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IMPROVING CUSTOMER SATISFACTION IN SINOOPERI
HOMESTORE PORI

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The purpose of this thesis was to find out the satisfaction level of the customers of Sinooperi Homestore Pori and the possible areas, which needs improvement. Sinooperi Homestore Pori is part of S. Hobby Oy, which was established in 1980 in Helsinki. Sinooperi Homestore Pori was established in 2008 after S. Hobby Oy bought Masku Koti's stores in Pori, Lahti and Turku. The Store in Pori has crafting and decorating products in their selection.

The theoretical part of my thesis includes subjects or market segmenting, marketing ways, customer relationships, customer satisfaction and service, quantitative and qualitative research methods. The practical part includes a customer satisfaction survey, which was conducted in Sinooperi Homestore Pori. It was created to find out what the customers of Sinooperi Homestore Pori think about them. It was used as helping tool to find out the areas, that needs improvement.

The customer satisfaction survey revealed Sinooperi Homestore Pori's biggest problem. It is that the customers are divided between crafting and decorating. This thesis presents improving ideas to solve this problem and other ideas how the customers of Sinooperi Homestore Pori are more satisfied and how Sinooperi Homestore Pori can gain more customers and maintain old ones.

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1 INTRODUCTION

The purpose of this thesis was to find out the satisfaction level of the customers of Sinooperi Homestore Pori and the possible areas that needs improvement. Sinooperi Homestore Pori is part of S. Hobby Oy, which was established in 1980 in Helsinki. Sinooperi sells mostly crafting tools and products like paints, glues and papers. Nowadays there are 4 Sinooperi stores and 5 Sinooperi Homestores in Finland. Only difference between them is that the Homestores sell also decorating products. This thesis concentrates on Sinooperi Homestore Pori, which was established in 2008 after S. Hobby Oy bought Masku Koti's stores in Pori, Lahti and Turku. The Store in Pori has both crafting and decorating products in their selection and it is located in Teljäntori, which is in very central of Pori. (Vesa, Janne, 2013)

The author of this thesis was working at the store as an assistant to the product manager and in the store they didn't have a clue what their customers think about them, so they wanted her to do a customer satisfaction survey for them. Quantitative and qualitative research methods have been used in conducting the customer satisfaction survey. There were questions about customer service, prices, competitors and quality of products. You can find the analysis of the results in chapter 4 and the actual survey is in Appendix 1.

Sinooperi Homestore Pori's biggest problem turned out to be, that the customers were divided between decorating and crafting. In chapter 5, you can find out the improving ideas that had been made based on the analysis of the results and theory at the beginning of this thesis.

2 MARKETING AND CUSTOMER SERVICE

This chapter introduces theories about market segmentation, customer service and satisfaction, customer relationships and different marketing ways. These theories are used as base analyzing results of the customer satisfaction survey and making improving ideas for Sinooperi Homestore Pori.

2.1 Market segmentation

Market segmentation means diving customers into group that have something in common. There are generally three criteria that are used to divide customers. First one is homogeneity, which means, that the customers have similar needs. Second one is distinction, which means, that the customers have something unique comparing other segments. Third one is reaction, which means, that the customers response similar to market. (Investopedia, 2014)

There are also more simple ways to divide customers into segments. You can segment them by geographic, demographic, psychographic and behavioristic reasons for example by age, gender, family relationships, income, values, usage rates and living place. The segments need to be also identifiable and accessible, which means, that the segments needs to be measurable and reachable through marketing. The segments need to be stable, large enough and have unique needs, that it is justified to use resources required to please them. (NetMBA, 2010)

Reason to do segmentation is simple. Customers have different needs and segmenting them helps you to identify them. Then you can fulfil those needs easier. It is a technique that is used to reduce risks and increase marketing efficiency. (Boundless, 2014)

2.2 Different ways to do marketing

Marketing is crucial for the company. Without it, the company can't survive, but doing it wrong, won't work either. Choosing the right method to market can be hard, but it is really important. Also choosing the right target segment is important. Nowadays there are lots of different kinds of marketing ways. Traditional marketing ways are marketing in magazines and newspapers, in radio and TV. Newest methods are marketing in social media like Facebook and other online marketing. (Singh Kay, 2013) (Bergström, Leppänen, 2007, 180) (Six Sigma online, 2014)

Marketing in magazines and newspapers is most used way to do marketing from traditional methods. There are hundreds of newspapers and thousands of magazines in Finland. There are many reasons to advertise this way. The newspapers are considered being liable and it is easy to target to right audience. The advertisement needs to be effective, because it is one timer. The costs vary among newspapers and magazines and depend on the size of the advertisement, place in paper and when it is published. Advertising in newspapers and magazines is considered being cost effective. (Bergström, Leppänen, 2007, 182)

Almost everyone has a TV, so it is used in marketing, when you want to advertise national. The marketing can be targeted very carefully by choosing right TV-shows and it is repeatable. This also means that it is really expensive, but at the same time it can be really effective. (Bergström, Leppänen, 2007, 186)

Marketing in radio is cheaper than in TV and it is used a lot. By choosing the right radio station, the marketing can be targeted to a small group or nationwide. Advertising in radio is used mostly as supporting other marketing. The costs vary depending on which radio station is used and how long advertisement is and when it is aired. (Bergström, Leppänen, 2007, 192)

Most of the people use Internet daily, so online marketing has become very popular. It is effective and can be as cheap or expensive, that you want it to be. It is used to support other marketing or it can be the only marketing forum. There are different

kinds of online marketing. One is marketing in social media, like Facebook. Facebook has millions of user and has lots of different opportunities to advertise. It is free to use, but there is also a possibility to have paid ads, which will increase your visibility. There should be plan, how to do marketing in social media, because without it, it can be less effective. This method varies a lot of other methods, because while using this, you need to be active yourself it to be effective. (Queensland Government, 2014)

2.3 Maintaining of customer relationships and generating new ones

Modern marketing focuses on maintaining of old customer relationships, which is more profitable than gaining new ones all the time. Marketing is customer oriented and targeted separately to old customers and new customers. Gaining new customer relationships is also important, which will guarantee, that the company can grow. (Bergström, Leppänen, 2007, 247)

The company can maintain and take care of its old customer with many different ways. There can be one-to-one marketing, which means that the company gives for example bigger discounts for few carefully selected customers. The company can send newsletters to customers or invite them into events for regular customers. This needs gathering of contact information from customers. If the company doesn't do that, there are different kinds of regular customer -systems, where the contact information aren't needed. For example there can be stamp card- systems or they can give vouchers to the customers. When marketing is focused on individuals or small groups, it will satisfy those customers' needs better. (Bergström, Leppänen, 2007, 247-249)

Gaining new customers can be hard, especially because there are different kinds of new customers. Possible customers are those, who haven't been buying from whom and who are hardest to get. Then there are those people, who have bought you only ones or twice, random customers. They are easier to get buy more with right targeted marketing. Former customers can also return to buy from you, for example if you

will give them good enough deals. Every group needs right targeted marketing and gaining new customers can be hard, so it is crucial to remember to value every customer. (Bergström, Leppänen, 2007, 253-254)

2.4 Customer satisfaction

Customer satisfaction means that the customers are happy and pleased with the products and services that are provided. It is crucial for any company. The customers will buy more or more often, when they are satisfied. It is helpful to do a customer satisfaction survey or other questionnaire, to measure the level of the satisfaction of the customers. After you got the results of the survey, you will know what you have to do to please your customers. (Reh F John, 2014) (Business case studies, 2014)

Companies can improve customers' satisfaction level by anticipating their needs, improving responsiveness and delivering consistent service. Companies need to make it easy for customers to do business with them. By providing what customers need, it will improve their satisfaction towards the company. (Astea, 2014)

3 QUANTITATIVE AND QUALITATIVE RESEARCH

Quantitative and qualitative research methods are introduced in this chapter. They are methods that were used in the customer satisfaction survey that was conducted in Sinooperi Homestore Pori.

3.1 Quantitative research method

Quantitative research is all about hard facts and mathematical statistics and the customer satisfaction survey is one method, which is used in quantitative research.

The customer satisfaction survey is a structured closed questionnaire and the participants are given choices to answer. There need to be enough given answers, which will guarantee the objectivity of the answers and eliminate errors. Truthfulness of the answer is a basic presumption. Quantitative research is based on random sample, not selected participants. (Willis Kate, The Marketing Donut, 2014) (Tilastokeskus, 2014)

Quantitative research method answers mostly to the questions how many, when and where, and it is repeatable from time to time. Customer satisfaction surveys' results from different times are comparable. That will tell which way customer's opinions are moving. (Anderson John D. 2006)

3.2 Qualitative research method

Qualitative research subjective and use different methods to collect information than quantitative research method. When using this method in customer satisfaction survey, the questions are open, so there are no choices to answer. The questions can also vary between the participants, depending on various answers. Qualitative research method answers to questions why and how. And the analysis is based on coding and transcribing. (Tilastokeskus, 2014)

The participants are carefully chosen for to answer and the truthfulness of the answers is not important. The results are analyzed by identifying participant's opinions, feelings and perceptions. It is important, that the person, who is conducting the customer satisfaction survey, doesn't mix her/his own feelings and believing with the participants. (Tilastokeskus 2014) (Anderson John D. 2006)

3.3 Customer satisfaction survey

Best way to find out, what the customers are think about the company, is to do a customer satisfaction survey. First you need to think about what you would like to

know. The questions need to be chosen carefully. Also when, how and how often you ask these questions is important, but the most important thing, is what you do with the results of the customer satisfaction survey. (Reh F. John, 2014)

There are many ways to do a customer satisfaction survey and you need to think the best way for you. You could do it by phone, email or by face-to-face. If you want to do it by phone or email, you will need to collect your customer's contact information and you will need permission to use them. Face-to-face is an easy way to do it and this method was chosen, when conducting the customer satisfaction survey in Sinooperi Homestore Pori. (Reh F. John, 2014)

Also the timing, when to do the survey, is important. The experience needs to be fresh in memory that the customer wouldn't mix you up with your competitor for example. To get the way, where customer's opinions are moving, you should conduct a survey often enough, but not too often, that you don't upset your customers. (Reh F. John, 2014)

The customer satisfaction survey was conducted by the author of this thesis in Sinooperi Homestore Pori. The author went to the store at three different weekdays at December at 2012 and asked if people liked to participate. They had also an opportunity to participate to a lottery, where they could win 50 euros gift card to the store. Most of the people filled up the survey by themselves, but some people, especially older ones, asked if the author could write their answers down. She tried her best not to affect to the participants' opinions. There were also a place in the store to fill the survey up while she wasn't in the store.

The author got 98 answers, which accounted for 93,33% from all given answers and 7 persons, accounted for 6,67% gave the answers to the cashier while she wasn't at the store. The total amount of given answers were 105. There were 18 questions at the survey, most of them closed questions, but there were couple of open questions too. After those were question for the lottery. You can find the attached survey at the end of this thesis at appendix 1. It was conducted in Finnish, but for this thesis, it was translated in English.

4 ANALYSIS OF THE CUSTOMER SATISFACTION SURVEY

This chapter introduces the analysis of the customer satisfaction survey that was conducted in Sinooperi Homestore Pori. The goal was to get their customers' opinions about the store.

4.1 Basic information of the participants

The first four questions in the survey were about the customer's basic information; age, sex, how often they visit in the Sinooperi Homestore Pori and what they most often buy. There were total of 105 participants and 93 of them were female, accounting for 88,57%. There were 12 males, accounting for 11,43% of all participants. You can see it in figure 1 below.

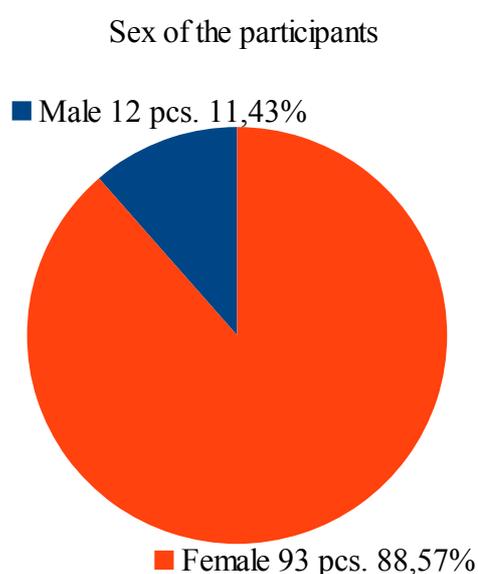


Figure 1. Sex of the participants.

This tells, that Sinooperi Homestore Pori should focus targeting men more. It is known, that women like more crafting and decorating, so Sinooperi Homestore Pori should bring more products suitable for men's taste in their selection. For example having products that have something to do with cars. Because Sinooperi Homestore

Pori has cleaning products, they could expand into car cleaning products for example.

The customer's ages weren't divided into segments, because the author wanted their accurate ages. Then it was possible to calculate their average and the median age of the participants. Average and median are widely used terms in this thesis. They both mean a number, which is the central value in a specific set of data, but are calculated little bit different ways. Average is calculated by dividing the sum of the values in the set by their numbers and median is the exact midpoint of the observed values. (Oxford Dictionaries 2014)

The average age of the participants was 42,46 years and the median being 39 years. The youngest participant was 11 years old and the oldest one was 80 years old so the age variation of the customers was huge. Sinooperi Homestore Pori's marketing segment based on age is wide and it may cause difficulties when choosing the right way to do marketing, but otherwise it is not problematic.

The Third question in the survey was about how often the participants visit in the Sinooperi Homestore in Pori. The answers were divided into five sections being "Daily", "Once a Week", "Once a Month", "Once every six Months" and "I don't know". 41 participants answered "Once a Month", it being the biggest segment accounting for 39,05%. Only 6 participants, accounted for 5,71% visited the store daily. You can see the percentages and the amount of given answers in figure 2.

This tells, that Sinooperi Homestore Pori has regular customers, but like in section 2.3 maintaining the old customer relationships is important, they need to try to get those random customers visit more often. It can be done by asking if they would like to have the stamp card that is introduced in section 5.3 for example.

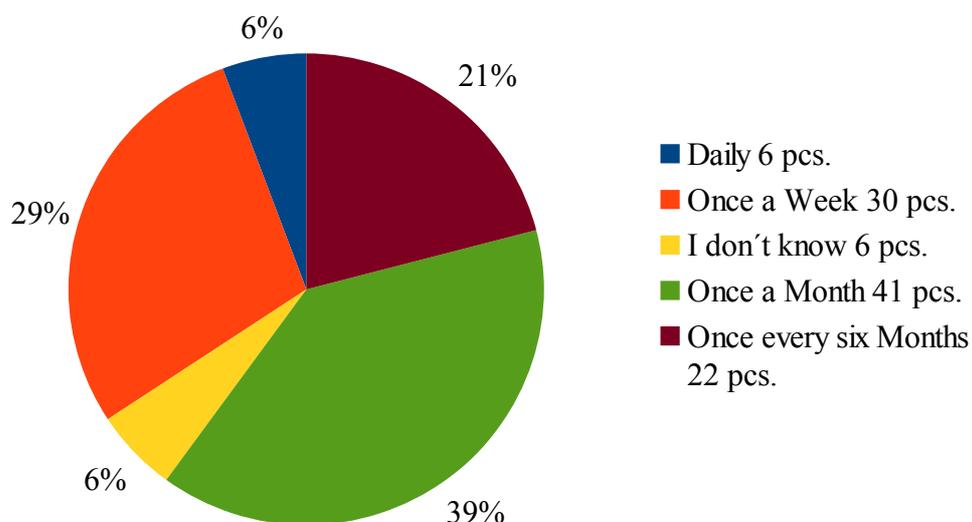


Figure 2. How often the participants visit the Sinooperi Homestore Pori.

The next question was "What do you buy most often from Sinooperi Homestore Pori?" and there were no answer options. The answers were divided into three categories, "Decoration", "Crafting" and "Both", because in the store everything is divided between decoration and crafting. It made easier to process the answers. Most of the participants, 52 pcs as in 49,52% answered something from decoration sector and 32 participants accounted for 30,48% answered that they buy from crafting sector. 20% as in 21 participants said that they buy from both sectors. You can see it in figure 3 below.

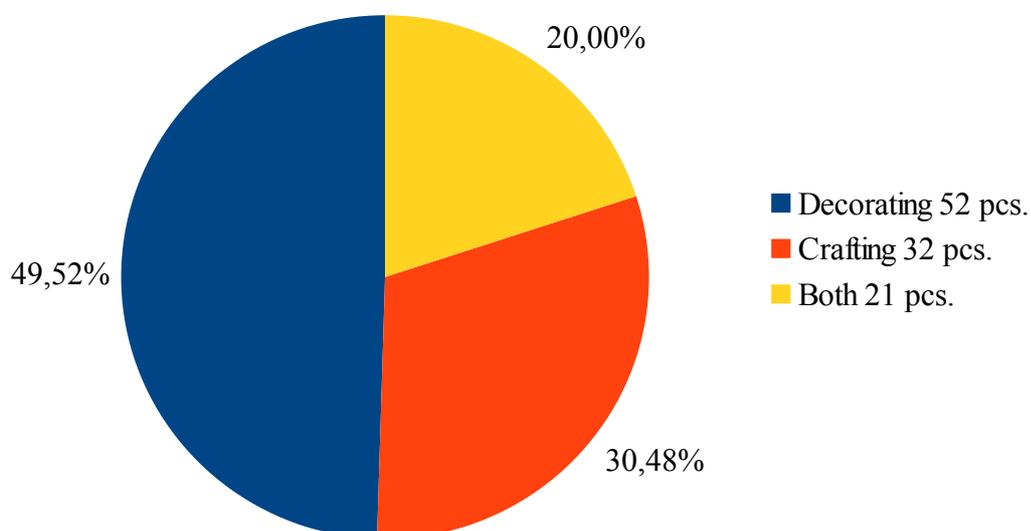


Figure 3. What participants most often buy from Sinooperi Homestore Pori.

Sinooperi Homestore Pori should get their customers to buy from both sections and this is solved in section 5.1. Also customers buy less from crafting section than decorating section, so this tells us, that Sinooperi Homestore Pori could for example expand their crafting section and make it more attractive to raise its sale.

4.2 Appearance of the store

The next questions were about the actual store, how people see it, and can they find what they are looking for. To the question "How is the appearance of the store?" there were six different choices to answer. I used school grades from 0 to 5 to get the participants' satisfaction level meaning 0 = "I don't know", 1 = "Bad", 2 = "Satisfying", 3 = "Fair", 4 = "Good" and 5 = "Excellent".

70 participants accounting for 66,67% gave grade 4, it being the biggest sector. Only 1 participant being 0,95% of all participants gave grade 1. Everybody had some kind of opinion of the appearance, because nobody answered 0 which means "I don't know". In figure 4 below you can see the percentages and the amount of given answers.

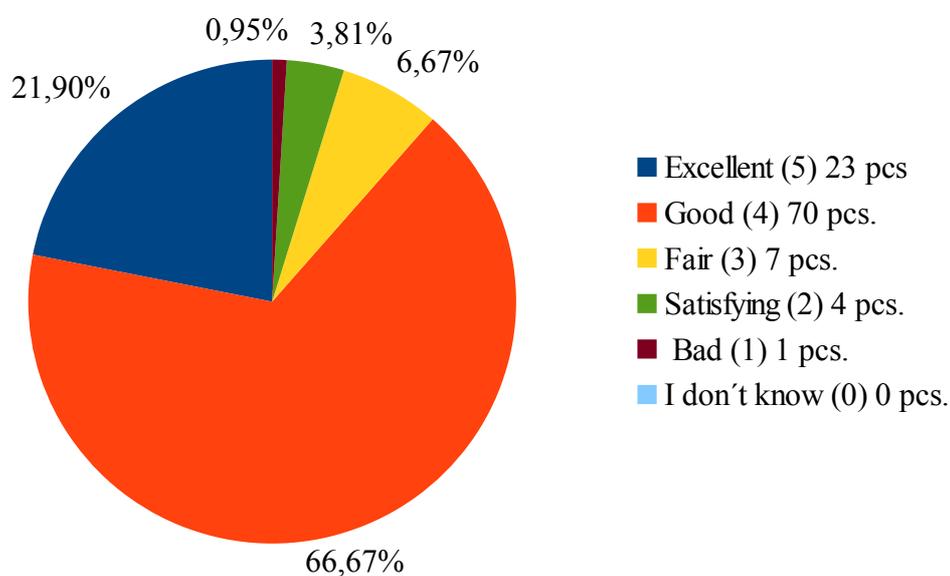


Figure 4. How is the appearance of the store?

There were follow-up question for those who gave grade 1 or 2 for the appearance of the store. The question was how they would make better the appearance and there were 4 answers to this question and all of them were quite similar. They wanted more loose space and more centralizing in the appearance. You can see the answers in figure 5 below.

| Participant | Comment |
|---------------------|---|
| 66 years old female | <i>"Centralising and grouping the products"</i> |
| 49 years old female | <i>"More space"</i> |
| 20 years old female | <i>"Tight"</i> |
| 61 years old male | <i>"More loose space"</i> |

Figure 5. Answers to the follow-up question.

The average grade was 4,05 so the customers are pleased with the appearance, but of course there is always something to improve. Like in figure 5 customers said that more space would be nice, Sinooperi Homestore Pori could expand or make renovations.

The next question was about how well the participants find the product they are looking for. The school grades were used again to evaluate the answers, from 0 to 5. 65 participants gave grade 4 accounted for 61,9% and only 1 participant gave 1, accounted for 0,95%. You can see the percentages and the amount of given answers in figure 6 below.

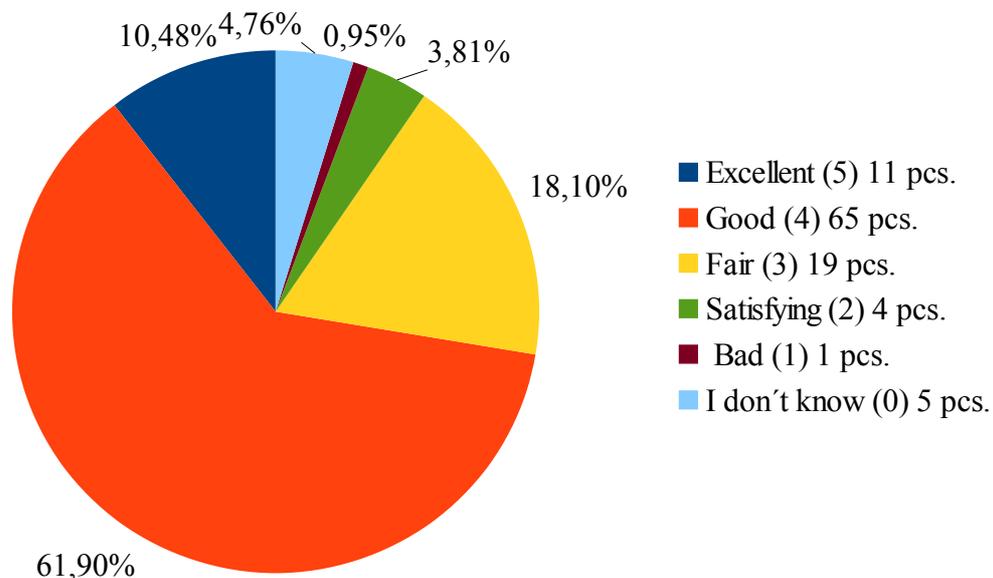


Figure 6. Did you find what you were looking for?

There were follow-up question asking what the participants were looking for, if they didn't find it. There were 7 answers and they were varying. Only 5 participants gave grades 1 or 2 for the question how well they find products in the store. So it means even if they didn't find what they were looking for, they gave good grade. Actual answers you can see in figure 7 below.

| Participant | Comment |
|---------------------|-------------------------------------|
| 70 years old female | "Package cards, small things" |
| 39 years old female | "Stickers for ceramic tiles" |
| 66 years old female | "Variates" |
| 18 years old female | "Paint for face" |
| 22 years old female | "Coloured pencil in single package" |
| 63 years old male | "Straws" |
| 23 years old male | "Big frames" |

Figure 7. Given answers for the follow-up question.

4.3 The quality of the crafting section

The next questions were about the crafting products and their quality. The participants were also asked if they wanted something new or how they would improve the crafting section. In the first question, participants were asked to give a grade from 0 to 5 like before for 5 different crafting sections for easier processing. The sections were "Jewelry parts", "Children's products", "Papers", "Glues" and "Painting products". In figures 9-13 below you can see the percentages and the amounts of the given grades in every section.

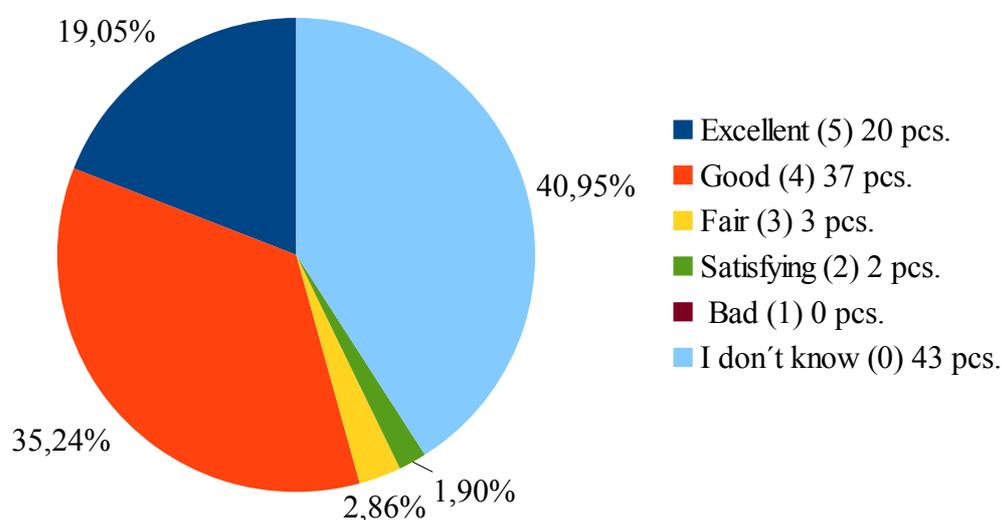


Figure 9. Jewelry parts.

19,05% gave grade 5 and 35,24% gave grade 4. Only 2,86% gave grade 3 and 1,90% gave 2. Nobody gave grade 1, but what was surprising, 40,95% said that they don't know. It was biggest segment and Sinooperi Homestore Pori should do something about this. For example they could market jewelry parts more, make some campaign or competition, where the customers need to make their own jewelry and then other could vote, which is best one and that would win a prize. Better location in the store could help too. Those who answered, were pleased and the average grade was 2,49.

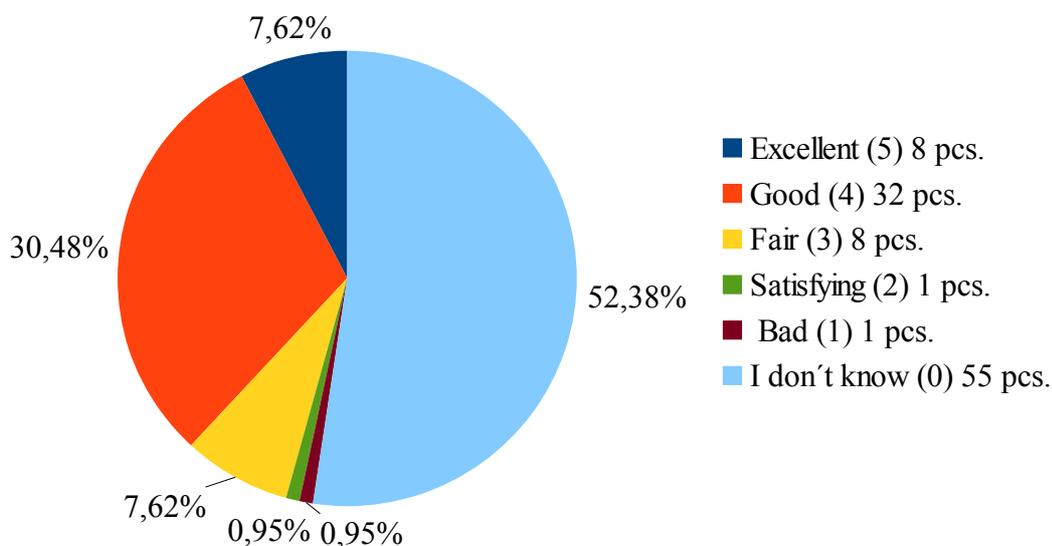


Figure 10. Children's products.

52,38% answered to this question, that they don't know. It was the biggest segment, but it can be explained, that not so many customers need children's products or that they don't think that Sinooperi Homestore Pori is a place where you could buy toys. Those you answered, were quite satisfied, because 7,62% gave grade 5 and 30,48% gave grade 4. 7,62% gave 3 and only 0,95% gave 1 and 2. Sinooperi Homestore Pori could think, if they want to be noticed as that place, where you can also buy toys and act after that decision. The average grade was only 1,86.

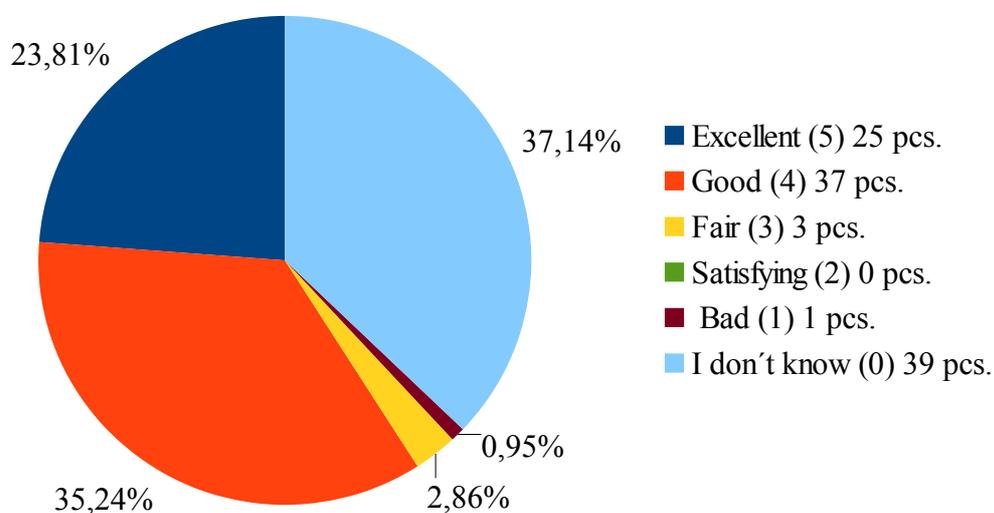
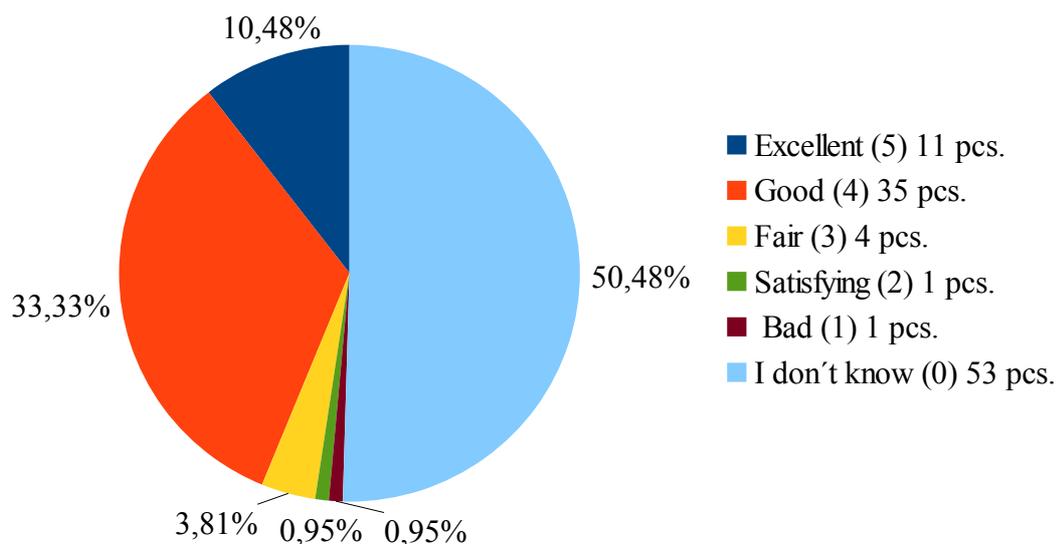


Figure 11. Papers.

Papers were more known, 37,14% answered that they don't know and it can be explained by those customers that only by from decorating section. 23,81% gave grade 5 and 35,24% gave grade 4. Only 2,86% gave grade 3 and 0,95% gave 2 and 1. The average grade was 2,7.

**Figure 12. Glues.**

50,48% answered that they don't know anything about glues and it can also be explained by those customers that only by from decorating section. 10,48% gave grade 5 and 33,33% gave grade 4. Only 3,81% gave grade 3 and 0,95% gave 2 and 1. The average grade was 2.

52,38% answered that they don't know anything about painting products and it can also be explained by those customers that only by from decorating section. 13,33% gave grade 5 and 31,43% gave grade 4. Only 1,90% gave grade 3 and 0,95% gave 1. Nobody gave grade 2. The average grade was 1,99.

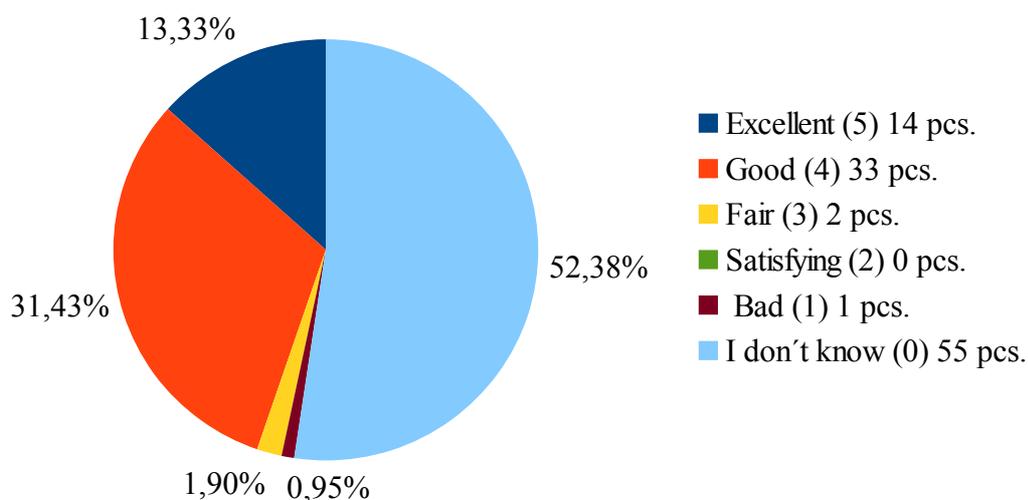


Figure 13. Painting products.

The next questions were how the participants would improve the crafting section and what kind of new products they would like to have. First one was a follow-up question for those, who gave 1 or 2 for any crafting section but nobody answered it. 18 participants accounted for 17,14% answered to the second question. From below in figure 14 you can see the actual answers.

| Participant | Comment |
|---------------------|--|
| 24 years old female | "Clarification of the product range" |
| 35 years old female | "Pearls and more jewellery parts" |
| 48 years old female | "Pearls" |
| 65 years old female | "Half-made paper hearts" |
| 27 years old female | "Products from Tilda" |
| 75 years old female | "Threads and ball of yarns" |
| 66 years old female | "Painting products, papers, paints" |
| 62 years old female | "Everything new is always good" |
| 18 years old female | "More bigger things" |
| 22 years old female | "Coloured pencils in single package and aquarelle colours" |
| 63 years old male | "Leather for crafting" |
| 20 years old female | "Coal pencils" |
| 56 years old female | "Pearls" |
| 20years old female | "Alphabet stickers" |
| 52 years old female | "Children's products" |
| 38 years old female | "Products from Tilda" |
| 31 years old female | "Flowers for crafting" |
| 17 years old female | "Just more different kind of products" |

Figure 14. The answers for question "What kind of new crafting products would you like to have?"

This tells us, that Sinooperi Homestore Pori should always expand their product selection and these answers give precious information what the customers actually want to have. If Sinooperi Homestore Pori gives them what they want, they are more pleased and will buy more and more often.

4.4 The quality of the decorating section

The next questions were about the decorating section and its products' quality. The participants were also asked if they wanted something new or how they would improve the decorating section. In the first question, participants were asked to give a grade from 0 to 5 like before for 5 different decorating sections for easier processing. The sections were "Kitchen's decoration", "Clocks", "Pillows", "Candles" and "Seasonal products". In figures 15-19 below you can see the percentages and the total amount of the given grades in every section.

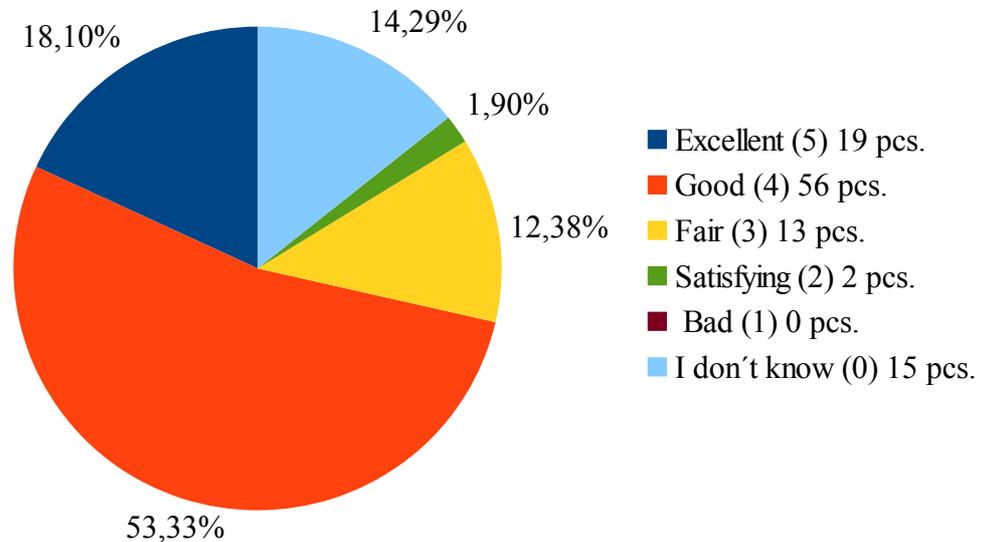


Figure 15. Kitchen's decoration.

Kitchen's decoration got good grades and most of the customers answered to this question, only 14,29% answered, that they don't know. 18,10% gave grade 5 and 53,33% gave grade 4, which was the biggest segment. 12,38% gave grade 3 and only

1,9% gave grade 2. Nobody gave grade 1. The average grade was 3,45, which tells us that the customers are pleased.

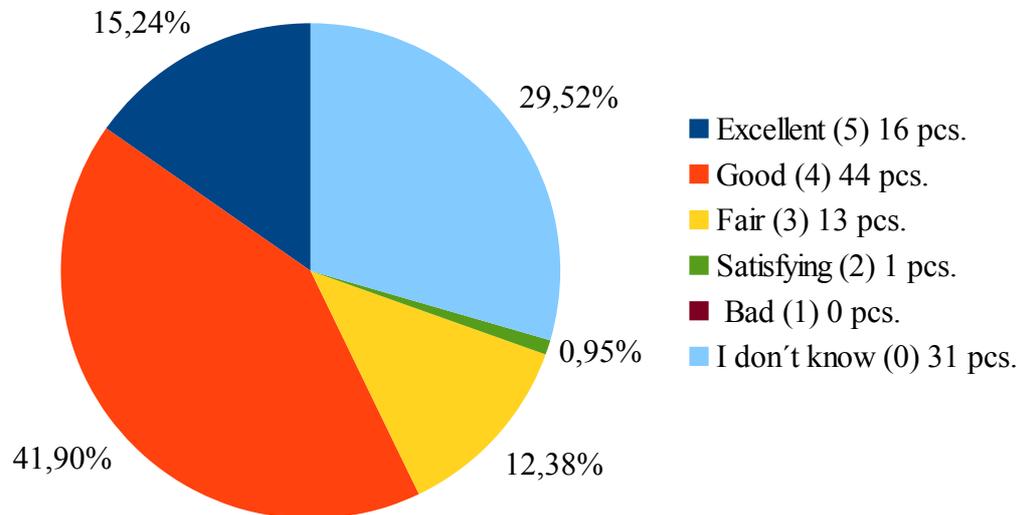


Figure 16. Clocks.

15,24% gave grade 5 and 41,90% gave grade 4. 12,38% gave grade 3 and only 0,95% gave grade 2. Nobody gave grade 0 and 29,52% said, that they know nothing about the clocks. The average grade was 2,83, which could be better.

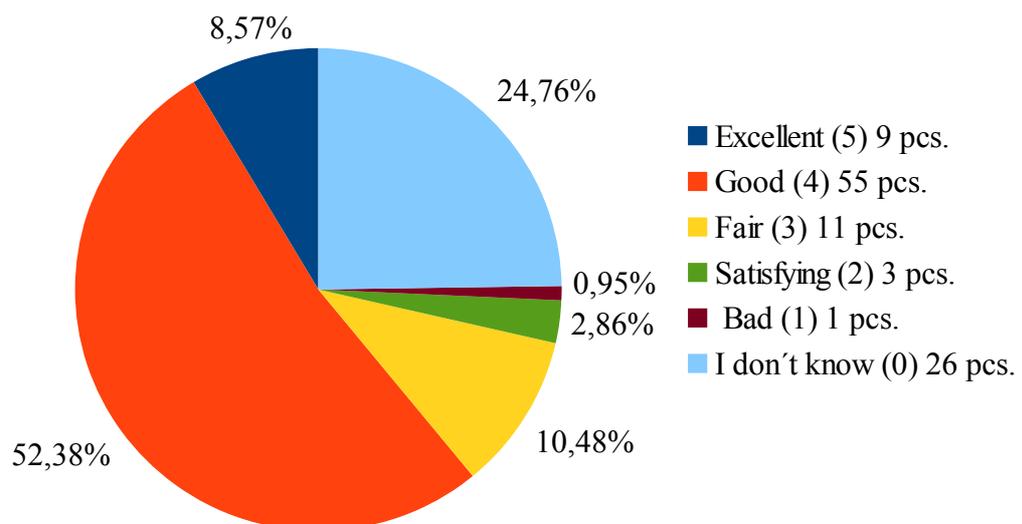


Figure 17. Pillows.

32,38% gave grade 5 and 54,29% gave grade 4. 3,81% gave grade 3 and only 1,90% gave grade 2. Nobody gave grade 0 and only 7,62% said, that they know nothing about the candles. The average grade was 3,94, which was the highest. This tells us, that clearly the candles are most popular products in Sinooperi Homestore Pori.

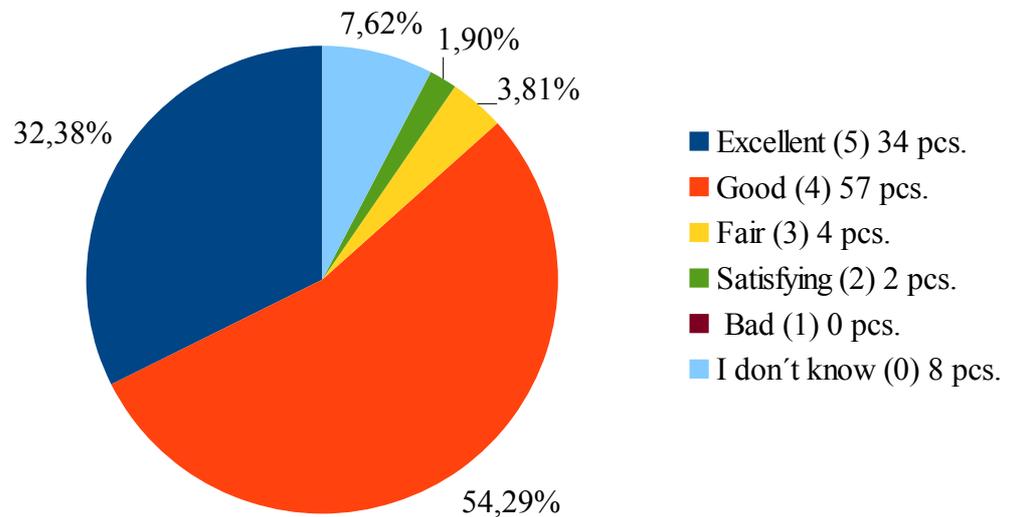


Figure 18. Candles.

Seasonal products, like Christmas products, got good grades too. 21,90% gave grade 5 and 62,86% gave grade 4. Only 4,76% gave grade 3 and 0,95% gave grade 1. Nobody gave grade 1. Only 9,52% answered that they don't know about seasonal products.

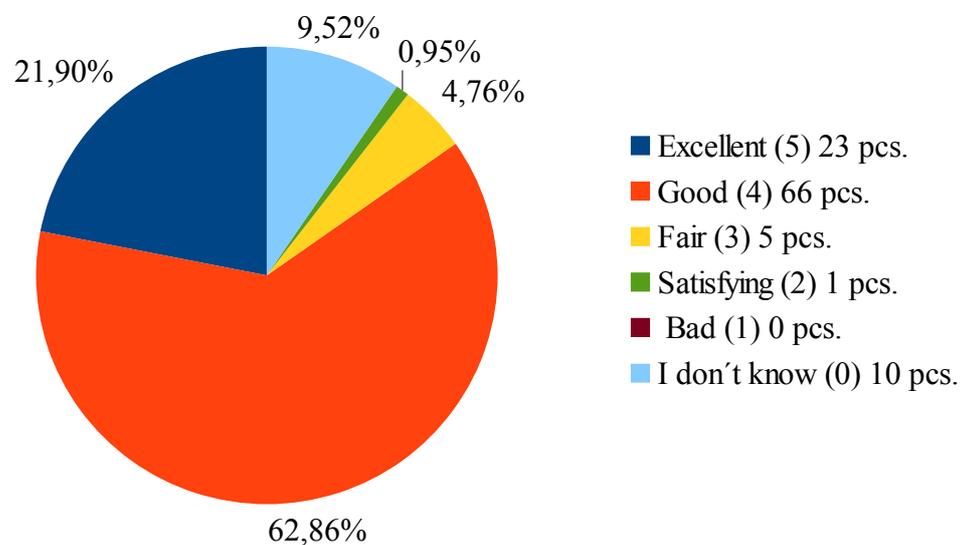


Figure 19. Seasonal products.

The next questions were how the participants would improve the decorating section and what kind of new products they would like to have. First one was a follow-up question for those, who gave 1 or 2 for any decoration section but only three participants answered it. 19 participants answered to the second question. One participant answered to both questions same thing so together there were 21 participants, accounted for 20,95%. In figure 20 you can see the actual answers.

| Participant | Comment |
|---------------------|--|
| 24 years old female | "More clocks" |
| 28 years old female | "Bedcovers" |
| 75 years old female | "Textiles" |
| 34 years old female | "More pillows" |
| 65 years old female | "Teacups" |
| 38 years old female | "Dressers" |
| 39 years old female | "Stickers for ceramic tiles" |
| 19 years old female | "Pillows" |
| 31 years old female | "Napkins" |
| 66 years old female | "Bigger selection of everything" |
| 62 years old female | "All unordinary" |
| 18 years old female | "More quality looking products" |
| 20 years old female | "Bathroom's decoration" |
| 61 years old male | "More quality looking products" |
| 31 years old female | "Children's products" |
| 50 years old female | "Pillows" |
| 64 years old female | "Machine for slicing eggs" |
| 31 years old female | "Paintings" |
| 17 years old female | "Old-fashion products, light colored products" |
| 17 years old female | "Decoration stickers" |
| 52 years old male | "Magazines, car products" |

Figure 20. The actual answers for the follow-up questions for decoration section.

Like in section 4.3 Sinooperi Homestore Pori should also expand their selection in decorating section. Figure 20 tells us valuable information and Sinooperi Homestore Pori should think about executing these wishes.

4.5 Quality-price ratio

The next question in the survey was about the price level. The participants were given four choices to answer. The choices were 1 = "Expensive", 2 = "Fair", 3 = "Cheap" and 4 = "I don't know". Below you can see the percentages and the amounts of every given grade for the price level in figure 21.

62,86% of participants gave grade 2 for the price level, 30,48% gave 3 and only 3,81% gave 1. 2,86% gave 0 meaning they didn't know what to think of the price level. This tells us, that the price level is mostly okay. No company wants to be marked expensive or cheap, neither is good for imago.

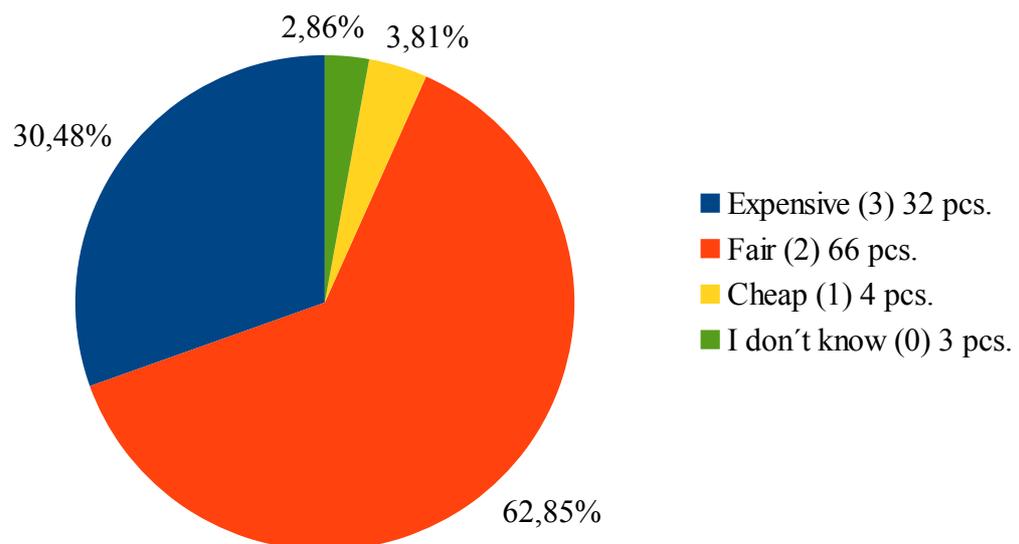


Figure 21. Price level.

The next question was about the overall quality of the products in the store. The school grades from 0 to 5 were again used to process the participants' answers. 69 participants, accounted for 65,71% gave grade 4 for the overall quality and only 3 participants, accounted for 2,86% gave 0, so they didn't know what they think about the quality. Nobody gave 1, which was the worst grade. You can see the percentages and the total amount of every given grades in figure 22 below.

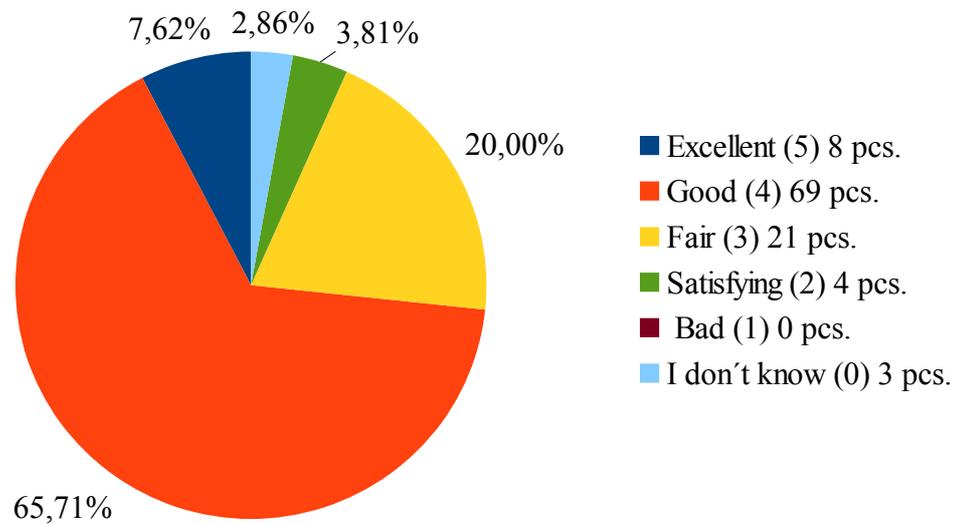


Figure 22. Overall quality.

The overall quality of the products is good and in line with the price. There doesn't seem to be any problem at pricing the products, so Sinooperi Homestore Pori has to do nothing about it.

4.6 Customer service and the competitors

The next question was "Which companies do you think are Sinooperi's competitors?" and there were no options to choose. Some participants gave more than one answer. 39,05% as in 41 participants didn't answer to this question and from those who answered (64 participants answered), 42 participants, accounted for 65,63% answered that the competitor is Tiimari. Tiimari is, or actually was, because it went bankrupt after Christmas 2014 in Finland (Tiimari Oy 2014), but at the time this survey was made, it was really big chain that sold crafting and decorating products. In figure 23 below you can see the given answers and the percentages. The percentages have been calculated with 64 participants, who gave an answer.

| Competitor | pcs. | % |
|-------------------------------------|------|-------|
| Tiimari | 42 | 65,63 |
| Sinelli | 3 | 4,69 |
| Sokos | 3 | 4,69 |
| Tokmanni | 9 | 14,06 |
| Vitriini | 2 | 3,13 |
| Hemtex | 2 | 3,13 |
| Masku | 1 | 1,56 |
| Talousmarkka | 1 | 1,56 |
| Anttila | 6 | 9,38 |
| Vapaavalinta | 1 | 1,56 |
| Ikea | 1 | 1,56 |
| Prisma | 1 | 1,56 |
| Hongkong | 1 | 1,56 |
| Pentik | 1 | 1,56 |
| Taitoshop | 1 | 1,56 |
| Internet | 1 | 1,56 |
| Other crafting and decoration shops | 4 | 6,25 |
| Department stores | 3 | 4,69 |
| Candle shops | 1 | 1,56 |
| Furniture shops | 1 | 1,56 |
| No competitors | 2 | 3,13 |

Figure 23. The amount and the percentages for the question about the competitors.

The list of competitors was wide, but Sinooperi Homestore Pori doesn't have to worry about them. Especially now, because there is no more Tiimari. Sinelli might rise to be the biggest competitor. Sinooperi Homestore Pori should also think about their imago little bit more, because nobody wants be compared with Hongkong for example, because their reputation is bad.

The next 4 questions were all about customer service. For the first three questions there were three different choices to answer. 1 = "Yes", 2 = "No" and 0 = "I don't know". First one was "Did somebody say hello to you when you came in to the store?". From below in figure 24 you can see the percentages and the total amount of every given answers to the question.

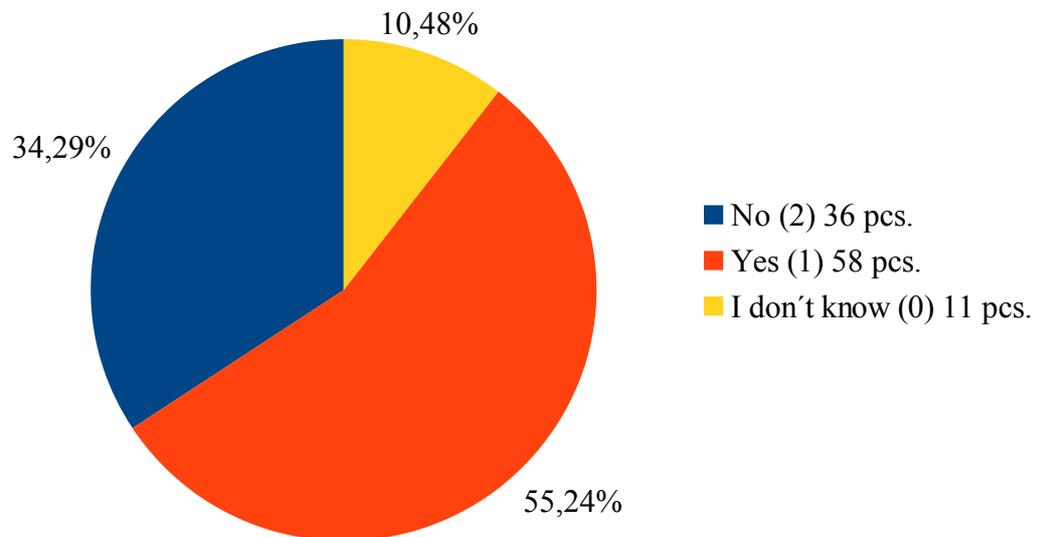


Figure 24. "Did somebody say hello to you when you came in to the store?".

55,24% answered yes and 34,29% answered no to this question. 10,48% didn't know whether the personnel said hello or not. There seems to be need for improvement in this case. The personnel of Sinooperi Homestore Pori should always take care of that they say hello to every customer that comes in to the store. It is important, that the customers feel, that they are welcomed.

The second question was "Did you get service?". From below in figure 25 you can see the percentages and the total amount of every given answers to the question. 79,05% answered, that they get service and 8,57% answered, that they didn't get service. 12,38% said, that they don't know whether they got service or not. It is important, that the personnel of Sinooperi Homestore Pori always give service. If they don't, the customer will go somewhere else to get service.

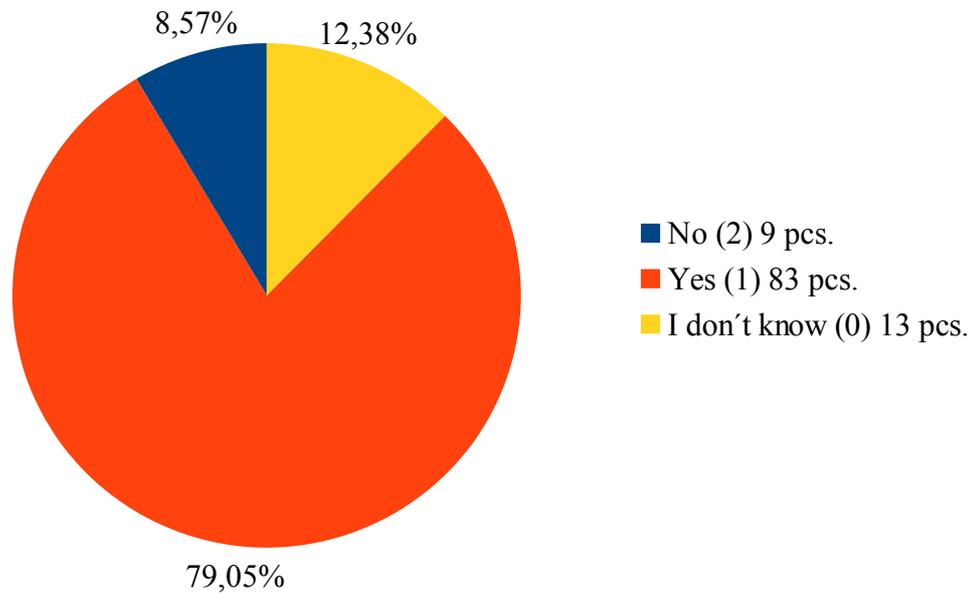


Figure 25. "Did you get service?"

The third question was "Did the salesperson give you an answer to your questions?". From below in figure 26 you can see the percentages and the total amount of every given answers to the question. 72,38% said, that the salesperson gave answer and only 2,86% said no, they didn't give an answer. 24,76% said, that they don't know, if they got an answer. It is important, that the personnel of Sinooperi Homestore Pori are always educated well, so they can answer to the customers' questions.

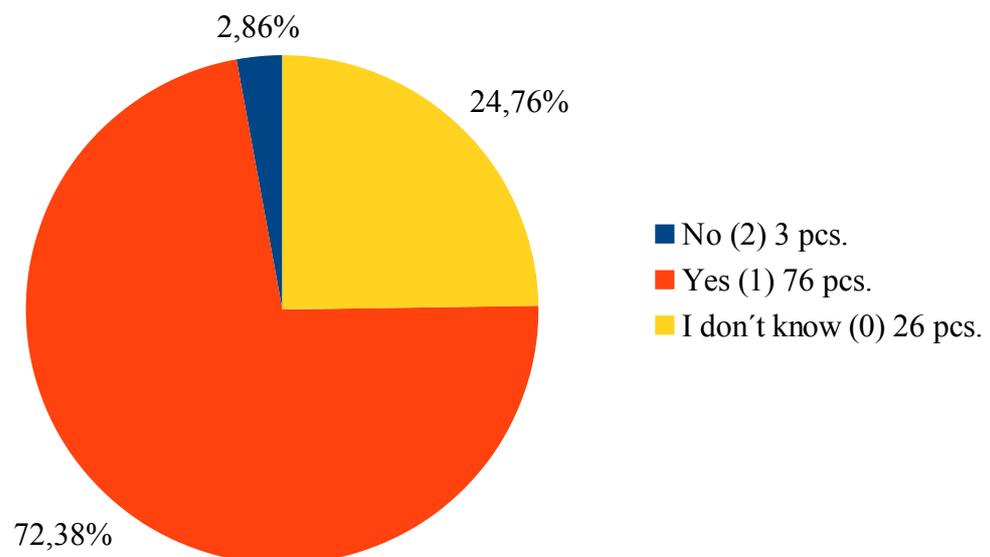


Figure 26. "Did the salesperson give you an answer to your questions?"

In the fourth question the participants were asked to give an overall grade for the customer service. The choices were from 0 to 5 like before. In figure 27 you can see the percentages of every given grade and the actual amounts.

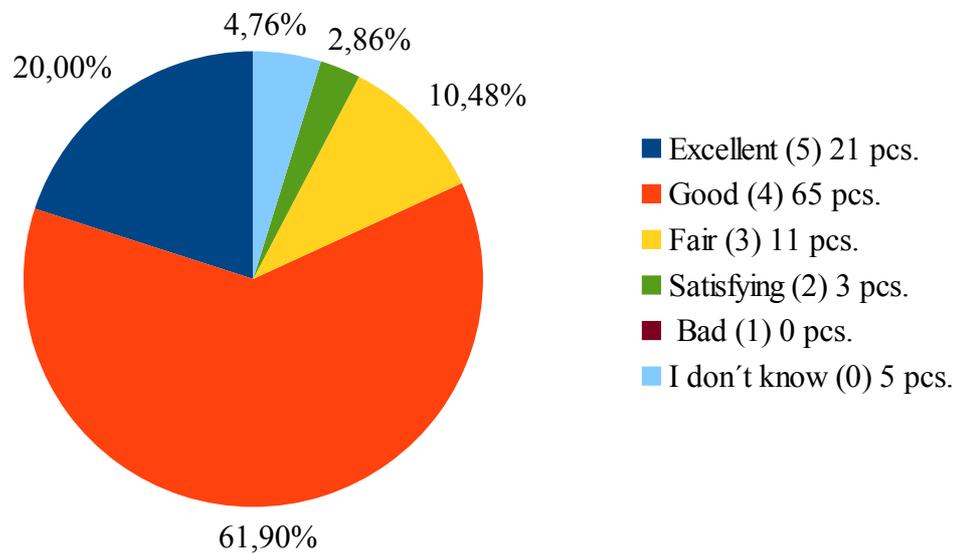


Figure 27. Grades for the customer service.

The customer service of Sinooperi Homestore Pori got good grades from the customers. 20% of customers gave grade 5 and 61,90% gave grade 4. 10,48% gave grade 3 and 2,86% gave grade 2. Nobody gave grade 1. Only 4,76% said, that they don't know about the customer service. The average grade was 3,84.

5 IMPROVING IDEAS

This chapter introduces the improvement ideas for Sinooperi Homestore Pori, based on the discoveries from the customer satisfaction survey and its answers. Overall the answers were good, but still there are areas that need improvement. The author of this thesis has made these recommendations based on the theories at the beginning of this thesis.

5.1 Bringing crafting and decorating together

While conducting the customer satisfaction survey, it was noticed, that everything is divided between crafting and decoration, which also divided the customers. Those who bought crafting products didn't most often even look decoration products and vice versa. This turns out in section 4.1 "Basic information of the participants" in the question what would they most often buy. Only 20% answered, that they buy from both sections.

In sections 4.3 and 4.4 where were questions about the quality of decoration and crafting sections and how the participants would improve them, they most often wanted more products and clearer selection of products and more organized store. The products have been placed by groups into the store. Other side has all crafting products and the other side has all the decorating products. This increases that the customers will only look one or other side of the store.

It is important, that the products are well organized by the groups, but the lay-out in the store could use little bit mixing up, which would force the customers to look both decoration and crafting products, which would increase the sale.

(Martin Brian 2012)

This all gave an idea to the author. Why divide customers to those, who will buy crafting and those, who will by decoration, when you could bring them together. The author recommends, that Sinooperi should sell more "Do it yourself" -decoration products. They would be half-made products, that you could finish yourself the way you liked most. That would attract people, who are into crafting, but not decoration to buy more decoration products. It would also be easy introduction to the crafting, for those people who likes decoration, but haven't been buying crafting products. It would increase the sale of the crafting products.

First product was Do it yourself – egg cup and Sinooperi Homestore Pori organized a competition to get attention to it at April 2013. The egg cup was just a brown ceramic cup and the customers were asked to decorate it with a way that they liked. Then they

were asked to send a picture of the cup and Sinooperi put the pictures in their Facebook pages and the cup, which got most likes, would win.

The competition had only four participants, but more egg cups were sold. The competition pictures got 44 likes in Facebook, which was quite good. The winner got 25 likes and won a surprise award. Even if there were not many participants in this competition, it got attention and interest and Sinooperi Homestore Pori was happy. (Sinooperi Homestore Pori's Facebook Page, 2014)

After this competition, there has been more Do it yourself -products, for example flowerpots, wood boxes, paintable dishcloths and bags. Their sales have been good, especially they are popular gifts for example for Mother's Day. (Rimpelä Susanna, 2014)

5.2 Marketing suggestions for Sinooperi Homestore Pori

Like in section 2.2 was written marketing is crucial for the company. With right targeted marketing, Sinooperi Homestore Pori's sales will raise. Also, the way to do it crucial, because there are so many different kinds of channels to market. Sinooperi Homestore Pori shouldn't do too big and expensive marketing, because it is pointless. Most of their customers are from Pori and Satakunta region, so nationwide ads on TV or magazines are out of question.

Sinooperi Homestore Pori should use Satakunnan Kansa, which is a local newspaper, that covers whole Satakunta region and its accessibility is 88% in a week. The costs aren't too big, of course it depends what kind of add you would like to put in the magazine. For example 99 x 134 mm size adds in the add page in the news section, which would appear at Tuesday and Friday would cost 465 euros. The same add in Helsingin sanomat newspaper would cost at least 1620 euros. (Satakunnan Kansa, 2014) (Helsingin Sanomat, 2014)

Marketing in social media like in Facebook is very effective and free nowadays. It catches up with hundreds of people, potential customers. Sinooperi Homestore Pori

should mostly focus their marketing online. They should point a Facebook corresponded (Which they actually did), whose job is to update their Facebook pages. There are no more costs than the normal salary of the employee.

It is also possible to make adds on Facebook, which would cost, but I don't see it is necessary, because the free ones works just fine. But you need to be active in the social media. The corresponded should update pictures of new products, sales information or other notes, which would interest customers. Also Facebook is really good place to inform about competition etc, like they did with the Do it yourself -egg cup. It is easy way to gain likes, which will grow the visibility among customers.

5.3 Specials for old loyal customers

Like in section 2.3 it is easier to maintain old customers then get new ones all the time. That's why Sinooperi Homestore Pori should reward their old customers someway. One easy, cheap way is to give a card, where you will get collect stamps. For example a customer will get one stamp for every 10 euros she/he spends in the store and after 10 stamps the customer will get 15 euros discount at next time.

This system doesn't cost much for Sinooperi Homestore Pori, because they don't need to do fancy computer program for this. Only costs are making the paper cards and getting stampers. For crafting store, those are minimal costs. Of course there will be the 15 euros lost, but it is not much considering that to get it the customer needs to spend 100 euros first. The stamp card system will encourage customers to buy more even if they didn't need all the products.

In the customer satisfaction survey, there were a question if Sinooperi Homestore Pori could use their contact information for marketing and 36 participants, accounted for 34,28%, said yes. You usually get so much email for example, that most people doesn't want any more. But this indicates that there is a demand for newsletter for example. Sinooperi Homestore Pori could send once a month a newsletter to old loyal customers to inform them about new products and give them 10% discount for example.

5.4 Online store for S. Hobby Oy

This is not directly for Sinooperi Homestore Pori, but would benefit them too. Like in section 1, S. Hobby Oy is the background company in Sinooperi Homestore Pori and 8 other Sinooperis in Finland. S. Hobby Oy alias Sinooperi has its own webpages for all Sinooperi stores, but they don't have an online store. There is no point just open online store for Sinooperi Homestore Pori, but opening one for the whole company would be good idea.

Their biggest competitor Sinelli has one, which gives them huge advantages, because there are not many crafting stores in Finland, especially those, who has an online store. The online store would cover those areas, that doesn't have Sinooperi store in them. Sinooperi could make similar online store then Sinelli. There are many different features in Sinelli's online store. For example, when putting a product in to the shopping basket, there are different choices you can made about the size and the color of the product. (Sinelli, 2014)

The cost for the online store depends on what kind of store Sinooperi would like to have. If they would like to start with low costs and little work, they could use almost ready base for the online store. There are several companies, like MyCashflow, Kotisivukone and Vilkas that sell those programs and MyCashflow is one the easiest to use. There are different kinds of bases, the first one is free, but has many limits. The most expensive one can have 10 000 products to sell and has no limits. It would cost 149 euros / month, which isn't that much. (MyCashflow, 2014)

If Sinooperi wouldn't want to use any ready bases, the costs would be really high. Kari Söderholm, system designer from A1 Media Oy, calculated that the cost could be anything from zero to 10 000 euros. He recommended, that Sinooperi could use half-made base with designed layout. That would be little bit cheaper, but still expensive. It could take 100 hours of work and one hour would cost 65 euros, so it would cost 6 500 euros, but in this kind of cases the companies can make a contract price.

There would also be other costs to keep up the online store. Even if they would use MyCashflow, somebody has to put all the products into it and set the store up. It will take many work hours depending on what kind of information about the products they would like to have. Also there needs to be pictures about the products and if Sinooperi doesn't have them, taking them will cost more.

Then there would be costs. Because somebody has to update the store, but that would be minimal cost at that point. Also if Sinooperi needs to train people to use and update the online store, there will be costs. Also someone needs to take all the orders and send the products, which will take time. This can be also outsourced, which could cost more than one person's salary.

But overall at the beginning there would be lot of costs, but the online store would pay itself back soon.

6 CONCLUSION

Based on the results of the customer satisfaction survey Sinooperi Homestore Pori doesn't have many problems. Biggest discovery was how divided customers are between decorating and crafting. This should be in mine, when trying to improve Sinooperi Homestore Pori's business. They should focus on combining them and get customers to buy from both sections. Customers' point of view needs to be taken in mind too.

The improvement ideas, that this this theses presented for Sinooperi Homestore Pori focused on combining the crafting and the decorating together, pleasing old loyal customers and marketing suggestions. Also as a bonus for S. Hobby Oy, there where an online store introduced. The research that was made proved, that these improvement ideas need to be considered of, because they were based on customer's answers.

The customer satisfaction survey is repeatable and Sinooperi Homestore Pori should conduct it again after implementing these improvement ideas to get more valuable information. It would help to know, if they were successful and if there is something other that needs improving.

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research-



Customer satisfaction survey – S. Hobby Oy

Date: _____
Store: _____

1. Sex: 1. Male 2. Female 2. Age: _____ years
3. How often you visit Sinooperi Homestore Pori?
5. Daily 4. Once a Week 3. I don't know 2. Once a Month 1. Once every six Months
4. What do you buy most often from Sinooperi Homestore Pori?

5. How is the appearance of the store?
5. Excellent 2. Satisfying
4. Good 1. Bad
4. Good 0. I don't know
6. If you answered "Satisfying" or "Bad", how would you make the appearance of the store better?

7. How well you find what you are looking for?
5. Excellent 2. Satisfying
4. Good 1. Bad
3. Fair 0. I don't know
8. If you didn't find, what were you looking for?

9. The quality of the crafting section
- | | | |
|------------------------|--------------|-----------------|
| 1. Jewellery parts | 5. Excellent | 2. Satisfying |
| | 4. Good | 1. Bad |
| | 3. Fair | 0. I don't know |
| 2. Children's products | 5. Excellent | 2. Satisfying |
| | 4. Good | 1. Bad |
| | 3. Fair | 0. I don't know |
| 3. Papers | 5. Excellent | 2. Satisfying |
| | 4. Good | 1. Bad |
| | 3. Fair | 0. I don't know |
| 4. Glues | 5. Excellent | 2. Satisfying |
| | 4. Good | 1. Bad |
| | 3. Fair | 0. I don't know |
| 5. Painting products | 5. Excellent | 2. Satisfying |
| | 4. Good | 1. Bad |
| | 3. Fair | 0. I don't know |
10. How would you improve these crafting sections, if you gave "Satisfying" or "Bad"?

11. What kind of new crafting products would you like to have?

12. The quality of the decoration production

1. Kitchen's decoration

- | | |
|--------------|-----------------|
| 5. Excellent | 2. Satisfying |
| 4. Good | 1. Bad |
| 3. Fair | 0. I don't know |

2. Clocks

- | | |
|--------------|-----------------|
| 5. Excellent | 2. Satisfying |
| 4. Good | 1. Bad |
| 3. Fair | 0. I don't know |

3. Pillows

- | | |
|--------------|-----------------|
| 5. Excellent | 2. Satisfying |
| 4. Good | 1. Bad |
| 3. Fair | 0. I don't know |

4. Candles

- | | |
|--------------|-----------------|
| 5. Excellent | 2. Satisfying |
| 4. Good | 1. Bad |
| 3. Fair | 0. I don't know |

5. Seasonal products

- | | |
|--------------|-----------------|
| 5. Excellent | 2. Satisfying |
| 4. Good | 1. Bad |
| 3. Fair | 0. I don't know |

13. How would you improve these decoration sections, if you gave "Satisfying" or "Bad"?

14. What kind of new decoration products would you like to have?

15. Price level

- | | | | |
|--------------|---------|----------|-----------------|
| 1. Expensive | 2. Fair | 3. Cheap | 4. I don't know |
|--------------|---------|----------|-----------------|

16. The overall quality of the products

- | | |
|--------------|-----------------|
| 5. Excellent | 2. Satisfying |
| 4. Good | 1. Bad |
| 3. Fair | 0. I don't know |

17. Which companies do you think are Sinooperi's competitors?

18. Customer service

1. Did somebody say hello to you, when you came in to the store?
- | | | |
|--------|-------|-----------------|
| 1. Yes | 2. No | 3. I don't know |
|--------|-------|-----------------|
2. Did you get service?
- | | | |
|--------|-------|-----------------|
| 1. Yes | 2. No | 3. I don't know |
|--------|-------|-----------------|
3. Did the salesperson give you an answer to your questions?
- | | | |
|--------|-------|-----------------|
| 1. Yes | 2. No | 3. I don't know |
|--------|-------|-----------------|
4. Overall grade for the customer service
- | | |
|--------------|-----------------|
| 5. Excellent | 2. Satisfying |
| 4. Good | 1. Bad |
| 3. Fair | 0. I don't know |

19. Will you participate for lottelore for 50 euros gift card for Sinooperi Homestore Pori?

- | | |
|-------|---|
| 1. No | 2. Yes I will and I will give you my contact informations |
|-------|---|

18. Name:

19. Phone:

20. Address:

21. E-mail:

22. Can Sinooperi Homestore Pori use your contact information for marketing ?

- | | |
|--------|-------|
| 1. Yes | 2. No |
|--------|-------|