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IMPROVING CUSTOMER SATISFACTION AND SERVICE QUALITY IN FASHION DEPARTMENT STORE RATSULA

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The purpose of this thesis was to find out the level of customer satisfaction and service quality in fashion department store Ratsula and to find out the possible areas of development in the customer service and service quality of this company. The focus of this thesis was on the customers in Jim & Jill Maanalainen. Jim & Jill Maanalainen is a store that sells clothing targeted to young people and it is located in the ground floor of Ratsula. My aim was to find out how satisfied the customers are with the products and customer service in Jim & Jill and to find out customers’ opinions on the quality of the products and services Jim & Jill offers.

The theoretical part of my thesis includes the subjects of marketing, market segmentation, marketing mix, customer service, customer satisfaction and service quality. The practical part includes quantitative research with a customer satisfaction survey that was conducted in Jim & Jill. The survey was created to find out the customers’ opinions on the level of service quality and customer service in Jim & Jill Maanalainen. The survey was a helping tool in figuring out the areas that need improvement in Jim & Jill, in order to keep the customers satisfied and to keep the company’s service quality on high level.

The research done by conducting the customer satisfaction survey showed customers’ opinions on the customer service in Jim & Jill and how the customers feel about different aspects that affect on service quality in this store. Through this research there occurred the areas that need improvement in order to keep the customers satisfied with Jim & Jill and these areas were price level, product selection, customer relationships and service environment. This thesis presented improvement suggestions for these areas and these suggestions included an improved feedback system, acquiring more loyal customers, broadening the target market and offering new products and brands in the selection.
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APPENDICES
1 INTRODUCTION

This thesis was made to find out the level of customer satisfaction and service quality in fashion department store Ratsula. Antinasu & Ratsula Oy is the biggest fashion department store in Pori that offers high quality clothing and shoes for men and women, with a staff consisting of 75 employees. Jim & Jill Maanalainen is a clothing store targeted to young people, located in Ratsula’s ground floor. The focus of this thesis was on the customers in Jim & Jill Maanalainen and the objectives were to find out how satisfied the customers are with the products and services in Jim & Jill, what are the customers’ opinions on the quality of the products and services Jim & Jill offers and how the customers feel about the customer service they receive in Jim & Jill.

The level of customer satisfaction in Jim & Jill Maanalainen was measured by conducting a customer satisfaction survey with the customers in the store. The survey included questions regarding loyal customer benefits, customer service, product and brand selection, price level, quality level, service environment and opening hours. The survey also enabled customers to write their own comments and thoughts about Jim & Jill. Conducting the customer satisfaction survey with the customers in Jim & Jill gave valuable information on the possible areas that need development in order to keep the customers satisfied. The customers’ answers are vital information in order to know how to keep the customers satisfied and to keep the company’s service quality on high level.

The pricing of Ratsula’s clothing and products is a bit higher compared to regular clothing stores because the products consist of high quality clothing. It is obvious that Ratsula’s customers are willing to pay for the quality and so in turn Ratsula has to offer high level of customer service. Being the biggest fashion department store offering high quality clothing in Pori it is important for Ratsula to maintain the high level of service quality and customer service in the company, which will result in higher customer satisfaction. Ratsula has to improve its actions continuously in order to keep the customers satisfied, to maintain long-term and loyal customers and in order to provide higher service quality.
The customer satisfaction survey showed the areas of development in customer satisfaction, customer service and service quality of this company. The answers given by the survey respondents were important in understanding the customers’ perceptions and thoughts about their service encounters in Jim & Jill and Ratsula. The results of this customer satisfaction survey are analyzed in Chapter 4 under the topic of ‘‘Quantitative Research’’ and the ideas for improvement based on the answers of the survey are presented in Chapter 5 ‘‘Improvement ideas for Jim & Jill’’.

2 MARKETING

This chapter will introduce the theory of marketing. Topics included are customer relationships, market segmentation, marketing mix, customer service, customer satisfaction and service quality. These topics are important when assessing company’s business especially from the customer’s point of view. This theory was also applied to Ratsula’s case and a traditional marketing mix in my point of view was created for Ratsula.

2.1 Establishment and maintaining of customer relationships

Nowadays the companies’ goal of marketing is to find a suitable target group and to create customer relationships. The potential new customers are informed about new product features, better services, new packaging and special discounts and benefits. The ways to acquire new customers include producing products and services that stand out from the competitors’ product selection, setting an attractive pricing policy, serving the customers in the best way and encouraging the customers to recommend the company and its products to others. (Bergström & Leppänen 2007, 16-17)

In addition to finding a suitable target group, another goal of marketing is to maintain and improve current customer relationships. It is less expensive for a company to take care of its existing customers than acquiring new customers all the time. The aim is to turn the existing customers into loyal customers who would then use the
company as their main place of purchase; this is how the customers end up buying more from the company and on a frequent basis. (Bergström & Leppänen 2007, 262)

It is essential for a company to find loyal customers and to retain the current ones. The loyal customers are usually more profitable for a company, because the steady cash flow coming from loyal customers is the basis for making profit out of the investments made when creating new customer relationships. It is also easier to sell more to an existing customer and the current customers can also be used in acquiring new customer relationships. (Storbacka, Blomqvist, Dahl & Haeger 1999, 65)

The ways to maintain customer relationships are for example giving bonus to customers according to the amount of purchase, sending newsletters and informing about new product arrivals in the store. Other important ways of maintaining customer relationships are making offers just for the loyal customers, organizing loyal customer events and gathering feedback from customers and encouraging them to make suggestions on improvements for the company. Many companies reward their loyal customers with different benefits by which the customer is tried to make committed to using the company’s products. A good example of this kind of treatment is giving bonus or rebate to customers which is based on the amount of purchases the customer has done in the store. (Bergström & Leppänen 2007, 262) By giving rebate to customers they are encouraged to buy more from the store because then the customers will also end up getting higher rebate from their purchases.

The more valuable a customer is for the company, the better should the customer relationship be taken care of. Valuable customers are the ones who buy often and different products from the company, the customers whose purchases are on a growing phase which gains profit for the company and the customers that recommend the company and its products to others. (Bergström & Leppänen 2007, 102-104) It is said that loyal customers refer their positive experiences in a company to their friends and acquaintances (Arantola 2003, 24).

Customer relationship marketing is a form of marketing and it means continuing service of a buying customer and committing the customer to new purchases. The aim is to maintain the relationship and improving it so that the customer would buy again from the company and also recommend it to others. The methods of customer rela-
Customer relationship marketing include giving guarantee, offering maintenance for products bought in the store, offering loyal customer perks to customers and being in contact with the customer. (Bergström & Leppänen 2007, 219) Customer relationship marketing is about customer satisfaction and profitability. The marketing actions in different stages of a customer relationship are related to customer acquisition and the maintaining and improving of customer relationship. (Ahola, Koivumäki & Oinas-Kukkonen 2002, 29)

It is vital to know and understand the factors that affect on different customers’ buying decision. Knowing these factors will be helpful in fulfilling customers’ expectations and in planning the marketing actions. As an example, the customers that put value on quality, brands and designer clothes are also more willing to pay for the quality products that will satisfy their needs. (Bergström & Leppänen 2007, 49)

2.2 Market segmentation

Segmenting is one of the basic actions in marketing and it means searching different customer groups and choosing them as the target market. Segmenting is the process of dividing the market into segments based on customer characteristics. The aim of segmenting is to create groups of customers and each group would include people that have the same buying habits. Segments can be established by using different criteria which make the groups differentiate from each other. (Bergström & Leppänen 2007, 131) Segmenting uses the differences between customers which helps in developing new products and customer processes, differentiating products and pricing and offering different level of service to different customers (Storbacka, Blomqvist, Dahl & Haeger 1999, 39).

First the company has to study a few things about their customers, such as how many are buying, who is buying, what is being bought and how many items are been bought, when they are bought and what kind of buyer the customer is. After investigating these matters, the company will choose the criteria that the segmenting will be based on and then the customers can be divided into groups. The segmenting criteria explain the buying habit of the customers. The criteria can be the customers’ age,
income, gender, the buying habit meaning what is being bought and how much and
the level of customer relationship, meaning whether the customer is an occasional
buyer or a key customer. Potential customers are divided by different principals and
the better a company knows its potential customers, the easier it is to choose the
segmenting criteria and to create the segments based on the buying behavior. The
customers are described as accurate as possible and this acts as a basis for a compa-
ny’s marketing. (Bergström & Leppänen 2007, 75)

2.3 Marketing mix

Competitive advantages in marketing are professional staff, good customer service,
product pricing, product availability, marketing communication and offering prod-
ucts and services that attract customers. These advantages together form a marketing
mix. (Bergström & Leppänen 2007, 85) Marketing mix is a marketing strategy that
helps a seller to gain success in marketing. Marketing mix is a combination of the
product, the distribution system, the price structure and the promotional activities.
Four P’s of marketing in the traditional marketing mix are four key elements that to-
gether form this marketing strategy and these four elements are product mix, price
mix, place mix and promotion mix. (Jain 2009-2010, 75) The four P’s were created
by Jerome E. McCarthy in the late 1950s (Businessmate.com 2011).

Product is the focus of all marketing activities. The product is the first element and
the product must satisfy consumer needs. It includes the physical product, product
services, branding, product features, product variety, guarantee and product planning.
Product consists of tangible and intangible attributes, including product design, style,
size, quality, color and brand name. Product design is a very important feature espe-
cially in consumer products e.g. shoes and product should be designed as desired by
the target customers. Product quality depends on the design, the material used and
the packaging. (Jain 2009-2010, 77, 79)

Price is the value of the product in terms of money. It is vital to both, the buyer and
the seller. Exchange of goods and services takes place only when the price is agreed
upon between the buyer and the seller. The price is also the primary source of reve-
nue to a company. The success of a firm depends on its pricing policy and the price element affects the volume of sales because the price includes determining company’s pricing objectives and policies, discount policy, terms of payment and credit policy. (Jain 2009-2010, 80)

Promotion is the way by which a seller communicates with its existing and potential customers. Promotion is an effort to push forward goods and services in a way that gains customers’ acceptance. Promotion is the element that persuades and attracts customers. It is the persuasive communication about company’s products and it includes personal selling, advertising, sales promotion activities and public relations. (Jain 2009-2010, 81)

Place creates utilities of time, place and possession. Place is the combination of decisions relating to company’s distribution channels, storage facility, location, inventory level, transportation and warehousing. It is concerned with the smooth flow of goods and services from the producer to consumer. (Jain 2009-2010, 82)

It is essential for a seller to care about customer satisfaction and so the seller should know the real needs of his or her customers and then use this information to produce the products that will satisfy the identified customer needs. Marketing mix is an effective coordination of the functions that satisfy customer needs, consisting of the four P’s of marketing that revolve around customer satisfaction. The main objective of determining the marketing mix is to satisfy the needs of the customers in the most effective manner. (Jain 2009-2010, 75)

2.4 Marketing mix for Ratsula

Product:
Ratsula’s products consist of women’s clothing, shoes, accessories, make-up and beauty care products and clothing and shoes targeted to men. Jim & Jill Maanalainen has clothing and accessories targeted especially to young people and the brands that can be found for girls in Jim & Jill are Stocker, Only, Pieces, Outfitters Nation, Superdry, Friis & Company, Mint, Sisters Point and Wrangler. The brands available
for boys are Stocker, Jack & Jones, Outfitters Nation, Blend, Fred Perry, Superdry, DC, Bench, Volcom, Karl Kani, Carhartt, Wrangler, White Moment, Metal Mulisha and New Era. (Ratsula, n.d.) There are many designer brands in Ratsula that the customers won’t find anywhere else in Pori.

Service items in Ratsula’s department store are sewing services, a café, a make-up section with professional make-up artists giving advice on beauty care and also the chance to get served by fashion consultants in each floor. One service item is also free parking for customers for two hours in Ratsula’s own parking lot, on the second floor of the building. Service item benefits are the chance to make a reservation in advance for some service at the department store, e.g. fashion consulting or make up service and the chance to get clothes for a try-on at home for three days before making the actual decision on buying them. This service requires a specific MODA-card with this home fitting possibility. (Ratsula, n.d.) Ratsula’s products and service items are unique and something that is rarely seen in other clothing stores in Pori. Many of the products can’t be found anywhere else in Pori, and this makes Ratsula special compared to other competitors nearby.

Price:
The clothing and other products have medium prices in Jim & Jill as they are targeted to young people, though most of the clothing and other products in Ratsula are considered a bit expensive because of their high quality. A customer can get 10% discount from all normal priced products with a student card in Jim & Jill Maanalainen. (Ratsula, n.d.) According to the CEO Matti Ratsula (personal statement in 22.3.2013) loyal customers receive offers and discount coupons from Ratsula by mail, six or seven times a year. These discount offers can be even -20% and there are permanent discounts and offers for loyal customers during the whole year, e.g. getting sewing services for half price. The few-days sale event, Toripäivät, is also being organized twice a year and during this event the department store has many discounts and clothing for half price.

Ratsula’s pricing policy includes a rebate system. Ratsula is part of the MODA-chain that is Finland’s biggest specialty store chain offering clothing for men and women. Ratsula has two loyal customer cards, a MODA-card and a Jim & Jill Club –card.
These loyal customer cards can be used to gather rebate in every Jim & Jill -store in Finland and in any store in the MODA-chain. The rebate is collected two times a year, during the spring time in 1.1.-30.6 and during the autumn in 1.7.-31.12. The collected rebate can be used during the next collection period. Rebate is determined by a progressive table which means the more you buy the more relative rebate you will gain. (Ratsula, n.d.) The progressive table of rebate is shown in Table 1 below.

**Table 1. The progressive table of rebate** (Ratsula, n.d.)

<table>
<thead>
<tr>
<th>Amount of Purchase €</th>
<th>Rebate €</th>
<th>Amount of Rebate %</th>
<th>Amount of Purchase €</th>
<th>Rebate €</th>
<th>Amount of Rebate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>5</td>
<td>200</td>
<td>2 200</td>
<td>250</td>
<td>5.00 %</td>
</tr>
<tr>
<td>400</td>
<td>10</td>
<td>400</td>
<td>2 400</td>
<td>300</td>
<td>5.00 %</td>
</tr>
<tr>
<td>600</td>
<td>20</td>
<td>600</td>
<td>2 600</td>
<td>350</td>
<td>5.00 %</td>
</tr>
<tr>
<td>800</td>
<td>30</td>
<td>800</td>
<td>2 800</td>
<td>400</td>
<td>5.00 %</td>
</tr>
<tr>
<td>1 000</td>
<td>50</td>
<td>50.00 %</td>
<td>3 000</td>
<td>450</td>
<td>15.00 %</td>
</tr>
<tr>
<td>1 200</td>
<td>80</td>
<td>1 200 €</td>
<td>3 200 €</td>
<td>480</td>
<td>15.00 %</td>
</tr>
<tr>
<td>1 400</td>
<td>110</td>
<td>1 400 €</td>
<td>3 400 €</td>
<td>510</td>
<td>15.00 %</td>
</tr>
<tr>
<td>1 600</td>
<td>140</td>
<td>1 600 €</td>
<td>3 600 €</td>
<td>540</td>
<td>15.00 %</td>
</tr>
<tr>
<td>1 800</td>
<td>170</td>
<td>1 800 €</td>
<td>3 800 € etc.</td>
<td>570</td>
<td>15.00 %</td>
</tr>
<tr>
<td>2 000</td>
<td>200</td>
<td>2 000 €</td>
<td>4 000 € etc.</td>
<td>600</td>
<td>15.00 %</td>
</tr>
</tbody>
</table>

*The rebate grows by 30€ after every 200€ purchase made.*

Sometimes Ratsula offers rebate of a double amount. This means that when purchasing a certain product during a certain period of time, the customer will get double amount of rebate than what the customer would get normally. Ratsula often has advertisements on this kind of offers, e.g. when buying a men’s jacket in October, the rebate is twice than normally. These offers vary during the year and month; sometimes the offer is for a certain product in men’s collection and sometimes it’s something in the women’s collection.

**Place:**

The fashion department store is located right in the city centre of Pori, having no other clothing stores around the corner or nearby. There are two entrances where customers can access the building and a parking lot reserved for customers for two hours. The building has a total of four floors. Jim & Jill –store that sells clothing for
young people is located in the ground floor and the first two floors consist of clothing, shoes, accessories and make-up sections for women. The third floor consists of men’s clothing and shoes and a café.

Promotion:
Ratsula has advertisements on the local newspapers on a regular basis. Ratsula has its own website where it has the basic information on the offered products and services, but it is said on Ratsula’s website that the up-to-date information is provided on the company’s Facebook page where Ratsula advertises about its new offers and special opening hours on different holidays. Ratsula also sends newsletters to the customers the company has in its database. Twice a year Ratsula arranges customer evenings that include a fashion show, a discount coupon for customers to spend and food and wine servings, all free of charge for the customers. Another event that the department store treats its customers with is a few days sale event called Toripäivät (‘’Market days’’). During this event there are many discounts and clothing for half price and there’s usually an advertisement on the local newspaper informing the dates of the upcoming sale.

2.5 Customer service

Service can be a product or part of an offered entity. Products are often connected with different services and for example guarantees, maintenance services or customer consultation are offered within the product. Customer service is described as an action with a purpose of helping and guiding the customers. (Bergström & Leppänen 2007, 89) Customer service is an intangible item because it is based on perception (Gerson & Machosky 1993, 14). It is difficult to describe good customer service because customers and service situations are all different and many things affect on service experience. Different customers have different perceptions and experiences on different services. Successful customer service is usually described to be that kind of service that meets the needs and expectations of the customers. When improving customer service, it is important to find out the customers’ expectations and their experiences. When a customer is being served for the first time, the customer has al-
ready built up some perceptions based on other people’s experiences or the company’s advertising. (Bergström & Leppänen 2007, 98)

Customer service encounter takes place in a service environment. Service environment is the factor that raises customers’ interest particularly on the first service encounter with a company. Service environment consists of the space, furniture, location of the products and coloring in the store. These factors and customer service employees together create an image of service quality. Service environment is vital, especially if the service occurs mainly as self-service; then the products should be easily found and the service should be easy to use. (Bergström & Leppänen 2007, 102-104)

The main factors that improve customer service are the matters that occur in the service environment, such as order, tidiness and purity, clarity, possibility to get help quickly and having enough space in the store. A pleasant and attractive service environment is important. (Bergström & Leppänen 2007, 102-104) Customer’s first impression is vital, because it determines whether or not the customer is going to visit a store again (Pesonen, Lehtonen & Toskala 2002, 95). Matters that have to be considered when planning a service environment are the things that the customer sees, hears and feels. How the space, furniture and decoration are shown, what music is playing in the background and what the customer is able to smell and touch are important matters. The store’s service environment should stimulate all senses. (Bergström & Leppänen 2007, 102-104)

The purpose of customer service is to make the customer satisfied, to make the customer experience quality and receive reliable and fast customer service. The ability to express empathy and to understand customer’s perspective is the most important skill in customer service. (Pesonen, Lehtonen & Toskala 2002, 49) Other qualities that make a good customer service employee are product expertise, friendly and polite behavior, punctuality, flexibility, reliability and honesty. One essential quality is also positive attitude, because happiness and the willingness to do your job well are reflected straight to the customers. A good service employee knows the services and products and can help the customer in the best way possible. A service employee respects all the customers and shows this by being polite, friendly and helpful towards
the customer and by being easily approachable. Eye contact and a friendly smile are key gestures. (Bergström & Leppänen 2007, 219)

Reliability and honesty are crucial factors when serving the customers because trust forms the basis for customer satisfaction and the continuation for customer relationship and that’s why the customer has to trust the service employee. (Bergström & Leppänen 2007, 219) The trust is formed by customer’s previous experiences, the company image and the activities of a company’s contact personnel or customer service. A company employee can affect on the image the customer forms of the company and its services; if the customer considers the employee as reliable, the customer will associate this attribute also with the services the employee represents. (Pesonen, Lehtonen & Toskala 2002, 49)

Customer service is a part of product quality and quality consists of all the attributes that fulfill a customer’s expectations. The quality objective is achieved when the customer is fully satisfied with the received product, service and everything that is connected to these. The quality objective can be achieved only when all the employees understand the quality standards and participate in working towards the common goal of good quality in customer service. (Pesonen, Lehtonen & Toskala, 2002, 95)

2.6 Customer satisfaction

A satisfied customer is the aim of customer service. Customer satisfaction involves customer’s pleasure, the feeling that what the customer got was at least what the customer expected. (Pesonen, Lehtonen & Toskala 2002, 49) Customer satisfaction indicates the relationship between the expectations and experiences a customer has towards the service. On the first time of purchase the customer usually buys only based on his or her expectations, but the next purchasing situations are affected by the customer’s comparison made between service expectations and service experiences. When a customer already has experiences on a product or service, the customer’s quality requirements and service expectations are higher. In order for a company to be capable of maintaining long-term customer relationships, the company has to
make sure the customer’s experiences are constantly good. (Lahtinen & Isoviita 1998, 50)

Customer satisfaction is the most essential factor in today’s business. If a customer is not satisfied, the customer will not continue doing business with a company he or she is dissatisfied with. Customer satisfaction is the customer’s perception that his or her expectations have been met. When a customer buys something and that item doesn’t work properly, the customer won’t be satisfied. The seller has to find the right way to fix the possible problem in order to make the customer satisfied. (Gerson & Machosky 1993, 5) Customer satisfaction is experienced at the time of purchase or in the situation of a product use after the purchase and it is affected by the customer’s every personal experience felt in a service situation. Also social context in a service situation affects on customer satisfaction, meaning that also the presence of other customers and their interaction affect on the customer’s experience in a service situation. (Paavola 2006, 53-54)

Satisfied customers do more business and more often with the company they are satisfied with, because the satisfaction will make the customers purchase more each time and more often. They also refer the company to others. The connection between service, satisfaction, sales and profits is direct. The more satisfied a customer is, the more the customer spends and the more a customer spends, the more a company will sell and by selling more the company’s profits usually get higher too. (Gerson & Machosky 1993, 5) The clear definition of customer satisfaction is that a customer is satisfied when his or her needs are met or exceeded. Customers’ needs, wants and expectations are to be found out by asking the customers and providing the customers what they want. (Gerson & Machosky 1993, 7)

Customer satisfaction can involve factors that are connected to product quality and these factors are price, reliability, professionalism and convenience. Product quality includes what the product does and how it looks like, the salesperson’s attitude and the service person’s knowledge. These characteristics are managed by the company that made the product and so the company can manage the quality of its products. What the company is not in control of are the customers’ perceptions which are the biggest contributors to customer satisfaction. Perceptions vary between customers and different customers can consume the exact same product but have totally differ-
ent opinions on its quality. The differences may result from expectations that both of the customers had before the product use. (Cochran 2003, 53)

Quality and service are the means of customer satisfaction and customer retention. The main goal in business should not be to produce a quality product or service or to provide excellent customer service. Instead, the main goal should be to produce a satisfied and loyal customer who will stay with the company. (Gerson & Machosky 1993, 6)

2.7 Service quality

As well as customer satisfaction, also service quality is an intangible item because it is based on perception (Gerson & Machosky 1993, 15). The level of service quality is affected by the interaction between a service tender and a service consumer. Customers consider the interaction with a service tender to be highly remarkable and it is very important that the interaction works smoothly, because it has a big impact when analyzing service quality. All the employees that are in contact with the customers create an image of the quality level of customer service. (Pesonen, Lehtonen & Toskala 2002, 49)

Service quality has two dimensions; technical and functional quality. Technical quality describes what the customer receives in the service and functional quality means the experience of how the customer receives the service and what the customer feels about the experience in the service situation. Functional quality is affected by the accessibility of the service, the essence of the employees, other customers and the pleasantness of the service environment. (Pesonen, Lehtonen & Toskala 2002, 49)

Experienced service quality is what occurs in the interaction between the customer and the service provider. Experienced service quality is formed by technical and functional quality and company image. Company image means the image a customer connects with the company and the big picture of a company is formed by customer’s own expectations and everything that is being told about the company, in public and private. A positive company image creates trust towards the company among its customers and it builds publicity for a company and strengthens customer relation-
ships. In this way, a positive company image works as a competitive advantage. Bad company image can have a negative effect on service quality but if the image is good, the customer will more easily forgive the small deviations in the quality. (Pesonen, Lehtonen & Toskala 2002, 49)

Expected quality describes the customer’s perceptions on the quality. Customer has already some kind of perception of a good level of service quality and these perceptions are affected by customer’s needs and the price of the service; usually a customer expects more when the cost is higher. Customer’s previous experiences also guide the expectations. (Pesonen, Lehtonen & Toskala 2002, 49) Customer’s perceptions consist of the customer’s needs, values and other customers’ opinions (Lahtinen & Isoviita 1998, 62).

Quality has been considered to be the most important competitive advantage for a company. Investing in service quality is long-term work but is definitely worth it. (Pesonen, Lehtonen & Toskala 2002, 54) Quality is defined to be based on the perception of the customer. That is why quality is defined as whatever the customer perceives as quality and so quality is whatever a customer says it is. (Gerson & Machosky 1993, 7)

When measuring something, it gets performed, completed and usually improved upon and this is why measurement techniques are important to quality improvement. When asking customers to rate a company on its own levels of quality and service and the customers’ level of satisfaction, it guarantees the customers that the company will work to improve its efforts in service, quality and customer satisfaction. (Gerson & Machosky 1993, 6) Quality is defined as customer satisfaction and this is why the creation, measuring and improving of customer satisfaction should be the goal of a company management (Lahtinen & Isoviita 1998, 103).
3 IMPROVEMENT OF CUSTOMER SATISFACTION AND SERVICE QUALITY

This chapter describes the ways to improve customer satisfaction and service quality in a company and it covers the topics of a customer service system and the measurement and improvement of service quality. This chapter explains how to achieve a successful customer service system and how to measure service quality, in order to improve customer satisfaction. The most important matters mentioned include knowing the customers, developing standards for service quality performance, training a good staff and working towards continuous improvement.

3.1 Successful customer service system

A successful customer service system is needed when improving customer service and quality within a company. A successful customer service system is developed by having a total management commitment, knowing the customers and staying close to them, developing standards for service quality performance, hiring and training a good staff, rewarding service quality accomplishments and working towards continuous improvement. (Gerson & Machosky 1993, 14-18) Total management commitment is required for customer service and quality improvement programs to succeed. The CEO must develop a clear vision of what the service quality system is going to be, how it is going to be implemented and how it is used to satisfy and retain customers. (Gerson & Machosky 1993, 14)

The company has to know its customers’ likes and dislikes in order to understand them, to know their needs, expectations, what motivates them to buy and the changes the customers may want the company to make. A company must know how to satisfy the customers, how to retain them and how to make them loyal. All this is learned by asking the customers. The company must keep in mind that the customers’ needs, requirements and expectations change daily and so the company has to know how to satisfy those changing needs and expectations. Knowing the customers on an ongoing basis requires keeping in constant contact with them to find out exactly what they need. This constant contact will help a company develop retention and loyalty, be-
cause keeping in contact with the customers shows them that the company is really interested in them. (Gerson & Machosky 1993, 15)

After getting to know the customers, a company has to stay close to them by keeping in touch with them by e.g. inviting them for website visits and sending them different kinds of letters, cards and newsletters. Mailing questionnaires and other surveys to customers is a good way of learning about their changing needs and expectations. Maintaining the valuable relationship with customers is vital in finding out what a company must do to keep the customers satisfied and loyal. The company must do everything to keep its name in the customers’ minds and to keep the customers’ perceptions of the company’s service quality at the highest level possible. In order to get customers motivated to refer a company and to be more loyal, the company must reward its customers for good customer behavior and provide them with recognition and appreciation, because the customers want to be appreciated and made to feel important. (Gerson & Machosky 1993, 17)

3.2 Measurement and improvement of service quality

A company must keep in mind that customer service, quality and service quality all have tangible and visible aspects that can be measured and managed. It is a fact that customers don’t like to wait for their calls to be answered or being put on hold for several minutes. When measuring service quality, important aspects are things like how long a company makes their customers wait before they get their questions answered and complaints resolved and what is the company’s policy on customer refunds, returns and complaints. These are all tangible aspects of service quality and they can be measured by first asking the customers what they are looking for, in case the company is not sure what exactly should be measured. (Gerson & Machosky 1993, 15)

A loyal customer is more likely to complain than an occasional customer. Unsatisfied customer has two options; either complain or change the main place of purchase. (Arantola, 2003, 23) This is why it is important for a company to deal with customer feedback and try to do everything the company can in order to make the customer
satisfied. Service quality and customer satisfaction both exist in the minds of the customers and that is the reason why a company should develop its measurement systems to meet their customers’ perceptions. The best way to know what the customers want is simply by asking the customers themselves and they will tell how they judge service quality and what they would like to have improved in a company. (Gerson & Machosky 1993, 15)

The most important asset a company has when improving service quality, customer satisfaction and customer retention, is its qualified employees. A competent staff that treats the customers well is a requirement for delivering good service quality. After hiring a good and competent staff a company should train the staff well in order to provide excellent customer service. It is highly remarkable to make the employees understand the company’s standards of service quality performance and the customers’ expectations on service quality. One important aspect in dealing with employees is also to give them the power to make decisions to satisfy customers. The employees should have the authority to make whatever it takes to make the customer satisfied, even if it would be against company policy; usually the decision will be profitable for the business because the customer was satisfied and the company retained the customer. (Gerson & Machosky 1993, 16)

After having an accessible customer service system, hiring and training the employees and learning everything about the customers, a company must continuously work towards continuous improvement in customer service and performance quality. Customers who are satisfied with their purchases will be glad that the company is working on continuous improvement in service quality and that may get the customers want to help the company. The customers are the company’s best source of information about how to get better in customers’ minds. In addition, when implementing their suggestions it makes the customers feel that the company values them even more. (Gerson & Machosky 1993, 18)
4 QUANTITATIVE RESEARCH

In this chapter, quantitative research technique is described. Quantitative research is the study that was used in this thesis and a customer satisfaction survey is one of the methods used in quantitative research. A customer satisfaction survey was conducted with the customers in Jim & Jill Maanalainen in order to find out the customers’ opinions on the store. This chapter also includes the analysis of the results of that survey.

4.1 Quantitative research method

Quantitative research is objective and population based and it answers to the question of “How many?” and measures the strength of association. Quantitative research is statistical analysis and so it is measurable with logistic and deductive reasoning. (Anderson, 2006) Reliability and validity are the subjects used to evaluate quantitative research (Vilkka 2005, 161; Hirsjärvi, Remes & Sajavaara 2005, 216). Reliability of research evaluates the stability of results between measurements, meaning the repeatability of research. Research is reliable and accurate when the results are the same in every measurement. (Vilkka 2005, 161; Hirsjärvi, Remes & Sajavaara 2005, 216) Reliability examines the matters related to measurement and the accuracy in implementation of the research. Research accuracy means that the research includes no occasional mistakes. The matters to evaluate are the response rate and the possible measurement errors included in the research. These errors can be about the survey questions or response options. (Vilkka 2007, 149-150)

Validity of research means the ability to measure exactly what the research was supposed to measure. Validity evaluates how successful is the content and design of the questions and response options in a survey, meaning that the researcher and the examinee understand the questions in the same way. Validity also estimates what kinds of inaccuracies are involved in the indicator. (Vilkka 2007, 150)

Reliability and validity together form an overall reliability. The overall reliability of a research is good when there is the least amount of mistakes possible and this can be
evaluated by retesting. During the research process, the overall reliability can be improved by measuring what was supposed to measure by defining the research problem accurately, selecting the research examinees with a good reasoning, choosing a proper way of collecting the research material, having a correct amount of questions and response options in relation to the research matter, entering the data carefully and conducting the research process fairly and carefully. (Vilkka 2007, 152-153)

Customer satisfaction survey is one of the methods used in quantitative research. A quantitative customer survey represents attributes such as a series of questions about the product and a response scale that follows the questions. It is recommended to include a few open-ended questions in a survey. (Cochran 2003, 53) Customer satisfaction research is one of the tools in quality management. The idea of this kind of research is to solve the quality criteria the customers find the most important, in order for a company to know what aspects are the ones worth focusing on. (Lahtinen & Isoviita 1998, 103)

A customer satisfaction survey is helpful in understanding the customers’ perceptions and thoughts about their service encounters in Jim & Jill and in finding out the level of customer satisfaction and service quality in the store. A customer satisfaction survey gave answers on how satisfied the customers are with the products and services in Jim & Jill and what the customers think about the quality of products and services the store offers. Based on these results, the possible areas of development in service quality of Jim & Jill were cleared out, as well as the areas that need improvement in order to keep the customers satisfied and to keep the company’s service quality on high level.

The survey was conducted with 102 customers, using a method of first approaching the customer in Jim & Jill and then asking if the customer wanted to participate in the survey. If the customer agreed, the survey form was given to the customer to fill in. The customers’ answers were gathered in May 2013 during two weekends. The survey consisted of nine questions and after these questions there was space for customers to write down their own comments regarding the subjects these questions covered. The customer satisfaction survey form and all the customers’ comments can be found attached in the end of this thesis.
4.2 The amount of customers in different age segments

The first three questions were about customers’ age, gender and does the customer own a loyal customer card for Ratsula or Jim & Jill. From all of the 102 customers that participated in this survey, 80 participants are women, accounting for 78.4%. The amount of men is 22 and they account for 21.6%. There are 36 loyal customer card owners that account for 35.3% of all the participants.

When analyzing the answers, I divided the customers into five different age segments based on the first question in the survey. That question regarded the customer’s age and it asked which age group the customer belongs to. There were five different age groups that the customers were asked to locate themselves into and these were under 17 year olds, 18 to 25 year olds, 25 to 35 year olds, 35 to 50 year olds and over 50 year olds.

![Segmenting the customers by age](image)

**Figure 1. The percentage of different age segments**

Based on the customers’ answers, the customers were divided into these five different age segments. The percentage of different age segments can be seen in Figure 1 above and it shows that the biggest age group among all the participants is under 17 year olds, accounting for 36.3%. The second biggest age group is 18 to 25 year olds, accounting for 28.4%. Segmenting the customers by age is helpful in analyzing the answers of the survey participants. As explained under the topic of ‘’Market segmentation’’ in Chapter 2.2, segmenting is the process of dividing the market into seg-
ments based on customer characteristics, such as age. Segmenting by age shows what the customers consisting of different-aged people think about Jim & Jill and it is beneficial to know what different customers expect from Jim & Jill. The store describes itself to be targeted to young people, but as it can be seen in Figure 1 the customers of Jim & Jill consist of totally different age groups.

Table 2 below shows the amount of participants in these five age segments. Among all the customers that took part in this survey, there are 37 customers that are under 17 years old, 29 customers between the age of 18 and 25 and 11 customers in the age of 25 to 35. There are 19 customers that belong to the age group of 35 to 50 and six of those that are over 50 years old.

<table>
<thead>
<tr>
<th>Age segment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 17 year olds</td>
<td>37</td>
</tr>
<tr>
<td>18 to 25 year olds</td>
<td>29</td>
</tr>
<tr>
<td>25 to 35 year olds</td>
<td>11</td>
</tr>
<tr>
<td>35 to 50 year olds</td>
<td>19</td>
</tr>
<tr>
<td>Over 50 year olds</td>
<td>6</td>
</tr>
</tbody>
</table>

4.3 The level of customer satisfaction towards loyal customer benefits

After the first three questions about customers’ age, gender and owning a loyal customer card, the fourth question was made for the owners of a loyal customer card, asking them how satisfied they were with different loyal customer benefits. The benefits that Ratsula offers for loyal customers are home fitting, sewing services for half price, customer evenings, gathering rebate from every purchase, receiving discount coupons six or seven times a year and having permanent loyal customer card offers. These loyal customer benefits were listed and the customer was asked to rate these on a scale of 4-10, with 4 being the lowest grade and 10 the biggest.
Figure 2. Average grades for different loyal customer benefits

It can be seen in Figure 2 above that the average grades for these benefits were quite good. It shows that rebate is the only matter that got an average grade of less than 8, which could mean that the customers are a bit dissatisfied with the amount of rebate they get in Ratsula or the customers are not happy with the fact that the collected rebate can only be used two times a year.

Table 3 below shows the average grades for each of the loyal customer benefits by the five different age segments. Table 3 shows that among all age groups, over 50 year olds gave the highest grades for almost all loyal customer benefits that were listed in the survey. This shows how over 50 year olds are more satisfied with loyal customer benefits when compared to other age groups. It can be noticed that over 50 year olds were the only age group whose average grades for these listed benefits at some point exceeded 9. The younger customers seem to expect more from being a loyal customer or it might be that they don’t feel to gain from these loyal customer benefits as much as over 50 year olds do.

<table>
<thead>
<tr>
<th>Average grades for loyal customer benefits:</th>
<th>Under 17 year olds</th>
<th>18 to 25 year olds</th>
<th>25 to 35 year olds</th>
<th>35 to 50 year olds</th>
<th>Over 50 year olds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home fitting</td>
<td>8.50</td>
<td>8.86</td>
<td>8.25</td>
<td>8.67</td>
<td>10.00</td>
</tr>
<tr>
<td>Discount coupons</td>
<td>8.25</td>
<td>8.71</td>
<td>8.50</td>
<td>8.83</td>
<td>9.20</td>
</tr>
<tr>
<td>Loyal customer card offers</td>
<td>8.88</td>
<td>8.43</td>
<td>8.25</td>
<td>8.50</td>
<td>8.60</td>
</tr>
<tr>
<td>Sewing services</td>
<td>7.38</td>
<td>8.00</td>
<td>8.75</td>
<td>8.64</td>
<td>8.67</td>
</tr>
<tr>
<td>Customer evenings</td>
<td>7.88</td>
<td>8.14</td>
<td>8.00</td>
<td>8.30</td>
<td>9.00</td>
</tr>
<tr>
<td>Rebate</td>
<td>7.75</td>
<td>7.29</td>
<td>7.00</td>
<td>8.42</td>
<td>8.40</td>
</tr>
</tbody>
</table>
Tables 4-9 show the range of grades given by all the respondents on a scale of 4-10 for all of these loyal customer benefits. These tables show the range of grades given for each of the listed benefit and they also show which age group the respondents belong to. There were a total of 36 loyal customers but only 31 answered to customer evenings and 33 answered to both home fitting and sewing services. This was taken account while analyzing the ratings.

Tables 4-8 show that discount coupons, loyal customer card offers, sewing services and home fitting have an average of 60% of the answers located in the two highest grades (9-10) and 42% of the answers for customer evenings were located between the grades 9-10. Rebate was the only benefit that resulted with only a third of the answers located in the grades 9-10.

**Table 4. Grades given for home fitting**

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>11</td>
<td>7</td>
<td>11</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Respondents’ age group</td>
<td>Under 17</td>
<td>18 - 25</td>
<td>35 - 50</td>
<td>Over 50</td>
<td>18 - 25</td>
<td>25 - 35</td>
<td>35 - 50</td>
</tr>
<tr>
<td></td>
<td>18 - 25</td>
<td>35 - 50</td>
<td>Under 17</td>
<td>25 - 35</td>
<td>Under 17</td>
<td>25 - 25</td>
<td>-</td>
</tr>
</tbody>
</table>

**Table 5. Grades given for discount coupons**

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>10</td>
<td>13</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Respondents’ age group</td>
<td>All age groups</td>
<td>All age groups</td>
<td>Under 17</td>
<td>35 - 50</td>
<td>Over 50</td>
<td>18 - 25</td>
<td>25 - 35</td>
</tr>
</tbody>
</table>

**Table 6. Grades given for loyal customer card offers**

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>8</td>
<td>13</td>
<td>8</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents’ age group</td>
<td>Under 17</td>
<td>18 - 25</td>
<td>35 - 50</td>
<td>All age groups</td>
<td>Under 17</td>
<td>35 - 35</td>
<td>35 - 50</td>
</tr>
<tr>
<td></td>
<td>25 - 35</td>
<td></td>
<td></td>
<td></td>
<td>35 - 50</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 7. Grades given for sewing services for half price

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>4</td>
<td>14</td>
<td>5</td>
<td>7</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 8. Grades given for customer evenings

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>4</td>
<td>9</td>
<td>10</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 9 below presents the grades given for rebate. The grades given for rebate differ from the grades given for other listed benefits in a way that rebate clearly has poorer results when looking at the grades it has got. Most of the grades given are located in the middle on the scale of 4-10 and though these results are not bad, it stands out when other loyal customer benefits achieved better results and got more answers given for the maximum grade.

Table 9. Grades given for rebate

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>1</td>
<td>11</td>
<td>14</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

After grading these benefits, the customers were free to write down their own comments regarding these loyal customer benefits and to give possible explanations to their answers. From 36 loyal customer card owners, three people wrote down their comments. A woman in the age group of 18 to 25 wrote that “during Toripäivät (‘‘Market days’’) the department store has very good discounts” and another woman...
in this same age group wrote that she doesn’t use the loyal customer card because she feels it’s not beneficial enough. A woman of 35 to 50 years old wrote that “Ratsula is the only place in Pori where they organize customer evenings and fashions shows”. This is a positive thing for Ratsula as not that many department stores arrange special evenings for their customers and it is Ratsula’s benefit that the customers seem to know this too.

4.4 The level of customer satisfaction towards customer service areas

After the fourth question made only for the loyal customers, the fifth one was again for all customers and it was about rating different customer service areas in Jim & Jill Maanalainen. The grading system for this question was the same as in the previous one and it was also based on a scale of 4-10. The customer service areas were personnel’s expertise on the products, personnel’s friendly behavior, personnel offering help and level of the service at the cash register.

![Figure 3. Average grades for customer service areas](image)

Figure 3 above shows the average grades for customer service areas and the grades tell that the customers are quite satisfied with the customer service in Jim & Jill. Personnel’s expertise was the only one that didn’t achieve an average grade of over 9 among these four listed customer service areas and this slight difference should be noticed by Jim & Jill. The customers seem to think that the staff in Jim & Jill should improve their product expertise a bit and the store could arrange some kind of training on this matter for the staff members.
Grading by the five different age segments for these customer service areas is seen in Table 10 below. This table doesn’t have huge differences among the average grades by different age groups and it shows that the customer service areas got almost the same average grades between all age segments, having the average grade of around 9.

Table 10. Average grades by the five age segments for customer service areas

<table>
<thead>
<tr>
<th>Average grades for customer service areas:</th>
<th>Under 17 year olds</th>
<th>18 to 25 year olds</th>
<th>25 to 35 year olds</th>
<th>35 to 50 year olds</th>
<th>Over 50 year olds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of the service at the cash register</td>
<td>9.30</td>
<td>9.17</td>
<td>9.09</td>
<td>9.42</td>
<td>9.33</td>
</tr>
<tr>
<td>Personnel's expertise on the products</td>
<td>8.76</td>
<td>8.55</td>
<td>8.82</td>
<td>8.89</td>
<td>9.17</td>
</tr>
</tbody>
</table>

Tables 11-14 show the range of grades given by all the respondents on a scale of 4-10 for all of these listed customer service areas. These tables also show which age group the respondents belong to. It can be noticed that for each customer service area only a few customers have given grades of less than 8.

Table 11, Table 12 and Table 13 show that around 90% of the grades given for personnel offering help, personnel’s friendly behavior and level of the service at the cash register are located in the two highest grades (9-10) on the scale of 4-10 among all age groups. Table 14 with the amount of grades given for personnel’s expertise shows that here the results are not that great and only 66% of the answers given are located between the grades 9-10.

Table 11. Grades given for personnel offering help

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>43</td>
<td>52</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>All age groups</td>
<td>All age groups</td>
<td>Under 17 18 - 25 35 - 50</td>
<td>Under 17 18 - 25 25 - 35</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 12. Grades given for personnel’s friendly behavior

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>42</td>
<td>48</td>
<td>11</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>All age groups</td>
<td>All age groups</td>
<td>All age groups</td>
<td>-</td>
<td>25 - 35</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 13. Grades given for level of the service at the cash register

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>36</td>
<td>57</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>All age groups</td>
<td>All age groups</td>
<td>Under 17 18 - 25 25 - 35</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 14. Grades given for personnel’s expertise on the products

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>16</td>
<td>52</td>
<td>27</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>All age groups</td>
<td>All age groups</td>
<td>All age groups</td>
<td>Under 17 18 - 25 25 - 35 35 - 50</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

After rating these customer service areas, the customers were again free to give explanations to their answers regarding these customer service areas and seven people wrote down their comments. Two male and two female respondents of under 17 year olds, two women of 18 to 25 year olds and one woman of over 50 years old wrote they are satisfied with the services in Jim & Jill and they have always got help and received friendly, professional and good customer service in Jim & Jill. It was also mentioned that the staff always welcomes the customers arriving in the store. One small negative thing mentioned by one of these female customers of under 17 year olds was that ‘’sometimes you have to wait before to get to the cash register’’. 
4.5 Rating different matters that affect on customer satisfaction

Next, in question number six, the customers were asked to rate eight matters that occur in Jim & Jill Maanalainen. Also in this question, the grading system was based on a scale of 4-10. The eight listed matters were product selection, brand selection, price level, quality level, customer service, personnel’s expertise, interior decoration and opening hours. These are clearly the most important matters that affect on customer satisfaction in Jim & Jill.

![Figure 4. Average grades for eight listed matters that occur in Jim & Jill](image)

The average grades were really good as can be seen in Figure 4 above. Customer service, personnel’s expertise and quality level have the highest average grades, which is good news for Jim & Jill as customers seem to be satisfied with these matters important for having a good image of the store.

Grading by the five age segments for this part is seen in Table 15. There are shown the average grades given by different age groups for each matter. As noticed previously with the results for loyal customer benefits, here it is also clearly seen that the age group of over 50 year olds have given the best grades for these matters that occur in Jim & Jill. Though Jim & Jill is supposed to be targeted to young people, it seems that this older age group is more happy with Jim & Jill than the store’s actual target group, consisting of minors and 20 year olds.
Table 15. Average grades by the five age segments for eight matters that occur in Jim & Jill

<table>
<thead>
<tr>
<th>Average grades for eight matters that occur in Jim &amp; Jill:</th>
<th>Under 17 year olds</th>
<th>18 to 25 year olds</th>
<th>25 to 35 year olds</th>
<th>35 to 50 year olds</th>
<th>Over 50 year olds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service</td>
<td>9.14</td>
<td>9.10</td>
<td>9.00</td>
<td>9.32</td>
<td>9.33</td>
</tr>
<tr>
<td>Personnel's expertise</td>
<td>9.14</td>
<td>8.93</td>
<td>8.82</td>
<td>9.05</td>
<td>9.33</td>
</tr>
<tr>
<td>Quality level</td>
<td>8.97</td>
<td>8.48</td>
<td>8.00</td>
<td>8.53</td>
<td>9.33</td>
</tr>
<tr>
<td>Opening hours</td>
<td>8.51</td>
<td>8.62</td>
<td>8.45</td>
<td>8.68</td>
<td>8.67</td>
</tr>
<tr>
<td>Brand selection</td>
<td>8.59</td>
<td>8.21</td>
<td>8.40</td>
<td>8.42</td>
<td>9.17</td>
</tr>
<tr>
<td>Product selection</td>
<td>8.51</td>
<td>8.18</td>
<td>8.36</td>
<td>8.42</td>
<td>9.17</td>
</tr>
<tr>
<td>Interior decoration</td>
<td>8.59</td>
<td>8.04</td>
<td>7.45</td>
<td>8.42</td>
<td>8.83</td>
</tr>
<tr>
<td>Price level</td>
<td>8.11</td>
<td>8.14</td>
<td>8.18</td>
<td>8.32</td>
<td>8.50</td>
</tr>
</tbody>
</table>

Tables 16-23 show the range of grades given by all the respondents on a scale of 4-10 for all of these listed matters that occur in Jim & Jill and these tables also show which age group the respondents belong to. There were a total of 102 survey respondents, but only 100 answered to opening hours and 101 answered to product selection, brand selection and interior decoration. This was taken account while analyzing the ratings.

The grades don’t have that huge variety. It can be noticed in tables 16-23 that almost 90% of the grades given by customers for all of these eight matters are located in the three highest grades (8-10) on the scale of 4-10. Most of the grades given are above 8 and only a few customers have located their grades below 8 which is a positive observation and it means that customers are quite satisfied with these matters except the three matters that had poorer results when compared to others. Product selection, interior decoration and price level had only an average of 41% of the answers given for the grades 9-10 whereas other listed matters got an average of 71% of the answers for the grades 9-10.
Table 16. Grades given for customer service

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>31</td>
<td>57</td>
<td>13</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>All age groups</td>
<td>All age groups</td>
<td>Under 17 18 – 25 25 - 35 35 - 50</td>
<td>25 - 35</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 17. Grades given for personnel’s expertise

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>25</td>
<td>58</td>
<td>17</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>All age groups</td>
<td>All age groups</td>
<td>Under 17 18 – 25 25 – 35 35 - 50</td>
<td>25 - 35</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 18. Grades given for quality level

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>12</td>
<td>55</td>
<td>25</td>
<td>9</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>Under 17 18 - 25 Over 50</td>
<td>All age groups</td>
<td>All age groups</td>
<td>Under 17 18 - 25 25 - 35 35 - 50</td>
<td>25 - 35</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 19. Grades given for opening hours

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>10</td>
<td>50</td>
<td>28</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>All age groups</td>
<td>All age groups</td>
<td>All age groups</td>
<td>All age groups</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 20. Grades given for brand selection

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>7</td>
<td>51</td>
<td>27</td>
<td>14</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>Under 17 18 - 25 Over 50</td>
<td>All age groups</td>
<td>All age groups</td>
<td>Under 17 18 - 25 25 - 35 35 - 50</td>
<td>18 – 25 25 - 35</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 21. Grades given for product selection

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>9</td>
<td>38</td>
<td>42</td>
<td>11</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>Under 17</td>
<td>18 - 25</td>
<td>All age groups</td>
<td>Under 17</td>
<td>18 - 25</td>
<td>25 - 35</td>
<td>35 - 50</td>
</tr>
</tbody>
</table>

Table 22. Grades given for interior decoration

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>12</td>
<td>29</td>
<td>41</td>
<td>15</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>Under 17</td>
<td>18 - 25</td>
<td>All age groups</td>
<td>Under 17</td>
<td>18 - 25</td>
<td>25 - 35</td>
<td>35 - 50</td>
</tr>
</tbody>
</table>

Table 23. Grades given for price level

<table>
<thead>
<tr>
<th>Grade</th>
<th>10</th>
<th>9</th>
<th>8</th>
<th>7</th>
<th>6</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of answers given</td>
<td>4</td>
<td>33</td>
<td>46</td>
<td>17</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Respondents' age group</td>
<td>Under 17</td>
<td>18 - 25</td>
<td>All age groups</td>
<td>Under 17</td>
<td>18 - 25</td>
<td>25 - 35</td>
<td>35 - 50</td>
</tr>
</tbody>
</table>

Six female customers in the age groups of under 17 year olds, 18 to 25 year olds and over 50 year olds wrote their comments regarding these eight matters that occur in Jim & Jill. Four of them, consisting of two customers of under 17 year olds, a woman of 18 to 25 and a woman of over 50 years old mentioned the opening hours. It was mentioned that Jim & Jill should have longer opening hours especially on Sundays. Regarding the product selection, one of the girls of under 17 year olds mentioned the brand selection to be fine and one female customer of 18 to 25 years old wrote that she is satisfied with the products and services in Jim & Jill. Another female customer wrote that ‘being 25 year old it’s sometimes hard to find clothes that wouldn’t look like under 20 year olds’ clothing’.
4.6 Matters affecting the most on customers’ buying decision

In question number seven the participants were asked to mark three matters that affected the most on their buying decision, from a total of eight choices. These choices were the same as were the matters listed in the previous question and so the eight choices were product selection, brand selection, price level, quality level, customer service, personnel’s expertise, interior decoration and opening hours.

![Bar Chart](image)

**Figure 5. Eight matters in order based on their affection on customers’ buying decision**

The rating of all these eight matters among all the survey respondents can be seen in Figure 5 above. The three matters that affect the most on customers’ buying decision were price level with 28.2%, product selection with 22.8% and quality level with 22.4%. The loyal customers had also these same three matters rated in the exact same order. The least affecting matters among all the participants were interior decoration, personnel’s expertise and opening hours.

Price level, product selection and quality level were also the most affecting matters on customers’ buying decision among all the other age groups except over 50 year olds, who considered these three matters to be quality level, price level and customer service. This observation is vital in order to improve business especially in customers’ point of view. It is essential to notice that in the previous question where the customers were asked to rate eight matters that occur in Jim & Jill, the three that got the lowest average grades were price level, interior decoration and product selection.
Based on the results shown in Figure 5, price level and product selection were the ones among the most important matters that affect on buying decision and this is something Jim & Jill should take into account.

4.7 Improvement suggestions for Jim & Jill made by the customers

The second last question was about improvement suggestions for Jim & Jill Maanalainen and 20 customers presented their improvement ideas. Seven of them were under 17 year olds female customers that suggested Jim & Jill to include more brands in the selection and include some of the rare brands that are not so well-known among consumers. One under 17 year old male customer wrote that he would like to see more clothing in Jim & Jill. Other comments mentioned by three customers of under 17 year old females included improving Jim & Jill’s product selection, having more pleasant fitting rooms and redesigning the interior decoration in the store. The explanation for this latter suggestion was that “the store looks a bit of a storage room at the moment”. Also two other female customers of 18 to 25 year olds commented on the store’s look. One of them wished for “more space in the store because now the store seems a bit messy” and the other one also commented on having a different-looking interior decoration.

The comments of two other female customers of 18 to 25 year olds included suggestions for a more diverse collection of different products and the possibility to have the fitting room doors constantly open, without the need to ask the staff to open the doors for the customers. One 18 to 25 years old male customer suggested having longer opening hours in the department store and one other male customer of 25 to 35 years old hoped improvement for the model selection of different brands’ collection. The rest three customers that suggested their improvement ideas for Jim & Jill were three female customers of 35 to 50 years old and their comments regarded adding shoes and bigger-sized clothing in the selection. One suggestion was about the boys’ clothing collection and it was adding jeans with a zipper in clothing for boys. These comments show that the most wanted improvement actions would regard the product selection, including new brands and more clothing available. Also the service environment seems to need a little improvement.
4.8 Customers’ suggestions on new brands

The final question included suggestions on brands that Jim & Jill doesn’t yet have in its selection but what the customers wish to have in the store. From a total of 102 participants, 19 customers wrote their suggestions on the brand selection. The most wanted brands that customers wish to be included in Jim & Jill’s selection are Peak Performance with four votes from under 17 years old girls and boys and Monki with two votes from under 17 years old girls. The rest of the brand suggestions had one vote each. Under 17 years old girls suggested Leo Zip Pants, Vero Moda, Wesc and Diesel and the only one under 17 year old male customer that answered this question voted for Hollister. Among the age group of 18 to 25, two women suggested Accessorize, Weekday, Cheap Monday and more clothing from Vila. The three men in this age group hoped for Dickies, De Palma, Lucky 13, Ralph Lauren and lrg. The two women in the age of 35 to 50 years old suggested Hilfiger Denim and Bench for women.

There was also one positive comment included among these brand wishes. A female customer of 18 to 25 years old wrote that ‘’the brand selection in Jim & Jill is already diverse enough and in Jim & Jill there can be found many brands that are not possible to find anywhere else in Pori’’. This is good news for Ratsula as customers seem to know the difference between Ratsula and other department stores. Ratsula stands out when compared to its competitors because Ratsula’s competitive advantage is the fact that it offers many brands and clothing that can’t be found elsewhere in Pori.

5 IMPROVEMENT IDEAS FOR JIM & JILL

This chapter discusses the improvement ideas for Jim & Jill, based on the discoveries made while conducting the survey and analyzing its answers. Based on the results, it seems that Jim & Jill Maanalainen is in the customers’ favor because of all good feedback given in the survey. Although the average grades on different areas listed in the survey were good, they didn’t get the highest scores possible and this shows that
there is still something to improve as can also be noticed from the comments and improvement ideas made by the survey respondents.

5.1 Improvement of customer relationships

It is important for Jim & Jill and Ratsula to maintain and improve current customer relationships and turning existing customers into loyal customers. While conducting the customer satisfaction survey, I noticed that not many participants owned a loyal customer card. As already mentioned in Chapter 2.1 under the topic of “Establishment and maintaining of customer relationships”, owning a loyal customer card makes the customer more committed to the store which means of course that the customer is more likely to buy more and often from the store. Jim & Jill Maanalainen could have loyal customer membership application forms on the cash register counter which could get the customers’ attention and by filling them the customer would get a temporary loyal customer card until the actual card has been created and sent to the customer.

Another way to get more loyal customers is also to ask the customers directly if they liked to join the loyal customer membership. At the point when a customer is at the cash register, the sales person could ask if the customer was an owner of a MODA-card or a Jim & Jill Club -card and if not, the sales person would ask the customer if he or she liked to join the loyal customer membership. If the customer agrees to join, this membership application form would be given to the customer to fill in right away or the customer could also fill it at home and then return it later to the store and this way confirm the loyal customer membership.

There are many ways to maintain and improve customer relationships and Ratsula already does many actions regarding this area of business. The fashion department store rewards its loyal customers by giving rebate based on the amount of purchase, is in contact with its customers by sending newsletters, offers special discounts for loyal customers only and organizes loyal customer events. As discovered in the answers, the customers’ grades given for loyal customer benefits didn’t achieve the maximum scores and this shows that there is space for improvements in this area.
Home fitting, discount coupons, loyal customer card offers, sewing services for half price and customer evenings got average grades of over 8.00 but rebate got 7.89. Rebate being the only matter that got an average grade of less than 8 gives a sense that customers are not totally satisfied with it and it could be that the customers don’t find it to be beneficial enough or then it might be the fact that the rebate can only be used two times a year. There was also one comment made by a customer who doesn’t really use the MODA-card because she thinks the benefit from that is not big enough. A result for this could be that Ratsula slightly raises the amount of rebate and offers more discounts for loyal customers.

As noticed while analyzing the survey answers, the three matters that affect the most on customers’ buying decision are price level, product selection and quality level. When the customers were asked to rate eight matters that occur in Jim & Jill, the three that got the lowest average grades were price level, interior decoration and product selection. It is important to notice that price level and product selection were the ones among the most important matters affecting on customers’ buying decision and this is something that Jim & Jill should take into account. Price level being the most important matter should be convenient for the customers and the customers should feel to be benefitted from shopping in Jim & Jill, so Ratsula could raise the amount of rebate a bit and Jim & Jill could slightly decrease its prices and have more discounts. Rebate and other loyal customer discounts being the most important and biggest benefits for loyal customers should be highly valued by them.

5.2 Improvement of customer service and service quality

As it was discovered from the answers with positive comments and good ratings given on the customer service areas and different matters that occur in Jim & Jill, the customers seem to be already quite happy with the customer service and service quality in the store but there’s always something to improve. Ratsula being the biggest fashion department store offering quality clothing it has to be able to maintain the high level of service quality and customer service which will result in higher customer satisfaction.
When customers were asked to rate eight matters that occur in Jim & Jill, customer service and personnel’s expertise were the ones with highest ratings with average grades being over 9. This is quite interesting observation because when the customers were asked to rate the customer service areas, it was only personnel’s expertise on the products that got an average grade of less than 9 when compared to the average grades of other customer service areas mentioned in the survey. It shows that the customers consider the staff in Jim & Jill to be professional and that the customers can rely on them, but the staff might need a little improvement and training in product expertise.

The part in the survey with the customer service areas got positive feedback from customers and the highest average grades among all the areas included in the survey and so it is clear that customers are satisfied with their service encounters. A competent staff is a requirement for good service quality and it seems that in Jim & Jill, the goal of having a competent staff is already achieved. Ratsula has to continue to keep the staff known about Jim & Jill’s standards of service quality performance and train the staff to be excellent in customer service. Important skills of a salesperson are polite and friendly behavior, flexibility, reliability, honesty, positive attitude, product expertise, the ability to express empathy and greeting and paying attention to the customers. Ratsula will continue to keep its customers satisfied when the department store takes care that its employees have these professional skills, because the employees that are in contact with the customers create an image of the quality level of customer service.

A competent staff that treats the customers well is a requirement for delivering good service quality. The essence of the employees affect on service quality, as also does company image. Good image creates trust between the customer and the company. The staff that is in contact with the employees is part in creating the company image and so when customers get good service in Jim & Jill, a good company image is formed and that strengthens the relationship between Jim & Jill and its customers. In addition, things like what is the policy in Jim & Jill about customer complaints and how long the customers have to wait before they get their questions answered are aspects that affect on service quality.
Ratsula and Jim & Jill have to take care of the customers and listening to them and keeping in contact with them gives the customers a sense that they are valued, which is important when improving service quality. A good way of listening to customers is asking them what they need by gathering feedback from the customers. This leads to my suggestion for Jim & Jill about an improved feedback system. Jim & Jill and Ratsula could start gathering feedback from customers more often, to see how the customers feel about the offered products and customer service in the store and to encourage the customers to make suggestions on improvements for the department store. Ratsula’s current system of gathering feedback happens at the company’s website, on its own feedback section.

The new and improved feedback system would be setting up a digital customer feedback mechanism in the store to get real-time feedback from customers. The digital feedback system could be standing near the store entrance and on the screen of this feedback system there would be shown a few simple questions for customers to answer. These questions could be e.g. ‘‘how satisfied are you with the customer service today’’ and ‘‘how satisfied are you with the product selection’’. Next to each of these questions there would be a few images of different smiley faces that would represent the answers for those questions. Each of the smiley face would look different, portraying the facial expressions of happiness, sadness and between. Below the smiley faces there could be written the state of mood that the smiley face is representing, e.g. not satisfied at all, satisfied, very satisfied and extremely satisfied. The customer would then answer to the questions by clicking on the smiley face that represents the state of mind of the customer and the customer’s opinion on the question asked. These answers would then be automatically recorded into a specific feedback report program where the employees could then check these reports of given answers.

This system being fast and easy to use for customers would give Jim & Jill and Ratsula real-time information on customers’ opinions on the department store. There are some companies in Finland that provide these digital feedback systems. In addition to setting up this digital feedback system, Ratsula could also send feedback surveys to customers via email once or twice a year and there could be a lottery of a gift card or some other benefit among the customers that are participating. This would encourage the customers to share their ideas and opinions which would be beneficial
for Ratsula. This new digital feedback system and gathering feedback via email would show how Ratsula is working towards continuous improvement in customer satisfaction, customer service and performance quality. This is a fact that makes the customers feel that Ratsula values them even more.

Other aspects that service quality is affected by besides listening to the customers are the accessibility of service and the pleasantness of the service environment. Accessibility of service in Jim & Jill seems to be good as the employees offer to help the customers to get what they need, based on the positive feedback given in the survey regarding this matter. The improvement ideas for the service environment will be presented in the upcoming Chapter 5.3.

5.3 Improvement ideas for the service environment

Service environment is the factor that raises customers’ interest in the store and the main factors that improve customer service are the matters that occur in the service environment. The image of a company’s service quality is formed by customer service and service environment together and this is why improving the service environment in Jim & Jill is important. The service environment in Jim & Jill consists of white walls with grey and black on the background. There are two fitting room sections located in opposite sides of the store. The boys’ and girls’ clothing sections are separated and the cash register counter is located in the middle of the store, between the girls’ and boys’ clothing sections. There are around three employees working in Jim & Jill at the same time, serving the customers at the cash register and also helping the customers in the store. The employees’ clothing consists of the brands and trendy clothes that are sold in Jim & Jill.

The music played in the background consists of rather new songs in pop, hip hop and party music. Most of the young adults listen to that kind of music that is played in Jim & Jill, so the store knows its target group well in this area. As discovered in the survey, Jim & Jill’s customers are located in different age groups and a huge amount of the customers are middle-aged and over 50 years old. This means that there could be music available also for their taste. In addition to the music Jim & Jill already
plays in the store at the moment, Jim & Jill could add some classic groove songs and both old and new rock hits in order to attract the older customers.

The furniture in Jim & Jill consists of the clothing rails, one sofa and one soft chair, a table with magazines and a water machine with plastic mugs. Location of the products is pretty clear, as there are different brands separated from others and it is quite easy to find what you are looking for in the store, for example all the accessories are located in the same area. Important matters in service environment are the possibility to get help quickly in the store, having enough space to move around and the pleasantness and attractiveness of the store. In Jim & Jill, attractiveness is one aspect that needs some improvement work to be done as discovered in the comments of the survey. Customers wrote that they wish to have more space in the store, more pleasant fitting rooms and a different and a more nice-looking decoration. There could be used more soft colors in the decoration and arranged more space in the store just by small arrangements. Now the customers said they feel it’s looking like a storage room and that it’s crowded inside the store, but by arranging the clothing rails in a more organized and different way will leave more space for customers to move and walk around.

One thing that occurs in the service environment is the fitting rooms. Based on the results of the survey, the customers wish that the fitting room doors were constantly open which would be more comfortable for the customers when they don’t have to ask the employees to open the doors for them. At the moment Jim & Jill has the fitting room doors locked to prevent thefts, so this idea about accessing the fitting rooms has to be considered carefully for the store’s benefit. I suggest Jim & Jill to have a system where the fitting room doors would be open with staff members working at both sides of the two fitting room areas, keeping an eye on the clothes taken to the fitting rooms. Every time a customer is going to the fitting room, the staff members would count the amount of garments the customer has and then give a tag with a number that shows the amount of garments the customer is taking in the fitting room. When the customer comes back from the fitting room, the customer would give the tag back to the staff member and show that the amount of garments is consistent to the number in the tag. This system monitors the items customers are taking in and out the fitting rooms and it would also be more convenient for the customers when
they don’t have to ask the staff members to come and open the fitting room doors for them.

The improvement ideas regarding Jim & Jill’s service environment have to be considered for the store’s benefit. Though the survey participants wished for a new interior decoration in Jim & Jill, it is a fact that when the customers were asked to mark the matters affecting the most on their buying decision, interior decoration ranked with 0.7%. The possible changes made on the service environment based on the customers’ suggestions have to be considered carefully as those matters only have a small impact on customers’ buying decision, but would be expensive investments for Ratsula to make. When customers were asked to rate eight matters that occur in Jim & Jill, the average grade for interior decoration was 8.30, which means that customers seem to be satisfied enough with the current situation in Jim & Jill.

5.4 Other improvement ideas made by the customers

As it was discussed in Chapter 4 with the analysis of customers’ answers, I found out many new improvement ideas for Jim & Jill suggested by the customers. In addition to customers’ suggestions on Jim & Jill’s service environment, they suggested other improvement ideas considering Jim & Jill’s product and brand selection and opening hours. The improvement suggestions for Jim & Jill’s product selection included a more diverse collection of different products, a more diverse model range in different brands and having bigger sizes in clothing and offering boys’ jeans with a zipper. One female customer also hoped for including shoes in the selection in Jim & Jill. The store could offer shoes of the same clothing brands it already has to offer in the collections and also some new shoe brands and models that the store doesn’t yet have and that are popular among consumers at the moment. These shoe brands could be Fred Perry, Wrangler, Blend, Superdry, Friis & Company and Hilfiger.

Customers hoped for new brands in Jim & Jill and one wish was to include in the collection some of the rare brands that are not so well-known among consumers. Jim & Jill Maanalainen should consider taking some new brands into the store but first Jim & Jill has to consider the fact that customers think the store is already quite
crowded and messy, before acquiring new clothing and brands into the store. The current brands that are not getting sold that well could be taken away and Jim & Jill could replace these brands with some of the new ones the customers wish to have in the store. Among under 17 year olds, these brands would be Peak Performance for girls and boys, Monki, Leo Zip Pants, Vero Moda, Wesc and Diesel for girls and Hollister for boys. Women of 18 to 25 years old would like to have brands such as Accessorize, Weekday and Cheap Monday and more clothing from Vila. Dickies, De Palma, Lucky 13, Ralph Lauren and lrg could be offered especially for men in the age of 18 to 25 years old and Bench and Hilfiger Denim for women in the age of 35 to 50 years old.

Customers had some suggestions on the opening hours of Ratsula. Ratsula’s current opening hours are from Monday to Friday from 9:30 am to 7 pm, on Saturday from 9:30 am to 4 pm and the first Sunday of every month the store is open from 12 am to 4 pm as well as every Sunday in May, November and December. The customers wish that the department store’s opening hours would be longer, especially on Sundays and that the store would also be open every Sunday.

These suggestions especially regarding the matters on product and brand selections should be considered seriously when improving customer service and customer satisfaction in this department store. Quality level is also affected by the product selection in Jim & Jill and including more diverse product selection and new brands in the store could improve the quality level. When the customers were asked to mark the matters affecting the most on their buying decision, opening hours ranked with 2.0%. Though the survey participants wish for longer opening hours, Ratsula and Jim & Jill have to think what would be the most beneficial solution for them. When customers were asked to rate eight matters that occur in Jim & Jill, the average grade for opening hours was 8.58 which seems to be quite good enough. Having longer opening hours means additional costs for Ratsula and so the department store has to think about the profitability of this investment.
5.5 Broadening the target market of Jim & Jill

While conducting the customer satisfaction survey, I made a significant discovery that many young people go shopping in Jim & Jill with their parents and this in fact is something the store could use for its benefit. The parents are mainly located in the age groups of 35 to 50 and over 50 year olds and these two age groups together accounted for 24.5% of all the survey participants. I noticed that while the young people are in the fitting room trying on the clothes they have found in the store, the parents are just waiting outside the fitting room or then looking around for possible new clothes for their kids to try on.

A new target group for Jim & Jill could be the people of over 30 years old and so the store could acquire new clothing and products that attract this new customer segment. It would be profitable because while the parents are just waiting for their kids in the fitting rooms, they could use that time to look around for clothes for themselves. This would be a good way for Jim & Jill to acquire new customers, by broadening the target market and offering clothing for this new target group. From the brands suggested by the customers in the survey, the brands that would suite the older target group consisting of men and women would be Hilfiger, Diesel, Ralph Lauren and Bench. Jim & Jill could start offering new clothing including these four brands.

This suggestion about broadening the target market has one huge possible impact that must be considered before implementing this idea. Jim & Jill’s main target group consists of teenagers and young adults and if the store acquires new customers located in older age segments, will it mean that the younger customers find it uncomfortable to visit Jim & Jill when the store has broadened its target group? After all, Ratsula’s other floors are designed to attract the older customers, offering clothing and products made especially for the customers outside of Jim & Jill’s target group, so broadening the target market of Jim & Jill has to be considered carefully for Ratsula’s benefit.
6 RELIABILITY AND VALIDITY OF RESEARCH

This chapter evaluates the reliability and validity of the research conducted with the customers in Jim & Jill. The overall reliability of research is also discussed. Validity and reliability of the customer satisfaction survey can be evaluated by the response rate, possible mistakes done in the research and the successfulness of the content and design of the survey questions and response options (Vilkka 2007, 149-150).

6.1 Reliability of research

Research is said to be reliable and accurate when the results are the same in every measurement (Vilkka 2005, 161; Hirsjärvi, Remes & Sajavaara 2005, 216). Reliability evaluates the response rate and the possible measurement errors included in the research (Vilkka 2007, 149-150). The customer satisfaction research can be said to be reliable as I conducted the research process carefully and tried to eliminate the possibility of mistakes, but repeatability of this research seems to be impossible as the survey would have to be conducted with the exact same participants in order to achieve the same results. The amount of respondents was 102 which is an appropriate amount and proves this research to be reliable, although one error is the fact that not every one of the 102 participants answered to all the questions but this was taken into account while analyzing the survey results and therefore doesn’t really lower the reliability.

6.2 Validity of research

Validity means that the research measured what was supposed to measure. It evaluates the content and design of the survey questions and response options, meaning that the researcher and the examinees understand the questions in the same way. (Vilkka 2007, 150) The research conducted with the customers in Jim & Jill is valid as the customers’ answers were received as wanted and that’s why it can be assumed that the participants understood the questions in a way that they were supposed to. The research measured exactly what it was supposed to measure, as the aim was to
know customers’ thoughts about their service encounters in Jim & Jill and this came true as the customers gave their grades and comments for the matters that were asked in the survey. Validity also estimates what kinds of inaccuracies are involved in the indicator (Vilkka 2007, 150). In the customer satisfaction survey, the customers were asked to give grades on a scale of 4-10 but of course customers have different perceptions of the grading and it is impossible to know which grade stands for satisfactory in customers’ opinions. This fact might be a small inaccuracy involved in the indicator of this research.

6.3 Overall reliability of research

Overall reliability is formed by reliability and validity together. The overall reliability of a research is good when there is the least amount of mistakes possible and this can be evaluated by retesting. The overall reliability can be improved by defining the research problem accurately, selecting the research examinees with a good reasoning, choosing a proper way of collecting the research material, having a correct amount of questions and response options and conducting the research process carefully. (Vilkka 2007, 152-153)

The overall reliability of this research conducted in Jim & Jill seems to be good as the research problem was defined accurately and the research examinees were selected with a good reasoning. This came true as the survey was conducted with the customers in Jim & Jill and this proves that the results are wanted, as the aim was to find out the level of customer satisfaction in Jim & Jill. The survey with nine questions was a proper way of collecting the research material and included a correct amount of questions and response options, as there was additional space that allowed customers to write their comments and thoughts in each part of the survey. Retesting is the way to prove that there occurred the least amount of mistakes in this research and in order to achieve the same results by retesting, this customer satisfaction survey would require including the exact same participants.
7 CONCLUSION

Based on the results of the survey, the three matters that affect the most on customers’ buying decision are price level, product selection and quality level. This should be kept in mind when improving Jim & Jill’s business especially from customers’ point of view. It is important for Ratsula to notice that price level being the most important matter affecting on customers’ buying decision should be convenient for the customers and so they should feel to be benefitted from shopping in the department store.

The improvement ideas this thesis presented for Jim & Jill regarded customer relationships, customer service, service environment and product selection. Other suggestions included an improved feedback system, unlocking the fitting rooms, having longer opening hours and broadening the target market. The research of this thesis proved that all these improvement ideas are something to be considered of, as the improvement ideas were mostly based on the customers’ answers and on the discoveries made while conducting the survey.

There’s always the possibility to gain more and better results by having more research done about the subject of customer satisfaction, but the results of this survey showed some of the areas Ratsula can focus on in order to improve customer service and service quality in the department store. These improvement ideas have to be thought and implemented in a way that will gain the most benefit for Ratsula. The next step for Ratsula is to have a look at the results that were achieved by the customer satisfaction survey and then consider the improvement suggestions that Ratsula finds the most important and reasonable to be implemented.
REFERENCES


Customer satisfaction survey conducted with the customers in Jim & Jill

I’m a student in Satakunta University of Applied Sciences and this survey is part of my thesis that is made to find out the level of customer satisfaction in Jim & Jill Maanalainen. Among all the survey participants, there’s going to be a lottery of two 50 euro gift cards to Ratsula.

Mark the correct answer with an X.

1. **Age**  
   - **under 17**  
   - **18–25**  
   - **25–35**  
   - **35–50**  
   - **over 50**

2. **Gender**  
   - **Woman**  
   - **Man**

3. Do you own a MODA-card or a Jim & Jill –Club card?  
   - **Yes**  
   - **No** (You can move straight to question 5 if you don’t own a loyal customer card.)

4. How satisfied are you with different perks and discounts you get with a loyal customer card? Circle your answer on a scale of 4-10.

   - Rebate
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10
   - Sewing services
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10
   - Home fitting
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10
   - Discount coupons
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10
   - MODA- and Jim & Jill –card offers
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10
   - Customer evenings
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10

Possible explanations for the answers: ____________________________________________
______________________________________________________________________________
__________________________________________

5. How satisfied are you with the different areas of customer service in Jim & Jill Maanalainen? Circle your answer on a scale of 4-10.

   - The personnel’s expertise on the products
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10
   - The personnel’s friendly behavior
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10
   - The personnel offering for help
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10
   - Service level at the cash register
     - 4
     - 5
     - 6
     - 7
     - 8
     - 9
     - 10

Possible explanations for the answers: ____________________________________________
______________________________________________________________________________
__________________________________________

*Turn the page, please.*
6. Rate the following matters that appear in Jim & Jill by circling your answer based on a scale of 4-10:

<table>
<thead>
<tr>
<th>Matter</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product selection</td>
<td>4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>Brand selection</td>
<td>4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>Price level</td>
<td>4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>Quality level</td>
<td>4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>Customer service</td>
<td>4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>The personnel’s expertise</td>
<td>4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>Interior decoration</td>
<td>4 5 6 7 8 9 10</td>
</tr>
<tr>
<td>Opening hours</td>
<td>4 5 6 7 8 9 10</td>
</tr>
</tbody>
</table>

Possible explanations for the answers: ________________________________
__________________________________________________________________

7. Rate three matters that affect the most when making a buying decision from the following choices:

__ Product selection __ Brand selection __ Price level
__ Quality level      __ Customer service __ Personnel’s expertise
__ Interior decoration __ Opening hours

8. What things would you like to improve in Jim & Jill Maanalainen?
__________________________________________________________________
__________________________________________________________________
__________________________________________________________________

9. Are there any brands you would like to see in Jim & Jill Maanalainen?

The brands: __________________________________________________________

__________________________________________________________________

Please write your contact info if you want to participate in the gift card lottery. The contact information is not connected to the answers.

Name: ______________________________ Phone number: ___________________
E-mail: ___________________________________________________________

Thank you for participating in this survey!
Customers’ comments on question 4 about loyal customer benefits:

‘‘During Toripäivät there are many good discounts’’ – Female of 18-25 years old
‘‘The only place in Pori where they arrange customer evenings / fashion shows’’
– Female of 35-50 years old
‘‘I don’t really use the loyal customer card, I don’t feel if to be beneficial enough’’
– Female of 18-25 years old

Customers’ comments on question 5 about customer service areas:

‘‘Here you will always get help and friendly customer service!’’
– Female of 18-25 years old

‘‘Everything has been going fine here; sometimes I’ve had to return a product back to the store, always received good service. Thank you’’ – Female over 50 years old
‘‘Good service!’’ – Male under 17 years old
‘‘I’m satisfied with the service’’ – Male under 17 years old
‘‘I come here often and every time I have received high quality customer service and friendly welcome.’’ – Female under 17 years old
‘‘I’ve come here couple of times and the service is good! Sometimes you have to wait to get to the cash register’’ – Female under 17 years old
‘‘Always received happy and good service’’ – Female of 18-25 years old

Customers’ comments on question 6 about eight matters that occur in Jim & Jill:

‘‘Long distance – hoping for longer opening hours’’ – Female over 50 years old
‘‘Open on Sundays’’ – Female of 18-25 years old
‘‘Brand selection is quite alright. The opening hours could be longer’’
– Female under 17 years old
‘‘The store could be more often open on Sundays’’ – Female under 17 years old
‘‘Being 25 year old it’s sometimes hard to find clothes that wouldn’t look like under 20 year olds’ clothing’’ – Female of 18-25 years old
"I’ve been satisfied with the service and products, sometimes the prices are high and sometimes there are good discounts" – Female of 18-25 years old

Customers’ comments on question 8 about improvement suggestions for Jim & Jill:

"Brand selection" – Female under 17 years old

"The store looks a bit messy, would be better if there was more space to move around" – Female of 18-25 years old

"More brands" – Female under 17 years old

"There could be more brands" – Female under 17 years old

"More rare brands" – Female under 17 years old

"Opening hours" – Male of 18-25 years old

"More brands" – Female under 17 years old

"There could be added more brands in the selection" – Female under 17 years old

"Interior decoration and product selection" – Female under 17 years old

"Product selection" – Female under 17 years old

"The model selection of different brands" – Male of 25-35 years old

"Shoes in the selection" - Female of 35-50 years old

"More diverse collection of different products" – Female of 18-25 years old

"The fitting rooms could be more comfortable" – Female under 17 years old

"There’s nothing to change really. Maybe more brands" – Female under 17 years old

"Having the fitting rooms open without asking" – Female of 18-25 years old

"Bigger sizes" – Female of 35-50 years old

"More clothing" – Male under 17 years old

"The interior decoration, now the store looks a bit like a storage room" – Female of 18-25 years old

"Boys’ jeans with a zipper" – Female of 35-50 years old