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CUSTOMER SATISFACTION SURVEY FOR COMPANY X

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The purpose of this thesis was to find out how satisfied the Company X's customers are with Oulu store's service level and the aim of the project was to create suggestions for the Company X, how to improve the customer service at the Oulu area's store.

Christian Grönroos' (2007) theory of total received quality was used as conceptual framework in this thesis. The theory was used for explaining the expectations and perceptions of Company X's current and previous customers. This theory was chosen for this project to help to evaluating customer satisfaction. Also Parasuraman's, Zeithaml's and Berry's (1988) gap theory was used in this project. Their ServQual tool was more than helpful in analyzing the gaps between expected and received quality.

Project is descriptive and a quantitative approach was taken on at the survey. Two customer satisfaction surveys were done; one for the current customers and one for the previous customers. They were both sent out at the same time to the customers; the current one was handed out to the customers at the store right after they had finished shopping and the previous customers' survey was sent out to them by mail. The response rates were low for both questionnaires, compared to the fact that the research was quantitative. However, it was still possible to make the analysis, with the help of ServQual tool, which was used for analyzing the gap questionnaire's results of the survey.

The results of the research indicate that the current customers of the Company X are very satisfied, while the previous ones are not. This is due to an unstable customer service. The reason the customer service is unstable seems to be the fact that the sales personnel is not motivated. Therefore it is suggested that the personnel would be offered some incentive, such as sales competitions and secret shoppers.

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1 INTRODUCTION

The number of customer visits and orders at Company X's shop in Oulu has decreased in the recent years. Various causes behind this turnover have been considered by the company management, but in order to find out exactly what kind of actions are needed to improve both the customer service and the profitability of the Oulu store, a survey was needed. Therefore a customer service satisfaction survey was done for both the old customers as well as the current ones at the Oulu store. The aim was to find out what has gone wrong, why the ex customers are now *ex* customers and what the current state of the customer service at the Oulu store is today.

The aim of this project was to help the Company X to improve their performance at Oulu store by finding out what they have been doing wrong and what the customers in that area are looking for in business to business company of this field.

Company X is a big international supplier in the beauty industries. Their products are sold only to beauty industry professionals, therefore the specific kind of business to business setup.

Personally I was really excited to get into this project and get to learn even more about this company and its customers, as well as learning the whole concept of making customer surveys. I would like to say that I was a good candidate to do this project, because I already had a fair amount lot of background information about the company after working for it for several months. I also had some experience on a customer's point of view through a relative.

I did my internship at the Company X in their Brand Management department and I also worked for one month in their sales division. During my time at the company, I got a lot of information about the products sold in Finland and got familiar with their whole selling process; how they bring their products into the country and how they manage the marketing throughout the Finland, I also learned about the company's norms and values of providing quality service in the company and what makes them better than their

competitors. On top of all that, I also had a good idea of the customer's side, because my mother owns a business in this field and therefore is one of the Company X's customers, though not in the geographical area of this research. Thus I did have a good base on what the customers on this field usually look for in a supplier.

My objective for the project was to produce a customer satisfaction survey for Company X to measure the satisfaction level and attitudes of its customers towards the store in Oulu as well as its service. This thesis includes two surveys; one for the previous customers to find out why they stopped doing business with company X and to change to another supplier and secondly a survey for the current customers to calculate their current satisfaction level. In the end of the thesis an analysis is written based on the results of these surveys. The report includes an analysis of the results, as well as the recommendations for the Company X.

My personal objectives were to learn more about the Company X and their ways of producing quality service. I was also aiming to learn more about the customer satisfaction survey process; because to improve something you need first to measure its current state and to always improve is the main idea of all functioning (Gerson 1993, 6).

2 CONCEPTUAL FRAMEWORK

Conceptual models or frameworks used in services are originally created to help researchers to understand, develop and explain the complexity of the service situation (Gilmore 2003, 16-17). As Audrey Gilmore stated in her book 2003, conceptual frameworks are very useful aids for visualizing service dimensions and helping to illustrate, describe and explain interrelationships, interactions and influences upon service dimensions. Grönroos' theory on dimensions of service quality was chosen for the framework of this project.

Grönroos' theory was chosen because even after 30 years it is still up to date and well working. With this theory a clear image of the current state of the service quality at the Company X's Oulu area store can be defined, to determine what is was back when the previous customers did their business there. By using Grönroos' theory as a framework

the whole study can be clearly constructed and it is easy for anyone to understand and use in their work.

Framework itself is used here to provide a theoretical structure that holds together the research. This brings focus to the study.



Figure 1. Adoption of Grönroos' service quality model 1982, 1990

This conceptual framework describes the customer's total perceived service quality.

“Received service quality results from customers comparing the service they have received against what they expected to receive. The level of total perceived service quality and thus the level of customer satisfaction are determined by the gap between the expected and experienced quality.” (Grönroos 2007, 76-77.) In the following chapters the factors of this theory will be explained in detail.

3 CUSTOMER SATISFACTION AND CUSTOMER LOYALTY

3.1 Creation of customer satisfaction

Customer satisfaction is simple. If the customer's expectations are met or surpassed the customer is satisfied. However if the promised quality is not delivered and not even fixed when mishap is noticed, the customer is not satisfied and he/she will do the business elsewhere from that moment on. The size of the company providing the service is not important in this level of business, instead the customers are paying attention to how they are treated, they are not only buying products; they are buying the whole sales experience. Often customers are willing to go further and pay more to receive that excellent service, where they feel like they are appreciated as customers and their money is valued. (Evenson 2005, 1.)

Customer relationship starts the moment the customer walks into the store or contacts you by other means, because within the first few seconds of the contact the customer creates the first impression which is very hard to change afterwards. Therefore every little detail right from the beginning counts; sales personnel must acknowledge the customer within this time. Everything counts; the way the personnel speaks, what words are chosen and how the email or phone is answered. If the first impression is appealing, good basis are created for a successful and long customer relationship. (Gerson 1998, 77; Evenson 2005, 22; Zineldin 2006, 430-437)

The attitude of the company's personnel is in a big role when it comes to customer satisfaction, because that is what the customers are going to remember the people about. If the first contact leaves a poor picture of the company for the customer, a second chance to fix this mishap is very unlikely.

Providing excellent service creates guarantee for customers that their needs will be met with every visit. Satisfied customers always return again and again, if the expected quality is maintained even though the expectations grow higher each time around. Usually

the customers will also buy more and more each time they do business with the company. Satisfied customers also have a tendency to spread the positive word of mouth and this way brings in new customers. The link between service quality, satisfaction and profits is direct. The more satisfied the customers are, the more they spend. The more customers spend, the more is sold and profits get bigger. Excellent customer service is created by positive service attitude and effective communications. This builds up to a strong customer relationship. (Gerson, Machosky 1993, 5; Evenson 2005, 1.)

Some companies have made a mistake by thinking the profitability of the production and sales is the most important factor of producing revenue. These companies have transformed their factories and customer service to the lower cost countries like India. Even though the production costs can be up to 10 times lower, the overall cost can rise up to higher, because of the lost customers. They have forgotten that the customer service is also a big part of the service, because at the service industries the productivity is measured by the satisfaction level of the customers. More satisfied customers, bigger sales. Often customers wish to have face to face contact or at least be served by sales personnel understanding their culture and accents. It is also recognized fact that customers are the judges of the service quality and they are the ones choosing to buy or not to buy again from the service supplier. Companies often assume that loyal customers will stay loyal if they make changes like off-shoring the customer service elsewhere, with the benefit of lower prices. But in today's market the quality of service is the most valuable thing the company can have; customers are willing to pay extensive amounts more just to receive high quality service. (Szwarc 2005, 10-11.)

3.2 Importance of customer loyalty

In today's market the product range is very wide. Every company can hire best professionals to market the company and engineers to develop the quality even higher. Therefore creating the added value is very difficult. It all comes down to the service quality. Everything that is done to provide quality service is not important if it does not make the customer satisfied. With the right kind of quality service happy and loyal customers are achieved and they will also stay as customers for a long time. The more the customer is satisfied more the customer spends and so more revenue is collected. Another plus is that satisfied customers spread the positive word of mouth and bring in new custom-

ers for free. Because gaining new customers is a lot more expensive than keeping the current ones, providing quality service only has profits. It is cheap and makes the business bloom. (Gerson, Machosky 1993, 5; Zineldin 2006, 430-437.)

Customer loyalty is what every company aims to. It is the most important thing of all functions, because this way the profitability of the company can be assured. (Caruana 2003, 812.) Customer loyalty is nowadays actually value-based relationships. To reach this, the service companies must stay up to relevance, customer experiences and emotional connectivity. Therefore some companies have created customer-loyalty-programs, which help the company to understand the motivations of the customers and by understanding it they can produce mass customization rather than mass communication. That makes the customer feel special. (Leventhal 2006, 385.)

Challenges to keep customers loyal have increased during the recent years because of the internet. Internet makes it very easy for the customer to get to know the competitors. A customer is always just few clicks away from the competitor. Internet has also made it possible for customers to buy anything from anywhere around the world, meaning the amount of competitors has increased dramatically. As the internet evolution has challenged the key account managers it also has given the company itself a chance to widen the range of customers as well as the chance to steal customers from the competitors. (Griffin, Lowestein 2001, 143.)

A customer who repeats purchasing is the most important factor in service marketing. These loyal customers are what every company aims to in all of their work. Still fields of service that support customer loyalty, like service quality and customer satisfaction has been receiving less attention. Service quality has been under observation in the recent years, because of the great original work on it by Parasuraman et al. (1985). Service quality, customer satisfaction and service loyalty are all related to each other. Often the service quality is seen as a grounding system and service loyalty as an outcome changeable of customer satisfaction. A better understanding of the effects of service quality and customer satisfaction on service loyalty can help researchers to develop a model of service marketing. It will also help to provide guidelines to where the marketers should concentrate their marketing attention to gain competitive advantage. (Caruana 2000, 812.)

4 SERVICE QUALITY

4.1 Service quality

Service quality is complex, multifaceted and constantly evaluated by the customers. It is defined as "a social act which takes place in direct contact between the customer and representatives of the service company." (Bath 2010, 638.) Service quality requires constant quality improvement to keep the customer satisfied. The reason that made the customer happy last time may not work the next the time. The received service quality is the result of their comparing of what they expected about the company and what they received from the experience, taking into account what the image of the company was originally. (Whalley, Headon, O'Connor 2001, 11; Emerald Insight Staff 2003, 811-828.)

Today service industries account for more than 70% of the jobs. Therefore it can be stated that service industries definitely dominate our economies. That is why service quality management has become mandatory for every company longing for success. Many companies offering services have lost customers because of poor customer service. Therefore the quality of service should not be underestimated. Research has proven that companies can increase their profits by 100% just by retaining 5 % more of their current customers than what their competitors do. This is possible because it is much cheaper to retain customers than trying to get new ones. It is not enough anymore that the products sold reach the high quality level and required functions. Employees' behavior must meet the customers' expectations and be on a high standard in order for them to compete with other service providers. (Bath 2010, 638; Buttle 1995, 30.)

Companies should aim for gaining long-time customers, because with long-time customers they can outperform competitors who have lower prices and bigger market share. Same definitions of quality that are used for manufactured products can also be used for service products, as most often the quality is defined as whatever the customer perceives as quality. The most important factor of quality service is that it must meet the customer needs. (Bath 2010, 641; Gerson, Machosky 1993, 7.)

Service quality is intangible, because it is based on perception. However, it still has visible and tangible features that can be measured and managed. Tangible aspects include for example the facts like how many times the phone must ring before it will be answered, how long does it take to process and ship an order, and is it shipped correctly. These are the factors of service quality that can be measured. (Gerson, Machosky, 1993.)

Most definitions of service quality state that the service quality is the end result of the customer's comparison between what he/she has expected and what she has received. That is why Christian Grönroos (1984) has developed a model that highlights the roles of technical (the output) quality and functional (the process) quality. The technical quality here refers to what the customer actually gets and the functional quality is about how the service is delivered by the service provider. Technical quality is usually evaluated objectively, while functional quality is very difficult to evaluate this way. (Grönroos 2007, 76-77; Emerald Insight Staff 2003, 811-828.)

4.2 Expected quality

Expected quality is beliefs about delivered service, which functions as value against the judged performance. Expected quality is affected by marketing communication, sales, image, word of mouth, public relations and customer needs and values. Therefore company should be very careful when creating any external marketing whether it is in the form of a regular advertisement or a matter of public relations. There is a danger that the company creates too high expectations for the customer, which leads to nothing else than low perceived quality, even if the service itself had been good or even high quality. (Grönroos 2007, 77.)

When creating customer expectations the company should always aim to promote a bit lower quality than what they can deliver. That way they can assure that at least the customer will not be left feeling disappointed. In the best case scenario the customer will be happily surprised by even better service quality they expected and will definitely choose this company next time when needing such services. (Grönroos 2007, 77.)

The downside of the unsatisfied customer is that they can then go and spread the word of mouth for example through the internet with social media. The internet can also be tricky; if the customer is not happy with the service he or she can spread a bad word about the company to thousands if not millions of other possible customers. Also if the feedback in the internet is really good, it again creates too high hopes for the new customers who then will be disappointed for not getting as good quality service as hoped. Spreading the word of mouth by internet is of course also dangerous when customers are giving bad reviews; it may cause the company to lose potential customers. When customers evaluate the service quality, they often compare their perceptions with their own reference points. That is why knowledge of the customer expectations is very critical for companies offering services. Missing what the customers really want can become very expensive for the company; it means losing their customers to competitors, who have the exact knowledge of what the customer desire. (Bath 2010, 643; Eyenson 2005, 1.)

Every customer has expectations of the ideal service and it is the challenge for the company to figure out what kind of service is expected in order for the company to provide the best service experience possible for its customers. This is a very difficult task, because different customers have different kinds of minimum expectations, often depending on the customers' age and the point of life they are in. Some customers expect a lot of interactions with the servants and some want to be as little as possible in contact with the company. This deviation can be called customer segmentation; basically it is dividing customers in to the segmentation groups based on their ideal expectations. And when doing this, it can quickly be stated that the customers having same kinds of ideal expectations also have lot of other things in common, which makes it later on easier to declare which segment new customer belongs to. If the company is able to create customer segmentations like this and be able to recognize what the customer's ideal expectations and needs are, they can create a big competitive advantage compared to other service providers. (Bath 2010, 643; Evenson 2005, 1.)

Every organization dealing with customer service should clear out what minimum expectations their customers have to have about their company in order for the customers to do the first visit and also return to the premises of their service. Too high expectations

cause the first visit to be disappointment and too low expectations keeps the customer from ever visiting the store for the first time. (Bath 2010, 643; Evenson 2005, 1.)

4.3 Image

Image is created by customers' expectations through personal values and attitudes and other smaller factors, such as heard evaluations and recommendations. The whole image is about the creditability and reputation. Every company has to manage their image in order to retain their good reputation, but to do so they have to know what the factors are affecting it the most. When talking about a good customer service, word of mouth is important and that can be affected by creating good customer experiences and meeting up with their expectations; not over nor under their expectations. (Grönroos 2007, 74.)

Image is an extremely important factor when creating competitive advantage, because customers often compare companies by their images. When choosing which company to use, customers are most likely to choose the one with the image that represents the customer's own life the most at the moment. Experienced quality is also affected by the image. When customers have a good image about the company they will not even notice small mishaps here and there, and if they do they will forgive them without a second thought. But if these minor mistakes happen too often or if they are not that small, it starts to slowly change the image to bad. But if the image of the company is already bad, even the small mistakes seem too big and even if the company is doing better than great, they can leave the customer feeling just okay. Therefore the image can be seen as a filter for the experienced quality. (Grönroos 2007, 74.)

4.4 Received quality

Quality is one of the most important factors of creating competitive advantage and success, though it is also very difficult to measure, since it is mainly created in the minds of the customers. Customer service quality is defined by what counts as quality, perceived by the customers. Received quality represents what customer is left with after the whole sales experience. (Grönroos 2007, 73, 76.)

Customer creates a picture of the company's service quality with cognitive evaluations during a multiple service experiences. But this method cannot always be trusted, because sometimes these assumptions are made based on other customers' experiences, strictly by word of mouth. (Lovelock 2002, 265.)

Attitudes and behaviors of the sales personnel affect the customer's service experience a lot. Sales personnel should provide politeness, respect, consideration and friendliness. Sales person's ability to understand the needs of the individual customer and being able to answer to those needs in a way the customer expects is the key issue of the whole quality service experience. (Gilmore 2003, 15-16.) Based on the Grönroos' theory (2007) the received quality is divided by quality dimensions; functional and technical.

4.4.1 Technical quality

Technical quality describes *WHAT*, is the actual outcome of the whole customer-company interaction and it is what the customer is left with after the interactions with the service provider are over. Both customers and the company often mistake thinking this is the main factor of measuring the quality of the service, when in fact it is just one of the quality dimensions. (Grönroos 2007, 73.)

Technical dimension alone will not tell anything about the total service quality, instead other dimensions, such as how the service is delivered, are also very important. Technical quality is only one of the dimensions, but it is a quite important one, because of the fact that people tend to remember it first when talking about service quality. (Gilmore 2003. 14.)

4.4.2 Functional quality

Functional quality of process is also called a process-related dimension. It describes *HOW* the service is delivered to the customer. Service employees affect this dimension a lot, for example in restaurants a big part of the service quality is the experienced interaction with the waiters, and not just the actual food that is served. A customer is

very much affected by how the service is received as also how the sales person delivers the service and takes care of the total process, therefore it can be stated that the functional quality can mostly be created by the attitudes and behaviors of the sales personnel. (Grönroos 2007, 73-74; Gilmore 2003, 4.)

From the customers point of view the functional quality dimension is important in the overall assessment of the service, because it is mainly a feeling that is left in top of the mind for the customer when thinking about the company and its service quality. If the last visit was very bad in functional sector of the visit, it does not matter how good the technical side was, all the customer will remember is the service delivery. (Grönroos 2007, 73-74.)

4.5 SERVQUAL

The ServQual is a service analyzing instrument which can be used to measure customer satisfaction on a wide range of service quality settings as a difference in customer expectations and perceptions. It can also be used to compare competitors.

This method was originally created by Parasuraman, Zeithaml and Berry, in 1988. They started to research what determined the service quality and how customers evaluate it. As a result they created the ServQual instrument, which originally included 10 stages. The original 10 stages were:

1. Reliability, 2. Responsiveness, 3. Competence, 4. Access, 5. Courtesy, 6. Communication, 7. Credibility, 8. Security, 9. Understanding/knowing the customer, 10. Tangibles (Buttle 1994, 15; Kenova & Jonasson 2006, 9)

In 1991 Parasuraman, Zeithaml and Berry developed the ServQual theory further and finally reduced it to 5 main dimensions and these are the dimensions that are also used in this project to analyze the results of the customer surveys. (Grönroos 2007, 76-77.)

The five final dimensions are:

Reliability

- Company provides all the promised services dependably and accurately to the customers.

Assurance

-The company employee's ability to convey trust and confidence by owning a lot of knowledge and professional service manners.

Tangibles

-The outlook of the company, meaning the appearance of the stores, working equipment, personnel and their communication tools.

Empathy

-The company shows they care about their customers by providing individualized attention to each customer.

Responsiveness

- The personnel of the company are willing to help the customers in their every need by customizing the service for every customer. (Buttle. 1994, 15.)

This servQual method is often used so that customers are given a questionnaire asking about their expectations of the service quality in the field of business where the questionnaire is made and then they are asked the same questions again, but this time they evaluate the service they have just received from the company. Gaps between expected and received services are calculated based on the customers' questionnaire answers. From these gaps the management of the company can locate the problem areas of the service and diagnose where exactly the performance improvement should be targeted, so that the results would be most effective. Parasuraman, Zeithaml and Berry also noticed that examining the gaps also gives the management the opportunity to see if the expectations are exceeded in some areas. This gives the company a chance to evaluate if they "over supply" this service of exceeded reviews, and therefore they can reduce the service and be more economical, if not gone too far. (Kenova, Jonasson 2006, 9; Shahin.2012, 5.)

Even though the ServQual instrument has been used a lot around the world for the past 24 years, it is still criticized by researchers because of its unstableness and fairness across different fields of industries. That is why the ServQual instrument should be used

carefully, by choosing carefully where and how to use it. (Grönroos 2009; Kenova & Jonasson 2006, 9.)

There are few concerns in the ServQual theory. One of the main concerns is that the object of measurement is not clear. It is hard to determine if it measures the service quality or customer satisfaction, because in some cases there is a big difference between these concepts. The ServQual questionnaire is also often quite long, which makes it difficult to get the busy customers to answer to it and those who answer might get tired of answering the half way through. One of the difficult parts at the ServQual analysis is choosing the timing of the questionnaire; should the part with expectations be asked before the service experience to get the most reliable result. (Ograjensek 2008, 126-129.)

Also problems have been caused by the assumption that the one person's satisfaction might be less valuable than other one's, also the fact that after the respondents have given the first maximum answer they cannot express any stronger opinion in the rest of the questions. Despite all the criticism of ServQual some still argue that these claims do not matter as long as the answers are normally distributed. (Ograjensek 2008, 126-129.)

5 RESEARCH METHODOLOGY

The project is aimed to be descriptive. Therefore the project started by answering a few basic questions about the project, such as what are the main questions to be answered in the study and what methods will be used to find out the required answers. The questions to be answered were the following:

- Why the customers do not want to shop at Company X anymore?
- What is wrong with the current customer service method used at Company X's Oulu store?
- What kind of changes the customers want to have at the Oulu's shop, in order for them to come back?
- How to apply Dimensions of Service Quality for Company X's Oulu store?

After making these clear, a project plan was created. In the project plan the whole structure of the thesis was decided, as well as what theories should be used and in what time frame the project should be completed. This project is quantitative, because the aim was to get as many answers as possible to get a wider picture of the quality of the Company X's service at Oulu areas store.

For the theory part of the project the Three Dimensional theory on Service Quality by Christian Grönroos (2007) and Service Quality Gap theory by Parasuraman, Berry and Zenthmal (1985) was studied. These theories were used as guidelines throughout the whole thesis.

The main ethical issues that might rise when conducting a customer satisfaction survey are concerning privacy issues and trust issues. Some of the respondents may feel that their privacy is violated when called upon and asked them and asking why they are not our Company X's customers anymore, also when asking the questionnaire questions, how they can be certain that I will not tell the other employees which respondent answered what. Respondents' information privacy must be protected at all times. If it is promised that the identity of the respondent is kept secret, it must be complied throughout the whole process. Company X's customers and the chosen potential previous customers as respondents must also share a trust towards to Company X in order for them to be willing to answer the questionnaire. (Paul. 2003 16.)

To avoid all problems all the potential respondents must be informed why this survey is done and where and how the answers will be used. It must also be promised that all the answers will be kept anonymous, unless the client gives a permit to tell the name for the other employees of the Company X, in order for them to try to fix the problem. (Paul 2003, 16.)

The project was planned to be conducted in the end of September 2011, but because of few personal coincidences the actual survey delivery was delayed for a few weeks. This new time of contacting the customers turned out to be very bad, because that week happened to be Oulu area's autumn break. Therefore many of the customers were on vacation and out of touch. Anyway the best was made out of the situation and some answers were collected.

Customer satisfaction survey was chosen as a method to measure customer service satisfaction at Company X's Oulu area's shop, because this was the best way to find out how the customers would evaluate the service delivery at the Oulu store. Every time something is measured, it means it gets performed, completed and also often improved. When customers are asked to evaluate the performance of the sales personnel and the quality of the general service, it is easier to define what exactly it is that needs to be improved. That is why this kind of measurement technique was found important to use to evaluate the quality of service at the Company X. Two customer surveys were done; one for the previous customers and the other for the current customers. These customers are entrepreneurs of small, often one person companies. Previous customers are classified as customers who have not visited the store within the last year or only have done very small shopping once. Current customers are the ones visiting the store regularly, at least once every two months. (Gerson, Machosky 1993, 5.)

About a hundred current customer questionnaires were sent out to the Oulu store for customers to fill out after they had completed their shopping at the shop. This methodology was thought to be the most effective, because the last visit to the store was still very fresh on the customers' minds and it did not require too much effort from them to answer the questionnaire, compared to other ways of implementing the survey.

Previous customer survey was sent out to 131 of the chosen customers, who have not made any purchases during year 2011. The management of Company X chose these previous customers with the method of their own. The survey was sent out by mail, because this would be the most effective way to reach these busy people, who do not visit the store anymore. This had to be done, because most probably the previous customers would not have time or interest to answer the questions and sent the questionnaire back to Company X. It would have taken too much of an effort. Week and half after sending out the surveys the calls were made to all of these chosen previous customers who were asked whether they would have time to answer the questions. If they did not have time at the moment, they were asked what would be a better time and then they were called again at that specific given time to try again.

The actual questionnaires were very similar to each other, only the form of the questions

was altered to fit the customer groups. The questionnaire itself was created based on the previous satisfaction questionnaire done by the Company X. In the questionnaire these following three types of questions were used in collecting the needed data:

“Open-ended questions *allow unlimited answers.*

Multiple-choice questions *provide several possible answers, and the participant is asked to select the one that is most applicable.*

Ranking scales *require the participant to rank a list of items.”* (Phillips 2008, 2).

The questions were chosen so that they answer the questions that the chosen theories need to be functional for the project. Most of the questions answered to more than one theory analysis. For example the question “Did you get enough service?” was used to analyze both; functional and technical quality. (Phillips 2008, 2.)

The number of received answers was lower than expected; only 10 answers were received from the current customers and 18 from the previous customers. Meaning the scale of the received answers is too low to make any strong conclusions about the level of service. They only give illustrative picture of the current state of service and only with strong critical eye, some suggestion can be made. For the analyzing the results Microsoft Office’s Excel sheet was used for writing down all of the answers and calculating the results, meaning the distribution and standard deviation. Also some graphics were used in describing the results easier. Because the thesis is quite topical, it is hoped that the Company X could use these results to plan what changes and improvements to do next at the Oulu area’s store. (Phillips 2008, 2.)

5.1 Contacting the potential respondents

Contacting the customers started by sending out the surveys for the previous customers via snail mail. Also about hundred copies of the current customer satisfaction survey forms were sent out to the Oulu's shop for the customers to fill out after shopping at the store. The survey form for the previous customers was sent out on Friday 21th of October 2011 and calls to pervious customers were made between 26th of October and 5th of November 2011. The questionnaires at the Oulu's store were given out for the current customers within this time frame.

Getting in touch with the customers with a phone turned out to be more difficult than what was expected. The biggest reason for this was the autumn holidays that were going on in that area of Finland. Many previous customers were on vacation and therefore not available. Also the customers of this field have very busy working schedules, and therefore it is very difficult for them to spend time on the phone any more than what is necessary.

10 answers were received from the current customers and 18 from the previous customers. Response rate was quite low compared to the number of copies of the question forms that were given out.

6 RESULTS OF THE CURRENT CUSTOMERS' SURVEY

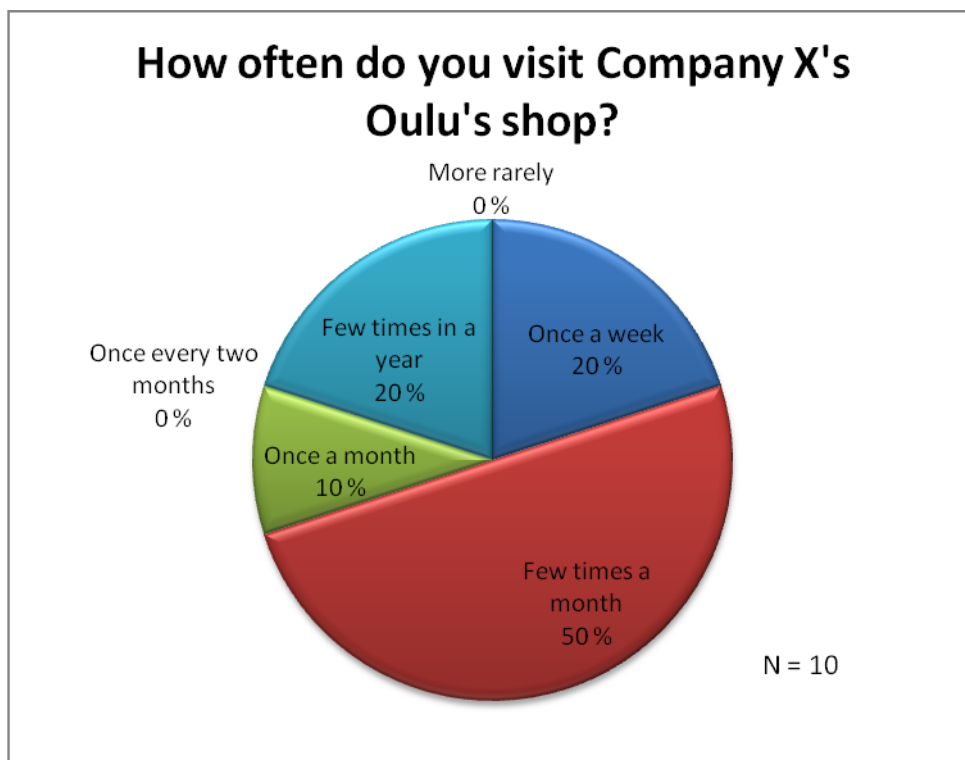


Figure 2. How often is the Company X's Oulu store visited

All the respondents visit the store regularly and half of them visit the store few times a month, which is quite often in this field of business.

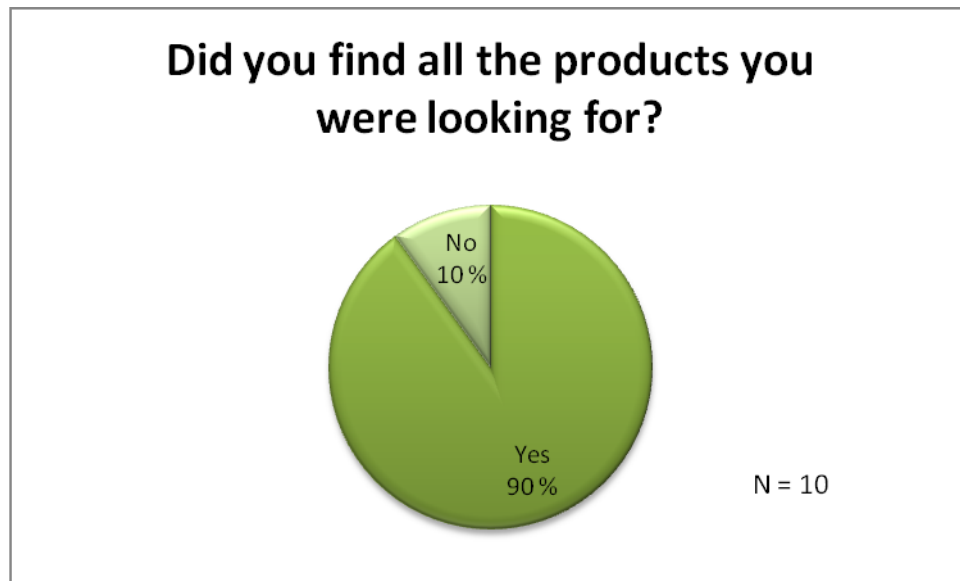


Figure 3. Were all the products found.

Current customers thought they received enough of service though they did hope to receive more information about the products as well as information on what products to choose. Most of the current customers also rated the service as good, when 30% answered excellent and all the rest answered they received good service.

Chart 1. Gaps of the current customers' answers

Questions Current customers	Expected	Received	Gap	Smallest N
a. Sales personnel greets you the moment you enter the store	4,88	4,90	0,02	9
b. Sales personnel asks how they may help you	4,22	4,50	0,28	9
c. Sales personnel are happy	4,55	4,40	-0,15	9
d. Service is quick	4,44	4,60	0,16	9
e. Sales personnel ensembles all the new products	4,22	3,50	-0,72	9
f. Sales personnel have a lot of knowledge about all the products	4,66	4,60	-0,06	9
g. Sales personnel are very helpful	4,88	4,80	-0,08	9
h. Sales personnel are beauty industry's professionals	4,55	4,50	-0,05	9
i. Store is very clean	4,66	4,80	0,14	9
j. Products have been placed temptingly	4,33	4,40	0,07	9
k. Store looks fashionable	4,33	4,30	-0,03	9

I. Store interior and product replacement varying	3,66	3,90	0,24	9
m. Products you need are available when you need them	4,44	4,50	0,06	9
n. All the products are on display and easy to find	4,77	4,60	-0,17	9

Values on the chart do not look positive, quite many gaps are on the minus side, meaning the expectations of the current customers have not been met.

7 RESULTS OF THE PREVIOUS CUSTOMERS' SURVEY

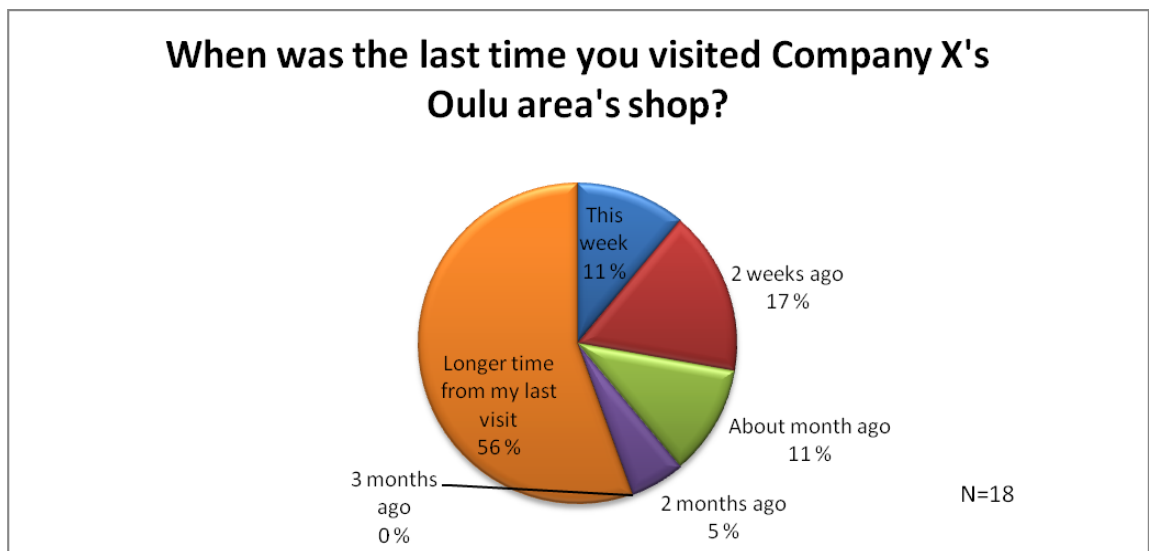


Figure 4. When the Company X's Oulu's store was last visited

The respondents who answered they have not visited the Company X's store in the last three months, also answered to the question 'why'. 87% admitted they have changed to use other companies' products and the rest of the respondents did not specify why they had stopped visiting the store.

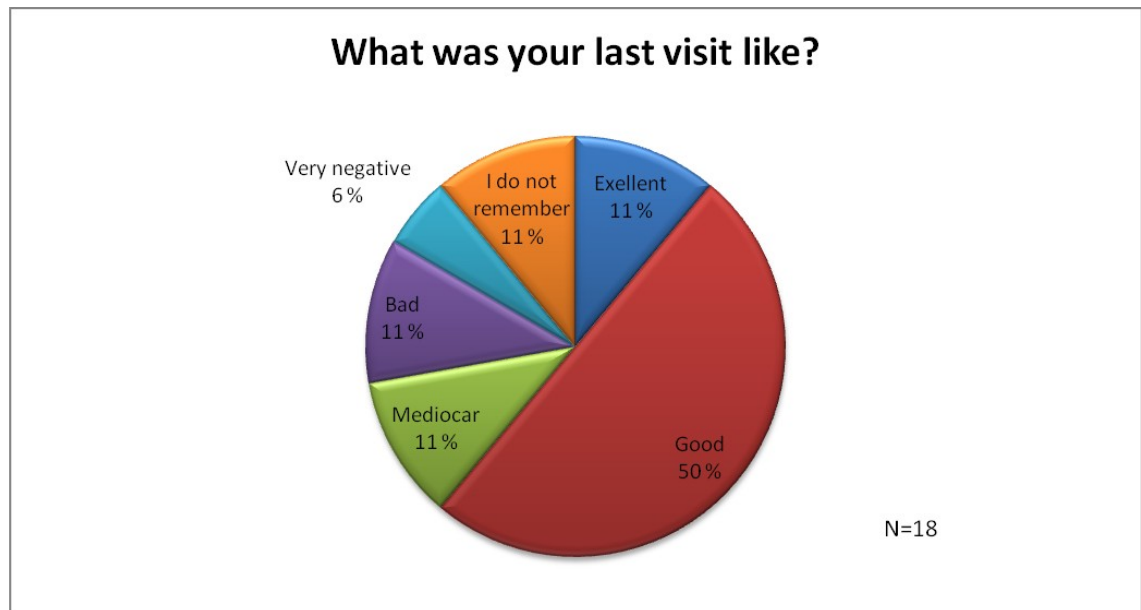


Figure 5. What was your last visit like

61% of the respondents enjoyed their last visit and 11 % do not remember their last visit, meaning these visits could have been good too and therefore raise the percentage of happy visitors.

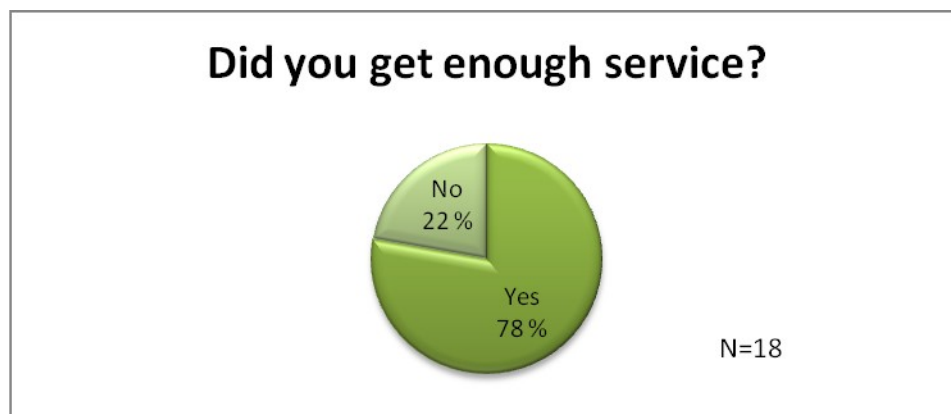


Figure 6. Was enough of service received

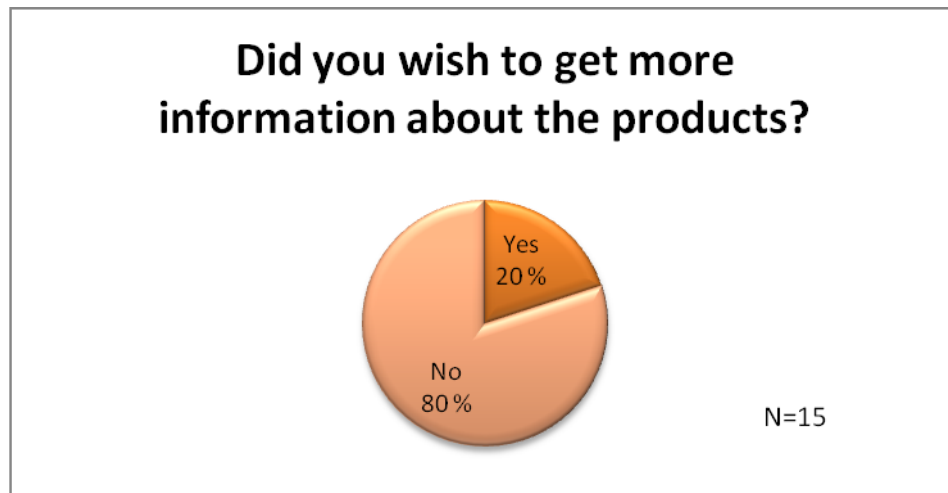


Figure 7. Was enough of information received

22% of the respondents wish to receive more service and 20% wished to receive more information about the products, there probably is a connection between these two numbers.

Chart 2. Gaps in the previous customers' answers

Questions previous customers	Expected	Received	Gap	Smallest N
a. Sales personnel greets you the moment you enter the store	4,81	3,93	-0,88	15
b. Sales personnel asks how they may help you	4,00	3,53	-0,47	15
c. Sales personnel is happy	4,13	3,79	-0,34	15
d. Service is quick	4,5	4,43	-0,07	15
e. Sales personnel ensembles all the new products	2,75	2,29	-0,46	15
f. Sales personnel have lot of knowledge about all the products	4,56	4,50	-0,06	15
g. Sales personnel are very helpful	4,81	4,07	-0,74	15
h. Sales personnel are beauty industry's professionals	3,87	3,77	-0,10	14
i. Store is very clean	4,44	4,22	-0,22	15
j. Products have been placed temptingly	3,93	4,43	0,5	14
k. Store looks fashionable	3,67	3,86	0,19	14
l. Stores interior and product replacement varying	2,67	3,23	0,56	14
m. Products you need are available when you need them	4,75	4,29	-0,46	15

n. All the products are on display and easy to find

4,20

4,15

-0,05

14

Gaps of the previous customer look worse than current customers' only three dimensions got a positive value.

8 ANALYSIS

8.1 Expected Quality

Questions that answered to the expect quality were '*Did you get enough service?*' '*Did you wish to get more information about the products?*' and '*What was your last visit like?*' These questions were asked in both questionnaires; current customers and previous customer.

To the question '*Did you get enough service in your opinion*' 100 % of the current customer and 78% of the previous customers answered yes. With this information we can state that the current customers were expecting less or a same amount of service as they received; therefore their expectations were exceeded. What comes to the previous customers, 22% expected more service or better service than what they received, they were not happy with the service quality received, and their expectations did not match with the received quality. 20 % of the previous customers were also expecting more information about the products since only 80% were happy with the information provided to them.

The current customers were asked what their service experience was like and the previous customers were asked what their last visit was like. 70% of the current customers answered 'good' and the rest 30% answered excellent. This means most of their expectations were met with the quality service, though some of them left room for improvement. Half of the previous customers answered that their last service experience were good and 11% answered excellent. So the number of happy customers is lower than what it is with the current customers. Does it mean the service has improved? 11% an-

swered that they do not remember their last visit to Company X's store, meaning the visit was not extra special to stay in mind. It is better than having such a bad experience that they would still remember. It is said that people remember bad experiences better than good ones. Therefore we may assume that some of them possibly did have a good experience, even though they do not remember it. This means the actual number of unhappy previous customers is lower than what might first be expected, but still bad enough to need some immediate improvements to the service. Only a bit over quarter of the respondents expected more service than what they received.

8.2 Received Quality

Same questions that were used for analyzing the expected quality can also be used to analyze the received quality of previous and current customers. These questions were: *'Did you get enough service?'* *'Did you wish to get more information about the products?'* and *'What was your last visit like?'*

Based on the results 22% of the previous customers did not receive enough of service in their opinion. This means the sales personnel has made wrong judgment on what kind of service each individual customer requires. Current customers were having better experiences, since all of the current customers were happy with the amount of the service that they received. All the current customers who answered the survey said that they were happy with the amount of service that they received. This was an improvement of the previous customers, of which only 78 % were happy with the amount of service received. Improvement was also seen on the amount of information provided to the customers, because 20% of the previous customers were wishing more, but all of the current customers were happy with the amount of information about the products that they received.

28% of the previous customers thought they did not receive as good service as what they were expecting because part of the previous customers did not recall their last visit, it left only 61% of happy customers, which is somewhat worrying, since all of the current customers were happy. This is why there is such a big difference between these two respondents' categories, even though the time difference of their last visit is not that big.

The good thing is that if the direction is this, is definitely the correct one. It can be assumed that improvement in the service has been made and it has been effective enough to change the opinion of the customers so radically.

8.2.1 Technical Quality

With using Grönroos' theory of service quality, the technical side meaning what the customers actually received. With multiple choice questions; '*Did you get enough service? Did you wish to get more information about the products*', '*Did you wish to receive more help choosing the products?*' and '*Did you find all the products you were looking for?*' at the current customers survey can the *what* factor be determined. Based on the answers the current customers of the Company X did get enough of service, enough of information about the products and help choosing the products. All of these questions had 100% rate of positive feedback.

Previous customers were a bit less happy with what they got from the service experience at the Company X's Oulu store. They were asked if they had enough of service in their opinion and did they wish to get more information about the products. 22% of the previous customers did not get enough of service. 20% of them hoped to get more information about the products. This means there were 2% of the customers who hoped to get more service, but do not hope to receive more information about the products. These are the kind of sides of the service where all depend on the sales person's ability to read the customer, to see whether the customer wants more help or more space to browse, but of course if the sales person is not sure which way to go, more service is always better than no service at all.

The Gap questionnaire helped in finding out whether there were enough of products available when they needed them. The average of previous customer's answers was 4,28 and current customer answered 4,5, when 5 meant there was always enough of products available right away. This means that the availability of the products has changed to better. 4,5 can be stated as a good performance, but the ideal mean would of course be on average of 5. When asking if the products were all on display and easy to find, better results were not found. On average previous customers rated 4,15 and current customers rated it on 4,6 on a scale of 1-5 when 5 is the best possible outcome. This

proves that the sales people have learnt to put the products on better display for easier access to the products. But even though more products are now on display the quality of the product placements has not gone any better. This was found out by asking whether the products had been placed temptingly, because both, previous customers and current customers answers' average was 4,4. 4,4 is not a bad rate but it leaves room for improvement which has not happened so far.

8.2.2 Functional Quality

With the functional analysis is defined *how* the customer service was delivered and what was the quality level of the delivered service. The service delivery starts the moment customer steps in to the store. Therefore one of the questions on the Gap questionnaire was does the sales person greet the customer the moment they enter. At the scale of 1 to 5, 5 being the best possible outcome current customers average was 4,9 and previous customers average 3,9. Based on these results there has happened a big improvement on the greeting habits of the sales personnel. Customers were asked whether they think the service personnel questioned their need for help enough, the average of previous customers' answers was 3,5 and current customers' 4,5. This proves same amount of improvement than the previous question, but there is still room for improvement when the aim would be on an average of 5, meaning total satisfaction for sales person greeting habits and readiness to help the customer. It is important to reach this goal, because it is one of the most basic things when talking about quality service. A sales person should absolutely always greet the customers and ask how they may help. That is the most effective way to get the contact to the customer and sell top amount of products.

Big part of quality service is depending on the mood of the sales person. Good sales person always carries out a good mood, even though he/she might not feel that way at the moment. That is why one of the gap questions was whether the sales personnel were happy. At the previous customers point of view the average was 3,7 and with the current customers the same question rated 4,4. Improvement on this factor has happened, but there is still some work to do reach the ultimate goal for total satisfaction from customer at this point of view.

Often customers in this field are very busy; therefore they require quick quality service.

One of the gap questions researches exactly this; question was whether the customer service is quick at Company X's Oulu store. Previous customers' average was 4,4 and current customers' 4,6. This means the service has been quite quick in the first place, but still improvement has happened.

To wrap all of these, customers were asked if the sales personnel were eager to help the customers. For this question the previous customers' average was 4,0 on a scale of 1 to 5 and current customers' average was 4,8. 4,0 is not that bad in a first place when considering the customers were previous customers, but the improvement to 4,8 is amazing. There is still room for improvement, but direction where the service is developing is correct.

A change can be seen when comparing the answers of previous and current customers. They were asked; what was their last service experience like at the Company X's Oulu area's store. 70% of the current customers answered it was good and 30% answered it was excellent. With the previous customers the variation was bigger; 11% answered excellent, 50 % said it was good, 11% stated it as mediocre, 6% thought it was very negative and rest 11% did not remember what it was like.

8.3 SERVQUAL analysis

This part of the analysis is based on the ServQual technique. Here the 5 main gaps of the ServQual are used to create efficient analysis of the matter. Next to the multiple choice questions and open ended question a gap questionnaire were made for both; previous customers and current customers. As gap questions for previous customers and current customers were made with the scale from 1 to 5, the same numbers can be used to define the lines between critical cases and not so critical gaps. If gap is positive or less than -0,35 it is good. It shows that the expectations and perceptions are close together. A Gap between -0,35 and -0,75 shows that some improvement need to be done. A gap bigger than -0,75 is critical. This is something the Company X should focus on.

First gap of the five in the analysis is **assurance**. This gap tells whether the personnel of the Company X are able to earn the trust of the customers by extensive knowledge and great service manners. For this gap the question f, Sales personnel have lot of

knowledge about all the products and the question h. Sales personnel are beauty industry's professionals will be used, because with these two can be found out whether the customers trusted the sales personnel to have enough knowledge of their field to convince the customers that they truly are professionals. Assurance is also about the manners of the personnel. Therefore the questions b. Sales personnel ask how they may help you and c. Sales personnel are happy, will also be applied, because these questions tells us about the service manners of the Company X's sales personnel.

Chart 3. Current Customers Assurance

Current customers' Assurance:	Expected	Received	Gap	N
b. Sales personnel asks how they may help you	4,22	4,50	0,28	9
c. Sales personnel are happy	4,55	4,40	-0,15	9
f. Sales personnel have lot of knowledge about all the products	4,66	4,60	-0,06	9
h. Sales personnel are beauty industry's professionals	4,55	4,50	-0,05	9
Total of assurance:	4,50	4,50	0,00	9

Chart 4. Previous Customers' Assurance

Previous customers' Assurance:	Expected	Received	Gap	N
b. Sales personnel asks how they may help you	4,00	3,53	-0,47	15
c. Sales personnel are happy	4,13	3,79	-0,34	15
f. Sales personnel have a lot of knowledge about all the products	4,56	4,50	-0,06	15
h. Sales personnel are beauty industry's professionals	3,87	3,77	-0,10	14
Total of assurance:	4,14	3,90	-0,08	14,75

The fact that the gaps between Current customer's assurance questions are all way under 0,35 tells about the great current assurance of the Oulu area's shop. Company X does not need to have any actions concerning the assurance at the moment. But things have not been like this for long since previous customers expectations on the sales person's ability to ask how they may help the customer were different than what the reality was. Gap of -0,47 is not yet critical, but it does show the need for improvement, because clearly there have been a few unsatisfied customers, because of such a small gesture that

all the sales people should apply every time customer walks in to the store. Right on the edge of needing improvement is the question c. Are the sales personnel happy? Previous customers do seem to think that the sales people are not as happy as they should be. Again it would be so easy for the sales personnel to fix it and make perfect. Generally, a happy sales person is considered better than unhappy one, so there is no going wrong by being a happy sales person.

Second gap that will be analyzed is **Reliability**; it provides information on sales personnel's ability to provide quality service dependently and accurately as promised. For these reasons the following questions were chosen to determine the reliability of the service; d. Service is quick, g. Sales personnel are very helpful, h. Sales personnel are beauty industry's professionals.

Chart 5. Current Customers Reliability

Current customers' Reliability :	Expected	Received	Gap	N
d. Service is quick	4,44	4,60	0,16	9
g. Sales personnel are very helpful	4,88	4,80	-0,08	9
h. Sales personnel are beauty industry's professionals	4,55	4,50	-0,05	9
Total of reliability	4,62	4,63	0,01	9

Chart 6. Previous Customers Reliability

Previous customers' Reliability	Expected	Received	Gap	N
d. Service is quick	4,50	4,43	-0,07	15
g. Sales personnel are very helpful	4,81	4,07	-0,74	15
h. Sales personnel are beauty industry's professionals	3,87	3,77	-0,10	14
Total or reliability	4,39	4,09	-0,30	14,66

Current customers do think that the sales personnel have done extensive work on gaining the reliability. All the gaps in this section are very small, proving the great job that the sales personnel have done to provide a quick and helpful service to the customers and proving that they are beauty industry professionals. In fact they have quicker service than what expected, gap is 0,16 in favor of perceived quality. Previous customers agree on the fact that the personnel are quick and they truly are beauty industry profes-

sionals, but when it comes to sale personnel's helpfulness the results are totally different. The gap between expected and received helpful service is -0,74, which is right on being critical. So on reliability section, even though the current customer does think the sales personnel of the Company X's Oulu store are helpful, it does not mean they are always as the previous customers prove. Company X should focus on the sales personnel's helpfulness, because that is why the personnel are there for in the first place, to help the customers. (Evenson 2005, 33.)

Next gap of the five that will be analyzed is **tangibles**. It defines the quality of the Company X's Oulu areas store facilities; outlook of the store and how the facilities is taken care of and made comfortable for the customers. That is why the questions from i to n were asked from both; current and previous customers. Questions can be seen below on the charts.

Chart 7. Current Customers Tangibles

Current customers' Tangibles:	Expected	Received	Gap	N
i. Store is very clean	4,66	4,8	0,14	9
j. Products have been placed temptingly	4,33	4,4	0,07	9
k. Store looks fashionable	4,33	4,3	-0,03	9
l. Stores interior and product replacement varying	3,66	3,9	0,24	9
m. Products you need are available when you need them	4,44	4,5	0,06	9
n. All the products are on display and easy to find	4,77	4,6	-0,17	9
Total of tangibles:	4,37	4,47	0,1	9

Chart 8. Previous Customers Tangibles

Previous customers' Tangibles:	Expected	Received	Gap	N
i. Store is very clean	4,44	4,22	-0,22	15
j. Products have been placed temptingly	3,93	4,43	0,5	14
k. Store looks fashionable	3,67	3,86	0,19	14
l. Stores interior and product replacement varying	2,67	3,23	0,56	14
m. Products you need are available when you need them	4,75	4,29	-0,46	15
n. All the products are on display and easy to find	4,20	4,15	-0,05	14

Total of tangibles:	3,94	4,03	0,09	14,33
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Expectations of current customers meet quite well with the service quality they have received. In fact the personnel of the Oulu store have kept the store cleaner than expected and they placed products better and with bigger variety than expected. They also made sure that all the products were always there when customers need them. At least that is what the current customers told. Previous customers do tell a bit different story when it comes to products being available when needed and stores cleanliness. The gap between expected and received in product availability is -0,46, which means it is a bit worrying. It might be that the availability has improved, because the current customers rated it better than what was expected, but it may also mean that it was just accidental that the products that the current customers were looking for were there at the right time.

Empathy is a gap that provides us information on how well the sales personnel give attention to an individual customer. It is important in order for the customer to feel special and make her believe she is getting individual quality service. To define the empathy of the sales personnel are the questions; a. Sales personnel greets you the moment you enter the store, b. Sales person asks how they may help you and c. Sales personnel are happy, were asked from the current and ex customers.

Chart 9. Current Customers Empathy

Current customers' Empathy:	Expected	Received	Gap	N
a. Sales personnel greets you the moment you enter the store	4,88	4,90	0,02	9
b. Sales personnel asks how they may help you	4,22	4,50	0,28	9
c. Sales personnel is happy	4,55	4,40	-0,15	9
Total of empathy:	4,55	4,60	0,05	9

Chart 10. Previous Customers Empathy

Previous customers' Empathy:	Expected	Received	Gap	N
a. Sales personnel greets you the moment you enter the store	4,81	3,93	-0,88	15
b. Sales personnel asks how they may help you	4,00	3,53	-0,47	15
c. Sales personnel is happy	4,13	3,79	-0,34	15

Total of empathy:	4,31	3,75	-0,56	15
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A big difference between the current and previous customers can immediately be seen on question a. Sales personnel greet you the moment the customer walks in to the store. Previous customers rated the perceived quality very low compared to the expected. The gap between these two is -0,88, which means it is very critical. Even though this is the opinion of the previous customers and it does not necessarily tell anything about the current situation, the Company X should raise the question on manners and greeting habits of the sales personnel. The customers' expectations on the greeting matter were quite the same between the previous and current customers, but the perceiving of the current customers was totally different. They rated that they received better service than what they expected. The gap between previous customers and current customers' opinion on receiving greetings from the sales personnel might tell us about the sales personnel's inconsistency, meaning they do not always greet the people and the ones they have not greeted have also left as customers. (Evenson 2005, 28.)

Previous customers were expecting the sales personnel to ask them how they may help them less than current customers. Still the performance of the sales personnel on this matter was worse than expected. The previous customers' gap between expected and received was -0,47, which means it is somewhat alarming. It is especially worrying, because the basics of quality customer service include the asking of the customers how they want to be helped. Without this question customers may feel unnoticed and therefore unappreciated as an important customer. Positive side of the question is that the current customers rated the gap as 0,28, which means they were a lot better than expected. This is the right direction for their service development and totally necessary one.

Both previous and current customers though that the sales personnel were not happy enough. To provide a quality service the sales personnel should radiate positive energy and get the customers feeling good, in order to left them feeling great about the whole service experience (Eyenson 2005, 22).

The last of the five main gaps is the **responsiveness**. It defines the sales personnel's own excitement for work which is shown as eagerness to help the customers and great attitude towards quality customer service. This is an important factor because customers can instantly see and feel whether the sales person enjoys their work and are glad to help the customer. Bad attitude of the sales person makes the customer frown and leave the store, in worst case scenario the customers will spread the word of bad attitude sales personnel and not give the store a second chance.

Chart 11. Current Customers Responsiveness

Current customers' Responsiveness:	Expected	Received	Gap	N
a. Sales personnel greets you a moment you enter the store	4,88	4,90	0,02	9
b. Sales personnel asks how they may help you	4,22	4,50	0,28	9
e. Sales personnel introduces all the new products	4,22	3,50	-0,72	9
g. Sales personnel is very helpful	4,88	4,80	-0,08	9
Total of responsiveness:	4,55	4,43	-0,12	9

Chart 12. Previous Customers Responsiveness

Previous customers' Responsiveness:	Expected	Received	Gap	N
a. Sales personnel greets you a moment you enter the store	4,81	3,93	-0,88	15
b. Sales personnel asks how they may help you	4,00	3,53	-0,47	15
e. Sales personnel introduces all the new products	2,75	2,29	-0,46	15
g. Sales personnel is very helpful	4,81	4,07	-0,74	15
Total of responsiveness:	4,08	3,46	-0,62	15

Questions a and b analysis are also valid when it comes to responsiveness as it did at the empathy.

Question e raising concerns when the previous customers' gap between expected and received was -0,46 meaning the gap was worrying by being over the limit of -0,35. Sales personnel do absolutely not introduce the new products to the customers, though the expectations were extremely low also, when being only 2,75. But the main concern was the fact that the gap grew bigger when the current customers rated the expected and

received. The gap was now -0,72 which is alarmingly near the limit of being critical - 0,75. This means the customers' expectations have increased faster than what the sales personnel have developed their service habits.

Better results were received from the question g. sales personnel's helpfulness has increased amazingly. Previous customers rated the gap as -0,74, meaning it was right on the edge of being extremely critical when again the current customers rated the gap only -0,08, meaning it was almost at the ideal balance of expected and received.

Chart 13. Current customers' dimensions

Current customers	Expected	Received	Gap	Average N
Assurance	4,50	4,50	0,00	9
Reliability	4,62	4,63	0,01	9
Tangibles	4,37	4,47	0,1	9
Empathy	4,55	4,60	0,05	9
Responsiveness	4,55	4,43	-0,12	9

Chart 14. Previous customers' dimensions

Previous customers	Expected	Received	Gap	Average N
Assurance	4,14	3,90	0,24	14,5
Reliability	4,39	4,09	-0,30	14,66
Tangibles	3,94	4,03	0,09	14,58
Empathy	4,31	3,75	-0,56	15,33
Responsiveness	4,08	3,46	-0,62	15,25

The results of the ServQual are surprising. Current customers thought the overall reliability, tangibles and empathy of the Company X's personnel were better than what they expected. Previous customers agreed that the Company X's facilities were better kept than expected, meaning the tangible dimension was the only one that exceeded their expectations. Though also the dimension of assurance was very near of what was expected. Assurance dimension was actually closer to what was expected than the tangible, but it was lower not higher than expected. The current customers evaluated the assurance as perfect; the expected value was exactly the same with the received value. With assurance dimension was meant that the employees were able to earn the trust of the customers by bringing out extensive knowledge of what they sell and how they sell it.

Meaning the assurance is the strongest dimension of the Company X's Oulu store's service; they should aim to restore it.

The ratings of empathy and responsiveness by previous customers were somewhat concerning. Though current customers thought the empathy levels were better than expected, the view of previous customers should not be bypassed. The reasons why the previous customers felt like the sales personnel were lacking empathy should be looked into. The results are right here in the survey. The previous customers thought that the sales personnel were not happy, they did not say hello when the customer entered and did not ask the customer how they may be helped. These are all the factors infecting the empathy side of the sales process. When looking at the bigger picture, the factors affecting empathy are very important in quality service and quite simple to perform. Therefore it would be for the best, if the Company X would take a look into these few easy service habits that would make a huge difference on how the service is perceived.

The dimension of responsiveness was also raising concerns. With the responsiveness of sales people means the sales people were being helpful and they introduced new products to the customers. Again these were the kind of service gestures that all the customer service providers should know how to do, but for some reason Oulu store's employees have forgotten or ignore them. Company X should take this under observation and talk to the sales employees whether they need a bit more education on customer service or whether they just need to be reminded what is the main goal of customer service, which is producing satisfied customers.

Overall the results were not as bad as they could have been given to the Fact that half of the respondents were unhappy pervious customer. None of the dimensions reached the limit of being critical, but there were few dimensions that definitely needed some improvement to reach the goal of satisfied loyal customers.

9 CONCLUSIONS AND SUMMARY

The project started by Company X giving me task to find out the current level of customer service at Oulu store and through that a reason for why so many customers of that area have changed for another supplier. Company X provided me a list of customers that would be interviewed and an old customer survey for me to take hints on what kind of survey they were looking for. With this information I created a research questions to be answered for and based on these question I then chose the theory to be used as a frame work for the project.

Christian Gönroos' theory on quality dimensions was chosen to support the research; it is based on the expected and received quality, with the received quality being divided in two; to functional quality and technical quality. To do a complete analysis of the service level I also chose Parasuraman, Zeithaml and Berry's ServQual tool to support the research. ServQual is based on five dimensional theory and it is also known as the gap theory.

The questionnaire was made based on the old customer survey questionnaire, only the questions were alter to answer the chosen research questions and fit so that the answers would used in the analyzing the results according the chosen theories. Two questionnaires were made in order to find out what the current level of the service is and why some customers have changes the supplier; one for the current customers and another for the previous customer of Company X. Response rates were low due to timing of contacting the customers.

Based on the results and the analysis of the surveys, some clear conclusions can be made, though they may not be totally reliable, because of the low response rate in both surveys. Therefore the following conclusions and recommendations should be dealt with a critical manner.

If the previous customers' survey results represent the level of service 18 months ago and the current customers' survey presents the current state of customer service at the Company X, the quality of service has increased; especially the empathy abilities of the Oulu store's personnel have developed and grown. However it may also mean that the

service is unstable meaning that it is excellent for some customers and not so good for other ones, maybe depending on who is giving the sales pitch. The fact that some dimensions were rated poorly by the previous customers and well by the current customers, may not mean that the level of service in these fields would have improved. It may mean that the previous customers are previous customers, because they just happened to receive a bad service, though at the same time other customers were receiving a good service and therefore are still current customers.

There is a time gap between the previous customers' last visit to the Company X's Oulu store and the time of answering the questionnaire should be taken into account, because the respondents' opinion may have been affected by number of things on the way. The previous customers' survey respondents might have only remembered some bad case of a customer survey, though she or he might have received a good service during all the other visits, but because human mind tends to remember bad experiences better than the good ones, the bad ones pop into their mind at first and so affect the whole memory of the business relationship. The previous customers may have also compared their current supplier to Company X and when again the current customer may not have anything to compare with and so they do not know about "anything better". This again creates an unbalanced situation when comparing the results.

The low response rate probably affected the results, because when there is only a few answers the individuals become stronger, one bad review affects the whole result. A small scale of respondents the results cannot be trusted as an absolute truth; therefore the drastic recommendations are quite difficult to create. But what can be surely concluded is that the sales personnel of the Oulu store should be given some extra education on quality customer service. It should also be made sure that the sales personnel are aware of the Company X's service standards and values, what are the qualities and values Company X wants to represent when in contact with the customers. The service should be steady and dependable throughout whole Finland.

According to the current customer survey finding the current level of customer survey is good, but there is still some room for improvement. Based on the results of the both surveys the Company X's personnel do know how to give a quality service, but what they are lacking is motivation. This often happens when the personnel does not receive

enough of positive feedback, they need an incentive, something to encourage them to try their best every day. One incentive could be a monthly sales competition; the one selling the most would receive some kind of small prize, such as a brand towel or a bag. Other sales motivator could be secret shoppers. Most companies use these to find out how their sales personnel are working when they do not know they are being watched. Sales personnel should be informed that a secret shopper is going to visit their store, but not let known when she is coming. Therefore the sales personnel would try to work their best at all times. Of course after the secret shopper has visited the store he/she should give the personnel some constructive feedback, in order for the personnel to develop their skills as quality service providers.

10 FINAL WORDS

The project with Company X was very interesting and educating. I learnt enormous amount about the Company X itself and how customer surveys are planned and conducted. The importance of this research surprised me, so much valuable information can be found with a simple customer survey. Also surprising was the fact that customer survey is a quite new invention and that these surveys really do make difference in the search of quality service. This information gave a good boost for completing the whole project as well as possible and it gave me personally a good perspective on why this is important and why does the Company X feel the need for this research to be done.

This project did not go as I had planned. The scheduling of the calls for the previous customers was poorly timed. Calls were planned to be made during the week which was the autumn vacation in Oulu area, when most of the previous customers were on their holidays and did not answer the phone. This was not realized early enough, because the autumn vacation week is different around the country. Despite of few challenges on the way the project was carried out with success. Most of the research questions were answered and the aim of the project was reached. With this research the reason for why customers were changing the supplier was found and the current level of service was defined.

Overall on the personal level the project was successful; I personally did learn a lot about making a project from the beginning to the end, I learnt about the Company X itself and I learnt to really appreciate good quality customer service. I hope this project results are useful for Company X and that they would consider my suggestions on improving the customer service level of Oulu store.

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APPENDIX 1. Current customers' questionnaire form.

Company X's logo

Company X

Oulun myymälän

ASIAKASTYYTYVÄISYYSKYSELY 2011

Tämän kyselyn avulla tahtoisimme tiedustella Teidän tyytyväisyyttä

Company X

Oulun myymälän palveluun. Vastauksienne avulla tarkoituksenamme on pyrkiä parantamaan palveluamme ja tarjota Teille entistä parempia ostoskokemuksia Oulun myymälässämme.

Kyselyn toteuttaa Satakunnan Ammattikorkeakoulun opiskelija Karoliina Peltola. Kaikki vastaukset käsitellään luottamuksellisesti ja Oulun myymälän henkilökunta ei tule näkemään yksittäisiä vastauksianne. Jotta saisimme mahdollisimman tarkankuvan Oulun myymälän palvelun tasosta, toivoisimme Teidän vastaavan kyselyyn mahdollisimman todenmukaisesti.

Kyselyn täyttäminen vie vain muutaman minuutin, kiitämme ajastanne.

Kuinka usein asioitte Company X's Oulun myymälässä?

- a. Kerran viikossa
- b. Pari kertaa kuussa
- c. Kerran kuukaudessa
- d. Kerran kahdessa kuukaudessa
- e. Muutaman kerran puolessa vuodessa
- f. Harvemmin

Miten arvioisitte tätä vierailukertaanne:

Saitteko mielestänne riittävästi palvelua?

- a. Kyllä
- b. En

Company X's
logo

Olisitteko kaivanneet lisää opastusta tuotteiden valinnassa

- a. Kyllä
- b. En

Olisitteko kaivanneet lisää tietoa tuotteista?

- a. Kyllä
- b. En

Löysittekö kaikki tuotteet joita tulitte hakemaan?

- a. Kyllä
- b. En

Millainen oli palvelukokemuksenne?

- a. Erittäin positiivinen
- b. Hyvä
- c. Ei mitenkään erityinen
- d. Huono
- e. Todella negatiivinen

Miksi?

Mitä mielestänne voisimme parantaa toiminnassa?

Company X

Oulun myymälän

Onko toiminnassamme puolia, jotka olemme mielestänne hoitaneet erityisen hyvin?

Company X's
logo

Odotetun palvelutason ja saadun palvelun vertailu:

Minkälaista palvelua odotatte

Company X

kun vieraillette

myymälässämme:

Vastatkaa ympyröimällä vastauksenne asteikolla 1-5, jos mielestänne väittämä ei ole lainkaan tärkeä valitkaa 1, jos taas mielestänne kyseinen väittämä on ehdottoman tärkeä valitkaa 5.

Odotettu laatutaso:

Palvelu:

Miten arvioisitte palvelua, jonka

koitte tällä kertaa vieraillessanne

Oulun myymälässä:

Vastatkaa ympyröimällä vastauksenne asteikolla 1-5, jos mielestänne väittämä ei pitänyt tänään lainkaan paikkaansa valitkaa 1, jos taas mielestänne kyseisen väittämä piti ehdottomasti paikkaansa valitkaa 5.

Kokemus

Company X

Oulun myymälästä:

1	2	3	4	5	a. Myyjät tervehtivät heti astuessanne sisään myymälään	1	2	3	4	5
1	2	3	4	5	b. Myyjät kysyvät kuinka voivat auttaa heti astuttuanne myymälään	1	2	3	4	5
1	2	3	4	5	c. Myyjät ovat iloisia	1	2	3	4	5
1	2	3	4	5	d. Palvelu on nopeaa	1	2	3	4	5
1	2	3	4	5	e. Myyjät esittelevät kaikki uutuustuotteet	1	2	3	4	5
1	2	3	4	5	f. Myyjillä on laaja tietous tuotteista	1	2	3	4	5
1	2	3	4	5	g. Myyjät ovat palvelualttiita	1	2	3	4	5
1	2	3	4	5	h. Myyjät ovat hiustenhoitotuotealan ammattilaisia	1	2	3	4	5
Myymälän viihtyvyys ja tuotteiden saatavuus:										
1	2	3	4	5	i. Myymälä on ensivaikutelmaltaan siisti	1	2	3	4	5
1	2	3	4	5	j. Tuotteet ovat aseteltu houkuttelevasti esille	1	2	3	4	5
1	2	3	4	5	k. Myymälä näyttää tyylikkäältä	1	2	3	4	5
1	2	3	4	5	l. Myymälän sisustus ja tuotteiden asetelu on vaihteleva	1	2	3	4	5
1	2	3	4	5	m. Haluamianne tuotteita on saatavilla riittävästi	1	2	3	4	5
1	2	3	4	5	n. Kaikki tuotteet ovat esillä ja helposti löydettävissä	1	2	3	4	5

Company X's
logo

Muu palaute

Mikäli tahdotte asiakaspalvelumme ottavan Teihin yhteyttä kyselyn pohjalta, voitte jättää yhteystietonne tähän:

Asiakasnumero:

Liikkeen nimi:

Kampanijan nimi:

Puhelinnumero:

Kiitos osallistumisestanne Oulun myymälän asiakastyytyväisyyskyselyyn!

APPENDIX 2. Previous customers' questionnaire form.

Company X's logo	
Company X	Oulun myymälän

ASIAKASTYYTYVÄISYYSKYSELY 2011

Tällä kyselyllä haluamme tiedustella Teidän tyytyväisyyttänne Schwarzkopf Professionalin Oulun myymälän palveluun. Vastauksienne avulla tarkoituksenamme on pyrkiä parantamaan palveluamme ja tarjota Teille entistä parempia ostoskokemuksia Oulun myymälässämme.

Kyselyn toteuttaa Satakunnan Ammattikorkeakoulun opiskelija Karoliina Peltola. Hän soittaa Teille muutaman päivän kuluessa kyselyn vastaanottamisestanne ja toivoo, että Teillä olisi hetki aikaa vastata seuraaviin kysymyksiimme puhelimitse.

Kaikki vastaukset käsitellään luottamuksellisesti ja Oulun myymälän henkilökunta ei tule näkemään yksittäisiä vastauksianne. Jotta saisimme mahdollisimman tarkan kuvan Oulun myymälän palvelun tasosta, toivoisimme Teidän vastaavan kyselyyn mahdollisimman todenmukaisesti. Kiitämme ajastanne!

Milloin viimeksi asioitte Company X Oulun myymälässä?

- a. Tällä viikolla
- b. 2 viikkoa sitten
- c. kuukausi sitten
- d. 2 kuukautta sitten
- e. 3 kuukautta sitten
- f. Viime käynnistä on pidempi aika

Jos ette ole asioinut viimeisen 3 kuukauden aikana Company X Oulun myymälässä, niin miksi ette?

- a. Olen siirtynyt toisen firman tuotteisiin
- b. Olen asioinut edustajan kanssa
- c. Olen käyttänyt puhelinpalveluamme
- d. Olen ollut tyytymätön myymälänne palveluun
- e. Liikkeemme on lopettanut toimintansa
- f. Muu syy

Jos vastasitte muu syy, niin mikä?

Company X's
logo

Kun viimeksi asioitte Oulun myymälässämme, miten arvioisitte palvelua:

Millainen oli palvelukokemuksenne?

- a. Erittäin positiivinen
- b. Hyvä
- c. Keskikertainen
- d. Huono
- e. Todella negatiivinen
- f. En muista

Miksi?

Saitteko mielestänne riittävästi palvelua?

- a. Kyllä
- b. En

Olisitteko kaivanneet lisää opastusta tuotteiden valinnassa?

- a. Kyllä
- b. En

Olisitteko kaivanneet lisää tietoa tuotteista?

- a. Kyllä
- b. En

Mitä mielestänne voisimme parantaa toiminnassa?

Company X

Oulun myymälän

Onko toiminnassamme puolia, jotka olemme mielestänne hoitaneet erityisen hyvin?

Vastatkaa ympyröimällä vastauksenne asteikolla 1-5. Jos mielestänne väittämä ei ole lainkaan tärkeä valitkaa 1. Jos taas mielestänne kyseinen väittämä on ehdottoman tärkeä valitkaa 5.

Vastatkaa ympyröimällä vastauksenne asteikolla 1-5, jos mielestänne väittämä ei pidä lainkaan paikkaansa Schwarzkopf Professionalin Oulun myymälän kohdalla valitkaa 1, jos taas mielestänne kyseisen väittämä pitää ehdottomasti paikkansa valitkaa 5. Valitkaa vaihtoehto X, jos ette osaa sanoa tai Teillä ei ole kokemusta

Kokemus Company X
 Oulun myymälästä:

Kuinka tärkeää yleensä:

Palvelu:

1 2 3 4 5

a. Myyjät tervehtivät heti astuessanne sisään myymälään

1 2 3 4 5 X

1 2 3 4 5

b. Myyjät kysyvät kuinka voivat auttaa heti astuttuanne myymälään

1 2 3 4 5 X

1 2 3 4 5

c. Myyjät ovat iloisia

1 2 3 4 5 X

1 2 3 4 5

d. Palvelu on nopeaa

1 2 3 4 5 X

1 2 3 4 5

e. Myyjät esittelevät kaikki uutuustuotteet

1 2 3 4 5 X

1 2 3 4 5

f. Myyjillä on laaja tietous tuotteista

1 2 3 4 5 X

1 2 3 4 5

g. Myyjät ovat palvelualttiita

1 2 3 4 5 X

1 2 3 4 5

h. Myyjät ovat hiustenhoitotuotealan ammattilaisia

1 2 3 4 5 X

Myymälän viihtyvyys ja tuotteiden saatavuus:

1 2 3 4 5

i. Myymälä on ensivaikutelmaltaan siisti

1 2 3 4 5 X

1 2 3 4 5

j. Tuotteet ovat aseteltu houkuttelevasti esille

1 2 3 4 5 X

1 2 3 4 5

k. Myymälä näyttää tyylikkäältä

1 2 3 4 5 X

1 2 3 4 5

l. Myymälän sisustus ja tuotteiden asetteleminen on vaihteleva

1 2 3 4 5 X

1 2 3 4 5

m. Haluamianne tuotteita on saatavilla riittävästi

1 2 3 4 5 X

1 2 3 4 5

n. Kaikki tuotteet ovat esillä ja helposti löydettävissä

1 2 3 4 5 X

Muu palaute

Company X

Company X's
logo

Mikäli tahdotte asiakaspalvelumme ottavan Teihin yhteyttä kyselyn pohjalta, voitte jättää yhteystietonne tähän:

Nimi:

Asiakasnumero:

Liikkeen nimi:

Puhelinnumero:

Kiitos osallistumisestanne

Company X

n Oulun myymälän asiakastyytyväisyyskyselyyn!