Chunxia Zhong

CUSTOMER SATISFACTION RESEARCH OF JINHUA MAOYANG KNITTING CO., LTD

Bachelor’s Thesis 2013
Customer satisfaction is closely connected with a company’s success possibility now and in the future. It is acknowledged that with higher customer satisfaction level, a company could retain its customers maximally and sustain competitive advantages as well as build up customer retention and loyalty gradually in the long run.

The main objective of this thesis was to investigate the performance of the case company and provide relevant recommendations how to improve its customer satisfaction level. The research method employed in the study is quantitative survey, which is carried out in the form of questionnaires. The questionnaire was designed according to the customer satisfaction elements to detect research questions.

The main findings from the questionnaires indicate that Maoyang should have concentrated on improving its performance by delivering superior products and services based on customers’ specific expectations and preferences to pursue higher level of customer satisfaction. Some recommendations, e.g. expanding business range, broadening product distribution and highlighting promotions, have been concluded in the light of the research results.
4.2 Quantitative data acquisition method

5 RESULTS AND ANALYSIS

5.1 Results from the questionnaires
5.2 Comparison to other study of customer satisfaction

6 CONCLUSION

6.1 Main findings of the study
6.2 Recommendations for Maoyang Knitting Co., Ltd
6.3 Evaluation of the thesis
6.4 Suggestion for further study

REFERENCES

APPENDICES

Appendix 1 Questionnaire in English
Appendix 2 Questionnaire in Chinese
LIST OF FIGURES

Figure 1 The S-Q-I-P diamond 17
Figure 2 The four stages of analysis 28
Figure 3 Gender distribution (n=43) 30
Figure 4 Age distribution (n=43) 31
Figure 5 Preferences for knitted products (n=43) 31
Figure 6 Frequency of purchasing knitted products (n=43) 32
Figure 7 Shopping location preferences (n=43) 33
Figure 8 Money spent on the knitted products (n=43) 33
Figure 9 Satisfaction level of the purchasing experience (n=43) 34
Figure 10 Have you ever purchased defective knitted products? (n=43) 35
Figure 11 Defects of knitted products (n=43) 35
Figure 12 Attitudes towards defective knitted products (n=43) 36
Figure 13 Knitted products promotion preferences (n=43) 37
Figure 14 Overview of repeat purchase willingness (n=43) 40
Figure 15 Have you ever recommended knitted products to others? (n=43) 40
Figure 16 Do you know KELLY and SAFAROL? (n=43) 41
LIST OF TABLES

Table 1 Types of loyalty 23
Table 2 Rating the importance of criteria when purchasing knitted products (n=43) 38
Table 3 To what extent do you agree or disagree with the criteria of knitted products (n=43) 39
Table 4 SWOT analysis of Maoyang Knitting Co., Ltd. 44
1 INTRODUCTION

1.1 Research background

According to China Knitting Industrial Association (2011), knitting industry is one of the significant components of textile industry in national economy. It plays an important role in the economic improvement. The China Knitting Industrial Association (2011) also indicated that the overall situation of knitting industry over the first quarter in 2011 maintained stable, and the domestic market buttered up the whole industry. Besides, Industry Research Centre (2013) points out that knitted products remained a positive market demand due to consumers’ confidence in domestic market. In general, knitting industry in China is now under the stage of amazing development with favourable and outstanding economic performance. However, nowadays, fierce competition in knitting industry has been growing all the time. A majority of domestic knitting companies are looking for development strategies to survive in the competitive business situation, especially for some regional knitting companies. They expect to keep current customers or even reach out to new consumers so that they have the chance to develop forward.

While doing business is not only serving customers, it is also satisfying them. Business success is strongly related to customer satisfaction. Companies usually benefit much more from relatively higher level of customer satisfaction; especially when the business situation is competitive and challenging. (Jobber 2010, 3.) However, some of the knitting companies have not realised the importance of customer satisfaction. For a few regional knitting enterprises, they rarely take researches to investigate the companies’ customer satisfaction level or even know next to nothing of customer satisfaction.

Under this circumstance, great attention should be paid to these regional knitting companies for their understanding of customer satisfaction level respectively. For the sake of Jinhua Maoyang Knitting Co., Ltd, it will be a significant and strategic
decision to study its customer satisfaction level at present, either for the purpose of business expansion or being competitive. Understanding customers better will enable Maoyang to satisfy customers to the maximum and dedicates for the favourable relationship between Maoyang and customers, then better manage them in the future.

Jinhua Maoyang Knitting Co., Ltd is located in Jinhua Industrial Park, Zhejiang province. The company occupies an area of 10,000 ㎡ and has about 150 workers in total. Since its establishment in 2004, the company has been mainly specialised in knitted products. It is a Taiwan-owned manufacturing enterprise, taking two Taiwan brands KELLY and SAFAROL in combination to produce such as magic scarves, gloves, and hats, both for adults and teenagers. Its monthly output reaches up to 300,000 pieces, which creates about 8 million sales amount each year. The products are made of ultrafine nylon with advanced production technology. Most of the raw materials are exported from Taiwan. All the knitted products are up-to-date and fashionably designed to meet the market demand (Peng 2013.)

Peng (2013) said that most of the products are designed by Taiwan’s R&D team. After receiving the product samples, office workers would keep record of these samples before putting into mass production so that the company would have better knowledge of its business range. Different departments have their own responsibilities; they should collaborate well during the manufacturing process in order to make the production process go smoothly and have the finished products perfectly and timely.

After years of development, Maoyang’s knitted products have gained growing popularity in the market. However, owing to the lack of professional management knowledge, some kind of product defects (drop stitches, colour aberration, etc.) have arisen during the manufacturing process, which causes decrease in sales and leads to customer dissatisfaction to some extent. (Peng 2013.) Therefore, in terms of Maoyang, it is urgent and necessary to do some concerning researches in order to find out the possible quality problems in view of customers, and then come up with relevant solutions to improve customer satisfaction level and increase the company’s sales.
1.2 Research objectives and limitations

As mentioned above, this thesis is to explore the customer satisfaction level of Maoyang knitting company in Jinhua area and to provide relevant suggestions. Through studying customers’ attitudes towards the company’s performance, practical recommendations will be provided to improve Maoyang’s business operations and thereby offer superior knitted products and better service to customers, as well as to keep their retention and build up customer loyalty for business success for long.

Concerning to the limitations, there are already many researches related to customer satisfaction being carried out for various industries in China, but there is no such specific research for regional knitting company in Jinhua area. Also, Maoyang has never conducted customer satisfaction investigation before and remains unclear about its customers’ perceptions on the company’s overall performance. So this study is narrowed down to evaluate the level of customer satisfaction of Maoyang in Jinhua region and make effective advices to enhance its customer satisfaction level, as well as develop customer retention and loyalty step by step. However, detailed results may be different when choosing other knitting companies in different areas.

1.3 Research questions

On the basis of research objective, the main research question would be as follows:

- How to improve the customer satisfaction level of Jinhua Maoyang Knitting Co., Ltd?

More specifically, the following questions are to supplement as sub-questions:

- What’s the current situation of Maoyang knitting company?
- How to improve customer service and deal with existing problems?
- How to keep customer retention and build up customer loyalty?
At first, the research question will be defined to clarify the purpose of the whole study. Then the theoretical knowledge concerning customer satisfaction and related theories will be concentrated on to lay a solid foundation of the study. Moreover, a quantitative piece of research is carried out in the form of questionnaires to find out the customers’ expectations and attitudes toward knitted products. At the end of the study, relevant practical suggestions will be given for Maoyang to put emphasis on developing higher customer satisfaction level for long-term development.
2 CUSTOMER SATISFACTION

In the light of research questions, previous studies concerning customer satisfaction will be clearly elaborated. Firstly, the definition of customer satisfaction will be discussed. After that, the importance and effects of customer satisfaction are to be explained, revealing why the company should put efforts on improving its customer satisfaction level to gain competitive advantage in business. Issues in relation to customer satisfaction will be discussed respectively in the following chapter. Since understanding and managing customers would be of important priority to the company’s considerations and decisions.

2.1 Definition of customer satisfaction

According to Chen, Chang, Hsu and Yang (2011, 391), customer satisfaction has increasingly gained attention from different business fields. An increasing number of companies regard customer satisfaction as a standard to measure the performance of products or services and an approach to retaining their customers. In brief, customer satisfaction is the customers’ feelings of pleasure or disappointment derived from the performance of a certain product or service related to individual expectations (Kotler 2008, 36). Consumers have respective judgements on their purchase or consumption experience from a product or service.

This view is shared by Torres and Kline (2006, 290), who viewed customer satisfaction as “customers’ expectations compared to perceived performance of the products or services”. If the product matches or even exceeds the customers’ expectations, then the customers will be satisfied and delighted, but if the product doesn’t follow their preferences, they will probably be dissatisfied. Besides, McCollough, Berry and Yadav (2000, 123) pointed out that customer satisfaction can also be affected by a customer’s consumption experience. Customer satisfaction usually occurs when customers’ experience confirm their expectations. For companies, customers are their priorities and valuable asset, reviewing customer satisfaction helps
them to have an insight into both customers’ current and future needs and then improve their performance of products and services.

Satisfying customers maximally is extremely important in today’s fiercely competitive and rapidly changing business environment. Successful companies usually think highly of customer satisfaction and they try hard to fulfil customers’ needs and expectations with good performance of their products or service. The characteristics of customer satisfaction are presented clearly under the Kano model, which separates dissatisfaction, satisfaction and delight intelligibly in different situations. They are ‘Must be’, ‘More is better’ and ‘Delighters’, respectively. (Jobber 2010, 15.)

Specifically, ‘Must be’ characteristic reveals that consumers are provided with nice products or service they take for granted. The customers to some extent are satisfied or happy with what they have got from the suppliers. However, lack of this characteristic may cause complaints or dissatisfaction. While ‘More is better’ characteristic indicates that customers usually have positive attitude or response to the perceived performance of products or service, which mostly matches to their expectations. For the ‘Delighters’, customers are offered with unexpected surprises, which exceeds their expectations to some extent and make customers feel fully satisfied and respected. (Jobber 2010, 15.)

All in all, customer satisfaction is a reflection of the performance of products or services to consumers. Customers are more willing to receive goods within or even beyond their expectations, thus they will be satisfied and delighted, while disappointment makes the company lose sales. Only companies are knowledgeable of what consumers really want, can they create customer satisfaction and afterwards maintain their customers.

2.2 Significance of customer satisfaction

As a matter of fact, customers are becoming more demanding, critical and less tolerant nowadays when not having their expectations met (Laith & Nahla 2010, 155).
According to Liang and Zhang (2012, 154), many consumers now are expecting companies to customise their specific needs of products or services, which forcing companies to focus on delighting customers, establishing and maintaining positive customer relations. Customer satisfaction has been considered as an essential factor of long-lasting customer relationships. What’s more, customer satisfaction lays a solid foundation of gaining profit for companies. Namely, satisfied customers are less price-sensitive and willing to pay more for the practical benefits they receive from the products or services, even if the prices of products or services are getting higher. (Chatura & Jaideep 2003, 82.) Therefore, customer satisfaction is strongly linked to profitability.

In addition, higher level of customer satisfaction is conductive to create better customer relationship. Satisfied customers usually have positive attitudes to the company’s products or services, which encourages and motivates them to make purchases. In contrast, with lower customer satisfaction level, customers will lose their confidence to purchase products, thus resulting in the decrease of current customers and sales. Therefore, managing the customer satisfaction effectively is of great significance for a company’s sustainable development. (Jobber, 2010, 15.)

Last but not the least; customer satisfaction is closely connected with customer loyalty. It maintains customer loyalty through providing excellent products and customer services, which, in turn, can help companies to gain favourable development prospect and obtain higher benefits. Customer satisfaction also helps to keep customer retention and set up customer recognition. That is, satisfied consumers will keep repeat purchases and are more likely to inform others of their positive and impressive buying experiences, which bring new customers for the company in the future. (Ilias & Panagiotis 2010, 333.)

2.3 Effects of customer satisfaction

Ali, Bahman and Amir (2012, 4) stated that customer satisfaction is now widely viewed as one of the business strategies. Since customer satisfaction is promoting
long-term customer relationship, companies are encouraged to take good advantage of customer satisfaction for survival in the increasingly competitive business world.

On the one hand, customer satisfaction is directly linked to business profit, sales, service and customer behaviours. For companies, customer satisfaction brings them with increased sales and profits. Once a company meets or satisfies customers’ demands, the customers will be likely to buy more and often, since they get perceived values from the products and services. In order to ensure higher level of customer satisfaction, the company has to offer products and services in accordance to customers’ expectations and preferences, customising their needs and tastes. Thus the company may have the greatest possibility to gain high profit while lower the cost of attracting other new customers. (Gerson 1993, 5.)

On the other hand, customer satisfaction urges the company to keep an eye on improving the quality of products and services. Gerson (1993, 11) believed that higher quality and better service bring greater benefits. Firstly, improved quality enables company to deliver satisfactory products and superior services to customers within their needs, which leads to increased sales, low customer complaints and high profitability. Customers are always desire to get values from products or services for their money. As a result, customers would like to pay more for high-quality products and services since they are worthy their values and anticipated performance. Furthermore, satisfied customers are willing to refer their nice purchasing experiences to others, which is beneficial to acquire new customers in the future. (Gerson 1993, 11.)
3 UNDERSTANDING AND MANAGING CUSTOMERS

Understanding and managing customers well is significant for business success. Customer behaviour is the study of the process when people involve themselves in selecting, purchasing or disposing the received products and services compared to their needs and desires. Once they have been fulfilled, they become satisfied. (Connolly & Ashworth 1994, 34.) What’s more, in order to survive from the fierce competition, keep competitive advantages against competitors and even pursue business success for the future, a great number of enterprises have realised that customer satisfaction have profound influences on business activities. Therefore, it is of great urgency and importance to understand customers’ specific behaviours and what they are really looking for so that companies can generate higher level of customer satisfaction and create more value to consumers. (Jobber 2010, 109.)

3.1 Customer value

It is stated that retaining customers is more profitable than acquiring new ones. So for this reason, more and more companies attempt to concentrate on creating and delivering superior values to their customers by meeting and even exceeding customer needs for the purpose of maintain customers. (Hogan, Lemon & Libai 2003, 196.)

According to Johnson and Weinstein (2004, 5), value can be best defined from the customers’ perspectives between benefits of received products and costs to acquire them. Value is usually created when business transactions satisfy customer expectations. This is manifested by Christopher (1996, 58) that customer value occurs if the perceptions of benefits on the utility of products or service exceed the cost, which is simplified under the relationship between “get” (benefits) and “give” (sacrifice).

In the eyes of Azaddin (2004, 645), the concept of customer value has become an essential business strategy to retain and attract customers. It is regarded as a strategic weapon and one of the most important factors in company’s pursuing competitive
advantage and long-lasting success. Usually, a strong competitive advantage could be achieved by consistently providing high customer value. (Lin, Sher & Shih 2005, 319.)

To succeed in today's highly competitive markets, companies are in great need of making great effort to create customer value. Developing strong relationship with customers generates loyalty. Customers are loyal once they have received superior value from companies compared to the competitors, which leads to high customer retention rate. (Johnson & Weinstein 2004, 10-11.) So the company gets more profit from retaining current customers rather than acquiring new customers. The research has resulted that, on average, a five percentage of increase in customer retention brings about 40-50 percent raise in present profit. (Reichheld & Sasser 1990, 105.) Only companies are providing customers with superior value, can they gain customer loyalty and improve customer satisfaction. Companies that provide outstanding value have the possibility to turn their buyers into lifetime customers. (Johnson & Weinstein 2004, 11.)

3.1.1 Measurement of customer value

‘Value is created when product and user come together within a particular use situation’. This definition indicates that each individual transaction could be evaluated for its level of value. For customers, one way of measuring their transactions is the SQIP approach, which consists of service, quality, image and price. (Johnson & Weinstein 2004, 5.)
These elements are the essence of customer value. Frankly, customer value is a much richer concept than just a favourable price, superior service, excellent quality and an impressive image, the best value lie in the combination of them. For the company, it is not only significant to determine where its strength lie and differentiate themselves from competitors, but also respect each dimension to create and offer great value to customers. (Johnson & Weinstein 2004, 6-7.)

Value could also be measured in the form of return from the customers, which is referred to profitability. In an article about value, Pfeifer et al. (2005, 11) has examined value, profitability and the differences between customers. They found that companies would succeed in their business by learning to identify and understand customer differences. Value may be explained by different individuals in various ways. Some may regard the least expensive product or service as their expected value, while others view the same thing with the highest price that generates the great value for them. This reveals that value is subjective and specific in the eyes of consumers and their perceptions of value represents the relationship between the benefits they receive from the product and the sacrifice to obtain it by paying the relevant price.

3.1.2 Delivering customer value

When it comes to customer value, Raab, Ajami, Gargeya and Goddard (2008, 113)
considered that a company is only in the position to increase its value and knows precisely about its consumers in the long term, could they make a difference in customer behaviour and acquire profitable consumers. One effective approach to delivering customer desired value lies in understanding the mindset of the customer.

More concretely, customer mindset is the customers’ mind and attitudes toward the company’s products or services. Once again, it is obvious that having excellent intelligence regarding the expectations of the consumers will improve the profitability and develop the relationship between the business and customer. Since customer mindset has a great influence on customer behaviour, customer-focused companies have urgent need to understand as many aspects of customer mindset as possible. A customer mindset is mainly made up of awareness, association, attitude, attachment and advocacy. (Berger, Eechambadi, George & Lehmann 2006, 158.)

To illustrate respectively, awareness is considered to be the customer’s ability to recognise and even recall the company’s products and services. Association relates to the customers’ perceptions of benefits, strengths and uniqueness of the products and services. Besides, attitude means the customers’ evaluations concerning the products or services in regard to quality, price, image, satisfaction, and so on. A positive attitude usually creates great customer satisfaction and then leads to high value. Attachment deals with the level of customer loyalty to a company’s products and services. Loyal customers are more faithful to the companies’ products and more likely to recommend their happy purchasing experience to others; this motivates the level of advocacy to some extent, which is kind of promotion of the products or services to potential customers. (Berger et al. 2006, 159.)

3.2 Customer service

With the rise of consumers’ consciousness and the advancement of information flow, the development of companies transforms from traditional production-oriented to customer-centralised service model. An increasing number of enterprises begin to concentrate on delivering high-quality service to consumers. (Bhardwaj 2007, 57.)
Particularly, customer service is a series of business activities aiming to improve the level of customer satisfaction. Companies are delivering quality products or service to achieve positive customer expectations during this process. (Hayes & Dredge 1998, 6-9.) Marsha (2011, 19) remarked that customer service deals with real relationships with real customers in real business, and enterprises should respect their people to seek for effective ways of managing customer service, providing customers with good-quality products and service.

3.2.1 Managing service and product quality

Customer satisfaction requires the company to become truly customer-focused (Customer satisfaction management, 2007). Only the companies improve their customer service quality, would they have the possibility to reach higher level of customer satisfaction. In terms of Grönroos (2007, 112), service with positively confirmed quality when expectations are met or even exceeded to some extent, may make customers more interested in continuing good relationships with service providers, and this creates greater opportunities for companies to retain consumers for long. According to Wiley (2003, 3), there are some strategies related to dealing with customer service quality. For instance, the customer service attributes are helpful. As far as consumers are concerned, the service delivery must be timely, accurate, with concern, and with courtesy, which makes them feel comfortable and satisfied.

Apart from service quality, consumers also care about the product quality. ‘A product is anything that is capable of satisfying customer needs.’ is described by Jobber (2010, 303). In the process of building customer loyalty and achieve customer satisfaction, products are the basis for acquiring customers at the beginning of doing business.

In order to fully realise the goal to build customer loyalty, product quality should be highlighted at the first stage. As mentioned before, products could be tangible things, services as well. These are all remarked by Raab et al. (2008, 40). Here attaches importance to customer orientation, and the definition of product quality from customer-oriented concept is that quality can be explained and understood from the
view of customer-oriented, value-oriented as well. Customers are the source of word “quality”. Generally speaking, different customers will give different comments to the same product. Then the level of product quality will be clarified according to the majority of customers ‘perspectives. (Raab et al. 2008, 42-43.)

However, when the company fail to meet and satisfy customers’ expectations of product or services, consumers will to a great extent complain their dissatisfaction; they generally want to be assured that things could be solved promptly and successfully. In this situation, the company has no choice but to come up with effective way to handle customer complaints.

3.2.2 Handling customer complaints

When consumers complain, they are giving companies the opportunities to improve and perfect themselves. For companies, handling customer complaints effectively not only means to resolve problems timely, but also reveals an excellent approach to improving customer satisfaction and building up customer loyalty. (Hayes & Dredge 1998, 111.)

Companies can always improve their performance and become more profitable by listening or adjust themselves properly to their customers’ needs and problems. Customer complaints usually provide valuable information for companies. They reveal what consumers really care about in the market and they lead to company improvements that are customer focused. Once customer complaints are well resolved, they attract and inspire larger number of consumers to the company and its products than before. (Hayes & Dredge 1998, 112.)

Hayes & Dredge also insisted that efficient complaint handling depends on the company’s knowledge and method to dealing with customers’ complaints to some extent. There are some techniques for companies to address complaints successfully. (Hayes & Dredge 1998, 119.)
Firstly, full concentration should be given to the customers’ perceptions in order to obtain an objective overview; the company shall have great concern and better understanding of what consumers are complaining about. Secondly, it is important for companies to show their consideration and empathy with customers, which seems that consumers are being respected and tailored to satisfy their needs. As a result, the customers are more likely to have greater confidence and trust in the company. Last but not the least, once customer complaint happens, it should be investigated and handled immediately. Speedy replies to complaints means great sense of urgency. Handling complaints promptly implies that the company really concerns about customers’ expectations and demands. Hence, consumers are more loyal since their complaints are truly valued and resolved with no hesitation. (Hayes & Dredge 1998, 119-121.)

In brief, most customers understand that problems would inevitably happen. They may still develop their loyalty as long as the company responds to the mistakes quickly and resolve them in an effective and immediate way. It makes sense for the company to improve its complaint handling process so as to deliver anticipated customer value in the long run. (Hayes & Dredge 1998, 123.)

3.3 Customer retention and loyalty

It is said that customers who feel they have obtained expected value from received product or service may develop their loyalty to that product or service. Loyalty in turn generates retention which brings high profit to the company. Tsoukatos and Rand (2006, 501) admitted that loyal customers are indeed of great importance to business survival and company development. It is pointless to acquire new customers, instead of not keeping regular customers. (Keiningham et al. 2008, 51.) For this reason, companies intended to take advantage of maximizing customer retention to increase their profitability and obtain market share, rather than reaching out to new consumers.
3.3.1 The introduction of customer retention and customer loyalty

With regard to customer satisfaction, customer retention is becoming more and more significant for enterprises nowadays. Consumers today are increasingly sensitive and they have wide ranges of products and services to choose from. So for companies, they had better take measures to retain customers and improve their satisfaction level so that the companies could manage to lower customer loss in the fierce business competition, as well as increase business profits and maintain stable development. (Baron, Conway and Warnaby 2010, 45)

Customer retention is identified as the business activity of retaining the existing customers so that the company stays competitive, attracts more customers and leads to great profit and future success. (Ranaweera & Prabhu 2003, 381.) It is a phenomenon that the customers repurchase products and services from the company over a certain period of time. During this process, companies have the possibility to establish and maintain positive relationships with the customers since it is more profitable to keep existing customers than acquiring new ones. On the one hand, retained customers are less price-sensitive; they are more willing and likely to pay higher prices than new customers and showing trust to the products and services offered to them. On the other hand, customers who are satisfied with their purchasing experience will probably pass positive recommendation to others so that the companies win new customers.

As for today’s business, one of the essences is keeping customers; the company would improve its performance by concentrating on current customers. And loyalty is about creating favourable and value-based relationships between customers and companies. At the same time, customer loyalty seems to be the companies’ marketing goal to keep growth. (Cater & Tomaz 2009, 585.)

Baron, Conway and Warnaby (2010, 46) perceived that customer loyalty is an actual purchase behaviour, which is considered from a behavioural concept. Customer loyalty has been generally occurred when customers make repeat purchases of goods or services over time. Moreover, loyal customers usually feel that the companies have
really met the specific demands within their expectations. Based on this, consumers’ attitudes are clearly revealed in the concept of loyalty, that is, customer loyalty is described in attitudinal terms. In fact, most scholars think that neither behavioural nor attitudinal elements could explain customer loyalty separately. So Dick and Basu (1994, 101) adapted two variables together and distinguish them from four dimensions, which are listed in table 1.

Relative attitude

<table>
<thead>
<tr>
<th>Repeat purchase</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>True loyalty</td>
<td>Spurious loyalty</td>
</tr>
<tr>
<td>Low</td>
<td>Latent loyalty</td>
<td>No loyalty</td>
</tr>
</tbody>
</table>

Table 1 Types of loyalty (Source: Adapted from Dick, A.S. and Basu, K. 1994)

True loyalty happens when repeat purchase is high and relative attitude is high. In this case, customer shows both behavioural loyalty and attitudinal loyalty, they are in favour of the obtained products or services, which fulfil their expectations and deliver value to them. This would be the most preferred situation for the company and need constantly improvement. (Baron, Conway & Warnaby 2010, 47.)

Spurious loyalty occurs when repeat purchase is high, but relative attitude is low. At this time, customers may indicate their behavioural loyalty temporarily, probably because of the benefits offered by companies (promotions, special offerings, for example). However, loyalty of these people are always easily influenced by better offers, so there is a danger that customers may turn to purchase products and services from competitors. (Baron, Conway & Warnaby 2010, 47.)

When repeat purchase is low, but relative attitude is high, latent loyalty seems to be
the result. In this situation, customers are willing to buy products from the company, but they are discouraged by some obstacles, like difficult opening times, inconvenient locations, etc. Therefore, the company should remove these barriers so as to attract these consumers and keep them as loyal ones in the long term. (Baron, Conway & Warnaby 2010, 48.)

At last, no loyalty comes when both repeat purchase and relative attitude are low. Here customers have little interest in the offered products and services. They regard competing offers as the same, so they would not be loyal to certain products received from specific companies. (Baron, Conway & Warnaby 2010, 48.)

3.3.2 Building up customer loyalty

Generally, customers’ experiences with products, services and purchasing processes will influence their emotional attitude and loyalty to the company, so the company’s performance on serving customers will directly decide the customer loyalty. Thus, having a good knowledge of customers’ needs and appealing to customers’ emotions helped companies to build trust and win their loyalty.

Anonymous (1998, 25) assumed that business could thrive by building customer loyalty, and companies would be likely to achieve success through taking measures as the followings:

- Remind customers about all product features
- Seek customer feedback early and respond quickly, once there are problems existing, try to correct them quickly and effectively
- Constantly create value to customers
- Continually communicate company’s range of products and service to keep customers informed
- Turn repeat purchase into a service and treat customer service as a worthy investment.
On the whole, it is essential for the company to evaluate customer satisfaction on an ongoing basis, along with the consumers’ changing demands and expectations. Customers who find the company’s product and service are tailored to their specific needs are more likely to remain loyal to the company, as well as encourage and bring in new consumers. Thus, the company maintain customers’ faith and build up their loyalty step by step.
4 RESEARCH METHODOLOGY

The objective of this thesis is to collect the customers’ perceptions on the performance of Maoyang knitting company, in the light of customer service and products. The customer satisfaction research was implemented by using quantitative research methods with questionnaires. The questionnaire includes a combination of structured and open questions, which allows the customer to have their own opinions and improvement suggestions. The questionnaire designed to find out customers’ general viewpoints about the company.

4.1 Questionnaire design

As considered previously, the research is based on the quantitative method. It is mentioned that the quantitative method is reality and truth orientation, which gathers structured data for completing the research. Researchers are able to recognise and draw conclusions from the relevant information provided by customers based on their own perceptions or experiences. For researchers, when choosing quantitative research to collect necessary data, questionnaire is one of the effective data gathering instruments. (Quinlan 2011, 326.)

For this thesis, the questionnaire (Appendix 1) is designed according to the customer satisfaction elements as well as takes customer priorities into consideration, aiming to gain a general knowledge about the customer satisfaction level of Maoyang knitting company at present, through analysing customers’ attitudes toward the company’s products and services. At the same time, causes of dissatisfaction and relevant solutions are also explored. It will be translated into Chinese version (Appendix 2) when distributed so that the questionnaires are more understandable for Maoyang’s customers, with which the initial data collected are more reliable and precise.

The questionnaire consists of 17 questions in total, including questions related to customer satisfaction issues, open questions and background information of respondents. Different kinds of questions generate comprehensive results in analysing
current customer satisfaction level of Maoyang, concentrating on finding out customers’ preferences and demands of products or services, as well as their behaviours in purchasing experience. Out of these questions, there are two rating questions. These two questions are presented to gather customers’ opinions of importance and acceptance of Maoyang’s knitted products and services. The chosen rating scale varies from ‘1= Not important at all’, ‘2= Not so important’, ‘3= Somewhat important’ to ‘4= Very important’, as well as from ‘1= Totally disagree’, ‘2= Somewhat disagree’, ‘3= Somewhat agree’ to ‘4= Totally agree’. In the eyes of Quinlan (2011, p. 329), rating scale helps the respondents to participate in the research by rating the phenomenon under investigation. In measuring customer satisfaction, respondents are encouraged to rate their perceptual experience on importance and satisfaction of certain items to questionnaires.

Additionally, the open questions enable respondents to provide their personal opinions and experiences for the company’s products and service. Customers’ descriptions give the company opportunities and support improving the customer satisfaction level so that the customers will receive better products and superior service in the long term.

The last part of the questionnaire is background information of respondents. It contains very basic questions like gender and age of respondents. The data from background information enable the company and the researcher make a clear distinction among different groups of respondents (adults and teenagers).

The anticipated amount of questionnaires is totally 50, and it takes about 15 minutes to fill in. They are intended to be distributed to the customers of Maoyang knitting company through e-mail on the Internet. It is easy to manage and precise responses are limited to concisely state. In this way, questionnaires could be reached to respondents immediately, in turn, the responses may be sent back easily and timely as long as they are done.
4.2 Quantitative data acquisition method

The purpose of data analysis is to have a better understanding of the collected data, through which research questions are well clarified and favourable recommendations are proposed. Quinlan (2011, p. 352) defined quantitative data as numerical data, which reflects acquired data in the form of numbers or data that can be coded numerically. Moreover, the quantitative data analysis is using statistical approaches. That is, graphs, charts, tables, etc, are always helpful to analyse the data. Data could be effectively revealed through creating graphical forms.

Quinlan (2011, p. 365) also pointed out that there are four important stages in quantitative data analysis. The four stages are clearly listed as figure 2:

![Diagram showing the four stages of analysis](image)

Figure 2 The four stages of analysis

The first stage is description, in which the researcher describes what is displayed in the data. The second stage is interpretation. The researchers are required to think over the data and express their own perceptions on what the data means in the research. The third stage is the conclusion stage, in which the researchers draw minor conclusions from what they see in the data and consider what they mean. The final stage of the quantitative data analysis is theorization. In this stage, the researcher needs to look back the literature review to see whether their findings are in line with the detailed theories mentioned in that chapter. (Quinlan 2011, p. 366.)
For this thesis, the data analysis process is mainly computerized and numerically displayed. Quantitative data will be analysed and illustrated mainly in line graphs, pie charts or tables, which are mainly created by Microsoft Office Word and MC Office Excel. After that, collected data in relation to customers’ personal priorities and concerns about Maoyang’s performance on knitted products and service will be presented and described intelligibly. With the results clearly illustrated, conclusions of the research are to be drawn from data presentation, and relevant recommendations will be provided to Maoyang with regard to improving its customer satisfaction level and strengthening customer loyalty in long-term development.
5 RESULTS AND ANALYSIS

This chapter mainly focuses on data collection from the questionnaires, which are handed out to respondents between April 4, 2013 and April 14, 2013. During this process, above 50 respondents are randomly chosen to give answers to the questionnaires. Finally, 43 valid responses were sent back through the Internet. Then the valid results are going to be tabulated and analysed with figures. The collected results are based on questions listed in the questionnaires and presented as below.

5.1 Results from the questionnaires

All the respondents are supposed to have the experience of purchasing various kinds of knitted products, which makes the results more properly for the research objective. Among 43 respondents, there are 11 male respondents and 32 female respondents.

![Gender distribution](image)

Figure 3 Gender distribution (n=43)

As shown figure 3, female accounts for 74% of the total respondents while male takes up 26%, which indicates that women have more positive attitudes and greater preferences for knitted products to some extent.
The chosen respondents are divided into four age groups, which are below 20, 20-25, 26-30 and over 30 years old. According to figure 4, the age of 20 to 25 occupies the largest proportion of all respondents, holding a percentage about 65%. Only 2 out of 43 respondents are over 30 years old, occupying 5%. Other age groups are below 20 and 26-30, which account for 7% and 23% respectively. Not surprisingly, the larger groups are young people, who are making up the main customer base. The knitted products are more popular among young customers perhaps because they have more interests in fashion and keen on chasing after beauties, as well as they have more access to online shopping, which is one of the most popular shopping alternatives nowadays.

Figure 5 Preferences for knitted products (n=43)
As expected, different respondents have their own favourite knitted products. For 27.9% of the respondents in figure 5, they prefer knitted scarves than other knitted goods, like knitted hats and knitted gloves. They share respective percentages of 16.3% and 20.9%. Another 23.3% of the respondents love all the above knitted products, while the rest of 11.6% have no interest in knitted hats, scarves or gloves. They have more preferences for knitted sweaters, knitted jeans, etc.

![Frequency of purchasing knitted products](image)

Figure 6 Frequency of purchasing knitted products (n=43)

According to the bar chart (figure 6), almost every respondent has ever made repeat purchase of their favoured knitted goods. To be more specific, the majority of them went to buy knitted products occasionally, taking up the biggest percentage of 67.4%. About 11.6% of all the respondents are likely to purchase frequently. The rest 21% rarely spend their money buying knitted products even though they have their favourite or necessary ones.
With the development of information technology nowadays, more and more people prefer shopping online than purchasing products in physical stores or shopping malls. This phenomenon makes a good illustration for this research. Figure 7 displays clearly that 39.5% of the respondents are more willing to buy knitted products online. Then physical stores and shopping malls are also two favourable shopping places, accounting for 27.9% and 25.6% respectively. In addition, the rest respondents, about 7%, are looking for other possible places to purchase favourite knitted products, booths and night market, for instance.

Figure 7 Shopping location preferences (n=43)

Figure 8 Money spent on the knitted products (n=43)
Normally, people are somewhat sensitive to the product price, especially for the high-priced ones. In return, people’s consumption expenses on knitted products have influenced the pricing. So it is fairly important to know about their willingness to pay for the products. As indicated in figure 8, over half of the respondents usually spend 50 to 100 Chinese yuan on purchasing knitted products; occupying 72.1%, while only 18.6% of them make consumptions of over 100 yuan. Around 9.3% of them normally just pay less than 50 yuan for their purchasing.

![Satisfaction level of purchasing experience](image)

**Figure 9** Satisfaction level of the purchasing experience (n=43)

For the purchasing experience, it is definitely more possible for satisfied ones to buy products repeatedly. In figure 9, over half of the respondents are satisfied with their purchasing experience, reaching 51.2%, but only 9.3% of them are very satisfied. As for the 27.9% of the respondents, they don’t think that much of their feelings when things were bought, as well as 11.6% of them is unsatisfied with their experiences of buying knitted products. One of the reasons is that they had purchased defective knitted products, which could result in unhappy experience.
In answering the question “have you ever purchased defective knitted products”, most of the respondents’ answers have to be an unequivocal "yes", making up a large percentage of 86%, as presented in figure 10. Only 14% has not purchased defective knitted products before.

When people have purchased defective knitted products, some main quality problems are as presented in figure 11. The two biggest defects are snagging and drop stitches (or holes), with the percentages of 46.5% and 30.2% each. At the same time, 7% of the respondents have ever bought the defective ones with the problem of snagging.
Colour aberration appears to be less serious among all the issues, with the figure of 2.3% in the bar chart. The remaining 14% stands for other quality problems, like the knitted products have unravelled, as well as the respondents who have satisfactory products without defects.

![Bar chart showing attitudes towards defective knitted products]

**Figure 12 Attitudes towards defective knitted products (n=43)**

Figure 12 reveals that people have different approaches to solving quality problems of knitted products. Apart from the satisfied persons (nearly 13.9% of all the respondents as mentioned above), 11.6% of them would complain to the seller once they have gotten defective knitted products. Then some respondents would ask for replacement or even refund, which takes up 34.9% and 18.6% accordingly. Also, it cannot be neglected that a small proportion of respondents have not taken the above measures when they got defective knitted goods. They just give up their requirements due to some personal considerations, for example, they feel that the prices of their products are not that expensive, or they do not want to take the trouble.
Product promotions could always catch people’s attention, creating increased sales and gain high profit for the company. From respondents’ point of views, they have different preferences for benefits received from purchasing knitted products. Apparently illustrated in figure 13, discount is the most popular as 32.5% of the respondents prefer it. Besides, 11 respondents enjoy “two for one” benefit, occupying 25.6%. Return or exchange after sale ranks the third place accepted by 23.3% of all the respondents. Special product offers are less popular among respondents, compared to the above-mentioned promotions which are welcomed by 13.9% of them. Others do not care much about the promotions or benefits they obtained as long as they prefer the knitted products.
Table 2 Rating the importance of criteria when purchasing knitted products (n=43)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Valid numbers of respondents</th>
<th>Valid percent</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>The location of knitted products is convenient</td>
<td>21</td>
<td>48.8%</td>
<td>Not so important</td>
</tr>
<tr>
<td>The knitted products are of customers’ preferences</td>
<td>35</td>
<td>81.4%</td>
<td>Very important</td>
</tr>
<tr>
<td>The prices of knitted are favourable</td>
<td>23</td>
<td>53.5%</td>
<td>Somewhat important</td>
</tr>
<tr>
<td>The service is flexible</td>
<td>17</td>
<td>39.5%</td>
<td>Somewhat important</td>
</tr>
</tbody>
</table>

Table 2 displays clearly the respondents’ opinions on the importance of criteria when they consider purchasing knitted products. They rank each criterion from “not important at all” to “very important”. In terms of the valid respondents, they regard the convenient location of knitted products as “not so important”, taking up 48.8%. On the contrary, over half of them, with 81.4%, think their preferences for knitted products are very important. Moreover, it is also somewhat important for knitted products to have favourable prices and flexible services.
Table 3 To what extent do you agree or disagree with the criteria of knitted products (n=43)

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Valid numbers of respondents</th>
<th>Valid percent</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fashionable design</td>
<td>19</td>
<td>44.2%</td>
<td>Somewhat agree</td>
</tr>
<tr>
<td>Numerous varieties</td>
<td>18</td>
<td>41.9%</td>
<td>Somewhat agree</td>
</tr>
<tr>
<td>Attractive appearances</td>
<td>20</td>
<td>46.5%</td>
<td>Somewhat agree</td>
</tr>
<tr>
<td>High quality</td>
<td>23</td>
<td>53.5%</td>
<td>Totally agree</td>
</tr>
<tr>
<td>Cozy feeling</td>
<td>33</td>
<td>76.7%</td>
<td>Totally agree</td>
</tr>
<tr>
<td>Suitable prices</td>
<td>24</td>
<td>55.8%</td>
<td>Totally agree</td>
</tr>
<tr>
<td>Value for money</td>
<td>22</td>
<td>51.2%</td>
<td>Somewhat agree</td>
</tr>
</tbody>
</table>

Table 3 illustrates the respondents’ attitudes towards some features of knitted products they have ever purchased. Among the criteria, more than half of them totally agree that knitted products are of high quality and cozy feeling, as well as suitable prices, with respective figures of 53.5%, 76.7% and 55.8%. In addition, knitted products are fashionably designed with numerous varieties and attractive appearances, which are somewhat agreed by many respondents. As a result, 51.2% of the respondents approve that the products they bought are value for their money.
Figure 14 Overview of repeat purchase willingness (n=43)

From the graph, we easily notice that most of the respondents are willing to purchase the knitted products again as if they had happy buying experience. Among figure 14, 41.9% of them definitely said “yes”, while 51.2% would think twice before they make decisions to buy the goods again. In contrast, about 2.3% of them have no certain demand. The rest 4.6% would not buy the same knitted product any longer since they wish for newly launched ones.

Figure 15 Have you ever recommended knitted products to others? (n=43)

As can be seen from figure 15, 90.7% of the respondents have ever recommended
their favoured knitted products to others, while other 4 respondents answered “no”, with a small percentage of 9.3%, the reason may lie in the fact that they were not satisfied with their purchasing experience or the received products.

Figure 16 Do you know Kelly and Safarol? (n=43)

In terms of the brand recognition of Kelly and Safarol, the question “Do you know Kelly and Safarol?” is proposed before background information questions. Obviously indicated in figure 16, approximately 83.7% of the respondents don’t know these two Taiwan brands. Only 16.3% has heard about them, not to mention the respondents have purchased knitted products of the two brands. From this result, it cannot be denied that Kelly and Safarol are not widely acknowledged among these respondents. It still takes time for Kelly and Safarol to familiarise the respondents with their knitted products in the future.

The open question is set to collect respondents’ perspectives and description of the knitted products they bought. Surprisingly, a great number of them have positive opinions and good impressions. As mentioned before, the knitted products are fashionable, elegant, and attractive and so on. Anyhow, it is the most significant for the products being widely recognized and accepted.
5.2 Comparison to other study of customer satisfaction

Customer satisfaction has been generally acknowledged as a solid cornerstone of successful business, which was researched and discussed by numerous authors and theorists and there are various approaches to this topic.

Through reviewing some other articles in relation to customer satisfaction, it turns out that they have a few similarities and differences from this thesis. Similarly, most of these articles aimed to find out the customer satisfaction level of a certain company or organisation, to better appreciate customer needs and improve customer services in order to keep customer retention and loyalty for a long time. They keep eyes on assessing the case companies’ performance of products and services in virtue of taking different research methods to investigate customers’ perceptions. After having a clear knowledge of their customers, companies have the possibility of continuously monitoring customer satisfaction.

When conducting the customer satisfaction research, quantitative and qualitative research methods are the two available and favourable approaches. Commonly, interviews and questionnaires are applied during the process, which seems to be more feasible and effective ways to collect the useful and valid data. Then the researcher analyses the collected data into the anticipated results. Afterward, the conclusions would be made correspondingly. In this thesis, the author only adopted the quantitative method, distributing questionnaires to acquire necessary data. After getting access to the data, they were tabulated in numerical ways to be more intuitionistic, which are indicated in the forms of graphs, tables and so on. The figures can be easily seen from tabular presentation. Therefore, it is effective and lucidity to draw conclusions. Doubtlessly, the researcher spared on effort to dig out beneficial results from the existing data so that the case company could be provided with advantageous and practical suggestions to try out their feasibility. At any rate the research process profits both the case company and the researcher. They have benefits mutually.
6 CONCLUSION

This section attempts to summarise the main findings and make recommendations to the company. After that, evaluation of the study will be presented, as well as the suggestion for further study is provided afterwards.

6.1 Main findings of the study

Although the knitting industry is growing and prospering in view of the positive development of national economy, tense competition appears inevitably at the same time. However, it is stated that higher level of customer satisfaction prompts companies to expand forward and realise competitive advantages among competitors. So Maoyang could seize the opportunity to thrive long-term business prospects by heightening its customer satisfaction level to a certain degree.

Consequently by taking the customer satisfaction research, Maoyang’s business environment at present has been figured out. Typically, customers’ perceptions on delivered knitted products and service, purchasing frequency and their willingness of repeat purchases are clearly manifested as well. Even though there are several defective ones, customers’ views on the knitted products are favourable in general.

After analysing the results of the quantitative survey, it reveals that customers’ favourites differ from each other. Apart from the existing fundamental varieties of products, customers call for wider product range. Purchasing frequency of customers usually depends on their desideratum. Subsequently, customers make decisions to buy the knitted products repeatedly primarily because of their satisfactory buying experience. However, a small proportion of problems could not be neglected. Interrelated solutions have to be put forward to tackle defective issues effectively.

Firstly, it is important to meet customers’ specific requirements. Maoyang has the possibility to expand product range in a feasible way under its management. Secondly, when facing up with quality problems, Maoyang has the obligation to the defects and
take actions to make modifications, providing customers with fully concentrated service in order to avoid conflicts. Last but not the least, maintaining good relationship with customers is also vital to Maoyang because it is a long-term investment. Only customers are satisfied with superior products and good-quality service, would they make decisions to make repeat purchases and loyal to the company in the future.

6.2 Recommendations for Maoyang Knitting Co., Ltd

The objective of this thesis is to provide practical suggestions for Maoyang to improve its customer satisfaction level gradually, based on the findings of quantitative research. Generally, customers’ overall evaluations of Maoyang’s performance seem to be acceptable although there are still many improvements to be made in order to be more competitive in the market. Before proposing recommendations to Maoyang, SWOT analysis could be taken into account in this case so as to clearly identify Maoyang’s situation. This SWOT analysis is presented in Table 4.

Table 4 SWOT analysis of Maoyang knitting Co., Ltd.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Numerous varieties of knitted products (fashionable design, attractive appearance, cosy feeling, etc)</td>
<td></td>
</tr>
<tr>
<td>➢ Up-to-date knitted products</td>
<td></td>
</tr>
<tr>
<td>➢ Advanced production technology</td>
<td>➢ Lack of professional management knowledge</td>
</tr>
<tr>
<td></td>
<td>➢ Lack of network acknowledgement</td>
</tr>
<tr>
<td></td>
<td>➢ Defective products (snagging, pilling, colour aberration, etc)</td>
</tr>
<tr>
<td>Opportunities</td>
<td>Threats</td>
</tr>
<tr>
<td>➢ Wider product range (business expansion)</td>
<td>➢ Fierce competition</td>
</tr>
<tr>
<td>➢ The awareness of adjusting business tactics</td>
<td>➢ Customers’ changing preferences</td>
</tr>
</tbody>
</table>

As for Maoyang’s knitted products, they are considered to be fashionably designed, which have many varieties, attractive appearance and comfortable feeling. Customers
consider them as daily necessities. Different customers have their own preferences for knitted hats, gloves and scarves. Apart from these products, some customers also have demands for more other selections like knitted sweater, knitted jeans, as well as knitted T-shirt, which leads to a new business opportunity for Maoyang to widen its product ranges in the future operation and development. Anyhow, customers’ needs are of utmost significance for the company.

In previous times, Maoyang’s products were mainly distributed to the physical stores or shopping malls, and then displayed to attract people’s attention to purchase them. There is no doubt that these two shopping locations have been favoured and popular among numerous customers. Also, they are essential distribution channels for companies. However, an increasing number of customers are choosing to shop online in today’s society, which urges companies to keep up with customers’ paths and adjust their business strategies accordingly. In terms of Maoyang, it is crucial to update and diversify business tactics to meet customers’ changing requirements. Maoyang had better put effort to manage its business and take good advantages of network resources and information technology to maintain good relationship with customers, delivering specific products or service to satisfy them.

Although customers are sensitive to the product prices to some extent, they are still willing to pay for high-quality knitted products of which are their preferences and within their expectations. Conversely, when quality problems occur, people become reluctant and hesitate to buy the defective knitted products. For Maoyang, the primal quality problems in products are snagging, drop stitches or hole, colour aberration and pilling, which are some common issues in knitting industry. Once the customers have received such knitted products, there would inevitably cause some complaints. For the sake of business success, Maoyang should take relevant and effective solutions to deal with customer complaints. As long as customers are dissatisfied with the knitted products, the company shall take responsible for the defects and come up with remedial measures, such as, replacement of defective knitted products with qualified ones, or refund if the customers do not accept the above ways of handling problems.
Obviously, these services should be delivered with full concentration promptly and effectively.

On the other hand, Maoyang is faced with another problem, namely, KELLY and SAFAROL are not widely acknowledged by customers. Some of Maoyang’s knitted products are originated from these two Taiwan brands. Therefore, Maoyang needs to carry out some promotion activities to catch customers’ eyes and encourage them to make purchase with preferential benefits. Through investigating customers’ interests, there are some favourable measures beneficial to customers. For instance, discounts, special product offers, two for one, return or exchange after sale, etc.

In conclusion, customers are always expecting to receive superior products and services within or even exceed their expectations so that they are more likely to make repeat purchases and recommend their happy buying experience to others. Hence, only Maoyang makes great efforts to content customers with their certain needs, could the company improve its customer satisfaction level and achieve customer loyalty to gain competitive advantages in the future development.

6.3 Evaluation of the thesis

Internal validity, external validity, reliability and objectivity are extensively engaged in the quality evaluation of the research work (Yin 2003, p. 34). For researchers, these criteria are both significant and necessary for their researches, and it is no exception for this study.

As for the internal validity, the thesis primarily explores the approach how the company could improve customer satisfaction level and further keep customer retention and loyalty. So this study is closely referred to different aspects of customer satisfaction, including mentioning the definition of customer satisfaction and potential benefits of enhancing customer satisfaction level, as well as related theories on understanding and managing customers, e.g. delivering superior customer service, building up high customer value. Furthermore, the thesis concentrates on customer
retention and long-term loyalty, which are connected with the research question.

For external validity, the empirical part of this thesis is narrowed down to be carried out in Jinhua Maoyang Knitting Co., Ltd. Some reasons and results of customer satisfaction improvement, e.g. service promotion, customer retention and loyalty establishment are not unique to Maoyang. Actually, it is a usual phenomenon in the knitting companies in Jinhua area. Hence, it is possible to apply the attainable findings to similar situations.

To maintain reliability, different parts of the thesis are generally connected. The theoretical framework is on the basis of reliable literature and researches, which are closely referred to different aspects of customer satisfaction, including mentioning the definition of customer satisfaction and potential benefits of enhancing customer satisfaction level. Also some relevant theories are stated. Then the empirical part is associated with theoretical framework. Customer satisfaction questionnaires reveal the necessity and possibility of improving customer satisfaction. And later, the conclusions and suggestions are comprehensively made, which are in line with the purpose of the study topic.

In order to ensure objectivity, I tried hard to make use of the valid information collected from different authentic and effective resources in relation to customer satisfaction. When analysing the collected data, I made great efforts to prevent them from bias, and keep them in accordance with the research design.

6.4 Suggestion for further study

Undoubtedly the knowledge of customer satisfaction is very extensive, but for this thesis, only some related theories concerning research objective are adopted and introduced. There is still other useful information available to enrich the essence of customer satisfaction research.

Furthermore, since there were very few systematic researches regarding customer
satisfaction done in Jinhua region in previous time, the information about the current customer satisfaction level of knitted companies were difficult to be accessed and remained unclear. Further, the case company has not involved itself in the customer satisfaction research. So it is challenging to study the actuality of Maoyang’s customer satisfaction with theories and research in combination. Moreover, the recommendations made are kind of conceptual, only few specific strategies are proposed, while it still takes time to demonstrate its feasibility both now and future.

As mentioned before, the research was narrowed down to the case company in Jinhua region. As a matter of fact, different knitted companies in different areas will probably vary in customer satisfaction research, which calls for further studying to some extent. In the end, the further research in customer satisfaction needs to be carried out with the aim of tracing the effects generated from recommended methods of improving customer satisfaction level.
REFERENCES


Industry Research Center 2013, *China knitting industry production & marketing demand and investment forecast report*, Forward Business Intelligence Co., Ltd, viewed 24 January 2013,


Marsha, C 2011, Ultimate online customer service guide: how to connect with your customers to sell more, Wiley, USA.


Wiley 2003, _Customer service and satisfaction_, online, viewed 29 January 2013, available at

Customer satisfaction research on Jinhua Maoyang Knitting Co., Ltd

This questionnaire is for the purpose of completing my final thesis, which aims to provide recommendations for improving the customer satisfaction of Jinhua Maoyang Knitting Co., Ltd through investing customers’ perspectives toward knitted products. The respondents’ information is definitely confidential.

1. What’s your favourite knitted product?
   A. Scarf
   B. Hat
   C. Glove
   D. All the above
   E. None

2. How often do you purchase knitted products?
   A. Frequently
   B. Occasionally
   C. Rarely
   D. Never

3. How much money do you usually spend on purchasing knitted products?
   A. Less than 50 yuan
   B. 50-100 yuan
   C. More than 100 yuan

4. Where do you usually buy knitted products?
   A. Physical Stores
   B. Online shops
   C. Shopping malls
   D. Others____________________
5. How do you feel about your purchasing experience?
   A. Very satisfied
   B. Satisfied
   C. Neutral
   D. Unsatisfied
   E. Very unsatisfied

6. Have you ever purchased defective knitted products?
   A. Yes
   B. No

7. What defects did occur to you if you had quality problem?
   A. Snagging
   B. Drop stitches or holes
   C. Color aberration
   D. Pilling
   E. Others______________________

8. What will you do when you purchased defective knitted products?
   A. Complain to the seller
   B. Ask for replacement
   C. Ask for refund
   D. Others______________________

9. Please rate your opinion of importance on the following criteria when you purchase knitted products? (1= Not important at all, 2= Not so important, 3= Somewhat important, 4= Very important)

   Not important at all    Very important

   A. The location of knitted product is convenient    1 2 3 4
   B. The knitted products are of customers’ preferences    1 2 3 4
10. To what extent do you agree or disagree with following features that the knitted products should have? (1= Totally disagree 2= Somewhat disagree, 3= Somewhat agree, 4= Totally agree)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Totally disagree</th>
<th>Totally agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Fashionable design</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>B. Numerous varieties</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>C. Attractive appearances</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>D. High quality</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>E. Cozy feeling</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>F. Suitable prices</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>G. Value for the money</td>
<td>1 2 3 4</td>
<td></td>
</tr>
</tbody>
</table>

11. What kind of benefits would interest you when you purchase knitted products?

A. Discounts
B. Special product offers
C. Two for one
D. Return or exchange after sale
E. Others_____________________

12. Will you purchase again if you have nice purchasing experience of knitted products?

A. Yes, of course
B. Yes, unless the product is a necessity
C. Probably
D. No, I won’t buy the same product again
E. I don’t know
13. Have you recommended nice-looking knitted products to others?
   A. Yes
   B. No

14. Do you know KELLY and SAFAROL, two Taiwan brands of knitted products?
   A. Yes, I have purchased knitted products of these two brands
   B. Yes, I’ve heard about them
   C. No, I don’t know
   D. Others__________________

15. With what kind of adjectives would you describe Maoyang’s knitted products?
    ________________________________________________________________.

16. Gender
    A. Female
    B. Male

17. Age: _______ years.

Thank you very much for your time and attention!
金华茂扬针织有限公司产品满意度调查

尊敬的各位，恳请您能协助完成以下关于针织产品使用满意度的问卷调查。填完这份问卷只需花费几分钟的时间。本问卷所有内容绝对保密，不会泄露填写者的个人信息，请您依照个人使用针织产品的经历填写以下问题，非常感谢您的参与！

1. 您最喜欢的针织产品是什么？
   A. 针织围巾
   B. 针织帽子
   C. 针织手套
   D. 以上都是
   E. 以上都不是

2. 您多久购买针织产品？
   A. 经常购买
   B. 偶尔购买
   C. 很少购买
   D. 从不购买

3. 您通常花费多少钱来购买针织产品？
   A. 少于 50 元
   B. 50—100 元之间
   C. 100 元以上

4. 您通常在什么地方购买针织产品？
   A. 实体店
   B. 网店
   C. 商场
   D. 其它地方 ________________________
5. 您对针织产品购买经历的整体印象如何？
   A. 非常满意
   B. 满意
   C. 一般
   D. 不满意
   E. 非常不满意

6. 您曾经购买过有瑕疵的针织产品吗？
   A. 是的
   B. 没有

7. 您购买的针织产品出现过以下哪种瑕疵？
   A. 勾丝
   B. 落针，破洞
   C. 色差
   D. 起球
   E. 其它瑕疵______________________

8. 您购买了有瑕疵的针织产品后，采取了以下何种方式解决问题？
   A. 向卖家抱怨
   B. 退换质量好的产品
   C. 要求退货
   D. 其它方法__________________

9. 请您根据个人情况，评定下列各项在您购物过程中的重要性。（1=很不重要，2=不重要，
   3=重要，4=很重要）
   |  | 很不重要 | 很重要 |
   |----------------|
   | A. 购买针织产品的途径 | 1 2 3 4 |
   | B. 对针织产品的喜爱程度 | 1 2 3 4 |
   | C. 针织产品的价格适中 | 1 2 3 4 |
D. 购买针织产品时接受到良好的服务

10. 根据您个人对针织品的看法，请对以下选项作出评价。（1=很不同意，2=不同意，3=同意，
4=非常同意）

<table>
<thead>
<tr>
<th>很不同意</th>
<th>非常同意</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. 设计新潮</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>B. 种类繁多</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>C. 款式新颖</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>D. 质地优良</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>E. 质感舒适</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>F. 价格适中</td>
<td>1 2 3 4</td>
</tr>
<tr>
<td>G. 物有所值</td>
<td>1 2 3 4</td>
</tr>
</tbody>
</table>

11. 在购买针织产品时，您希望获得以下哪种方式的优惠？

A. 打折
B. 附赠其它产品
C. 买一送一
D. 售后包退换
E. 其它_____________________

12. 如果购买的针织产品非常合您心意，您会再一次购买吗？

A. 当然会
B. 会，如果有必要的话
C. 可能会
D. 不，我不会再买类似的产品
E. 不知道

13. 您有把针织产品推荐给其他人过吗？(比如亲戚，朋友)

A. 有的
14. 您知道台湾针织品牌莎法诺和凯莉吗？
   A. 是的，我曾购买过这两个品牌的针织产品
   B. 是的，我有听说过
   C. 不知道
   D. 其它__________________

15. 您如何评价购买过的针织产品？
   __________________________________________________________________

16. 您的性别：
   A. 男
   B. 女

17. 您的年龄：________

非常感谢你的参与！