Jaana Repo

SUSTAINABLE CUSTOMER RELATIONS WITH MERCHANT CUSTOMERS
FOR PORI JAZZ 66 RY

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The purpose of this thesis is to improve customer relations between Pori Jazz 66 ry and their merchant customers. Client organization is Pori Jazz 66 ry, a non-profit association and one of the biggest jazz festivals in Europe.

Main point is to suggest an improved survey that could be conducted by sales representatives of Pori Jazz for its merchant customers, which is based on the GAP-analysis and SERVQUAL. Meaning of the survey is to bring more attention to service quality in those services that Pori Jazz offers to their merchant customers.
In addition, meaning of the cultural happenings is analyzed, in order to underline importance of such happenings like the festival of Pori Jazz.
Providing an analysis of the process of customer acquisition for Pori Jazz 66 ry, role of customer trust during negotiations and assessing potential risks that could be involved in cooperation between festival organization and merchant customers, are also topics of the thesis.

The theoretical section was collected by using various academic electronic journals, book by Zeithaml, Parasuraman and Berry; "Delivering quality service", and applying theories such as customer segmentation and targeting. In addition to purely theoretical sources, my own experience in working at the Pori Jazz 66 ry and information acquired from close communication with merchant customers and management of the festival is used as an information source.

My personal work experience at the association is also included in the research part of the thesis, together with the suggestion for a survey for merchant customers.
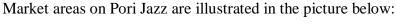
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1 INTRODUCTION

Pori Jazz 66 ry is a non-profit association which was founded in 1966, and from the amount of visitors of the first festival which was around 1500 people, festival has grown in 47 years to attract over 150 000 visitors during its ten-days happening. Pori Jazz provides over a hundred concerts annually in the city of Pori, and most of concerts are free of charge. Pori Jazz holds the position of being the most popular music festival in Finland.

In addition to big artist names, Pori Jazz provides to its visitors not only music experience but also market areas on the festival. Market areas include product sales places and food sales places, which are the main focus of this thesis. There are also restaurants on these areas, but they are not covered in this thesis.

Merchant customers have their sales places on three of Pori Jazz's market areas. One is located on the jazz street which is the street of Eteläranta, and other two market areas are Kirjurinluoto Arena and Kids festival, which are both located in Kirjurinluoto.

Jazz street opens one day before festival starts and lasts until the very last day of the festival, holding most of product and food sales places in the festival. Kirjurinluoto Arena is the main concert area and it has sales places also, which are open only during the time of concerts. Last but not least Pori Jazz includes Kids Festival, which is designed mainly for children and their families and is located in Kirjurinluoto. Kids Festival is a rapidly growing part of Pori Jazz and with its concerts (which are free of charge), food and product sales places, in 2012 Kids Festival attracted over 29 000 visitors in five days.

Market areas on Pori Jazz are illustrated in the picture below:

Although Pori Jazz is a non-profit organization resources of which are mostly dependable on ticket sales, city of Pori and co-operation partners, for the region of Pori it does make a significant monetary impact, as festival visitors leave approximately 20 millions of euros (2012) to the Pori area.

Especially during the festival, organization of Pori Jazz 66 ry becomes multilayered and it is quite hard to estimate the total amount of employees. In 2012 festival had approximately 1050 voluntary workers, of which 450 were Pori Jazz's own staff. However, there are only six full-time employees that are working in the office Pori Jazz 66 ry during the whole year; managing director, sales director, production manager, marketing manager, administrative manager and senior advisor. As festival approaches, assistants are hired for each department to the help of full-time employees, and during working as sales assistant from February 2012 till the beginning of August 2012, the idea for this thesis was developed.

Work in sales department of Pori Jazz 66 ry included close everyday communication with merchant customers of Pori Jazz; selling places of sales, acquiring new customers, customer retention, etc. In addition it included participating in selling and marketing concert tickets for company customers of Pori Jazz, and also assisted in some general office work. Also very intense communication with the festival management was a part of everyday work experience.

Interest for this subject of thesis about sustainable customer relations came from work experience and communicating with merchant customers on a daily basis, which gave me pretty deep and realistic perception on the process that is going on behind acquiring merchant customers to Pori Jazz. When working in sales department, needs of merchant customers had to be fully understood, and also carefully combined with the needs of the festival itself, the wanted image of Pori Jazz and what places of sales festival visitors could possible like.

2 OBJECTIVES OF THE THESIS

As a foundation for the subject of this thesis, the core meaning of cultural happenings such festivals is studied; what do they mean to their visitors and their region, and what is the purpose behind

arranging them. There are usually one or more reasons behind the decision of participating in the festival, from both festival visitors and festival merchant customers, and in this thesis only actions related to merchant customers are studied.

Organizer of this kind of cultural happenings, which in this case is organization of Pori Jazz 66 ry, needs to understand what are the expectations and desires of those attending the festival. In addition to the main product that festival offers to their merchant customers, which is a sales place on some of the festival's sales areas, it is important to consider additional features sales department of the festival might provide in order to enhance the pleasant experience of cooperation between Pori Jazz and their merchant customers. It is expected from the organizer of the festival to know their target group of customers; festival needs to know possible additional features customers might desire and consider, whether it is important for the festival to include some of these features in their services. After festival has the knowledge of these expectations and desires that customer might have, it is important to make an emphasis on them in order to not only improve satisfaction level among Pori Jazz's current merchant customers, but also include them in the image that festival presents to the potential customers during the process of acquisition.

First chapter of the thesis, which includes meaning that festivals have to their visitors and region, is followed by the chapter of merchant customer acquisition, which discusses segmentation of customers, importance of trust between Pori Jazz and merchants during negotiations and assessing risks for both merchant customers and the festival.

Critical analysis in this thesis is done through the SERVQUAL model, which is followed by GAP-analysis of the current situation with merchant customers. GAP-analysis is combined with the research from the personal work experience of the author of the thesis and close communication with merchant customers and management of Pori Jazz.

As the final result, improved survey for merchant customers is suggested in order to get more profound feedback from merchants and collect data of their perceptions, desires and expectations towards services of the festival, which in the end is meant to ease negotiations, reinforce process of customer acquisition and enhance sustainable relations between Pori Jazz and their merchant customers.

Objectives of this thesis are illustrated in the chart below:

- understanding the meaning that festival holds for their visitors and their region
- building the image of Pori Jazz's sales area
- acquisition of merchant customers in order to build representative sales area on Pori Jazz
- for more original products also targeting merchants from different regions
- for succesful acquisition learning features that are considered important by current merchant customers during frequent communication with them
- performance of GAP analysis on the actions of sales department to make more profound insight on strengts, weaknesses and improvement points
- conducting SERVQUAL survey for current customers to reinforce the insight on improvement points in services of sales department
- from SERVQUAL answers finding exact features that need extra attention and make necessary improvmenets based on them
- through necessary actions towards improvement make an emphasis on customer driven service
- improved understanding of customer's needs will help in customer acquisition and will increase satisfaction among current customers
- increased satisfaction and understanding of customers needs leads to sustainable customer relations

Necessity of the survey is established through GAP-analysis and the research that was done during the thesis' author's work in Pori Jazz, and survey itself is based on the SERVQUAL model. Meaning of the survey is to find out what are merchant customer's expectations, perceptions and desires of the services Pori Jazz provides to them. Survey would provide the management of Pori Jazz with clear data of possible points on improvement in their services of sales department.

Survey is done in order to create an instrument that would help sales department of Pori Jazz to improve their sustainable relations with existing merchant customers, as well as prepare sales department of Pori Jazz for possible expectations and perceptions of potential customers that Pori Jazz might acquire during following years of the festival.

3 MEANING OF CULTURAL HAPPENINGS; IMPACT ON PEOPLE, REGION AND ECONOMY

Technological development makes it easier for people to have experiences of education, music and literature brought to their own house just by connecting to their network. That brings benefit to the culture especially in sense of creating jobs in cultural fields, such as content production and data transformation within festival organizations but it also raises controversial questions of whether traditional gatherings and actually attending to social happenings are still important to people. Are they worth the extra effort of leaving the comfort of your home, when you could as easily communicate with others via Facebook or watch your favorite concert from Youtube?

3.1 Festival's impact on visitors

It is not an uncommon opinion that especially when you reach a certain age, "full festival experience" loses its attractiveness, especially when newspapers emphasize problems that can appear with the festival security, lack of lavatories, etc.

However at the same time our heritage is increasingly interlaced with the influences of other cultures and it becomes more important for lots of people to search for their ethnic identity and people tend to build a growing desire of ethnic recognition. This is the main factor why festivals still manage to attract thousands of people. Festival provides that opportunity of strengthen identity of the group and it serves the purpose of articulating group's heritage. Festivals bring the groups together and give a unique chance for shared experience and also a possibility of the multiple interpretations of that experience between people that attend to the festival.

People attend festivals because they like to have their reunion with others that share interest for that same festival, merchants and their products they have learned to know, and the unique atmosphere only the festival can provide.

3.2 Festival's impact on economy of their region

Festivals provide to their regions different social, cultural and also economical influences. Today the question is not only how the city in which festival is arranged can support the festival, but in

what ways the festival could support their region. Good example of that is case organization Pori Jazz 66 ry, which influences economically many fields of business' leavening millions of euros to the city of Pori in form of income for hotels, restaurants, transportation industry and many others. Only in the year of 2012, visitors of Pori Jazz left approximately € 20 mill. to the area of Pori.

In addition to the impact festival visitors have on the region, cultural happenings are also emerging economy sectors and have an impact on employment, creating annually several jobs, tax payments and consumption of different cultural items. Festivals can be related to cultural economy in terms of presenting cultural creativity in a way that can lead to profits, and festivals also often are a part of developing image of the region and its creative processes and innovations thus affecting working order of the region (Kimmo Kainulainen 2005).

4 MERCHANT CUSTOMER ACQUISITION

Sales department of Pori Jazz plays significant role in building not only the physical features of the festival, like outlook and sales places, but also in creating the long term image and reputation of the festival for the visitors and merchant customers. For many festival visitors, market areas of the festival play significant role in forming an opinion of Pori Jazz, and therefore process of segmentation of potential merchant customers is also discussed in this thesis.

Survey for merchant customers that is suggested in the end of this thesis is meant to provide the help for management of Pori Jazz not only with exploring perceptions and expectations of existing customers, but also with the acquisition of the new ones; once expectations and perceptions of current customers (including those who participated to the festival for their first time for example last year) are collected into one consistent data, it will help sales department of Pori Jazz to prepare for possible desires that their potential customers might have towards their services.

4.1 Customer segmentation

Majority of festivals have their long-term merchant customers who have been attending the festival for many years, and usually those customers have a priority when selecting sales places for the next festival year. In case collaboration with these customers has gone well and both parties are satisfied with one another, sales department has only certain percentage of free "customer space" for which new arrivals could be taken. Considering that festival does not usually want lots of similar products or food to be sold on the area, main task is to find merchants whose products could complement existing sales places creating a pleasant entirety. In order to do that, sales department has to plan a segmentation strategy to figure out what companies would fulfill the best all the factors included; festival image, visitor's expectations and entirety of sales area.

Segmentation involves finding out what kind of customers could be suitable for the organization and what are the needs of these customers. In order to perform a functional segmentation, two of segmentation variables that are most related to festival activities can be used:
- Geographic segmentation; divides potential customers into different geographical units such as regions, cities and even countries
- Psychographic segmentation; divides potential customers into different groups based on social class, personality characteristics or lifestyle (in case of merchant customers, reputation of their business, do they have previous experience in working with the festivals, etc.)

Once management of Pori Jazz has decided what their goal is about festival image on the market area of the festival, segmenting of potential customers can begin. In case festival wants to differentiate itself through diverse supply of sales places, main task of sales department is to figure out what the entirety of the festival could be. Sales department of the festival holds big responsibility when implementing their strategy of customer acquisition process, since it will have an enormous influence on the image of the festival.

4.1.1 Geographic segmentation and targeting of potential merchant customers

First task is to look into options of potential customers. Considering for example region of Satakunta, there is not as much diversification in terms of companies that would be ready to

participate to a festival and at the same time bring needed diversity to the market area. From the work experience in Pori Jazz, it showed that it is somehow easier to find small business that provides original products, than to find a business in food industry which would provide some original food selection for the festival.

Auspicious potential customers can be found for example through other festivals - businesses that have already participated in cultural happenings are usually guaranteed to have certain experience and familiarity with festival practices. Therefore options with more distant location have to be explored, perhaps from other regions, cities and even countries.

When sales representatives of the festival start planning segmentation of merchant customers, they need to also think what matters might possibly influence decision of potential customer to attend the festival.

During very frequent face-to-face communication with merchants and potential customers of Pori Jazz, it became clear that from merchant's business point of view, it is more convenient to participate in the festival that is closer to their core business point, especially in case of business in the food industry. If potential merchant customer has e.g. their own restaurant in a city far from Pori Jazz and region of Satakunta, they have to take into account several factors when deciding whether or not to co-operate with the festival. When festival acquires some new merchant customer, it is common that the manager of business wants to attend to the festival for themselves, to find out how their business is fitting to the festival, to assess the general picture of collaboration with the festival, and to see what products are most popular, in order to know how they need to divide their product supply. In the case of ten days lasting festival like Pori Jazz, for the management of a business that would mean absence from their regular work place for at least eleven or more days; that is if they don't prefer to travel back and forth between cities of their business and the festival. Of course if they have a business partner or some other trusted person, they can divide time spent between the festival and their own business place, therefore easing the task for themselves.

Feedback I got from merchants during my work at Pori Jazz showed, that also factors like where merchants would buy their supplies and whether the city of the festival does provide the exact products that are needed for preparations of the signature food of merchant's business are one of the main concerns. Where the staff would live and what would be total cost of the accommodation, as well as would they have to rent a kitchen or will the space in the sales place be enough for food preparation etc, are all factors that need to be taken into account when segmenting potential merchant customers for Pori Jazz. Even though it is merchants responsibility to take care of their

arrangements, these factors will most likely come up and can sometime play significant role during negotiations.

Merchant customers often want for festival representatives to co-operate on those factors and it can even be a crucial part when making a contract with the business. Caring about merchant customer's decisions and activities even before they actually participate in the festival creates a very good impression of the sales person and positively affects level of trust, but however sales person has to be careful when agreeing a certain point to which he/she can participate in arranging merchant customer's attending to the festival.

As it is suggested in this thesis later on, SERVQUAL-based survey for merchant customers would include also questions related to merchants from other regions/countries surveying their most related concerns in terms of attending Pori Jazz for the first time. Aim of that would be to separate those crucial matters that have the most affect on merchant customer's decision whether or not to participate in the festival.

4.1.2 Psychographic segmentation of potential customers

Acquiring merchant customers for the festival is also a personal matter, since festivals sales department not only makes a business contract but more importantly builds quite close relationship with the customer. Sales representative has to figure out how customer thinks, how their choices can be influenced by their environment and do they have already some kind of commitment with other cultural happening; what are their option of selection and what can possibly affect that.
Therefore potential customers can be divided at least on those who already have had experience in participating in festivals or other cultural happenings and ones who have never attended festival sort of events. If the festival organization knows that their potential customer has already participated in other festival before, it is most likely that this customer already has knowledge in how to operate in such environment and have the necessary knowledge of arranging e.g. food preparation, product supply and needed licenses.

Potential customer can be already considering participating in some other cultural happening and if that is the case, festival in question has to decide what will be its technique for persuading customer to rather attending to this festival. Importance in listening to the customer must be emphasized;

what are their goals in business, their fears of risks in attending the festival, their expectations and perceptions. Sales department has to acquire trust level on which potential customer would feel comfortable enough sharing this information, and from that sales representatives could further figure out what they can do to reassure the customer and make them feel safe with the festival. If hesitation of a customer is a result from negative word of mouth from other business that might have had some negative experiences with the festival or from some media source, main task will be to point out how festival has developed its services lately, what festival could offer to this specific business and why it is beneficial for the business to take part to this festival in particular.

4.2 Negotiations; importance of mutual trust

As mentioned earlier, trust is an incredibly important factor when building sustainable relations between festival organization and their merchant customers. Inability to trust the other party of negotiations can negatively affect continuation of co-operation between festival and the customer.

Festival environment can be quite risky for a business of merchants, as people flow depends highly on artists who are performing on the festival. In case of e.g. cancellation of some artist, people flow might get significantly reduced, consequently reducing also customer flow for merchants on the festival. Before attending to the festival, merchants have to perform careful assessments of their expenses and incomes on each day of the festival, and if for some external reason (for example artist cancellation) those expectations of people flow fail, it will cause merchants to lose remarkable amount of money. Even though that risk is external and not caused by festival organization itself, in eyes of a merchant (especially if it's their first time participating in the festival) failure like this damages the image of the festival, and at that point it is extremely important to have a good relationship between merchant and sales representatives in order to ensure that collaboration could still continue in the future, despite of possible challenges of the current year. It is convenient for sales representative to be familiar with customer's expectations and desires, so they could reassure merchant customer in mutual benefits that can be achieved in the long term with the collaboration with the festival.

Negotiations influence largely expectations of merchant customers towards the festival and therefore information gotten from sales representative affects the way customer evaluates quality of

the Pori Jazz and its services. Negotiations are the part where organization's side has the opportunity to manage customer's expectations that are standards against which organization's performance is judged. (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s 125) Managing customer's expectations also affects Gap 4, which is discussed in this thesis later on.

4.3 Processes involved in forming trust

It is suggested that trust involves a *calculating process* (Dasgupta 1998; Williamson 1991), where the cost or reward is assessed, in case of other party cheating or staying in the relationship. Factors that affect this calculation process are for example organizations reputation, organization's willingness to provide customized solutions for the customer if necessary, confidential sharing of information in the process of acquiring customer, and length of relationship that customer has had with the organization or vice versa.

In developing trust there is also a *prediction process*, which relies on one party's ability to forecast another party's behavior. It is good to be able to interpret previous behavior so there could be some basis when trying to predict future actions of the organization or a customer. It is suggested that trust grows when both parties have experiences from which other party can try to predict their following behavior. This process of trust can be invoked by e.g. salesperson likability, length of a relationship between customer and organization and frequent contact with the sales person on both business and social levels.

When developing trust, one party also has to consider whether other party is able to meet their obligations, for example if a salesperson of the organization is able to deliver everything that has been promised before making a contract. This is called a *capability process.* If this process fails to deliver, trust can be permanently damaged especially in case of a new merchant customer that is attending festival for the first time. This will have a very negative effect on reliability, which is proven to be the most important dimension when customer assesses service quality. Of course same applies also for organization; if client is proved to be dishonest about their promises of performance, it will damage an image in the eyes of the festival and might prevent any future co-operation with the client in question.

Salespersons expertise and position in organization can affect this process, whether or not that person has enough power to conduct everything that is promised to the customer and in case of possible mistakes, whether customer can rely on the salespersons expertise to be able to overcome a certain challenge.

Assessing how much other party is willing to meet other party's needs and perhaps customize some services is a significant part during negotiations between sales representative of the festival and merchant customer. Also level of sales representative's likability and how often salesperson and client engage in a social communication affects this interpretation, and as it also came up during my work in Pori Jazz, as a salesperson it is good to keep constant communication with the customer starting in good time before the start of the festival.

4.4 Negotiations; assessing risks for merchant customers and the festival

When communicating with merchant customers, sales representatives have to be careful how they "advertise" the festival and what promises do they make. Full quality of the service and good outcome of collaboration with the festival can be promised only if sales representative is absolutely sure that they can be delivered. During negotiations, it is crucial to remember that the higher are expectations of the customer, the higher quality the delivered service must be.

Promising reliability in advertising is only appropriate when reliability is actually delivered. (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s 125) The way of how merchant customer forms their perception of service quality of the festival will be damaged if sales representatives of the festival raise customer's expectations with something that cannot be delivered by the organization.

There are potential risks that merchant customer must consider before making a decision of co-operation with the festival. One of the risks is *functional*; customer is assessing whether business on the festival will go according to their estimates. From experience in working in sales department of Pori Jazz and communicating with customers, it showed that during negotiations with potential customer, one of the strong arguments of the festival is to rely on the number of festival visitors, which is especially impressive in case of Pori Jazz. Visitor number assures the customer that there will be enough potential buyers for the product. For merchant customer it is wise to be able to

question that statement and realistically consider the possibility of customer flow not being as good as it was for example the last year. Also merchant must be proactive in finding out about the variety of products sold at the festival and whether festival already has something similar to their products. For example merchant has to decide how confident they want to be in their own product in case of rivalry, assess their location considering customer flow and figure out proper advertising technique taken into account that many festivals have limitation for the amount of advertising a sales place can have.

Potential merchant customer has to also consider *financial* risks. Merchant has to estimate whether it the right time for business to enter festival activities and is it worth taking a certain budget risk, in case everything won't go as planned and can a business really afford this risk at the moment. If merchant will overestimate demand for their products, not only there will be money lost in terms of covering salaries, accommodation etc, but also in the case of food business there will be a huge waste of food products that were not consumed. Pori Jazz can make business to be well known for thousands visitors of the festival and merchant has to consider what is more important at this exact point in development of the business – creating reputation for the business, or sustain a careful budget.

Customers might find themselves in front of a choice between several options of possible festivals and since the outcome of a choice can't be known at the moment of making the choice, customer is forced to deal with the risk that is included in the liberty of choice. Customer behavior is greatly affected by the perception of risk and since risk is often perceived to be uncomfortable, it may cause quite negative anxious feeling to the customer because it is something that customer must deal with. Any outcome of different choices includes two aspects of risk: uncertainty about the result of a made decision, and uncertainty about the following consequences. When uncertainty about the result can be dealt with by acquiring more information about the festival, its activities and management policies, uncertainty about the consequences of the deal can be only by reducing the amount of important things that are on a stake or even putting of the choice of a risky option.

Surveying merchant customers about their view of the biggest risks that might exist in collaborating with Pori Jazz, would give sales representatives the cutting edge during negotiations especially with potential customers that haven't participated to Pori Jazz before.

Sales representatives of the festival have to pay careful attention and be sensitive about feelings and hesitation of the customer. If salesperson notices that customer is uncertain of co-operation, real

reason for that must be found as soon as possible in order to avoid possible situation of customer panicking and calling off the whole deal. It is sales representative's responsibility to talk with the customer about their fears of participating in the festival and figuring out together what are the facts that are worrying the customer. If it is uncertainty about the result of co-operation, customer and salesperson have to discuss all the possible risks and benefits of the outcome from both merchants and festival organizations side. Customer must feel that organization is as much interested in collaboration as the customer and also has a lot at stake, so customer would feel more comfortable and confident that sales representative has to invest a great deal into their co-operation.

5 SERVQUAL MODEL AND GAP- ANALYSIS

It is important that perceptions and expectations of festival management, festival employees and merchant customers would comport with one another. When considering how multidimensional such goal is, it's of course quite impossible to satisfy everybody involved to the fullest, but every party should still strive for constant communication of their needs and perceptions of the event in order to achieve the maximum improvement. Upward communication between merchant customers to festival employees and management is crucial.

In this thesis it is suggested that communication between Pori Jazz and merchant customers can be improved based on a SERVQUAL questionnaire that can be presented to merchant customers of Pori Jazz mostly via email (merchant customers would however be contacted about it also by phone or face-to-face by sales representatives of Pori Jazz). In order to do that, dimensions of service quality (customers evaluate the service based on dimensions which are tangibles, reliability, responsiveness, assurance and empathy) must be recognized. Through these dimensions management of organization can find and analyze gaps that may exist between Pori Jazz and merchant customers, and survey's questions can be specified based on these findings. By surveying gaps, Pori Jazz could have necessary amount of data about customers expectations and perceptions which can be acted on, in order to create customer driven service and therefore improve customer satisfaction and enhance sustainable relations, and also take this info into account for potential customers as well.

Service quality can be defined as the "extent of discrepancy between customer's expectation or desires and their perceptions" (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s. 19). Factors influencing customers expectation of service are word of mouth, personal needs of a customer (for example their circumstances), their past experience with the service and external communications of the company, which in this case is organization of Pori Jazz 66 ry. Price is obviously also a big factor for the customer, but in most cases customers also have to expend more than monetary cost when using a service; they also have to take into account "non-monetary prices", e.g. time that transaction will consume and psychic cost of cooperation. Sometimes customers are even willing to assume more monetary cost in order to reduce time- or psychic cost and get a strong service. This is why strong communication of the process that is behind building the provided service is very important in the phase of negotiations with merchant customers, as it also has a significant role in acquiring and maintaining sustainable customer relations. This will be discussed in this thesis later on.

5.1 SERVQUAL-model

SERVQUAL-method was proposed by Valarie A. Zeithaml, A. Parasuraman and Leonard L. Berry first in 1985 in the Journal of Marketing, as a technique that can be used to perform gap-analysis of the performance of organization service quality versus customer needs of service quality. The resulting gap-analysis then can be used as a base for improvement of organization's service quality. The data used for SERVQUAL is usually collected via surveys, where customers respond to questions that are based on a number of key service dimensions.

In the book written by Zeithaml, Parasuraman and Berry, *Delivering Quality Service,* it is stated that SERVQUAL model can be modified and adapted accordingly to company's or organization's needs. (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s.175, s.177)

Customer perception of quality can transpire from their attitude; it is an overall evaluation of the product or service. However there is a difference between overall attitude of the customer and their satisfaction level towards a service or a product – attitude that is related to the whole service or product in general is a global judgment, whereas satisfaction is always related to some specific feature or transaction, it is an emotional stage that comes as a result from conducted consumption.

This is why for example recently experienced problem with the service may influence customer's overall evaluation of some service feature. Customers have certain expectations of what they feel company or organization should offer them and that feeling often differs from the perception of a customer of what the actual performance of a firm or organization will be.

From that can be concluded that customers can have an attitude and expectations towards the service or product even before they have experienced them or engaged in any kind of transaction. In case of a well known cultural happening like Pori Jazz, it can be assumed that potential merchant customers already have some kind of prediction of what they should expect when they arrive to the festival; they have certain standards in mind maybe from their own past experience or experience of their friends or business partners, and that image can affect their own expectations of the service. That is why these expectations should be surveyed and measured; once having info about them from the questionnaire, Pori Jazz can separate what is really important to include in their service. Festival could then consider should they include in their service these features that are crucial and most important for the majority of customers. This would make negotiations and schedule planning, as well as customer acquisition, easier for the future.

5.1.1 Dimensions of service quality

Exploratory research of Valarie A. Zeithaml, A. Parasuraman and Leonard L. Berry revealed that there are ten potentially overlapping dimensions that are used by customers in assessing service quality.

Service quality dimensions are described in the picture 1 below:

Tangibles	Physical facilities, equipment and appearance of the personnel
Reliablility	Ability to perform the promised service
Responsiveness	Ability of the management to respond to customer's needs
Communication	The level of active communication that is performed between all parties involved
Credibility	Trustworthiness, believability, honesty of the service provider
Security	Freedom from danger, risk or doubt.
Competence	Willingness to help customer and provide prompt service

Courtesy	Politeness, respect, consideration and friendliness of contact personnel
Understanding the customer	Knowledge of employees and their ability to inspire trust and confidence. That also includes communication, credibility, security and competence
Access	Approachable and easy contact

Features of some dimensions overlap, and that is why competence, courtesy, credibility and security are combined in one dimension called *assurance*. Access, communication and understanding the customer are combined into overall dimension of *empathy*. Dimensions in question will be referred as assurance and empathy later on in the thesis.

Based on the service quality research, organization can conduct a survey which would be founded on those dimensions and measure expectations that customers have about the organization in general. Organizations services and products can be investigated and also research measures the perceptions about the organization in question. Those measurements then can be compared against organization's practices and resulting gap analysis may then be used as a basis for service quality improvement.

In the research done by Zeithalm, Parasuraman and Berry, four big American companies were investigated when creating the SERVQUAL-model (a bank, a credit card issuer, an appliance repair- and maintenance firm and a long distance telephone company) and to verify the reliability they conducted it to four independent samples of customers, approximately 190 customers in each groups. (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s.24)

Even though it is reasonable to assume that all five dimensions are very important for customers, when researchers asked customers which dimension they considered most critical when assessing service quality of a company, respondents choice clearly showed that *reliability* was the most critical dimension, regardless of the service being studied. (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s.27). Tangibles were considered least important. These finding also emphasize the importance of improving current merchant survey for merchant customers of Pori Jazz, which is now mainly focusing on the tangibles features of the festival.

5.1.2 Calculating festival's performance on service quality

SERVQUAL questionnaire consist of questions that rise from these five dimensions mentioned above, and every dimension contains few "sub questions". Questionnaire that is suggested in the book *Delivering Service Quality* consist of 22 statements about the organization/company to which customer can reply from 1 to 7 (1 being *strongly disagree* and 7 *strongly* agree). From customers answers organization can find out the score of importance of features of services researched, and then calculate their *weighted* or *unweighted score*. *Weighted score* depends on how customer allocates 100 point among five dimensions, according to their importance to the customer. *Unweighted score* will show the overall measure of organizations performance in service quality, whereas *weighted score* takes into account the relative importance of all five dimensions. (Valarie A.Zeithaml, A.Parasuraman, Leonard L.Berry, 1990, s.176, s.177). For calculating *unweighted score*, Pori Jazz would have to present merchant customer with two questionnaires – one of the expectations of what kind of services an excellent festival organization would have, and other questionnaire the perception merchant customer has of what kind of services Pori Jazz should provide. Each questionnaire would have 22 statements to which customer would answer from 1 to 7, according how strongly they agree or disagree with the statement.

SERVQUAL survey can be modified according to the needs of the company/organization.

Assessing the quality of service using SERVQUAL, means finding out the difference between customer's statements on their perceptions and expectations. That is calculated as;

GAP SCORE = Perception score – Expectation score.

Sample of the GAP-score part of the survey model is illustrated in the Table 1 below:

Table 1.

Calculation of the GAP-score		
Expectations		**Perceptions**
Please circle the number that best shows your expectations about services that festival organization can offer		Please circle the number that best shows your perceptions about services offered by Pori Jazz
Strongly disagree **Strongly agree**		**Strongly disagree** **Strongly agree**
1 2 3 4 5 6 7		**1 2 3 4 5 6 7**

For calculating *unweighted SERVQUAL score,* first composer of the survey would have to obtain the score for each of the statements of merchant customer's expectations and then obtain a core for each of the questions on perception. For example *tangibles* would have four related questions, *reliability* would also have four related questions and so on.

Then average GAP-score should be calculated for each dimension by assessing Gap-scores for each statement that are related to the dimension in question, and then divide the sum by the number of statements that are related to the dimension.

Then, according to the example in Table 2, one should input the average dimension SERVQUAL scores for all five dimensions, and then they should be summed up the scores. After, gotten number should be divided by five, in order to obtain the unweighted score of service quality.

Table 2:

Calculations to obtain unweighted SERVQUAL score	
Average tangible SERVQUAL score	-
Average realiability SERVQUAL score	
Average responsiveness SERVQUAL score	
Average assurance SERVQUAL score	
Average empathy SERVQUAL score	
TOTAL	
Average (=total/5) Unweighted SERVQUAL score	

To calculate the *weighted score,* first the composer of the questionnaire should calculate importance weight for each of the five dimensions. This is illustrated in the Table 3 below.

Table 3:

SERVQUAL importance weights		
Please allocate 100 points among the five features according to how important it is to you. Make sure the points add up to 100.		
1. The appearance of tent/booth, staff, water, electricity, security.		points
2. The ability of sales representatives to perform dependably and accurately.		points
3. Sales representative's willigness to help merchant customers and provide prompt service.		points
4. Knowledge and courtsey of sales representatives and their ability to express trust and confidence.		points
5. Individual attention that sales representatives provide to merchant customers.		points
Total	100	points

As it was mentioned above, this is done by allocating the 100 points among five dimensions, according to the importance merchant customer feels they have.

When this is done, the average of SERVQUAL score for each dimension (from Table 2) along with the importance weight for each dimension (from Table 3) should be entered in the Table 4 (illustrated below) and multiplied by average score for each dimension with its importance weight. Then, weighted SERVQUAL scores for each dimension should be added together to obtain the overall weighted SERVQUAL score.

Table 4:

SERVQUAL weighted scores					
SERVQUAL dimension	Score from Table 2	X	Importance weight from table 3	=	Weighted score
Average tangible					
Average reliability					
Average responsiveness					
Average assurance					
Average empathy					
TOTAL					
Average (=Total/5)	weighted		SERVQUAL score		

Calculating these scores will clarify and show visually to festival management of Pori Jazz potential points on improvement, and data could be stored in a clear and understandable way, instead of combining different notes and computing feedback, most of which comes mostly orally from merchant customers during negotiations or the festival.

As mentioned earlier this model can be modified accordingly to need of organization so number of sub questions and length of the questionnaire itself can vary.

In case of Pori Jazz considering *reliability* dimension, festival could for example ask their merchant customers to tell whether they are being contacted by sales representatives at the time promised, or whether merchant customers feel that promises suggested during negotiations are kept fully in the final contract, etc.

In the book of Delivering Service Quality there is an example of one of the five researched companies which customers were surveyed in the process of developing SERVQUAL-model. Several customers of the credit-card company that were in the focus group of the research expressed their preference for lower credit card limit and higher minimum payments, because of their desire to disincentives to spend money. However, when same thing was surveyed from the executive of the company, not only executives didn't know that not all customers desire high credit limits, but one executive rated availability as the most important feature in service quality from customers perspective. This example illustrates the GAP 1 that can exist between organizations and their customers, which is discrepancy between customer´s expectations of the service and organizations perceptions of these expectations. More detailed SERVQUAL-based survey for merchant customers of Pori Jazz can decrease this potential gap between festival and its customers.

5.2 GAP-analysis of existing and potential gaps on Pori Jazz

Gap-analysis can be used to identify gaps between management of organization and it should have a significant impact on organization's service evaluation. In the gap-analysis, five gaps can be identified:

- Gap 1, the difference between customer expectation of service standards and quality and organization's perception of these expectations.

- Gap 2, the difference between service providers' understanding of customer expectations and development of customer-driven service design. This gap can occur from assumptions; demand of some service or demand of a certain feature of some service is hard to predict or customer's expectations seem to be unreasonable.

- Gap 3, the difference between development of customer-driven service design and actual service delivery and performance. Company/organization has to ensure that the resources needed to achieve the standards are in place, because when the level of a service delivery performance falls short from the standards, it also falls short of what customers expect from the service that can lead to GAP 5.

- Gap 4, the difference between organization's external communication (e.g. marketing) and service delivery.

- Gap 5, the difference between customer expectations from the service and customer perceptions of the service delivered.

5.2.1 Gap 1

"Being a little wrong about what customers expect, can mean expending money, time and other resources on things that don't count to customers" (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s. 51)

First gap is lack of understanding between festival management and merchant customers' expectations of service standards and quality. Factors that can build up GAP 1 are insufficient marketing research, which can be an inadequate use of research findings and lack of interaction between management and customers. Also inadequate communication from contact personnel to management contributes to this gap, as well as too many levels separating contact personnel from the management.

Valarie A. Zeithaml, A. Parasuraman and Leonard L. Berry (1990, s.53) suggest that questions that organization might want to consider can be following:

- Is research conducted frequently to find out what customers want?
- Do managers understand and utilize these findings?
- Do managers encourage suggestions from customer contact personnel concerning the provided service?
- Is there too many levels separating managers from those dealing directly with customers?

When working at Pori Jazz in position of the frontline employee, forwarding up to the management the major part of communication with merchants was one of the biggest responsibilities. In case of a big event like Pori Jazz, there are dozens of merchants with individual opinions and views, so especially during the busy time of the festival frontline employee must filter some of this

information before communicating it forward to the management. First gap between festival management and merchant customers' expectations is a very multidimensional matter because it is not possible for all the customer expectations to be forwarded to the management and to be fulfilled, since everything must be also considered from the angle of festival as its entirety. This is where a stoppage in communication between customers' expectations and management understanding of those expectations can most likely occur.

Considering the size of organization of Pori Jazz, issue of having too many levels between contact personnel (sales assistant and sales director) and management (sales director and finally executive director) is not that relevant, but lack of interaction between management and customers can sometimes happen due to busy schedules of sales director and executive director. Especially when acquiring new clients at the time when festival is already approaching, sales assistant might be responsible for communicating all the necessary information about clients to sales director and that might have the chance of leading to somewhat inadequate or insufficient information of customer's desires, expectations towards festival services, etc.

A survey is a good way to reinforce feedback given by merchant customers to the frontline employee and it should be done based on qualitative method. Also researching organizations key customers in depth is a favorable way of acquiring knowledge about their expectations. Individual and profound feedback from merchants is highly important, since the main goal of the festival should be to concentrate not just on customer acquisition but building long-term relations with the customer.

5.2.2 Gap 2

Second gap is discrepancy between management perceptions of customer expectations and service quality specifications. This gap can emerge from the absence of goal setting, inadequate management commitment to service quality, perception of infeasibility and inadequate task standardization. Management has different perceptions of service versus service that would have been developed with the specifications based on customers' expectations.

Many companies might believe that they are committed to service quality but in reality that commitment is emphasized on quality that comes from company's own internal perspective. For example it can mean meeting company's own self-defined standards, and it might be that many of

these features customers don't even notice to desire. Relying purely on managements own judgment without specification on customer's expectations has a high risk of leading to developing features that customers don't consider very important. When company/organization doesn't establish internal initiatives for service quality, resources of organization can only be targeted to profits and sales and better company/organization performance through improving service quality can remain unnoticed.

Once features that are important to customers and level of performance that is expected by customers is specified for example through customer survey, designing of goals for meeting customer's expectations can begin. These goals should then be communicated (and preferably accepted) by employees, because an employee can perform to standards of the company/organization effectively only if they have a clear picture about the goal and are motivated to achieve it.

In case of Pori Jazz, close communication with frontline employees is luckily very frequent because of the small size of the organization and face-to-face meetings and discussions between managers and frontline employees about desired goals are not hard to arrange. These meetings have a big importance when considering relations between Pori Jazz's sales department and merchant customers, and frontline employee should have a flawless picture of the goal sales department and whole organization of Pori Jazz wants to achieve, because there are lots of opportunities for mistakes and misunderstandings when employees interact with customers. Because communication between sales representatives of the festival and merchant customers is very close, both customers and service providers respond to each other mannerisms, attitude and moods.

As discussed earlier in the part of Gap 1, even when upward communication reaches frontline employee, it is likely that everything won't be forwarded to the management and therefore won't be reflected on future service development. One of the most important parts of front employees work is in fact to try to communicate customers' expectations in a way that would get managements' attention and would be included in the development goals of the festival. In setting specific goals for the festival, major task is to balance between benefits for the festival image and benefits for merchant customers and try to combine them.

It is known that loyalty of customers can be best achieved by showing them that their expectations and opinions are taken in consideration, but since individual merchant customers tend to have individual opinions about products, services or location of sales places, it is up to the management

to keep the entirety of the festival in harmony. For example some merchants have many of their family members in the same business and they would like to provide more services on the area of the festival. Even though allowing that would make this specific merchant customer very satisfied with the service design and festivals management has perfect understanding of these expectations, if festivals goal is to keep sales area diverse that will not be included in festival future priorities.

Setting specific goals for customer-driven service development requires careful selecting of the most adequate customer expectations and developing clear objectives for the future.

When working in such atmosphere with extremely close relations with customers, it is easy to get mixed messages of customer expectations since people's opinions might be very well based on their current feelings or current situation, which might change later. It is upon sales department to figure out what expectations have most probability of lasting in the long-term, and because customer feedback during festival is constant and might slightly differ depending on the customer and receiver of the message, it needs to be constantly emphasized that festivals sales manager and sales assistant have to have a mutual understanding about the goal for the festival.

Because most of the feedback that comes during the festival and negotiations is not in written form, it is challenging to base on it service quality development of the festival. Adapting larger survey approach in Pori Jazz's sales department's activities would make that feedback of customer's expectations and desires towards service more clear and memorable, and for organization it would significantly ease analyzing of feedback data.

5.2.3 Gap 3

Gap 3 is discrepancy between service quality specifications and actual service delivery. Key contributing factors to that is role ambiguity, role conflict, poor employee-job fit, poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

As mentioned in the part of Gap 2, communication and clear goal setting is crucial when developing sustainable customer relations through improvement on service quality. When employees do not have the necessary knowledge or training to perform their jobs well, they can experience role ambiguity. Employees are uncertain about what is expected from them and how they should perform to satisfy managers and company's or organization's expectations towards them.

For closing this gap it is important to make customers understand their role in the transaction; how are they expected to perform and also what is company/organization doing in order to complete the transaction. Concrete steps taken by management in order to serve customers best interests must be communicated to customers, since this way customers are most likely to perceive delivered service in a more favorable way. Customers should receive frequent check-ups from sales representatives on the efforts made by managers and employees, for them to realize endeavors that are behind arranging the deal.

During the festival, track of communication between festival employees and management of Pori Jazz can become challenging with the amount of over a thousand employees during days of the festival. Lot of miscommunication can occur and some objectives might get misunderstood, especially by employees who are not on the management level and don't necessarily have developed a long-term picture of festival goals. There are several workers on security, accommodation, catering and so on, who work for the festival only during actual festival days and most of them engage in extremely close communication with merchant customers as well. Between these workers and management of the festival, there are several people through whom communication goes upwards or downwards from management to these workers, and odds are that message can get lost or reach a worker in slightly changed form. Customers expectations can be well understood by the management of the festival and message can be sent downwards to workers but it does not give full guarantee of whether service will actually be performed as planned by the management.

It is very difficult for the management to supervise the communication downwards and especially with some workers who might not be as familiar with standards and goals of the festival, working different time schedules and changing shifts it becomes a real task to follow if everybody got all the right instructions.

Pori Jazz 66 ry has pretty competent approach to this matter; organization is holding meetings for employees, including volunteers that come to work for the festival for only few festival days, where they are introduced to the organization in its entirety, festival areas and most importantly goals of a festival. Meetings are a motivating tool for new workers and they are designed to encourage positive attitude towards festival work. Workers also get all the necessary info and are introduced to the people in charge of their departments, and that is done as an attempt to minimize the risks of misunderstanding goals of organization and ambiguity of their position in the festival environment.

In addition to difficulties that are related to the internal factor of multilayered communication, customer-driven service standards and actual performance of this service can be interrupted by external factor, for example relations between festival organization and its sponsors or co-operation partners. Understandably every party involved in the activities of cultural happening like festival, has certain standards and terms of their own that they would like to be applied in activities of the festival. In some cases these kind of relations can cause some limitations for the festival, for example certain agreement that all the merchant customers of festival will use products of a sponsor company exclusively, or will not have any rival advertisement that would contradict with promotions of co-operation partner. As a consequence to this, some ideas presented by merchants can simply not be applied by the management of the festival if they will contradict with the interests of co-operators. Festival management can understand and have a full knowledge of merchant customer's expectations of their service, but nevertheless be unable to fulfill them.

5.2.4 Gap 4

Gap 4 is discrepancy between service delivery and external communication to customer. Key contributing factors to this gap are inadequate horizontal communication (between advertising and operation, between sales people and operations, between marketing and operations, and also differences in policies and procedures across departments) and propensity to overpromise.
In addition to that, Gap 4 can also occur when company or organization fails to communicate to customers those quality assurance efforts that are not visible to the customer. As it has been already mentioned in this thesis, customers are not always aware of efforts and activities that are done "behind the scenes" in order to serve customers in the best way possible.

Job description of sales department of Pori Jazz includes familiarizing potential and existing customers with their sales places, locations, and so on, and therefore marketing can also be considered as the part of the job in sales. Sales representatives of the festival are responsible of honestly communicating non visible efforts to customers in order for customer to understand the process that for example lies behind locating their sales place to some certain location. Customer should feel that sales people are making an effort and keeping customers interests as a priority, and that way customer gets a chance to evaluate the quality of provided service not only based on the monetary side of the deal.

When customer's expectations are raised by salespeople and then not met by service providers, quality perceptions are sacrificed. (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s.188) Sales representatives have to remember also that *reliability* is considered the most important dimension among customers and there is no room for jeopardizing that.

Consumer's perceptions of service can be influenced either by rising consumer's perceptions or by lowering their expectations. Managing customer's expectations, especially those that are created by the organization itself through external communication is an essential part of attaining perceived quality service. (Valarie A. Zeithaml, A. Parasuraman, Leonard L. Berry, 1990, s.125) Organization should not overpromise but create awareness and positive perceptions towards festivals services, and that is indeed a major challenge for any company or organization. One should identify with the possible frustration of the customer, and explain reasons for problems that might occur. As mentioned earlier, in addition to that sales representatives must describe efforts that are made to improve the situation. Otherwise, if customer doesn't have necessary information about quality of service, they often use price as a surrogate for quality. Sales representatives have to make an effort to *educate* merchant customers during negotiation part; letting customer know realistically what is possible or not, and also explaining reasons why it is so.

In the case of festival if Pori Jazz, this gap can also occur because of following reasons; insufficient or misleading communication to the customer can happen by honest mistake (for example employee overestimates organizations and its employee's skills) or it might happen because organization gets failed by some third party that promised something fell through in executing its promises, causing a chain reaction which reflects on organization's customer.

Whatever might be the reason for this discrepancy in organizations communication about their service and delivery of the service, it is very dangerous for organizations reputation. Trust and good relations between customer and sales representatives absolutely have to be o n a good level, in order for salesperson to be able to smooth things in case this kind of fail in communication happens and undoubtedly it will require time and effort.

Pori Jazz's marketing department can be seen as a spokesperson of organization, since it represents all the information it gets from other employees of organization like those working in sales or production. If internal communication is not clear enough, or there are some employees than tend to overestimate or over-promise their abilities on constant basis, difference between external communication to festival visitors or customers and actual delivered service is inevitable to occur.

Trust and reliability between employees is not to be underestimated, and especially in case of known organization like Pori Jazz, incorrect marketing can balloon to the extent of causing significant damage to the image of the festival.

5.2.5 Gap 5

Fifth gap is the difference between customer's expectations from the service and customer perception of the delivered service. This gap results from the influences that affect customer expectations and shortfalls from the organization's side, in other words first four gaps.

In order to resolve this gap 5, organization must consider which one of previous gaps is the most critical to improve on, and for that the SERVQUAL-model is used as a base for the suggested merchant survey for Pori Jazz.

When considering merchant customers of the festival, potential customers are most likely at least somehow familiar with the festival. Business that is planning to collaborate with Pori Jazz is very likely to know at least some of the reputation of the festival from the other merchants, mutual co-operation partners, etc. In case some business has experienced a great failure on the festival, there is a big possibility that they will pass on negative word-of-mouth therefore affecting expectations of Pori Jazz's potential merchant customers and making customer acquisition more challenging.

Trust plays a significant role in reducing level of prejudices. Sales person of the festival is responsible of getting an understanding of customer expectations and studying possible fears of risks that this particular customer might have during negotiations.

5.3 Internal perspective of festival's employees

These gaps should be analyzed not only from the perspective of service quality from organization to its customers; it should be also used to assess internal quality provided by departments to one another within the organization. It is important to contact employees regularly and asses their service experiences.

In case of festival organization, regular meetings with employees should be held including also frontline employees, since they carry significant amount of information about communication with not only customers but also others frontline employees and management. Frontline employees might have information about the festival details that will otherwise not reach the management level and noticed details in the service that might need improvement, so it is profitable to both sides to reach an active communication level. Once management would have knowledge of possible weaknesses and strengths, they could identify how well employees are performing on each dimension and make necessary improvements.

6 SERVQUAL SURVEY FOR MERCHANT CUSTOMERS OF PORI JAZZ

Sales department of Pori Jazz 66 ry already conducts an annual qualitative survey for merchant customers after each festival, and it measures tangibles of the festival.

Survey is sent to every merchant customer that attends Pori Jazz, but unfortunate fact is that the response rate is significantly lower than the amount of attendees in total. Every section has an open space for answers and there are no specific ratings on the categories, so merchants are free to comment in the style they see fit. After studying the survey answered by the merchants of the 47th Pori Jazz festival, it seems that merchant customers have a pretty good overall satisfaction level of the festival but since current survey measures mostly tangibles of the festival, more profound feedback is needed in order to strengthen sustainable customer relations between Pori Jazz and its merchant customers.

6.1 Suggested survey based on SERVQUAL-model

With the help of more profound survey, expectations and perceptions of merchant customers could be presented to the management of the festival in a specific and clear written form, which could be analyzed after the festival in order to see matters that could be implied in the customer-driven

service design and be beneficial to both, customer and organization. Festival management could reflect expectations of merchants on festivals activities and separate ones that could be worthwhile of implementing and would benefit festival's image in the long term.

6.2 Questions of the survey

Through following questions Pori Jazz could assess its overall performance in service quality as perceived by customers, and also identify the key dimension on which it should focus improvement efforts. This survey could be presented to merchants after the end of the festival of Pori Jazz instead of/in addition to the survey Pori Jazz currently has for their merchant customers. New survey should be mentioned to merchants during festival, in order to communicate Pori Jazz's efforts of paying more close attention to customer's expectations and perception. This should be done so merchant customers would understand from the beginning the importance of their response and the meaning their participation in the survey holds for both, the festival and themselves in the long term. Survey can be sent via email to all the merchants attending the festival and to increase the response rate they should be also contacted shortly afterwards via telephone.

Once sales department of Pori Jazz would have answered surveys back, sales manager could start examining responds and start planning of possible improvements or additions to services of sales department of Pori Jazz during the autumn and winter so there would be sufficiently time for developing possible changes and improvements.

Suggested survey for merchant customers of Pori Jazz is illustrated below. First part of the survey is conducted in order to separate dimension that merchant customers consider to be most important in sales department's services, and the following two forms to find out their expectations of services.

1. How would you rate an overall performance of provided services of Pori Jazz's sales department?

Extremely poor   1   2   3   4   5   6   7   *Extremely good*

2. Listed below are five general features related to festivals and services they provide for their merchant customers. Please rate how important each of this features is to you when you evaluate the quality of festival's services. Please allocate a total of 100 points among the five features according to how each feature is important to you; the more important the feature, the more points should be allocated to it. Please be sure that all the points you give add up to 100.

1. Accessibility on the festival (easy entrance to each sales are where you have your business point), facility of getting an accommodation close to the festival area, and places available for storing and preparation of your products

_____points

2. Festival's sales representative's ability to perform services and arrangements properly and at the time promised

_____points

3. Helpfulness and accessibility of sales representative's of the festival

_____points

4. Sales representative's ability to convey trust and confidence

_____points

5. Understanding of needs and individual attentions that sales representative's provide to you during negotiations and the festival

_____points

Total	100 points

Questions of desired level of services and expectations towards festival's services that merchant customers feel festival should provide in the case of an ideal situation, are illustrated in the survey form 1 below. Form 2 is meant to survey merchant customers in order to find out their expectations and concerns towards festival of Pori Jazz specifically.

Survey form 1.

Please think about the desired level you have of festival's services and then for each statement indicate your minimum desired level of festival's services you are attending to.

Category	Statement	1	2	3	4	5	6	7
T A N G I B L E S	1. Travelling distance	1	2	3	4	5	6	7
	2. Accesibility on festival	1	2	3	4	5	6	7
	3. Accommodation	1	2	3	4	5	6	7
	4. Places for storing and preparing products	1	2	3	4	5	6	7
R E L I A B I L I T Y	5. Promises made during negotiations are kept at the time of the festival	1	2	3	4	5	6	7
	6. Trust that your concerns and requests are forwarded by sales representatives in order to fix the situation	1	2	3	4	5	6	7
	7. Services and arrangements are provided properly at the time they were promised to	1	2	3	4	5	6	7
	8. Sales representatives contact you at the promised time	1	2	3	4	5	6	7
R E S P O N S I V E N E S S	9. Accesibility of sales representatives	1	2	3	4	5	6	7
	10. Helpfulness of sales representatives	1	2	3	4	5	6	7
	11. Directions and guidance that is provided in the good time before the start of the festival	1	2	3	4	5	6	7
	12. Sales representatives have time to handle your requests and concerns	1	2	3	4	5	6	7
A S S U R A N C E	13. Sales representatives instill confidence in the collaboration with the festival	1	2	3	4	5	6	7
	14. Sales representatives have proper knowledge to answer your concerns	1	2	3	4	5	6	7
	15. Sales representatives make you feel safe with the collaboration	1	2	3	4	5	6	7
	16. Sales representatives do not seem too busy to handle your requests and concerns	1	2	3	4	5	6	7
E M P A T H Y	17. Sales representatives give you the proper amount of individual attentio	1	2	3	4	5	6	7
	18. Sales representatives seem to have your best interest in mind	1	2	3	4	5	6	7
	19. Sales representatives inderstand your spesific needs regarding actions on the festival	1	2	3	4	5	6	7
	20. You feel that there is mutual understanding between you and sales representatives of the festival	1	2	3	4	5	6	7

Following form holds questions of merchant's desires and expectations they have towards Pori Jazz.

Survey form 2.

Please think about your desire level towards Pori Jazz's services and then for each statement rate your expectations and concerns of services on the festival.									
T A N G I B L E S	1. Travelling distance to Pori Jazz	1	2	3	4	5	6	7
	2. Accesibility on Pori Jazz	1	2	3	4	5	6	7
	3. Accommodation	1	2	3	4	5	6	7
	4. Places for storing and preparing products	1	2	3	4	5	6	7
R E L I A B I L I T Y	5. Promises made during negotiations are kept at the time of the festival	1	2	3	4	5	6	7
	6. Trust that your concerns and requests are forwarded by sales representatives of Pori Jazz in order to fix the situation	1	2	3	4	5	6	7
	7. Services and arrangements are provided properly at the time they were promised to	1	2	3	4	5	6	7
	8. Sales representatives of Pori Jazz contact you at the promised time	1	2	3	4	5	6	7
R E S P O N S I V E N E S S	9. Accesibility of sales representatives	1	2	3	4	5	6	7
	10. Helpfulness of sales representatives	1	2	3	4	5	6	7
	11. Directions and guidance that is provided in the good time before the start of the start of Pori Jazz	1	2	3	4	5	6	7
	12. Sales representatives have time to handle your requests and concerns	1	2	3	4	5	6	7
A S S U R A N C E	13. Sales representatives instill confidence in the collaboration with Pori Jazz	1	2	3	4	5	6	7
	14. Sales representatives have proper knowledge to answer your concerns	1	2	3	4	5	6	7
	15. Sales representatives make you feel safe with the collaboration	1	2	3	4	5	6	7
	16. Sales representatives do not seem too busy to handle your requests and concerns	1	2	3	4	5	6	7
E M P A T H Y	17. Sales representatives give you the proper amount of individual attention	1	2	3	4	5	6	7
	18. Sales representatives seem to have your best interest in mind	1	2	3	4	5	6	7
	19. Sales representatives inderstand your spesific needs regarding actions on Pori Jazz	1	2	3	4	5	6	7
	20. You feel that there is mutual understanding between you and sales representatives of Pori Jazz	1	2	3	4	5	6	7

6.3 Conduction of the survey

As the suggested SERVQUAL survey has the potential of providing sales department of Pori Jazz with more profound knowledge of expectations and desires of their merchant customers thus creating the possibility of developing even more customer driven service, author of this thesis is not able to perform the actual survey to the merchant customers. Calculations that are needed for an efficient way of finding out features that need most attention from Pori Jazz are explained in this thesis, so when conducting the survey current employees of sales department of Pori Jazz should be able to apply them conveniently.

Survey can be conducted at the time desired by current employees of Pori Jazz's sales department and handed to merchant customers after the end of the festival 2013. Survey is to be sent to customers via email and afterwards merchant customers should preferably be also contacted via phone in order to make sure that necessary attention will be paid to the survey. Also during negotiations and the time of the festival it would be beneficial to emphasize meaning and the idea behind this survey to merchant customers; create an understanding of what are the reasons behind this survey and how it would benefit both merchants and festival in the long term, therefore maximizing the motivation of merchants in participating to the survey and increasing the response rate.

7 REFERENCES

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