Bachelor's thesis

BBA International Business

2023

Joanna Tauschi

Current State of Customer Satisfaction and Areas for Development – Case Company anonymous

TURKU AMK
TURKU UNIVERSITY OF APPLIED SCIENCES

Bachelor’s Thesis | Abstract

Turku University of Applied Sciences

BBA International Business

2023 | 45

Joanna Tauschi

Current State of Customer Satisfaction and Areas for Development

- Case Company anonymous

The objective of the research was to determine the current state of customer satisfaction at a car rental company and which areas merited improvement. The research intended to understand the purchase process of the case company’s customers, as well as any potential gaps between the company and the customer, to improve customer satisfaction.

As the primary objective of the research was to discover the deficiencies of the current level of customer satisfaction, the research utilized the company's existing customer feedback survey. The customer feedback survey sent to the customer after the car rental focuses on measuring NPS and CSAT values which indicates the customer satisfaction of the case company is good.

The issues faced by customers centered on three themes: the final product, i.e., the rental vehicle, the coordination of marketing and service production, and sustaining service quality along the customer's purchasing route. According to the findings of the study, an updated research and monitoring approach for measuring customer satisfaction is in place. By recognizing unsatisfied customers, the company acquires why they are dissatisfied, and functionalities can be enhanced and created based on the input gained before the customer leaves the company.

Keywords:

Customer satisfaction, customer experience, car rental, service quality

Opinnäytetyö (AMK) | Tiivistelmä

Turun ammattikorkeakoulu

BBA International Business

2023 | 45 sivua

Joanna Tauschi

Asiakastyytyväisyyden nykytila ja sen kehityskohteet

- anonyymi

Tutkimuksen tavoitteena oli ymmärtää, mitkä ovat toimeksiantoyrityksenä toimineen autovuokraamon asiakastyytyväisyyden nykytila ja mitkä osa-alueet vaativat kehitystä. Tutkimus pyrki ymmärtämään toimeksiantoyrityksen asiakkaiden ostopolun sekä mahdolliset yrityksen ja asiakkaan välille syntyneet kuilut, jotta asiakastyytyväisyyttä voidaan kehittää.

Tutkimuksessa käytettiin yrityksen olemassa olevaa asiakaspalautekyselyä, sillä tutkimuksen päätavoitteena oli ymmärtää asiakastyytyväisyyden nykytilan puutteita. Autonvuokrauksen jälkeen asiakkaalle lähetettävä asiakaspalautekysely keskittyy mittaamaan NPS- ja CSAT-arvoja. Mitattujen arvojen mukaan toimeksiantoyrityksen asiakastyytyväisyys on hyvä.

Asiakkaiden kokemat epäkohdat keskittyivät kolmeen teemaan: lopputuote eli vuokra-ajoneuvo, markkinoinnin ja palvelutuotannon yhteensovittaminen sekä palvelun laadun säilyttäminen läpi asiakkaan ostopolun. Tutkimuksessa havaittiin, että päivitetty tutkimus- ja seurantamenetelmä asiakastyytyväisyyden tarkasteluun on paikallaan. Tunnistamalla tyytymättömät asiakkaat, yritys saa selville, miksi he ovat tyytymättömiä sekä saatujen palautteiden perusteella toimintoja voidaan parantaa ja kehittää ennen kuin asiakas on jättänyt yrityksen.

Asiasanat:

Asiakastyytyväisyys, asiakaskokemus, autovuokraamo, palvelun laatu

Content

Equations

Figures

Tables

1 Introduction

Customer satisfaction refers to whether or not customer expectations are met. In other words, customer satisfaction is a comparison prior to acquiring the goods or service and post-consumption evaluation (Eräsalo, 2011, 17-22). The motivation for the chosen topic is simple: a company aims to make a profit and to make a profit the company needs to create an offering that would fulfill customer satisfaction. In addition, it is crucial to understand that the satisfied customer is more profitable to the company and the aim is to keep such customers in the company's customer base. (Hämäläinen & Patjas, 2018, 122-147).

The case company for the study is a car rental company operating in Finland and remains anonymous in the study and will be referred now on as the company. Having a background in the automotive industry and working in car rentals bring the desire to study and understand customer satisfaction and its impact in more detail. In terms of customer-oriented business, it is significant to improve the customer service and purchasing experience, as well as to ensure customer satisfaction. As a result, it must be ensured that the customer feels appreciated and persists to be a customer of the company in the future. The study aims to identify the current state of customer satisfaction in the case company and how and why the case company should invest and develop in it.

The research objective is to bring suggestions for improvement, which the company can use to advance its customer satisfaction. The research examines the customer journey of the case company and understands what factors affect its customer satisfaction. Measuring customer satisfaction in a service-centric company is more difficult than in a product-centric company because the usefulness and quality of services are frequently subjective: specifically, the customer satisfaction of a service company is more subjective and the factors that affect are more complex (Löytänä & Korkiakoski, 2014, 133-154.)

The research used the company's previously existing customer feedback survey, as the major purpose of the research is to determine the present level of

customer satisfaction and how it may be improved. This decision was made because it was determined that creating a new customer satisfaction survey was not anticipated to add considerable value to the research.

1.1 Case company

The case company is a limited liability company whose primary business is car rental. The case company has several locations throughout Finland in all major cities and the headquarters of the company are in Helsinki. The company's customer base includes both private and business customers, including for example insurance company customers and government institutions. The fleet of the company includes for example station wagons, SUVs, executive vehicles, minibuses, and vans. (Company, 2023.)

According to the latest financial statement, the company’s turnover was over €9.5M and the operating profit was €1.7M. The turnover of the company increased by over 45% in comparison to the previous year. In 2022, the company employed thirty-six people. (Company, 2023.)

1.2 Research questions and objective

The objective of the study is to understand which are the most important areas in terms of customer satisfaction in the case company. The study aims to understand the expectations of the company’s customers and what are the key factors for success.

To achieve the objective of the research, the following research questions have been identified:

- How satisfied are the case company’s customers currently?
- Which problems have customers recently encountered with the case company?
- What action should be taken to mitigate customer dissatisfaction?

The research aims to determine the current level of customer satisfaction in the case company and to review the areas of development. The literature is reviewed both from English and Finnish sources to avoid differences in the Finnish perception of customer satisfaction as the case company is located in Finland.

2 Literature Review

2.1 Customer Satisfaction

The foundation of a profitable business is customer satisfaction because customers generate revenue for the company. Simply said, if the company does not have customers the company cannot be profitable. (Armstrong et al., 2013,34-36). Measuring customer satisfaction is a key area to invest in, as the company's growth and operating profit will be impossible if the customer base disappears. Customers, therefore, have a particularly key role contributing to this, as they decide which services to invest in and which not. Customer satisfaction leads to customer loyalty, which means the same consumer returns to the same company repeatedly. (Mitchell, 2017).

Customer satisfaction refers to the customer's perception of quality concerning needs and expectations. The needs and expectations of the customer are reflected in the service or product they receive; if the company meets the customer's expectations, the customer is satisfied, if the company fails to meet the customer's expectations, the customer is disappointed. This is significant since satisfied customers are more likely to purchase the company's products or services again. (Allen, 2004, 4-8). Customer retention, on the other hand, is important because acquiring new customers is more expensive and time-consuming for the company than keeping an existing customer satisfied (Armstrong et al., 2013, 48-51).

According to Buttle (2003), acquiring a new customer is 5-25 percent more expensive than keeping an existing customer, meaning that acquiring a new customer is five to seven times more expensive. Cost of Customer Acquisition (CAC) is the total amount of money the company spends to acquire new customers. To calculate a company's CAC, the total cost of acquisition must be

divided by the number of new customers acquired during a given period, see Equation 1.

Equation 1. Cost Acquisition Cost Formula (Buttle, 2003).

As Gerson (1994) underlined, the key idea is that long-term customer relationships are more profitable for the company over time than the one-time income brought by occasional customers.

Measuring customer satisfaction in a service-centric company is more difficult than in a product-centric company because the usefulness and quality of services are frequently subjective. This means that the customer's definition of quality is based on the customer's values and views based on interests (Goodman, 2019, 41-44). This ought to be considered in the research, as the customer's and the company's perspectives on the quality of customer service may differ significantly. Measuring customer satisfaction alone is not valuable because the results may be contradictory: the obtained results have to be used to support decision-making, for example, in the development of operations. If the results of a customer satisfaction survey do not provide sufficient accuracy, it is decisive to consider what information is still required and how it might be obtained. (Reason et al., 2016, 102-127).

It should be noted that feedback is more frequently provided by customers who are completely satisfied or completely dissatisfied: typically, customer feedback represents the so-called extremes, and in between, there might be a substantial number of satisfied customers whose perception should be considered. A

dissatisfied customer is important to the company since they provide suggestions and ideas to improve operations, meaning customer feedback can be considered a prerequisite for operational development. (Reinboth, 2008, 96-109).

2.2 Factors affecting customer satisfaction

Customer satisfaction is the state of the perceived customer experience or the extent to which the company met the customer's expectations (Berkovi, 2015, 83-86). Customer experience describes the type of value or benefits the customer receives, whereas customer satisfaction describes the effects of the customer experience, i.e., the level of satisfaction this results in (Puustinen & Saarijärvi, 2017, 229-246).

The benefits, ease, and pleasantness of conducting business are the key aspects of customer experience. The company must be aware of its customer’s need for the product or service to benefit the customer (Pride & Ferrell, 2015, 135-136), for example, this could show in the case company by understanding whether a customer needs trunk space for luggage or an SUV-type vehicle because they will be driving in the countryside. This implies that the purchased product or service meets the needs of the customer (Kotler & Armstrong, 2009, 26-27). In contrast, ease refers to how simple it is to obtain and utilize the product or service: this ease extends to potential problems situations as well as after-marketing (Ahola et al., 2002, 34-38). In the car rental industry, this would be, for example, how easily a customer can get assistance if the rental vehicle develops a flat tire during the rental. Pleasantness includes both personal customer service and the service environment (Komulainen, 2023, 29). It is relevant to remember that the service experience at a car rental company is created not only by personal customer service but also by physical and digital elements. In car rental, this could be visible as instructions to find pick-up and drop-off locations, cleanliness of the rental vehicle, or helpfulness of the customer service agent.

2.2.1 Customer journey affecting customer satisfaction

The buying process is frequently initiated independently online (or through influencers) by comparing options: a digital encounter can be anything from a search engine to a website or social media. The company cannot influence where the first contact occurs, but it can influence how it occurs, meaning it is acute to understand that the customer is interested in different content at various stages of the process. (Davis, 2011, 40-42). All of the company's communications, as well as customers' experiences, feelings, and beliefs, contribute to the brand experience. The company cannot control the final brand experience the customer has and must consider that it is influenced by factors even if the customer has not tried the company's product or service. The physical customer encounter is typically the most important and memorable point of interaction. The primary goal of the physical customer encounter is to identify the customer's emotional state and tailor the service experience to them. The goal is to create a situation in which the customer leaves in a better situation than when they arrived, i.e., the customer's needs are fully met. (Ahvenainen et al., 2017, 36-40).

Every point of contact between the company and the customer contributes to the overall picture, wherefore all company functions influence the customer's experience. It must be noted that the customer is not concerned with who produces which part, but with how the entire process is managed. (Kotler et al., 2022, 257-266). Because providing services is subjective, errors cannot be avoided in customer service, this means that different customers define a pleasant experience differently. In the event of an error, it is crucial to get the customer to report their dissatisfaction because providing high-quality customer service necessitates minimizing the occurrence of errors and correcting potential errors in a way that satisfies the customer. (Peppers & Rogers, 2017, 44-50).

2.3 Customer satisfaction measuring

Creating and managing functional customer service necessitates measuring customer satisfaction to learn what functions and what does not. The metrics can be used to show what is important to the customer and what requires the most attention and effort: the customer's and the company's perspectives may differ significantly (Bolton, 2016,125-129). As previously stated, customer satisfaction is comprised of numerous touchpoints, hence the company must be able to identify and quantify the most important ones. The measurement must be capable of determining how well the customer experience is implemented and the effects it has on customer satisfaction, loyalty, and willingness to recommend (Korkiakoski & Gerdt, 2016, 125-150).

Customer satisfaction can be measured in different ways, with which the most common measurement being various customer surveys: The most well-known satisfaction measures are CSAT, CES, and NPS.

Customer Satisfaction Score (CSAT) is usually used for measuring short-term customer satisfaction, for example, shortly after purchasing a product or using a service, see Figure 1.

Figure 1. CSAT survey example (East et al., 2011).

CSAT provides useful information about a customer's satisfaction with a specific product or experience, although it does not tell an opinion about the company. The CSAT, like many other assessment tools, has limitations, the most notable of which are that the majority of customers do not often participate in customer

satisfaction surveys, increasing the risk that results are inaccurate and that it reflects short-term sentiments. (East et al., 2011, 327-346).

Customer Effort Score (CES) assesses the ease of obtaining a service or resolving a problem. CES measurements are typically taken for example following a purchase event, or immediately following a customer service event, see Figure 2.

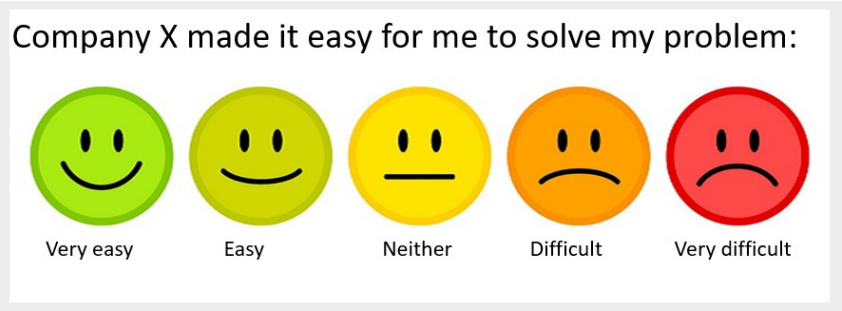


Figure 2. CES survey example (Clark & Bryan, 2013).

As a result, the CES measurement provides valuable information about the ease of doing business and aids in detecting uneven parts of the customer path. The main downside of CES measurement is that it focuses on specific areas of the services supplied rather than the whole company and the service provided. (Clark & Bryan, 2013).

Net Promoter Score (NPS) evaluates the customer's desire to recommend, see Figure 3.

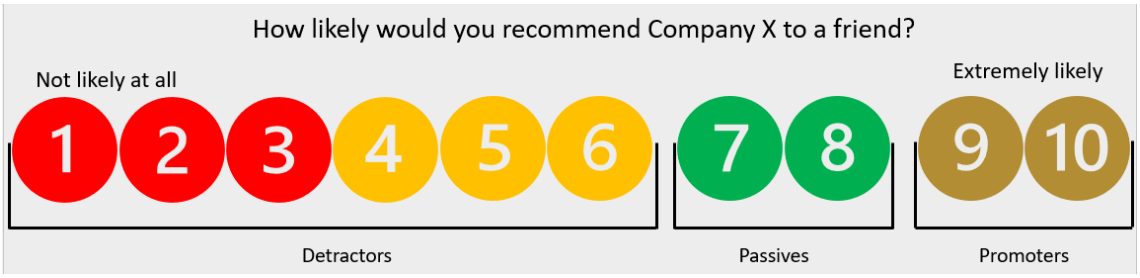


Figure 3. NPS survey example (Net Promoter System, 2023).

Customers who answer 9-10 are considered promoters because they are loyal customers who will continue to purchase. Passive customers are those who answer 7-8, indicating that they are satisfied but not willing to promote the company: they are somewhere between a loyal and a departing customer, and they will not value the company as highly as promoters. Customers who answer 0-6 are considered detractors. This group consists of dissatisfied customers who, through their negative words, can harm the company's image. A major limitation of the NPS measurement is its incompleteness because according to one rating, the company does not obtain insight on how to enhance its operations and services. (Net Promoter System, 2023).

2.4 Gap model of service quality

The Gap Model of service quality (Figure 4) develops a guideline for the overall service delivery and helps identify gaps between processes to ensure that the entire process operates efficiently and effectively. This means that the theory assists in identifying gaps between perceived and expected service quality. (Parasuraman et al., 1985, 41-50.)

The six gaps identified are the knowledge gap, policy gap, delivery gap, communication gap, perceptions gap, and service quality gap.

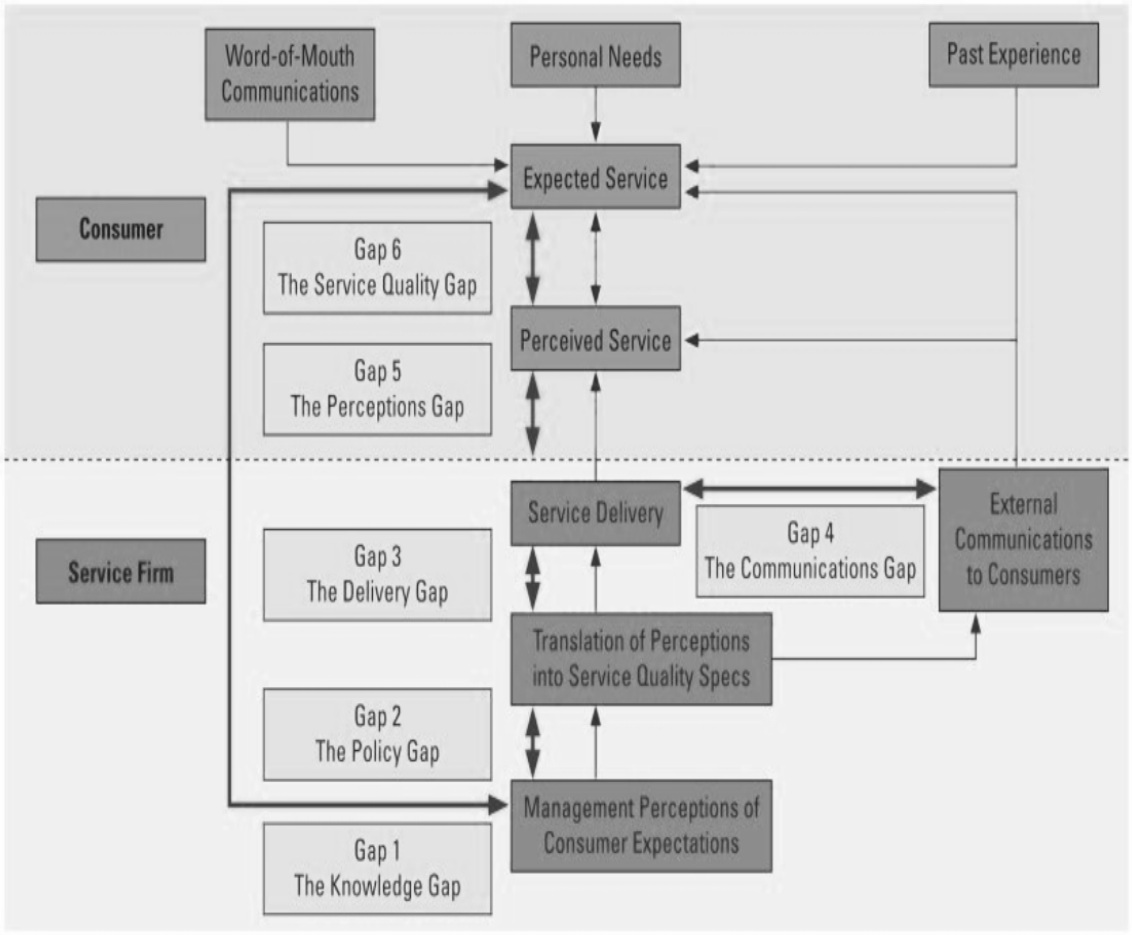


Figure 4. Gap model of service quality (Wirtz & Lovelock, 2017).

These gaps can occur at various stages of the design and delivery of a service experience: it is a method of evaluating a business's performance to determine whether or not business requirements or objectives are being met and, if not, what steps should be taken to meet them, see Figure 5.

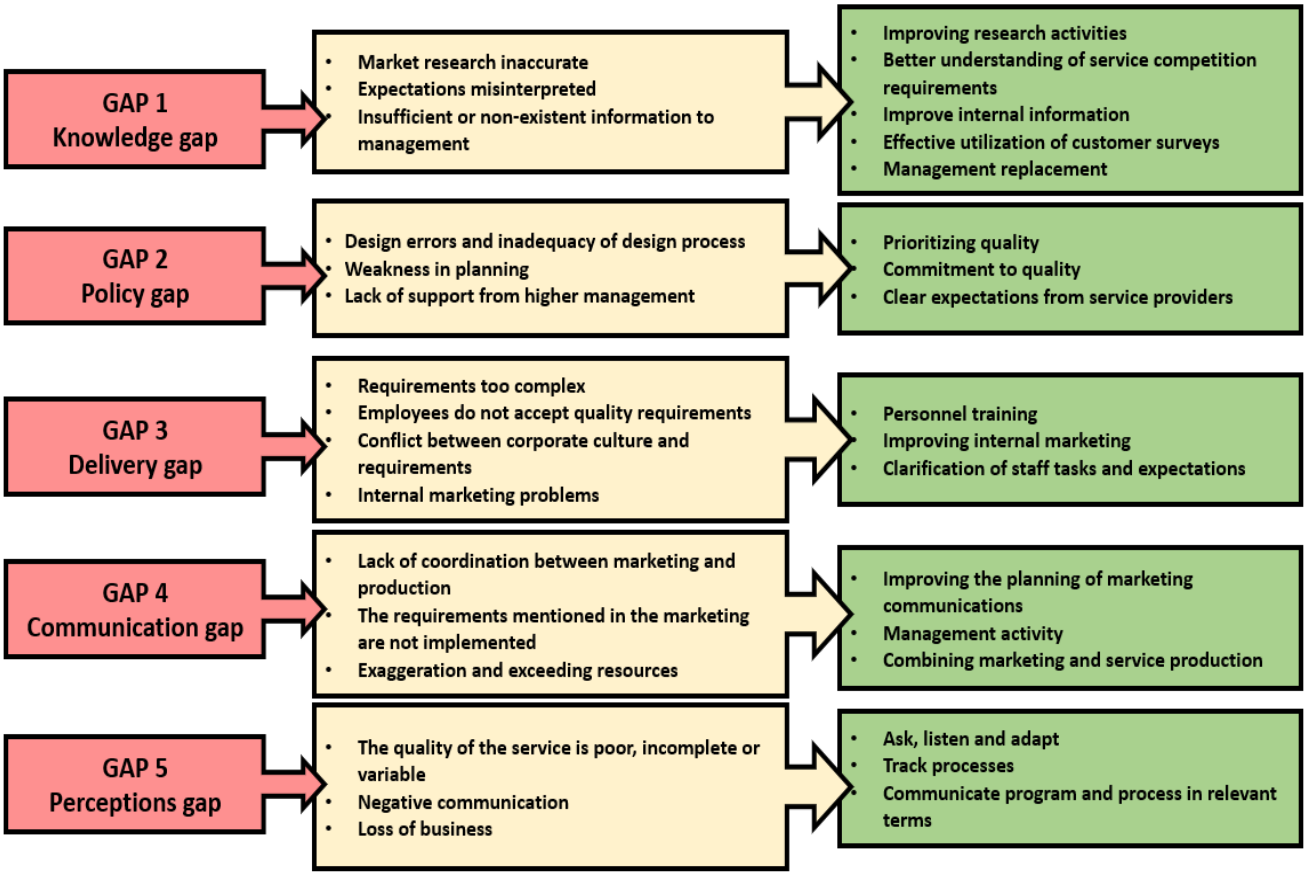


Figure 5. Gap model, cause, and remedies.

The first gap, the Knowledge Gap, is the difference between customer expectations and the company's interpretations of their needs: this might happen when the company does not fully comprehend what their customers truly desire. For example, the customer may require a vehicle with a large trunk, but the company is unaware of this and offers universal vehicles. To avoid the first gap from widening, it is necessary to gain an understanding of the characteristics of service competition: Market research is essential because, based on the information gathered, the company can continue building its products, services, and processes to meet the demands created by customers and competitors. (Proctor, 2000, 177-179. Tracy, 2014, 23-25. Wirtz & Lovelock, 2017, 448-476.)

The second gap, the Policy Gap, refers to the discrepancy between a company's understanding of customer needs and its translation into service

delivery policies and standards. Although the company may comprehend what its customers expect but has not implemented the necessary training or standards to meet those expectations which is usually the result of service process planning focusing on the wrong factors or not having clear goals. A gap could appear in a car rental company, for example, if the customer's vehicle breaks down and they need a replacement vehicle quickly, i.e., the customer wants a quick solution to the problem they are facing. (Goreja, 2013, 179-183. Wirtz & Lovelock, 2017, 448-476.)

The third gap, Delivery Gap, is the difference between the service specification and the service produced by the company. There could be several reasons for this gap, including the company setting its requirements too high, the company's employees refusing to accept necessities or not having adequate resources to implement them, precede customers may receive lower-quality service than the company desires. A delivery gap can occur in a car rental company if the service is not at the expected level, or the vehicles offered do not meet the standards. A simple way to improve is to develop more precise control systems and ensure that implementation follows the plan. (Puusa et al., 2014, 160-169. Wirtz & Lovelock, 2017, 448-476.)

The fourth gap, Communication Gap, examines the difference between what the company tells customers it delivers and what the customers receive: it assesses whether the company advertises and shares information about its services accurately. The primary point to acknowledge is that marketing should not be treated as a separate department within the company, but rather should be tightly linked to the organization's activities thereby communication creates an accurate representation of the company's processes and operations. In a car rental company, this may appear, for example, in advertising, because the advertisements cannot use as extensive a fleet of vehicles as it is. This may become apparent when the customer has specific expectations that they will receive the advertised vehicle rather than the size class equivalent. To avoid exaggeration and incorrect information, the gap can be reduced by involving the people immersed in production and delivery in the planning process in

collaboration with management. (Baisya, 2013, 28. Wirtz & Lovelock, 2017, 448-476.)

The fifth gap, the Perceptions Gap, is the difference between what the company delivers to the customer and how the customer feels when the service is delivered; it also occurs when clients misinterpret the service quality. Accumulating frequent customer feedback can assist in identifying this gap, and using interactional surveys to assess how customers perceive the quality of service they receive can assist in closing the gap. (Puusa et al., 2014, 160-169.Wirtz and Lovelock, 2017, 448-476.)

The sixth gap, Service Quality Gap, recognizes the deviation between what customers expect and how they perceive the service that is provided. All the previously mentioned gaps add up to the last gap, and to close the gap the previous gaps need to be narrowed, simply said understand what customers expect and require from the company, and tailor operational procedures and vision to the company's market. (Hernon et al., 2013, 83-85. Wirtz and Lovelock, 2017, 448-476.)

2.4.1 Service Blueprint

A service blueprint, introduced by G. Lynn Shostack in the 1980s, is a process diagram and detailed modeling of the service that shows how the various components of the service are linked to one another. According to the modeling, not all aspects of the service process are visible to both the service provider and the customer, meaning that the service process differs for each entity. (Bitner et al., 2008, 5-6). Figures 6, 7, and 8 illustrate the service blueprint of the case company.

The service blueprint consists of four key elements: customer actions, frontstage actions, backstage actions, and support processes.

- Customer actions are the measures, options, and interactions that a customer takes while interacting with service to achieve a desired

outcome. Making a reservation, signing the rental agreement, and returning the rental vehicle are examples of customer actions.

- Frontstage actions are those actions that take place directly in the presence of the customer. These actions can be either human-to-human (customer to employee) or human-to-computer (customer to self-service technology). Registration of rental, vehicle presentation, and checkout are some frontstage actions. Every customer touchpoint does not necessarily have a parallel frontstage action, meaning that a customer might communicate directly with a service without coming into contact with a frontstage actor.
- Backstage actions are any additional actions taken by employees, arrangements, or obligations that customers do not see but which enable the service to be provided. For example, vehicle management, making offers, and vehicle preparation are part of backstage actions.
- Support processes are additional procedures that help to produce the service. Booking systems, mechanical support, and car inventory are part of the support processes.
- The objects and locations that anyone in the blueprint interacts with are used as evidence. Evidence can be used in both front- and backstage actions. (Tuulaniemi, J. 2011, 212-215).

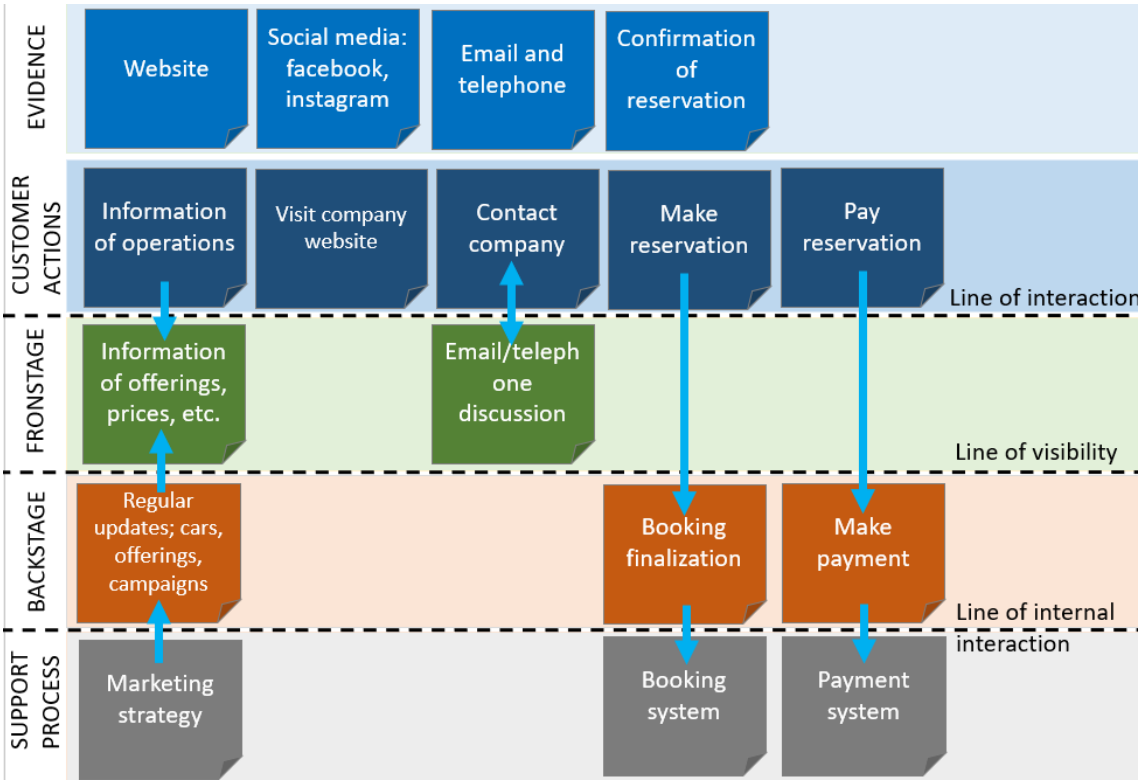


Figure 6. Case company service blueprint, pre-rental.

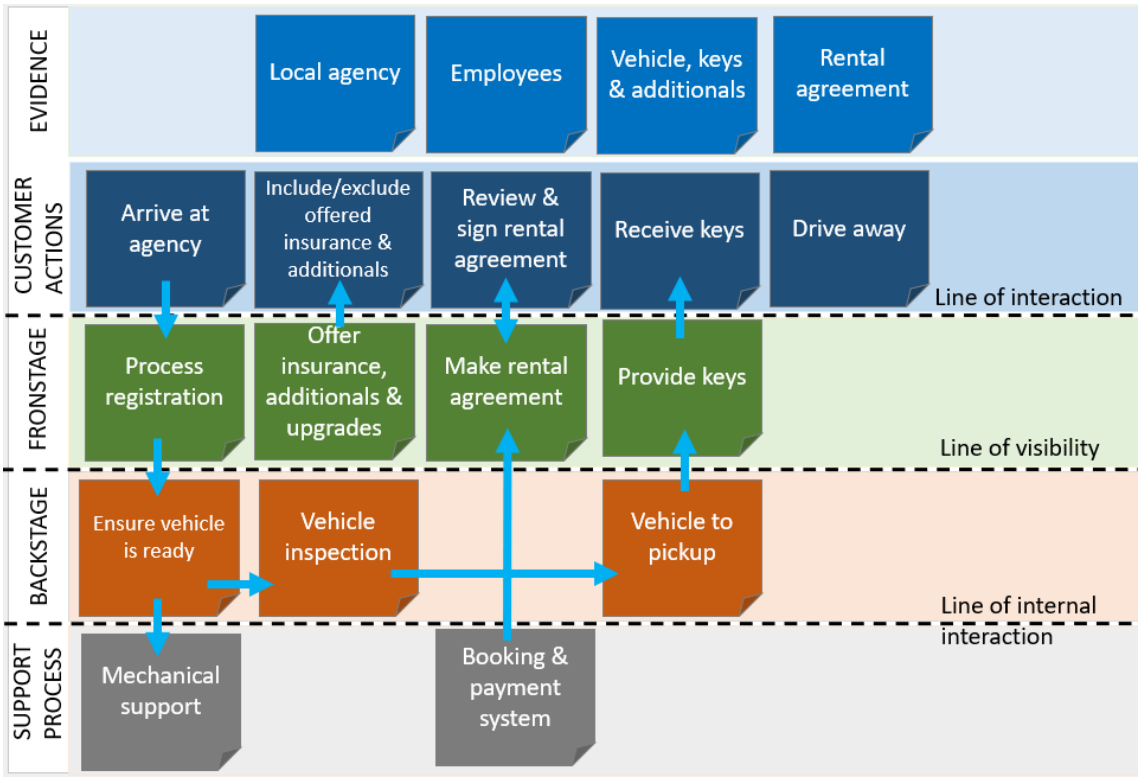


Figure 7. Case company service blueprint, rental.

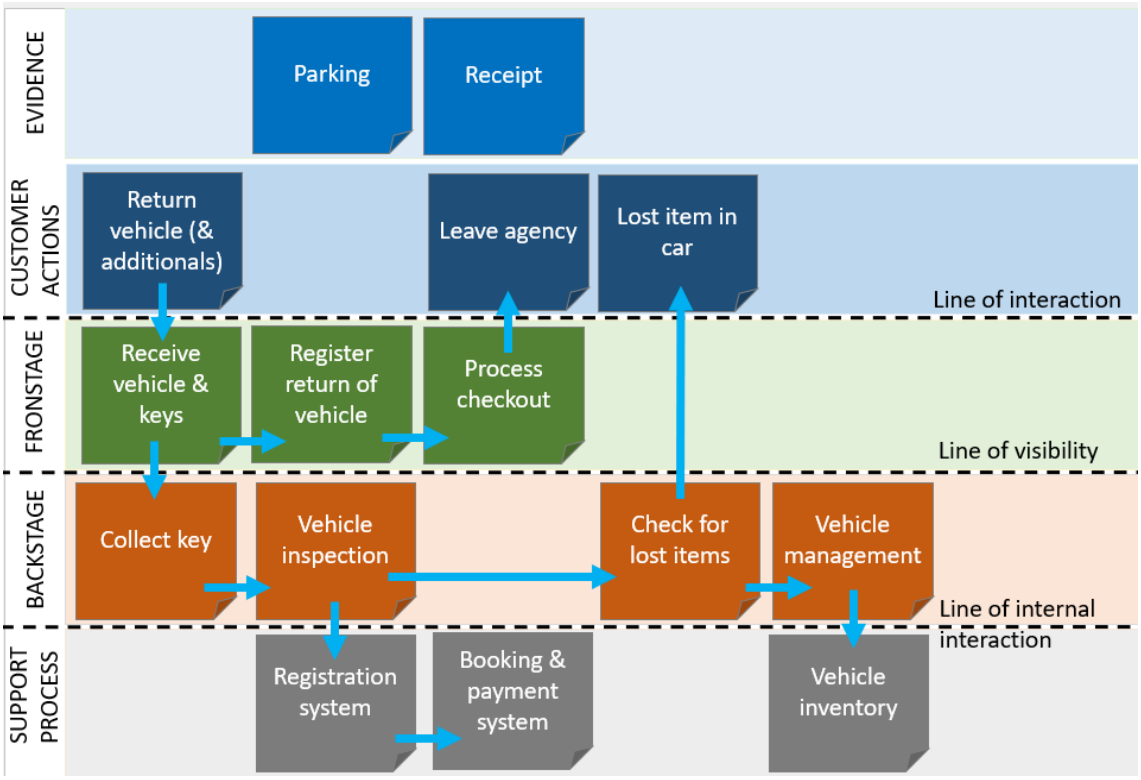


Figure 8. Case company service blueprint, post rental.

The key elements are grouped and separated by three main lines:

1. The line of interaction demonstrates the customer's direct interactions with the company.
2. The line of visibility distinguishes between visible and invisible service activities to the customer: Everything visible displays above this line, while everything hidden displays below.
3. The line of internal interaction separates contacts from those who do not directly interact with customers. (Kazemzadeh et al., 2015, 307-318.)

Even though all parts are not visible to the consumer, the service plan shows how all of the company's components are linked together. Booking a vehicle and signing the rental agreement are examples of customer interactions: these are direct interactions the customer has with the company. Frontstage actions are visible to the consumer and can include both human-to-human and human-to-computer interactions. Making a rental agreement is an example of a

frontstage action. Backstage operations are not visible but enable the service to be provided: vehicle preparation is an excellent example of a backstage operation. Internal interactions include support processes such as mechanical support, which are methods used to generate the service.

3 Research Methodology

The research methodology provides a clear illustration of the methods used during the research. The collected data is reviewed and analyzed, in consideration that the information obtained is reliable and valid. The shortcomings of the research results and methods are considered during the research and are highlighted in this section.

3.1 Research method and data collection

The company's already existing customer feedback survey was used for the research, as the main goal of the research is to understand the shortcomings of customer satisfaction. When the research initially commenced, it was decided to use the company's existing feedback survey because it focused on the topics the research sought to examine: Compiling a fresh survey was not expected to add meaningful value to the research's outcome. For this reason, a new survey was not prepared. The survey was automatically sent to the customer after the rental, the main purpose of which is to measure Net Promoter Score and Customer Satisfaction Score. The company survey collects the desired data, which can be easily measured and compared. The survey is normally sent via text message to the customer and opens a survey on a website.

Personal observation can be considered a primary source because it is firsthand data that has not been collected for other purposes (Saunders et al., 2021, 390-397). Observing customer service situations along the customer journey gives evident and transparent data on interactions between the customer and the company. The use of databases, such as articles, is a source of secondary data, which means that the data has been used by other researchers (Goldstein, 2010, 26-29).

3.1.1 Survey Structure

After the rental, the customer receives a text message, freely translated: "*Hello, thank you for renting a car from us. We want to improve our services, so we would appreciate your feedback: Link to the survey. From, Company X*" The survey sent by the company (Figure 9) is short and focuses on two questions: *How likely would you recommend company X's services to others*? and *did the rental car meet your expectations?* After the questions, the customer has the opportunity to write a free comment about their experience.

Figure 9. Case company survey in Finnish (Company, 2023).

The survey was designed to be as simple as possible to complete, as the response is quick. The response time is predicted to be half a minute at the shortest and five minutes at the longest: the response time is influenced by the customer's willingness to submit free feedback.

The results of the survey were examined over six months, starting from October 2022, and ending in March 2023. Six months can be considered long enough for the examination, and the obtained result can be considered reliable. Cross-sectional research is a study approach that analyzes an occurrence at a given point in time, whereas longitudinal research analyzes change and development across a long period. (Vilkka, 2021). The study utilized longitudinal study because the essential point is that longitudinal studies transcend beyond a single point in time.

3.2 Limitations in the research

Measuring customer satisfaction is not always straightforward, but potential shortcomings should be considered. Customer satisfaction measurements on a broad scale are common, for example, service quality is measured on a numerical scale. It must be remembered that customer satisfaction is feeling and experiencing it is highly individual, therefore assigning a numerical value to the feeling can be difficult. (Srivastava, 2015). It should be noted that the existing survey is not necessarily broad enough to generate such results, as the company's customer satisfaction survey is relatively restricted. Surveys frequently fail to account for the customer’s emotional state and mood; consequently, the survey does not always explain why the review was given.

When measuring customer satisfaction, the company must understand what to measure and why, meaning, what it wants to measure and what its goal is. It is valuable to carefully measure and define when to measure: the company does not need to evaluate every situation after every encounter, but to define the goals correctly in terms of measurement results. The measurement must be dependable, and the results must be properly analyzed. A predetermined goal and timely measurement aid in gathering appropriate types of information. (Heikkilä, 2008, 24-29).

4 Results and Analysis

The research utilizes the company's feedback survey, which is automatically sent to each customer following the rental. The survey measures Customer Satisfaction Score and Net Promoter Score values, and the customer can compose a free comment about their experience. The survey does not distinguish between private and business customers, rather the values and comments received are analyzed as a whole.

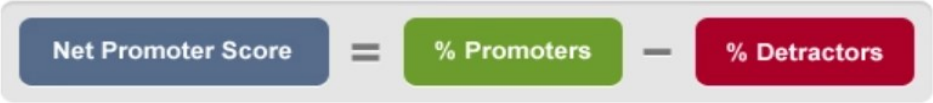
4.1 The current state of customer satisfaction

The research examined the results of the customer satisfaction survey sent by the company over six months (October 2022 - March 2023). In addition, the research made use of feedback received directly from customers, obtained by observing customer encounters.

How likely would you recommend company X's services to others?

The Net Promoter Score (NPS) evaluates the customer's desire to recommend, NPS is calculated using Equation 2.

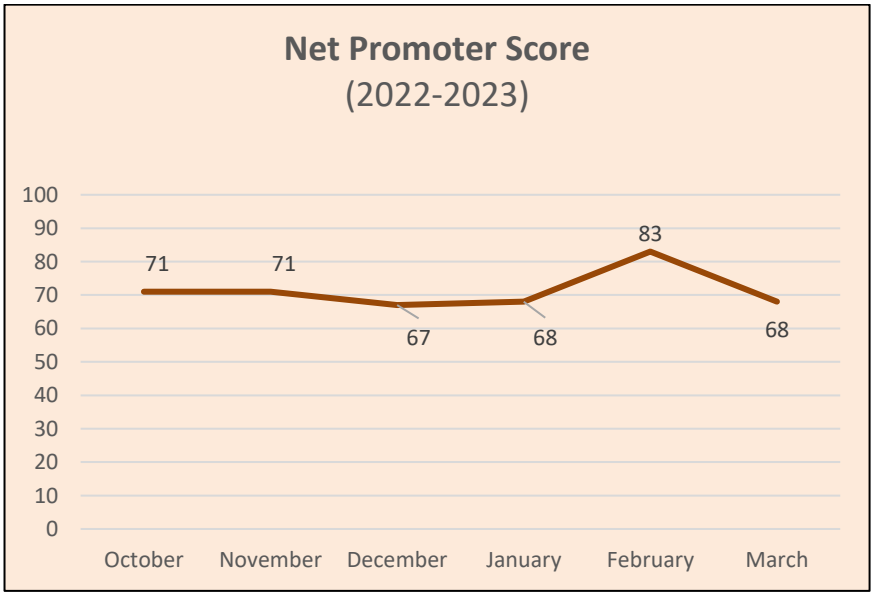
Equation 2. Net Promoter Score (Net Promoter System, 2023).



If the company's NPS score is above 0, it can be thought that the majority of customers would recommend the company. Results above 50 are considered good, while scores above 70 are considered excellent. (Net Promoter System, 2023).

Table 1 depicts the NPS score of the case company during the six months. As can be seen from the results, the company's NPS value was greater than 50 points in each month examined, indicating that the results for each month can be considered a good result. October (71p.), November (71p.) and February (83p.) have received the highest NPS scores which can be identified as excellent scores.

Table 1. Case Company NPS.



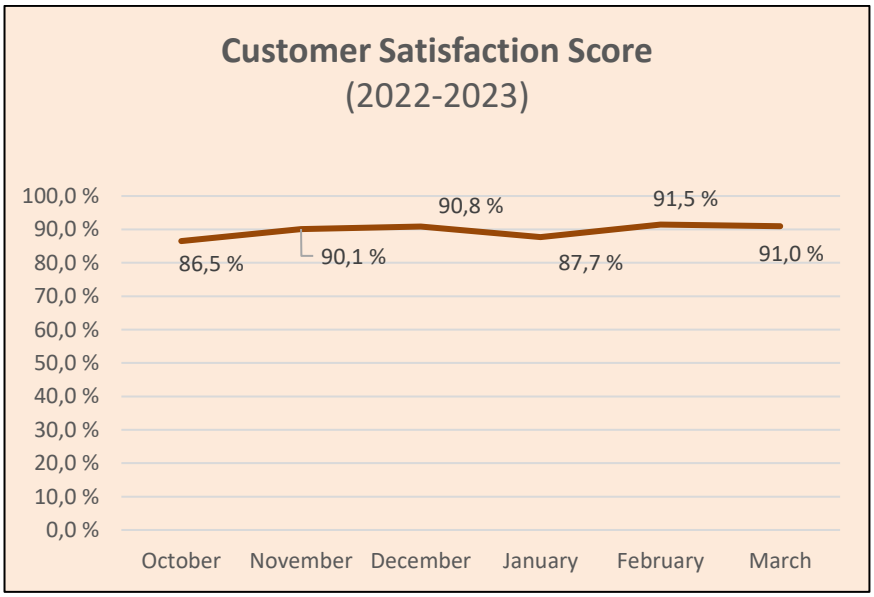
When looking at the form of the question which measures NPS, customers are only asked about their proclivity to recommend rather than whether or not they found the service pleasant: even if the customer had a positive experience, they might be unlikely to recommend the company to others. When the answers to the open questions were examined, as well as the received customer feedback, there was minimal negative feedback concerning the case company. The company's service was praised, and the simple transactions were appreciated; the negative feedback received was only about the offered vehicles and their

features. It can be concluded from this that it was left open for the detractors why they are not ready to recommend the company.

Did the rental vehicle meet your expectations?

The Customer Satisfaction Score (CSAT) is usually used for measuring short-term customer satisfaction. Most typically, CSAT results are in percentages on a scale of 0-100%: 100% then represents complete customer satisfaction and 0% total dissatisfaction. (East et al., 2011, 327-346.)

Table 2. Case Company CSAT.



According to the results (see Table 2), the majority of the company's customers are extremely pleased with the received rental vehicle. Looking only at the received percentage of customer satisfaction, the company is doing rather well: however, the score does not consider open feedback: the customer may be generally satisfied with the rental vehicle, but the customer may not be so dissatisfied that it affects the overall experience and lowers the stated score.

It is vital to first understand what customers desire, where contacts occur, and what customers think about them. Based to open comments, negative feelings have been caused by the shortcomings of the vehicle, but they have not reduced overall satisfaction significantly. There was no specific justification provided for the lower customer satisfaction in October: it can be assumed that the company is not necessarily able to anticipate all situations in the way the customer assumes, which is why the customer experience may have been weaker than in other measured months.

One measured score is insufficient for reliable evaluation of the level of satisfaction: customer shortcomings are not considered when asking about overall vehicle satisfaction. The survey does not identify the customer journey and focuses on one aspect of it: customer satisfaction is about the entire customer journey, whereas customer experience covers all encounters and communication. Measuring total contentment with a single question is insufficient: does the organization want a high percentage of satisfaction or does it want to improve customer satisfaction? When numerous specific questions are asked rather than one broad topic, customers react easier; this also means that the data is easier to analyze and act on. As Reason et al. underlined in customer satisfaction theory, obtain the needed information to have sufficient accuracy in the customer satisfaction survey: having stated earlier, the company's survey is limited in scope and may not yield such results. Receiving negative feedback and possibly a bad review does not mean that the company is not successful: based on negative and constructive feedback, operations can be improved if necessary.

Open questions and suggestions

As previously declared the survey is divided into three areas, the last of which allows the customer to leave a free comment about their experience. When customer feedback was examined, it was discovered that the majority of customers did not provide written input regarding their rental, even if they did

provide ratings: the open comments comprised positive as well as negative feedback. Reinboth mentioned, that dissatisfied customers provide suggestions and ideas to improve and they are prerequisites for operational development and are therefore valuable for the company.

The unfavorable feedback centered on the rental car, as well as its features and accessories. Some reported that the vehicle was not promised or lacked specific features. Customers, for example, had thought that all vehicles today include a navigator or an automatic transmission, even though they do not consider this while making a reservation. Some of the comments indicated that the interior of the rental vehicle was not cleaned properly or that there was room for improvement in its cleaning. It was reported multiple times that the vehicle was missing a parking disc and/or a snow brush, which are not required driving equipment but make driving easier and can be assumed to be found. The personnel who prepare the vehicle is responsible for cleaning the car inside and out as well as installing all necessary equipment in the car so that the customer does not have to worry about such matters.

Positive feedback centered on the company's general services and the quality of its customer service. Customers commended the company's quick, flexible, and knowledgeable service, as well as the reasonable pricing. Many customers believed that the company's home delivery and pick-up services worked flawlessly and that any problems were remedied in a way that satisfied the customer.

4.2 Encountered problems

There were three clear areas for improving customer satisfaction: the product offered, meaning the rental vehicle, the matching of marketing and service production, and the continuation of quality throughout the customer's journey. These conclusions were obtained from open survey comments and observation of customer service situations.

Observing the received feedback, the company should focus on the final product, i.e., the rental vehicle, to improve customer satisfaction. In the feedback, individual shortcomings emerged, such as the absence of a desired accessory (e.g., CarPlay), the poor or incomplete condition of the child seats received, or the vehicle did not meet expectations. The deficiencies that the customer encounters may not be due to a genuine lack, but rather to the customer's expectations. As the knowledge gap is identified, the organization must be aware of the customer's needs and capable of meeting those needs with the services and products it provides: if the customer has specific requirements for their rental, they must be acknowledged to avoid deficiency. It is far easier to solve a problem than it is to win someone back after they have already left.

Although the company comprehends what the customer desires, it may be unable to satisfy the needed service production requirements. This was revealed in the feedback, for example, when the customer did not know how to use the car's capabilities and believed that it took too long to address the issue. To avoid a gap between the company and the customer, the company must establish standards and service models for its employees, outlining how they are expected to perform in various situations: the quality of the service cannot decrease even if the customer journey does not go as planned. A critical component of this is assuring the quality of customer service because the quality of customer service degrades when personnel are unaware of what is expected of them and how they should conduct themselves. Often, the most severe difficulties arise during the rental period, for example, if the customer does not know how to operate the vehicle's controls or if the customer encounters a problem during driving (for example, a flat tire), during which the company has limited control over what is done and the progress of the service: the biggest impact is on how the client perceives the rental vehicle, rather than how the company operates.

A gap develops when the customer does not fully comprehend what they are booking, resulting in a reduction in satisfaction because the company provided

insufficient information. The principal is that the company understands what the consumer wants (or learns about it) because it is not the customer's obligation to gather information, but it should be available to them. This is especially important before renting a vehicle when the organization must provide accurate information about its products. This was mentioned multiple times in the feedback, such as when the customer received an automatic vehicle instead of the reserved manual car: the customer is unaware of the parameters under which their reservation can be modified. Even if it is an upgrade to the customer's reservation, the customer may not perceive this as an added value for them: the customer assumes that they will get what they have booked.

According to the comments, an important factor to examine is the company's communication with the customer base, which includes how it advertises and promotes its services. During the booking phase, for example, the customer must be made aware of what they are booking. Several times in the feedback, the customer stated that they received vehicle X despite having reserved vehicle Y, even though they specifically reserved vehicle X: the customer frequently feels that the company is doing incorrect advertising, even though in this case the customer did not understand that they made a reservation for a car class and not for a specific car. Car rental companies typically use an example vehicle model and the additional text "or a similar model" in their reservation machines, which the customer frequently ignores. This creates a gap between the customer and the company: when the customer expects to receive a certain vehicle and does not realize that they have made a reservation for a car class. The customer does not care if they understood the information correctly or not, it is the company's responsibility to produce information that the customer understands.

According to customer feedback, quality was highly acclaimed, but it also caused some customers to have unfavorable feelings. It is critical to maintain the intended level of quality throughout the customer journey and experience and to do it repeatedly. Even if the customer was otherwise delighted with the service's quality, a bad performance in one area may detract from the overall

experience. The company's price-quality ratio and customer service were praised by many customers, but it was also a factor that caused negative feelings. It could be concluded from this that the quality requirement for customer service has not been set for sure and the company's employees are not necessarily fully aware of what is expected of them.

4.3 Mitigation of customer dissatisfaction

Throughout the customer journey, the organization must invest in the required quality. This means that the service quality remains consistent from the first touchpoint to the last, and when they return to the company for their next need. To reduce problems with service quality, the organization should establish explicit service quality expectations for employees and service suppliers and ensure that these requirements are met. Davis underlined that a company cannot influence where the contact occurs but can affect how it occurs: the customer is unconcerned about what transpires in the background of their customer journey; what matters to them is how they perceive the service, and what is the level of their satisfaction, which decides whether the customer will return to the company in the future.

The company provides vehicles based on its assets, but the customer is unconcerned about these resources; instead, they expect to obtain a service that meets their requirements and expectations. The employees must not only be familiar with the available vehicles and their control systems but also be able to guide the consumer through their use. Kotler mentioned that every point of contact between a company and a customer contributes to the overall customer experience. The company must ensure that its employees have adequate comprehensive training and expertise in the equipment. It cannot be assumed that the customer has sufficient expertise to understand how to use these devices: inadequate instructions may significantly diminish customer satisfaction. To circumvent the difficulty, the company could provide a ready-

made guide to the vehicles that the customer could access without advocating the company: in this manner, the presence of the personnel is not required for all guidance, and the consumer receives instructions when needed. It is considerably simpler to resolve an issue than it is to gain someone back after they have already left the company.

The fundament is to consider the situation when the person is not yet a customer of the company: their view matters and can help attract more customers in the future. The primary objective is to get people to interact with the content to ensure they can tell you what they think about the company. In this case, the company's communication must be clear and consistent to guarantee the customer knows what to expect. To avoid a gap between the company and the customer, combining marketing and service products to share information about services accurately is needed. When reserving a vehicle, the consumer must fully comprehend what they are reserving and what the contract entails: if the customer finds it challenging to understand, the experience may be incomplete, leading to lowering satisfaction. To refrain from this, the company's marketing and service production departments must collaborate to ensure that the information is correctly presented to the client and is understandable.

Overall, the company should invest in a customer-focused service that provides consistent quality throughout the customer journey. Customer-centered thinking entails serving in a way that is exactly what the company's customers appreciate and a method that is believed to work, rather than serving in a way that is favorable for the company. As the mitigation of gaps identified, understanding customer needs is not enough if the service process planning concentrates on wrong factors or there are no clear goals, but rather focuses on prioritizing and committing to quality: the company has to have service specification and service production coordination. The most important part of developing professional competence and ensuring service uniformity is full acclimatization for employees of job requirements, as well as ongoing training and assistance for competence growth: Employees must understand what is

expected of different activities and what kind of quality level is expected of various employment tasks.

The company already has a partially developed customer base, and its expertise in these customers adds value to them: the company must invest in this type of interaction with customers because it incurs no additional expenditures for the company but makes the customer feel unique and as they believe they are getting something extra for the same money. When employees receive adequate treatment and are given the proper operating procedures, better customer service is attained since employee well-being affects every customer service situation. Satisfied personnel perform at the required service level, guaranteeing that customers receive the service they anticipate, resulting in customer satisfaction. The gap between the company and customers can be mitigated by improving internal information and effective utilization and tracking of customer feedback. When offering superior customer service, the probability of gaining new customers and retaining existing ones increases significantly: the key is to prioritize employee commitment, and customer satisfaction and level of customer service will improve.

The existing status of customer satisfaction was assessed in the first stage of the analysis (4.1). Based on the data, it was possible to predict that the company's Net Promoter Score and Customer Satisfaction Score were both superb. However, it should be noted that assigning a numerical rating to a service might be problematic, and the results achieved are based on the customer's feelings. The subsection questioned the survey's adequacy in evaluating customer satisfaction: is the number of questions adequate to assess the actual status of customer satisfaction?

The following part (4.2) concentrates on which problems customers have encountered recently with the case company. The most obvious sections were the company's final product, the rental vehicle, the continuous quality of service throughout the customer journey, and the unity of communication and service

production. Based on customer feedback, the chapter concludes that the corporation should invest heavily in the quality of the service it provides to ensure customer satisfaction.

Section 4.3 discussed how the company could mitigate customer dissatisfaction. It is critical to ensure continuous service quality so that the quality remains consistent throughout the journey of the consumer. To be effective, the organization must provide clear instructions and expectations to its employees and ensure that they are followed. Employees of the organization must understand what is expected of them because they serve a vital part in providing the service. Investing in customer-focused activities increases customer service, which leads to increased customer satisfaction.

5 Conclusions and development proposal

Customer satisfaction is defined as the customer’s assessment of quality in terms of their wants and needs. Measuring the level of satisfaction is a requisite segment to invest in since without a customer base, the company’s growth and operating profit will be challenging. The objective of the research was to examine the current state of the case company's customer satisfaction and the areas for development. To perform the analysis, three research questions and a theoretical framework were identified. The theory base was the Gap Model of Service Quality, and the company's Service Blueprint was created, which could be used to diagnose operational efficiency concerns.

The first research question *How satisfied are the case company’s customers currently?* focused on the company's current situation. The research included the results of a customer satisfaction survey, which was measured over six months. The customer satisfaction survey focuses on two metrics: Net Promoter Score (NPS) and Customer Satisfaction Score (CSAT). CSAT assesses short-term satisfaction, while NPS measures customers' propensity to recommend. Every month, the NPS value was greater than 50 points, which is considered a good outcome. Every month, the CSAT value was greater than 85%, implying that a sizable proportion of customers were pleased with the rental vehicle they received. The final section of the survey allows the customer to freely comment. Because the feedback was both positive and negative, it was impossible to determine the level of satisfaction. According to the NPS and CSAT figures, the company's customer satisfaction is satisfactory.

The second research question *Which problems have customers recently encountered with the case company?* analyzed the problems faced by customers. Customers' issues centered on three themes: the end product, marketing and service production coordination, and preserving service quality throughout the customer's journey. Customers' experiences are almost entirely determined by their expectations and assumptions: The deficiencies that the customer encounters may not be due to a genuine lack, but rather to the

customer's expectations. Customers demand consistent service quality throughout the process and the quality of the service cannot decrease even if the customer journey does not go as planned. Customer comprehension may become a problem if the company fails to deliver clear and understandable information to its customers and the customer does not necessarily comprehend what they are booking and how their booking may be modified.

The research's third question *What actions should be taken to mitigate customer dissatisfaction?* focuses on development goals. To attain high levels of customer satisfaction, the company must establish clear operational processes that all employees must adhere to. The service quality must be maintained throughout the customer's journey, and personnel must understand the expectations placed on them. The most important part of developing professional competence and ensuring service uniformity is full acclimatization for employees of job requirements. Customers are not interested in what happens in the production of the service, but the production is the foundation that must be in order so that customers can be served at the required level: the company should invest in a customer-focused service that provides consistent quality throughout the customer journey. The key is to prioritize employee commitment, and customer satisfaction and level of customer service will improve.

In the future, the organization could implement customer satisfaction measurements to have a deeper knowledge of customer satisfaction, because the current method is insufficient for continuous monitoring of customer satisfaction, an updated method for examination and monitoring is required. The company intends to continuously monitor and develop customer satisfaction, based on which the action plan is formed, thus an updated survey or specific surveys would aid in the development of the established operating models. It is impossible to obtain a complete representation of customer satisfaction from a single question because it only focuses on a portion of the customer journey. If the company does not properly assess customer satisfaction, it misses out on the opportunity to identify dissatisfied customers: By recognizing unsatisfied

customers, the company acquires why they are dissatisfied and can solve the issue before they leave.

References

Ahola, H., Koivumäki, T. & Oinas-Kukkonen, H. 2002. Markkinointi, liiketoiminta, digitaalinen media. Vantaa: Sanoma Pro Oy. 34-38.

Ahvenainen, P., Gylling, J.& Leino, S. 2017. Viiden tähden asiakaskokemus. 2nd ed. Helsinki: Kauppakamari.36-40, 44-54, 56-59.

Allen, D.R. 2004. Customer satisfaction research management: A comprehensive guide to integrating customer loyalty and Satisfaction Metrics in the management of complex organizations. Milwaukee: ASQ Quality Press. 4–8.

Armstrong, G. & Kotler, P. 2013. Marketing: An introduction. 11th ed. Boston: Pearson Education Limited. 34–36, 48-51

Baisya, R. Branding in a Competitive Marketplace. New Delhi: SAGE Publications. 28.

Berkovi, J. 2015. Effective client management in professional services how to build successful client relationships. Farnham, Surrey: Gower. 83–86.

Bitner, M.J., Ostrom, A.L. & Morgan, F.N. 2008. Service blueprinting: A practical technique for service innovation. California Management Review. 5–6. Accessed 4 February 2023. https://doi.org/10.2307/41166446.

Bolton, R.N. 2016. Service excellence: Creating customer experiences that build relationships. New York: Business Expert Press. 125–129.

Buttle, F. 2003. Customer Relationship Management. Taylor & Francis Group. 270-273.

Clark, M. & Bryan A. 2013. Customer Effort: Help or Hype? Accessed April 1, 2023. http://assets.henley.ac.uk.s3.amazonaws.com/legacyUploads/8.1-Customer-Effort-Clark-and-Bryan-2013.pdf.

Company Financial Statement. 2023. Accessed January 11, 2023.

Company website. 2023. Accessed: January 11, 2023.

Davis, K. 2011. Slow Down, Sell Faster! HarperCollins Leadership. 40-42.

East, R., Romaniuk, J. & Lomax, W. 2011. The NPS and the ACSI: A Critique and An Alternative Metric. International Journal of Market Research. 327-346.

Encyclopedia of Production and Manufacturing Management. 2023. Accessed 4 February 2023. https://link.springer.com/referenceworkentry/10.1007/1-4020-0612-8_303.

Eräsalo, U. 2011. Palvelu ammattina. Restamark. 17–22.

Gerson, R.F. 1994. Measuring customer satisfaction. London: Kogan Page. 6–8.

Goldstein, S.D. 2010. Superior customer satisfaction and loyalty: Engaging customers to drive performance. Milwaukee, WI: ASQ Quality Press. 26–29.

Goodman, J.A. 2019. Strategic Customer Service: Managing the customer experience to increase positive word of mouth, build loyalty, and maximize profits. New York: AMACOM. 41–44.

Gureja, G. 2013. Organizational Schizophrenia: Impact on Customer Service Quality. New Delhi: SAGE Publications. 179-183.

Hämäläinen, M. & Patjas, L., 2018. Palvelun Taitajaksi. 11th ed. Helsinki: Sanoma Pro Oy.122–147.

Heikkilä, T. 2008. Tilastollinen tutkimus. Helsinki: Edita Prima Oy. 24-29.

Hernon, P., Dugan, R. & Matthews, J. 2014. Getting Started with Evaluation. Chicago: American Library Association. 83-85.

How the net promoter score relates to growth. 2023. Net Promoter System. Bain & Company. Accessed: January 11, 2023. https://www.netpromotersystem.com/about/how-net-promoter-score-relates-to-growth.

Kazemzadeh, Y., Milton, S. K., & Johnson, L. W. 2015. A conceptual comparison of service blueprinting and business process modeling notation (BPMN). Asian Social Science, 11(12), 307-318.

Korkiakoski, K. & Gerdt, B. 2016. Ylivoimainen asiakaskokemus: työkalupakki. Helsinki: Talentum Pro, pp. 125–150.

Kotler, P. & Armstrong, G. 2009. Principles of Marketing, Global Edition. Harlow: Pearson Education Limited. 26-27.

Kotler, P., Bowen, J. & Baloglu, S. 2022. Marketing for hospitality and tourism. Harlow: Pearson Education Limited. 257–266.

Löytänä, J. & Korkiakoski, K. 2014. Asiakkaan aikakausi. Talentum. 133–154.

Mitchell, S., 2017. The Authority Guide to Engaging Your People. Bristol: SRA Books.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L., 1985. A Conceptual Model of Service Quality and Its Implications for Future Research. Journal of Marketing. 41–50. Accessed 13 February. https://doi.org/10.2307/1251430.

Peppers, D. & Rogers, M. 2017. Managing customer experience and relationships: A strategic framework. New Jersey: Wiley. 44–50.

Pride W. & Ferrel, O. 2015. Foundations of Marketing. Boston: Cengage Learning. 135-136.

Proctor, T. Strategic Marketing: An Introduction. London: Taylor & Francis Group. 177-179.

Puusa, A., Reijonen, H., Juuti, P. & Laukkanen, T. 2014. Akatemiasta markkinapaikalle. Helsinki: Talentum Media Oy. 160-169.

Puustinen, P. & Saarijärvi, H., 2017. Strategiana asiakaskokemus. Jyväskylä: Docendo Oy. 229–246.

Reason, B., Løvlie, L. and Flu, M.B. 2016. Service Design for Business: A Practical Guide to optimizing the customer experience. Hoboken, NJ: John Wiley & Sons, Inc. 102–127.

Reinboth, C., 2008. Johda ja kehitä asiakaspalvelua Camilla Reinboth. Helsinki: Tammi.96-109.

Saunders, K.M.N., Philip, L. and Adrian, T. 2021. Research methods for business students. Harlow: Pearson Education Limited. 390–397.

Srivastava, M. 2015. Influencers of Customer Satisfaction – Customer Loyalty Relationship: A Conceptual Research Model. Accessed April 1, 2023. http://www.iimidr.ac.in/wp-content/uploads/Vol7-7-ICS.pdf.

Tracy, B. 2014. Marketing (the Brian Tracy Success Library). Nashville: AMACON. 23-25.

Tuulaniemi, J. 2011. Palvelumuotoilu. Helsinki: Talentum. 212-215

Vilkka, H. 2021. Tutki ja Kehitä. Jyväskylä: PS-Kustannus.

Wirtz, J., & Lovelock, C. 2017. Essentials of Services Marketing. Harlow: Pearson Education Limited. 448-476.