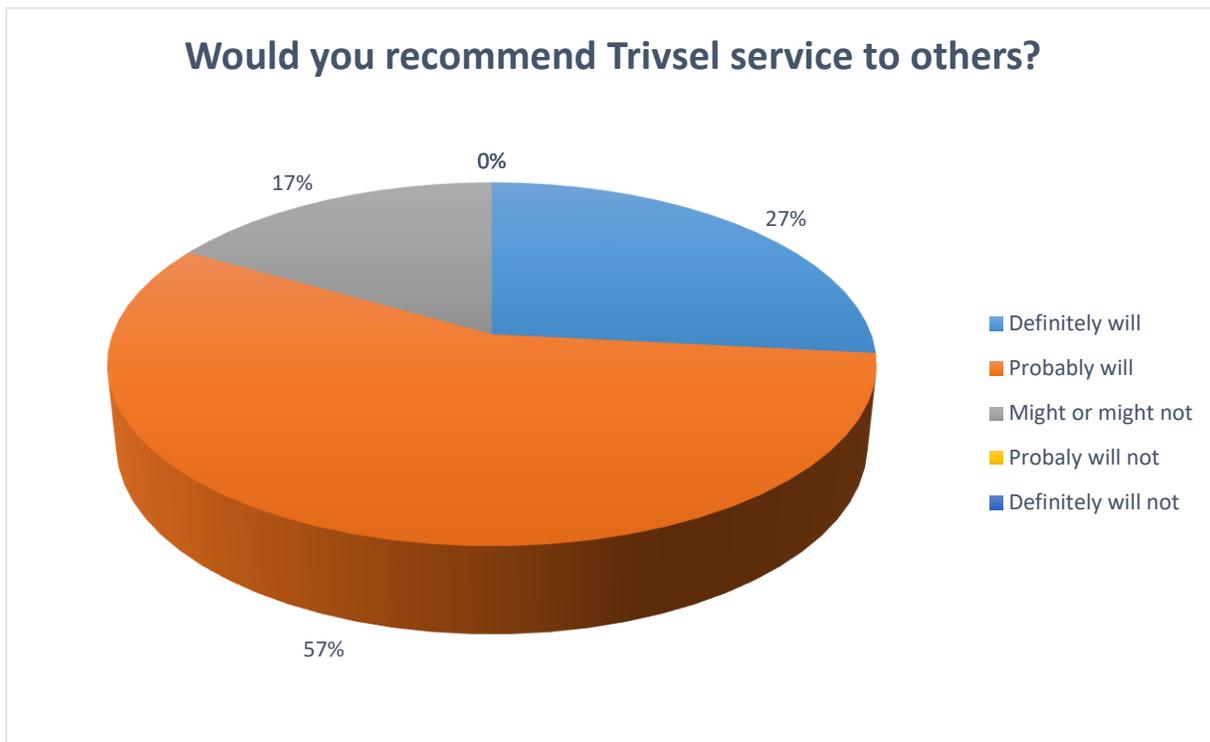
GRAPH 4. Does Trivsel meet your needs?

In this survey question, about how well Trivsel meets customer needs, 63% of the respondents answered very well and 13% on extremely well. Whereas 23% responded somewhat well and there were 0% on not well at all. This study reveals that the majority of the customer was treated well by Trivsel through its service. Still, Trivsel needed to work harder to meet customer need. Still there were 23% of customer response for somewhat good. Similarly, it also indicates that Trivsel needs to be frequently updated with the needs of the customers to understand their needs so it can take the necessary steps to meet the needs of the customers. The need fulfillment culture increases the satisfaction level and further help to gain a loyal customer.



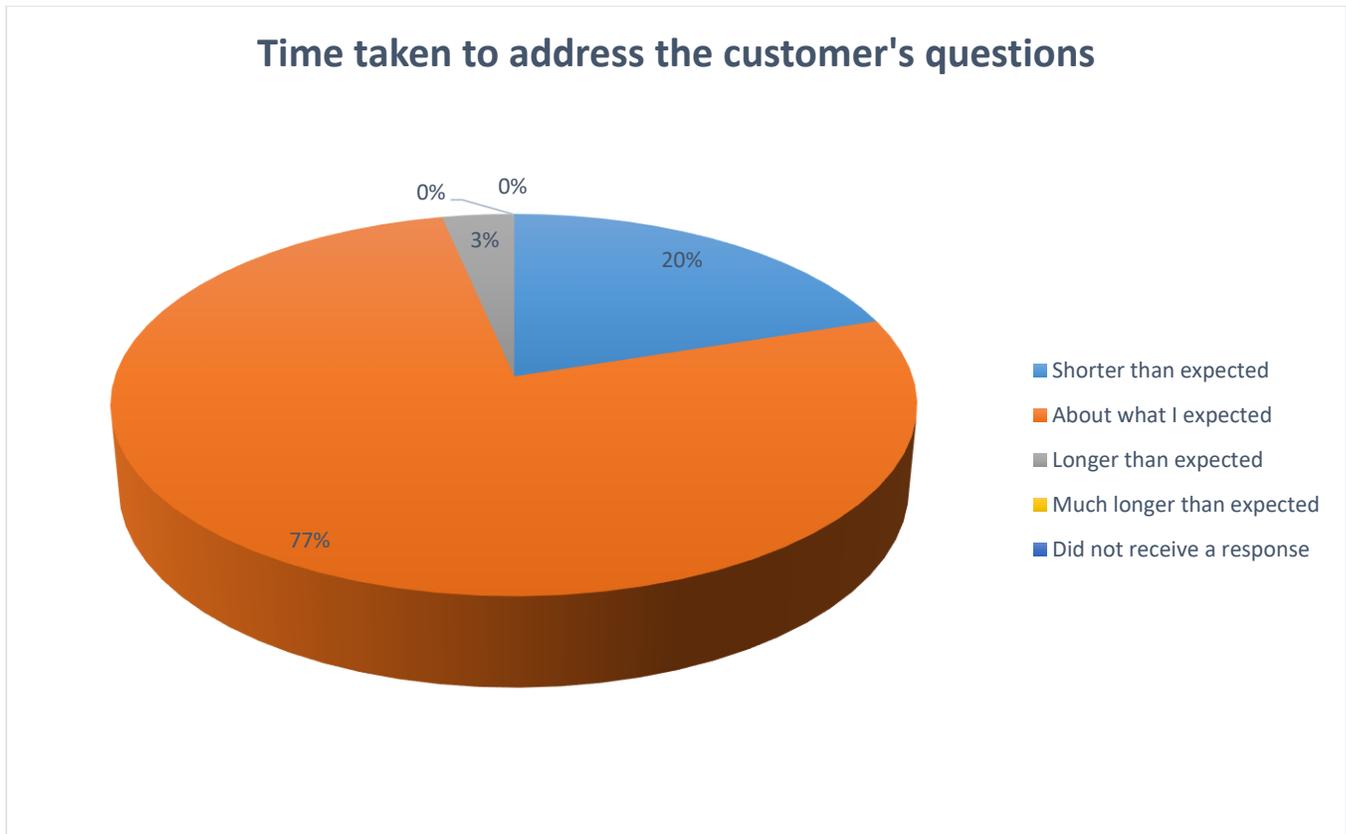
GRAPH 5. Repurchase the service of Trivsel

Graph 5 shows that how likely respondents would like to repurchase the service in future. The reason behind including this question on this survey was to find out the customer loyalty towards Trivsel services. According to the survey, 53% of the customers were very likely to repurchase Trivsel service again. 17% responded for extremely likely and 27% responded on somewhat likely. Similarly, there was no customer who responded for not so likely whereas 3% were responded to not at all likely. The result shows that 97% of the customers will repurchase Trivsel service again this means they will continue buying services from the company. This survey also reveals that the majority of customers were loyal to Trivsel. But at the same time Trivsel should be aware of those 3% of customers who have been disappointed by the service given by the company.



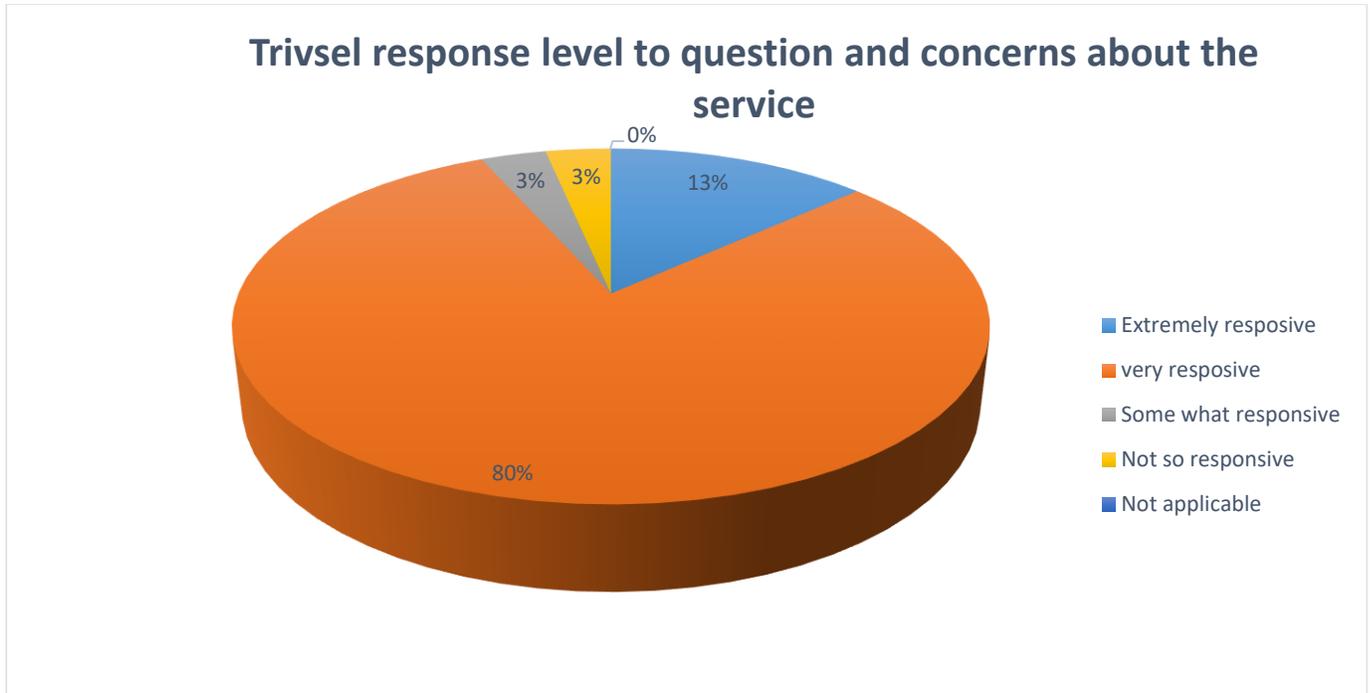
GRAPH 6. Would you recommend Trivsel service to others?

A satisfied customer is always supposed to recommend the service to their friends, relatives and the persons that they encounter. The idea behind this question was to figure out the willingness of the customer to recommend Trivsel for others. If the customers are highly satisfied with the services, then it determines that there is the possibility of growing the marketing channels. From the above pie-chart, 57% of the customers (almost half of the whole respondents) are likely to recommend Trivsel to others. Whereas, 17% of the customers seem to have the highest degree of the satisfaction, therefore, 27% of the respondents to definitely recommend the service to others. Overall, the customers seem to be satisfied with Trivsel services and they are likely to recommend the service to others as well. There were no customers that answered that they will not recommend the service to others, but the company needs to add the value to the service so they feel like they would like to recommend the particular brand to their relatives or friends.



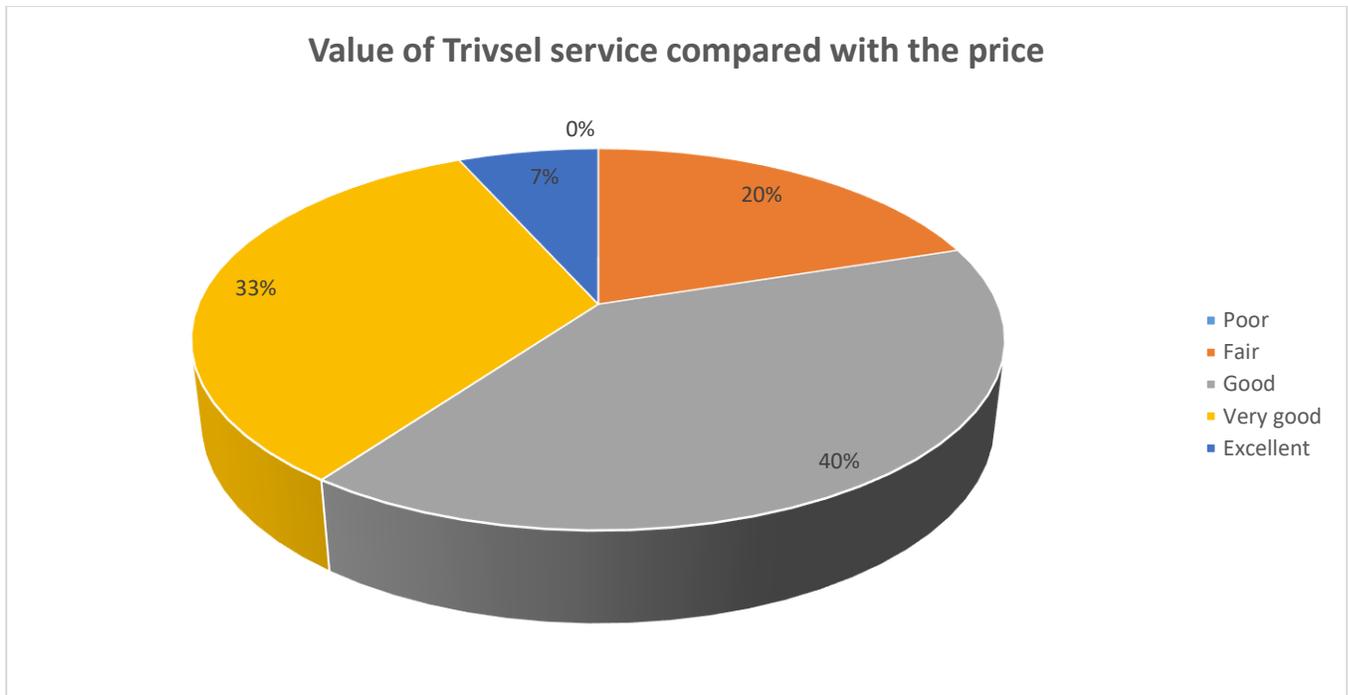
GRAPH 7. Time taken to address the customer's questions

To address the customer questions in time is to add the value of the organization and show that organization values the customer the most. Graph 7 shows the duration taken by Trivsel to address the questions and concerns of the customers. The result shows that Trivsel is very prompt in giving the response to the questions and concerns of the respondents. 77% of the respondents choose the alternative, about what I expected. This result shows that Trivsel response towards the customer's questions is handled with care. 20% of the respondents were even happy to be addressed to their questions before they expect. On the other hand, 3% of the respondents thought that they got their problems addressed longer than they expect. The follow up of the questions of the customer should be done in time, so the organization does not lose its customer. But sooner or later Trivsel has been responding to the customers question that is why there were no customers whose questions were not taken to address.



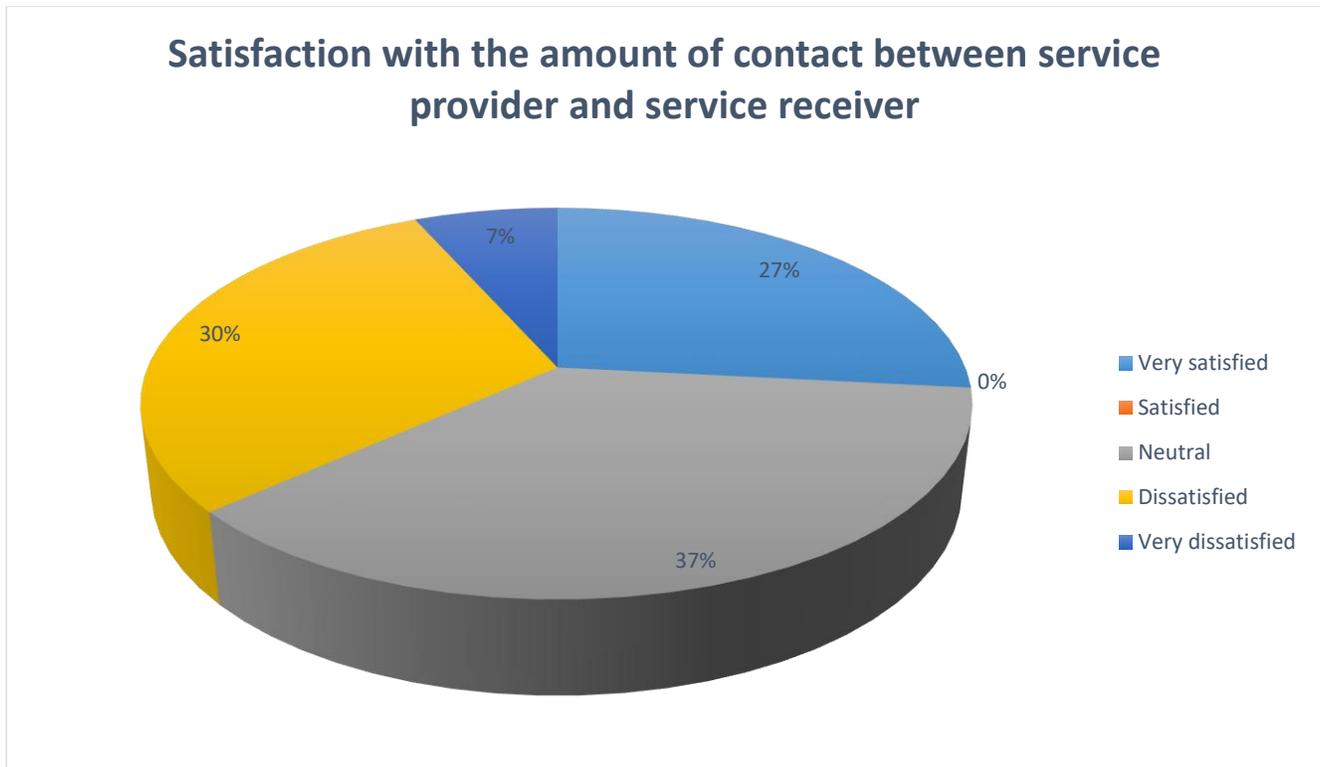
**GRAPH 8. Trivsel response level to question and concerns about the service**

The above diagram presents the positive results about Trivsel response level to question and concerns about the services. All the respondents of the Trivsel are getting a response regarding their concerns and question about the services. 80% of the respondents' states that Trivsel has been very responsive to the questions and concerns about the services. Whereas, 13% of the respondents' states that Trivsel is extremely responsive. The figure also shows there are a certain percentage of customers who didn't fully agree that, Trivsel is responsive regarding to concern of the customers. According to the pie chart, it mentions that 3% out of total respondent believes that Trivsel is not so responsive. The above chart illustrates that Trivsel still needs to focus on 3% of the customers who are still unsatisfied with response that Trivsel gives. Since every customer is assets of the company and plays the role of a network to the following customers. Overall, Trivsel is at the success point to solve about questions and concerns of the customers.



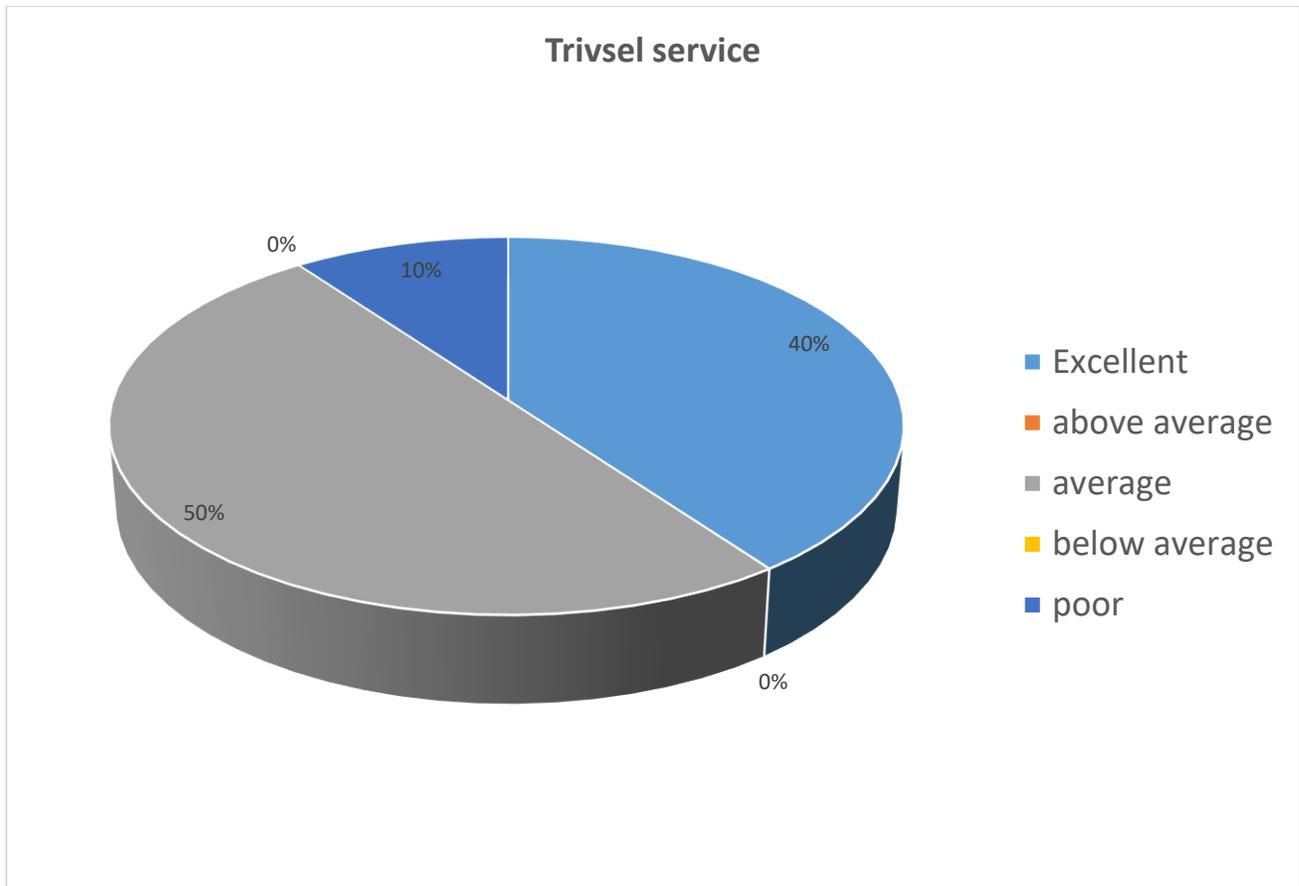
**GRAPH 9. Value of Trivsel service compared with the price**

The chart illustrates the value of Trivsel compared with the service. Every organization provides services to the customers, it is difficult to understand whether the customers are fully satisfied or not with the services compared to the price. From the above figure, we can see that 40% of the respondents are satisfied with the services compared to the price, whereas 7% of the respondents are highly satisfied with Trivsel service and price. However, 7% of the respondents seem to be dissatisfied with the services of the Trivsel service regarding the price. Similarly, 20% of the customers feel that the value of service is fair. Whereas, 7% of the respondents are highly satisfied with Trivsel service and price. However, 33% of the respondents feel the value of the price is very good. Overall the chart states that the value of Trivsel service and the price are parallel. Similarly there was no respondent who responded the value of service is poor in comparison to the price.



GRAPH 10. Satisfaction with the amount of contact between service provider and service receiver

The pie chart is about the satisfaction with the amount of contact between a service provider and service receiver. According to the survey, Trivsel is at the point where all the respondents are quite satisfied. The communication between the service provider and service receiver is really important to make the relation smooth. The gray section of graph shows 37% of the respondents are in neutral with the amount of contact between Trivsel. While 30% of the total respondents thought that the communication between the organization and the customer was not satisfactory. Meanwhile, 27% of the respondents were satisfied with the contact between Trivsel and the respondents. Although the percent is still less than other, 7% of the customers need to have an adequate amount of the contact and discuss the problems that they are facing.



GRAPH 11. Trivsel service

The slices of the pie chart compare service provided by Trivsel case company. The survey reveals that 40% of the customers' respondent that they were getting excellent service from Trivsel. The largest number of the respondents (50%) responded that they were having average service. 10% of the customers claim that they were having the poor services. The survey did not show any result for below average and above average service of Trivsel. To sum up, the service still needs to be developed so that the customers rate the service as an excellent.

## 7.2 Analysis of interview

As far as the first question is concerned, both of the interviewees have expressed great regards to the ethical values associated with their positions. Although the two interviewees belong to two different responsible line, their perspectives on ethical values in the field of cleaning are similar. Both of them stressed in the improvement that they have done to meet the goal of the company. The interview was meant to excess how the organization executes the various aspects regarding to the customer satisfaction and loyalty. The interview was made with two different organizational bodies Mrs.Lassfolk and Mrs.Asplund. Mrs. Lasfolk as an operational director and Mrs. Asplund as project manager give their opinion based on different factors.

Theme 1 was about the past goals and in quality improvement and about the goal that they had been able to achieve. According to Lasfolk the primary goal was to find a suitable person for a quality control in both office and industrial sector. Interviewee Asplund meanwhile, focused that, the goal was to improve the quality and was to meet the customer wish and to be flexible according to want of customers which may help in customer satisfaction. The analysis of theme 1 indicates that the recruitment of right person and continuous improvement in a service, to meet customer wants was their main target.

In theme 2 they were asked about their opinion on customer satisfaction and its importance of this term in the company. This question was asked to get the view on how the organizational body has taken the term customer satisfaction and loyalty and how far they concern with this term. Interviewees Lassfolk and Asplund were quite familiar with this term. They believe that to earn the trust in a business cannot be done without giving the satisfaction to the customers. These two terms for the organization are very huge in the competitive market without which the company could not have survived this long.

In theme 3 expert was asked to state the factors that influence the customer satisfaction. Lassfolk replied communication and a service which values the customer's money influences the customer satisfaction. At the same time Asplund thinks that the way how the organization treats its customer can have a great influence in the customer satisfaction and loyalty. Here it can be connducted that service is the main factor that influences the customer satisfaction. Good service is the result of customer satisfaction and loyalty.

In theme 4 they were asked the cause of increase and decrease in customer loyalty. Mrs. Lasfolk believes that, providing extra services and being positive towards the customers will help to improve the customer satisfaction and loyalty. Similarly, Mrs. Asplund thinks, interaction with customers helps to understand the actual wants of the customers which will help to fulfill the customers demand. This will help to make customers satisfied and loyalty to the service. This seems that, both of the interviewees were aware of increasing customer loyalty rather than losing the customers.

Theme 5 asked the suggestion that could improve customer satisfaction for the case company. Here the interviewee highlighted that, expert workers and trained workers could be one of the best alternatives to improve customer satisfaction. Frequent follow up with the customer about the service and feedback from them could improve in giving service, according to the necessity of the customer. Using the modern technology to improve the cleaning service is another huge aspect that can make a customer satisfied. Overall, according to the interviewee getting to know what the customer needs could improve the customer satisfaction.

In theme 6 interviewees were asked about the challenges they faced during their job. Here the interviewee thought that, it is important to have communication between both parties (i.e. customers and company) to understand the customer needs and to fulfill the wants that they wish to have. If there is a lack in communication, then it would create problems to fulfill actual wants of customers which the interviewee feels most challenging regarding to their jobs. It reveals that, to know actual wants of customers and act according to that could help to increase customer satisfaction and decrease challenge in the service.

The question in theme 7 was to ascertain interviewees individual opinion towards the challenges in the process of increasing satisfaction and loyalty. Here the interviewees state that it is difficult to have a customer satisfied 100%. The communication gap between the customer and the organization is one of the great challenges. Furthermore, the cost is another element that has direct and indirect impact on the customer, says Lassfolk. Similarly, Asplund thought, the employees should be well informed about the customer actual wants the gap of information between employees and supervisors sometimes bring problems in the work. However, in this case the network between the employer, employee and the customer seems to play an equal role to face the challenges in the process of increasing customer satisfaction and loyalty.

In Theme 8 interviewees were asked about the qualities that cleaners should hold. The interviewees Asplund replied that the employee need to be open, social, flexible and make an independent decision on the field which is beneficial for the company. At the same time Lasfolk believe that positive attitude towards the work and general experience in the similar field can add the best value of this profession. This seems that in the field of service positive attitude and experience are both essential. The employees are the source of marketing themselves so it is important for organizations to train to be social and flexible.

In theme 9 the interviewees were asked about the reason to choose the Trivsel. Interviewee Lasfolk believes that, Trivsel has been giving a good service to the customer and understanding the customers' interest. Similarly, Asplund thinks that the company understand the wish of the customers and is able to give service in any kind of situation. Furthermore, she adds that, the company has some well-trained employees who are good ambassadors in their daily life. This states that Trivsel has added its value with the good service which motivates customers to choose Trivsel.

Theme 10 was about the future plans of Trivsel in respect with customer satisfaction and loyalty. In this interview, the interviewee Lassfolk and Asplund said that the organization will have a representative who will help to ensure the quality of service in the future and address the customer questions and concerns. Further the interviewees added the company will work more effectively and increase the quality of service through the skilled employees. According to interviewees adding the company tools, transport and essential equipment, maintaining stores, updating the company websites are the primary plans of the Trivesl. This states that Trivsel have long terms and short-term plans and this plan are the base for their future development. These plans will help to increase potential customer and smooth operation of the organization.

The findings highlighted above are the comprehensive summary derived from the interviews. It shows that the organizational member working on the same roof has a positive impact on customer satisfaction and loyalty development. However, much is still needed to be done in the area of communication, information, dissemination and effective planning. This will help the organization to gain the needed reputation that will give it a positive recognition. The next chapter will reveal some recommendations that were arrived at by the researcher.

### 7.3 SWOT Analysis of Trivsel

SWOT stands for Strength, Weaknesses, Opportunities, and Threats. SWOT analysis is a tool which helps to develop a strong strategy by considering all business's strengths and weakness, as well as the opportunities and threats it faces in the marketplace. To achieve the objective and avoid the risk SWOT analysis is an important tool. Strength and weakness are internal to the company whereas opportunities and threats are external factors to companies such as suppliers, competitors. (Bplans 2017.)

The SWOT analysis method was developed for business and industry, but it is also useful in the community health and development, education as well as personal growth. SWOT analysis helps to explore possibilities for a new solution to the problems. It also determines where change is possible as well as adjust and refine plans mid- course. Strengths can be used to gain a competitive advantage similarly weakness is important because they need to improve in order to gain a goal. Whereas opportunities could allow to improve the organizational position in the market. Threats represent potential problems which can be considered and addressed. The goal of SWOT analysis is to understand the positive and negative factors that should be taken into consideration before making any strategic plan and decision. (Barker et al. Baker, Bormann, Roberts & Zahay 2008, 275-278.)

According to Business Dictionary, SWOT analysis is situation analysis in which internal strength and weakness of an organization and external opportunities and threats faced by it are closely examined to chart a strategy. This is a method of analysis of the environment and the companies standing in it (Economic Times 2017.) The author has pointed out some strengths weakness, opportunities and threat by studying the company Trivsel Oy and it is listed below. In short, SWOT analysis is used to discover the company's advantage and disadvantages. It focuses mainly on analyzing the strength, weakness, opportunities as well as threats of companies. Here in this thesis SWOT analysis is done based on the writers own experiences since the writers are staff of the company and from the interview which was conducted with the operational director and project manager of Trivsel.

STRENGTH	WEAKNESS
Pay more attention to customer satisfaction. Problem-solving efficiency. Well managed employees. Provides service in different cities of the country. Professional and hard-working employees. Effective management. Efficient employee	Limited vehicle facilities. Limited warehouse. Language problems communicating with foreign employees. Time management Lack of feedback culture
OPPORTUNITIES	THREATS
Increase market value Construction of modern building and shopping mall. Faster growing market	Competitive market. Loosing of existing customers and employees.

TABLE 1 SWOT Analysis of Trivsel

### Strength

A good name that has been in the Trivsel will give stamina for its success. Trivsel is able to earn its good will in a short period of time. The company is serving its cleaning service in different cities of the country. Trivsel pays more attention to its customer satisfaction which is a fundamental element to run the company in a long run. Well managed by professional employees automatically helps to solve the uncertain problems which may occur at work. Along with effective management, it provides services to different cities of the country.

## **Weakness**

The company has many foreign employees and most of them cannot speak Swedish and Finnish language which creates problems in communication. Sometimes it would be problematic to understand exact things told by the supervisor. Long distance work sometimes creates problems if there are limited vehicles for those employees who do not have their own vehicles. Feedback is one of the essential things to understand the current status of work. It will help to understand the customer's problems and act according to their wants. The authors do not find any feedback culture in Trivsel. Any software or sites are not developed for customer feedback.

## **Opportunities**

It is important to seek the opportunities for the company for further growth. Opportunities come external for any business. The positive fluctuation of the market value of the real estate shows potential opportunities for cleaning service too. Different kinds of construction work are being held in the country which increase potential customers for the Trivsel. Further, opening of different shopping mall in city also creates opportunities for Trivsel. The current market trend is in the growing phase. Modernization in the construction field and changing thought regarding cleaning service in the people's mind helps to increase the number of potential customers in the cleaning field.

## **Threats**

Increasing competition is one of the major threats for all kinds of businesses. Even though the market size is growing, more cleaning companies are opening. It is important to get information about the competitor and changing market trend of cleaning service. Similarly, the growing competitive market would lead to the division of the customer. It is also important to understand the customer's views and wants. Different kinds of promotional activities need to be developed to attract potential customers. It is equally important to understand and analyse the employee's thoughts regarding their work payments, facilities, etc. Skilled employees are like assets of the company so it is important to understand their comfort zone and keep them like a treasure.

Customer is the sovereign power of the modern marketing world. Success and failure of business are totally dependent on the customer's response. Understanding the customer needs, wants, increases customer satisfaction as well as motivates the customer to be loyal. Firstly, Trivsel needs to have the customer feedback software where customers get the opportunity to give their personal comments. Which can have updated company about the changing customer demands and helps to maintain the same standard or increase the satisfaction level. This will help to be more focused on the particular thing. In order to understand the customer needs and wants more clearly Trivsel should conduct the weekly meeting with the employees to make the strategy for effective work plan.

Skilled employees are assets of the company and it is equally important to satisfy employees along with customers. The company should reward employees according to their responsibility. Rewards motivate employees to give best in their work. Similarly, it is also necessary to implement staff training as well as conducting regular advertising campaigns to attract new customers and also to inform existing customers about upcoming events. Lastly, they should develop and reward behavior which encourages innovations and discourage behavior which is over conservative and complacent. To satisfy the customers and build loyalty are the two major factors to develop the company. In order to understand the quality of the services provided by Trivsel, customer satisfaction can be taken as a core value.

## 8 CONCLUSION

Every company aim is to maintain the long-term relationship with the customers and the business organization. In order to acquire the potential customers, needs and demands should be acknowledged also customer satisfaction has a great impact on the entire business operations. Therefore, it is very important to the organization to understand what exactly the customers need and how to gain loyalty for the successful business. As it is discussed in chapter two, the customer plays a crucial role in the market chain process. To make it clearer, satisfied customers are the ones who creates the possibility of the new customers. If the existing customers are satisfied with the product and service, then there are the chances of recommendation to the new ones. This will lead to the increasing number of customers and could maintain the level of the relationship with the customers.

This thesis has gone into depth to understand the co-relation between customer satisfaction and customer loyalty. The author has come to know that the customer plays a crucial role in customer satisfaction and customer loyalty and is he root of the success. During the research, the authors figured out if the customers are satisfied with the quality of the service and perform the tasks according to the customer's demand. The company has satisfied customers along with loyalty. It can be said, that customer satisfaction is the key component of business profitability because once the customer reaches their satisfaction level, it may influence them to consume the service continuously. Moreover, they share their experiences with other people, which creates the possibility of new customers. Likewise, dissatisfied people also give their opinion about the products, about their unfortunate experiences and lead towards a declining position to the number of customers.

The case study of this thesis was Trivsel located in Jakobstad Finland. The reason behind choosing this company was it was the best option regarding the topic customer satisfaction and customer loyalty. During the thesis writing the authors got the opportunity to know more detail information about the case company and were very thankful to the case company for their effort and the support. This thesis writing has influenced the authors to interact with the people from different cultures and to know the local organization more closely. Further, the thesis concentrated on qualitative and quantitative method to receive valuable information that could be analyzed and verified utilizing scientific research approaches, method and tools and theoretical framework.

The research carried out during this thesis helped to analyze customer satisfaction and customer loyalty to the case company. The services provided by Trivsel are high in the quality according to the customer's response and comments. It seems that Trivsel success to satisfy the customers at a very high range as well as gain the loyalty of the customers. It is very important to maintain it at the same level as it is presently. Moreover, after analyzing the collected data from the questionnaire it is clear that customer satisfaction is the basis of the customer loyalty. If the customers are highly satisfied with the services, then it is obvious that they are loyal too. Therefore, customer satisfaction influences the customer loyalty.

The results of the questionnaire survey determined the customer satisfaction and customer loyalty in Trivsel. With the help of questionnaire survey the writer can conclude the things that need to be progressed in the future. The questionnaire consists of multiple choice questions and open-ended questions. Altogether 15 questions were designed to get the results on customer satisfaction and customer loyalty. Through the survey, the writers figure out the various differences in the answers of the respondents. It seems all the customers are satisfied with the service of the Trivsel and are looking forward to getting more quality service than previous. However, though the service level seems very satisfactory to meet customer needs and demands the organization still needs some modification and improvement in the strategies of the company to keep the service in a high standard. For example, updating information and informing customer about new products still need some improvement. Thus, based on the study it can be said that though the majority of customers are satisfied with the service provided by Trivsel, the company needs to understand its weakness and work hard for the improvement that can meet customers perceived service level.

For measuring the satisfaction of the customers, various methods needed to be applied to analyze the consequences. Customers predict the value of the products before purchasing, at the point of purchase and after purchasing. That means their satisfaction may vary accordingly. Hence, a survey should be carried out to figure out the metrics of satisfaction. Overall this study has highlighted that satisfaction and loyalty are core element of a business. Understanding these two terms can help the case company to build a reputation in a market and increase in demand of customers.

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## APPENDICES

### Appendix 1

We are KABU KHADKA and SONIYA MAHARJAN, student of Central Ostrobothnia of Applied Sciences, Jakobstad. We are writing our final thesis and using Trivsel Oy as a case study, in order to analyze some facts, customer satisfaction and loyalty feedback need to be conducted.

You are kindly invited to take a part in this survey. Here, you will be asked questions about the services provided to you (customers) by Trivsel Oy. Response to this survey are voluntary.

Thanks for the cooperation and the response.

1. In total, how long have you been a customer of Trivsel?

- New
- Less than Six months
- 1-2 years
- 3-5 years
- Above

2. Trivsel understands the service needs of my organization?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

3. Overall, how satisfied or dissatisfied are you with Trivsel company?

- Not at all satisfied
- Somewhat satisfied
- Satisfied
- Very Satisfied
- Delighted

4. How well does Trivsel service meet your needs?

- Extremely well
- Very well
- Somewhat well
- Not well at all

5. How likely are you to repurchase the service of Trivsel company?

- Extremely likely
- Very likely
- Somewhat likely
- Not so Likely
- Not at all likely

6. Based on your experience with Trivsel service, would you recommend this to other firms or individual?

- Definitely will
- Probably will
- Might or might not
- Probably will not
- Definitely will not

7. How much time did it take Trivsel to address your questions and concerns?

- Shorter than expected
- About what I expected
- Longer than expected
- Much longer than expected
- Did not receive a response

8. How responsive have Trivsel to your question and concerns about the services?

- Extremely responsive
- Very responsive
- Somewhat responsive
- Not so responsive
- Not applicable

9. Overall, the value of trivsel service compared with the price is

- Poor
- Fair
- Good
- Very good
- Excellent

10. Overall how satisfied are you with the amount of contact between yo/your organization and trivsel service organization's management?

- Very satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied

11. How would you rate Trivsel overall?

- Excellent
- Above average
- Average
- Below average
- Poor

12. Why you choose Trivsel?

13. Please tell us what Trivsel should do to improve the quality of the documentation delivered with your platform?

14. If you like to share any additional experiences about the services, please enter them below.

15. Do you have any comments and concerns?

## Appendix 2

### **Interview questions**

1. What was your past goals in quality improvement and how far have you mate your goals?
2. How do you understand the concepts of customer satisfaction and customer loyalty, and what is your opinion about importance of this term in company?
3. In your opinion, what are the factors that may influence customer satisfaction?
4. According to your own experience, what are the main reasons that may cause customer loyalty increased or decreased?
5. In order to improve customer satisfaction, what suggestions do you have for the case company?
6. What are the most challenging aspects regarding your job?
7. What kind of problems may exist in the process of increasing customer satisfaction and customer loyalty?
8. Cleaning company always should provide excellent service, what qualities should an employee hold?
9. In your opinion, why customer choose Trivsel?
10. What are the future plan of the company, in respect with customer satisfaction and loyalty?