

Customer satisfaction impact on customer loyalty at small independent restaurants in Helsinki

Anh To



Author(s) Anh, To	
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<p>In the hospitality industry, customer satisfaction along with customer expectations are going to be exceeded but still need being guaranteed. The competitiveness is stronger than ever in the market and customer satisfaction along with customer loyalty has never been out of date to focus.</p> <p>This research paper intends to understand the level of customer satisfaction impact on customer loyalty, repurchase and retention in the restaurant industry. The objectives of the study are to determine the impact of customer satisfaction to which extent on customer loyalty and if it leads to short or long – term financial impact, whether the case company meets their customer satisfaction and suggestions for maintain and improve the customer relationships that the case company Kin Sushi Helsinki is experiencing. Kin is a small sushi buffet restaurant in the heart of Helsinki, that has two floors with the capacity is up to 100 people established in fall of 2013, following the great success of Kin Sushi Järvenpää.</p> <p>In addition, some of the most primary theories such as service quality determinants, service gaps and SERVQUAL instruments have been included to understand the perspective of service quality more deeply. Other aspects of customer such as customer loyalty and satisfaction, customer experience and engagement concept in the service industry was also identified with key qualities as a basis of this research.</p> <p>Quantitative research method was chosen to study customer experiences, behavior and satisfaction at Kin. The survey questionnaires were designed based on the service quality framework and customer relationships theory. All together 126 respondents were received at Kin Sushi Helsinki in Mid – May 2018. The surveys were conducted within two weeks during the normal opening hour of the restaurant.</p> <p>The results show that Kin is performing a high quality of service and product, which consequent in the high level of satisfied customer. Respondents affirmed that service quality and high product quality is the key factor in choosing restaurant. In addition, more than half of the respondents would recommend Kin to others and interest in subscribing to a customer reward program, which indicates there is customer loyalty existence at Kin Sushi.</p> <p>The thesis project started in the beginning of March 2018 and ended in the beginning of autumn August 2018.</p>	
Keywords service quality, customer satisfaction, customer loyalty, customer relationship management, restaurant industry.	

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1 Introduction

There are many businesses in the service sector are in competition nowadays, especially food and beverage industry. They are now more focused on attracting new customers as well as invest considerable resources in the process. Therefore, consumer loyalty has been the focus in research of interest to both academics and entrepreneurs, which allow loyalty to existing customers. Improving the loyalty of customer consuming behavior in Helsinki, which is to manage to boost sales, maintain existing customers and increase new customers have been always the author's interest and concern.

The restaurant industry has become one of the most profitable industries in the world. International and local restaurant chains are satisfying the demand of customers in variety of range of products and services. The ready to eat segment has given a new dimension to the industry so that fast food restaurants such as McDonal's, Subway and Hesburger are taking very good business in most of the part of world as well as not only in big cities but also in each suburbs of Finland and they are spreading their branches successfully.

Generally, this is the era of globalization and due to advancement of media world is shrinking in terms of culture and habits, eating patterns and life style are also being changed gradually among all over the world, hence, there has been such a huge spread of restaurant industry in the world and in Helsinki also to meet the population's requests. Therefore, to survive and thrive in such competitive restaurant industry, customer satisfaction and customer loyalty is the determinant factor of success for any products or services.

Kin Sushi Helsinki is a sushi buffet restaurant established in fall of 2013, following the great success of Kin Sushi Järvenpää. Located just the opposite with Stockmann's corner, in the heart of Helsinki. The restaurant has two floors and the capacity is up to 100 people. Local customers are mainly office workers and seasonal tourists. Since there are many new restaurants established and carrying the same concept as Kin - a sushi buffet, the competition about brand, quality and price is more difficult than ever. Customers now have many choices over one restaurant not to mention customer expectation is growing higher also.

1.1 Research problem

Loyal customers along with customer retention are key issue as the restaurant industry is getting more competitive. In fact, it is cheaper to retain customers than to find new one. Therefore, the purpose of this study is to determine the level of customer satisfaction and customer loyalty in restaurant industry in order to improve the selling service along with the product at the restaurant promptly. For this the author studied the behavior of customers at Kin Sushi in Helsinki city and strategies for increasing customer retention and loyalty will be recommended as solutions for the case company.

1.2 Research objectives

The objective of this thesis is to examine the impact of the customer satisfaction on the development of customer loyalty in the restaurant industry. The present study seeks to replicate the positive impact of customer satisfaction on repeat purchase, behavioral loyalty and retention. The author also expects to confirm the impact of customer satisfaction on other measurements such as profitability, sales, frequency of visit and intentions to re-visit.

A comprehensive knowledge of the customer satisfaction impacts is very useful in guiding restaurant owners and managers to design and deliver the right offering and strategies. The author also has an ambition to bring a future research of many implications such as the potential to check the moderating effect of culture sensitivity and to determine the mediating role of customer satisfaction and its impact on brand or customer loyalty in further. This will be of unique in terms of local environment and will have many useful implications for restaurant owners or managers and researchers of specific community.

The specific objectives of the thesis are to:

1. Determine if the services provided by the restaurant meets the customer satisfaction and whether it has a long or short – term financial impact on the case company.
2. Suggested customer relationship management strategies to provide solutions in order to increase customer satisfaction, loyalty, repurchase and retention.

1.3 Thesis structure

Figure 1 shows that the thesis can be divided into five sections. The first section is the introduction, which includes the thesis topic and simple introduction of the case company. The second section mainly introduces the general theories of customer relationship management and all related issues connected to developing a good customer relationship. The methodology of the study explains the choice of the research method, questionnaire design, target group and reliability and the validity of the research. The fourth section is the empirical study which involves the detailed introduction of the case company and the analysis of the research results. The thesis ends with conclusions and suggestions, which help to improve the customer satisfaction and loyalty in restaurant industry.

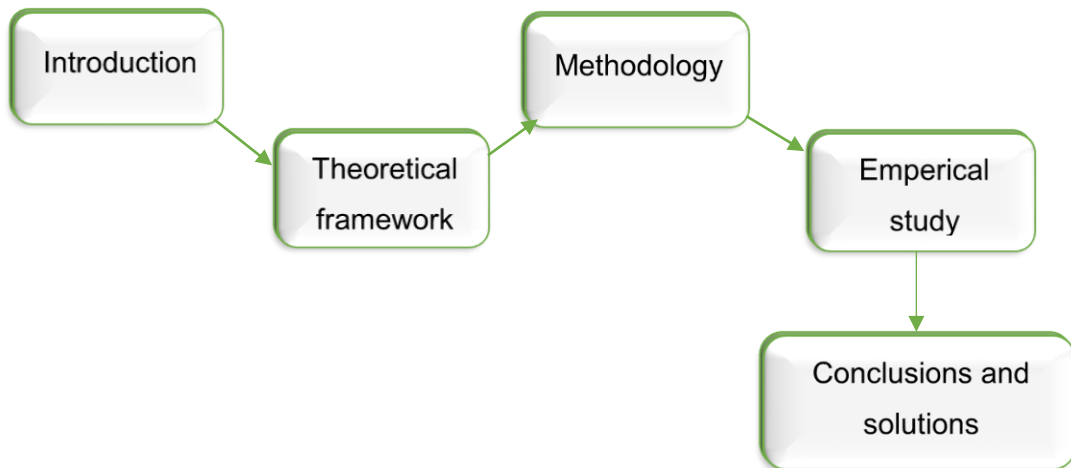


Figure 1. The structure of the thesis

2 Service quality and customer satisfaction

The theoretical framework of this thesis is divided into three sub chapters. This chapter presents the concept of service quality including service framework, different service determinants and the SERVQUAL instruments. Additionally, when customer service and physical products are offered together, the quality of service might become a significant factor in determining how satisfied the customers are. Therefore, customer satisfaction and the causes of customer satisfaction such as customer experience, engagement and loyalty will also be reviewed in this chapter.

2.1 Service quality

Definitions of service quality hold that this is the result of the comparison that customers make between their expectation of a service and their perception about how the service has been performed (Grönroos, 1984; Lehtinen, 1982; Parasuraman & Zeithaml, 1985; 1988; 1994). Service quality is a complex construct, which has been the focus of many studies in the services marketing literature. Two schools of thought dominate this literature: the Nordic school of thought and the North American school of thought. Specifically, the Nordic school of thought is based upon Grönroos's (2015) two-dimensional model while the North American school of thought is based upon Parasuraman et al.'s (1985) in (Karatepe, 2013) five-dimensional SERVQUAL model. In addition, according to Karatepe, other significant conceptual and empirical studies in this research stream suggest that service quality is comprised of service product, service environment, and service delivery, or consists of interaction quality, physical environment quality, and outcome quality (2013).

As many literature has reviewed, customer loyalty and profitability are closely related to the customer satisfaction and service quality plays an essential role in determining customer satisfaction. Therefore, service quality framework would not be a thing to missed out in this thesis and a briefly literature review related to this perspective as the section followed.

2.1.1 Service framework

Grönroos (2015) emphasizes that the service process nature is significantly complex and therefore the service provider needs to understand how the service is perceived and evaluated by customers in order to develop sustainable service management models and provide the desired quality of service. He also introduced the total perceived service quality

framework, which can be used as a conceptual guideline for managers to interpret customers' perception of service and the service features. Understanding of these fundamental issues, along with defining service quality, is needed before service quality development is made.

One part (on the left side) of the total perceived service quality model shows aspects that help to determine customer's expectations of service quality (Figure 3). It shows that traditional marketing activities have direct influence on formation of the expectations for service quality. In other words, the expected quality is influenced by a set of factors: marketing communication, sales, image, word of mouth/social media, public relations, customer needs and values. Marketing communication and sales should be under a definite control of the company, as they have a direct influence on forming customer expectations of the service quality. The firm can control image, social media and word-of-mouth only indirectly, nevertheless these factors require constant managerial attention. Additionally, customer's personal needs and values affect the expected service quality.

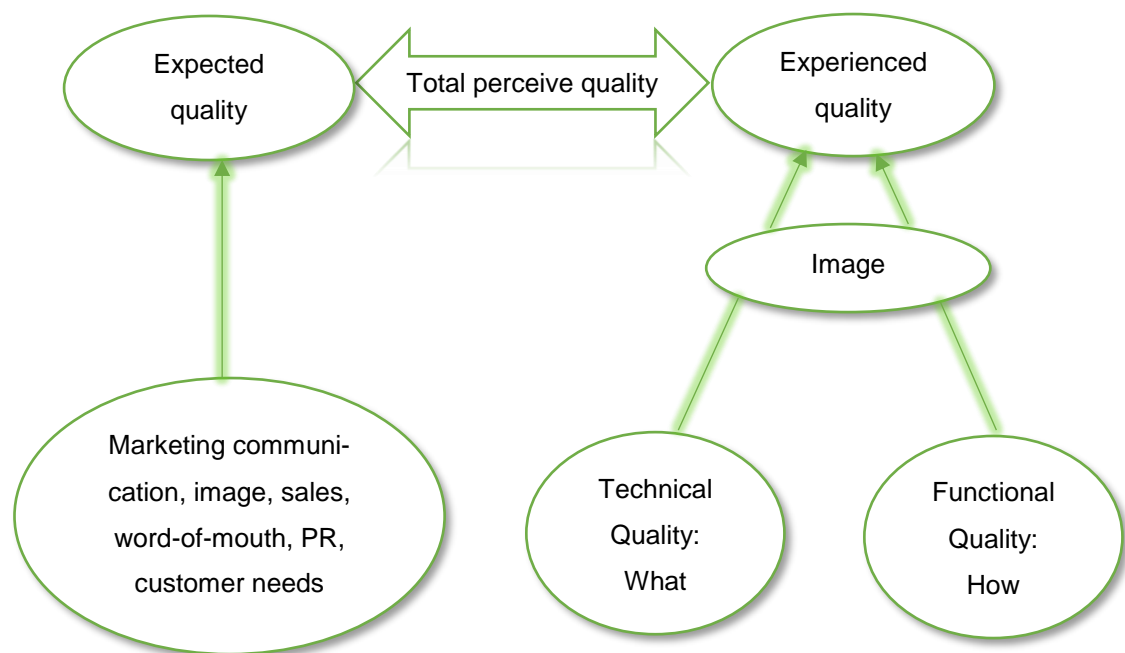


Figure 2. The total perceived service quality framework (Grönroos, 2015)

Another part (on the right side) of the model emphasizes that customers perceive the service experience in two dimensions (Figure 2). The first one is a technical outcome-related dimension, which states for the quality of service outcome, with which the customer is left after the service process is over. This dimension can be characterized as a technical solution to a problem and it is possible that customers perceive it objectively.

The second dimension, a functional process-related dimension, reflects how customers perceive the process or the way in which technical outcome is delivered to them. In the functional dimension the customer's perception may be influenced by such aspects as service provider's behaviour, availability and novelty of infrastructure involved in the service process, service employees' performance, self-service options. In other words, the simultaneous production and consumption process have an influence on how the customer perceives the service quality through this dimension. (Grönroos, 2015)

In some cases, the customer is aware of the company's brand before the service purchase is made. Therefore, the "Image" element plays an important role, influencing customer's service quality perception. The image of the company serves as a "filter" for developing the perception of the experienced service quality, which is originally formed based on two service quality dimensions. The framework's ultimate suggestion is that the total perceived quality is good when the customer experiences the service quality, which meets or exceeds his/her expectations of service quality. (Grönroos, 2015)

2.1.2 Service Quality Determinants and the SERVQUAL Instrument

In the mid-1980s, Berry and his colleagues Parasuraman and Seithaml (1985) began to study service quality determinants and how customer evaluates the quality of services based on the Perceived Service Quality concept (Grönroos, 2015). The 10 determinants were found to characterize customers' perception of the service. One of the determinants, competence, is clearly related to the technical quality of the outcome, and another, credibility, is closely connected to the image aspect of perceived quality. However, it is interesting to observe that the rest of the determinants are more or less related to the process dimension of perceived quality. As a result of later study 10 determinants of service quality were decreased to the following five (Grönroos, 2015):

1. Tangibles. This determinant is related to the appeal of facilities, equipment and material used by a service firm as well as to the appearance of service employees.
2. Reliability. This means that the service firm provides its customers with accurate service the first time without making any mistakes and delivers what it has promised to do by the time that has been agreed upon.
3. Responsiveness. This means that the employees of a service firm are willing to help customers and respond to their requests as well as to inform customers when service will be provided, and then give prompt service.

4. Assurance. This means that employees' behavior will give customers confidence in the firm and that the firm makes customers feel safe. It also means that the employees are always courteous and have the necessary knowledge to respond to customers' questions.
5. Empathy. This means that the firm understands customers' problems and performs in their best interests as well as giving customers individual personal attention and having convenient operating hour.

SERVQUAL is an instrument for measuring how customers perceive the quality of a service. This instrument is based on the five determinants mentioned above and on a comparison between customers' expectations of how the service should be performed and their experiences of how the service is rendered (disconfirmation or confirmation of expectations). Usually, 22 attributes are used to describe the five determinants and respondents are asked to state (on a seven-point scale from "Strongly Disagree" to "Strongly Agree") what they expected from the service and how they perceived the service. Based on the discrepancies between expectations and experience over 22 attributes, and overall quality score can be calculated. The more this score shows that experiences are below expectation, the lower the perceived quality. However, more important that calculating the overall score may be the score on the individual attribute scales, perhaps summarized over determinants. (Grönroos, 2015)

2.1.3 Service Gaps

Customer perceptions play a key role in the theory of "Service Gaps", which tries to study the differences between expectations and experience. The overall gap that results dissatisfied customer is caused by one (or more) of the following earlier gaps (Schneider & White, 2004):

1. Promotional gap: the inability of the business organization to fulfill expectations created in the minds of customers mainly by marketing communications.
2. Understanding gap: the gap occurred due to the inaccurate understanding of customer needs and priorities by the managers of the organization.
3. Procedural gap: the gap occurred due to the translation of customer expectations into appropriate operating procedures and systems with the business organization.
4. Behavioural gap: the difference between customer expectations and organization's performance, focusing on how procedures adequately cover service delivery requirements.
5. Perception gap: the difference between customer performance perceptions and reality.

2.2 Customer satisfaction

The importance of customer satisfaction should never be ignored as there are dozens of factors contributing to the success or failure of a business. A company's happy customer will happily interact with the brand again, make a purchase and recommend the product further. Likewise, this chapter will review about not only what customer satisfaction is but also the internal of customer satisfaction and those factors related to it.

2.2.1 A definition of customer satisfaction

Service quality and customer satisfaction are key factors in the campaign of winning back customers and creating new relationships with customer in such a competitive restaurant market as nowadays. Customer satisfaction is the outcome of customer perception of the value received in a transaction or relationship, where value equals perceived service quality, as compared to the value expected from transactions or relationships with competing vendors (Blanchard & Galloway, 1994; Heskett; Sasser; & Hart, 1990; Zeithaml; Parasuraman; & Berry, 1990). It is important to recognize and anticipate customers' needs to be able to satisfy them in order to achieve customer satisfaction. Enterprises which are able to rapidly understand and satisfy customers' needs, make greater profits than those which fail to understand and satisfy them (Barsky & Nash, 2003).

Dissatisfied customers drain company resources in many ways such as more complaint calls to "churn" and "bad-rap" the firm to their friends and relatives (Baran; Galka; & Strunk, 2008). Gitomer claims that "customer satisfaction is worthless because a satisfied customer still will buy the other company's product or service" (1998). Furthermore, sometimes when customer is not totally satisfied with the product or service, they still will choose it because of lower price or the convenience of location. Cronin and Taylor (1992) also emphasize that customer satisfaction can influence customer loyalty directly.

The term quality and satisfaction are sometimes referred to as identical. However, it is believed that perceived service quality is only one component of customer satisfaction (Lovelock & Wirtz, 2004). Satisfaction and quality have things in common but certain underlying causes are different. Satisfaction is a broader concept whereas service quality as specified aspects of service. Hence, perceived service quality is an element of customer satisfaction. The relationship of these two concepts is presented in figure 3 (Zeithaml V. A., 2006).

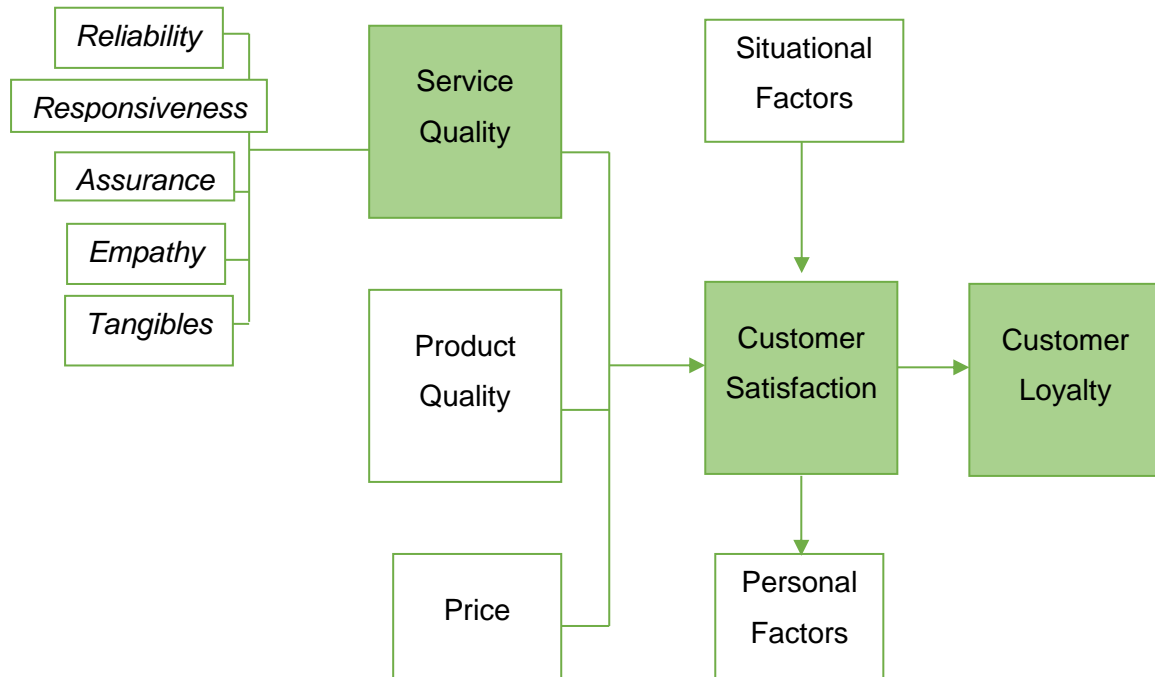


Figure 3. Customer Perceptions of Quality and Customer Satisfaction (Zeithaml V. A., 2006, s. 107)

Customer satisfaction of a product is often measured with specific attributes that describe the product features. Additionally, comparing experiences to earlier expectations is also common. Similar elements of assessing the features of physical goods have been taken into models that describe how service is experienced. Due to this development, there has been debates in literature, whether there is a difference between service quality and customer satisfaction and if so, is the quality experienced first and satisfaction follows or vice versa. Logical analysis proves that this debate is irrelevant. Service quality is evidently experienced first, followed by either feeling of satisfaction or dissatisfaction (Gronroos, 2000).

2.2.2 Internal customer satisfaction

Internal customers include current employees, distributors, vendors or departments. These types of customers are integral in varying points of the product line and depend on their employer to provide the overall finished goods to external customers. Satisfied employees represent the company with integrity and enthusiasm and as a result their internal customer experience translates to a positive attitude toward external customers. Customers who see a friendly and engaged staff are more likely to support the business than customers who hear employees' complaints. In fact, workers who care do better work than

employees who only want to collect their paychecks and leave. They manufacture products of higher quality and put extra effort into problem solving, thereby improving the experience of external customers (Gartenstein, 2018).

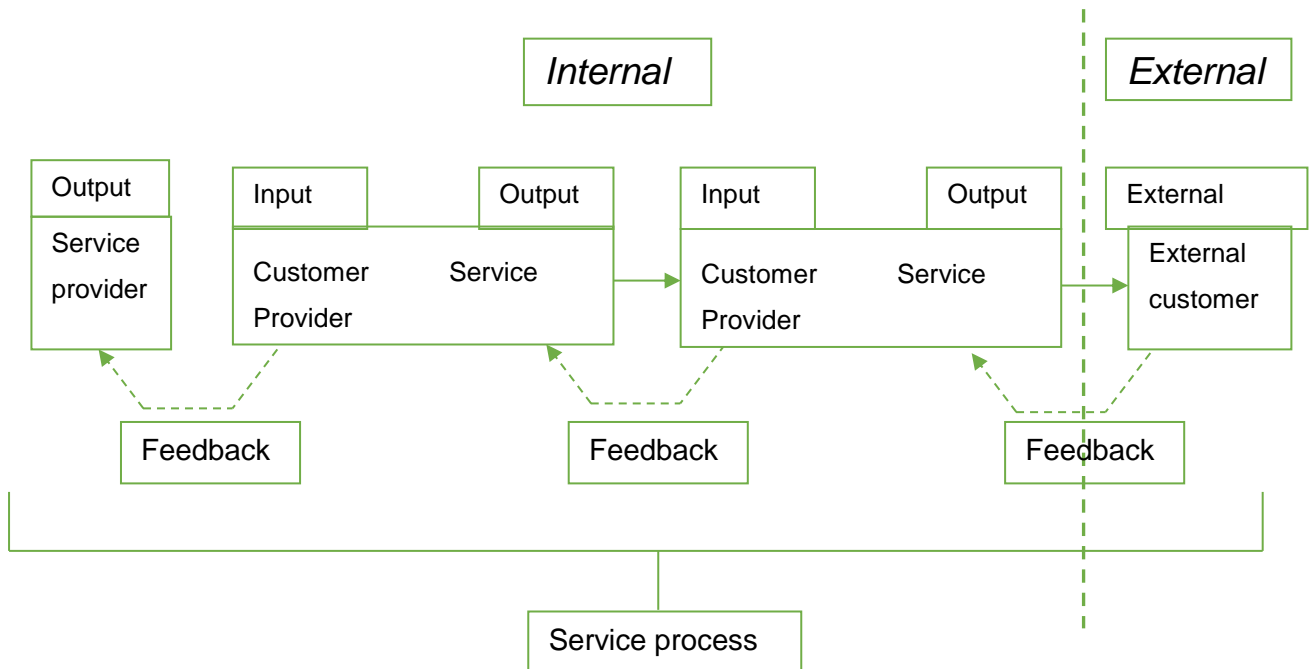


Figure 4. Internal service functions and internal customers (Gronroos, 2000, s. 308)

There can be one or a whole range of internal service functions and the internal service functions are shown inside the larger boxes (Figure 2). These functions are internal customers to other internal service providers; they are also service providers to other internal customers. The final output of the service process is the external service received and perceived by the external customers. The internal service provider-internal customer relationships have to be managed in a customer-oriented manner so that the ultimate external customers receive good service (Gronroos, 2000).

If internal service is not of good quality, external service will suffer as a repercussion. It is often hard for people working within the internal service functions to realize the significance of their input on the service process. They do not have a chance to see the external customers and easily feel that they are only serving their co-workers and it does not affect the external input in anyway (Gronroos, 2000).

There were an interesting number of studies conducted about the importance of customer satisfaction in the restaurant industry. For instance, Bowden (2009) states that research

“continues to rely on the historically dominant customer satisfaction paradigm as the most effective method with which to evaluate service experiences at the expense of other relational mediators such as involvement, calculative commitment, affective commitment, and trust”. Therefore, the next subchapter will bring a further theoretical insight on correlation of customer loyalty and customer relationship management.

2.3 Customer loyalty

When defining customer loyalty, there are three approaches to measure, behavioral, attitudinal and composite measurements. Behavioral measurement concentrates on repurchases, but the challenge is that it does not necessarily take into account psychological factors, for example the commitment to the brand. Attitudinal measurements only consider the attitudes towards product or service but do not reflect the real use or consumption. A customer might for example consider a cigarette brand unique, but non-smoking, does not use the product at all. The best measure is the composite measure which takes into account both of the previous measures. It measures consumers purchase history and brand or product preferences and gives a stable reference of customer loyalty (Bowen & Chen, 2001).

Loyal customers often the ones who develop a larger tolerance to price increases, hence, the most profitable to the firm undoubtedly (V. Kurmar, 2012). Kurmar and Werner also states that there should be a solid relationship between a client's demeanors and practices. It is important to understand the behavioral loyalty – the observed actions customers demonstrated toward a specific service or a product, and attitudinal loyalty – a customer's perceptions and attitudes about the product or service (2012). In addition, attitudinal loyalty is remarkably important as customers who are not belong to this characteristic group are the most likely to terminate the relationship at any available chances sooner than a firm could expect (V. Kurmar, 2012).

In fact, the potential advantages related with client commitment recommend that a brand's competitive advantage may consist in the advancement of a multifaceted association with the customers. Additionally, Mattila (2001) mentions that “the loyalty that restaurateurs really seek involves attitudinal, behavioral, and emotional commitment to the restaurant.” Thus, the following section will discuss about customer relationship management as a potential bridge for brands and companies and in this case of thesis is to provide strategy of solutions for Kin Sushi restaurant.

2.4 A definition of Customer relationship management (CRM)

CRM aims to gain a long-term competitive advantage by optimally delivering value and satisfaction to the customer and extracting business value from the exchange. By having a good practice of CRM, a company will not only decrease costs and maximize revenues with better profits and return on investment (ROI) but also acquisition and retention of profitable customers.

According to Kumar and Reinartz (2012), from a customer value perspective, CRM is the practice of analysing and using marketing databases and leveraging communication technologies to determine corporate practices and methods that maximize the lifetime value of each customer to the firm. Authors like Kutner and Cripps (1997) have also described Customer Relationship Management as data-driven marketing. On the other hand, from a business strategy perspective, CRM is the strategic process of selecting customers that a firm can most profitably serve and shaping interactions between a company and these customers. The ultimate goal is to optimize the current and future value of customers for the company. (V.Kumar & Reinartz, 2012)

Many authors have presented a broader perspective and created definitions that are more closely related to the strategic aspects of Customer Relationship Management that was similar to Kumar and Reinartz. For example, Parvitiyar and Sheth (2001) wrote that “Customer Relationship Management is a comprehensive strategy and process of acquiring, retaining and partnering with selective customers to create superior value for the company and the customer.” These definitions all share the same goal, which has been described by Tuzhilin (2012) as the desire to “get (identify and acquire), keep (serve and retain) and grow best customers.”

According to Anderson and Kerr (2002), customer relationship management is “a comprehensive approach for creating, maintaining and expanding customer relationships. The word “comprehensive” means that CRM needs to be imbedded in every part of the organization. If CRM is delegated to only one unit or department, the relationships with the customer will suffer. Business practitioners believe that the biggest profits are earned if CRM strategies are aligned through all company departments. (Deck, 2004)

2.4.1 Potential risks of customer relationship management

There is no concrete evidence proving such a specific CRM would work. Although it is true CRM may not attract customers that are less than desirable for a company, investments in

CRM do not guarantee the attraction of desirable customers either. Companies that reap success from CRM initiatives will be the ones that can use it to better understand how a customer wants to be related to the company.

However, CRM deserves its reputation for being expensive to implement and to maintain. Whether an organization develops its own solutions in-house, purchases what it considers to be best-of breed applications from various vendors or invests in a suite of complementary products from a single vendor, costs can easily climb up to an unexpected budget of a company. Much preparation in the form of research and planning can help reduce costs, and the ultimate desired result of customer satisfaction is, of course, priceless.

Besides, referring to Nguyen in underlines the issues that have been linked to Customer Relationship Management over the past years has mentioned the “concerns about privacy in the tracking systems, information-storing in customer databases, favoritism toward profitable customers, dynamic pricing and hidden surcharges”. (Nguyen, 2012)

Another important element is the issue of favouritism or the fact that the company treats consumers differently. Although this strategy can bring benefits to the brand, such as the opportunity to generate more revenue from certain client segments, there are also many potential downsides. In fact, research has confirmed the risks associated with “favoring certain customers over others, such as giving promotional deals to new customers over loyal customers”. (Huppertz;W.;Arenson;& Evans., 1978)

2.4.2 Benefits from CRM

Chaturvedi believes that developing customer relationship management will benefit enterprises in the following aspects: improving response time to customer requests for information, product meets customer requirement, improving customer satisfaction, improving revenue and reducing cost. In addition, managing CRM will increase customer loyalty due to the interactions between companies and clients; CRM will help companies to attract and grow new customers; and CRM will strengthen companies' competitive advantages. (Chaturvedi, 2005)



Figure 5. 6 biggest benefits of CRM (Salesforce)

Figure 5 shows an infographic briefly demonstrated the impact of how useful CRM in customer experience and sales for one company. In addition, Salesforce also lists (2018) the 6 biggest benefits of a CRM program and the most significant ones among of them are to improve informational organization, customer service and communication with the customers as well as analytical data and reporting.

In other word, Baran, Galka and Strunk (2008) concludes a straightforward answer to why CRM systems are being used is that they can enhance productivity across the range of key marketing functions:

1. Identifying prospects
2. Acquiring customers
3. Developing customers
4. Cross-selling
5. Up-selling
6. Managing migration
7. Servicing
8. Retaining
9. Increasing loyalty

10. Winning back defectors

On the other hand, when referring to the restaurant context, CRM benefits not only for customers but also for the restaurant owners and employees in many different ways (Piletic, 2017):

- Customizing restaurant's offers to guests based on their demographics, past browsing and buying behavior, and what other customers with similar traits prefer.
- Creating a customer data base, and every sharp marketer knows the money is in the list of contacts you possess to drip reminders and coupons and specials to by email, text and social media platforms.
- Automated statistics compiling, easily to optimize restaurant menus for likability and profitability.
- Everyone that needs the data has it at their fingertips as the statistical data is always archived and updated in the system.
- Employees enjoy utilizing quality CRM that improves their guests' experience and pays them back in better tips and a more enjoyable relationship with those they serve.

Because the aims and objectives of this research are to find out the impact of Customer Relationship Management (CRM) on customer satisfaction and experience and customer loyalty in restaurant industry, hence, the subchapter will be a brief review of restaurant industry in Finland.

2.5 Customer experience and customer engagement

Restaurants can no longer excel simply by providing good food, at fair prices, in a clean venue. To stand out, restaurants must align their customer experience strategy so that guests feel engaged, empowered, heard, delighted, and known. The following section will present a more theory related customer experience and customer engagement in a restaurant dynamic context in order to have a deeper knowledge connected between increasing level of customer satisfaction and customer loyalty.

2.5.1 Customer experience

According to Deloitte that had done a survey about the influence factors of customer experiences across dining formats with more than 2,000 US restaurant guests, when guests had a positive experience at a restaurant 41% of them would recommend the restaurant

to family or friends. On the other hand, 73% of guests would tell their family and friends about the poor experience (SlideShare, 2017).

Moreover, Frawley stated “one clear fact now that the consumer is increasingly in the driver’s seat”. There are many levels of customer connection-brands want closer or deeper connections. How customers feel when they are buying or using the product and what consumers do to make the experience reflects good emotional connection are two key elements to create positive business outcomes (Frawley, 2015).

Thanks to the information availability along with the rising trend of the interactive web nowadays, brands can deliver content via multiple channels and connecting with consumers whenever and however they want. Frawley also claimed that social media has been served as a communication channel to help firm to test and measure customer engagement and emotional connections. (Frawley, 2015). According to Kumar, people talk online about services or products, inform themselves and engage in far more word of mouth, because at this moment information sharing is not only limited to people they know in real life (V.Kumar & Reinartz, 2012).



Figure 6. Hierarchy of Emotional Value (Colin, 2007)

Figure 6 is called a Hierarchy of Emotional according to Colin’s research with London Business School and Chair of Consumer Psychology (2007). Organizations should work to provide an experience where the positive emotions (any of those in the top three seg-

ments of the hierarchy) will outweigh the negative (the bottom). Because customers valued how a product or service purchase made them feel, hence, by focusing on tipping the balance toward the positive, firms bring those customers back again. Consequently, the company will indulge in business grows and so do their profits (Shaw, 2016).

Additionally, Colin and John (2002) surveyed the research, *Customer Experience: The next competitive battleground*, found out that eighty-five per cent of senior business leaders agree that physical customer experience is no longer sustainable, and eighty-five per cent agree that engaging emotionally will increase customer loyalty. As wise words that we all have taken into our knowledge, many people buy things emotionally and will justify with logic. Therefore, the next sub section will discuss more about how customer engagement building up the success factors of one's business.

2.5.2 Customer engagement

Consumer engagement is a multidimensional concept: a brand's ability to connect meaningfully with the consumer (Harris, 2006). According to Clarabirdge, customer engagement is the emotional connection between a customer and a brand. Highly engaged customers buy more, promote more, and demonstrate more loyalty. Providing a high-quality customer experience is an important component in your customer engagement strategy (Clarabirdge, 2018).

Moreover, the initial use of the term "engagement" in the business practice discourse was traced back to Appelbaum. "Consumer engagement consists of both rational loyalty (includes overall satisfaction, intent to repurchase, and intent to recommend) and emotional attachment (including confidence in a brand, belief in its integrity, pride in the brand, and passion for it)". (Appelbaum, 2001)

There are plenty points of view about the concept of customer engagement, Patterson et al. added an additional dimension to the concept of customer engagement by describing it as "the level of a customer's physical, cognitive and emotional presence in their relationship with a service organization." (Patterson & Ruyter, 2006). Similarly, Bowden (Bowden, 2009) posits that customer engagement is the "psychological process" where the affective and the calculative commitment lead to customer satisfaction and, ultimately, loyalty.

Furthermore, Thackeray (Thackeray, 2008) discuss how customer engagement in the creative process, as presented earlier, can increase brand referral, sales and loyalty, by making a product that is more closely related to the client's needs. Brodie et al. (Brodie, 2011)

suggest that loyalty, satisfaction, consumer empowerment, emotional bonding, trust and commitment are “key consumer engagement consequences”.

Research has shown that there is a strong correlation between customer’s emotions and their loyalty. The reason for this is that customers value the ‘reality’ they perceive and feel, and in turn, their emotions influence their loyalty (Colin & John, 2002). Therefore, to manage customers’ emotions effectively and predict consumer behavior, we need sufficient data relating to customers’ emotions.

One of the Customer Experience Management (CEM) lenses is the emotional journey. This will help to understand how customers are feeling at each touch point and even indicate the intensity of their emotions. Using a CEM Framework will give the opportunity to not only identify customers’ emotions, but also to meticulously reflect and design an experience that will create happy and positive emotions throughout the customer journey. The question is, which emotions should our customer experience be evoking? (Badenhorst, 2018).

The core question to the business researchers, consultants and other corporations is how to please customers. They worked together and talked about what kind of characteristics of firms are more popular among the customers. Meanwhile they also thought about to develop a proper instrument for knowing the customer satisfaction, from the customers’ feedback, then taking measures for improving the whole service quality (CSSP, 2007).

2.6 Restaurant industry

According to Toast statistics, 20% of the restaurant operators say the biggest challenge is retaining customers (Toast, 2017). Restaurant industry trends come and go, but restaurant statistics are the fact stand still. The author Christensen discussed about the overview of restaurant industry in 2017, said that the concept of food has drastically changed as a revolution in food has created new tastes, habits, and trends. Recent technology has developed new systems for restaurants to adapt to not only survive but also thrive. These systems accept orders online and through apps to quickly deliver the food to your home. However, one of the target markets that the industry has missed are people conscious about their health, which avoid fast food chains to maintain their healthy habits (Carl, 2017).

Moreover, 61% of adults say they would rather spend money on an experience, such as a restaurant or other activity, compared to purchasing an item from a store (NAS, 2017). According to Statistics Finland, turnover in service grew by 6.2 per cent in November to January from the corresponding period of the year before. All service industries have been growing and development was strongest in administrative and support service activities (+9.5%) and accommodation and food service activities (+9.0%) (Statistics Finland, 2018).

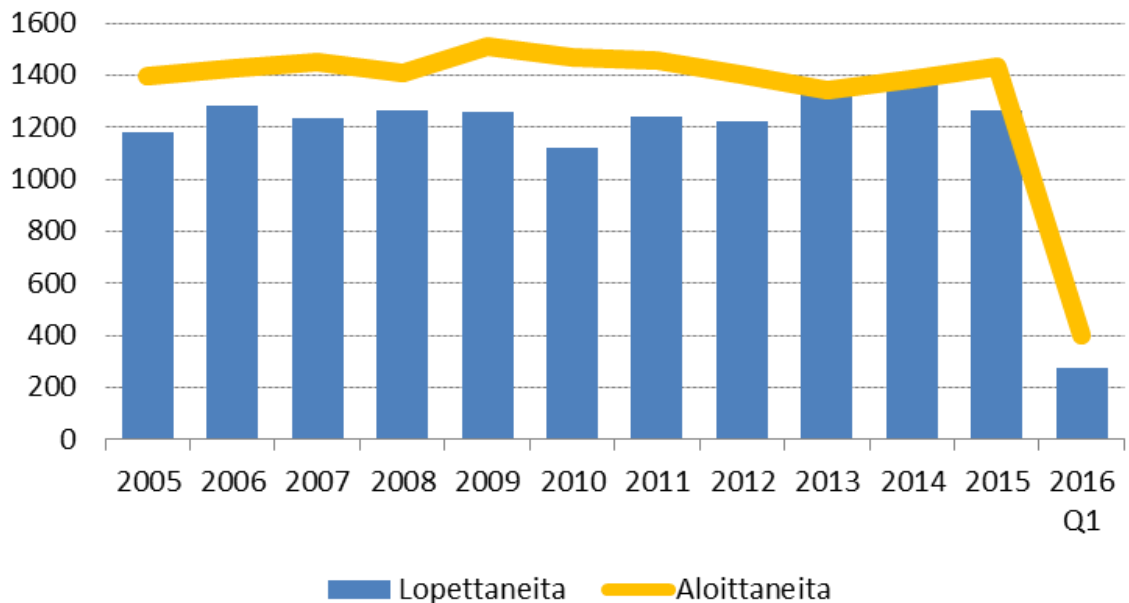


Figure 7. The number of start-up and closing restaurants in Finland 2005 - 2016 (MaRa)

Figure 7 shows the number of restaurants that have opened versus the number of restaurants that have closed per year since 2005. According to Finnish Hospitality Association MaRa, the number of restaurants that were opened in 2015 was almost 200 more than those that were closed, while the few previous years the number has been approximately even. The graph demonstrates a balance for the years 2013 and 2014 where the market appears to have stagnated. In 2015, the market went up once more (MaRa, 2018). It is necessary to consider that the economic situation of the nation does not seem reflected in this visualization. The economic crisis in 2008 did not affect the patterns of growth seen in previous years.

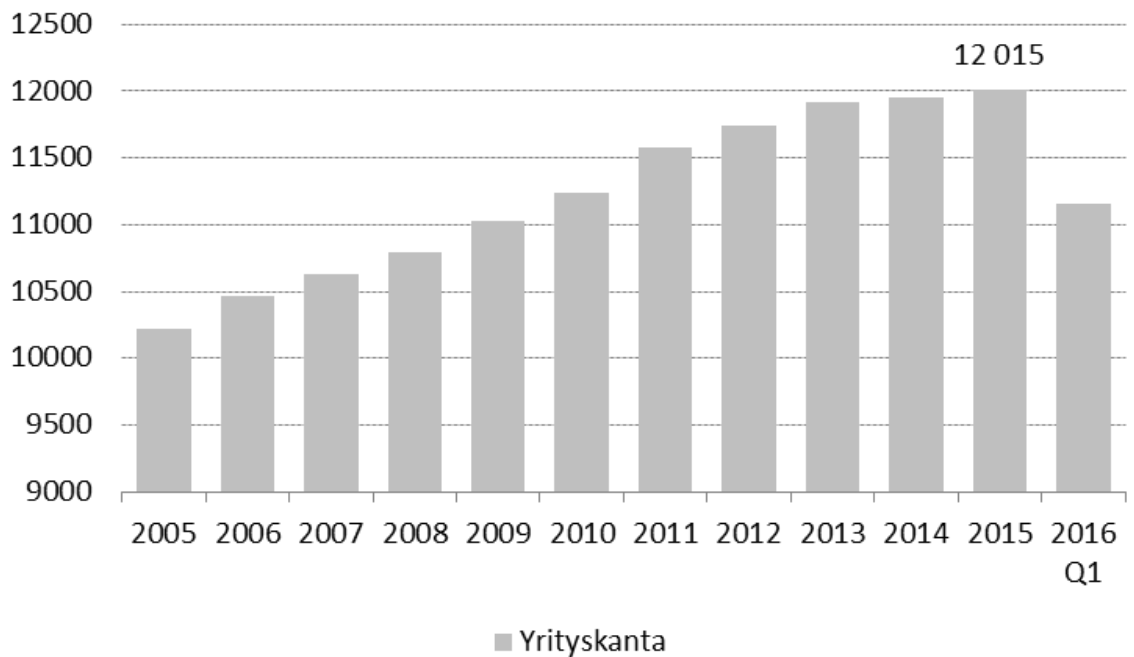


Figure 8. Opened restaurants 2005 - 2016 (MaRa)

The chart above shows the total number of restaurants that have been growing steadily until 2015. Despite the fact the growth slowed down significantly in 2016 in comparison to the previous decade, NewsNowFinland claimed that even with around 70 restaurants closing, there's a net gain of 130 new restaurants each year (NewsNowStaff, 2017).

In recent years, the number of foreign nationals living in Finland has steadily grown. This trend has seen the growth of various sectors of the economy, one of the most notable being the restaurant sector. Since the nineties, there has been significant growth of the restaurant sector in Helsinki. The Finnish hospitality industry accounts for 5.4% of taxes and tax related fees collected by the Finnish government and 3.8% of the nation's GDP (MaRa, 2018).

3 Research approach and methods

This chapter discusses the type of study, and tool used to gather and analyze the data for the research. The methodology used was data collection through structured questionnaire from sample of target customer at the restaurant and afterwards data was statistically analyzed via Webropol version 3.0. It also examines the importance of the data findings to support the credibility of the research.

3.1 Research approach

Quantitative methods emphasize objective measurements and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires, and surveys, or by manipulating pre-existing statistical data using computational techniques. Quantitative research focuses on gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon (USCLibraries , 2018).

The most common approach to do quantitative market research is a survey or questionnaire. In this thesis, quantitative research as a survey questionnaire is suitable for this study of a sample group, which is approximately 150 target customers. In addition, the questionnaire is used to measure customer satisfaction and customer relationship with the case company. Thus, it is vital in estimating the viability of changes in issues identified with customer behavior in view of the customer's sentiments.

Customer survey questionnaire is one of the best ways of determining customer expectations and measuring satisfaction. It ensures the company can collect valuable information from their customers so improving the products or services at any moment. A few of the possible dimensions the company could measure include quality of service, speed of service, pricing, complaints or problems, trust in employees, the closeness of the relationship with contacts in the firm, types of other services needed, and positioning in clients' minds (National Business Research Institute). In conclusion, the results are gained by analyzing the collected data from the questionnaires.

3.2 Data collection process

Data collection is one of the most important aspects of the quantitative research process. In this quantitative research, a questionnaire survey was chosen as the research method.

The purpose of the survey is to explore and reveal the factors that contribute to the customer satisfaction and customer relationship of the restaurant. Thus, in order to achieve that the author aimed to send out the survey paper to 150 customers.

The questionnaire consists of four sections, including customer background information, customer experience, customer satisfaction and expectation. There were 5 main questions, among those main questions one of them was a closed question and the last one was an open-ended question to obtain subjective suggestions from each customer. The objective of the designed questionnaire is to improve the quality service and customer retention at the restaurant in the near future by analyzing customer satisfaction and experience between the case company and customers.

The questionnaires were started sending out on mid – May with a brief introduction of the survey questionnaire. The author spent two weeks to collect the feedback and analyze it by Webropol program.

3.3 Data analysis process (Sample)

As mentioned in the previous section, Webropol was used as a tool to collect and analyze in this research and the survey was conducted offline simultaneously (Week 19 – 20, 2018). Webropol is typically used to create for instance, customer satisfaction questionnaires, customer feedback forms, personnel questionnaires, education feedback and project questionnaires. Therefore, the selection is made based on the convenience of the program and author's familiar usage.

There was a total of 126 offline answers in 150 surveys sent, which were collected in the span of two weeks. After having collected all the responses, the author started to process data and analyse them systematically by the help of Webropol 3.0 report tool, using different types of charts and figures.

The target group of this research is the customers coming to dine at Kin Sushi either in evening or at lunch time. The questionnaires were dispatched to these customers directly in person voluntarily or via personal email was the idea at first. Although the author was permitted to use the case restaurant as her thesis case company, a decision of only sending out the survey in person was made since the author believed it was more effective and less time consuming in receiving responses. In addition, the time span of the survey was in two weeks only.

3.4 Reliability and validity

Validity and reliability in a research are concepts which the research credibility is accurately measured and the consistency of the measurement respectively in comparison to the theoretical framework. Reliability is referred to the stability of findings, whereas validity is represented the truthfulness of findings (Altheide, 1994). In quantitative research it is possible for a measurement to be reliable but invalid; however, if a measurement is unreliable, then it cannot be valid (Thatcher, 2010; Twycross, 2004).

Before producing the questionnaires, the researcher has study related theoretical framework from academic textbooks, journals, and other materials on the internet to understand theory background related. The questionnaires were composed after that with only 5 questions plus 1 open question for feedback focusing on the quality of service and customer relationship. The questionnaires were approved by thesis supervisor and the owner of Kin Sushi restaurant.

The research survey was conducted in mid - May 2018 and the location of the survey is Kin Sushi in Helsinki. Respondents were informally asked between normal opening hour of the restaurant during or after using the service at the restaurant. All respondents were native Finnish, expats or tourists. The survey questions were in English, hence there might be a language barrier in transfer the full meaning of respondents' answers or the questions to them. The survey would provide an analysis of customer experience, customer expectation and relationship management situation in the case company. It can be said that the quantitative research had been conducted with an acceptable level of validity and reliability.

In order to validate the service framework and theory mentioned in the research, a customer feedback survey was carried out at Kin Sushi Helsinki. The data collection presented the validity of the customer relationship management and other aspects such as: behavioral loyalty, satisfaction and trust.

On the other hand, since this is the first time such an analysis is made, it cannot be compared to any older researches nor there are limited scholarly resources related to the restaurant industry. Therefore, development of customer relationship management cannot be analyzed. This report will provide the present status of customer relationship management in the case company.

4 Results

This thesis was done as customer feedback for Tin Sang Law Oy which is namely Kin Sushi that located in the heart of Helsinki. A survey questionnaire was carried out during mid-June of 2018 and handed out to restaurant customers at the given moment. Since the company did not have any previous databases on their customers, the author tried to find out basic information about customers and ask them what they thought about the company and its services. This chapter will present the finding description of the research in order to help clarify key points being made through previous literature review.

4.1 Customer demographics

The following sub section will cover the overall customer profile at the restaurant, including gender and age, nationality and occupation.

4.1.1 Gender

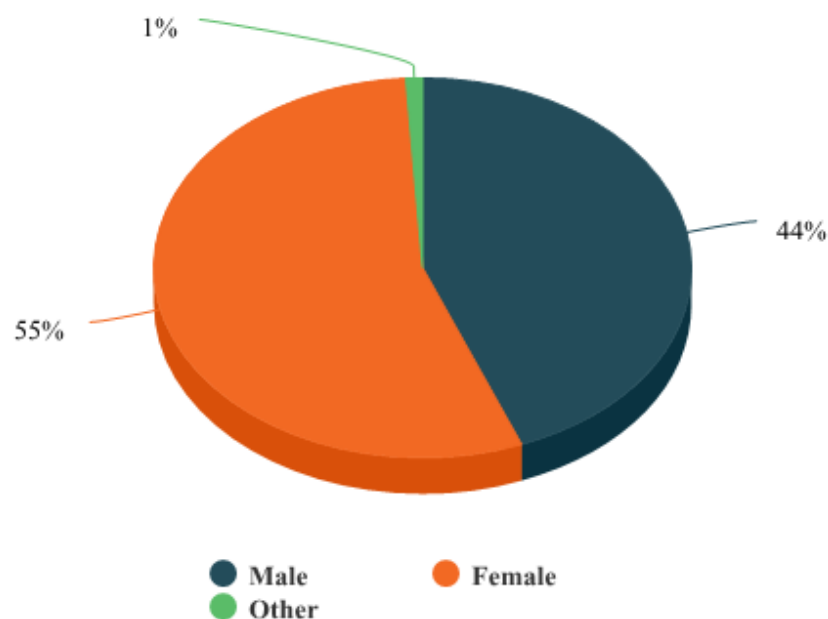


Figure 9. Respondent's gender

Figure 9 presents the profile of respondents in term of their gender. All 126 customers answered the question. There were a number of 55 answers that belongs to male group,

which accounts for 44%; 69 of the respondents were female, which was slightly more than the figure of male, accounting for 55%.

4.1.2 Nationality

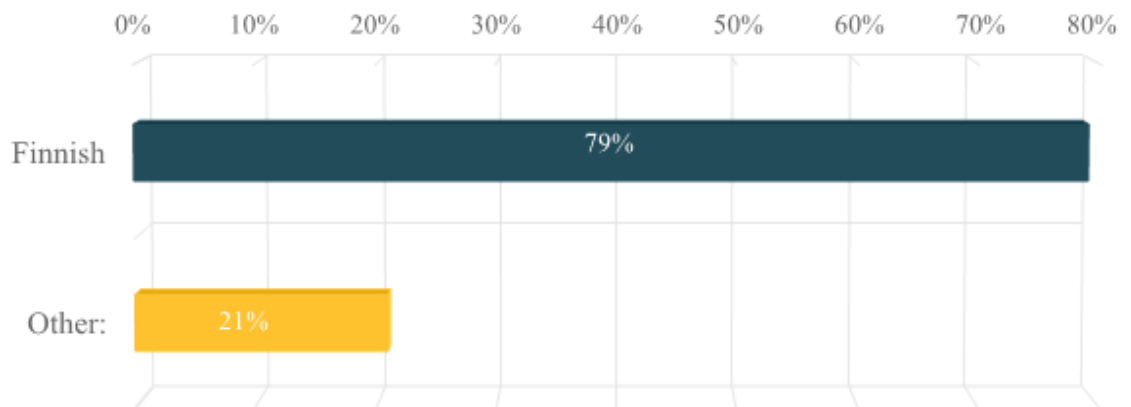


Figure 10. Customer nationality

Apparently showing from figure 10, mainly local customers which are Finnish (79%) responded to the customer feedback. Other 21% of respondents are tourists from Russia, Germany, Philippines or holding multiple citizenship such as Swedish/Netherlands.

4.1.3 Occupation

It is clear from figure 11 that 17% of the customers were students. The largest group consisted of employed people; 77% of the respondents belonged to this group which also might indicate that the main customer group of the restaurant is from those nearby offices. Some other customers revealed their occupation as freelancer or homestay mom and merely 2.38% of respondent confirmed as unemployed.



Figure 11. Group of occupation

4.1.4 Age group

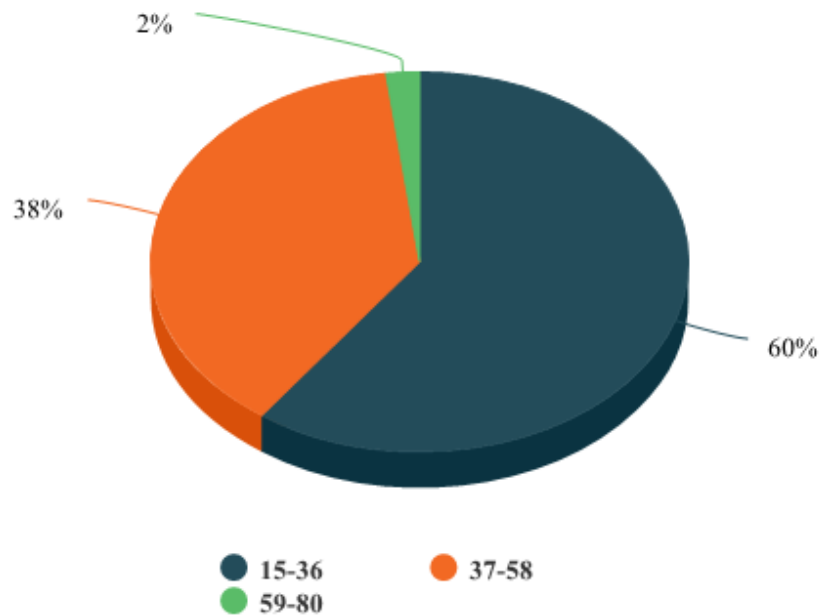


Figure 12. Age groups of respondents

As can be seen from figure 12, the major the respondents were in the 15 – 35 age group, which accounted for more than half of all respondents. The second largest group was the age group from 37 to 58 with the percentage of 38% that almost reached two thirds of the customers. According to the survey, only 2% of the respondents belonged to the age group 59 – 80 as the oldest age group becomes the smallest group of the respondents also. Therefore, age groups of 15 – 35 and 37 – 58 were the main customer groups for the case company, which totaled up to 98%.

4.2 Visit frequency

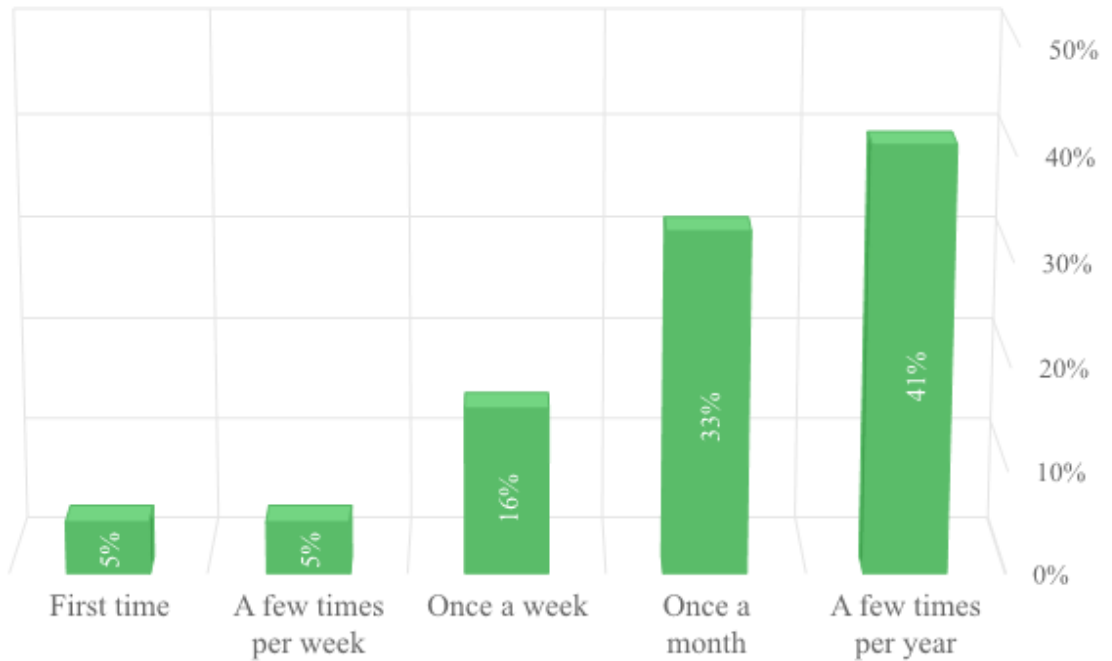


Figure 13. Customer visit frequency

Figure 13 shows a significantly number of customers 33%, one third of the respondent acknowledged that come to the restaurant every month or once a month. The number of regular customers who visit the restaurant considerably more than once a week is almost as one third as of customers who come once a week (16%). Approximately half rest of the respondent are either come as a few times per year or 5% of them only visited for the first time.

4.3 Customer satisfaction and customer loyalty

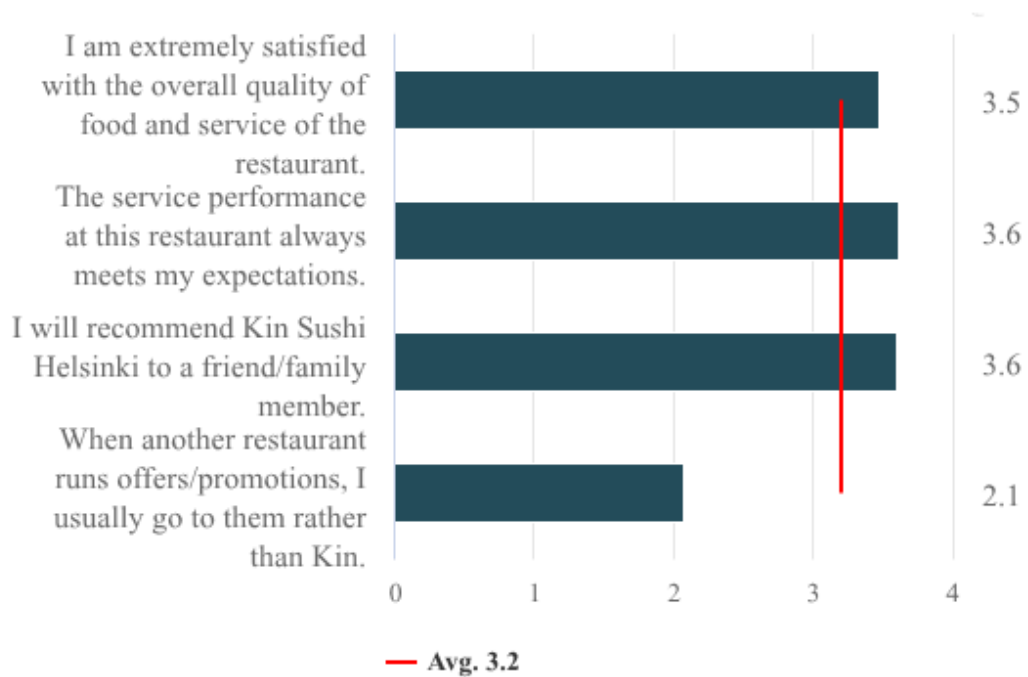


Figure 14. Customer satisfaction and loyalty

The respondents' perception about the service quality in the case company are shown above (Figure 14). According to the respondents' answer, 71 people among total of 126 customers felt extremely satisfied with the overall quality of food and service of the restaurant. More than half of total respondents (85 people) strongly agreed that the service performance always meets their expectations. Moreover, the same amount of people would also recommend the restaurant to their friends and relatives. Additionally, when it comes to the customer loyalty question, only one third of the customer would come to another restaurant when there are offers or promotions carried on rather than to visit Kin.

4.4 Impact on choice of restaurant

The next figure is a line graph showing which factors have the most influence on customers' choice of restaurant. According to figure 15, quality of food that was indicated clearly by written by respondents, has an average point of 3.6 appeared to be the most important impact followed by the second ranked factor is level of service with 3.4 point in average. Price is no longer the most concern to customer as it only came up to fourth place in the figure with 3.2 average point. A good location (3.3 average point) also affected customer

decision in choosing a place to dine out. The less impact factor was how accessible online order and in addition to that, frequent guest benefits was also not taken into consider that much with only 2.2 average point.

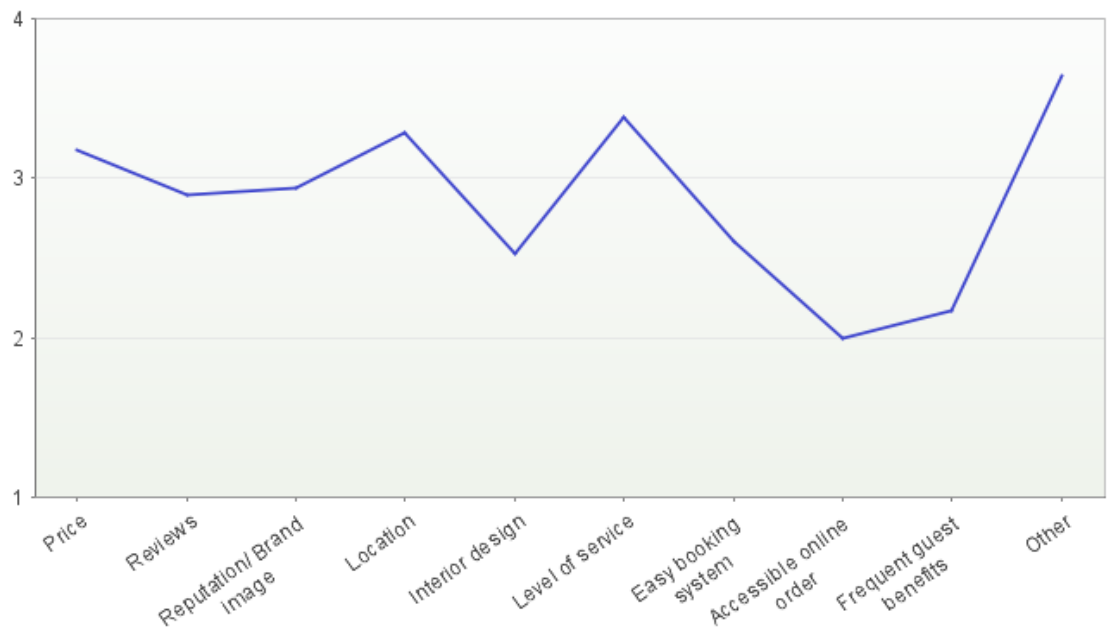


Figure 15. Factors impact on choice of restaurant

4.5 CRM subscription

The next question determines whether respondent would carry on answering to the end of the questionnaire or not. It turned out that more than half of the answers (52%) were willing to subscribe to the customer reward program at the restaurant based on their frequency visit. There was 28% people decided not to be involved in the reward program and the least group of 20% people was uncertain in decision whether they would like to sign up for the benefits of becoming regular customer (Figure 16).

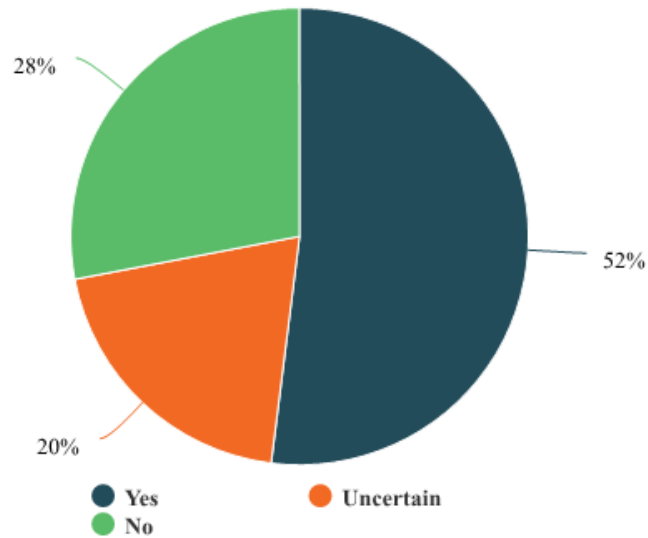


Figure 16. Interest in CRM subscription

4.6 Customer rewards preferences

As can be seen from figure 17, the three most preferred rewards from customers' opinions is 2 for 1 coupon, a complimentary meal and percentage of discount for single use at Kin. With those three preferences that has more than 65% people choosing, complimentary drink or glass of wine or item from the menu and special discount at boutiques or other shops near the restaurant were not that interested to people since only around one tenth to one fourth of respondents chose these options.

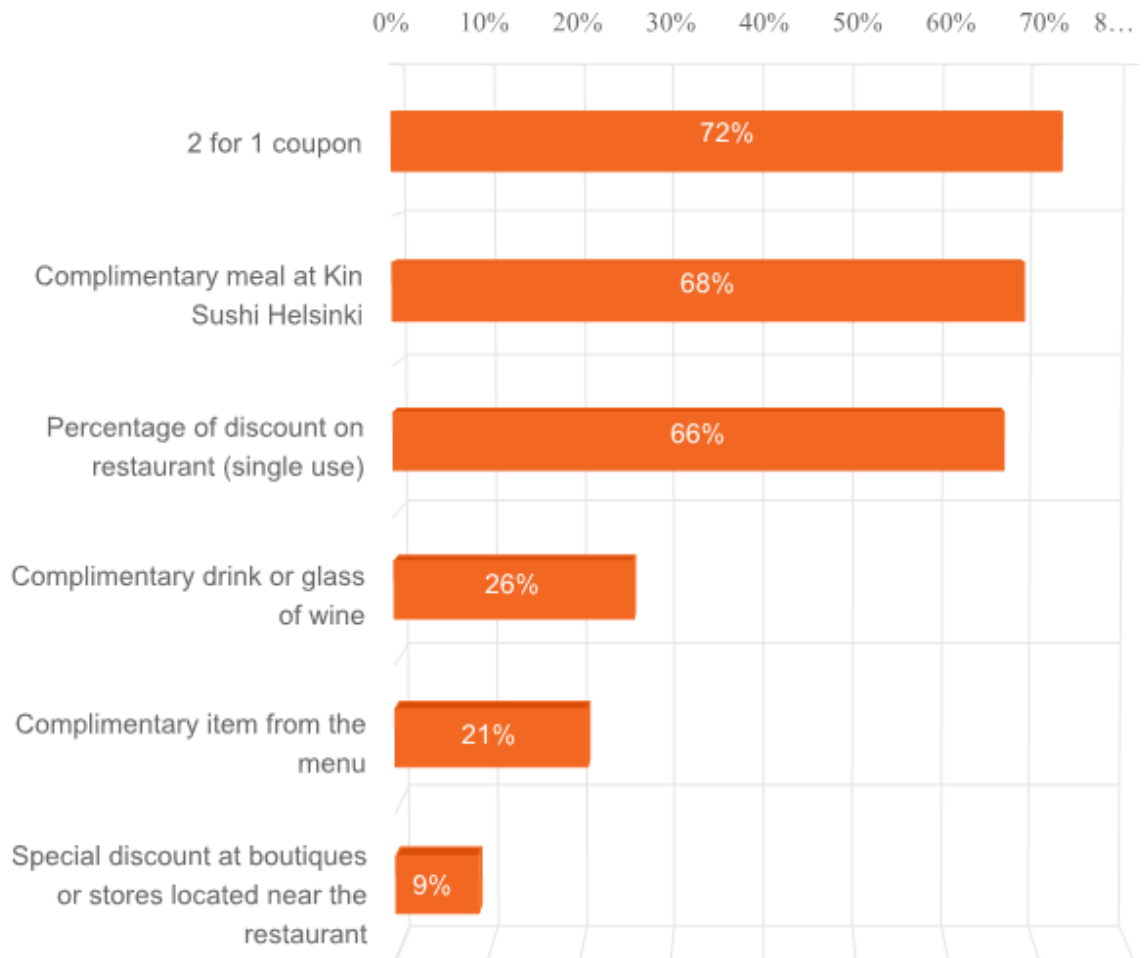


Figure 17. Customer rewards preferences

The questionnaire ends with an open question, which is to collect the comments and suggestions about the case company from the respondents. Most customers did not complete and a few of the respondents gave their opinions to the restaurant. Some customers who gave feedback mentioned that they felt happy with their experiences at Kin and they liked the concept of the restaurant as it was. Other customers hoped the restaurant would be able to make some improvement in certain aspects such as increasing more variety of food or dessert in the buffet table. One customer suggested the restaurant build up online service about picking up food that already made for take away. Furthermore, one respondent gave feedback about how exclusive Kin was as being among a few buffet restaurants that has student discount.

5 Discussion

The purpose of this thesis was to determine the services provided by the restaurant meets the customer satisfaction and suggested customer relationship management strategies to provide solutions in order to increase customer satisfaction, loyalty, repurchase and retention along with the product at the restaurant promptly through questionnaire survey. This chapter will discuss about key findings, trends that emerged from the survey analysis, anticipate those variables results as well as limitations of the research will be mentioned also.

5.1 Key findings reviews

According to the analysis of customer background information results, typical customers at Kin would be female that in the age group from 15 to 36; the occupations of majority of customers were business office staffs and students. This valuable information will help the company to improve its service quality to match the demand of these customer groups in the future. Furthermore, the percentage of female customers were asking to fill in the questionnaire successfully was more than 10% in comparison to number of male customers as the authors has been observing that female consumers would have more patient and willingly to subscribe to such customer loyalty program, and because there was already sufficient resource of how women drive all consumer purchasing globally from 70% to 80% along with their buying power and influence (Brennan, 2015).

In addition, as can be seen from figure 14, more than half of total 126 respondents (84 people) strongly agreed that the service performance always meets their expectations, and the same amount of people would also recommend the restaurant to their friends or relatives. This means that not only are the customers of the case company's overall satisfaction extremely high but also represents the excellent service quality at Kin Sushi has been carrying for the time being. Moreover, positive word of mouth communication between customers to new customers would be a big plus for the contribution of customer retention and loyalty.

Customer relationship management is not just about gathering as much as information about customers, but how you would use those data and put it into practice and make it becomes a good customer service. As Llopis wrote an article about how consumers are no longer brand loyal on Forbes (Llopis, 2014), customers might be loyal to the engagement at that moment but once it disappears, the emotional connection with the brand

company also fades away. Additionally, since the importance of customer engagement was mentioned and gathered more knowledge in the previous theory part, integrating and building customer engagement from data collected through CRM to employees' daily part and target are essential. For instance, with information such as guest preferences, frequency visits and issues or any allergies that have come up within their previous experience, not only the manager but also an employee could take notice and action or foresee for the customer to fulfill stated and or unstated needs, in the end to bring them a better service as well as experience.

Kin Sushi empowers their customers by offering special sushi dishes or sashimi platter to them each time they come back to dine out on a daily twice a week visit frequency, making them feel that there is an immediate return on their loyalty investment that comes right back to them. On the other hand, employees at Kin also have been interpreted of how influence not only to give and extend a warmhearted welcome to customers but also provide a generous and lively farewell along with the appreciation for having them as customers. The author believes thanks to all of this, such a high rate reaction of customer satisfaction on the service quality at the restaurant was received through the questionnaire.

Although Kin was one of the first sushi restaurant opened in Helsinki in 2013 and attracted lots of customers within the next 3 years, the restaurant market has been always growing and restaurant itself needs to improve in order to survive in such a combative market. It is important for the company to know which factors affect customer satisfaction, which is why factors affecting customer loyalty and satisfaction were examined and it was figured out that the main factors come from customers' expectations and customers' perception about services. Usually one significant factor visible to large number of customers on how they decide which restaurant based on the price level, but according to the survey at Kin, price is no longer the most important instead of food quality and service level. This means that customers nowadays are willing to pay for the quality of food and service that they deserve and expect to be served, and as a rule price should be reasonable to obtain and retain customers.

Finally, when it came to the last open question which gave the customers to have a chance transferring their opinions and speak their voice to the restaurant, many of them showing the service gaps that Kin needs to improvise and improve. The most common ones were behavioral gaps - the difference between customer expectations and organization's performance, and promotional gaps - the inability of the business organization to fulfill expectations in the minds of customers mainly by marketing communications. As in 55

people answering the open question, 21 people believed there should be more food variety in the buffet especially dessert.

Since the buffet restaurant market currently growing very fast in Finland particularly in the capital Helsinki, plentiful of new restaurants have the same concept as Kin could provide the same price with bigger selection of food or even at cheaper price. Likewise, Kin Sushi Helsinki has been in business for 5 years but has not done that much marketing neither on social media or offline media, as 5 people who was considered as regular customer mentioned about doing more marketing would be better for the restaurant in order to be in the main stream and significant in the competition with other restaurants.

5.2 Limitations

In the beginning of the theoretical study, the service quality and other concept related to mainly customer and customer relationship were introduced. In fact, the case company is a small restaurant which is located in the heart of Helsinki, Finland and the core service of the company is to provide sushi buffet service along with a side service À la carte sushi. As a pure service company, the customer service has a huge role to play in customer satisfaction. On the other hand, there was no market research nor any other customer satisfaction survey or feedback given out during the five years the restaurant have been running business. This leads to the fact that the author was almost emptied hand when carrying on the research not only there was not much information about restaurant industry in Finland in English but also about Kin's customer behavior profile.

Apparently, the size of the sample has had an impact on the significance of the results and a larger number of respondents would have been achieved or preferably in a longer period of time carrying out the survey. Moreover, the decision to survey only the local customers or regular ones instead of randomly customers (first time customers or tourists) should be acknowledged due to the potential source of bias it presents.

Besides, it often showed if a customer did not have interest in subscribing to be a regular customer in restaurant's system, they would not consider turn onto the next page of the questionnaire or have interest in becoming a loyal customer. Although more than half of 126 respondents showing the willingness to the rewarding program, many of them did not take notice to answer the next question that indicates what kind of rewards they would like to have. Because the questionnaire was only asking to do based on voluntarily, the author believes it would be more effective to gain the full answer by giving out a small reward

such as a dessert or percentage discount voucher to respondents for already giving feedback or responding to the questionnaire.

Finally, it is important to note that the results regarding the financial performance following the introduction of a CRM system are correlational in nature and may have been driven by factors unaccounted for in this research (e.g., general increase in restaurant sales and profitability). Because comparative data for sales and revenue growth were not available at the time of the writing of this thesis, such factors could not be ruled out.

6 Conclusion and recommendations

The research was designed as a descriptive one because it provides factual, accurate and systematic data description and characteristics about the population or phenomenon being studied. The research population was examined and after careful analysis, the daily customers at Kin Sushi Helsinki were used as a sample size. Primary data was collected from this institution through a well-designed questionnaire that incorporated both closed and an open-ended question. The responses to the questionnaires were analyzed on Webropol 3.0.

This last section presents a narrative summary of the key findings of the study and another look at the model in order to validate the theoretical framework. Moreover, based on the limitations of this study in previous discussion part, a suggestion of how further research will be mentioned as well as recommendations for restaurant managers and a proposal customer loyalty program.

6.1 Implications for restaurants

The outcome of this research would be a positive support for restaurants to develop their own Customer Relationship Management platform. The discussion part of the research highlights the key findings and benefits for restaurant managers and owners to not only maintain a good customer service but also a solid customer relationship management platform. The results demonstrate the impact of the customer relationship management on customer engagement and on financial results as well as on variable aspects such as behavioral loyalty, satisfaction and intentions to revisit.

6.2 Potential customer relationship management program proposal

As being in operation for 5 years, Kin restaurant had used merely one kind of customer reward by offering them a free meal after 10 times visits. Moreover, the reward program was not used in Helsinki but Järvenpää, a different branch of restaurant in a small different area unlike to Helsinki. Through the first customer survey ever conducted at Kin Helsinki, there was clearly a need to establish a customer loyalty program since more than half of the respondents showed the interests to it.

In order to have a better look from how to start an efficient customer reward program, the author would introduce a quick glance based on Paytronic System (2012) at how different types of restaurants have their own target to satisfy customers and increase customer retention since different brand characteristics will have an influence on how to create a loyalty program.

Table 1. Sample Restaurants Loyalty Programs (Paytronix Systems, 2012)

Brand Characteristics	Group A	Group B	Group C
Concept	Quick Casual: Convenient quality	Casual Dining: Fun, Relaxed, Family-friendly	Casual-to-Fine Dining: Rich experience and atmosphere
Operations	Speed	Quickness, efficiency	Pampering guests
Menu	Morning coffee, sandwiches at lunch	Upscale pub food with seasonal variations	Full menu, multi-concept, emphasis on different cuisines
Loyalty Strategy	Drive visit frequency	Motivate frequent visits and build long term relationships	Build relationships, encourage cross-concept visits, convert business diners to personal guests

Loyalty Program Building Blocks			
Core Program	Product Frequency	Automatic Rewards	Bankable Points
Layered Programs	Special Menu Pricing Birthday	Membership Tiered	Surprise & Delight Birthday
Promotion	Double Points Visit Challenge	Limited – time offers Instant Wins	Double Points Limited – time offers

According to Table 1, Kin is a combination of operation of restaurant Group B in the lunch time and Group C in the dinner time. Since at lunch time during the period August to December and March to June, the guest flow is often quick process, mostly are the local staffs who work near by that do not have much time for lunch and in the evening time that do not have as much as customers to be served as fast as possible. Additionally, there is

more time in the evening than lunch time that customers request to have menu order rather than opt for the buffet, hence, pampering guests is more prone to be how the service will be operating.

Based on the most customer rewards preferences collected through the questionnaire, the author would suggest building up a potential customer loyalty program as Table 2 below:

Table 2. Potential Customer Relationship Management Program

Value	Description
Instant Rewards	A 10% discount voucher next time use for a customer subscribing to the program.
Birthday	50% discount for only the customer who has birthday celebration with 4 or more people at Kin (not the whole group).
Exclusive Events	Invite program participant to be the first 20 customers to come on a special occasion such as Valentine Day, Mother's Day and Restaurant's Birthday and receive small Japanese gift or dessert.
Happy Hours	20% discount dinner buffet on Wednesday & Thursday evening 20.30 – 21.30.
Community	A 20% discount for a customer recommended another friend to join the program.
Tiered Rewards	<p>1 euro = 1 point.</p> <p>100 points = A free reward (Chef's Recommendation item from the menu).</p> <p>200 points = A free reward + a gift card value 2 lunches buffet weekdays.</p> <p>350 points = A free reward + a gift card value 2 dinners buffet.</p> <p>500 points = A free reward + a gift card value 4 dinners buffet.</p>

Although a loyalty program would work best and appear to be most efficient as mobile application friendly user or digital one, the author believes it still can work as manually input data by employees of restaurant and takes more time – consuming indeed. However, creating such a loyalty program is not an impossible thinking as well as doing yet time to con-

clude, not to mention there are currently plentiful of renowned customer relationship management programs such as HubSpot and Pipedrive. Nonetheless, if the restaurant's financial budget is not allowed to spend such a large amount of money annually and to educate or train employee on how to use it productively, Kin would consider those proposal customer relationship program as rewards for regular customer and keep them checking up or active by merely paper stamp also works.

The main targeted question to develop in this thesis was to determine the impact of customer satisfaction on customer experience and customer loyalty in restaurant industry and improve the service along with the product at the restaurant promptly. This thesis has developed a clear plan targeting on improving the weakness as well as developing potential parts of the project - and the suggested plan was an initial idea to be proposed to management group of the restaurant as the time to finalize this thesis could not be enough to implement the ideas. On the other hand, the plan developed still has many possibilities to develop and complete in the future.

In addition, the specific objectives of the thesis are to:

3. Determine if the services provided by the restaurant meets the customer satisfaction and whether it has a long or short – term financial impact on the case company.
4. Suggested customer relationship management strategies to provide solutions in order to increase customer satisfaction, loyalty, repurchase and retention.

The first objective was clearly proved not only through literature review but also from the data collected. The focus of the study was to determine if the services provided by the restaurant meets the customer expectation, whether managing customer satisfaction effectively builds customer trust in the organization and if the customer value benefits in making another purchase. In the process, relevant theoretical literatures were reviewed and it was discovered that CRM is an enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability.

The second objective was once again resolved by the survey and with the potential customer relationship management program proposal. It is clear that customers are satisfied and rate highly the service level of Kin Sushi, but to meet their expectation Kin still has to improve many aspects such as restaurant's concept, rewards for retention and marketing.

From the basic statistics of the response, customers had a good satisfaction in the services provided by Kin Sushi, and it was found that positive level of customer satisfaction has an impact on customer loyalty. Also, the findings showed that a high level of service quality had a long or short-term financial impact on the organization. Customers do favor the services of Kin and are also willing to refer the services to others. This is an indication that the customer base will be increased which lead to increases the revenue certainly, and respondents also were willing to repurchase services by showing interest subscribing to a reward program.

Furthermore, it could be concluded that managing customer relationship effectively builds customer trust in the organization. This is transformed in the customers' willingness to come back to the restaurant and refer it to friends and relatives. This shows the build-up of trust that respondents have which makes them refer the services to others. Lastly, the research showed that the customer values the quality service that Kin is carrying on since whenever other restaurants run the promotion or discount, only around 30% customers will make the move to go to those places rather than Kin. This is another evidence that there is a level of satisfaction that makes customers willing to stay and choose Kin over other places.

6.3 Learning outcome and future research

This research has been an extraordinary learning experience for the author. During the research process, the author has learnt substantially knowledge about elements related to customer relationship management and service quality as well as relationship marketing in a restaurant service context. Being working at the case company has helped the writer new angles and aspects at how things should have worked and will be worked out. Besides, the research has assisted the author to develop her business mindset as well as service mindset to support the case company's development. On the other hand, it was a remarkable training for the author of how to balance work life and study, respect deadline and self – study as well as how to boost the motivation of writing a thesis at a routine basic frequency.

As mentioned earlier, this study presents a certain number of limitations and these should be addressed in future studies. For example, a similar study that tracks customers before and after the implementation of the CRM platform could have been conducted. Furthermore, the results presented in the context of this study should be validated in another context and with a larger sample of active members. In fact, it would be interesting to confirm

whether CRM has the same impact in a casual fast food restaurant or a bistro in a different area in Helsinki.

In addition, qualitative research would be further conducted from the case company management people such as restaurant manager or shift manager, head waiter to have a more insight for secondary data of customer relationship management at the restaurant as well as the service quality evaluation and employees' satisfaction. Other qualitative analysis on other type of restaurants would be highly recommended in the future to make in the same or different area of Helsinki and compare the results in order to obtain a wider view about customer satisfaction in a similar context. Also, it is clear as crystal as to improve the restaurant's customer satisfaction standards, the management needs to adopt new and more advanced CRM procedures.

Finally, some of the hypotheses presented in the literature review were dismissed because the relationship between those variables and customer engagement could not be validated. Thus, it would be of interest to consider the role of those variables (affective and cognitive commitment, involvement and word of mouth) on the questionnaire again and see if they have a different impact than what was first anticipated.

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Appendices

Appendix 1. Customer feedback and customer expectation at Kin Sushi Helsinki



Instructions: We love to hear your feedback! Kindly tick the answer of your choice. If your preference is not provided, please write it down. The questionnaire is 2 pages and all data will remain confidential to the researcher.

Basic information

Gender: Male Female Other

Nationality: Finnish Other _____

Occupation: Employed Unemployed Student Retired Other:

Age: 15-36 37-58 59-80

1. How often do you visit Kin Sushi Helsinki?

- First time A few times per week
 Once a week Once a month
 A few times per year

2. Please answer those statements on a scale of **4 to 1** (**4 = Strongly agree, 3 = Agree, 2 = Neutral, 1 = Disagree**)

I am extremely satisfied with the overall quality of food and service of the restaurant.

4 3 2 1

The service performance at this restaurant always meets my expectations.

4 3 2 1

I will recommend Kin Sushi Helsinki to a friend/family member.

4 3 2 1

When another restaurant runs offers/promotions, I usually go to them rather than Kin.

4 3 2 1

3. How impact these factors affect your choice of restaurant to dine out?

a. Price	4	3	2	1
b. Reviews	4	3	2	1
c. Reputation/ Brand image	4	3	2	1
d. Location	4	3	2	1
e. Interior design	4	3	2	1
f. Level of service	4	3	2	1
g. Easy booking system	4	3	2	1
h. Accessible online order	4	3	2	1
i. Frequent guest benefits	4	3	2	1
j. Other_____	4	3	2	1

4. Would you be interested in subscribing to a program rewarding regular customer based on the times of visit at Kin Sushi Helsinki?

Yes

Uncertain

No

5. If **yes**, which of the following rewards would be of interest to you? Choose **3 selections** of your most preference.

Percentage of discount on restaurant (single use)

Complimentary item from the menu

Complimentary drink or glass of wine

2 for 1 coupon

Complimentary meal at Kin Sushi Helsinki

Special discount at boutiques or stores located near the restaurant

In your opinion, what kind of services or quality of the restaurant could still be developed to stand out with other restaurants?
