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**CUSTOMER RELATIONSHIP AND STRATEGIC MANAGEMENT
AS TOOLS FOR ORGANISATIONAL PERFORMANCE**

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ABSTRACT

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<p>Around the world, business owners are doing whatever they can to remain relevant and serve the customers better and efficiently. Customers are the main priority in any business. Business owners are paying attention to customer relationship management as well as their strategy to improve their overall organisational performance.</p> <p>The objective of this thesis was to investigate brands, what methods they employed into retaining their customers, their cost of production, profit margin, economies of scales. What makes the products from these brands different and why they have competitive advantage over their rivals. How companies have benefited from creating value to their customers.</p> <p>Theoretically, secondary sources were taken from eBooks readily available at the school library page and I took advantage of the diverse database on customer relationship management and strategy. some contents were notes taken from courses done during my study years at Centria University of Applied Sciences and from the companies' yearly journals and articles. For the empirical part, quantitative research method was used which entailed the use of a questionnaire via google form survey was sent to student groups and the data was analysed appropriately.</p> <p>The outcome of the research showed that price is a factor which helps customers to make their decision in terms of brand patronage. Creating good customer relationship helps brand to stay in business long term. Companies are paying more attention to being cost efficient and produce goods and services which are different, valuable but are customer oriented. Some companies sell experience for a premium price while others are price friendly. At the end of the day, it depends on what the products does for the end user.</p>		

<p>Key words Competitive advantage, Customer relationship, Differentiation, Economies of scale, Strategy</p>

CONCEPT DEFINITIONS

BGC Matrix	Boston consulting group matrix.
Customer Relationship	The ways in which your company communicates and deals with existing customers.
Competitive advantage	Competitive advantages are conditions that allow a company to produce a good or service of equal value at a lower price.
Differentiation	This is a marketing process that showcases the differences between products.
Economies of scale	Economies of scale refers to reduced costs per unit that arise from increased total output of a product.
OLED	Organic light emitting diode.
Ram	Random Access Memory is the hardware in a computing device where the operating system (OS), application programs and data in current use are kept so they can be quickly reached by the device's processor.
Strategy	It includes decisions, actions and goals for organizations' unpredictable changing environment and highlights the competitive advantage of an organization over rivals.
UAS	University of Applied Sciences.

ABSTRACT
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1 INTRODUCTION

Globally, a lot of businesses are emerging from different sectors. Setting up a business is very easy to do nowadays, there are a lot of resources on the internet, books and video blogs which gives advices on the steps to start up and thrive in business. However, depending on the industry or sector of the business, there may be threats of new entrants and competition. Businesses can remain relevant if they set out goals and try to maintain their quality, brand, durability and most importantly make their products customer-friendly and different. In doing this, they give more value to the consumers and more revenues for the companies.

The fashion industry has grown a lot, people would wear clothes because it makes them look good. Others would rather wear a brand because it reflects their success and their financial status. Companies all over the world are trying to retain customers in every possible way and some have resulted to loyalty programs which enables customer to continue buying from the company and acquire points or bonuses which could be used to purchase more items from their shops at reduced prices.

Generally, the goal of every businessman or investor is to make some enough profit which would make the shareholders happy and invest more. When the turnover is reasonable, the business grows. Hence the reason why they come with a lot of different strategies which would turn the business around and eliminate competitors and new entry competitions.

The objective of this thesis is to investigate brands and what methods they employed into retaining their customers, their cost of production, profit margin, economies of scales, what makes their products so different and why they have competitive advantage over their rivals, why people would rather buy an Apple product of €1000 rather than a cheap android device which does the same functions. To be able to achieve the objective of this thesis, four customer friendly companies (Apple, Samsung, Marimekko and H&M) were analysed and the findings would be discussed in later chapters.

Apple Inc. is an American based multinational company headquartered in Cupertino, California, United States. Apple Inc. designs, develops and sells consumer-based electronics, computer software and other online services. The company is one of the big giants in the smartphone and technology industry alongside Google, Amazon and Facebook. The product lines include the iPhone, iPad, iPod. Home pod. Apple watch, MacBook, Apple tv. Their software lines include the iOS operating system and macOS. The

company also produces professional applications as well as productivity suites like Final cut pro which helps to edit videos effectively, logic pro. iCloud is regarded as one of the safest cloud services to store files, apple music houses a lot of songs and most albums are streamed daily from the app. Apple products are sold in almost every country and one of the most highly sorted for products due to its premium built and fluid ecosystem.

Samsung Mobile is one of the divisions of Samsung Electronics which is a subsidiary of Samsung Group. The company handles mobile communications and telecommunications. Samsung mobile is headquartered in Suwon, South Korea. Like Apple, they sell consumer-based products and other online services. Their products lines range from Samsung galaxy notes series, Samsung galaxy A series, Samsung galaxy S series, tablets, phablets. Samsung is one of the top leaders in the smartphone industry. The company is known for its design and innovations. It is no news that because this company have a reputation already in the electronics industry, their devices are highly sorted for due to its design and prices

Hennes & Mauritz AB popularly known as H&M is a Swedish clothing retail company which is known for its simple but, yet trendy looks and outfits. This company currently operates in over 62 countries, it is one of the giants in the global clothing retail industry and the company has gained a lot of grounds with their vast online campaigns and online shopping availability in over 33 countries. H&M is generally known for rendering similar style of expensive fashion but at a lower cost, it is very customer friendly as it is relatively cheap.

Marimekko OYJ is a Finnish based fashion company in Helsinki, Finland. They also provide home furnishing and textiles. This company is known for its brightly coloured fabrics, but elegant styles used by women. Marimekko was founded in 1951 by Armi Ratia.

The establishment of relationships is a very important factor in our human heritage. Relationships are built for different reasons, some lasts longer than others, some are more intimate than others. Most times when we speak of relationships, we instantly think about close friends, family, neighbours, classmates and often colleagues. Relationships can also be established and built via business products and services. Most of the questions we ask ourselves is can customers establish a lasting relationship with a certain brand? This is true most times, some customers would drink coca cola as their non-alcoholic beverage because it is what they have always had, and they trust the company's reputation. That is a form of relationship and loyalty. Therefore, companies that succeeds in building genuine relationships with customers are rewarded and revenues are duly received.

Some customers would also rather buy products because it is a brand, and others, because of social strata. Also, how these products create value for the customers. In Finland and some part of the world, Nokia used to be the giant in the smartphone industry but fell out of the competition because they lacked recent technology and features which consumers were looking for. Once a company fails to meet up with customer's demand, they tend to switch to other brands which would give them more value for their money spent.

Growing up, the smartphone industry and fashion has been one of my many passions. During my study years at Centria University of Applied science, I realised that customer relationship management was something that I was good at. It can never be overemphasized that the customer is the aim of establishing businesses over the world. Service is very important because it can either make you as a business or ruin you in a long run.

Currently, with the evolution of telecommunication and the introduction of social media, customers hold the key to many businesses. This is because, they can rate services and these data are stored, and searched on by other users. For example, google introduced review services and when you search for a hotel, store or any establishment, you get to see what others have said about the place, usually if the services were not satisfying, they rate it from 1-5 stars. These are some of the hazards that the smart business owners are taking advantage of by actively increasing their participation with clients and customers, strategies which helps to make their products distinct from every other similar product out in the market.

2 CUSTOMER RELATIONSHIP MANAGEMENT

This chapter briefly explains the concepts of customer relationship in details. Customer relationships develop over time, just like interpersonal relationships. Companies or brands cannot decide that they would create a relationship with a group of customers or not, but rather, the power of doing that lies entirely in the hands of the customers. (Barnes 2006, 25-49.). Customer relationship management involves learning about the customer experience and behaviour. Customer relationship management is the process of managing the interactions between the company and customers or clients. It includes insights of forecasting sales based on previous sales analysis and service communication. (Cardos 2014.).

2.1 Customer Loyalty

There is no definite definition for customer loyalty. There are a lot of definitions regarding customer loyalty. Customers are people too, they bring the same amount of emotions and needs that we all exhibit in our daily lives. (Kotler et al. 2003.). If business owners are keen on establishing a solid relationship with customers to last a longer time, then they must understand the concept of establishing relationships with them. It is important to note that relationships are built on and develop over time and evolve to a point of solid connections with companies or brands. Loyalty results from brands being able to provide certain services and products which the consumers feel comfortable with, trust and rely upon fairly. (Kotler et al. 2006.).

Customer relationship management is a very powerful tool used to identify highly loyal customers, as well as redefine products and services to acquire prospective loyalty. Loyalty is built on trust and the presence of trust is a significant driver for economic profit. (Walsh et al. 2008.). Customer relationship management is key to companies getting access to their customers' needs and creating products which are of value to them.

Changes in the current competitive environment, increases simplicity of penetration into the competitive market, and rapid growing of information technology are essential motives for performing activities in an environment. (Chittaie 2012, 05-10.). Most companies develop new ways to try to penetrate the market and improve customer relationship management. Companies earn their customer loyalty and retain them too by adopting customer relationship management. (Tuleu 2015, 1285-1294.).

According to Chittaie (2012), designing customer relationship management strategies can lead to market protection, customer value increase, and greater customer satisfaction opportunities for continuous promotion of the enterprise. In doing so, companies will yield better income and most importantly, retain their customers. Companies nowadays utilize modern technology to be able to make durable products, make products cheaply but still according to standard and sell to customers. In doing this, they create high returns for them and shareholders.

However, in recent times, social media have become a popular channel through which customers and companies can interact. (Oliva-Luján & Bondarouk 2013.). Companies struggle to assess whether their investments in establishing and maintaining brand pages in social media meet their high expectations with respect to developing and retaining customers. (Maecker 2016, 68-90.). In as much as social media plays a vital role in customer relationship management, it could cause major harm to businesses if not properly handled.

Consumers expectations are getting very high and it is a bit difficult for companies to be able to satisfy all the needs to every detail. Products and services rendered can be a little tricky, some could meet up with the expectations of a certain group and they are very pleased and satisfied, but it may not suit others. (Goodman 2009, 22.). It is very important for companies to make these consumers satisfied, satisfied consumers will re-purchase goods and services, give good reviews about your company and refer future clients.

2.2 The 5 E's of customer relationships

It can never be over emphasized the importance of companies and brands to maintain and monitor closely the relationships with their existing customers and prospective customers. (Barnes 2006, 25-49.). Failure to do this, results in loss of customers, low turnover and collapse of a business. (Darudiato 2011).

2.2.1 Customer Environment

Companies who intend to be successful needs to create a solid relationship with a larger number of its customers, because of this, it helps them to understand the customer's environment. (Ariely et al. 2009, 475-499.). Every day, customers are faced with a lot of challenges and have a to do list, people nowadays

buy products not exactly for their features but what the product would enable them to achieve. People need solutions to their problems. (Christiansen et al. 2007, 38-47.). Products and services which consumers purchase represents a means to an end i.e. he/she needs that product to get something done.

According to (Ariely & Norton 2009, 475-499.). customers do not always buy products and services for what they could offer them sometimes but for the feelings that they get from acquiring such products. For example, we buy smartphones with excellent cameras not only to take good photos and post them on social media for our family and friends to see our awesome photography skills, but also for the memories associated with taking those photos. (Ariely & Norton 2009, 475-499.).

2.2.2 Customer Expectations

Meeting with the expectations of customers is probably one of the strategies of most business owners. As humans, we have expectations about different things. Companies set out strategies to be able to meet with the expectations of customers. Companies who fail to implement most of these in their memo would lose customers to rival competitions. Fulfilling customer expectation is quite predictable and can be easily achieved with forecasts and feedbacks from clients at a regular interval. Satisfaction is driven mainly by predictable, functional aspects of the company's value proposition. (Oliver 2009, 70-120.).

If you ask customers what they expect from their smartphones, the likely answers would be good hardware, software, battery, camera and the ability to do both social and business works on their devices. Also, in relation to fashion, customers want clothes which are in style, durable, trendy and makes them feel good. The customer would be satisfied if they get products and services which would fulfil most of their expectations and remain loyal.

2.2.3 Customer Emotions

Relationships are emotional constructs. People would often make references to people such as family, friends, colleagues and every other person that they feel close to in terms of relationship. i.e. relationships are often used when describing personal relationships with people. In order to build a long-lasting relationship with customers, companies must try as much as possible to eliminate any negative press that can dent the image of the brand. (Fleming & Asplund 2007, 50-70.).

According to (Fleming & Asplund 2007, 50-70.), customers sometimes may experience annoyance or frustration when dealing in some certain business situations, these kinds of feelings could lead to a customer deciding never to deal with a company again, if these issues are left unattended to, the customer could simply walk away and never return to patronize again. Therefore, if a brand or company lets down or frustrate customer experiences, it would be difficult to appeal to them and build and form of relationship with them.

2.2.4 Customer Experience

Over the years, a lot of focus has been drawn to customer experience, how well it represents a company, and its important contribution of how it sustains relationship developed in business. (Meyer et al., 2007, 117-126.). Customers who have had positive experience with a certain brand would likely have a strong relationship with them and vice versa.

Every interaction with companies is an experience, be it face to face transactions, telephone contacts or through chat boxes via websites. Experiences should be considered because if a customer receives a negative vibe from the other end, he or she might end up not making the purchase. (Meyer et al., 2007, 117-126.).

2.2.5 Customer Engagement

According to (Fleming 2007.), the concept of customer engagement involves companies involving customers more by taking key notes of expectations and desire into the production of their final products and services. It is very essential for brands to consider the effect of customer engagement for the image of their products and services.

Some brands allow customer to be actively involved in design about the final products that is being released. This gives customers some form of participation and involvement. Other brands allow customers to partner with them and co-create products and services. (Christensen 2005.).

2.3 Strategic Management

Many people have defined strategy and a lot of the definitions are similar. Strategy is a direction and scope for organization over long-term, which achieves advantage in changing environment through its configuration of resources and competences with the aim of fulfilling stakeholders' expectations. (Johnson et al. 2006, 9.).

Strategy is a plan or direction for future. Strategy is a pattern, that consists of behaviour in past. Plan indicates what was intended to do and pattern shows realized strategy. Realized strategy includes thinking ahead and allows adaptation of the plan. The strategy is a position, which determines the products to particular markets. Strategy is also a perspective. As the position shows external marketplace, perspective looks inside the grand vision of the organization. Strategy is a ploy to outwit the opponent or competitor. (Mintzberg 1994, 9-29.). This definition was part of Michael Porters 5P theory.

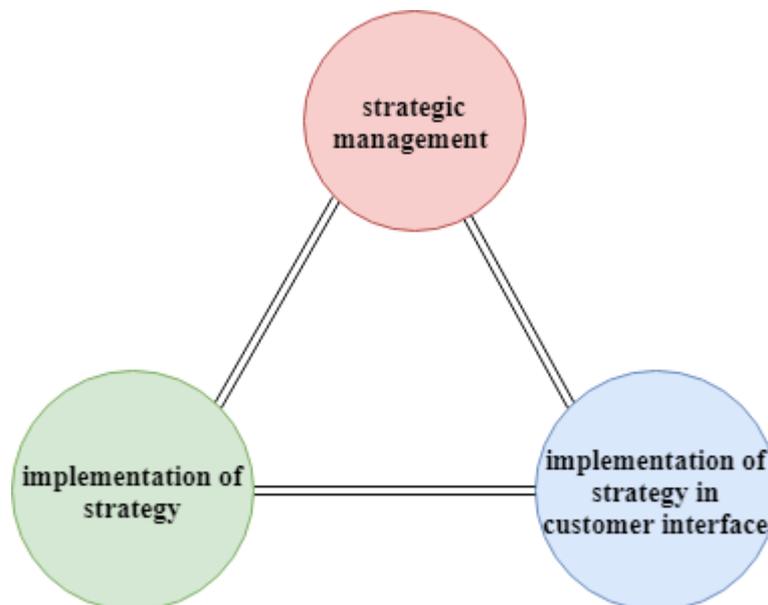


FIGURE 1. Basis of strategy.

There are two ways of obtaining competitive advantage (Figure 1, designed by the author of the thesis) cost leadership and differentiation. Cost leadership employs the use of economies of scale and cost to

produce goods in bulk and gain from mass production. Differentiation on the other hand, deals with making products and services with some distinct features which distinguishes it from competitors. (Wheelen et al., 2012.).

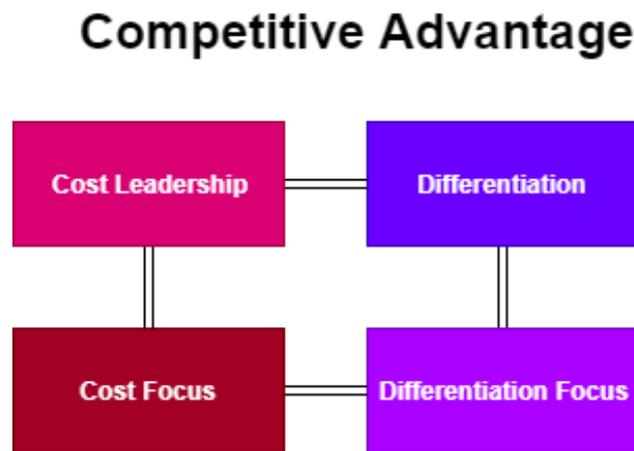


FIGURE 2. Porter's generic strategies.

There are two main ways for companies to gain competitive advantage over rivals and intending new entrants, they are cost leadership and differentiation. For consumers, pricing plays a very important factor when considering products and services (Figure 2, designed by the author of the thesis). As a result of this, lower priced products and services are usually expected to sell our more units because it is affordable.

Cost leadership allows companies to benefit from economies of scale which allows them to produce more units of products at a reduced price. Also, outsourcing is a very relative approach used, parts of the production are moved to a country where the cost of production, labor, warehousing and other supply chain expenditures are cheaper (Figure 2, designed by the author of the thesis). Differentiation on the other hand, involves those distinct features which certain products have and are missing with competitor's products. This helps to give one's product and services that extra advantage because it is different and unique. (Mintzberg et al. 2009.).

	Rational world view	Complex world view	Postmodern world view
Who creates the strategy?	Emphasize the management's role, employees participate on planned process	Everyone in the organization is a strategist	The emphasis is in interaction between the organization and its customers
How is the strategy process?	Formal process, planning and execution are separated	No separated processes, planning and implementation are connected	The strategy is involved in every action
What is the objective of the strategy?	Finding logically the most appropriate course of action	Inspiration and creative atmosphere	The creation of experiences and identity to customers
What are core issues of the strategy work?	Planning of logical and analytical methods and practices	The exploring of relationships and recognition of the changing emotions	Continuous creation of images and stories in dialogue between customers, management and personnel

FIGURE 3. Features of strategic views. (adapted from Juuti & Luoma 2009, 260.).

Strategy is most times referred to as a long-term thorough planning and forecasting in an evenly changing business environment. Strategy is created and analysed in social situations through relationships and discussions (Figure 3). Postmodern strategy creates meanings to customers and allows them to create images and meanings of the organisation. (Jokiaho 2013, 19 [Juuti & Luoma 2009, 203-219.]).

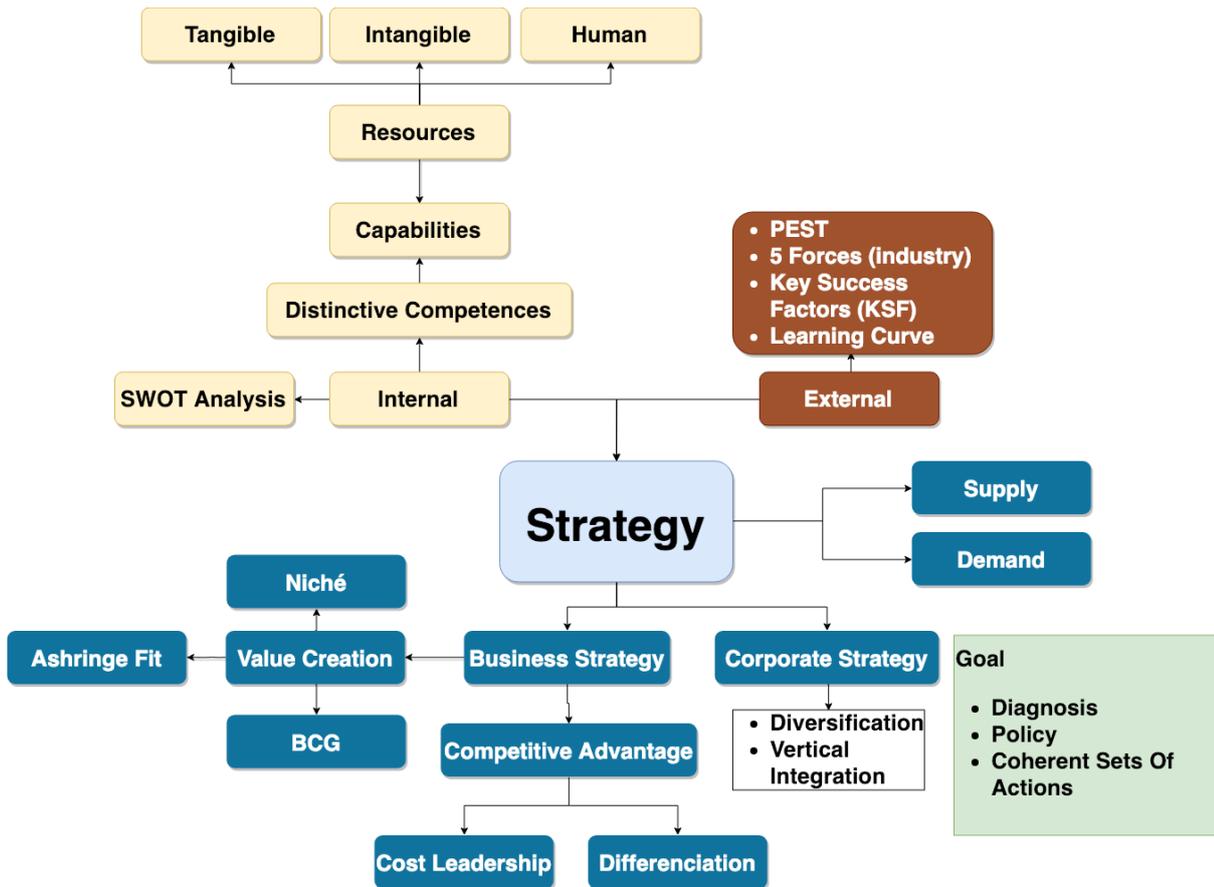


FIGURE 4. Overall view of strategy.

Strategy is usually created and defined in social situations through discussions and relationships. The postmodern strategy creates images and meanings to customers and allows also customers to create meanings of the organization (Jokiaho 2013, 19 [Juuti & Luoma 2009, 197-199.]). Strategy can be used internally or externally by companies. According to (Figure 4), the basic goals of formulating strategy by companies or corporate firms is first to diagnose the problem, set out a couple of policies which will help you tame or eradicate the problems and the coherent sets of actions which would prevent such problems from reoccurring soon. Business strategy combines competitive advantage, cost leadership and differentiation to give more value to the customer (Figure 4, designed by the author of the thesis). By differentiating products, companies are given the extra advantage which their competitors lack. Internally, SWOT analysis helps companies to review their patterns and means of operations, they check for their strengths, weaknesses, opportunities and threats. This helps them to strategize better and grow as a brand. (Cattani 2011.).

3 CUSTOMER RELATIONSHIP AND STRATEGIC MANAGEMENT – CASE STUDIES

Customer relationship management is a very essential tool in determining organizational performance. The importance of the impact of customer relationship management to the success of businesses can never be over emphasized. Strategy helps companies to be able to plan and analyze the vision of their enterprise and where they want it to go and be. Without having a concrete strategy, brands will fall out of the evolving business market and give room for new entries or competitions to take over. In this chapter, case companies which includes Apple, Samsung, H&M and Marimekko will be discussed.

3.1 Apple

Apple has made our lives a lot easier than when apple was just another fruit. Apple was founded by Steve Jobs, Steve Wozniak and Ronald Wayne in April 1976 and since then, the company has gone on to become a company valued at trillions of US dollars, at that time they were just dealing on computers. The company is famous for its aesthetic product design and updated technology. (Apple Inc 2019.).

Apple has gained its recognition as a brand because of a numerous number of loyal customers due to its business strategy. Apple is one of the biggest smartphone makers in the world, ever since they ventured into the smartphone industry, they have made tons of innovations and captured the customers with their series of products which ranges from iPhone, iPad, MacBook, iMac, iPods, iWatch etc. (Apple Inc 2019.).

Apple has been amongst the top 5 smartphone vendors in the world since 2009. With the decline of Nokia and RIM (Blackberry), market leaders at one point, both Apple and Samsung grew their presence in the market. Samsung took the lead and has held a share of 20 to 30 percent since 2012. The Korean electronics company shipped more than 317.3 million smartphones worldwide in 2017. Apple has consistently been Samsung's closest competitor, maintaining the position of second most popular smartphone vendor in the world since 2012. Apple's iPhone sales have consistently increased over the last few years, rising from almost 170 million units in 2014 to almost 216 million iPhones sold in 2017. (The statistics portal 2018.).

Apple is the second largest vendor of smartphones worldwide, with the company selling more than 215.8 million iPhones worldwide in 2017. As of the fourth quarter of 2017, Huawei is the third largest vendor

of smartphones, with 10.2 percent of the market share. The company sold more than 41 million units to end users in that quarter. (The statistics portal 2018.).

Much of this recent growth can be attributed to the stable performance of the iPhone 6 and 6s, as well as the release of iPhone 8 and 8s, as well as the full-screen iPhone X. With the introduction of these new models to the market, iPhone sales improved considerably. Apple's share of global new smartphone sales reached almost 19 percent in the last quarter of 2017. The company registered a new record in terms of iPhone sales in the first quarter of 2017 (4Q '16 calendar year), with over 78 million units sold in that quarter. (The statistics portal 2018.).

A lot of people who use apple products buy them because it makes them feel secured knowing that their phones and MacBook are well built, and they might not have to change it a lot. The target group for Apple is usually youths for their smartphones and for the MacBook, they target people who do a lot of video editing, students and youtubers. (The statistics portal 2018.).

Recently, there has been a decline in stock at Apple Inc., the recently released iPhones have not been doing so well in the market as expected by the company, this could be attributed to prices and there are substitute products which does similar tasks as well. This has resulted in decrease in prices of certain products in Asia because that is where most of their sales are from. (Apple Inc 2019.).

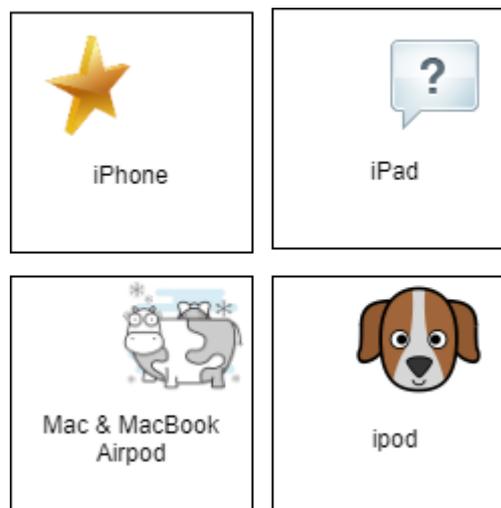


FIGURE 5. Apple Inc. BGC Matrix.

The Boston Consulting Group (BGC) Matrix is one of the essentially used tool which helps business strategist to make decisions which are beneficial to a business in a long run. The stars which is the

‘iPhone’ has high market share, high market growth and a future potential to generate more funds for the company (Figure 5, designed by the author of the thesis). The cash cow aka ‘MacBook’ is a relatively expensive product with a high market share and low market growth. They generate most cash for the company. The question mark aka ‘iPad’ has high market growth but a low market share. It has the potential of becoming stars. The reason is because a lot of schools are encouraging the use of iPad and most students are doing almost everything they would do on their regular notebook on their iPad. Lastly, the dog aka the iPod, it is usually advised to do away or kill off the dog because it has low market shares and low market growth and will not yield any more revenue for a business.

SWOT stands for strengths, weaknesses, opportunities and threats. This is a model which also helps strategist make drastic changes about their companies and diversify their products and services. In making critical strategic decisions, it is essential to identify and understand the positive and negative factors which would hinder growth, hence SWOT analysis. (Barker 2008.).

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ Diversified products e.g. MacBook, iPhone, iPad, air pods, Apple Tv etc ➤ Innovative design. ➤ Firm hardware ➤ Security (not easily attacked by virus unless jailbreak devices, apps can only be gotten from the apple store). ➤ Software (iOS is very fluid). ➤ Durability of products. ➤ Customer support is top notch. 	<ul style="list-style-type: none"> ➤ Premium price. ➤ Less innovative design. ➤ Battery capacity. ➤ Customization.
Opportunities	Threats
<ul style="list-style-type: none"> ➤ Environmentally friendly company. ➤ Most products have been produced from recycled old devices submitted by customers. 	<ul style="list-style-type: none"> ➤ Substitute products from other manufacturers with less price. ➤ Redefined designs from rivals.

FIGURE 6. SWOT analysis of Apple Inc.

In (Figure 6, designed by the author of the thesis), the SWOT analysis for Apple Inc shows that the brand has diversified products which ranges from the iPhone, MacBook, air pods, apple tv. This gives the customer a wide range of options to choose from. Apple iPhones are solidly built and that is one of the reasons why they are durable, customers will not have the need to always want to update devices yearly. Apple has built its entire brand of security and that is why apps can only be obtained from only the app store which have been verified from reliable developers.

Apple offers very swift customer service to customers for a very long time regardless of the country where the products were purchased. From time to time, the company checks their products and if the fault is entirely theirs, they collect the device from the customer and fix them for free and offer some coupons in some cases (Figure 6). Apple devices are well optimized, it doesn't matter the amount of Ram you have because your smartphone will run smoothly without glitches. The iOS is updated, and older phones are supported for a long time, so you do not have to change devices often.

The premium prices are one of the reasons why there has been a recent decline in sales in the company's global sales. This is because customer feel like they can get another brand for a cheaper price. Apple is a close circuit device and it gives the user less room for customization (Figure 6). However, in 2018, with the release of the newer iPhone and MacBook models, the company experienced some challenges in sales. It was reported according to (MacRumors 2019.). that sales of iOS devices are on the low because of the premium price range.

Consumers have different other options and Apple has become almost high above reach. Apple is a very smart company. Every year, they release a new smartphone with a little difference than the older model released, and they are pricey, but customers would still buy them. The strategy they employ that they build their products so well, they are very durable, secure, they have features which renders your phone unusable if stolen. You can track your phone; their products are almost resistant to virus attacks because they have a very secured eco system. Apps are built specifically for iOS database. (Apple Inc 2019.).

Recently, there was a bug on the iPhone which allowed you to spy on other iPhone users without them answering their phones. The company was quick to deactivate the group options in the app and worked on a solution.

3.2 Samsung

Samsung Electronics was established around 1960s and since then it has changed the game in the electronics industry. In the 1980s, Samsung ventured into the smartphone industry and has become one of the big contenders in the game. (Samsung website 2019.). Samsung electronics vision is to create a culture of infinite possibilities that helps to save lives and surprise the world. (Samsung website 2019.). According to Samsung, the customers is what drives them to constantly improve their lead change and innovation. (Samsung website 2019.).

In 2016, Samsung rose to the top in the leading board in the global smartphone market by providing sophisticated user experience and innovative designs & capabilities. (Samsung website 2019.). Samsung take differentiation to another level. Over the years, they have had products which are distinct, water resistant, they have tried to redesign their look and they keep changing in relations to the customers' needs. Samsung camera is arguably one of the best out there. The company is so innovating and resourceful that they even make screens for the rivals "APPLE". One of the major advantages they have over apple is the pricing of their products. They have made a name for themselves already with products like smart refrigerators and televisions, hence it was easy for them to enter the smartphone industry and dominate. (Samsung website 2018.).

Samsung, known for consumer products such as mobile devices and home entertainment systems, is the global leading smartphone vendor. Since 2012, the South Korean company has held a share of 20 to 30 percent in the smartphone market. Apple has consistently been its closest rival over the years, while brands such as Lenovo and Huawei have also increased their smartphone market share. (The statistics portal 2018.).

Samsung's main line of smartphone products is the Galaxy series, the first of which was released in April 2009. The company's smartphone shipments have increased rapidly from 2.4 million at the start of 2010 to 74.1 million in the fourth quarter of 2017. (The statistics portal 2018.).

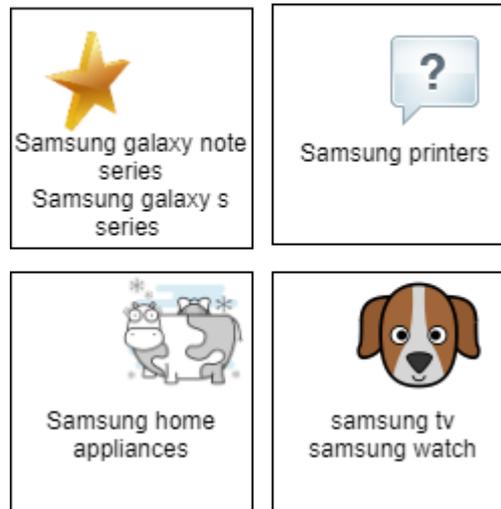


FIGURE 7. BGC Matrix for Samsung.

The stars which is the ‘Samsung galaxy note series and the galaxy s series’ has high market share, high market growth and a future potential to generate more funds for the company (Figure 7, designed by the author of the thesis). The cash cow aka ‘Samsung home appliances’ is a relatively expensive product with a high market share and low market growth. They generate most cash for the company. The question mark aka ‘Samsung printers’ has high market growth but a low market share. It has the potential of becoming stars. Lastly, the dog aka the Samsung watch, it is usually advised to do away or kill off the dog because it has low market shares and low market growth and will not yield any more revenue for a business.

Samsung mobile phones are usually customizable. Customers are able to make the phone really theirs, with third party applications installed, the devices are equipped with a lot of features. (Samsung website 2019.). Samsung is usually associated with innovative design, durability and features. (Samsung website 2019.)

Strengths	Weaknesses
<ul style="list-style-type: none"> ➤ Wide range of products & Differentiated products e.g. smart TVs, smartphones, Refrigerators, Samsung notepads. ➤ Premium design. ➤ Customization. ➤ Products durability. ➤ Fluid software. ➤ Innovation. 	<ul style="list-style-type: none"> ➤ Optimization. ➤ Security. ➤ Apps.
Opportunities	Threats
<ul style="list-style-type: none"> ➤ Most products have been produced from recycled old devices submitted by customers. ➤ Customer friendly company. 	<ul style="list-style-type: none"> ➤ Substitute products from other manufacturers with less price. ➤ Redefined designs from rivals.

FIGURE 8. SWOT analysis of Samsung.

Samsung prides itself as a company as a leader in innovation. Samsung offers a wide range of electronics to customers. Since they started off first in the electronics sector, they have built a range of high-end products which are reliable, and it was easier to venture into the smartphone sector. (Figure 8, designed by the author of the thesis). Samsung makes one of the best screens in the business today and even OLED sell out to rival companies. Samsung devices are easily customizable, and it allows the user to make the smartphone theirs and not being compelled to use the default setting that the manufacturer has set (Figure 8). Samsung devices are not well optimised, one must own expensive models to be able to use their phones smoothly. The system apps which came preinstalled takes almost half of the ram alone.

3.3 H&M

Hennes & Mauritz AB is famous fashion brand. Fashion is a very important part of our current lives. People dress up for different reasons. A lot of clothing brands and manufacturers are creating existing trends and modifying products to suit customers' needs. There are a lot of brands out there and they all serve their individual target groups. For example, some may target the teenagers, others the matured and working-class citizens.

According to H&M (2019), the H&M group consists of nine other brands which have a common goal to create great design which are readily available to everybody. The company started in 1947 as a single store for women clothing in Hennes Västerås, Sweden (H&M 2019.). Since then, the company has ventured into different branches of the industry. H&M shares a value centered around the customer. i.e. they are a customer friendly brand. They work in teams where innovation and creativity are promoted by the diversity of the company.

The company has a lot of customers, the vision is to lead the change towards a fashion which is sustainable, and industry based and renewable energy. The company supports innovation and makes them scalable while driving increased transparency throughout the value chain. (H&M 2019.). According to (H&M 2019.), the vision of the company is working to achieve a fair and equal workplace and contributing to good communities based on diversity and inclusion.

According to (H&M 2019), Net sales in 2018 was SEK 210 billion. The company has over 47 markets with their online shopping platform and around 4,900 stores present in 71 markets globally. In the H&M group, 73 % of the employees in positions of responsibility were women in 2017 statistically. 59 % of the cotton H&M used in 2017 was sustainably sourced. The company's goal is to be at 100% by 2020. In 2017, due to its campaign for recycling, customers handed in 17,771 tons of old textiles to program for reuse or recycling and this made the company more environment friendly company. Supplier factories representing 53% of the company's total production volume have workplace dialogue training. 100% of the supplier factories H&M buy from in Bangladesh hold democratic elections of worker representatives. 96% renewable electricity in the company's own operations in 2017. (H&M 2019.).

According to (H&M 2019.), the company is creating a suitable customer experience by creating a convenient and experience for their customers. The brand engages customers in stores as well as digitally

using social media and other creative places. Shopping is supposed to be fun, easy and relevant regardless of where, when and how the customers choose to shop, and that is why the company is integrating physical stores and digital channels. i.e. you can get same services from the comfort of your home and with one tap, the products would be delivered to you easily.

The internet is playing a very critical role into making a lot of people successful in their future endeavours. Currently, a lot of persons own fashion blogs, YouTube channels where they discuss everything from fashion, makeup, relationships etc. Social media platforms such as Facebook, snapchat, Instagram is giving a lot of people the freedom to express themselves and create contents which are unique to them.



PICTURE 1. Men's clothing display photograph taken from H&M store Kokkola (photograph taken by Efemena Ekama 2019)

H&M prides itself as a brand which is customer friendly, trendy and affordable. (Picture 1) shows the display of a nicely put together outfit which can be worn by any age group in the summer. It is flashy and well fitted but most importantly, it costs less than other premium based brands. Customers will always value a brand which gives them more for less.

Amongst the youths, H&M is an affordable brand which is easily accessible to everyone. Their fashion style is easily appreciated, and their clothes are very trendy. H&M is a very successful brand because they outsource most of their production. By outsourcing, the company reduces cost of production of clothing items and benefit from economies of scale and cost. This is their strategy for lowered cost but still they make a lot of profit without going bankrupt. (H&M 2019.).

The company understands that a lot of people use Instagram as a semi portfolio for modelling. Recently, they came with #HMxME campaign which simply allows users to shop for a product and take of photo of themselves wearing it and styling it properly and get featured on that product page. It was a clever initiative because it would increase the amount of sales. A feature on the HM website would be huge for anyone. (H&M 2019.)



PICTURE 2. Men's clothing display photograph taken from H&M store Kokkola. (Efemena Ekama 2019)

For most people, fashion is dressing up and being comfortable in whatever it is you put on, (Picture 2) shows a styled display from H&M store. The clothes are very affordable and trendy at the same time. On their website, you could even get featured if you pull off this look and add a hashtag.

3.4 Marimekko

Marimekko is a Finnish brand which is known for its glamorous design and colours. (Marimekko 2019.). The act of print making started in 1949 when Armi Ratia envisioned a bold future for textile design and manufacturing and since then it is an indigenous brand originated from Finland and now to the world. According to (Marimekko 2019), the heart and soul of the company's print design is their textile printing factory in Helsinki, over one million meters of fabric are printed every year. The printing factory plays a very important role in Marimekko design process. The company prides itself with creativity, innovation and originality. (Marimekko 2019.).

According to (Marimekko 2019), the company creates products that is sophisticated but simple and not something complicated. People usually do not want to surround themselves with unnecessary materials. The company is family oriented and as such, the staffs work together to handle bigger challenges as well as create mindful designs. Marimekko creates products with minimum environmental impacts but also brings joy to the people.

Marimekko is spreading joy to everyone through their designs by creating products with distinctive aspects and personal style. The company encourages young designers to grow and showcase their talents. The company has built a strikingly inventive pattern and utilised great use of colours. At Marimekko, the inculcate art into their print making. (Marimekko 2019.).

Marimekko as a brand is not entirely built as trendy fashion, they make products which are long lasting and timeless, this way a customer can use any of their design repeatedly without any hassle of the product no longer being in style. (Marimekko 2019.). Timelessness may, however, occasionally come into fashion by chance, like now. (Marimekko 2019.). According to (Marimekko 2019), the company believes that each of their designs must have their signature effect on the customer and makes you cherish yourself.

4 CONDUCTING EMPIRICAL RESEARCH

Marketing research is the function which links the consumer, customer and public to the marketer through information – information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.” (Parasuraman 2004, 150-200.). Research design is the framework for collecting and analysing data and generating this into evidence. (Bryman & Bell 2007.).

Marketing research – “the function that links the consumer, customer and public to the marketer through the information that is used to identify and define marketing opportunities and problems, to generate, refine and evaluate marketing actions, to monitor marketing performance, and to improve understanding of the marketing process”. (Kotler et al., 2003,120-170.). The goal of any marketing research process is to equip decision makers and strategists with primary and secondary information needed to tackle a problem at hand or future ones which may arise.

Target population refers to the collection of elements or objects that possesses the information searched by the researcher. In this study, the target group are the students of Centria University of applied sciences, they form parts of the customers of most of these brands.

Sampling is very important when carrying out research because it helps the researcher to size up the population which will be used to collect relevant information if the adequate sampling technique is used. Sampling technique can either be probability or non-probability sampling techniques. A close-ended questionnaire was sent out to student groups (ABMS16P, NBMS16K, NBMK17K, NBMS18K, NFSAS18K) and data was analyzed.



FIGURE 9. Research method applied in this thesis.

The research process (Figure 9, designed by the author of the thesis) starts first by determining the problem, selecting an appropriate research design, executing the design and lastly, communicating the result. Quantitative descriptive research method which entails the use of surveys i.e. information obtained by questioning respondents.

In this case, a questionnaire will be used because it will be difficult to reach a large group as Centria Business students from ABMS16P, NBMS16K, NBMK17K, NBMS18K, NFSAS18K. Questionnaires are relatively easy to administer, and the internet has made it easier with services like Google form, webropol etc. Internet based questionnaires which will feature a series of questions concerning what customers look for in brands will be asked. Since the study is internet based, the researcher will be able to obtain statistical and graphical representations of the data obtained.

A poorly written questionnaire however could be very bad for the research. It could lead to bad data analysis and the overall results could be tampered and wrong. Research objectives have three components; research question, hypothesis development and research boundaries. The research kicked off by designing series of questionnaires to collect data for analysis and deducing reasonable answers. Once a research has been designed, the researcher can choose the desired method of data collection and analysis. (White 2009.).

5 DATA ANALYSIS AND RESEARCH RESULTS

This chapter presents the data collected from respondents via a questionnaire sent using the google form platform. The results will give a clearer understanding of customer relationship, loyalty. How important these factors are taken into consideration before patronizing brands and why the customers stick to brands but also what it means for the brands. The participants acted on their own free will and no one at any time was coerced to offer any contributions.

To get a clearer understanding of customer loyalty, satisfaction and retention from the customer's perspective. A questionnaire is sent via google form to students from targeted group as earlier mentioned in chapter 3. The structure of the questions is listed as appendix 1,2 and 3. From the feedback received from respondents, it will be able to ascertain some of the factors which customers consider when purchasing smartphones and clothing, what is the most important thing they look out for etc. the questionnaire was sent to over 70 students but only 45 responses was recorded.

1. Gender

45 responses

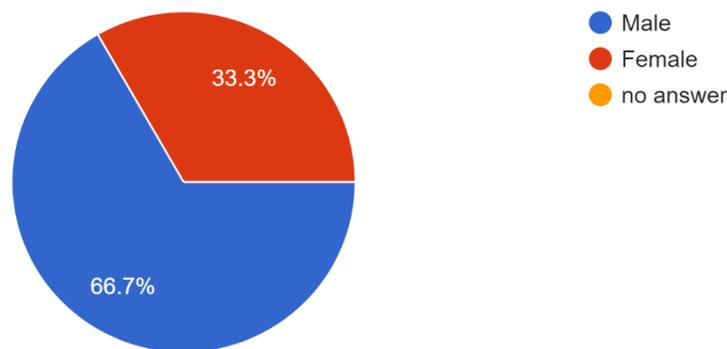


FIGURE 10. Gender.

From the survey carried out, 45 responses were received. 66.7% of the responses received was from male students while 33.3% were female students (Figure 10). Centria University of Applied Sciences is a multicultural school in Kokkola and has students coming from different parts of the world with the common goal of acquiring quality education. Majority of the students are male.

2. What is your age group

45 responses

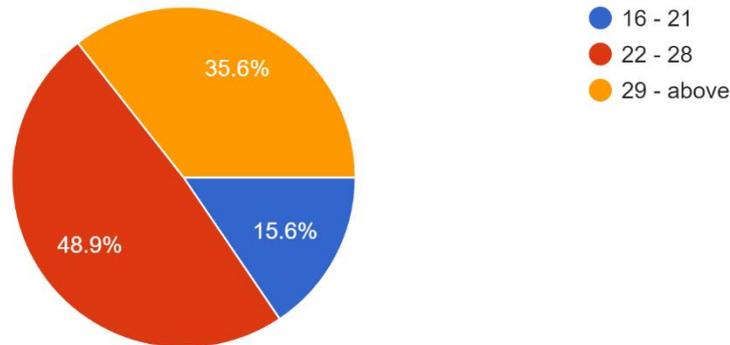


FIGURE 11. Age group.

(Figure 11) shows the age group 22-28 had the highest with a percentage of 48.9%, this was followed closely by 29 and above with 35.6% while the least age group was 16-21 with 15.6%. The business management programme at Centria is highly competitive, it requires a lot of mental thinking and skills to be able to scale through many of the tasks and just recently, the SAP programme was introduced into the curriculum. It is understandable that age group 22-28 was the highest because most of the students after conclusion of high school in their home countries may have worked in business related sectors to help acquire some basic knowledge.

3. What is your nationality?

45 responses

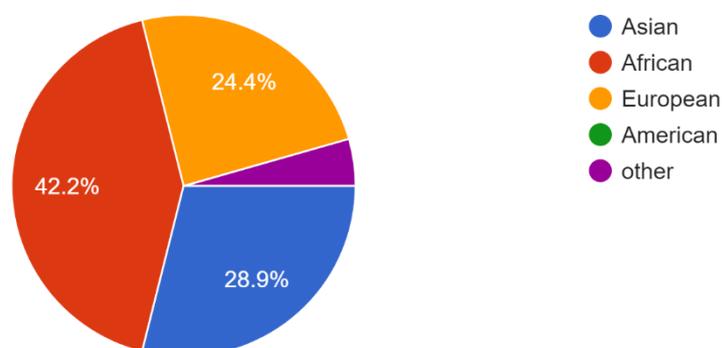


FIGURE 12. Nationality.

Centria UAS is a multicultural school. It houses students from different races and nationalities. Over the past few years, Finland opened her doors to international students with her free education programme for all and that attracted a lot of nationalities who wanted to get quality education for free. African students had the highest population of 42.2%, followed by Asians with 28.9% and 24.4% were Europeans (Figure 12). Finland education system has been rated as one of the best in the world and as such, Africans takes advantage of this opportunity to be more appreciated because in their home country, the standard of education due to some circumstances would not enable them to achieve more.

4. How long have you living in Finland?

44 responses

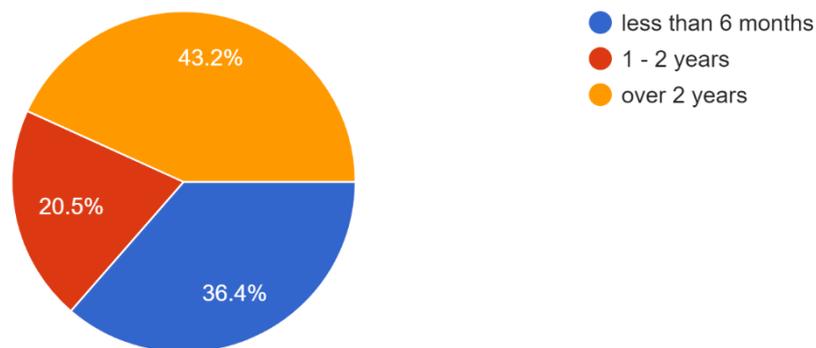


FIGURE 13. Duration in Finland.

(Figure 13) shows the time duration which the respondents have lived in Finland so far, over 2 years had 43.2% because most of the students are third year students and are already set to graduate. 1-2 years had 20.5% which 36.4% was the lowest because the newer students had just started studying in Finland.

5. Are you a student at Centria UAS?

44 responses

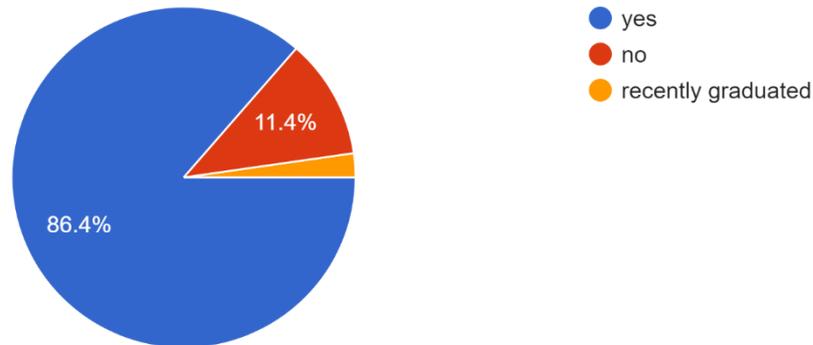


FIGURE 14. Student statistics.

86.4% are currently studying at Centria UAS while 11.4% are no longer students since they are awaiting graduation. The graduation is on hold because the school is switching systems (Figure 14).

6. Are you passionate about technology?

45 responses

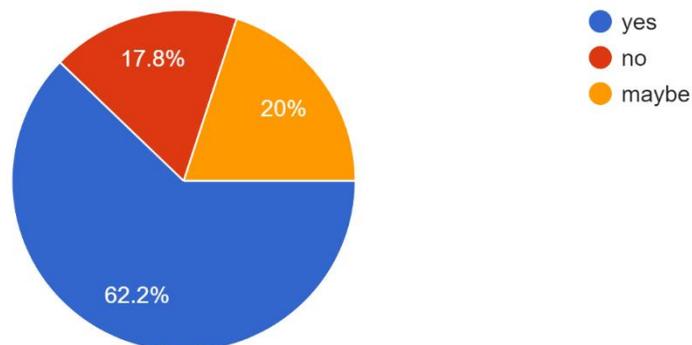


FIGURE 15. Technology.

When asked about technology and if they were passionate about it, 62.2% answered Yes, technology is currently evolving, and most people are keen on trying out new experiences and features. 20% replied Maybe while 17.8% answered No (Figure 15).

7. Does your sense of fashion reflect your personality?

44 responses

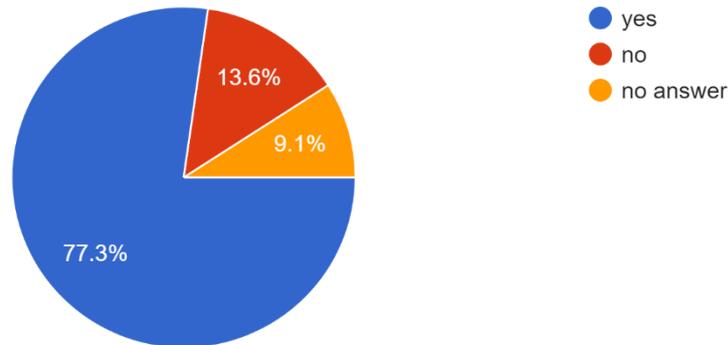


FIGURE 16. Fashion.

A lot of people are into the fashion industry for different reasons, other for fun, for learning purpose and some for expression and aesthetic reasons. As shown in (Figure 16), 77,3% says fashion represents their personality. For some people, the way they dress reflect a lot on their inner personalities, in terms of feelings, music preference, stereotypes, zodiac signs etc. 13.6% says it does not reflect their personality while 9.1% chooses to remain neutral on the subject.

8. What is your currently owned smartphone?

44 responses

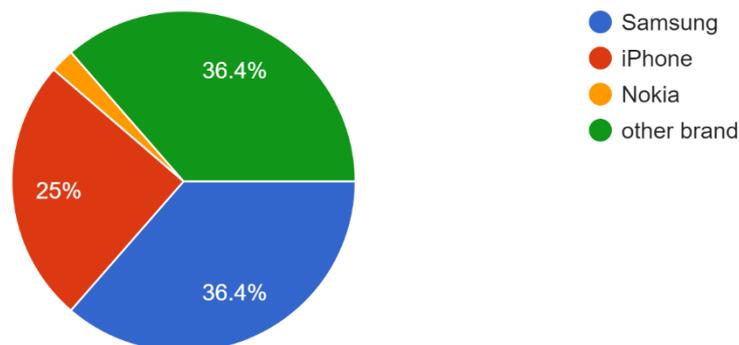


FIGURE 17. Smartphone owned.

Samsung and other brand were the most choice with a percentage of 36.4% respectively. iPhone had 25% of the responses (Figure 17). This can be due to the pricing and what the customers require in a smartphone, how much they are willing to spend on a device. Nokia had the least response because they lost out in the competition race a while ago due to lack of recent technology, but lately, they have re-branded, and it will take some time to catch up with the giants in the leader board.

9. What is the most important factor you consider when thinking of getting a new phone?

44 responses

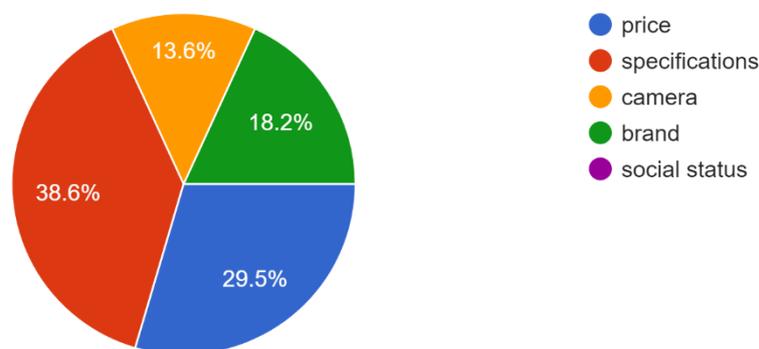


FIGURE 18. Factors considered in smartphone purchase.

Recent technology has made it possible for our smartphone to be very smart and efficient in carrying out a lot of tasks. This has made it easy for people to handle their day-to-day activities with ease and less stress. According to (Figure 18), 38.6% of the respondents choose specification, 29.5% are more price concerned, 18.2% stick to brands while 13.6% are more concerned with camera as it enabled them to capture beautiful memories.

10. Are you likely to return to a brand if you are not satisfied with their product / services?

44 responses

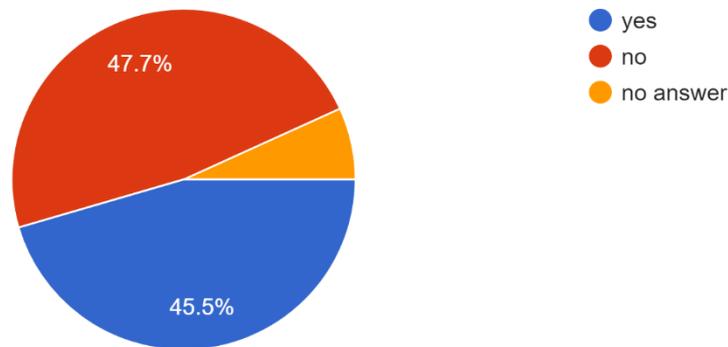


FIGURE 19. Prospects of returning after a failed customer relationship management.

Customer relationship is key in businesses. If the customers are not treated properly, there is a likely chance they will not come back. Therefore, customers go to brands and places where they feel like they are appreciated and get their money's worth. 47.7% responded No while 45.5% replied with Yes, maybe they give the brand another trial and then back out if the second experience is bad as well (Figure 19).

11. How much are you willing to spend on a smartphone?

44 responses

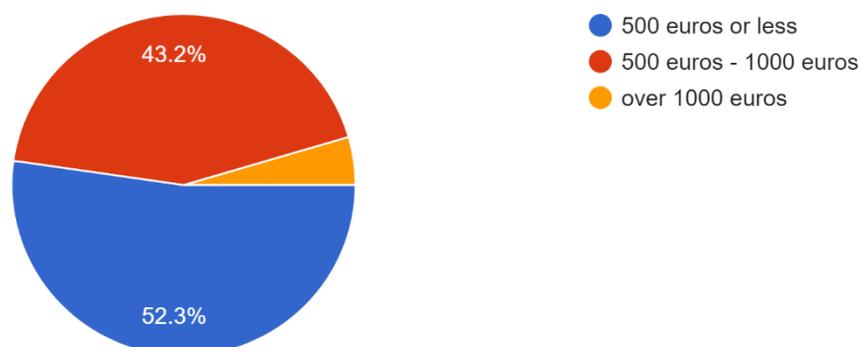


FIGURE 20. Price.

Price is one of the essential deciding factors that a lot of people consider before making any purchase. They ask themselves 'can I afford it?', 'is this a need or a want?'. Remember that the respondents are students, who probably are on a budget, so therefore price is very prominent for some (Figure 20). 52.3% says that they were willing to spend 500 euros or less while 43.2% are willing to spend 500 euros to 1000 euros.

12. In your opinion, what kind of brand is HM?

43 responses

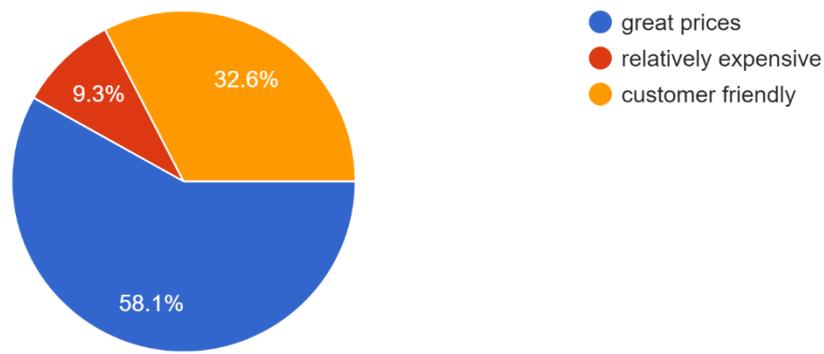


FIGURE 21. H&M.

When asked about what their opinion was about H&M as a brand, (Figure 21) 58.1% responded that they thought it was a brand which is known for great and affordable prices, 32.6% says it was a customer friendly brand, 9.3% thought it was relatively expensive.

13. How often do you shop at HM store?

44 responses

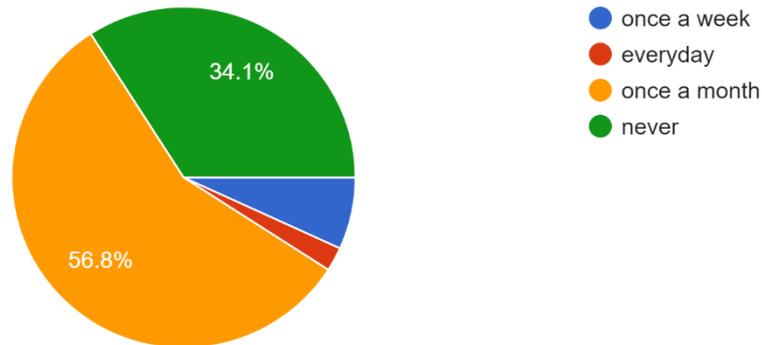


FIGURE 22. H&M store patronage.

According to (Figure 22), 56.8% visits the store once a month while 34.1% never visits the store. Students do not change their wardrobe frequently because the primary focus is to study and get better grades, also, most students are on a budget and would not want to live above their means.

14. Are you a club member of HM?

44 responses

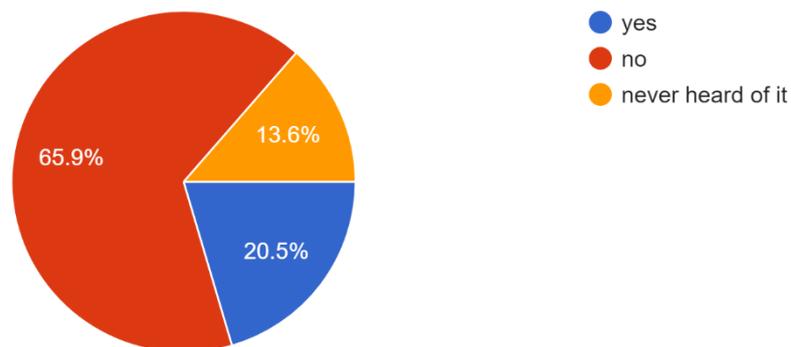


FIGURE 31. H&M club membership.

Club membership programmes is a welcome development which most companies are using to gain customer loyalty. This initiative enables customers to accumulate points over time and these points can be

converted into some discounts on products purchased later. 65.9% says they are not club members of the H&M (Figure 23), this could be because they think they must pay to become members. 20.5% are club members while 13.6% had never heard of it.

15. Have you heard of Finnish brand 'Marimekko'?

42 responses

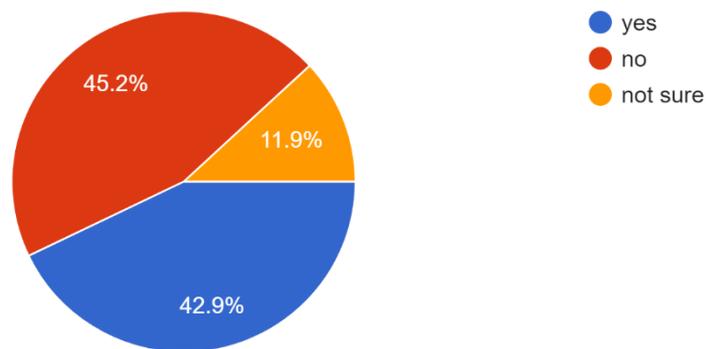


FIGURE 24. Marimekko.

Marimekko is a Finnish brand which is known for its designs and prints. It has been well received in Finland and beyond. 42.9% have heard about the brand (Figure 24), probably they are European students or from Finland. 45.2% have never heard of the brand, 11.9% were not sure if they know the brand.

16. What kind of brand is Marimekko in your opinion?

44 responses

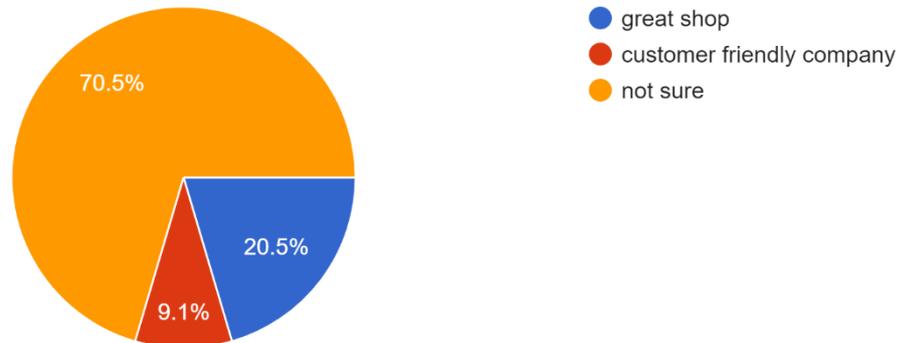


FIGURE 25. Opinion of Marimekko.

According to (Figure 25), 70.5% are not sure that they know what kind of brand Marimekko is, 20.5% believe that it was a great shop while 9.1% says it was a customer friendly shop.

17. Is customer relationship a term you are familiar with?

45 responses

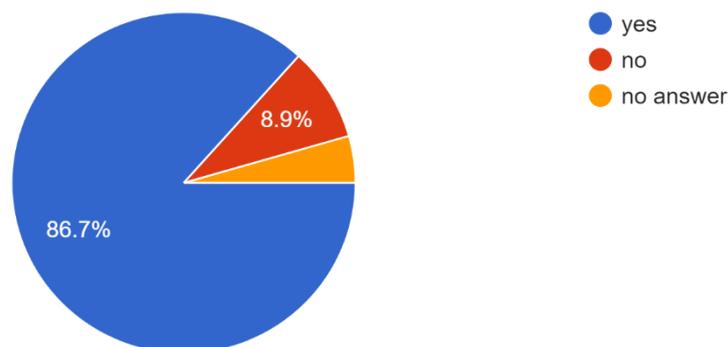


FIGURE 26. Customer relationship.

Customer relationship is very important. Customers want to be treated properly. Without this, brands will struggle with sales and the possibility of having to retain their business long term. 86.7% (Figure 26) says that CRM was a term that they were familiar with, 8.9% had no idea what it was.

6 CONCLUSION

Customer relationship management is a very essential tool in determining organizational performance. Customers are key priority in businesses today. The importance of the impact of customer relationship management to the success of businesses can never be over emphasized. The establishment of relationships is a very important factor in our human heritage. Relationships are built for different reasons, some lasts longer than others, some are more intimate than others. To be successful in a long run in business it is therefore essential that brands create some sort of relationships with their customers and ensure that customers are satisfied with whatever goods or services that you render them.

The aim of this thesis was to investigate brands, what methods they employed into retaining their customers, their cost of production, profit margin, economies of scales. What makes the products from these brands different and why they have competitive advantage over their rivals. How companies have benefitted from creating value to their customers. From the research carried out, there was a lot of factors which were identified and reported through the literature review in chapter two. Customer satisfaction is a key element because satisfied customers will end up becoming loyal customers and this will yield positive outcome in the revenue earned by a business.

The major findings in this thesis were analysed in chapter five, and the conclusions are derived from the findings and data analysed. The data collected were analysed in pie charts which showed percentages, and the interpretations of the data was based on the data received and analysed. From the customers perspectives, the research shows that price and specifications are one of the important things in relations to the questionnaire analyzed in chapter four.

The study shows that customers value experience, expectation and engagement when it comes to brand choice. When purchases are made, the customer expects that the product or service lives up to its reputation and serve the purpose for which it was purchased for effectively. Customers use their devices and wear clothes for different purposes, some people use their phone for almost everything, emails, photography, social media to keep up with friends and family. It is important that the phone meets up to customer's expectation, otherwise, they will switch to other brands which they feel will give them more value for their money. Same way people dress up for different purposes as well, there are a lot of expensive brands out there, customers want to buy clothing which are affordable and trendy. They want to

have a premium look but for a cheaper price. For some customers, knowing that a brand has some sort of reputation would always make them loyal. It doesn't matter what goes on with the brand in terms of customer services, they still stick because of the reputation that the brand has created for themselves and the value that the products they produce render them.

Even though technology is growing at a rapid pace and customers demands are drastically increasing, it is very important and recommended that companies try to be cost efficient during production of goods and services, this in turn make goods affordable but of good quality. Price will always remain a deciding factor for people for a long time. Also, if the customer receives a bad customer services, there is a higher percentage that they will not return and likely tell their friends/families too. This is bad for business owners because it means they loose existing customers to competition.

It is important to note that it is cheaper to retain existing customers than to acquire new ones. Customer satisfaction creates a good base for building trust and loyalty. Meeting with the expectations of customers is probably one of the strategies of most business owners. Strategy helps companies to be able to plan and analyze the vision of their enterprise and where they want it to go and be. Without having a concrete strategy, brands will fail out of the evolving business market and give room for new entries or competitions to take over. It is very essential for brands therefore, to have a coherent set of action and make adequate use of competitive advantage in the form of cost leadership and differentiation to stay relevant and operational.

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THE ROLE OF CUSTOMER LOYALTY IN DECISION MAKING

The importance of customer relationship management as a tool for organizational performance is significantly relevant in today's business life. To get a clearer understanding of the context, a survey which contains questions of my target companies (Apple Inc., Samsung, H&M and Marimekko) suffices. The survey will only take 5 minutes of your time and your responses are completely anonymous.

1. Gender

- a) Male b) Female c) no answer

2. What is your age group?

- a) 16 – 21 b) 22 – 28 c) 29 – above

3. What is your nationality?

- a) Asian b) African c) European d) American e) other

4. How long have you living in Finland?

- a) less than 6 months b) 1-2 years c) over 2 years

5. Are you a student at Centria UAS?

- a) yes b) no c) recently graduated

6. Are you passionate about technology?

- a) yes b) no c) maybe

7. Does your sense of fashion reflect your personality?

- a) yes b) no c) no answer

8. What is your currently owned smartphone?

- a) Samsung b) iPhone c) Nokia d) other brands

9. Are you currently satisfied with your current device?

- a) yes b) no c) sometimes

10. What is your favorite smartphone?

- a) iPhone b) Samsung c) Nokia d) other brand

11. What is the most important factor you consider when thinking of getting a new phone?

- a) price b) specifications c) camera d) brand e) social status

12. Is customer relationship a term you are familiar with?

- a) yes b) no c) no answer

13. Are you likely to return to a brand if you are not satisfied with their product / services?

- a) yes b) no c) no answer

14. How much are you willing to spend on a smartphone?

- a) 500 euros or less b) 500 euros – 1000 euros c) over 1000 euros

15. Do you expect your smartphone to be supported by the manufacturing company in terms of software long term?

- a) definitely yes b) I care less c) not sure

16. Do you shop online often?

- a) yes b) no c) sometimes

17. Do you update your wardrobe often?

- a) yes b) no c) sometimes

18. In your opinion, what kind of brand is H&M?

- a) great prices b) relatively expensive c) customer friendly

19. How often do you shop at H&M online?

- a) once a week b) everyday c) once a month d) never

20. How often do you shop at H&M store?

- a) once a week b) everyday c) once a month d) never

21. Are you a club member of H&M?

- a) yes b) no c) never heard of it

if yes.....,

22. Do you benefit from H&M club membership system?

- a) yes b) no c) never heard of it

23. Have you heard of Finnish brand 'Marimekko'?

- a) yes b) no c) not sure

24. What kind of brand is Marimekko in your opinion?

- a) great shop b) customer friendly company c) not sure

25. How often do you shop at Marimekko online?

- a) once a week b) everyday c) once a month d) never

26. How often do you shop at Marimekko store?

- a) once a week b) everyday c) once a month d) never

27. How much are you able to spend on fashion monthly?

- a) 50 euros or less b) 51 euros to 100 euros c) above 100 euros d) I am not into fashion and trends

28. How much are you willing to spend on fashion monthly?

- a) 50 euros or less b) 51 euros to 100 euros c) above 100 euros d) I am not into fashion and trends

THANK YOU