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A Marketing Plan for a Language School

Case: EUROACE

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Tämä opinnäytetyö tehtiin toimeksiantona Espanjalaiselle yritykselle nimeltään Euroace. Kyseessä on Espanjan Valenciassa sijaitseva yksityinen kielikoulu, joka Espanjan kielen kurssien lisäksi tarjoaa asiakkailleen erilaisia urheilu- ja kulttuuriaktiviteetteja, työharjoittelu- ja vapaaehtoistyömahdollisuuksia sekä asumisjärjestelyjä Valenciassa.

Tämän tutkimuksen aiheena on markkinointisuunnitelma, joka keskittyy Euroacen palvelukehitykseen ja siihen, miten yritys voisi vetää puoleensa enemmän asiakkaita. Tutkimuksen tavoitteena on selvittää, miten yritys voisi tuoda lisäarvoa nykyisille asiakkailleen kehittämällä ja lisäämällä palveluitaan sekä mitä viestintäkeinoja yrityksen tulisi käyttää tavoittaakseen uusia asiakkaita.

Tutkimuksen teoriaosuus käsittelee markkinointisuunnitelman sekä Marketing Mixin, markkinointisegmentoinnin ja palvelumarkkinoinnin teorioita. Työn empiirinen osa koostuu tutkimustyöstä, joka tehtiin haastatteluiden muodossa. Tavoite oli lähinnä selvittää nykyisten palvelujen laatu ja asiakastyytyväisyys. Haastateltavina toimi neljätoista nykyistä asiakasta. Tutkimustulokset olivat yleisesti hyvät, asiakkaat olivat tyytyväisiä Euroacen palveluihin. Erityisiä parannuskohtia oli esimerkiksi työharjoitteluissa, joista oppilailla oli negatiivisia kokemuksia. Lisäksi joissain koulun järjestämissä aktiviteeteissa oli parantamisen varaa oppilaiden mielestä.

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ABSTRACT

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The aim of this thesis was to create a marketing plan for a private language school called Euroace. The company's headquarters are located in Valencia, Spain. In addition to its Spanish courses, academic programs and professional internship opportunities, the company has a diverse selection of other services such as accommodation options, cultural and sports activities.

The objective of this project was to research which would be the best promotion and communication channels to attract more prospective students. In addition to that, the aim was to define how the company could drive more value to its current customers and how they could improve their services and create new ones.

In the theoretical study of the thesis the following concepts were examined: integrated marketing communications, service quality and customer satisfaction. The empirical study is comprised of the research which was made of the interviews of the current students in the language school. 14 students were interviewed. In general, the interview results were good and the students were satisfied. However, some of the students were unhappy with their internships. Also, I found out that the activities that the school offers could be improved.

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1 INTRODUCTION

This bachelor's thesis is created for a company called Euroace, which is a language school in Valencia, Spain. The thesis consists of three different sections; introduction, a theoretical study and an empirical study.

The first chapter begins with the background of the study and continues with the introduction of the company as well as the research problem and the research objectives.

1.1 Backround of the study

The purpose of this project is to create efficient marketing plan for a language school located in Valencia, Spain. The reason why I chose to write the thesis about service marketing is because the growth of the service industry is enormous in today's economy. The importance of the service sector is increasing all the time especially in the most developed and the developing countries. Understanding service marketing delivers personal competitive advantage since today most of the new employment is provided by services. Since service sector dominates today's economy, service marketing is also a strong growth area of marketing.

I personally have working experience in the service industry in Spain, as well as working for a university in Valencia with some previous knowledge of the service marketing. Therefore, the subject is interesting to research.

For this company, there is no previous research on how their services could be improved and how they could increase their attractiveness. Since Valencia is a city with a large number of students studying abroad, and with many similar language schools like Euroace, it would be useful for them to get a competitive edge over from their competitors and improve their services. Considering the fact that all these language schools in Valencia are offering similar services, there is a

chance for Euroace to do something differently. Therefore, it would be easier for them to attract more customers and achieve the competitive advantage.

The research focusing on delivering more value to the customers brings more customer satisfaction. Since services are intangible, the word of mouth is significant factor here. Interviewing the customers about their experiences is an efficient way to see what needs to be improved.

1.2 Introduction of the company

Euroace is a cultural organization located on the East coast of Spain, Valencia. It was established in 2005 and it is a relatively small-sized company, with four teachers, five office employees and consulting offices. The staff includes professionals with different educational backgrounds such as Spanish Philology, Tourism, Physical Education, Environmental Studies, Political Science and Business Administration.

The company has a wide range of services, including Spanish language programs, internships, High school programs, hospitality service, cultural visits and excursions as well as sport and wellness activities. The approximate number of customers Euroace has in a year is 400-500.

1.3 Research problem and the aim of the study

The research problem of this thesis is to find out how Euroace could attract more customers from all over the world and how they could improve their current services as well as create new ones.

The way to attract more customers would be to find a right way of promotion and communication. The key to reach these customers is to find a right way to communicate.

1.4 Research objectives

Here are the research objectives of the thesis:

- 1. How could Euroace attract more students from all over the world?
- 2. How could Euroace drive more value to its customers?
- 3. How could Euroace improve its services and create new ones?

First, this project focuses on which communication channels it could use to reach out more prospective students. In service marketing theories, this section uses the 7P model and in this model the most important elements is Promotion to find out the best way to communicate.

The aim of my project is to find how understanding the relationship with supply and demand and creating a need which will help this company to achieve a competitive advantage.

The empirical section of this thesis is focusing to find a solution to the last two objectives. With the interviews, I am going to research what this company is doing now and how it could do better.

1.5 Methodology

In this research, I will use the qualitative approach. The research data is collected by personal interviews. In total, 14 students will be interviewed and the interviews are half structured. All the students are asked the same questions and mainly in the same order, but the order can be changed if the conversation flows differently.

2 INTEGRATED MARKETING COMMUNICATIONS

To find a solution to how a company could attract more customers worldwide, as well as to strengthen the customer loyalty, a competitive tool is to take a look at the marketing communications. This widely known 4P model of marketing mix includes four different parts; price, product, place and promotion. Marketing communication is usually considered as a synonym for promotion, but nowadays it has become more of a term to describe all the promotional elements of the marketing mix which involve the communications between an organisation and its target audiences on all matters that affect marketing performance. (Pickton & Broderick, 2004 3-5) In service setting, marketing communications tools are especially important because they help create powerful images and a sense of credibility, confidence, and reassurance. (Lovelock & Wrizt, 2007 155).

Marketing communications include several promotional activities targeted one or more specified audiences. To achieve the greatest marketing communications impact, all the elements should be integrated into a unified whole. To improve the effectiveness of the whole marketing communications, the promotional elements should be integrated and work in a harmony together. (Pickton & Broderick, 2004, 64).

2.1 Coordinating marketing communications

The marketing communication is more complicated today because of the technology improvements. Before customers received information about products and services only trough couple of sources such as network television and newspapers. Because the sources were limited it was easier for marketers to create a brand image and coordinate promises. Today's smart phones and wireless internet connection have eroded the effectiveness off the mass media. Nowadays the consumers use more diverse sources of marketing vehicles such as websites, direct mail, e-mail, targeted magazines and sales promotions. (Zeithaml, Bitner, Gremler, 2009 479-480)

The main and common reason of poorly perceived services is the fact that company promises customers different from what they receive. Customer expectations are shaped by both uncontrollable and company controlled factors. The uncontrollable factors include word-of mouth communication, social media, publicity and customer experiences with other providers. Controllable factors can be, for example, company advertising, personal selling and promise made by service staff. Accurate, coordinated and appropriate company communication that do not overpromise or mispresent is essential to delivering services that customers perceive as a high quality. (Zeithaml, Bitner, Gremler 2009, 479). Because a company cannot control outside sources, the aim is to make sure that messages from all company sources are consistent.

2.2 Creating effective communications

The 5W's model helps the firm to achieve its marketing goals and determine what role communication should play in the process. The 5 W's are determined by Lovelock & Writz as follows:

"Who is the target audience? What do we need to communicate and achieve? How should we communicate this? Where should we communicate this? When do the communications need to take place?" (Lovelock & Writz, 2007 163)

To figure out how Euroace could attract more customers the company needs to create an efficient plan to improve their communications. They should try to rise their visibility in the environment full of competition. The city of Valencia has a lot of language schools like Euroace. How could Euroace communicate its services effectively to the people who are searching for a language school in Valencia? The goal is to find more channels to reach the prospective students and create more visibility for the company.

2.3 Target audience

When developing effective communications, the first step is to identify the target audience. When choosing the suitable target audience, factors such as usage and loyalty are something worth considering. (Kotler & Keller, 2012 504-505). Because marketers of consumer services do not usually know prospect buyers in advance, they usually need to employ a traditional communications mix, compromising such elements as media advertising, public relations, direct mail or telemarketing. For current users, there are more cheaper options such as customer contact personnel, point of sale promotions and other information distributed during service encounters (Lovelock & Writz, 2007 163).

2.4 Determing objectives

When the target audience is found, the next step in the process would be to determine objectives. Communications objectives are identified by John R. Rossiter and Larry Percy (Kotler & Keller, 2012 504-505) as follows: category need, brand awareness, brand attitude and brand purchase intention.

2.5 Planning communications

After the objectives are determined, the company's next step is designing the communications. The three problems here are what to say (message strategy), how to say it (creative strategy) and who should say it (message source). (Kotler & Keller, 2012 506-507). Determining message strategy, the management should search for appeals, themes or ideas that will tie in to the brand positioning and help establishing points-of-parity or points-of-difference. With a creative strategy a company can manage how the message is expressed and what it includes. (Kotler & Keller, 2012 507) Planning marketing communications should reflect a good understanding of the service product and how well the prospective buyers can evaluate its characteristics in advance of purchase. The key is understanding the target market segments and how they use different media. (Lovelock & Writz, 2012 164)

2.6 Choosing the channels

The next step in the process is to select the suitable channels. For marketing comminications, personal and non-personal channels can be used. Personal channels are people communicating face-to-face, for example through phone or email. This type of communication includes direct and interactive marketing, word-ofmouth marketing and personal selling. Nonpersonal communication channels are directed to more than one person and include advertising, sales promotions, events and experiences and public relations. (Kotler & Keller, 2012 509-510) Now, Euroace is using advertising, social networks and educational fairs as a communication channels. For a small service company like Euroace, it would be effective to get more visibility so therefore using more advertising, would be an idea to consider. To reach customers all over the world options would be through the internet, which Euroace is currently doing, but also co operating more with high school and colleges would be an idea to consider. Creating flyers and advertisements and share them trough schools or hiring a contact persons in colleges who could organize presentations about Euroace would create more visibility. With the interviews I am trying to find a solution for effective communication channels. When targeting other audiences that college or high school students, travelling sites or newspaper advertisement could work.

2.7 Establishing the budget

Companies have different opinions on how much they could spend on marketing communications. This usually depends of the industry and how much they are willing to spend money. Usually most typical method of setting a communications budget is the objective-and-task method, which can help marketers to develop their budgets by defining specific objectives. (Kotler & Keller, 2012 510-511)

2.8 Marketing mix of marketing communications

The integrated marketing communications mix means the action of combining all elements of the marketing communications mix across all customer contact points to achieve greater brand attachment. (Pickton & Broderick, 2004, 6-7).

1. Advertising

Advertising is a public mode of communication. It is communicated to many people and the message can be repeated a number of times. Thus, with advertising a company cannot carry out a dialogue with people and the prospective clients might not pay attention to the advertisement. However, it is an efficient and cost-effective way to reach geographically spread potential buyers

2. Sales promotion

Sales promotion includes tools such as coupons, contests, premiums and they gain attention to the prospective buyers which might lead to a purchase.

3. Public Relations and Publicity

Public relations and publicity work differently than advertisements and catch potential buyers' attention without turning them away the same way that advertisements might do.

4. Personal selling

Personal selling is a communication channel that is involves live, immediate and interactive relationships between persons. Personal selling creates relationships.

5. Direct Marketing

For this communication channel, the alternatives are: direct mail, e-mail and telemarketing. In these cases, the message is addressed to a specific person and it can be customized.

1. Events and experiences

These include for example sponsorships of sports, arts and cause events

(Kotler&Keller, 2012, 512-514)

Advantages and costs of each tool should be examined and the company's market rank. A company should also consider the type of product market, how many consumers there are, and the products stage in the company, brand and product. (Pickton & Broderick, 2004 5-7)

2.9 AIDA model of integrated marketing communications

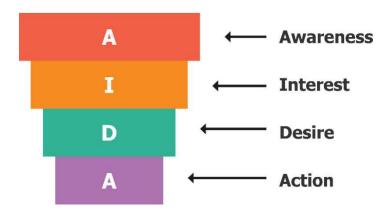


Figure 1.1 Aida Model

Aida Model is one of the earliest models of marketing communications and it was created by Elmo Lewis in the nineteenth century. The Aida model represents the Awareness-Interest-Desire-Action structure and it includes different stages that lead for the consumption. (Pickton & Broderick, 2004 260)

For a relatively small business like Euroace, this could be a model worth considering when improving the communication. In Figure 1.1 are represented all the steps of this model. The first step is to catch the attention of the prospective buyers, with some attention catching advertisement, for example. After this, the next

phase would be developing an interest. A good way to determine what interests the customer base is to figure out what information it wants to know. For a small business, an effective way could be creating a survey or interviewing the potential customers. After developing interest comes creating desire. For this the company needs to figure out what the customer desires and use the words in their message to the customers. In case of Euroace, words could be, for example, "Invest in yourself – learn a language, gain professional experience and make memories that will last forever!". The last phase is action. This gives the company an opportunity to invite customers to purchase a service. (Bradley, James Bryant 2017) In Euroace case, this could mean, for example, a discount, if a customer purchases a Spanish course and an internship at the same time.

3 SERVICE QUALITY

Improving quality in a service business is creating a better service processes and outcomes that lead to customer satisfaction. Poor quality drives the firm to a competitive disadvantage. Quality and productivity should be considered together. This creates value for both customers and companies. Quality focuses on the benefits created for the customer's side of the equation. (Lovelock & Wrizt, 2007 416-418) The company should always remember that the quality of a product or service is whatever the customer perceives it to be. (Grönroos, 2007 73) In this project I am trying to find an answer to how Euroace could improve its services and create new ones and to find a solution, I need to figure out the image of the quality perceived by the customers. This way Euroace can find solutions to fix the objectives in their services that need to be improved in order to have more satisfied customers.

Zeithaml states that the strong management commitment to service quality energizises and stimulates an organization to improved service performance. (Zeithaml, 1990 3). According to Zeithaml, the solution to improve service quality is to devote energy to businesses and business schools to develop leadership values and capabilities. (Zeithaml, 1990 4-5). Zeithalm states in the book Delivering Quality Service that service quality is harder for customers to evaluate than goods quality. There are three main reasons why services differ from goods in terms of how they are produced, consumed, and evaluated. (Zeithaml, 1990 15) First, services are intangible. They are performances and experiences, not tangible objects. Second, services are heterogeneous; their performance differ for the provider, customer and every day is different. Third, production and consumption of many services are inseparable. (Zeithaml, 1990 14) Customers evaluate the outcome of service but also the process. The only criteria that count in service quality are defined by customers. (Zeithaml, 1990 15)

3.1 Quality dimensions

The quality of service as it is perceived by the customer has two dimensions. Figure 1.2 represents these two dimensions.

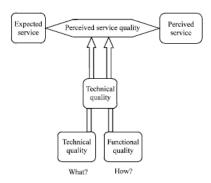


Figure 1.2 Grönroos quality model.

The first dimension is called technical or outcome dimension, and it answers the question of what a customer is left with when the service production process and its buyer-seller interactions are over. The customer is also influenced by how he receives the service and how he experiences the production and consumption process. This other dimension is called the functional quality of the process. (Grönroos, 2007 73-74).

3.2 Moments of truth and quality

The buyer-seller interactions or service encounters determine the level of functional quality dimension. In these interactions, most or all technical quality is transferred to the customer. The literature by Richard Normann introduced a term to such situations and they are called the moments of truth. (Grönroos, 2007 81) In the service business it is difficult to define and manage the moments of truth that its customers will encounter in that industry. It is important to do it right the

first time, but in the service industry, where customer involvement and people being part of the product are the significant characteristics, sometimes the breakdowns are really hard to avoid. (Lovelock & Writz, 2007 390) Literally the moment of truth means that moment, the time and place when the service provider has the opportunity to demonstrate the quality of the service to the customer. This is the moment of opportunity and after that the opportunity is lost and the customer has gone. If a quality error has occurred, it is too late to take corrective action. The only choice a company has is to create a new moment of truth, or at least try to explain why the error occurred and try to correct the mistake. Therefore, the service process must be planned and executed that no badly handled moments of truth take place. (Grönroos, 2007 81-82)

3.3 SERQUAL model

To measure customer satisfaction with various aspects of service quality, Valarie A. Zeithalm with her colleagues Leonard Berry and A. Parasuraman created a survey research instrument called SERVQUAL. (Lovelock & Writz, 2007 420)

The idea of this model is that customers can evaluate a firm's service quality by comparing their perceptions of its service with their own expectations. The model contains two levels: (1) an expectations section that consists 22 statements that certains the general customer expectations and (2) perceptions section containing 22 statements to measure customers assessments of a specific service industry firm. (Zeithaml, 1990 23).

From focus group research, Zeithaml, Berry and Parasuraman identified ten criteria used by consumers in evaluating service quality. In the end they were put together into five board dimensions: (1) Tangibles (2) Realibility (3) Responsiveness (4) Assurance and (5) Empathy. (Lovelock & Writz, 420) In the following figure 1.3 the dimensions are represented. Word-of-mouth communications, personal needs, past experiences, and external communications from the service provider are the key determinants of the expected service. If these expectations are

smaller than the perceptions, it is called the quality surprise. If expectations meet the perceptions, it means satisfactory quality. If the expectations and perceptions do not meet, the quality is unacceptable.

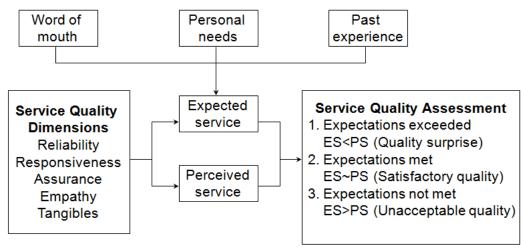


Figure 1.3 Model of service quality.

SERVQUAL model enables seeing the customers' view of service quality experience. This is one advantage of this model. SERQUAL model makes is easy to track customers ecpectations and perceptions, and see discrepancies between them. SERVQUAL also enables comparision to competitors. Disadvantages of this model are, for example, that the suitability of all service sectors might not be the same. The model also does not measure the servive outcome perceptions. SERVQUAL has faced a lot of critisim today because it measures service quality with expectations. (Lovelock & Writz, 2007 420-421)

3.4 The gaps model of service quality

The service gap model was originally created by Zeithaml, Berry and Parasuraman. The aim of this model is to see the problems in service quality and how to fix them. This original model contains four gaps that eventually might lead to the fifth and most serious gap – the difference between what customers expected and

what they perceived was delivered. (Lovelock & Writz, 424-425) The following figure shows how the gaps are formed.

Gap Model of Service Quality

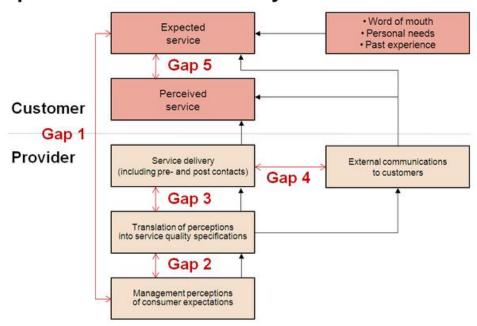


Figure 1.4 Gap Model Of Service Quality

The gaps are described as follow:

"Gap 1, the discrepancy between customers' expectations and the managements' preceptions of those expectations; Gap 2, the discrepancy between managements' perceptions of customers' expectations and service-quality specifications; Gap 3, the discrepancy between service perceptions actual service delivery; and Gap 4, the discrepancy between actual service delivery and what is communicated to customers about it. This adversely affect customers' assessment of service quality, Gap 5." (Zeithaml, 1990 49)

The first gap is the difference between customer expectations and the management's perceptions of customer expectations. This gap can occur if the management does not understand accurately what the customers expect. This gap can also exist when companies overlook or underestimate the need to understand the customers' expectations. A firm should find out the customer expectations and try to truly understand its customers' needs, encourage and facilitate customers' feedback about problems. This way they can close the gap. (Zeithaml, 1990 51)

The second gap is the management's perceptions versus service quality specifications. This gap is the difference between the company understanding the customers' expectations and the development of customer driven service design and standards. In this gap, the management might feel that customer standards are unrealistic or unreasonable. In closing this gap, technology changes and improvements might be useful. Also, setting performance standards that reflect customers' expectations should impact on customers' service quality perceptions. (Zeithaml, Bitner, Gremler 2009 35)

The third gap is the delivery gap. The reasons for this gap are the differences of service perceptions and actual service delivery. When the level of service delivery performance falls short of the standards, it falls short of what customers expect as well. To close this gap, a company must ensure that all the resources needed to achieve standards are in place. (Zeithaml, 1990 43)

The fourth gap is the communication gap. A discrepancy between the actual service and the promised service will lead to this gap. Here the external communications are on point. They can not only affect customers' expectations about the service but also customer perceptions of the delivered service. The fourth gap is about promises made, for example, in advertisements and when the service is perceived the promises do not reflect the truth. Closing this gap, a company needs to coordinate effectively the actual service delivery with the external communications, and this affects to the final gap number five as well, which is the customers' assessment of service quality (Zeithaml, 1990 44-45) Figure 1.4 shows how the

gap model is formed. All the gaps have influence on to the customers' opinions of the service quality.

4 CUSTOMER RELATIONSHIP AND CUSTOMER VALUE

In the service business, it is important for a company's success to build relationships and to develop loyal customers who will do growing business with the firm in the future. (Lovelock & Writz, 2007 358). The main idea in this case would be how Euroace could build relationships with its customers and get loyal customers, so they would have an interest to use Euroaces services again and possibly use the new services Euroace could create, for example a mobile app or online Spanish exercises.

4.1 Actual and potential customer value

According to Lovelock, when there are gaps between actual and potential customer value, the company should think about these questions:

- What is the current purchasing behavior of customers in each target segment? What would be the effect on sales and profits if they exhibited an ideal behavior profile of (1) buying all services offered by the firm, (2) using these to the exclusion from competitors, and (3) paying full price?
- How long, on average, do customers remain with the firm? What effect would it have if they remained customers for life?

(Lovelock & Writz, 2007 361)

4.2 Customer value

Karl Strark and Bill Steward state in their article in Inc Magazine, published 28th of December 2011 that there are several ways to add more customer value. First, the company needs to get an understanding what drives value to its customers by communicating with them, creating a survey for them and watch their actions and reactions. The main idea is to capture data to understand what is important to their customers and what opportunities the company should help them. The next step would be to understand what value the service creates for them, what it costs for

them. After this it would be important to identify the customers and the segments where the company can create more value relative to its competitors. Pricing is also an important factor, in getting an edge over of competitors. Satisfied customers that perceive a lot of value in the service are usually willing to pay more, while unsatisfied customers will leave, even at a low price. It is important to make investments toward the customers and segments that the company can best serve and will provide the greatest value in return. (Stark & Steward 2011)

4.3 Building customer loyalty

The process of building relationships with customers starts with identifying and targeting the right customers. Customers often differ widely in terms of needs and the terms of the value they can contribute to a company. The company should focus on those customers who will bring more value to the firm. The loyalty of customers lies in customer satisfaction. Highly satisfied customers are more likely to use firms services in the future. (Lovelock & Writz, 2007 371)

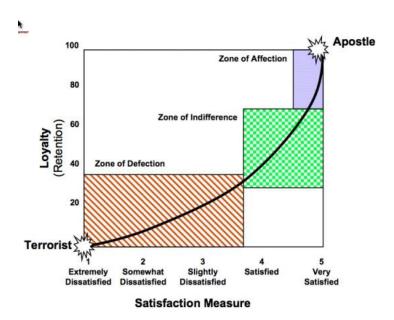


Figure 1.5. Customer Satisfaction/Loyalty Relationship (Lovelock & Writz, 2007 373)

The satisfaction-loyality relationship includes three groups: Defection, indifference and affection. This is illustrated in Figure 1.4. The zone of defection occurs at low satisfaction levels. Customers will switch unless its too expensive or there are no suitable alternatives. Extremely dissatisfied customers can turn into "terrorists", providing a negative word of mouth for the service provider. The zone of indifference is found at intermediate satisfaction levels. In this zone the customers are willing to switch if they have a better alternative. The zone of affection is located at very high satisfaction levels, where customers have so high loyalty that they do not want to look for an alternative. (Lovelock & Writz, 2007 373)

4.4 Competitive advantage

In general, a company's goal is to meet customer expectations better that its competitors. Customer expectations vary due to many factors: personal needs, lasting service intensifiers, explicit service promises, implicit service promises, word of mouth communication and the customers' past experience. If a company wants to get ahead of the competition and reach the competitive advantage using the service quality, it should try to be the best on those factors. However, this level might bring only temporary advantage. Customers adequate service levels, which are less stable than desired service levels, will rise rapidly when competitors promise and deliver a higher level of service. If a company's level of service is barely above the adequate service level to begin with, a competitor can quickly erode that advantage. To develop true customer loyalty, companies must not only consistently exceed the adequate service level but also reach the desired service level. Exceptional service can intensify customers' loyalty to a point at which they are impervious to competitive options. (Zeithaml, Bitner, Gremler, 2009 96,97)

To reach the competitive advantage, the company should be clear about the benefit of a product or service. I should be something that the customer truly needs and

what brings real value. Also, company should be clear of its target market and be aware of the competitors. The company needs to be able to articulate the benefit it provides to its target market that's better than the competition. That's the competitive advantage. To sustain the competitive advantage the company should create goals, strategies and operations. (Amadeo, Kimberly, 2017)

To reach the sustainable competitive advantage, the company should try to have the cost leadership which means it provides reasonable value at a lower price. Companies do this by continuously improving operational efficiency. That usually means that they pay their workers less. Also the company should focus on differentation. It means you deliver better benefits than anyone else by providing a unique or high-quality product or, for example, deliver the product faster. A company with a differentiation strategy can charge a higher price. The last thing to achieve sustainable competitive advantage is that company should have a focus. This means you understand and service your target market better than others. The company can use either cost leadership or differentiation to do that. The key to focusing is to choose one specific target market. (Amadeo, Kimberly, 2017)

5 THEORY CONCLUSION

The objective of this thesis is to find solution to the set research objectives. The theory of integrated marketing communications focuses on creating an effective communication plan for Euroace in order attract more students all over the world. In the empirical study interviews are used as a research method, questions such as how the students found Euroace services will help to analyze what communication channels have worked effectively to reach customers. Also, finding out why current students chose Euroace services tells about the message the company is using in marketing communications. In conclusion, the aim is to figure out which communication channels and messages have been effective and how Euroace could improve its communications.

In the theoretical section there are also theories about service quality represented to find out how Euroace could improve its services. With interviews it is possible to learn about current students perceptions of the service quality, what is there to improve and what are the wishes and wants of the costumers. It is important to know the relationship between expectations and perceptions, wheter the expectations filled or not.

The theories about customer value and customer satisfaction will support questions such as would you use Euroace services again. Customer value is important when creating relationships. Even though Euroace customers usually use their services only once, mainly because of the distance and the type of the service, there are still possibilities to create loyal customers. Also if customers are satisfied they most likely spread positive word-of-mouth.

In the following table the interview questions are represented and also their connection to the theories.

T.44.1	Г 1 11 1	3371 41	A (1 (
Intergrated	From where did	Why the cos-	Are the custo-		
Marketing	the customers	tumers choose	mers aware of		
communica-	hear about Eu-	Euroace among	all the services		
tions: choosing	roace?	other alternati-	that Euroace		
the right com-		ves?	offers?		
munication					
channels					
Convice and!	Did the custo-	Do customers	Uava the aveas	What do the	What are the
Service quali-	Did the custo-		Have the expec-	what do the	what are the
ty: areas of	mers feel wel-	think that they	tations met with	customers think	wishes and
improvements	come on their	have made pro-	perceptions?	about Euroaces	wants of the
and creating	first day?	gress in the		other services	customers?
new services		Spanish course?		(hospitality, ac-	
		Have the		tivities, interns-	
		teachers been		hips)	
		helpful?			
Customer rela-	Has the staff	Would the stu-	Would the stu-		
tionship and	been helpful?	dents consider	dents recom-		
customer va-	Have they tired	coming back to	mend Euroace		
lue: creating	to make the stu-	Valencia and	to others?		
value and rela-	dents experien-	learn more			
tionships	ce better?	Spanish with			
		Euroace?			

Table 1.1 Theory conclusions.

6 METHODOLOGY

In this section the quantitative and qualitative research methods are introduced and compared. The chosen method for the study and the research process are introduced.

6.1 Quantitative and qualitive research method

A quantitative research focuses on questions such as "how long", "how many" or the degree to which", in trying to quantify objects. The quantitative research is based on the numerical evidence and it leads to a statistical analysis. Conclusions can be drawn or hypotheses tested. The research requires studying large numbers of people and the use of computes to analyze the data to obtain reliable results. The data can be collected from for example surveys. (Veal 1997, 34).

The meaning of qualitative research is the quality of information as it attempt to gain an understanding of reasons and motivations for actions. The qualitative research is based on the perceptions of someone on given or observed facts. Qualitative research is collecting a large amount of information about a small number of people. An example how to collect data could be conducting interviews.

The main difference with quantitative and qualitative research is that qualitative research focuses on gaining deep information about a small group of people rather than obtaining a limited understanding of large numbers of people. (Veal 1997, 35)

6.2 Research data and collection method

In this thesis, the data collection method used is qualitative research, conducted by interviews of current students in the language school. The reason for using this method is because it is a good way to obtain deep and detailed information and clarify the causal connection. Interviewing has obvious advantages as a method-

ology because the researcher feels in control, in the sense of having the participants in front of him or her. He or she can set the agenda, ask questions, observe and listen the responses. The qualitative method is relatively efficient, effective and versatile methodology. (Keegan, 2009, 75)

The aim is to interview 15-18 students from different age groups and with different backgrounds to guarantee the reliability of the research. This is the approximate number of students but fewer could be enough. When the interviewing has gone to a point when I am not able to get any new information, the interviews are completed.

All the questions are asked in the same order and structure but the order can be changed if needed during the interview. The interviews will be conducted face-to-face and they will be recorded. After recording I will transcribe all of them.

6.3 Validity and reliability

Validity refers to the degree to which a research accurately measures what is it supposed to measure. To make a research valid, there must have been randomization of the sample groups. Internal validity tells how the experimental design is structured. Internal validity and reliability are the core of any experimental design. External validity means the process when the results are examined and it questions whether there are any other possible causal relationships. (Shutterworth, Martin 2008)

Compared to reliability, which refers to the accuracy of the actual measuring instrument, validity considers the study succes at measuring what it is intended to measure. Reliability refers to how precise and reproducible a measure is. If the measure is reliable it will produce the same value each time when it's used.

To make a research reliable, the customers interviewed are from different backgrounds and age groups. To make a research valid, the interview questions are asked in the same order and every customer are asked the same questions.

7 INTERVIEW QUESTIONS

The objective of this chapter is to help the reader to understand how the theory is connected to the interview questions. The interview questions are attached to the end of this thesis.

7.1 Basic information

Fist of all, the students are asked about their background. The reason for this is because the aim is to find out what the students are like and what the differences between them are. The following information is asked: age, sex, profession, the Spanish skills, the time studied in Euroace and the country of origin.

7.2 Integrated marketing communications

With a question "from where did you hear about Euroace". The aim is to hear what have been the most successful communication channel for Euroace. In this section the aim is to find an answer to a question "How" should Euroace communicate their services. When the most efficient channel has been recognized, that might be the channel they should put most of the focus on. Putting effort on communication attracts more customers but it also helps to maintain the contact with existing customers and built relationships with them (Lovelock & writz). The students are also asked "Did you have other alternatives when looking for a language course and if so, what made you choose Euroace?". With this question the aim is to understand how Euroace persuades target customers that their service product offers the best solution for meeting those customer needs, relatitive to the offers of competing firms. In addition the language course Euroace also offers other services such as cultural activities and by asking the students wheter they are aware of the other services or not, the aim is to figure out wheter the company is promoting these other services well enough.

7.3 Service quality

The students are asked what was their first impression of the language school and did they feel they were welcome on their first day. The first contact with the customer and service provider is important because it creates an image of the brand. Especially when the customers come from outside of Spain, and usually its their first time in Valencia or even in Spain, I find it important that the first school day is warm and welcoming. The students are also asked what do they think about the Spanish course and wheter they feel that they have made any progress. They are also asked about the teachers, what they think about them and wether they think they are qualified. With these questions the aim is to find out if how the students percieve the service and if they are happy with it and if there is anythig they wish that could be done differently. They are also asked if the course has filled their expectations. The expectations and perceptions are related to the service quality theory. The customers service experience is formed by the technical and functional quality. The expectations are strongly related to the service the customers percieve, that is why its important for Euroace to know the expectations of the customers. The customer is unhappy if the expectations does not meet the perceptions. The customer is happy when expectations are filled or if the perception is even higher than these expectations. (Gröönroos, 2007 73-74)

I also ask the students if they would have any wishes or wants that Euroace would add to their services. In this way Euroace can know its customers needs better and maybe add more services.

7.4 Customer loalty and customer relationship

The students are asked would they consider using Euroace services again and also if they would recommend it to others. Evaluating and comparing services is usually more challenging than evaluating products. There is no way to return a service if the customer is not happy with it. For this reason the service business has more risks. The aim of creating customer relationships is that the customers would use

the service again in the long term. A company should focus on customer service, filling the expectations, communicating with customers and also creating value to them. Customer loyality is created in a personal connection with the customer and the service providor. For this reason Zeithaml states that usually people are more loyal to services than products. (Zeithaml 1990, 15)

8 INTERVIEW RESULTS

This chapter presents the interview results.

8.1 Basic information

In total, 14 students were interviewed. The interviews were completed to the point where it seemed like it was not possible to get any new information from the students. Of 14 students, 6 of them were males and the rest, 8, females. Eight of the students were currently studying in the university in their own country, and the rest, 6, had gratuaded and already in working life. The age average was 26. The oldest student was 47 years old and the youngest 18. The students came from the following countries: The Netherlands (two students), Finland, Germany, China (two students), France, United States (three students), United Kindom, South Korea, Brazil and Turkey. The students had studied in Euroace from five days to three months. Five of the students were beginners and have started their Spanish learning in Euroace. The rest of them had studied Spanish before and in the level A2-B2.

8.2 Communication channels

The students were asked where they had heard about Euroace. Two students said that they had heard about the school from a friend who recommended it. One student saw a poster in a pub when he was already living in Valencia. One student heard about the school from his internship. Four students heard about Euroace from their own university, from a teacher or at school fair.

The majority, six students, said that they found the school online. The students had different reasons for choosing Euroace among other schools. Majority, six students mentioned the price as a crucial factor in the decission making progress. Four students mentioned that they chose Euroace because it offers intenship opportunities as well. Two students said that they choose the school because of the

location. Two students mentioned that the timetable and also the structure of the classes were most suitable for them.

8.3 Percieved quality

The students were asked if they feel welcome on their first day and all of them answered that they had felt very welcome. One student stated that everyone was really polite and explained everything very clearly. One student found the staff very helpful and that they understood that she did not know any Spanish and still everyone was very understanding. In general, the students were all happy about the staff and everyone gave compliments of them being helpful. About the teachers and the quality of the Spanish classes, almost everyone experienced that they have made progress and they like the classes. However, one student from the upper level told that for her the classes were review and she did not feel like she has made progress, even though she said that she enjoyed the classes and she likes the fact that they are held in small groups. One student also stated that she did not like her teachers way to teach and she also mentioned that she feels like the teacher is not professional enough and that the teacher does not respect or appreciate the students. Despite that she mentioned that she has learned Spanish in the classes and her vocabulary has developed. In spite of this particular student, everyone felt they had made a lot of progress and they made several compliments about the teachers, that they felt they are really professional, helpful, patient, clear, humorous and friendly. Two students stated that they only are disappointed about the fact that the teachers do not speak any English and it is hard to learn some specific concepts when you are a beginner in Spanish. One student said that she likes that the teacher explains everything several times until everyone understands, no matter how long it takes. Three students mentioned that the progress depends on the effort they make themselves, for example the hours they study outside the class. One student said that the teachers try their best that everyone is following the class and they always give extra work for you to do outside of the class if that is needed.

The students were asked if the Spanish course has filled their expectations. Eight students told that the expectations filled. Four students stated that they expected to learn more or faster. The rest, 2 students, stated that the exceptions have not been filled.

In total, six students stated that they have used the other services that Euroace offers, such as cultural activities. Language exchanges or Intercambios were the most popular ones. Two students said that they go there every week. The rest of the students who had gone to the intercambios had enjoyed them, but one student stated that he felt the intercambio was too social and not really a learning experience. The music was too loud, since the events are held in a bar, and he felt that he could not hear well enough. He wishes the intercambios to be held in a more quiet environment and them to be more serious. Two students told me that they had gone to an excursion with Euroace and they felt it was a great experience, very well organized and worth the money. Two other students have gone to the Flamenco and Tapas evening, and they said it was a great experience and definetly worth of money. Three students stated the cultural activities are too expensive.

Five students got their accommodation from Euroace. In general, they were happy with the accommodation but they only told that it average, not great. There had been some problems. One student explained that she specifically wished a non-smoking housing. Despite that the host family smoked inside the house. She got new housing after that and she told me in the interview that she was really happy for the effort that Euroace made to find her a new place to stay. Students told that they liked the company they lived with. One student was unhappy because the washing machine broke and no one made any effort to fix it.

Six students said that they are doing an internship at the same time as the Spanish course. The opinions were different and the satisfaction level differed depending on the job they were doing. One student was really happy about her internship because she thought it was a great opportunity to mix the two degrees she is

studying for the university. One student said the internship is fun, one told that she feels very comfortable in her internship because everyone is helping her a lot even though she doesn't speak a lot of Spanish. One student explained that she is not really learning in the internship because it is a start-up company and the company does not know how the things there work. However, she said she likes the coworkers and the job is easy. Two students were unhappy with the internship because they felt it to be boring and not related enough to their career.

The students named different wishes and suggestions for improvements. Several students hoped to have different kind of intercambios between the language school students so they could get more friends and learn more. For example, those that would be held in the class, and where they could talk with each other, face-toface, about different subjects and get to know each other. In these intercambios the focus would be more in the Spanish language because in the bar the conversation easily changes to English, like one student stated. Other suggestions were that there would be private intercambios, with just one person, maybe Spanish, who could show them around and make friends. This could like a "Spanish buddy". They wished for more group activities between the students and one student stated that she hasn't made any friends yet and that would be a good way to learn more Spanish. Euroace already has activities such as a joga class or tapas nights, but they hoped for more social events with each other. For example, a day on the beach, and an arranged party night every Friday. Such events should not have to be too expensive arrangements. One student wished for a final exam so he could get a certificate of his Spanish level. Seven students expressed that they would be interested if Euroace would have an opportunity of a online spanish course so they could continue Spanish learning at home or if Euroace would create online exercises to practice more Spanish while taking the course. One student stated that there are a lot of online exercises already from other providers so Euroace should develop better ones or not at all.

8.4 Customer loyalty and relationship

All the students thought that Euroace has made their experience in Valencia better or else they don't need help because they have their social network in Valencia already. In general students felt that the staff in Euroace is always helpful and that it is nice that they join to the cultural activities with students. Eight students said that they would definetly use Euroace services again, if they came back to Valencia. One student had already bought more classes. Five students explained that they would use Euroace services again but it is very unlikely they would come back to Spain. Every student said they would definetly reccomend Euroace to everyone who wants to learn Spanish. Three students already had recommended the school to friends or through social media, and all these people had bought Euroace services because of the recommendations.

8.5 Positive comments

- The price was almost double times less than other language schools. Euroace offers the same than other ones but at half a price.
- I felt really welcomed by Isabel, she was really friendly, welcoming and explained everything
- The teachers are all different but great, clear, patient, friendly and they speak little English. The overall impression very good.
- I would definetly reccomend Euroace. I feel comfortable. Good facilities. Good location. Good price.
- Yes I went to an excursion and it was great, well organized and stuff. Worth the money. And I go to the intercambio every week.

- I've made a lot of progress. The teachers are amazing. They always help. Very qualified.
- I love the staff and during the classes the teacher has told me many things about Valencia.
- I wasn't happy with the housing and I had to change it because my host family smoked inside and I asked for a non-smoking house. But Jose and Isabel were really helpful and did a lot of work to find me another place. So, good job, I appreciate that.
- I am happy that I can mix farmacy and Spanish, my two degrees. It's a really good working experience.
- Classes are really nice, I like the fact that they are small and you can comfortably speak there and when its all in Spanish you learn more.
- Price and quality are in balance.
- I really like Ruben!
- The teachers are great. The teaching style is really good and variable. Sometimes I have to think hard and sometimes its just conversations. I've made many friends.
- I am really excited to try the intercambio. Tapas and flamenco show was amazing. I like the fact that the staff joins to the activities with us.
- -The internship is a lot of fun.
- I like the way Ruben teaches and the dynamics.
- The small classes are great and they are more personal
- The teachers are great. They are helpful and if you want extra work they'll give it.

- During the lessons they always tell about stuff to do here in Valencia.
- Isabel was very welcoming, she understands that I don't know any Spanish. She helped me out a lot.
- The teacher is really nice and positive she answers every question without having an attitude. She's always helping.
- No matter how much time it takes she (the teacher) makes sure that everyone understands and I have learned a lot.
- Yes I like it so far, (the internship) the atmosphere of the company is awesome, everything is trying to make me learn and they're really nice to me.
- Isabelle is always really supportive and always interested in us.
- Isabelle is really approachable.

8.6 Negative comments and suggestions

- Intercambios could be more serious. Thereis not a lot of Spanish spoken. Too noisy. It's nice and social, but maybe too social. You automatically go to English. Personally I would like intercambios more serious. You come to a class and "to-day we talk about football". To each other, face to face, you have to speak and hear Spanish
- Expectations were not filled as good as they could have. Not that much. I wanted to learn more than I have learned so far.
- Internship: I don't like it. I am not learning anything. I am just translating.
- I wish they had higher level classes so I could continue classes here. After this course I'm changing the school.
- It is hard when the teachers don't speak any English! They are really nice but they should use more english because we dont know anything.

- I'm not learning in my internship. It's quite borning. They just make me translate.
- I don't like my teacher, he doesn't appreciate the students. I don' feel like he's style is professional enough.
- I would like classes later at night and more stuff like intercambio. The activities are expensive.
- Housing: Its okay, its nice, but washing machine broke and no one is coming to fix it. Its tidy and big but we have cockroaches. And no one does anything. I like my roommates though.
- More activities. I would like to have arranged beach trips, little things to get to know people.
- I would like them to arrange parties for us. My friend who studies here in other language school they have a party every Friday. That way we could make more friends.
- They could give us a final exam so we could have a certificate for our Spanish level.

9 MARKETING PLAN SUGGESTIONS

9.1 Areas of improvement

The previous part of the interview results shows that overall the students had more positive things to say about their experiences and the students were especially happy about the service staff. Every student said they would recommend Euroace and almost everyone said they would consider taking more courses. The only reasons mentioned why the intervieews would not probably come back to study was because they thought its not really likely they would come back to Valencia. These students were mostly from outside of Europe. One student said that there is no higher level at Spanish so she will change the service provider. In order to make customers repurchase, the language students should be offered a service package that makes them very satisfied. Also, it is important to surprise customers in a way that their quality perception is good enough to create loyality and make them repurchase. (Gröönroos, 2007 144).

The most common comment was about the activities that the language school offers. The students wished for more personal activities, and activities that could help them to get to know each other. Also, the activities were described as too expensive.

There were variable opinions about the teachers, but mainly positive. The differences about the opinions were about the fact that the teachers do not speak English in classes. One student out of 14 stated that she did not like the teacher. But since services are performances, produced by humans, no two services will be exactly alike. The performance will always differ, at least a little. This means services are heterogeneous. People may differ from day to day or hour to hour. Heterogeneity also means that no two customers are exactly alike. Each have their unique demands or they experience the service in a unique way. Therefore, service delivery and customer satisfaction differ and it cannot be always controlled. In this case only one student did not like the teacher, which apparently means that

the service personnel's and customer's personalities did not match and that cannot always be controlled. (Zeithalm & Bitner & Gremler, 2009 20-21)

Other areas of improvement were the internship because some students felt like the internship was not suitable. In addition some students were not happy with their housing.

9.2 SERVQUAL model

In the first part of this thesis, I introduced the SERVQUAL model. (Chapter 3.3) In the following table I will demostrate how this data can be used when analyzing the difference between expectations and perceptions:

Table 1.2 SERVQUAL dimensions

DIMENSIONS	EXPECTATIONS	PERCEPTIONS
Reability	Students feel that expec-	In general their expecta-
	tations have been filled,	tions were filled. The ac-
	the activities are worth of	tivities was an area whe-
	going, worth the money	re there was some things
		to improve. They thought
		quality and price are in
		balance.
Assurance	The students feel like	Few students felt like
	they have learned in the	they haven't made so
	Spanish cour-	much progress. With in-
	se/internship.	ternships they were not
		really happy
Tanglibles	The teachers are quali-	Everyone thought
	fied.	teachers are good, exept
		one student.
Empathy	The students were able to	There one complaint
Limpumy	choose a level suitable	about that the level was
	for them, and hours most	
	convenient for them.	wish they would have
		more hours for classes.
Responsiveness	Students get the help	Everyone said the staff is
	they need.	really helpful.

With this model Euroace can compare the customers expectations to the perceptions.

9.3 The gap model of service quality

In the chapter 3.4, I introduced the gap model of service quality. This model helps to find the possible gaps in Euroace services. The most obvious gap was the gap number one: the difference between customer expectations and managements perceptions of customer expectations. This gap can occur if the management does not understand accurately what customers expect. This gap can also exist when companies overlook or underestimate the need to understand the customers' expectations. According to the interviews, some students expected to learn more in the Spanish course. Most of the students who were doing an internship were not satisfied with it. They were hoping to learn more. In this case the expectations were not filled. Especially regarding to the internships, Euroace should figure out what type of tasks the students expect to do in their internship. Firm should find out the customer expectations and try to truly understand customer's needs, encourage and facilitate customers' feedback about problems. This way they can close the gap. (Zeithaml, 1990 51)

9.4 Suggestions

The most effective communication channel had been the internet. Therefore, my suggestion would be to focus on social media marketing and use this research as a tool to show the prospective customers how many students have told positive experiences. In general all the students were satisfied with Euroace. In Valencia there is a lot of competition between language schools. Using these opinions stated in this research could offer a tool to achieve more attention in social media.

To improve the quality of service Euroace should focus on the gaps they seem to have now. The students mentioned the activities to be expensive and also they wished more social activities with other students. Good examples would be parties thrown every weekend or trips to the beach, picnics or restaurant dinners. These activities would be more affordable and attractive to the students and it would make their summer experience in Valencia better (since many people come here to spend the summer and they want to find friends). Then their overall experience would be better.

The students' opinions about the teachers were different, the majority thought that it is a good thing the teachers speak only Spanish. A few students told that it is very hard to start Spanish learning when you do not know anything. These opinions were told by the students in the beginner level. Therefore, my suggestion to this would be that in the lower level the teacher could start the course by speaking more English so these students would feel more confident about their Spanish learning. When they improve, the language could be changed to only Spanish. Also, they could consider adding a C1-C2 level to their courses. It is important to understand that pleasing everyone's demands is impossible and the company should not even try to do it. Customers have to be divided into different segments and these segments should be kept apart. One of few segments should be chosen as a target groups.

Some other language schools in Valencia have a personal final exam after the Spanish course and this would be worth considering. It could be optional. Regarding the internships, since some students were a little disappointed to them, Euroace should communicate with the internship organizations and should try to solve the problem with them and try to figure out if they could give more tasks and responsibility to the students, since they feel they are not learning anything in their internships.

10 CONCLUSION

The aim of this thesis was to research how Euroace could improve their services, create new ones and communicate them better. With students' opinions I fond that in general the students are satisfied with the services that Euroace offers. In some areas there were different point of views. Even though the overall image was positive in the interviews I found some gaps in the services. However, these things are relatively easy to change and this research could be a key to fixing them. I think Euroace could make another research later, if they are willing, for example, to wide their activites selection, and see how the satisfaction level has rise. I think they should definetly use this research data in their social media marketing, for example. That would be a step towards to achieve the competitive advantage in the environment full of competition.

The research was valid because the interview questions were structured to get the excact information what I wanted to know considering my research objectives. All the students were asked the same questions and they were recorded. The research was reliable because the interviews were anonymous, to ensure the students would answer as honest as possible. I picked students randomly from different backrounds and age groups.

Euroace could make another research about their service quality, for example using a survey to give to the students in their last Spanish class. This way Euroace could find out more information of the satisfaction level of students. This could be done for example in the summer 2018.

I liked doing this research very much and I think I have learned a lot from it. I was a student of Euroace this summer as well so it was really interesting to learn about the opinions of other students. The students were all eager to share their opinions and no one refused to do the interview with me. The most challenging task was making the timetable and sticking to it. I enjoyed doing the interviews, hearing

different opinions and see how the results connect to the service marketing theories. Overall this was a challenging, fun and an educational experience.

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12 APPENDIX: INTERVIEW QUESTIONS

Basic information: name, age, sex, profession, the Spanish skills, the time studied in Euroace and the country of origin.

- 1. From where did you hear about Euroace?
- 2. Did you have other alternatives, when you were choosing a language school? If so, what made you choose Euroace?
- 3. Did you feel welcome on your first day?
- 4. Do you think you have made any progress in learning?
- 5. Do you think the Spanish course has filled your expectations?
- 6. Have you tried other services that Euroace offers? If so, which ones? If not, are you aware of them?
- 7. Do you think Euroace has something to improve? Any wishes or wants?
- 8. Would you be interested to try online learning?
- 9. Has Euroace made your experience in Valencia better?
- 10. Would you consider using Euroaces services again?
- 11. Would you recommend Euroace to others?