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DEALERS' SATISFACTION SURVEY ANALYSIS. CASE COMPANY
X.

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Abstract
The topic of the thesis research is dealer's satisfaction survey analysis. The main goal of the research is to find flaws in the Company's X performance and identify factors causing dealers' dissatisfaction.
Using dealership distribution system, Company X benefits greatly from dealer's market's knowledge. Dealers are the representatives of the local communities and they have very beneficial knowledge of the customers in foreign countries and their needs. Author has analysed annual survey results and has provided Company X with a summary of issues that cause negative feedback. In order to provide a better understanding of key aspects of the thesis topic, theoretical part of the thesis was created. In this part a reader can find definition for the following terms: business market, consumer market, survey method of data collection and market structure.
The conclusion of the research provides proposals on how Company X can improve its performance and pursue long-term relationships with the dealers. The main part of the thesis cannot be published due to the Non-Disclosing Agreement terms.

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CRM, dealers, distributor relationships, B2B, survey, survey analysis, satisfaction, dissatisfaction

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1 INTRODUCTION

The introduction chapter will outline the subject of the thesis and state background of its idea. Problem formulation provides base for purposes of conducted research.

1.1 Research background

Foreign markets require investments in order to establish profitable operations. Distribution is a way to get closer to the final-customers with lower efforts. Cooperation with dealers helps a company to reduce costs and time on acknowledgement of foreign market. International business requires knowledge about foreign customers, requirements and trends. The benefit of external dealers is that they have trust in local people and are aware of their needs and preferences.

Mutually beneficial long-term relationships are accepted to be one of the identifying factors of successful business. The value that a customer receives from relationships converts into value for company in form of profitability (Christopher, Payne & Ballantyne 2002, 8). Customer satisfaction data is the most used indicator in the examination of market perception (Farris, Bendle, Pfeifer & Reibstein. 2010, 33). Company X has conducted a survey which provide an overview of dealers' satisfaction. The survey is aimed to identify factors causing dealers' dissatisfaction in order to improve company's performance and pursue long term relationships.

Nowadays, value exchange is recognised as a key concept of marketing (Christopher, Payne & Ballantyne 2002, 8). Customer values can be defined as the ratio of what is perceived compared to what has to be given (Christopher et

al. 2002, 20). According to the client needs and expectations, company determines what kind of value propositions to add.

Competitiveness of the company is higher when the performance is better than that of the competitors'. Competitors are not defined by the market share, as trade borders have been erasing around the world steadily. According to Christopher et al. (2002, 26), many marketers switched focus from the objective of increasing market share towards concept "quality of share", recognizing the fact that not all customers bring the same profit. Hereby, companies focus their recourses in a narrow market in order to keep their best customers by providing their best satisfaction. Satisfied customers are more likely to be committed to the company. Keeping the existing clients is essential for the company, as the cost for acquiring new customers is higher than keeping retained customers. (Christopher et al. 2002, 8.)

Development of logistic industry ease international trade. Quick and safe delivery of products allows companies to acquire new customers around the world and deliver products within optimal time framework. Accessibility of the destination around the world provokes business growth globally and increase competitiveness between companies worldwide.

Company X collects annual feedback from its customers by an outsourced research company – Company Y. The empirical part consists of the analysis of the customer satisfaction surveys. The results of the survey collected during three years were translated by the author into English language. The author has created a separate document for translated answers for open-ended ended questions. The information from PDF files were copied, pasted and corrected into a word file. The new document includes original text of replies and the English version. The length of the three documents is 80 pages.

1.2 Problem description

The company X exports products around the worlds. The way company enters foreign markets is through distributors. The Company X cooperates with dealers selling Company's X products to the end-users and provide them with the support before and after the sale. The quality of cooperation with dealers is highly valuable for the Company X. In this way, the main problem of the research is to identify flaws in the company's performance and factors that cause dealers' dissatisfaction.

1.3 Research purpose

In today's business world the power of customers is increasing. In order to stay a competitive company, the Company X is aimed to analyze customers' requirements and needs. The goal of the research is to improve relationships between the Company X and its dealers. Analysis of annual feedbacks will provide main flaws in the Company's X performance that cause dealers' dissatisfaction. As a result of the research, the Company X will receive recommendations on relationships' improvements. The study results can be utilized in the Company's X strategy development.

2 THEORETICAL FRAMEWORK

2.1 Business and consumer markets

The key difference between B2B and B2C markets is the buyer. In a business market, a company sells product or service to businesses. Consumer market is defined by the end-users or consumers, who obtain a product in the end of the distribution channel.

Nowadays, in a modern economy every business has a network with other businesses. To run a business, a company uses sources from outside, such as suppliers, service providers etc. Therefore, a B2B is a transaction between companies. In B2B, customers are generally organizations rather than individual consumers (Brennan 2009, 2).

The whole supply chain of products is coming out from derived demand of consumers. Based on that fact, businesses make purchases in order to provide goods or services that will satisfy consumers' needs. Thus, business demand is completely derived, where consumer demand is completely direct (Brenan 2009, 8).

Manufacturing companies can reach customers basically in two main ways: directly or through intermediaries (Mattsson & Parvinen 2011, 87). Company X sells products to the dealers which resell to the end-users. Fites declares (1996, 7) Caterpillar would never bypass their dealers and sell straight to the end users. Dealers have valuable knowledge about their communities and this knowledge are much more profitable than direct sales to the end users by foreign company.

2.2 Market structure

The supply chain of company starts from the obtaining of the suppliers of raw material and aiming towards end users. Before the product is sold, it goes through several stages. These stages include obtaining of raw materials, manufacturing, distribution and service. Supply chain is divided into two halves, upstream and downstream activities (Mattsson & Parvinen 2011, 65). In the upstream activities, there are organizations that are far away from consumers (Brennan 2009, 15). Downstream stages are those that add value to the end-users. These activities consist of branding, product development and advertising.

2.3 Customer satisfaction

The level of customers' satisfaction identifies the quality that a company produces. High quality of a product, customer service and marketing increase the level of customers' satisfaction that in turn keep demand on company's products. Maintaining the satisfaction of the existing customers on a high level will keep them loyal. According to Christopher et al. (2002, 16), the main goal of any customer service strategy must be customer's retention. Researchers at Bain & Co states loyal customers tend to make more purchases and increase entry barriers to market for potential competitors. Number of competitors on the market give a power to the customers and in order to survive, company should treat dealers as partners, but not as consumers. (Fites 1996, 5.)

2.4 Survey data collection

The roots of surveys go to the statistical world. A demand for a new statistical data appeared together with a new era of the Industrial Revolution and changes in society (Bethlehem & Biffignandi 2012, 4). The purpose of a survey is an improvement of quality of the product and service (Hayes 2008, 3). Measuring customer satisfaction allows to improve quality to the customers' requirements.

Obtaining high response rates can be challenging when conducting online survey research (Sue & Ritter 2007, 93). Generally, the response rates for Web based surveys are approximately 30% (Sue & Ritter 2007, 8).

Market research industry is changing as various trends and progress are taking place. The internet became a great advantage to the companies, providing them with the relevant and cost-efficient information about customers. Special tools and platforms allow conducting research in efficient way. They are reducing time spent on surveys by respondents and giving them an opportunity to provide the most honest and detailed responses openly or confidentially.

2.4.1 Survey variations

Development of computers has brought a significant development into survey method of data collection. Time, price and complexity are reduced, but quality has increased. Consequently, online survey data can be collected, processed and stored in a more efficient and accurate way, compared to the traditional research methods. (Gosling 2010, 12.) Being able to collect feedback from a large area with minimized recourses is another benefit of an online survey. Company X and its network reaches customers in more than 20 countries. In order to follow the level of satisfaction, Company X collects annually customers' feedback by sending a questionnaire to each partner via e-mail.

Every questionnaire must represent a clear purpose. Before conducting a survey, a clear goal has to be set. On the way to the main goal, researcher faces sub-goals. The main goal can be seen as an improvement and sub-goal number one can be quality level. According to Hayes (2008, 15), customers have expectations on the product or service. Buyer will compose his/her opinion according to how expectations are met.

3 RESEARCH METHODOLOGY

The thesis is based on the collection of data, analysis and proposal based on the findings. The research includes collection of both: secondary and primary data. Primary data represents the main source of data in this research where secondary data has be utilised as supportive source of information for the thesis.

3.1 Secondary data

In this research, the annual reports of the Company X were used as a secondary data. The reports allow to research the company's case and find a parallel between the company's annual performance in different countries and annual feedbacks of the dealers selling Company X's products. Additionally, the secondary data refers to the professional literature and articles about business market, cooperation with dealers and customer satisfaction concepts.

3.2 Primary data

The research is aimed to analyze the cooperation between Company X and dealers from the dealers' perspective. An annual feedback collection is a great opportunity to identify flaws in a company's performance and improve dealer's satisfaction.

Company X has collected anonymous data through online surveys among dealers. The primary data was collected from translated surveys results collected during 3 years. The research focuses on the dealer's satisfaction and especially on the negative factors causing dissatisfaction. Thus, primary data mainly includes replies for open-ended questions. Open-ended replies provide additional information on dealers' low level of satisfaction with statements in a survey.

4 RESULTS

In this part of the research, a data collected through survey research was analysed. Obtaining high response rates can be challenging when conducting online survey research (Sue & Ritter 2007, 93). The response rates for Web based surveys are approximately 30%, but the studies are limited in number (Sue & Ritter 2007, 8).

Sales opportunities are deeply connected with the relationships quality that is measured in levels of trust and satisfaction. The main purpose of the research is to provide Company X a summary of business spheres and factors that cause dissatisfaction among the dealers.

5 CONCLUSION AND PROPOSALS

The data has been analysed with a purpose to identify issues in Company X's performance. As the author is specialized in the business field, only data regarding business relationships, marketing and service were analysed for the recommendations (i.e. marketing, etc.) The data representing dealers' opinions about production side should be analysed separately by Company X.

According to Crum and Marrelli (2007, 14) the company should include questions in a survey about aspects, which are within company's power to improve. Ignoring respondents' complaints leads to decreased attitude to future surveys. Only by full involvement of interviewees and their honesty a company can benefit the most from conducting the survey research.

5.1 Trends

Manufacturing companies' demand is derived from the consumers demand. Keeping an eye on changes on the market and in the industry will provide an estimates in demand of dealers. (Brennan 2009, 122). Company X should consider dealers' satisfaction as one of the factors affecting demand.

5.2 Customer service

Donald V. Fites, chairman and CEO of Caterpillar in Peoria, in 1996 states in his article (1996, 5) «When we see particular dealers not performing well, we jump in and help them. We want dealers to succeed.». Fites emphasises an importance of relationships with independent dealers. Relationships with customers play more important role in a company's success than quality used to do. Technological development in general have created conditions for quality availability so it is no longer a competitive feature. (Fites 1996, 9).

Customer service support should provide an email, stating that message or complaint that has been received and turned to the processing stage. Estimated waiting time can be mentioned as well an FAQ (Frequently Asked Questions) section on the website can be an option to solve the most common problems by the dealers.

The way a company delivers a product to the customers plays a vital role. It is evident that differentiation in customer support provide a competitive advantage. For the company, it is likely to lead to extra costs which eventually must be compensated through customers received value, their loyalty and willingness to obtain products at higher price (Armistead & Clark 1992, 25).

5.3 Survey structure and results

The surveys have been implemented confidentially. According to the interview with Company Y, the purpose of the survey is to “Collect customers’ feedbacks to develop activities and improve services in Company X”. The average amount of respondents is about 40%. According to the author’s opinion, the data from the annual survey cannot be compared with each other. The main reason for this point of view is that there is not any guarantee that the same respondents have provided replies, thus there is not any ground to believe that the survey results can represent change in the customers’ opinions. However, Company Y has compared data for two different years in the separate report. The provided report can incorrect changes in a dealers’ satisfaction and may lead to confusion and defective decisions.

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