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# Customer satisfaction of Suomen Lähikauppa: a case study of Valintatalo Kivikko

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# Customer satisfaction of Suomen Lähikauppa: a case study of Valintatalo Kivikko

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**Customer Satisfaction of Suomen Lähikauppa**  
Case: Valintatalo Kivikko

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Valintatalo Kivikko, a supermarket in the Suomen Lähikauppa Oy group, commissioned a survey in July 2016 to evaluate customer satisfaction and the expectations of its customers. This thesis seeks to answer two questions namely; 1. What is the current satisfaction level of customers? 2. What are the future expectations and desires of the customers? The results would be used in future to develop areas of customer concerns.

The theoretical section defines customer satisfaction, and describes its importance to companies and ways of measuring it. Satisfaction was studied in relation to product selection and availability, pricing, discounts and offers as well as personnel services.

The survey combines quantitative and qualitative methods to collect data in the form of a self-completed questionnaire. The research targeted all customers visiting the shop during the distribution period on July 29 2016. Respondents were asked to participate voluntarily, those who could not fill in the questionnaire on the spot were free to take it home and return before July 5 2016. A total of 300 questionnaires were distributed with the aim of getting 221; however, only 101 were returned.

The results of the survey were analysed in excel and are presented in the report in the form of graphs and discussion. Based on the literature and survey results, the customers in Valintatalo Kivikko are satisfied with the level of customer service, products variety and availability and pricing. However, recommendations are made based on customer suggestions and hopes for the future.

A further research study is recommended in the future to evaluate the level of customer satisfaction after the store's conversion to K-market.

Keywords: Customer Satisfaction, Grocery Store,

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## 1 Introduction

### Background and purpose of the study

In the recent years, companies have increasingly gained interest in improving customer service and satisfaction. In addition, a lot of publications have analysed the issue together with other topics such as continuous quality improvement and total quality management. A lot of emphasis has been put to giving customers what they want, handling customer complaints, keeping processes in control, conforming to specifications and meeting requirements. However, what counts in the modern world is customer satisfaction, all other things aimed at gaining quality and excelling in service provision are of no importance if no effort is made towards satisfying customers. (Gerson & Machosky 1993)

The case study is Valintatalo Kivikko under Suomen Lähikauppa Ltd a retail chain store in Finland. This thesis seeks to answer two questions namely; 1. What is the current satisfaction level of customers? 2. What are the future expectations and desires of the customers?

For that reason, this research concentrates on giving an understanding of what is customer satisfaction, its importance and measuring it. The literature expands on factors that affect customer satisfaction, the methodology focus on data collection, questionnaire development and sample selection. The data was collected from a sample of 101 customers who visited the store during the time questionnaires were being issued.

Gerson 1993 recognized that in efforts to improve quality of products and services, high service provision and customer retention are as important as satisfaction. However, the order of priority should be decided by the company. He suggests quality and service can be provided when satisfaction and retention are attained. The goal of a company should therefore be producing a satisfied and loyal customer who will stay over time.

Unless quality is demonstrated in ways relevant and noticeable to the customer, internal quality measures are of no importance. This argument roots the whole quality improvement process in customer information and feedback. (Vavra 1997,18)

The report analyses the outcomes of the questionnaire; a conclusion is made based on the research findings and literature.

## 2 Theoretical Background

### 2.1 Customer Satisfaction

“Customer satisfaction can be defined as the customer’s perception that his or her expectations have been met or surpassed.” (Gerson et al, 1993, 5) Customers buy something expecting it to function suitably, if it performs the function intended to, they are satisfied, if it doesn’t, they are dissatisfied. Fazlzadeh, Saheblazamani, Sarabi, (2012, 10) argues that customer satisfaction grows with the evaluation of overall service experience. In the same way, perceived value relates to the value for money that the consumers receive and pay for. It is therefore the seller’s responsibility to identify and solve the issues that may hinder satisfaction.

### 2.2 Importance of customer satisfaction

#### Sales increase

Retail stores are increasingly becoming a major contribution to the economy, furthermore gradually replacing traditional markets has made them essential to households. With the increasing competition in the industry it is important for them to understand and apply customer satisfaction strategies. (Fazlzadeh et al. 2012, 8)

There is a direct relationship between satisfaction, sales, service, and profits. Satisfied customers repeat business often, increase purchase every time and they also make reference to family and friends. Therefore, the more they are satisfied the more they spend and the greater the profits. (Gerson et al. 1993, 5)

#### Customer loyalty

Value that lead to customer loyalty in stores shopping is attributed to various components such as quality, service, variety, nutrition, convenience, freshness, facilities and service quality. Customers loyalty is measured by positive behavioural intentions such as increasing purchases and continuing shopping, while recommending the store depend on product and service quality perception, on the other hand, negative intentions are brought about by complaints and negative word-of-mouth. (Fazlzadeh et al. 2012, 11)

Emotional value is a fundamental determining factor of customer loyalty, Fazlzadeh et al. (2012, 15) advices retailers to combine physical and human resources to create a friendly atmosphere for the customer.

### 2.3 Factors Affecting customer satisfaction in retail store

#### Employees

Customers perceive employees to be the company because they have direct contact with them; if they give good service, the customer perceives the whole company as giving good service and likewise when they give bad service. Competent and qualified employees drive superior customer service and quality performance which result to customer satisfaction and retention. Proper induction should be done to help the new employees understand the company's standards of performance and customer expectations. They should be trained in both their jobs and others; including experiencing being a customer, this allows them to give suggestions to improve customer handling.

Employees should also be empowered to make decisions pertaining satisfying customers independently for example answering to customer questions, complaint or returns. Rewarding the employees and retaining them as long as possible not only saves money for the company but also contribute greatly in customer relationship. (Gerson et al. 1993, 16)

Studies show that service employees with a high level of job satisfaction display a positive emotional attitude and also show contentment with their environment leading to more customer satisfaction. (Netemeyer, Maxham, Lichtenstein, 2010)

Fazlzadeh et al. (2012, 13) suggests some people shop in particular stores to socialize with both fellow shoppers and employees who show courtesy and friendliness. This makes the degree of personal warmth displayed by service employees towards customers relates significant with a positive attribute towards service quality perceptions and customer satisfaction.

#### Store manager performance

Emotional contagion theory whose origin is leadership and social learning theories suggests an individual's or group's mood and influence can be transmitted to others through social interaction consciously or subconsciously. A conscious level is where a receiver searches for emotions and affect as a form of social information, he compares the sender's with his or her affect and then adopts the affect of the sender as an indication for an appropriate behaviour in a given context. In this case, the sender's genuineness of the emotion or behaviour being expressed has the greatest effect on the receiver. (Netemeyer et al. 2010)

A general finding of studies regarding job performance-job satisfaction link in different sectors suggest that does not give a clear indication of the relationship between the two variables. However, Netemeyer et al. (2010) observes that in small stores, managers perform duties that are noticeable to employees such as employee supervision (training, leading, inspiring personnel) merchandising (risk management and inventory display, and floor functions, serving customers and assisting employees serving customers). It follows that the interaction of manager job performance-job satisfaction is positively related to store employee job performance - job

satisfaction. Customer satisfaction arise when the store manager's satisfaction and performance interaction outcomes are extended to employees and later to customers.

## Display

A grocery store is a place of sensory stimuli; a good number of customer purchases are triggered by instore stimuli from vibrant product displays and advertisements. The stimuli act as a reminder of the groceries they need and a trigger of customers' needs and desires provoking others who had no intention to buy a particular set of goods. Fazlzadeh et al. (2012, 14)

There are two critical parts of retail cross-category management strategy (analysis that helps retailers identify the product categories that are likely to be purchased) i.e. display placement strategy (location and proximity) and aisle management strategy.

Display placement of product categories benefits the retailer by increasing sale of the product categories as well as overall store performance. It also offers several benefits to goal-oriented shoppers such as increasing convenience, easing assortment assembly thereby reducing information search difficulties, reducing acquisition efforts, providing in-store cueing of forgotten needs relating to another category and facilitating variety seeking and new product choice. Similarly, aisle placement management mainly represented by aisle adjacency and proximity improves the customer's shopping experience. Retailers understanding of such effects can assist them to better manage the placement of displays of different categories. (2009,100)

## 2.4 Measuring customer satisfaction

Measuring of customer satisfaction was initiated more than five decades ago, ever since, scholars have continued to reason from different perspectives. In an effort to understand the impact of satisfaction on future buying behaviour, Cardozo a marketing academic argued from a social psychology perspective based on Helson's contrast effect and Festinger's cognitive dissonance theory. He argues occurrence of dissonance in purchases of high involvement and large expended effort. He further elaborates the contrast theory to imply that "a customer who receives a product less value than he expected will magnify the difference between the product received and the product expected". (Cardozo 1965, 244) Meaning, if the initial expectations were to change the customer remains free to critically compare the product received with improved choices.

According to Gerson et al. 1993, 6 the critical component in determining whether the company's services and overall performance meet or exceed customer needs is measuring it. In addition, quality and service are what the customer considers to be not what the organization suppose them to be. Vavra (1997, 19) suggests that customers want to feel benefits or solutions to problems.



The key importance of measuring customer satisfaction is to incorporate consumer reactions into the design of the product and services, where consumers can be real and potential users. This communication process helps companies to discover how their products and services perform, what people think about it, why they buy it, why they buy it again, and why others do not buy it. This helps management to anticipate varying demands and requirements and set reasonable production levels as illustrated in the quality spiral figure 1 below. (Vavra 1997,18)

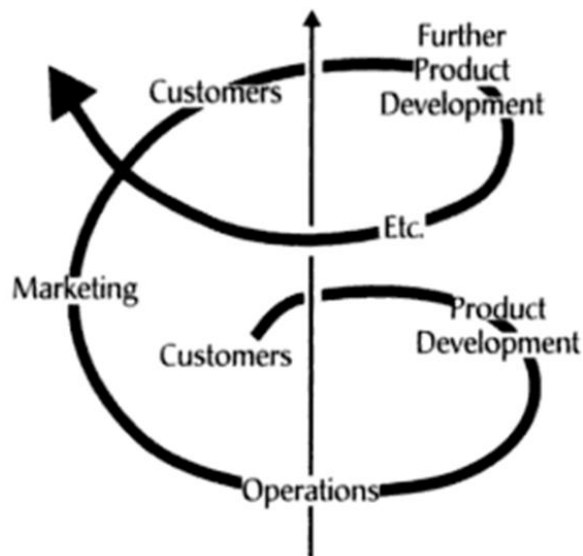


Figure 1: The quality Spiral - Juran 1988. (Adapted from UK Government Department of Trade and Quality)

Since it is easier for customers to move to competitors than wasting time giving negative information, approaching them to give positive and negative feedback on products and services of the company gives them room to air what they would otherwise never say. If the complains are fulfilled quickly, the level of confidence is raised because they experience another service of the company. (Goldstein 2004, 7)

Goldstein (2004,7) further, encourage the strategy of allowing customers to complain and later doing something about it. Figure 2. shows that increasing the number of complainers from 20% to 50% increases retention from 48% to 63%.

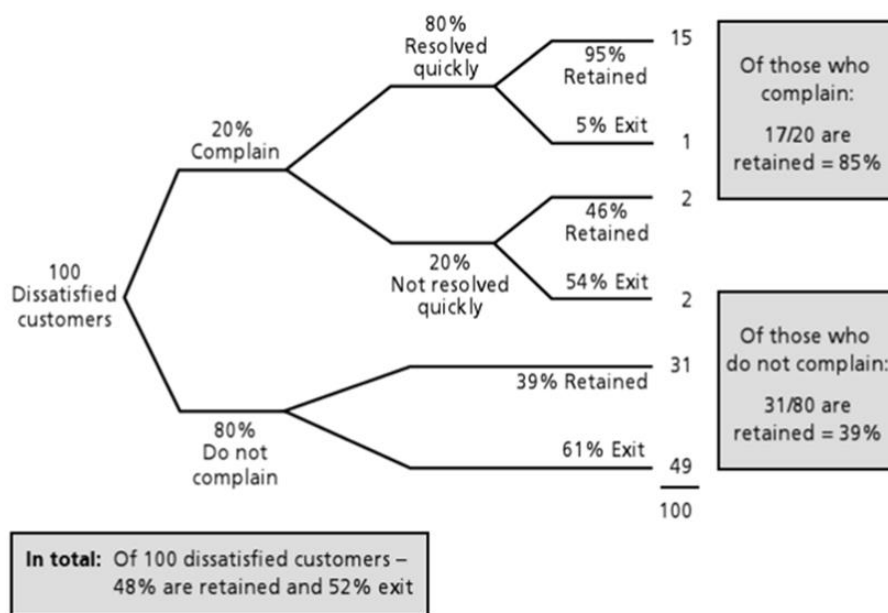


Figure 2: Encourage customers to complain (Goldstein 2009, 7)

## 2.5 Improving customer satisfaction

### Customer relationship

One of the best ways to improve customer satisfaction is building a relationship with the customer. This can be achieved by keeping a close contact in all ways possible for example through publications, phone calls, visits, follow up after purchase, involving them in product and service development groups among others. This connection also aids in continuous research to study the customers' changing needs and expectation. Appreciating and making customers feel important also motivates them to refer more customers to the organization. Satisfied customers are a good source of information on how the company would get better, furthermore they unquestionably see the attempt as continuous quality improvement and feel more valued. (Gerson et al, 1993, 17-18)

Fazlzadeh et al. (2012, 13) suggests that personalized services like recognizing frequent customers or even greeting them by name are also important variables to improve customer satisfaction.

### Complain management

Based on the "behavioural theory of the firm", Honburg C. et al. argue that people are characterized by limited rationality, to make them less rational, they suggest two approaches partic-

ularly applicable to complaint handling namely, organization guidelines and employees training. Companies can influence individual behaviour of employees to act in a certain manner by developing standard operating procedures for specific activities, this relieves individuals from determining each time how it will be done enabling a more rational decision making.

Organizations can also focus on employees to influence organizational behaviour through training, motivating and providing them with shared values and standards. This empowers them to reach decisions that are advantageous to the organization. Role theory supports these two approaches stating that there is need for clarity of performance expectation for customer contact personnel as perceived by managers and customers. Absence of clarity has a negative impact on job performance, research further shows when both operating procedures and a supportive cultural environment are strongly embraced, clarity is high. (Homburg C. & Fürst A, 2005)

Timely solutions to customer complaints is also an important variable. Homburg C. & Fürst A indicate problems can occur between a company and a customer no matter how cautious an organization is in the relationship. However, the way the company responds to the complaints may strengthen or weaken the relationship. Studies also show that proper complaint management can lead to high return on investment, sometimes exceeding 100% moreover, an excellent recovery can increase customer satisfaction and loyalty. (2005)

### 3 Methodology

The goal of any forward-thinking organization is continuous improvement, this can be achieved through growth of product lines, expansion of customer base, productivity optimization, cost reduction among others. Similarly, companies should aim at improving the value proposition they deliver to the customers in areas such as product/service, prices, conveyance, inventory management, product specifications, design support and warranty. However, it poses a challenge because of the complexity of the relationship with the customer, they all have different level of importance to all the value proposition attributes. Conducting a detailed survey helps organizations to know their customers well individually as well as their special needs. The results can later be used to address the individual needs. (Goldstein 2004, 2)

Goldstein (2009, 6) indicates there are many ways companies accumulate customers' data for instance, mailing questionnaires, store interception methods, focusing on small groups among others. This report concentrates on survey in form of a self-completed questionnaire because it incorporates metric responses (quantitative data) as well as open-ended questions (qualitative data).

### 3.1 Collecting primary Data

Interviews are among the best methods to collect respondents' behaviours; Saunders et al. (2016) however adds that questionnaires if planned properly can also be used to collect three types of data variables namely; behaviour, opinion and attribute. While opinion variables seek what respondents think or believe is true or false in other words their feelings of something, behaviour and attribute record concrete experiences of past, present and future deeds. In addition, attributes such as gender, marital status, age, income and education level unlock the differences between respondents because they possess them.

### 3.2 Data

The primary data in this report is collected using questionnaires, which according to Saunders, Lewis, Thornhill (2016, 437, 440) is a method of data collection in which each person is asked to respond to the same set of questions in a predetermined order. Within the survey strategy, it is the most widely used method mainly because of its efficiency in collecting data from a large sample, it gives room for both short and long set of questions. Unlike face to face or phone interviews, respondents are also not likely to answer to please the researcher therefore their responses are not biased.

However, questionnaires have their shortcomings, for instance the response rate, reliability and validity of the data is affected by the design of the questionnaire. Secondly, collecting additional data from respondents may be a challenge leaving the interviewer with only one chance to collect the data. Moreover, they do not work best with investigative or many open-ended questions, self-completed questionnaires particularly pose a greater challenge of responses in lowering the reliability because the intended respondent may not personally complete it, others may guess the answers due to insufficient knowledge of experience and others may further contaminate the response by conversing with family members or friends. (Saunders et al. 2016, 439 - 440)

### 3.3 Sample type and size

Sample size for this study is two hundred and twenty-one which is taken from a population of three hundred and fifty, nearly half of the average daily customer visits. Respondents are taken to be all the customers visiting the store at the time of issuing of the questionnaires on Friday 29<sup>th</sup> July 2016. The customers are voluntarily requested to participate in the survey.

### 3.4 Marginal Error

Statistical validity is determined by the level of customer participation and the type of survey conducted. (Goldstein 2009, 6) Other factors are sample size, percentage of responses and

population size. The larger the sample size the closer the answers reflect the population, however, the relationship is not linear. Probability deems population size irrelevant for large and unknown population sizes, it is only important for small and known groups that exceed the sample by a small percentage. (Survey systems, 2012)

In this case the level of certainty mainly referred to as Confidence level is taken to be 95% while as the marginal error is 4.

### 3.5 Questionnaire questions

The questionnaire attachment no. 1 is designed in English and translated in Finnish language (attachment no. 2) since many participants are native Finnish speakers, the two versions are used in the implementation for the study and international participants.

The questionnaire begins with a short paragraph explaining the purpose of the survey and importance of customers' participation. In addition, two posters are placed in the shop to attract the customers' attention on the on-going survey.

The first seven questions are designed as category questions where the respondents' answer fits only one category. There is however an exception for questions two and seven regarding profession and loyalty cards respectively where they are considered as list questions if there is more than one category.

Question 8 is a ranking question where the respondent rank things in order of importance while Question 9 (I feel the personnel are) is also a rating question to collect opinion in the categories of Agree, slightly agree, do not agree at all, to help the respondents understanding they are also explained in a scale of 1 to 3 simultaneously. Question 10 measures respondents' opinion and also gives an insight of the previous questions. The last two questions are designed as open questions to allow respondents to give their opinion without limitations.

## 4 Findings

One hundred and one responded to the questionnaire making it 45.7% of the targeted sample. This section further gives the results of the survey in the order of the questionnaire, closed questions are analyzed in excel and illustrations presented in the text while open questions responses are compiled in a (word format attachment III) and discussed in findings as well.

### 4.1 Gender

The majority of participants are female a total of 72 accounting for 71%, with male participation of 28 at 27% and 1 other gender at 1%.

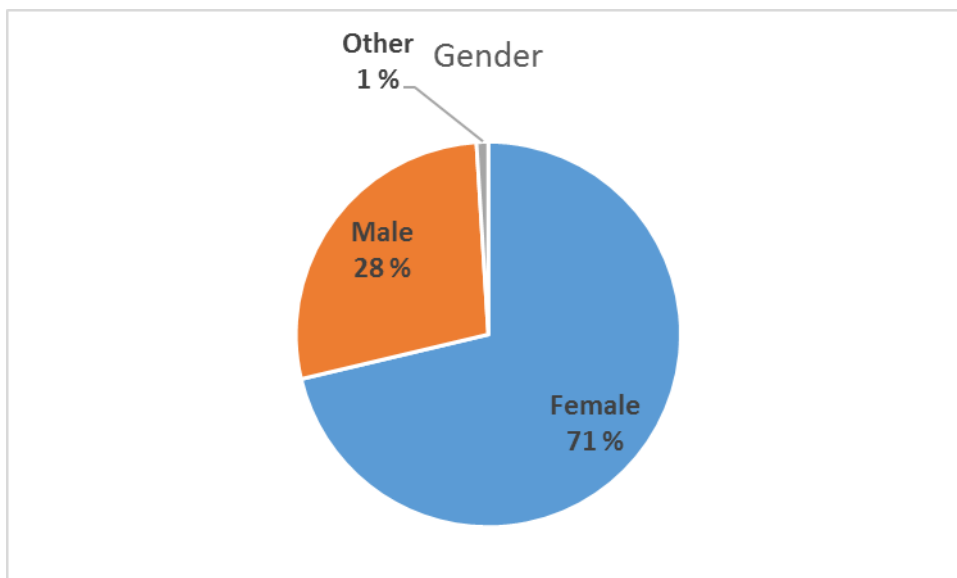


Table 1: Number of Respondents by Gender.

#### 4.2 Living status

The section seeks an understanding of the living status of the respondents which may affect their personal behavior. The categories given are living alone, with boy/girlfriend, with friends, with spouse, with spouse and children. The results show a total of 36 participants living alone, 24 with spouses, 22 with spouses and children, 7 with boy/girlfriend, 4 with friends, 2 with parents and an additional category of 1 alone with a child.

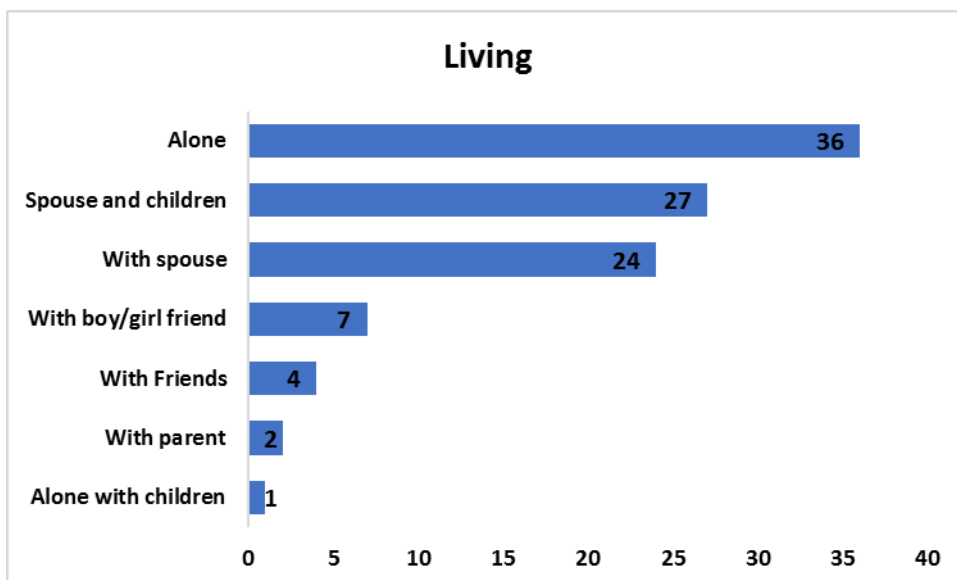


Table 2: Participants by living.

### 4.3 Age

The respondents age is grouped in 9 categories as follows; under 18, 19 - 25, 26 - 35, 46 - 55, 56 - 65, 66 - 75 and over 86 years. There is one respondent under 18, groups 26 - 35 and 46 - 55 are the majority with each having a count of 22. Groups 19 - 25 and 66 - 75 also have the same count of 15 each, 19 - 25 were 15, 56 - 65 were 12, 46 - 55 were 11 and 76 - 85 is 3. The mean age is 40.54 years.

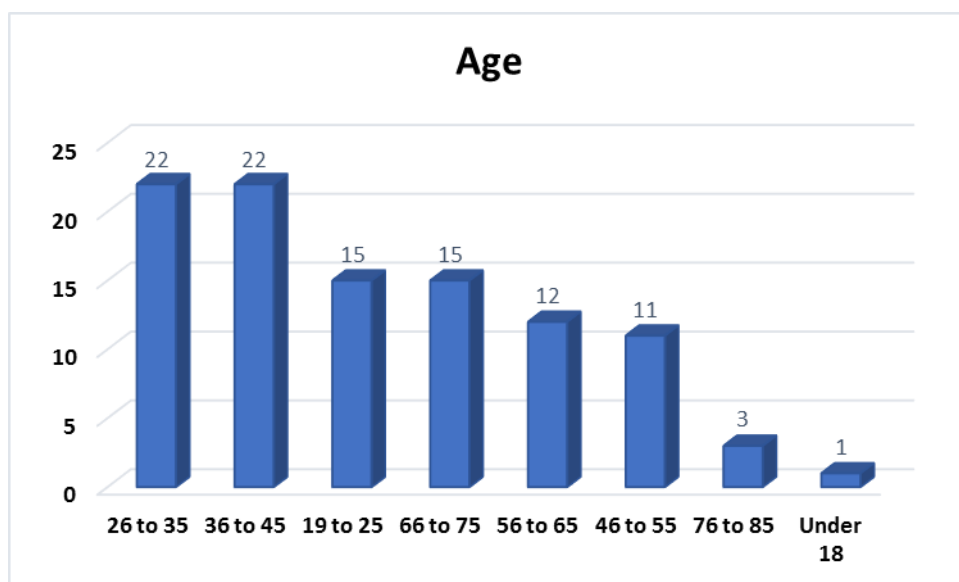


Table 3: Number of participants by age.

### 4.4 Distance from the Shop

This section is grouped into four categories as follows; living under 500 meters, 0.5 - 1 km, 1.1 - 1.5 km, 1.6 - 2.0 km, 2.1 - 3.0 km and beyond 3.1 kilometers. Table 4 show close to 60% of the participants live under half a kilometer from the shop, followed by 23% who live 0.5 to 1 away from the shop. 5% of respondents live over 3.1 km away 3% live 1.6 to 2.0 Km away, 25 live 1.1 to 1.5 while 1% live 2.1 to 3 Km away.

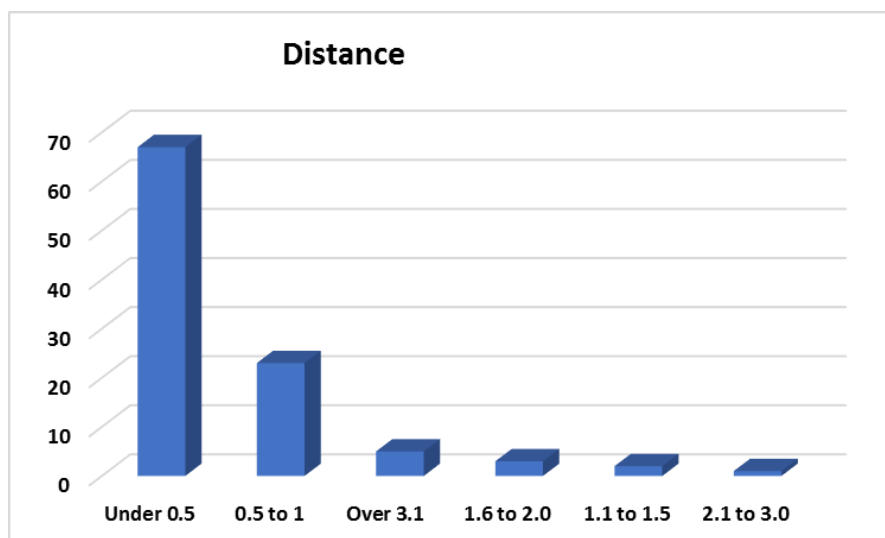


Table 4: Distance from the shop.

#### 4.5 Frequency visits

To gather data on frequency in visits to the store, the question was given 5 categories as follows; once a week, two or more times a week, once a month, twice a month and first time visit. Table 5 illustrates 72 participants visit 2 to 3 times a week, 13 visit twice a month, 12 visit once a week, 3 once a month and 1 twice a week.

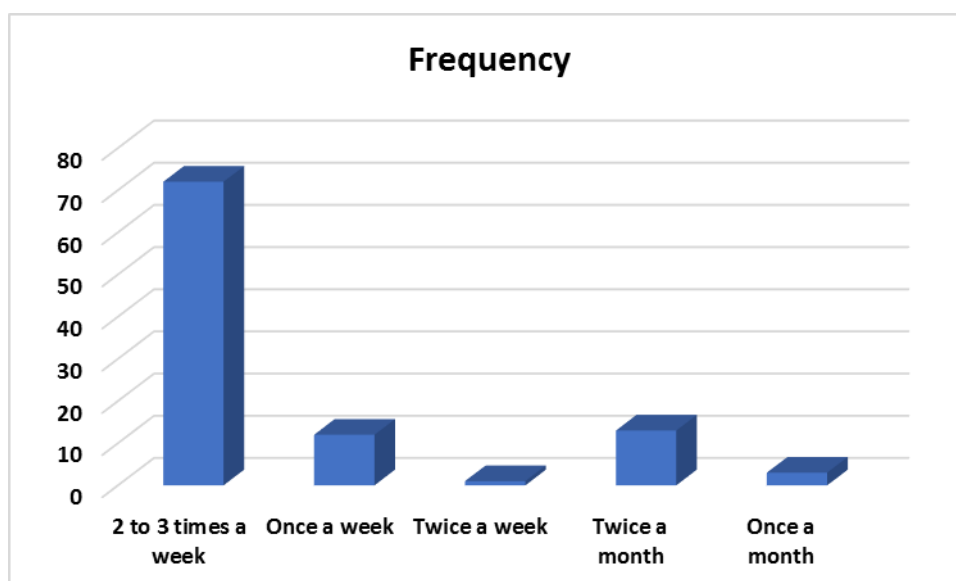


Table 5: Frequency in shop visits.

#### 4.6 Loyalty Cards

The question sort to enquire which grocery store cards customers have, categories were the common once namely K - plus card used in Kesko chain stores, S - group card used in the S group chain and Pins card used in Suomen lähikauppa and other members. The results show 41% of



the participants poses all the cards meaning they are customers in all the major chains in Finland.

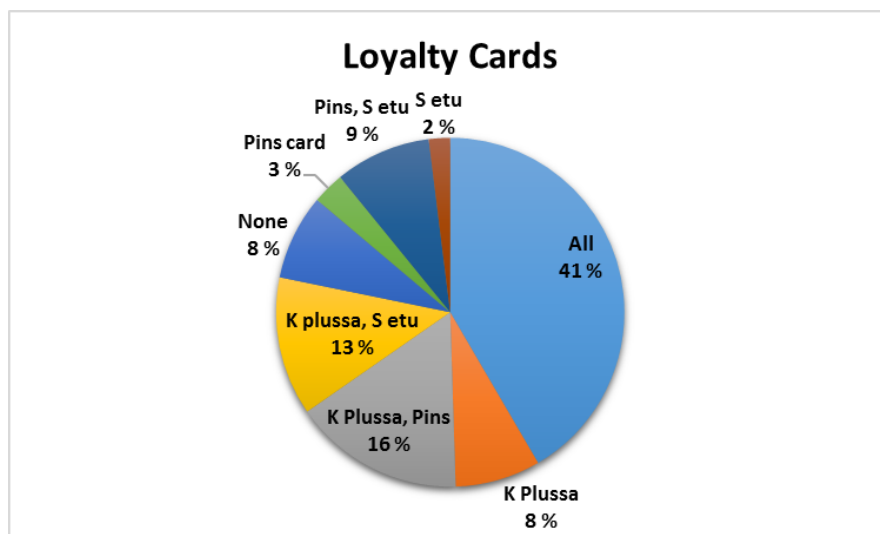


Table 6: Distribution of major grocery stores' loyalty cards among respondents

#### 4.7 Factors considered when shopping.

Respondents are asked to give their opinion on the factors they consider important while shopping or when selecting the shop to go to. The categories given are Display, Price and closeness to home. The outcome is as follows; display is rated almost neutral with 52 saying very important, 39 slightly important and 10 not important. Price and closeness to home are rated on the same level both very important at 78, not important at 2 and slightly important at 20 and 18 respectively.



Table 7: Important factors to customers while shopping.

#### 4.8 Personnel

Here customers tell their opinion regarding employees in categories Helpful, knowledgeable (in general in their work) and the ability to answer to customers' needs as shown in table 8. The values are scaled between three and one representing agree, slightly agree and agree respectively. The results show majority of respondents agreeing to all the categories 79 agreed the employees are helpful, 18 are in the middle while 2 completely disagree. 70 are of the opinion employees answer to their needs, 28 pose a neutral opinion while 1 completely disagree. 67 agree employees are knowledgeable, 28 agree slightly and only 1 disagree.

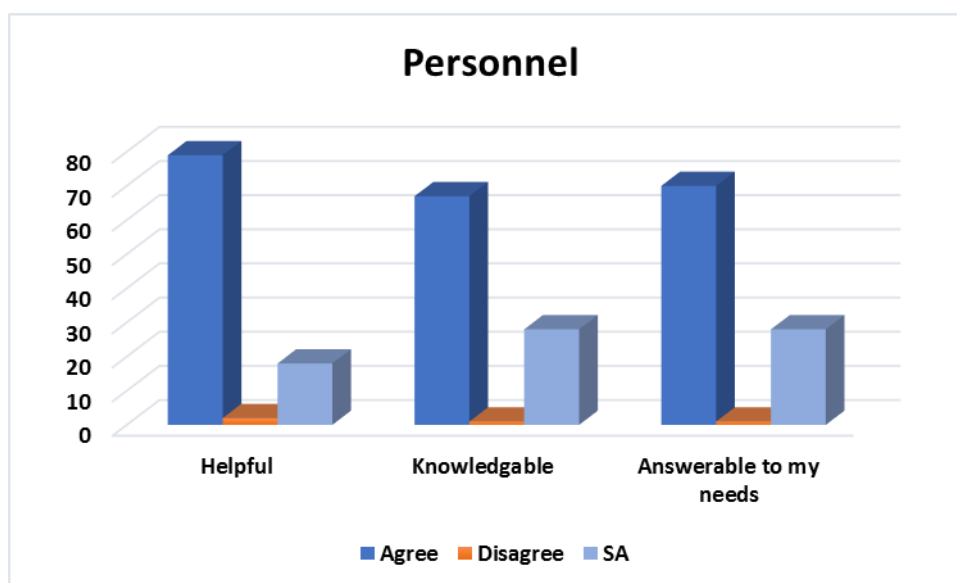


Table 8: Customer satisfaction on Personnel.

#### 4.9 Products and open questions

Respondents rating on products is in five categories namely; variety, price, availability, price tags and discounts & offers as illustrated in table 9 below. Price tags are rated highest with 58 very satisfied, 35 in the middle and 4 dissatisfied. Availability is rated by 31 satisfied, 52 unsatisfied and 13 dissatisfied. Discounts and offers follow with 27 satisfied, 52 are neutral and 18 dissatisfied. Customers emerge slightly satisfied with variety at 57, 19 very satisfied and 22 dissatisfied. Price is where most seem to be unsatisfied emerging at 34, 48 slightly satisfied and 14 very satisfied. 74% responded to the open question and 10% had additional comments on the last question.

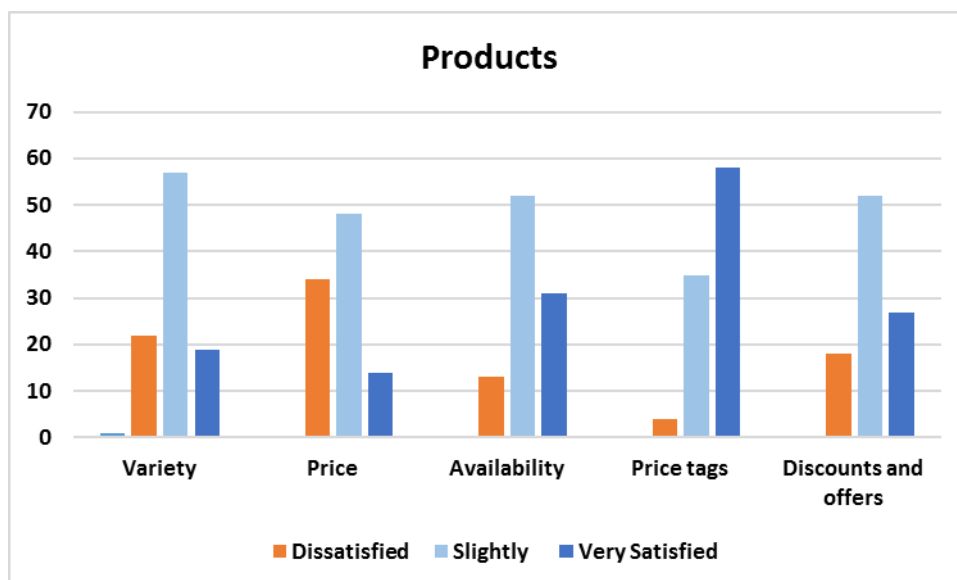


Table 9: Customer product satisfaction.

## 5 Analysis

### 5.1 Inferential statistics

Further interpretations about the findings are made using inferential statistics to find out if there is a likelihood of the findings being results of random chance. Inferential statistics is carried out in tests namely parametric and non - parametric tests. (Gordon R. 2007 70,71) This thesis will use t-test and chi-test which fall under the non - parametric tests statistics.

These tests give an allowance of making inferences about the population beyond the sample data to the future. Even though descriptive statistics has been used in the case study findings to analyze the data, several questions could be raised. For instance;

1. Is the mean satisfaction level of male and female different?
2. What is likely to be the largest customer group in the future?

T - test measures the difference between the groups and compares to the difference within the groups illustrated in the formula below.

## Formula:

$$t = \frac{(\bar{x}_1 - \bar{x}_2) - (\mu_1 - \mu_2)}{S_{\bar{x}_1 - \bar{x}_2}}$$

The t value is a ratio between these two numbers, each t-value has a p-value (probability). P-value is the probability that the pattern of data in the sample could be produced by random data. For both t-test and chi square tests, any p-value below .05 is considered statistically valuable which means there is a 5% chance there is no difference between the expected and actual data. Similarly, above .05 is not statistically viable. The sample size determines the exact p value associated with the t value, therefore, the higher the sample the higher the statistical power.

Descriptive data shows people living alone are the highest group of customers followed by families (living with spouse and children). An independent t-test is carried out to determine if people who live alone are likely to be the largest customer group in the future. For the calculations, people living alone are grouped as A and compared to people living with spouse and children grouped as B. The test's results show a p-value of 0.06 which is above the cut line of 0.05, this means that there could be a difference of 6% in the future data, hence the hypothesis is nullified.

Chi square is used to analyze if the mean satisfaction level of male and female is different. This will determine whether a future study would show the female participants are more than male participants. Below is chi square formula.

$$\chi_c^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Results show the p-value to be 0.97 that is 97% meaning there is not enough evidence that males and females satisfaction level is different, hence the hypothesis is rejected. The table illustrates how chi square excel calculation.

|                    | Male | Female | Total | No hypothesis |
|--------------------|------|--------|-------|---------------|
| Dissatisfied       | 3    | 8      | 11    | 0,108910891   |
| Slightly Satisfied | 6    | 16     | 22    | 0,217821782   |
| Satisfied          | 20   | 48     | 68    | 0,673267327   |
| Total              | 29   | 72     | 101   |               |

Data expected if no relationship/diff between male and female satisfaction level

|   |          |             |
|---|----------|-------------|
| n | 3,158416 | 7,841584158 |
|   | 6,316832 | 15,68316832 |
|   | 19,52475 | 48,47524752 |

Chi square test 0,975473

Table 10: Excel Chi square test

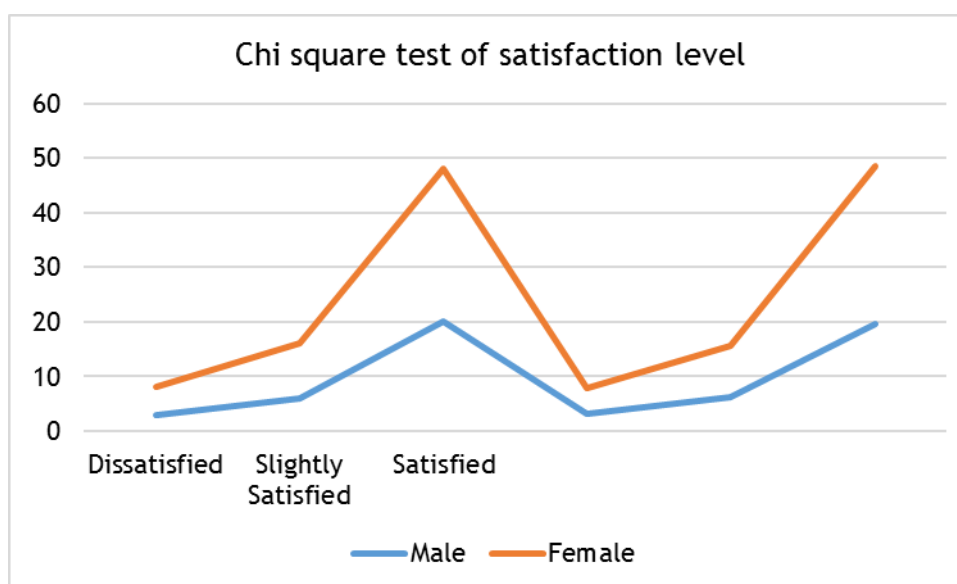


Table 11: Chi square test of male and female satisfaction level

## 5.2 General Participation

The survey was conducted during the holiday season a time when most Helsinki residents travel to summer cottages and abroad. This could have adversely affected the population in the shop. There were also first time visitors who did not find it necessary to participate.

There were no incentives given on this survey, considering the level of participation and particularly answers to open questions shows the participants are customers who are loyal and

want to contribute to the betterment of a company they associate with. The survey also had a high participation rate compared to previous surveys in the store. Usually incentives are given to motivate and increase participation, however Sanders (442) observes this also contaminates data because of attracting participants who have insufficient knowledge of the subject.

### 5.3 Relationship in variables

#### Frequency of Store visits

Respondents living alone constitute 37% the highest being pensioners between the age of 56 and 75 followed by working class and students respectively. This group also live under 1Km from the store, in addition, 30% have K plus card which is an indication that they are also prospects of the shop when it starts operating as K - Market. This customer segment may be looking for emotional and monetary value in their visits to the store. Fazlzadeh et al. advice retailers to create a friendly atmosphere for the customers using physical and human resources. Many respondents who answered to the open questions indicated that the area lives pensioners and low income earners, they hoped for better prices and more discounts. With the retail market becoming more competitive, it's important for the store to combine pricing and friendliness to give their customers value for money.

#### Variety of Products selection

Respondents living with spouse/spouse and children were the second largest group, this is an indication there are a lot of families living in the area. Their response to open questions highlighted three things i.e. a wide selection of goods, pirikka products (goods manufactured by Kesko group usually cheaper and have similar nutritional content to other alternatives) good prices and discounts. 14% hoped for fresh vegetables, fruits and fish. Similarly, the management should consider the prices and increase the product variety.

#### Accessibility

People living close to the store seem to be frequent customers, 70% of participants visiting 2 to 3 times a week live under 0.5Km. Proximity of the store is key as explained by Fazlzadeh et al. observation that, purchase associated costs like transport and time spent are reduced by the store's closeness to home.

#### Quality and additional services

99% agree that employees are helpful, knowledgeable and answerable to their needs, in fact several hoped for retention of current employees after the conversion. However, respondents

felt that managers needed to be more interactive. Netemeyer et al. (2010) notes that a person in higher authority is more likely to influence the mood of others through social interactions. Basically, emotional contagion theory in small work groups like Valintatalo emphasizes the visibility of the store manager to the subordinate and customers; customers may recognize the manager through the name tag or manner in which he or she presents herself. Knowing the person assisting them is the manager may have stronger effects on customer satisfaction compared to when an employee is assisting them. They are likely to assume that managers have more experience, knowledge and status thereby having a positive effect on satisfaction and sense of importance.

Additional services constitute an important part of the customer journey, respondents raised the need for some chairs or a bench especially for seniors who contribute a high customer margin. They were also concerned about untidiness of the store's front yard which also serves as the parking slot.

## 6 Discussion and Conclusion

The customer satisfaction survey has shown satisfaction of customers' in personnel, product variety and availability, discounts and offers as well as price. Over 50% of the respondents are slightly satisfied with product variety and availability together with discounts and offers. 48% are slightly satisfied with price, 79% agree personnel are helpful, close to 60% are satisfied with the price tags. Based on a confidence level of 4, it is evident customers are satisfied.

The working population is around 50% of respondents, on the other hand 38% are pensioners and parents on child care leave. There is a probability that this figure is low because pensioners may not have participated fully due to health issues. People with children may not have coped with the questionnaire alongside their children, therefore people staying at home population could be higher. It is also clear that there are families living in the area, 47% of respondents would be said to be in a family while 36% live alone. Responses to open questions are very informative on customers' current satisfaction and future opinions.

This study helps in pinpointing important areas from the customer's perspective, the management therefore need to consider the impact of these factors in customer satisfaction. It is important for the store to focus effective strategies such as customer interactions, marketing and product variety around these customer groups.

Finally, customers have demonstrated a positive attitude on personnel services and have a positive impact on customer satisfaction. Stores' closeness to home is a determinant factor therefore clients living close to the store are regular customers. The existence of a positive

relationship between customers' expectations while shopping i.e. display, price and convenience and the outcome of product satisfaction in variety, availability, price tags and price is evident.

#### Limitations of the Study

Though the customer visits had remained the same during the survey execution, regular customers who would have participated more on the survey were replaced by passerby's and visitors. The timing of the survey was therefore affected by summer holidays. The questionnaires were issued at the one cashier point; this did not give enough space and time for interaction with the customer to motivate their participation, especially busy customers.

Squeezing questionnaire content to make it shorter and translation from English to Finnish language may have led to respondents not understanding the question, evident from two participants who put question marks on the questionnaire. Following the misunderstanding, unmarked spaces on some variables may have affected the results.

#### Recommendation

A further research is needed in future to evaluate the change in customer satisfaction following the store acquisition. Other survey methods like observation and interviews using a combination of variables in this survey and others could be used.



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Appendix 1: Questionnaire in English.

Dear customer,

Valintatalo Kivikko will start operating as K - Market in August. To help us serve you better, this questionnaire is part of a research project to understand customer's views about current products and services as well as expectations of the future. Your responses are important to help us obtain a full understanding as possible to serve you better.

I am a

- Female  Male

I am

- at work  
 a student  
 a pensioner  
 on child care leave  
 unemployed  
 other.....

My age is

- under 18     19 - 25     26 - 35     36 - 45     46 - 55  
 56 - 65     66 - 75     76 - 85     Over 86 years

I live

- Alone  
 Boy/girlfriend  
 With friends  
 with spouse,  
 with spouse and children

I live ..... (away from the shop)

- under 500 meters     0.5 - 1 km     1.1 - 1.5 km     1.6 - 2.0 km  
 2.1 - 3.0 km     Beyond 3.1 kilometres

I visit this shop

- Once a week  
 Two or more times a week  
 Once a month  
 Twice a month  
 It's my first time

I have

- K - plus Card  
 Pins Card  
 S - group card

Please choose the factors that best describe your opinion.

|                        | Very important | Slightly important | Not important at all |
|------------------------|----------------|--------------------|----------------------|
| Display                | 3              | 2                  | 1                    |
| Closeness to home      | 3              | 2                  | 1                    |
| Price                  | 3              | 2                  | 1                    |
| Responsive to my needs | 3              | 2                  | 1                    |

I feel the personnel are (please choose the appropriate box)

|                           | Agree | Slightly agree | Not at all |
|---------------------------|-------|----------------|------------|
| Helpful                   | 3     | 2              | 1          |
| Knowledgeable             | 3     | 2              | 1          |
| Responsive to my requests | 3     | 2              | 1          |

When Valintatalo starts operations as K-Market I hope

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Others issues please comment here

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Thank you for answering the questions.

Please return the questionnaire in the return box near the cashier.

You could also take it home with you and return by 5th August 2016

## Appendix 2: Questionnaire in Finnish

**Arvoisa asiakas,**

Valintatalo Kivikko konvertoituu elokuussa K-Marketiksi. Jotta voisimme palvella teitä vieläkin **paremmin**, olemme tehneet tämän kyselyn osana tutkimusprojektia ymmärtääksemme enemmän nykyisistä tuotteistamme ja palveluistamme asiakkaan näkökulmasta. Teidän vastauksenne ovat tärkeitä meille, koska haluamme ymmärtää Teidän halunne ja tarpeenne täysin palvellaksemme teitä tasolla, jonka Te asiakkainamme ansaitsette.

**Olen**

- Nainen  Mies

**Olen**

- Työssä  Opiskelija  
 Eläkeläinen  Äitiyslomalla  
 Työtön  Muu.....

- Alle 18  19 - 25  26 - 35  36 - 45  46 - 55  
 56 - 65  66 - 75  76 - 85  Yli 86 Vuotta

**Asun**

- Yksin  
 Poika/tyttö -ystävän kanssa  
 Kavereiden kanssa  
 Kumppanin kanssa  
 Kumppanin ja lasten kanssa

**Asun ..... Km päässä kaupasta**

- Alle 500 metriä  0.5 - 1 km  1.1 - 1.5 km  1.6 - 2.0 km  2.1 - 3.0 km  Yli 3.1 kilometriä

**Kuinka usein asioitte Kivikko Valintatalossa**

- Kerran viikossa  
 2 - 3 kertaa viikossa  
 Pari kertaa kuussa  
 Kerran kuussa  
 Ensimmäistä kertaa nyt

**Minulla on**

- K - plussa-kortti  
 Pins kortti  
 S - etukortti

**Ole hyvä ja laita rasti siihen ruutun joka parhaiten kuvaa sinua.**

|                       | Erittäin tärkeä | Melko tärkeä | Ei lainkaan tärkeä |
|-----------------------|-----------------|--------------|--------------------|
| Tuotteiden esillepano | 3               | 2            | 1                  |
| Läheinen sijainti     | 3               | 2            | 1                  |
| Hinta                 | 3               | 2            | 1                  |

**Henkilökunnan osaamisen taso**

|                      | Samaa mieltä | Osittain samaa mieltä | Täysin eri mieltä |
|----------------------|--------------|-----------------------|-------------------|
| Avulias              | 3            | 2                     | 1                 |
| Hyvä tuotetietoisuus | 3            | 2                     | 1                 |
| Ammattitaitoinen     | 3            | 2                     | 1                 |
| Vastaa tarpeitani    | 3            | 2                     | 1                 |

**Tuotteet**

|                          | Erittäin tyytyväinen | Tyytyväinen | En ole tyytyväinen |
|--------------------------|----------------------|-------------|--------------------|
| Valikoima                | 3                    | 2           | 1                  |
| Hinta                    | 3                    | 2           | 1                  |
| Saatavuus                | 3                    | 2           | 1                  |
| Selkeät hintalaput       | 3                    | 2           | 1                  |
| Tarjoukset ja alennukset | 3                    | 2           | 1                  |

**Kun Valintatalo Kivikko Vaihtuu K-kaupaksi minä odotan kaupalta...**

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**Jos sinulla on vielä muuta lisättävää/kommentoitavaa, kirjoita se alla olevaan ruutuun, kiitos.**

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**Kiitos, kun vastasit kaikkiin yllä oleviin kysymyksiin.**

**Palautathan täyttämäsi kyselyn kassan lähettyvillä olevaan palautuslaatikkoon.**

**Voit myös viedä kyselyn kotiisi ja täyttää sen kaikessa rauhassa, mutta palautathan sen kuitenkin viimeistään 5.8.2016.**



## Appendix 3: Summary of open questions

| Open Comments on future  | Fre-<br>quency |
|--|----------------|
| The Store will be similar to all other K - market shops                                    | 1              |
| A lot of Plus bonuses and discounts<br>Discount shelves 2                                  | 21             |
| Pirkka and K Menu Products   | 5              |
| Larger product variety   | 38             |
| Fish (2) and meat, (2)   |                |
| Vegetarian   | 1              |
| New products   | 2              |
| Organic  | 8              |
| Lactose free   | 1              |
| Libero dippers   | 1              |
| Spices; Fresh ginger, coriander  | 1              |
| Un spiced "products"   | 1              |
| Gluten free  | 1              |
| Beans  | 1              |
| Greens (vegetables)  | 2              |
| Better ready to eat foods  | 2              |
| Beer   | 1              |
| Ice cream  | 1              |
| More foods (international), less snacks  | 1              |
| Gifts  | 1              |
| Fresh bread and pastry   | 2              |
| Mutti/cirio, mutti dececco   | 3              |
| Buffalo mozzarella   | 2              |
| mutti tomato puree   | 1              |
| Fair prices  | 21             |
| Good in general  | 3              |
| Bench or Chair   | 3              |
| Other facilities:  |                |
| Otto   | 2              |
| Cafeteria  | 2              |
| Good service   | 7              |
| Seasonal local products (foods and drinks)   | 4              |
| More fruits (4)  |                |
| Berries sale (1) (own stand outside the shop)  |                |
| Competitiveness  | 1              |
| Same personnel   | 5              |
| K - plus magazine availability at the cashier  | 1              |
| Availability of general products<br>Ilta sanomat, cigarettes                               | 3              |
| Attention to details of staff; return bottle sale receipt has been forgotten twice.        | 1              |
| Questions: What loyalty card will continue?<br>what will happen with the accumulated pins? |                |