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CUSTOMER SATISFACTION IN BUSINESS ORGANIZATIONS
A CASE STUDY OF PRISMA, A SUBSIDIARY OF KPO

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Customer satisfaction is can be seen as one of the main instruments that ensure the existence and survival of a business organization. It is very important for the business organizations to consider offering what the customers want rather than offering quality goods and services which may not meet up with the customers’ expectation. Therefore, business organizations have to possess a framework in their organizational structure towards satisfying their customers so that they can maintain their existence, survival and success. Satisfying a customer today leads to retention and attraction of new customers as a result of the current customers of the business organization being satisfied. In this same vein, this thesis focuses on how business organizations could satisfy their customers in order to lead to their long life success. The case study company is Prisma a Subsidiary of KPO which is a hypermarket that sells varieties of consumable goods, consumer durables and services to their customers. Prisma KPO also operates in other towns in the region of the Central Ostrobothnia in Finland.

In the thesis serious theoretical analysis and explanation was carried out in order to shine more light on how to go about satisfying customers. It analyzed the process that businesses could take towards satisfying customers, the difficulty that could be encountered when striving to satisfy customers and the advantages that could emanate from satisfying customers and how to improve on customer satisfaction or dissatisfaction. The thesis also uses a questionnaire and interviews in the process of researching for customer satisfaction feedback for the case study company and the research shows that customers are satisfied to an extent but there are some needs of the customers that still have to be met.

Key words:
Customer satisfaction, retention, attraction, dissatisfaction, feedback, needs.
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1 INTRODUCTION

Establishing a business organization could be extremely tasking and attracting customers is another great hurdle in running a business organization. Customers are the people or organizations that buy the products and services of a business for personal use, resale, industrial use, production and manufacturing. The expectations of the customers are to get the value of what they are being offered and to be cared for in the best way by the business organization. As a result of this, the business organizations have to do everything possible to make the customers feel happy and make sure they get the best value for their money. By doing this the business organizations will experience a growth in their customers’ patronage and the number of their customers will increase because their existing customers are introducing the business organizations to other people.

In order to work towards customer satisfaction a lot of machineries have to be put in place. Since years ago, quality customer service has been an essential tool for every business success and it is also used as a means of product differentiation since there are more competitors in every market. Customer service could be summarized into the process of offering the best quality in tangible products, quality interactions in transactions with customers, quality in intangible products and building profitable lasting relationships between the customers and the business organization. Therefore, the means to customer satisfaction is by offering the best quality products and customer services that they expect or want.

The importance of offering quality products and customer services needed by the customers cannot be underemphasized; it could be used as the tool to advertise the business organization’s offerings to new and potential customers. This importance has resulted to the creation of customer care departments in businesses to look after the well being of their customers. Furthermore, the amount of stress and expenditure that is required to attract a new customer could be huge and demanding, therefore, business organizations cannot afford to lose any of their customers to their competitors. Rather, they could concentrate their efforts and resources on the care and satisfaction of existing customers in order to get their lifetime value and attract potential customers.
The importance of customer satisfaction has reached the level whereby technology is now involved. Customer relationship management software and Enterprise resource planning software are few out of much technical investment that business organizations are embarking on in order to satisfy their numerous customers.

It should be noted by any business organization or individuals that when there is no customer satisfaction the failure or demise of a business organization may not be farfetched.

### 1.1 Aims of the thesis

This thesis will emphasize on how a business organization could embark on a successful customer satisfaction process by offering quality products, services and efficient relationships expected by the customers. The relationships that need to be set out with the customers of the business organization will also be analyzed in order to enable customer retention and bring in new customers. Therefore, this thesis could be referred to in case any small, medium, or huge business organization wants to know the mediums to interacting with customers and satisfying them. It will involve the means of building a planned barriers clearing, foundation building and tools usage and management of customer satisfaction.

This thesis is using Prisma KPO as a case study in terms of customer satisfaction. The thesis will set out the efficient areas of the case study company in terms of customer satisfaction, so that it could serve as a good example for other companies. It will also look at the loop holes in the customer satisfaction processes by carrying out customer satisfaction research and surveys. As a result of this, the needs of the customers and the areas that need improvement will be discovered, the efficient areas will be noted and recommendations towards improving customer satisfaction in the business organization will be offered.
1.2 Limitations of the thesis

This thesis will be restricted on how a business organization can work towards satisfying the customers through customer service excellence, quality products and relationship building. There are very many different ways of satisfying customers, but the thesis will focus on the best ways that customer satisfaction can be attained. It will also be a study that serves as a solution for business organizations that are in the same industry as Prisma KPO and other business organizations from another industry could benefit from the study as well. There are other factors which are:

Language: In order to collect important facts about the case study company, there will be a translation of the main areas of brochures, internet pages and interviews when collecting information into English. Since the case study company is a Finnish company, its pages and information are provided in Finnish and Swedish language. In addition, the process of interviewing the necessary set of people to get more facts may be demanding as a result of language problem. Therefore, an interpreter is required to make the process easier.

Resources: The human resources needed in terms of interpreting in the process of interviewing the concerned interviewee is also a limiting factor. This is so because an efficient interpreter that is efficient in Finnish, Swedish and English would be needed. In addition, a translator tool may also be needed in order to translate the details contained in the case study company’s internet page or brochure.

1.3 Research Methodology

The research methodologies are the means with which the information and data needed to foster the progress of this thesis writing are attained. The means will be a proper and systematic one to collect, analyze, disseminate and utilize information for the purpose of improving the satisfaction of the case study company. The research will be carried out to identify the possible problems with customer service and it will also raise solutions towards
the problems. Qualitative and Quantitative means of research will be jointly used to collect information and data to complete this study. The qualitative research will include interview and voice recording while the quantitative research will include the usage of questionnaire.

Qualitative research is a research method will be used in order to study or discover the behavioral pattern, opinions, feelings, attitudes and experiences of the customers. Their examples are survey, interview, and observation and if possible experimentation will be used. The qualitative method of research will be a major in order to cover up for the lags which quantitative research may poses.

Quantitative research will be used in order to gather information and statistics about a target group through the usage of questionnaires. It will be used to gather quantitative data and keep records of the information.
2 CASE COMPANY: PRISMA A SUBSIDIARY OF KPO

KPO- Keski Pohjanmaan Osuuskaupan which can be translated in English as Central Ostrobothnia Cooperative is a co-operative society that was established in the year 1906 and operates in the regions of Central Ostrobothnia in Finland. It is also a subsidiary of Suomen Osuuskauppojen Keskuskuuta (SOK) which is popularly known as the S-group all over Finland (Ostrobothnia own trade 100 years handbook, 2006, 5).

KPO started with departmental stores operations and operated in the areas of the Central Ostrobothnia region. In 1971, they established KPO market Kokkola but its name changed to Prisma. The size of the market in the year 1991 was around 600 square meter, but presently it is about 1500 square meter and an enlargement of the market is going to be done soon as well. The co-operative group has been expanding its operation towards hospitality, transportation, agricultural services and production, car services and fuel sales and fashion. The hypermarket section has been dominating their revenue and it has been the major employer of labour for the region of Central Ostrobothnia and the country at large (Ostrobothnia own trade 100 years handbook, 2006, 166-167).

2.1 Business activities of KPO

KPO is owned by a cooperative society which has various subsidiaries that operate within the economic field of Kokkola, Ylivieska, Vaasa, and Pietarsaari. They operate major hypermarkets, restaurants and hotels, motor services and sales, fuel stations and stop over markets, merchandise markets, beauty shops and clothing stores, Agricultural products and equipments sales and Real estates. Its revenue is worth €596.9 million in 2009. They have 87,000 co-operative member owners (KPO Activity Report 2009, 9).

These are the subsidiaries and the percentages they contribute to their aggregate revenue:

- Grocery stores or Hypermarkets: 60 %
- Service station and Fuel sales: 15.5 %
Car sales and Automotive goods: 10.2 %
Merchandise sales: 7.6 %
Tourism and Hospitality (hotel & restaurants): 5.8 %
Real estate business: 0.9 % (KPO Activity Report 2009, 9).

The grocery stores or hypermarkets consist of 3 Prisma markets, 34 S-markets, 21 Sale markets, 2 Emotions. These markets’ revenues and improvements from the year 2008 are stated below:

- S-market has a revenue of €183.7 million in 2009 and €177.6 million in the year 2008.
- Prisma has a revenue of €156.5 million in 2009 and €151.1 million in the year 2008.
- Sale has a revenue of €33.0 million in 2009 and €28.8 in 2008.
- Emotion has a revenue of €1.1 million in 2009 (KPO Activity Report 2009, 9).

In addition, the service stations and fuel sales subsidiary consists of 14 fuel stations which 7 are ABC units.

The stop over markets and the fuel stations have a revenue of €135.4 million in 2009 and €147.0 million in the year 2008.

Tourism and Hospitality subsidiary consists of 2 hotels and 7 restaurants.
The car services and sales consist of 7 car sales and services.

KPO recorded a landmark of improvement in the annual sales of the grocery stores from 43.9 % in 2008 to over 56 % in 2009. It has been ensuring the establishment of new beauty shops called Emotion and opening several new Sale-markets in 2009. Its biggest investments in 2009 started by the building of Kodin Terra in Kokkola and to add to its success story, the building has just been opened on the 20th of April 2010.

The investments for the year 2010 are going to be building and opening new markets and renovating the older ones. The central challenges of KPO for the year 2010 are to be the price leader, competitive and developing customer satisfaction (KPO Activity Report 2009, 20-21).
2.2 Business activities of Prisma Kokkola

Prisma Kokkola was established around 1971 as KPO market, it was named Prisma in the year 1991 and it is one of the 55 Prisma markets in Finland. Its size has more than doubled since establishment; it is now 1600 square meters compared to its former 600 square meters. It is a hypermarket which deals with sales ranging from daily groceries to consumer durable goods like electronics and home appliances, clothing, leisure goods, toys and kids products, drugs and cosmetics. It is a hypermarket which employs up to 100 workers, gives good employment benefits and incentives which motivate the workers to give their all in their duties.

Its sales is hugely dominated by daily needs or groceries which is about 69 %, about 90 % of its goods are supplied by Inex which is also a subsidiary of the S-Group. Prisma Kokkola sectionalized their goods in the mall for easy access of the customers and other concerned people. The sections are numbered and shown in a way that is quite visible. The customers enjoy quality goods on the shelves and services at the payment canter or other workers. Discounts are also offered to customers when the need arises and during festive periods.

Prisma is a hypermarket where individuals or family can acquire their group of daily or consumable goods at once. It has a variety of goods which is about 11,000 consumer products and approximately 60,000 for the aggregate brands. From the sales of these products, Prisma Kokkola generates a revenue of about €50 million annually (KPO Activity Report 2009, 20-21).

2.3 KPO’s stakeholders and how they relate with them

Customers: Prisma Kokkola is patronized by a lot of people every day through the week and month. They have thousands of customers; a majority of them are co-operative member owners of KPO of which Prisma is a subsidiary.
The relationship with their customers have been fruitful, because a majority of their customers have being retained and loyal. The hypermarket uses different strategies to achieve this such as:

Pricing strategies: this hypermarket buys its goods in bulk and it becomes easy to give the customers anything they want at a very affordable price. It also offers customers discount on some products based on the nature of the product, festivities, period of the month and the discount card called S-Etukortti. In addition, they also give bonuses ranging from 1- 5 % as a benefit to its customers (interview with Antti Korpela, February 2010)

Relationship strategy: They also use effective customer relationship to deal with their customers through their employees. At any part of the market, when a customer needs help or needs an answer to some issues, the employees attend to them effectively with smiles on their faces.

Quality: Prisma also ensures that the products and services offered are of great standard. As a result of this, product that has expired or is broken is moved out of the shelf to avoid complaints from the customers and to maintain the quality standard. They also ensure quality through auditing by the internal and external bodies to maintain check and balance on its offerings.

Information: They also relate with their customers through different forms of media such as newspapers i.e. Kokkola lehti, Keski Pohjanmaan, radio, television, season magazines such as summer, winter, spring and autumn guide etc in order to announce bonuses, discounts or advertise new products.

Introduction of new products: Customers may find it quite difficult to adopt a new product in the market. As a result of this, Prisma takes it as a duty to give free taste of new food stuffs that are introduced in the market. Consequently, giving the customers the confidence on how the new products taste and how it is prepared or used.
Suppliers: Prisma has many suppliers but the main supplier is Inex Partners Oy which is also a subsidiary of the S-Group. Although, Inex is not the producer of all the products supplied, it is only taking care of the needs of Prisma from the manufacturers of their products and ensures the delivery at the appropriate time and quantity. Factually, more than 90 % of the bulk supplies are from Inex.

The relationship with Inex and other suppliers has been made easy by enterprise resource planning software which automates the demand of Prisma to Inex. They also use other means which are practical in the relationship (interview with Antti Korpela, February 2010)

**Employees**: Prisma Kokkola has about 100 workers that work to improve their day to day activities from morning to evening shifts. The duties of the workers are very diverse as a result of the size of the market. Prisma has successfully created an atmosphere and motivators that motivates their workers to give their best in terms of abilities and intellects, these are:

Meetings: This is done between the workers and the management, in order to listen to their observation and demands.

Discount: workers and their families get a discount of 5 - 15% on the purchase they make in the market.

Good salary, monthly leave, sick leave, maternity or paternity leave, First aid health care in case of accident, Get together and other incentives are also part of the benefits that workers in Prisma enjoy (interview with Antti Korpela, February 2010).

**Financiers**: The major financier of Prisma is S-Bank(S-Pankki) which is also a subsidiary of the S-Group. In addition, their over 80,000 co-operative members are financiers because they own stakes in the ownership of the business and they provide finance to the business organization through their stake. These co-operative members have been enjoying their dividends of investments from Prisma and KPO at large, as at 2008, 18 million was paid as bonus to them (KPO Activity Report 2009, 20-21).
In other words, Prisma has been capable enough to finance itself in terms of needs and they have not being indebted to financial organizations lately. This speaks loudly of the efficiency of the management in terms of internal finance that exist in the organization (interview with Antti Korpela, February 2010)

**Community:** The site community of Prisma is Kokkola. Precisely, their location is Prismantie 1 Kokkola. The town of Kokkola is a place which is populated by over 35,000 inhabitants.

Prisma relates with its community by ensuring that their business activities improves the health and social status of the Kokkola inhabitants by selling them quality foods and offering them job opportunities. It also supports some community events which take place occasionally such as festivals and it supports cleanliness of their environment by ensuring recycling their waste materials etc.

In addition, the schools and university are part of the community; Prisma accepts an encouraging numbers of students that are searching for internship into their organization. This action has been helping students to complete their credits on internship and acquire reputable experience in the business life.

**Environment:** Prisma follow the rules of environmental agencies around Europe and Finland. As a result of this, products sold by Prisma carry Ecolabels such as Nordic ecolabel swan, international energy star program, recycle logos etc. In addition, the business organization ensures that wastes are utilized by installing recycling machines in their warehouse. They also have machines that take cans from the consumers and it dispense the receipt that the can is worth, the receipt can be used to buy anything in the market or exchange for cash. This ensures that wastes are not polluting the environment and waste such as carton, cans, and woods, are recycled. Wastes that are not recyclable are also disposed ecologically.

**Competitors:** Their competitors are City market etc. Healthy competition is maintained and conflicts are avoided.
**Media:** Prisma relates with media organizations in Kokkola efficiently, Radio stations, newspaper firms such as Keski Pohjanmaan, television stations i.e. YLE. Their relationship with Prisma has been in terms of both business and sustainability business practices. Prisma has been efficient in these areas.

### 2.4 Issues pertaining stakeholders

**Customer satisfaction feedback:** Customer satisfaction can be seen as the ability of the products and services offered by a business organization to fulfill or meet up with the expected quality and price paid by the customers. Collection of feedback on customer satisfaction is very important to business organizations because, opportunity is given to the businesses to improve the values they offer to their customers and their customers would be willing to give more value in return. In every business organization, it is immensely important to collect feedback on how the offerings have been satisfying customers. In order to do this, business organizations set research machinery such as qualitative or quantitative research methods to generate the level of customer satisfaction.

Prisma also gather information or feedback on customer satisfaction through Questionnaires. Apparently, a questionnaire is a good means of collecting feedback of this matter but it can be deceptive because, the respondents may not fill in the correct or true information due to various reasons. In order to improve on this, the business organization should also use qualitative research such as interviews in order to collect information from the customers and study their reactions as well. Reactions in the process of interviews are one great clue to knowing what is really going on in the mind of the customers.

### 2.5 How the issues could be improved

As stated above, the issue that would be addressed is the process of collecting consumer satisfaction feedback in Prisma. Prisma collects information on the consumer satisfaction of
their services with a questionnaire and it is known that this may be deceptive. This is because of the disadvantages attached to the usage of the questionnaire in the process of collecting vital information. The disadvantages are:

- Respondents may not give the true response
- Questions may be answered incompletely or incorrectly
- Some part of the questions may be ignored by the respondents
- It may appear impersonal or unserious
- It is not effective enough to collect information on issues as important as consumer satisfaction (questionnaire evaluation).

As a result of these disadvantages, the questionnaire would be supported by interview because:

- The response rate of interview is usually higher
- People with low reading skills will not have problems with responding to questions
- Explanation could be made if a respondent gets confused about a question
- Behavior and facial expression could be easily noted in accordance with question. Thereby, making answers known to the interviewer easily.
- Insincerity of respondents is low with interview because it is face to face (interview evaluation)

An Interview could be conducted line in line with the questionnaire. The customers would be questioned from the questionnaire by the interviewer and the response would also be filled immediately in the questionnaire. This is a means of using quantitative and qualitative means of research to collect fair and quality information.
3 THEORECTICAL FRAMEWORK

Business can be seen as an act of transaction or relationship between two or more parties in order to exchange values. In the process of this transaction, cordial smooth relationship or interaction must be involved in order to encourage repeat value creation and attain the business organization’s objectives at the long run. If Capitalism is truly understood, businesses will pay huge attention to managing customers effectively. With the success of capital economies such as the United States of America, Japan, Canada, Mexico, the United Kingdom and other capital economies, business organization have to see the importance of exchanging values with their customers by involving great care and effective relationship (Freeman, Harrison & Wicks, 2008, 5-6).

In addition, since some decades ago, quality customer service has been a major success factor for business organizations all over the world. It is an instrument of product differentiation since there are many competitors in every market. Also, it motivates the customer to be addictive or loyal to the offerings of a business organization thereby resulting to improvement in sales, profits and long term survival. Quality in the customer service is definitely important to satisfy customers, this is because it improves the value proposition of the customers and make them give more and repeated value for a long term (Juran Joseph, 1999, 3-5). Furthermore, business organizations have to understand the needs, wants and complaints of the customers and devise means of meeting them through relationship management, quality services and products so that all their investment will not result to loss (Richard Gerson, 1993, 5).

3.1 Definition and overview of customer satisfaction

Customer satisfaction can be said to be in existence when the expectations of the customers are met or surpassed by the services or products of a business organization. Customer
satisfaction and customer services are two different things entirely; customer service is defined by the business organization while customer satisfaction is defined by the customers. Therefore, a business organization that wants to satisfy customers could define its services according to the wants or needs of the customers (Scott Dru, 2000, 47). Quality customer service, which is determined by the customers, should be seen as a means to an end of achieving customer satisfaction and retention. Any company that wants to achieve customer satisfaction must take real cognizant of the quality they offer to their customers in terms of services or products. It should be what the customers want rather than what the business organization wants (Richard Gerson 1993, 5).

In today’s world of doing business, there have been various topics that have been dominating but majority have to do with satisfying the customers of business organizations. It is a confirmed reality that a satisfied customer will give more value, often and over a long period of time if not lifetime. In other words, an unsatisfied customer will be angry, find a way of doing business with another business organization in order to derive satisfaction, thereby causing a loss in the customer lifetime value of the angry customer by the business organization that does not satisfy the customer (Richard Gerson 1993, 5-6).

3.1.1 The importance of customer satisfaction

The significance of customer satisfaction is enormous in the business world, it has so many advantages and few are shown below:

Customer loyalty and Retention: The major importance of satisfying customers is to make them addictive to their products and services and retain them for their life time. In every industry or market there are numerous competitors or business organizations producing goods and services to succeed. Therefore, business organizations have to ensure that they put their strategy in the right order to satisfy their customers in order to differentiate their products and services. As a result of this, customers will become repetitive to the business organization that
satisfies them and prefer staying as long as they are always satisfied (Roger Hallowell, 1996, 27).

The Graph 1 below shows the flow and results that follows customer satisfaction in a business organization. It shows that customer satisfaction brings in customer loyalty and customer loyalty results into profits for the business organization that offers customers satisfaction services.

Graph 1: Service Profit chain (Adapted from Roger Hallowell, 1996, 27).

**Increase in sales:** When a business organization satisfies its customers, the customers will be encouraged to buy more and often. Quality products and services defined by the customers’ needs and wants have to be provided at all time to ensure this sales increase. In order to ensure customer satisfaction, business organizations have to define and redefine their corporate goals and objectives in order to make all that is involved in the organization to work towards this cause.

**Increase in Profits:** So far the business organization has put every arms of the business together towards satisfying the customer, then the operations and delivery will be effective, efficient and customized for the customers taste as known, offering the best quality services and products as expected by customer will result into high cost savings and increase in profits (Richard Gerson 1993, 10).

**Cost Reduction:** The possible costs that may be attached to the production and delivery of products and services will be reduced since the aim is to satisfy the customers. Quality that
meets up with the customers’ expectations will lead to low time cost, reparation costs, operational costs, return costs and costs of acquiring new or lost customers.

**Increase in the market share:** Customers all around the world always want to get value for their money and above all be satisfied with the products offered to them. As a result of this, a business organization that majors on satisfying customers will have more customers, values and loyalty in the market it operates (Richard Gerson 1993, 11).

**Price leadership:** Huge quality of goods and services that are provided as expected by the customers will cause no trouble when a slight increase in price is done in order to increase profitability. All customers want is to get value for their money and then they are satisfied. As a result of this, a business organization that focuses on customer satisfaction may easily set the pace in price setting in his market (Richard Gerson 1993, 10).

**Improved Goodwill:** Goodwill is the positive reputation, which may be as a result of good relationship with the customers or good ethical relationships with the public in general, of a business organization over a period of time, this reputation is valued as an asset and it can increase the worth of the business organization. As a result of continuous customer satisfaction by a particular business organization, their goodwill will continue to improve because majority or all their customers are happy to do business with them.

**Marketing and advertising:** When existing customers that do business with a business organization are satisfied, they are going to refer the business to their friends, family and relatives so that they can also enjoy the good customer experience. Therefore, the marketing and advertising projects that may be needed to embark on may be minimal (Richard Gerson 1993, 11).

**Long term success and survival:** When a business organization set it as its goal to satisfy its numerous customers, majority of the machineries in the business organization will be effective. They will also be successful because the major reason why their existence is attained and their long term survival will not be shaken.
3.2 Mechanisms to satisfying customers

There are processes or guidelines that business organizations need to follow when they are thinking of embarking on satisfying customers. Business organizations have to follow all these guidelines or plans that they will use to attain their goals in terms of satisfying and retention of their customers. As highlighted in the Graph1, customer satisfaction is related to customer loyalty and this is also related to profits, Therefore, business organizations need to have a firm and efficiently planned mechanism towards delivering satisfaction to their customers. These mechanisms are managing for customer satisfaction, clearing the barriers, building the foundation, using the tools and managing customer satisfaction. All these arms of the mechanisms will be analyzed and explained in the subsequent chapters (Scott Dru, 2000, 3).

3.3 Managing for customer satisfaction

A business organization that is traditionally into the market for the major traditional business reasons is different from a business organization that wants to satisfy customers. Therefore, before a business organization starts setting policies and programs on how they will satisfy their customers, they need to re-structure their organizational form or structure and insert satisfying customers into their goals and visions as well (Roberts-Phelps Graham, 2001, 82).

The major change that needs to be done in a business that wants to satisfy customers is to demolish their traditional organizational chart and ritual burning. This is needed because it is hard for customers to go through the hierarchical structure of organization in order to derive satisfaction and time wastage is another major reason. In addition, managements or managers that want to satisfy their customers have to be communicators rather than dictating to their human resources. They should also endeavor to facilitate policies rather than determining policies, they need to treat their human resources in a motivating manner and encourage them so that they could offer their best abilities for satisfying customers of the business organization (Roberts-Phelps Graham, 2001, 82).
3.3.1 The differences between traditional and customer focused management

Firstly, a traditional management wants to attain the normal traditional and current goals of a business organization and they are majorly concentrating on sales maximization, profitability, market share and other goals. While the management that wants to satisfy its customers will be working with a vision to satisfy its customers. As a result of this, they will majorly focus on quality services, customer satisfaction issues and efficiency (Roberts-Phelps Graham, 2001, 83).

Also, a traditional management is mainly reactive in the management they have the belief of fixing things only when it is broken. With this type of belief, customers may be returning or complaining about their goods or services and this may result in huge reparation costs and time consumption. While customer focused managements are proactive in nature, they do not wait till an occasion rises to the peak before they react, and they put up quality products and services that the customers expect in order to avoid complaints. Their belief is “fix it before it is broken or if it is not broken break it” because it is definitely going to break very soon. As a result, they shape every policies and activities of the organization towards satisfying customers once and for all (Roberts-Phelps Graham, 2001, 83).

In addition, a traditional management limits the inputs of some human resources when issues arise or policies are meant to be enacted because of their hierarchical structure or autocratic administrative style. This may bring the business towards making improper decision making because they did not allow for effective communication of ideas and opinions. While, a management that is focused on satisfying the customers will encourage human resources to involvement, opinions, ideas, thoughts and feedbacks towards issues in the business organization. The ways a business organization can allow for this is through ‘random communication’ where human resources associate, discuss, share opinions and ideas. It can be done formally too, but there have to be an effective communication where ideas, information, thoughts, opinions flow in the organization (Roberts-Phelps Graham, 2001, 83).
Traditional management may only reward their human resources based on the duration of their service and level in the business organization, while a management that wants to satisfy the customers will reward and remunerate their human resources based on their efforts and performance on satisfying their customers. Such as paying commissions and creating awards for employees that have good records on satisfying the customers. In addition, a management that wants to satisfy customers successfully need to empower and train employees in charge of serving the customers in order to attain effective customer services (Roberts-Phelps Graham, 2001, 84).

Managements that want to satisfy customers have to make their human resources believe in their capabilities and develop their ingenuity that they can proffer solutions to problems or queries. This could be done by giving the employees challenges of solving problems or difficulties themselves and raising opinions so that it could be discussed and analyzed rather than bringing everything to the top managers this makes the human resource confident (Roberts-Phelps Graham, 2001, 84).

A customer focused management share information that the human resources need to know proactively, they do not hold back information that is vital to their human resources. They also solve conflicts, disagreement or complaints as swiftly as possible in order to ensure cordial relationship within the organization and between the customers and the business organization. In addition customer focused management praise and reward for the achievement of the human resources without wasting much time. It does not necessarily have to be formal, a thank you, a pat on the back may be given and the rewards may be given in formal ways. They should make their human resources feel valuable and special and deliver more than they promise (Roberts-Phelps Graham, 2001, 85).

Furthermore, it is very important for a business organization that wants to satisfy its customers to manage their human resources. This is because, the way employees or an employee is managed will be shown in the type of approach, behavior and attitude towards the customers. Therefore, management needs to make their human resources happy because if they are
unhappy they will offer low standard relationship or services to the customers and this may result to customer dissatisfaction (Roberts-Phelps Graham, 2001, 86).

3.3.2 Checklist on improving management towards satisfying customers

**Listen to people around:** The management should make it their culture to listening to their employees. It improves easy solution and improves the confidence of the employees because they will feel they are not being judged or condemned on quality offering (Roberts-Phelps Graham, 2001, 86).

**Praise:** It is just to be said sincerely and everyday in order to show gratitude for the performances and achievements of the human resources. It does not cost money; it is just to develop the culture of doing it every day. It does a lot of psychological improvement to the employees on quality production (Roberts-Phelps Graham, 2001, 86).

**Always say something positive:** When human resources raise suggestions, ideas, solutions or advice, the management should try their best in encouraging them by issuing positive statement at all time. Negative statements on the efforts of the human resources create demoralization and may lower their confidence that they are capable of performing efficiently (Roberts-Phelps Graham, 2001, 86-87).

**Fairness and Honesty:** Management should endeavor not to show that they have favorite employees because this may bring up conflicts. They should make sure they are real and truthful with their numerous workers. This will in a way ensure that employees offer quality services and production as expected by the customers (Roberts-Phelps Graham, 2001, 87).

**Share concerns:** The management should always be open minded and share their visions, dreams, hopes and concerns with their whole business organization. By doing this there will be knowledge of what to do, how to do it, where to do it and to whom. It also raises solutions
for concerns of the management and this improves the capability of satisfying the customers of the business organization (Roberts-Phelps Graham, 2001, 87).

**Teaching:** Knowledge is power, it is very important in the process of satisfying customers as well. Management should ensure by teaching their human resources how to do things better so that their final outcome to the customers will be of great quality. Instead of seeing the faults in the employees, management should think about improving their skills, putting them on training courses and skill development (Roberts-Phelps Graham, 2001, 87).

**Use Keisin:** Keisin can be translated as ‘constant and never ending improvement’. It is a Japanese philosophy which preaches that thousand things should be done one per cent better. This implies that everybody that the business organization works with should be constantly required to innovate, improve and suggest viable ideas that will improve customer satisfaction. By doing this, improvement will be a mandatory part of the business organization and this will help its outcome for the customers too (Roberts-Phelps Graham, 2001, 88).

**Improve yourself:** The top managers that are overseeing the management duties should also take it as a role to improve their capabilities. Training courses, skills improvement means and lectures that improves their knowledge should be embarked on. By so doing, the subordinates will also be motivated to improve themselves and they will be inspired by their managers’ advice or inputs because of their capabilities (Roberts-Phelps Graham, 2001, 88).

**Do the most important things:** The management should always act, behave, and live in the business organization in order to improve the customer satisfaction. The management should ask themselves questions on a daily basis thus: “Is what I am doing now helping directly or indirectly to increase the number and quality of the customers our organization has”? If not, then it should not be done (Roberts-Phelps Graham, 2001, 88).
3.4 Clearing the barriers

This arm of the mechanism towards satisfying the customers is concerned with setting up a customer relationship that will meet up with the customer’s requirement, how to deal with some special cases and difficult customers, how to manage burnout or stress of the employees when offering customer services and setting up frameworks in the organization that will lead to customer satisfaction.

3.4.1 Using customer relationship skills to attain customer satisfaction

Business organizations that have the aim of satisfying their customers have to take customer relationship skills seriously. It is an instrument that is used to impress the customers that you value them and to differentiate the business organization’s offering from its competitors. If some factors of the business organization lack the skills, they can be taught and the skills should be used inside and outside the business organization presently and for the future. This is required in order to enjoy customer loyalty for a long term and if possible for the lifetime of the customers (Scott Dru, 2000, 3-5).

There are some practical steps that could be taken when human resources are relating with the customers in the process of offering quality services that the customers expect. They are explained below:

1. **Fast customer services:** There is every need for speed in the services because, time itself is the scarcest commodity, speedy services provide competitive advantages, everything in the business organization is based on time, **FAST-** Fast Action Secures Trust. In addition, the business organization as a whole has to give quick follows ups to customers’ demands and complaints in order to make them feel valued and cared.

2. **Positive Communications:** communications between the customers and the people in the organization has to be made specific, concise, clear, and simple and explanation of
benefits and features of the offerings that the customers are aiming to purchase. In addition, the employees should also learn how to use side by side languages such as: let us see what we can do, I see what you mean, I am sure we will proffer solutions to this problem etc and positive phrases such as: I can, you can, I will, will you please? etc. People in the organization should only promise what they can offer, because customers may be offended when promises fail.

3. **Personal touch:** In dealing with the customers, employees need to be efficient in their relationship skills in order to make the customers feel better, in cases where some employees do not know how to relate with the customers, they can as well learn. People in the organization should ensure that they use the customer’s name in written or verbal communication, use interesting non-verbal communication, give attention and adopt courtesy, manners and politeness with smiles in order to gradually build trust and make the customers feel special.

4. **Keep customers:** this can be done when people in the business organization realize that the customers need care and they are meant to be retained for their lifetime. Therefore, the organization as a whole need to provide their services in a special way that is outstanding compared to their competitors. By doing these, the customers will see no point in patronizing other business organizations providing the same offerings.

5. **Turn complaints to opportunities:** Business organizations should always encourage criticism from their customers in order to note their deficiency and improve on it as fast as possible. Dissatisfied customers exist because the deficiency of the business has not been improved, which may be a result of low attention to customer complaints. Factually, 95 % of unhappy customers repeat their patronage if their complaints are being solved and improved efficiently.

6. **Create crucial moments:** In dealing with the customers, the organization has to make them special. Therefore, they need to pay attention to details of their customers’ complaints or suggestions, concentrate on the areas that relates to customers such as the
payment desk, presentation desks, customer care call center and other areas of the business seriously involved. As a result of these actions put in place, customers will feel special and valued.

7. **Exceed expectations:** In order to satisfy and make customers happy, business organizations should ensure that they under promise and over deliver. If the standard of delivering 10 - 20% more than what is promised, customers will always be delighted to patronize the business and value generation will be improving as the business grows and current retained customers will generate new customers.

8. **Systems are very important:** business organizations should ensure that they have a working and effective planned method of offering services to their customers. Their method of customer services should ensure customer satisfaction better than their competitors and back up plans in special cases, checking and balances should also be put in place all through the organization.

9. **Follow up and follow through:** the business organization should also question the customers about how, why and which way they are satisfied and could be satisfied better. As a result of this, the business organization will be motivated to learn and develop tactics on the best way of satisfying their customers. In addition, customer feedbacks should be conducted from time to time through questionnaire, interview and surveys.

10. **Deliver:** people in the organization could be trained on how to relate with customers better and how to maintain the customer services standards that has been set by the business as required by their customers. The reason behind this is that, mistakes, inconsistency and low standard services are definitely instrumental to customer losses. (Roberts- Phelps Graham 2001, 171-182)
3.4.2 Dealing with difficult people

In a business organization, it is unavoidable to come across difficult people from within or outside the business organization. These people are part of the factors that lead to the success of the business. Therefore, they have to be handled in a conflict free manner, handled professionally instead of personally and the issues they raise should be kept on the spotlight rather than involving personal or emotional interference (Scott Dru, 2000, 11-13).

Human resources should try not to blame the nature of their job, because in another job lies difficult people. Therefore, the best way to manage difficult people is to develop skills in dealing with them and taking issues professionally. This is explained further below:

**Taking Issues Professionally:** In order to attain customer satisfaction, the business organization has to handle issues non-personally with their customers or within their human resources. In order to handle issues professionally, emotions and utterances need to be controlled. There are some statements that show that issues are beginning to be taken personally by an employee: “You don’t know the people I work with”, “It’s not that easy”, “Do you know what he/she said”, “They didn’t even”, “I don’t have to”, “They never”, “They always”, “No one appreciates me”, “I didn’t get paid enough to take things professionally”. All these statements quoted above are capable of causing customer dissatisfaction and they must be avoided (Scott Dru, 2000, 16-17). There are techniques to handle issues professionally, they are:

*Save time by taking issues professionally:* Time saving is directly related to professionalism. Consequently, emotions, nagging thoughts and anger are avoided since calmness has been given a chance by the human resource in handling situations. By doing these, there will be little or no time for taking up issues with customers or people within the organizations that could lead to conflicts (Scott Dru, 2000, 18).
Considering yourself as paid professional: The customers do not have to necessarily like a particular employee, but employees with the understanding that they are paid to handle the people professionally will avoid emotional interference in situations.

Keep the spotlight on the issue: In order to handle difficult people in every situation in a professional manner, the human resources have to keep the spotlight on the issues at hand and not on them. By doing this, they will be calm, not emotional and stress free in solving the issue. The graph below shows techniques to keep the spotlight on issues when dealing with difficult people within the organization or customers in a business organization in order to ensure customer satisfaction:

<table>
<thead>
<tr>
<th>Rather than</th>
<th>Replace with</th>
</tr>
</thead>
<tbody>
<tr>
<td>“He is accusing me of making mistakes”</td>
<td>“How can we solve the situation”</td>
</tr>
<tr>
<td>“She can’t talk to me like that”</td>
<td>“Will you please tell me what needs to be done?”</td>
</tr>
<tr>
<td>“You are not perfect”</td>
<td>“This is not the type of service we want to provide”</td>
</tr>
<tr>
<td>“You make mistakes too”</td>
<td>“How can we correct the situation?”</td>
</tr>
</tbody>
</table>

TABLE 1: Techniques for keeping spotlights on the issue (Adapted from Scott Dru, 2000, 19).

3.4.3 Managing burnout

Burnout is the situation whereby somebody is exhausted emotionally or physically as a result of long term stress. In order to satisfy the customers of a business organization, the human resources have to avoid or manage burnout. Burnout needs to be managed in order to cope with the demands of the customers and to focus on the job specification given by the business organization. Burnout usually makes an employee deliberately neglect what he is supposed to be done. It results into ineffectiveness and this is a major threat to customer satisfaction. Burnout usually creeps in when an employee’s task mainly focuses on problems, when there is
rarely a good commendation on a job well done, when a situation becomes difficult and a
customer forgets all the good deeds of the employee in the past etc (Scott Dru, 2000, 21-22).
There are common signals that show that burnout is creeping in, they are: communicating little
with others, feeling reduced energy, attaining low productivity, usual lateness to work or
appointments, unplanned weight loss or gain, having problems with sleeping, preoccupied
with health issues and reduced interest in happenings around the business organization (Scott
Dru, 2000, 23). There are also uncommon signs of burnouts, which are:

**Falling concentration:** this is when an employee loses concentration easily and distractions
from around and within could easily get his or her attention. This may affect customer
satisfaction, because quality customer services demand total concentration and dedication.

**Short Fuse:** This is when an employee of an organization gets easily worried or angry with
situations around. This may lead to the customer satisfaction being affected because the
employee will mostly be angry in difficult situations.

**Suspicion of joy:** This is when an employee suspects how people react to what makes them
happy. They mostly see anomalies in the way people celebrate their joy.

**Complaints:** This is when an employee becomes or sees negativity at every situation that
occurs. This may affect customer satisfaction because positivity is the needed implement.

**Using artificial stimulants:** This is when an employee takes abnormal coffee, pills and other
artificial stimulants. This may affect the worker physically and mentally and this may affect
customer satisfaction (Scott Dru, 2000, 24).

According to the general saying that “Prevention is better than cure” The burnout explained
above could also be prevented by the following techniques:

**Exercise every day:** This is the best solution to burnout, when an employee exercises; the
feeling of burnout disappears as a result of more oxygen that has been gained. When an
individual exercises, there will be more flow of oxygen to the brain and this improves the thinking ability of the brain. The eight-cylinder engine of one’s mind will be working fully rather than only on four cylinders when there is a burnout. Just walking two miles per day is fine or using the trampoline in the house, playing football, skiing, swimming or any other sport. This tactics is the most important; it has to be done before other tactics work to avoid burnout (Scott Dru, 2000, 26).

**Take care of your personal needs:** Taking care of one’s personal needs means demanding what is needed in order to contribute to the betterment of the business organization. It could be: making sure that one’s idea is heard or attended to, demanding people to notice one’s work accomplishments rather than waiting for them to be noticed, demanding for one’s wants directly rather than feeling remorse that it is not provided in the first place. All these needs should be demanded for without devaluing one selves such as inaccurate reward for oneself, devaluing others such as refusal to pick a co-worker’s or superior’s call, devaluing the situation such as evading or avoiding duties you are paid for (Scott Dru, 2000, 27).

**Work to a measurable target:** there are targets that could be set by an organization for its workers to attain, but workers should also have their targets when trying to satisfy customers. Personal targets may stimulate one’s thinking, they may be: Adopt eight recommendations a week, attain average daily sales at one’s department of over $1000, audit twenty vouchers a day, place thirty purchase request a day, twenty service requests to be completed every day, fifty error free document pages per day, swift performance of hundred percent etc. This target-setting creates a sense of direction and joy of accomplishment when targets are met. In addition, it improves the creativity of the human resources as they are willing to attain targets that they set for themselves to improve performance on their duty (Scott Dru, 2000, 27-28).

**Say what you feel, directly and skillfully:** When you say what you have perceived directly to the people that are directly concerned, the air will be cleared, more energy will be gained and above all one’s voice will be clearly heard. This has to be done in a non-conflicting way that will maintain a smooth relationship within the organization. Therefore, the right skills are needed for this to be done at the right time (Scott Dru, 2000, 31-32).
**Do good things for your spirit:** Human resources should make sure they keep themselves positive and motivated to offer their services at the best level. This could be done by discovering what really keeps them lifted and energize them to work. They may be: sharing jokes with co-workers, having soft music playing in the background, using favorite pen or pencil etc (Scott Dru, 2000, 33).

### 3.4.4 Get more cooperation

In order to attain customer satisfaction, the business organization as a whole has to cooperate to satisfy the customers. In order to ensure cooperation, the human resources have to give the care or attention given to their customers to their fellow workers or employee. This implies that the employees have to treat each other the way they treat their customers. The importance of cooperation is huge; when it is absent there will be low quality output, energy wastage, time wastage and high level of burnout (Scott Dru, 2000, 35-37). There are ways to getting more cooperation in the business organization, and they are explained below:

**See co-workers as customers:** co-operation is an important instrument for a business organization to satisfy its customers. Therefore, the whole human resources have to see themselves as customers, by doing this; the human resources will use the effective customer relationship skills they use with the customers with their co-workers. Consequently, the human resources will feel happy to assist each other to attain customer satisfaction because they are valued and cared for (Scott Dru, 2000, 38).

**Understand the way to work with co-workers:** It cannot be under-emphasized that there are some cases in the business organization where conflicts or difficult situations occur in the human resources. Nonetheless, the employees working with each other should take it as a point of duty in studying their partners in order to use a proper medium in relating with them. As a result of this, the workers will be in good terms and it will be easier to achieve customer satisfaction (Scott Dru, 2000, 38).
**Accord time to listen:** It is necessary for the employees to listen attentively to one another irrespective of their cadres, doing this will make workers aware of what they need to do at a particular time. In addition, the human nature values dedication and attention, it makes human resources feel important and their views (Scott Dru, 2000, 39).

**Use the best strategies:** It is no news that in relating or dealing with people there may be complications, the best way to successfully deal with people is to use the best approaches that fit the relationships. Cooperation in a business organization demands these strategies to achieve customer satisfaction (Scott Dru, 2000, 39).

**Respect co-workers irrespective of position:** Communication is very important when working together in a business organization to attain customer satisfaction. In this process, the human resources have to communicate with themselves respectfully irrespective of the levels in the business organization. Consequently, employees will want to work with each other since the right skills and respect are used in the process of cooperating towards customer satisfaction (Scott Dru, 2000, 39).

### 3.5 Building the foundation

Business organizations have to mount a foundation that will drive them towards customer satisfaction. Their background programs should not only be focusing on quality customer service alone, rather it should be a service that the customers expect. If the business organizations do not do this, they will shortchange themselves and the customers. In addition superior services could be provided when business organizations need to focus on satisfying their customers.
3.5.1 Aiming at satisfaction

The problem with customer service itself is when the business organization is only contented with offering customer services. Rather business organization should maintain their stand on offering customers their deserved satisfaction. As a result of this, the business organization will build foundations towards confidence, set targets, and manage burnouts and cooperation (Scott Dru, 2000, 50-52).

Achieving customer satisfaction: The term satisfaction is the requirement or expectations that the customers want. In order to achieve this, the business organizations have to set their targets towards meeting these requirements. This mostly forms the basis of the organizational goals of business organizations all around the world. Targets may be seen as inputs from the customers, and the business organization, it has to be understood in order for the whole organization to move towards achieving it (Scott Dru, 2000, 53). Below is the shortcut for defining targets diagrammatically. Graph two explains the way to plan the targets of the business organization towards customer satisfaction. According to the diagram the starting point should be from what the customers want and what they do not want and then plan and determine what the business organization want and what they do not want.
In addition, for proper understanding and constant review of targets, the business organization can make their targets towards customer satisfaction in a written form. By doing this the targets may be shared within the organization and proper study and understanding could be done easily; this will help workers not to be frustrated with forgetting or improper understanding of the targets. Gathering and representing targets in written form might be time-consuming but the results are always huge for the success of the business organization (Scott Dru, 2000, 54-55).

### 3.5.2 Solve problems without blaming

Although the customers are not always right, they are going to be seen as customers at all time. This infers that solving problem is often more important than determining who is wrong or right. Apportioning blame will only lead to time consumption, stress and bad feelings. Therefore, business organizations should lay a foundation that will solve problems blamelessly
in order to attain customer satisfaction (Scott Dru, 2000, 57). There are steps toward solving problems efficiently; they are explained in the subsequent paragraphs.

**Express respect:** In order to offer services that satisfy the customers completely, the human resources need to respect their customers in their relationship. When human resources attend to the demands or problems of the customers efficiently, the customers will feel valued and respected. This usually leads to customer satisfaction and retention, because the customers are feeling respected and valued. In the case of dealing with difficult customers, the human resources still need to communicate respect by using some special phrases such as: “I will check into this right now”, “This is really important”, “This is not the type of service we want to give you”, “I apologize, Thanks for letting me know about it”, “Your work is important to us”, “Thank you for telling me about this”, “We want to satisfy you”, “Thanks for your patience”, “Let me make some notes about what needs to be corrected”, “I apologize for the inconvenience you have endured”, “I/We want to serve you better”. Although, all these phrases are effective, they could be used in different ways in every situation based on the experience of the human resources with their customers (Scott Dru, 2000, 63-65).

**Listen to understand:** In order to solve problems effectively, the business organization as a whole and most especially the human resources need to listen to the demands or complaints of the customers. In addition to listening to what a customer is saying, an employee or employees need to note the feeling, wants and thoughts of the customer. After listening to all of these, the human resources need to make the customers aware that they understand what they are going through. By listening to understand the customers, effective ways to satisfy customers will be devised and customers’ satisfaction will be attained (Scott Dru, 2000, 67-68).

**Uncover the expectations:** Listening to understand the wants and needs of the customers lead to the proper knowledge of the customers’ expectations. There are some structured questions that could be directed to the customers so that the expectations of the customer will be unveiled, they are: “Please tell me what needs to be done”, “How can we resolve this situation?” “What can we do to correct this situation?”, “Is there any other things you want to be corrected?” “How can I assist you?” (Scott Dru, 2000, 69).
**Repeat the specifics:** The particular requests or complaints that customers have tendered in have to be repeated in order to ensure proper understanding and calm the customers when they know their case is understood. There are some phrases that may be used to repeat the specifics, they are: “To make sure I am on the right track, let me double-check what you want”, “To prevent problems, let me summarize what needs to happen”, “So the problem is”. All these are better used to calm the customers that their expectations are understood and verified, rather than using phrases like “I know”, “I understand” which inflame (Scott Dru, 2000, 70).

**Outline the solution or alternatives:** When the customers tender their expectations, the human resources may not be able to proffer solutions immediately or exact expectations. Therefore, alternatives have to be prepared for the customers to be satisfied at the end of the day. The following phrases could be used towards offering alternatives; “I will check into this and get back at you before noon”, “Here is a possibility”, “You can”, “We do have”, “There is an alternative”. In other words, when there seems to be difficulty in providing the customers’ expectations, the following sentences could be used to provide alternatives; “I will note this issue on my calendar in order to check it again”, “Sometimes our regional headquarter has what you need. I will call them”, “I will put your name on our mailing list in case something develops. In the meantime, I will keep my eyes open for a possible replacement” (Scott Dru, 2000, 71).

**Take action and follow through:** In the process of trying to deliver the customers’ expectations, actions need to be taken and follow through have to be made effectively. This action and follow through could be either immediately or later in some cases that demand time to sort out. The major instruments to providing expectations by timely follow though are through calendar usage or watch alarm. It is effective when employees register the activities they are going to follow through on their calendar or the alarm wrist watch. They should ensure that they fulfill all their promises to their customers in the process of follow through. For example they should call at the exact day and time they promised their customers (Scott Dru, 2000, 72).
**Double-check for satisfaction:** This can be seen as a process of following up the customers to see if they are truly satisfied. This stage is very important because it is where the appreciation and loyalty of the customers is determined. It is important as a whole to solve the problems of the customers because it protects the business organization from the disaster called dissatisfaction, save time, reduce stress and make the customers and the business organization feel better (Scott Dru, 2000, 73).

### 3.6 Using the tools

There are some techniques used to ensure and maintain customer satisfaction in a business organization. These techniques help improve the cooperation from the customers and efficiency of the business organization towards achieving customer satisfaction. All these tools or techniques have their different purpose at different stages of rendering services to the customers; the overall aim is to achieve customer satisfaction.

### 3.6.1 Save time with proven techniques

The techniques that could be used to save time in satisfying customers at every stage of service rendering are:

**Using warm and cooperative tone voice to reduce frustration or irritation:** In the process of communicating with the customers in order to solve their problems, the human resources need to have a tone voice that will relax the irritation of the customers. If an employee or employees lack this they may embark on an exercise such as: taking deep breath over and over again for about one minute at least and embarking on vigorous exercises such as jogging, trekking, using the trampoline, swimming and some other sports that increase oxygen in the brain(Scott Dru, 2000, 79-80).
Build confidence with “I will” phrase: Using the “I will” technique is advantageous to both the customers and the employees. It builds confidence in the employee and it relaxes and makes the customer confident in the employee. Rather than using “I will try” which is too vague and still makes the customer irritated and doubtful of the services he wants, it is better to check the circumstances surrounding the services and explain on how to better offer the services to satisfy the customer (Scott Dru, 2000, 80-81).

Use “will you” phrase to ease frustration: In the process or serving the customers, there are situations whereby the human resources need to collect something from the customers quickly, avoid blames, clarifying what they need to do and getting what is wanted the “will you” skills is effective without causing confusion, apportioning blames and causing more irritations. Instead of using “You have to” replace it with “will you”, for example: “You have to do that” better still use “Will you please do that” (Scott Dru, 2000, 82-85).

Say no courteously with “You can”: There is a way of saying No to a customer in a very courteous way that makes the customer happy because people feel and respond favorably when they hear what they can do. This technique could be used to achieve the following: It makes customer appreciate customer services despite saying no. For example, “You can have the goods tomorrow” makes the customer feel good than “You can’t have it today”. Also, it can be effective when some customers insist on getting what they want immediately, then the Plan B which “I am sorry. The goods are not ready today. It will be ready tomorrow”. In addition, it saves time by simultaneously answering the next question most customers would rather ask and it makes the job easier with the customers. This technique is very effective in giving customers alternatives and stimulating their confidence in the customer service of the business organization (Scott Dru, 2000, 86-87).

To save time, give reasons first: Generally, human minds are meant to wonder why situations occur. It is the same case with the customers of a business organization. Therefore, the business organization should see it as an opportunity to give reasons why they are taking some actions or why something has happened rather than expose the situations first and then allow time to be consumed by the questions of the customers. Attention and understanding of
the customers is easily gained by using this technique when relating with them. This technique can usually be used when communicating technical information that customers may not understand easily, when customers may be unwilling to cooperate and when the experience of the employee is not counted worthy by the customer. Examples of this technique are: “To help save you time…”, “To help me complete your request more rapidly…”, “So that I can access your records….” (Scott Dru, 2000, 89-91).

To reduce tension, call anyway: It may not be valued by some business organizations, but calling the customers to inform them of vital issues or progress on what they demand have a lot of effect on how the customers feel about the business organization. It is wise to inform customers of negative situations that may delay their demands because they will be more cooperative, tension free and valued since the situation has been explained to them. Calling before a customer becomes angry and call the business organization should be ensured, an angry customer may be on the way out of the business organization (Scott Dru, 2000, 92).

3.6.2 Building motivation with customer feedback

Feedback is one of the major instruments in collecting the expectations and improvements that the customers desire from the business organization. As a result of this, business organizations that want to satisfy their customers should check for satisfaction with the customers. Collecting feedback may be sensitive and delicate because customers might not want to hurt the feelings of the business organization or the business organization might be afraid that the customers will pour out overwhelming complaints. Therefore, the business organization may use a simple feedback system such as three pluses and minuses strategy to collect feedback easily. Starting with the three pluses first so that the customers can gather their valuable minuses for the business organization to improve on it. It is a valuable streamlined feedback means and customers could be asked thus: “We want to make sure our services are satisfying your expectations. Will you tell me three things you like about our services and three things you would like us to improve upon?” (Scott Dru, 2000, 97-100).
Systematic customer feedback survey could also be organized in order to acquire the way customers feel about the business organization’s offerings such as quantitative research (questionnaire) and qualitative research (interview). The feedback should be ongoing because it makes the customers respect the business organization for their interest to serve them better and improve on their faults and more positive feedback will be collected as the services are improving with the feedback collected previously. There are criteria that a systematic customer feedback must possess, they are: Continuous, precise, concise, centered on the end-use customer, focused on a limited number of vital indicators, available on a timely basis, available to everybody in the organization regardless of their cadre, represented on a line graph or chart, so that when the results are met the graphs or charts will change accordingly (Scott Dru, 2000, 101-103).

3.6.3 Keeping it going

In order to keep the paces of quality customer satisfaction going on the rise the business organization have to put some things in place such as: Giving themselves more blue ribbons and handing out more blue ribbons could be the ways to achieve thus.

**Giving more blue ribbons:** Although not all customers comment that their expectations have been met it does not mean that the business organization should think that their services are not valued. They should not wait until the customers give positive comments or wait for the positive comments of the high ranked officials in the business organization before they know they are satisfying the customers. They can give themselves blue ribbons by making records of success services that have been offered and make themselves feel happy and important about it and be ready to improve (Scott Dru, 2000, 108).

**Hand out more blue ribbons:** the business organization should ensure motivating their human resources adequately since they have been working hard to satisfy customers. The business organization should educate the whole people in the organization on how to show appreciation for the effort that they have been exhibiting to attain customer satisfaction.
Behaviors such as pat on the back, saying “job well done”, etc, financial rewards such as commission, bonuses etc, Ceremonial rewards such as awards, offering medals and valuables are all important to motivate employees to work harder towards satisfying customers (Scott Dru, 2000, 109-110).

3.7 Managing customer satisfaction

Deriving customer satisfaction is a task that takes a lot of strategy and maintenance in the business organization. The steps and strategies that have been explained and analyzed in the previous chapters are instrumental to managing customer satisfaction for the lifetime of the business organization. So far business organizations can maintain all these strategies in all facets of their activities, deriving and maintaining customer satisfaction may become less difficult. In other words the outcome of the customer feedback that has been conducted by a business organization needs to be managed, improved upon and turned into opportunities. The subsequent subchapters explain this more in detail.

3.7.1 Managing customer complaints

It is normal for customers to complain about some low quality services, when these complaints are managed effectively the customers will perceive the services of the business organization as quality. For customers to have taken their time to complain about some issues concerning their satisfaction, they usually have the knowledge on how to solve the problems. Therefore, the business organization could ask customers on how they can solve the complaints they have tendered; this will make them feel valued and trust the business more. In order to manage complaints effectively, the business organization should have a well-trained workers and an effective recovery and restitution program (Scott Dru, 2000, 88). The restitution and recovery processes are as follows:
**Say “thank you” and give the reasons:** The business organization should save energy that they burn on wondering if the complaints of the customers are legitimate or not. Rather they should say thank you to the customers lodging the complaints. Although most people or organization do not thank the complainer, it is wise to do so in order to make the customers feel better and encouraged to lay complaints whenever deficiency in the business organization’s offerings is noticed. Be it orally or written, the business organization should always thank for the customers’ complaints with great gratitude written in emotions or expressions. In addition, the business organization should give the reasons why they said thank you. When this is done the thanks expressed becomes more meaningful to the customers. For example: “Thank you for telling us this because it will make us improve the quality services and products which we intend doing at all time” (Barlow Janelle, 2008, 125-128).

**Apologize:** Always make your customers understand that you are very sorry for every complaint that they tender. Regardless of the employee who was at fault the employee attending to the customer should admit that they are sorry and take responsibility to resolve the problem (Scott Dru, 2000, 88).

**Urgent Reinstatement:** Employees attending to complaints should do their best to restate the complaints tendered so that it could be easily understood by both the customer and the business organization (Scott Dru, 2000, 88).

**Empathy:** Communicate to the customers that their complaints are understood and they are appreciated for bringing the complaints. Because bringing the complaints give the business organization the chance to improve on the service quality (Scott Dru, 2000, 89).

**Restitution:** The employees attending to complaints should ensure they do everything that the customers need in order to resolve the complaints. After the complaints have been resolved, the business organization should go extra mile to cover up for the complaints such as discount sales, giving discount coupons, giving free gifts etc (Scott Dru, 2000, 89).
**Follow up:** After the complaints have been resolved, the business organization should ensure that the customers are happy before leaving. In addition, when the customers leave for their homes, they should ensure they give calls, e-mails, and messages etc in order to see if the customers are truly happy (Scott Dru, 2000, 89).

**Prevent Future mistakes:** The business organization should ensure that the complaints are addressed throughout their organization and plan prevention strategies without blaming employees. When the business organization does not blame employees then the employees will not be reluctant to make all the complaints known to the business organization (Barlow Janelle, 2008, 134).

3.7.2 Continuous improvements

In some cases business organizations get positive feedbacks from their customers about the products and services and they are satisfied with their offerings. Mostly, in these cases the business organizations become complacent and relax on their laurels. Whereas, in this modern day a business which is very competitive and dynamic, relaxing on the quality may easily lead to the business losing its competitiveness. Therefore, business organizations of this nature should make sure they search for ways of improving on their quality at all time in order to keep them competitive continuously. In situations where the business organizations relax on their laurels, the customers may gradually become dissatisfied and move to the business’ competitors that are improving on their offerings (Barlow Janelle, 2008, 86).
4 ANALYSIS AND INTERPRETATION OF THE RESEARCH

The research used in collecting the data of customer satisfaction feedback in Prisma KPO was the combination of questionnaire and voice recording. This is used in a form of interview by asking the interviewee the questions in the questionnaire and recording their voices. This is as a result of the desire to cover up for the lapses of using a questionnaire to research and studying the expressions of the respondent in line with their response. In the research, twenty three (23) questionnaires consisting of eleven (11) questions each were shared to respondents.

4.1 Data representation

The first question is to find out the gender of the respondents, female or male: Male respondents are more than the female respondents; it is represented graphically in Graph three.

GRAPH 3: Gender of the customers
**Question two** focuses on the age categories of the customers that responded to the questions. They are from below eighteen years to sixty five year and above, the age of twenty five to thirty four was the highest age group respondents. It is represented graphically in Graph four.

GRAPH 4: Age group of the customers

**Question three** focuses on the ownership of S-card among the customers that respond to questions, majority of them own the S-card. It is represented graphically in Graph five.
Question four focuses on the duration that the customers have been buying the goods and services of Prisma in Kokkola and most customers have been patronizing for more than five years. It is represented graphically in Graph six.

GRAPH 5: S-card ownership

GRAPH 6: Patronage duration
**Question five** also focuses on the level of frequency that the customers buy the goods and services of the Prisma Kokkola and most respondents buy goods and services every week. It represented in Graph seven.

GRAPH 7: Patronage frequency

**Question six** focuses on the overall rating of the customers’ satisfaction on the goods and services offered by Prisma Kokkola, almost half of them have a well above average satisfaction. It is represented graphically in Graph eight.
Question seven focuses on the perception of customers in rating Prisma Kokkola on four attributes about their quality of goods and services. They are as follows:

The first attribute rating given to Prisma pertaining to their customer service experience. Almost half of the customers that responded rate Prisma well above average level. This is represented in Graph nine.
The second attribute rating is the professionalism of Prisma when offering services to customers. Almost half of the customers rate them on this attribute above average level. This is shown graphically in Graph ten.

GRAPH 10: Professionalism
The third attribute rating is the purchase experience of the customers whenever they are buying the goods and services of Prisma. Most of the customers rate Prisma as above average on this attribute. It is well represented on Graph eleven.

![Graph 11: Purchase experience](image)

The forth attribute rating is the quality of products that Prisma offer to their customers. Over sixty per cent of the customers that respond to this question rate them as above average on this attribute. It is represented graphically in Graph twelve.
The fifth attribute rating is about the understanding of the customers’ needs that Prisma possess. Forty eight per cent of the customers that respond rate Prisma above average on this attribute and it are represented graphically in Graph thirteen.

GRAPH 12: Quality of Products

GRAPH 13: Understanding customers’ needs
Question eight is a subjective question which demands for how Prisma could improve on the attributes rated in question seven by the customers. Eight of the respondents commented on how the attributes in question seven could be improved. Among these eight respondents, two gave the idea of increasing provision and organization of Gluten free products, two also gave the ideas on making improvements on the directions on where to locate goods in the market and others gave opinions on increasing ecological friendly goods, price reduction of goods, increase provision of meat varieties, increase provision of Valio milk.

Question nine focuses on the likeliness of the customers to continue doing business with Prisma. Over ninety per cent of the customers that responded to this question desire to continue their patronage with Prisma. It is well represented in Graph fourteen.

![Graph 14: Patronage continuation](image_url)

Question ten focuses on how often customers have been referring Prisma to other people. Over forty per cent of the customers that responded to this question have recommended Prisma severally to people. It is represented in the Graph fifteen below.
Graph 15: Customer Recommendation

**Question eleven** focuses on the rating of Prisma when compared with other hypermarkets as perceived by the customers. Almost fifty per cent of the customers that responded to this question rate Prisma much higher. It is represented in the Graph sixteen below.

Graph 16: Rating of Prisma among competitors
This part of this thesis is aimed interpreting the research findings and to explain the needs that will satisfy the customers and improve the services of Prisma. From the research it is deduced that Finns and non Finns buy goods and services from Prisma and Finnish language is not their only means of communication, some of the respondents only speak English and Swedish.

The first three questions which centered on the gender, age group and S-card ownership of the respondents revealed some important facts. It revealed that the customers of Prisma are not one gender sided as 52% of the respondents are males and 48% are females. The age group division revealed that different age groups buy goods and services of Prisma as 30% of the respondents are within the age group of 25-34, the age groups under 18, 18-24, 35-44 and over or equal to 65 are 13% each respectively and age groups of 45-54 and 55-64 are 9% of the respondents respectively. The question concerning the ownership of S-card also reveals that the majority of the customers of Prisma possess S-card as 74% of the respondents own the card and 26% do not own. This ownership of cards shows that majority of the customers own stakes in the S-group of companies which Prisma is its subsidiary and get discount from their purchase due to S-card ownership. Therefore, customers have to be treated in the best customer relationship manner as they can be stakeholders in the business organization as well.

In addition, the next three questions focus on overall satisfaction level, purchase duration and frequency of the customers. These revealed that the majority of the customers have been doing business with Prisma for a very long time, as 65% of the respondents have been buying goods and services of Prisma since five years and more, 22% of the customers have been buying Prisma’s goods and services between three to five years, 13% have been buying the offerings of Prisma between one to three years duration while none of the respondents have been doing business with Prisma for less than a year. This particularly shows that Prisma has been able to retain majority of their customers through their quality goods and services. The question on patronage frequency reveals that majority of the customers purchase products from Prisma every week as 57% purchase weekly, 22% purchase every day, 17% purchase monthly and 4% of the respondents purchase products from Prisma quarterly. The question on customer satisfaction level reveals how satisfied the customers are with the offerings of Prisma, majority of the customers rate their satisfaction level as well above average as 48% of the respondents rated their satisfaction level as well above average, 30% rated their satisfaction level as above
average, 17% rated their satisfaction level as average, 4% rated their satisfaction level as below average while none rated their satisfaction level as well below average.

The seventh question which centered on how Prisma is rated on some attributes also reveals the performances of Prisma in terms of goods and services rendered to the customers. The first attribute rating which customer service experience shows that the majority of the customers have been experiencing quality services. According to the respondents, 48% rates their service experience as well above average, 30% rate theirs as above average, 17% rate theirs as average, 4% rate theirs as below average and none of them rate their service experience as well below average. The second rating is on how professional Prisma has been in the process of offering their goods and services to their customers and about 48% of the respondents rated them above average, 35% of the respondents rated them well above average, 17% rated them as average and none rated them below average or well below average. The third attribute rating is on the experience that the customers have whenever they are purchasing products from Prisma, majority of the respondents rated their purchase experience as above average with 43%, 35% rated their purchase experience as well above average, 22% rated their purchase experience as average while none of the respondents rated their purchase experience as below or well below average. The forth attribute rating is focused on how the customers perceive the efficiency, durability or price worthy the products that Prisma offer to them. The respondents rated the quality of Prisma’s products thus: 61% rated the quality as above average, 30% rated the quality as well above average, 9% rated the quality as average while none of the respondents rated their products as below or well below average. The fifth attribute rating is based on how Prisma understand the needs of the customer. According to this attribute, 48% rated Prisma as above average, 35% rated Prisma as well above average, 13% rated them as average, and 4% rated them as below average while none of the customers rated Prisma well below average. This shows that there are some improvements that need to be done in terms of understanding the needs of the customers by Prisma.

Question eight which is a subjective question on how to improve the attributes in question seven gave the respondents the chance to make their concern, needs and improvements they desired known. Although most of the respondents were shy to make comments on this question, the few that commented really made their mind known without bias. Among the
twenty three respondents, eight only commented on how Prisma can improve on their attribute rating, their comments are as follows:

- Two respondents said that more Gluten free products should be made more available in the market. They added that it should be arranged in an orderly manner on a shelf in order to allow customers have easy location of the products without much ado.
- Another two respondents also stated that directions and places or shelves where variety of products is located should be vividly made available. They also added that Prisma should endeavor to make the description of their location also in English for foreigners that are non-Finnish or non-Swedish speakers to have easy access to the goods they desire.
- The remaining four respondents stated that Prisma should make more ecological products available, another stated that Prisma should work on how to make their price more affordable, another stated that more meat varieties should be made available in the meat department and more valio milk varieties should be made available in the milk department.

Furthermore, the next three questions focus on patronage continuation, customer recommendation and the rating of Prisma among competitors. The question about the likeliness of the respondents to continue buying the goods and services of Prisma reveals that 96% of the respondents will continue doing business with Prisma, 4% of the respondents will somewhat likely continue while none are neutral, somewhat unlikely and very unlikely. The question on how customers have been recommending Prisma to other people reveals that 43% of the respondents have recommended Prisma to people severally, 22% have recommended Prisma once or twice while 35% of the respondents have never recommended Prisma to other people. The last question is the rating of Prisma among its competitors and this reveals that 48% of the respondents rate Prisma much higher, 30% rate Prisma as the same with other competitors, 17% rate Prisma somewhat higher than their competitors, 4% rate Prisma somewhat lower while none rate Prisma as much lower than its competitors.
4.2 Summary of findings

The research is meant to collect the customer satisfaction feedbacks in Prisma. In addition it is aimed at discovering the needs of the customers and the areas that need improvement in the business organization. The research which combined interviews with a questionnaire made the responding customers to be unbiased and straightforward in their response. Although, a majority of the respondents are satisfied with the offerings of Prisma and they are willing to continue doing business with Prisma, they still have needs that they want Prisma to proffer solution to.

Firstly, the customers involved in the research want Prisma to provide more gluten free products and make them available in an orderly manner on the shelf which is distinguished. Also, they want Prisma to make the direction on how to locate products in the market vivid and easy to see in order to ensure easy access to products in the market. Furthermore, the customers want Prisma to provide more varieties of meat in the meat department, more varieties of valio milk, more ecological friendly products and more affordable products.
5 RECOMMENDATION AND CONCLUSION

According to the aim of this thesis which is on how business organizations could satisfy their customers. Business organizations could be offering quality services and goods but when it does not meet the expectations of the customers it may result into waste. Therefore, business organizations should ensure that they know their customers’ needs and structure their business organization towards achieving customer satisfaction. From the theory lies useful instruments on how to organize a business organization to satisfy the customers and they involve the followings: Managing customer satisfaction, clearing the barriers, building the foundations, using the tools, managing customer satisfaction by managing customer complaints, encourage complaints and turn the complaints to gift and continuous improvement to the better is required. All these tools are useful for business organizations and most especially, the case company Prisma KPO.

According to the research carry out on customer satisfaction feedback, the management of Prisma should use the information provided to improve the services rendered to their customers and satisfy the needs of the customers. They should always encourage their customers to tender their complaints as it will always show them where to improve and turn the complaints into opportunities by improving on the areas complained about. Furthermore, Prisma KPO could endeavor to organize this type of customer satisfaction feedback like once in a month or once in two months in order to know their relationship with their customers and know how satisfied their customers have been.
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Books


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KPO Activity Report 2009. Kokkola, Finland: KPO.

Interview

Interview with Antti Korpela, February 2010

Internet Links


APPENDICES

QUESTIONNAIRE

I am OLADIJO AKOLADE ADEGBOLA, a student of Central Ostrobothnia University of Applied Sciences, Kokkola. I am writing my final thesis and using Prisma as a case study, in order to deduce some facts, customers’ satisfaction feedback need to be conducted.

You are invited to participate in this Customer satisfaction feedback survey. In this survey, you will be asked questions about the products and services rendered to you (customers) by Prisma. Response to this questions are voluntary, if you feel uncomfortable responding to some certain questions, you can withdraw at any point.

Thanks for your valuable response and cooperation.

1. What is your gender?
   □ Male  □ female

2. Which of the following categories best describe your age?
   □ Younger than 18  □ 18-24  □ 25-34  □ 35-44  □ 45-54  □ 55-64  □ 65 and above

3. Do you have the S-card?
   □ Yes  □ No

4. How long have you been purchasing our product and services?
   □ less than 6 months  □ 6 months to less than a year  □ 1 year to less than 3 years  □ 3 years to less than 5 years  □ 5 years or more

5. How often do you buy our products and services?
   □ I don’t  □ daily  □ weekly  □ monthly  □ quarterly

6. How would you rate your overall level of satisfaction with us?
   □ Highly satisfied  □ somewhat satisfied  □ Neutral  □ somewhat dissatisfied  □ highly dissatisfied
7. How do Prisma rate on the following levels of attributes?
   1=well below average, 2=below average, 3=average, 4=above average, 5=well above average.
   i. Customer service experience 1 2 3 4 5
   ii. Professionalism 1 2 3 4 5
   iii. Purchase experience 1 2 3 4 5
   iv. Quality of products 1 2 3 4 5
   v. Understanding customers’ needs 1 2 3 4 5

8. How could Prisma improve in these attributes above?

   Comments:

9. How likely are you to continue buying Prisma’s products and services?
   [ ] Very likely  [ ] somewhat likely  [ ] Neutral  [ ] somewhat unlikely  [ ] very unlikely

10. Have you ever recommended Prisma’s products and services to others?
    [ ] No, never recommended  [ ] have recommended once or twice  [ ] have recommended several times

11. How does Prisma rate compared to other hypermarkets that offer same products and services like us?
    [ ] Much higher  [ ] somewhat higher  [ ] same  [ ] somewhat lower  [ ] much lower