

Managing Customer Relationships in Night Clubs

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Abstract:	
<p>In this thesis managing customer relationships in night clubs in Finland is researched. Managing customer relationship is a difficult process, which includes management strategy, customers´ attitude, attraction, retention and loyalty. Customers are individuals who want to be treated nicely and specially. The hardest work for managers of the night clubs is to attract a new customer, satisfy every customer and win their loyalty. The purpose of the study was to explore how night club managers can attract new customers and keep their old customers. The study was done by a survey which consists of two questionnaires; the first was for managers and the second for customers. The survey results helped to answer the study questions and compare managers´ strategy with customers´ wants and wishes. The study results showed that nowadays the best way to attract customers to night clubs is good atmosphere and the best service. The best management tool is to give customers discount, comfort and attention. A happy and satisfied customer can become a loyal customer and bring more profit to the business.</p>	
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ABBREVIATIONS

B2C	Business- to- consumer / customer
B2B	Business- to- business
CRM	Customer Relationship Management
RM	Relationship Marketing

LIST OF FIGURES

Figure 1: Special model for survey questions

LIST OF TABLES

Table 1: The loyalty formula

Table 2: Customers' answers

Table 3: Managers' answers

Table 4: Sample of customers

Table 5: Customer's answers to question 2, topic 1

Table 6: Customers' answers to question 2, topic 4

Table 7: Summary of results

Table of contents

1	INTRODUCTION.....	7
1.1	Motivation	7
1.2	The Purpose of the Study.....	8
1.3	Study Questions	9
1.4	Description of Material.....	9
1.5	Description of Methods	9
1.6	Limitations of the Study	10
1.7	Definitions	10
2	LITERATURE REVIEW.....	11
2.1	Customers	11
2.1.1	Know your Customers	13
2.2	Relationship Marketing	13
2.3	Attraction, Retention and Loyalty	14
2.3.1	Customer Attraction	14
2.3.2	Customer Retention	15
2.3.3	Customer Loyalty	16
2.4	Customer Service.....	18
2.4.1	Service Quality	18
2.5	Conclusion	19
3	STUDY METHOD	19
3.1	Survey Questions	20
3.2	Survey Process.....	22
4	RESULTS.....	23
4.1	Analysis.....	28
4.1.1	Comparing Customers´ Answers.....	28
4.1.2	Comparing Managers´ Answers	31
4.1.3	Summary of Results Together	32
5	DISCUSSION	33
6	CONCLUSION	34
6.1	Criticism	35

REFERENCES.....	36
Appendix A: Customers' Questionnaire.....	38
Customer 3.....	41
Customer 4.....	42
Customer 5.....	44
Customer 6.....	45
Appendix B: Managers' Questionnaire.....	47
Manager 1.....	48
Manager 2.....	49
Manager 3.....	50

1 INTRODUCTION

1.1 Motivation

Customer Relationship Management these days is important because the restaurant business is spreading and very competitive. There are restaurants, nightclubs and pubs on every corner, which makes it more difficult in finding new customers. Managers have to know how to attract new customers, keep their old customers and be the first in business. Customer Relationship Management is the core in relationships between customers and managers. Without it is very hard to stay in business, almost impossible.

Relationship is a state involving mutual dealings between managers and customers. Relationships can be based on communication, trust, satisfaction and mutual benefits. Relationships need at least two parties, in this case it is the manager and customer. (www.dictionary.reference.com)

Building relationships with customers has become necessary for companies in the past few years because business success depends on clients. All marketing is based and developed on customers. Customers are the keys to growth, profit and success. But how to attract customers, maintain them, get to know them and win their loyalty? Managers are trying to find answers to these questions day by day. The author hopes that her study will be useful for managers to find right answers.

It is important for businesses to keep its existing customers, because they bring steady income, but it is not possible to know in advance if a new customer will become a loyal one. For instance, bar workers know their customer's habits, favourite drinks and some personal information, but it is not easy to know how to treat a new customer so that he/she will stay satisfied.

Every customer wants that the company or a particular worker will treat them in a nice, polite and special way. There exists many ways for companies to manage

customers, and one of them is Customer Relationship Management (CRM). The purpose of CRM is to recognise and treat each customer as an individual. CRM consists of sophisticated software and analytical tools that integrate customer information from all sources, analyse it in depth, and apply the results to build strong customer relationships (P.Kotler, et al.,2005). The overall goals are to find, attract, win new clients and retain those customers the company already has.

Today the world is faced with a financial crisis and the first sector that suffered from it was customer service, most of all the taxi and restaurant services. That is understandable, because with money problems people try to save money, reduce entertainments (e.g. going to disco) and luxuries (e.g. taxi rides). But the author is not agreeing with the fact that external environment of restaurant industry was faced with big problems. Well, of course global crisis is influencing the customer buying behaviour, sales and consumer attendance. However, people did not stop going to bars and spend money. There are still enough customers and profits for restaurants. But the reasons why people come to bars have changed. If people before went to have fun, meet friends and relax after work/studies, now they go to bars to “clean” their minds from problems, have a drink and “escape” from the world.

1.2 The Purpose of the Study

Nowadays the restaurant industry has very high rivalry and night club managers have to find ways how to differ from others and how to bring more customers and how to keep current customers. These are managers’ goals, and for achieving their goals, managers apply different strategies which will work better in certain situations with a certain customer. The purpose of the study is to explore how night club managers can attract new customers and keep their old customers. The answers to the study questions have to be useful for managers because in this study customers will participate. When managers get to know and understand

customers' wishes and needs, then it will be easier for them to manage their customers.

1.3 Study Questions

The aim of this study is to explore how night club managers can attract new customers and keep their old customers. Questions for getting results in this case are:

- How to attract new customers?
- How to manage customers?
- How to win their loyalty?

1.4 Description of Material

To meet the aim of the study the author will gather information from books, internet and business journals. Material about relationship marketing, customers, service, and customer management will be presented in Literature Review; and the names of the books, internet links will be presented in references.

The author will write about relationship marketing. Relationships between managers and customers belong to marketing section.

1.5 Description of Methods

In order to achieve the goals presented in the purpose section the author will use two research methods; primary and secondary. Secondary research will be collected from books and scientific materials, and primary research from night club managers and customers.

Primary research will be done by survey which is consisted of two questionnaires. Two different groups will participate in this survey; managers and customers. Questions for managers and customers will have a little bit different context but the same meaning.

Three managers will answer the questionnaire; one from the center of Helsinki and two from East Helsinki. Clubs in several areas of Helsinki are included because they have different target groups and business strategies in managing customer relationships. Some customers that answered to the questionnaire are from the same places as managers. All together six customers will take part in this study; three male and three female genders. To save time the author will send questionnaires electronically, through email.

1.6 Limitations of the Study

There were certain limitations in this study. The topic of the study is managing customer relationships in night clubs. According to the topic the author limits her study with theory material about customers, relationship marketing, customer relationship management and service which are relevant only to business- to-consumer/customer (B2C).

1.7 Definitions

During the study a reader will face a lot of new repeating concepts. To understand the meanings of those concepts the author would like to present their explanations in this section. All definitions were taken from the encyclopedia.

(www.wikipedia.org)

Customer also called client, buyer, or purchaser, is usually used to refer to a current or potential buyer or user of the products of an individual or organization.

Business- to- consumer describes activities of businesses serving end consumer with products and services.

Relationship Marketing is a form of marketing developed from direct response marketing campaigns conducted in the 1970s and 1980s which emphasizes customer retention and satisfaction, rather than a dominant focus on point-of-sale transactions.

Customer Relationship Management is a broadly recognized, widely-implemented strategy for managing and nurturing a company's interactions with customers and sales prospects. It involves using technology to organize, automate, and synchronize business processes.

Service is the intangible equivalent of a good.

Customer Service is the provision of assistance to customers.

2 LITERATURE REVIEW

2.1 Customers

“The genius of free market competition is that the customer gets to decide who wins and who loses. And ultimately, the customer is the biggest winner.”

Donald J. Carty, CEO AMR/American
Airlines (1999)

Who is a customer?

The first question to address when thinking about relationships with customers might be “who is a customer?” At first sight, the answer to that question is fairly straightforward. The customer is an actual or potential purchaser of products and

services. The author preferred to use the definition made by Swift Ronalds: “The customer is the focal point of marketing, sales, contracts, products, services, time, resource allocations, profitability and long-term growth and strength of enterprising organizations.” (R. Swift, 2001, p.1)

The term customer was first mentioned in the beginning of twentieth century, and still it took nearly hundred years for companies to really understand what the term means.

In the 1990s, roles of buyers and suppliers were reversing: customers changed from being “the hunted” to being treated as special. Previously, suppliers played the part of the “hunter”. Global brand leaders decided who the customer was and into what category that customer best fit. (R. Swift, 2001, p.2)

Today, customers require flexibility, availability, creativity, and price advantage from the supplier or service provider. Therefore, new techniques to discover these attributes are required for organizations to succeed in a forever-changing world of customer wishes, customer preferences, customer behaviours, and customer loyalties (R. Swift, 2001, p 2).

If before, long time ago, suppliers were leaders and deciders then customers now lead business and market, and they decide what to buy, when and where. Customers vote with their purchases and denials of purchases. Today we have a saying:”Customer is always right!” Suppliers and service providers really try to follow this saying because in every industry there is a huge rivalry and it is easy to lose a customer. Sometimes it is better to close your eyes if a customer behaves badly or has bad manners, and to do what makes him/her happy and satisfied.

“That said if one individual is dissatisfied, odds are he’ll tell a collection of other individuals- one widely accepted marketing rule- of- thumb claims the average unhappy customers tells eight other potential customers about his negative experiences. Such spreading of consumer disapproval turns the world of viral marketing, which depends on word- of-mouth from true believers, upside down” (J. Dyche´, 2001, p.12).

2.1.1 Know your Customers

Many companies have realized that they know only a little bit or nothing about their customers. All customers have something in common. They can be divided into groups- each group has different characteristics, requirements, and behaviours. Each customer is a complicated mix of personality, motivations, attitudes and needs.

Naturally, it is not possible to have a deep understanding of every customer. However, it is necessary to understand the needs of each customer.

Unfortunately, not every supplier has the opportunity to choose its customers; most probably business would be much easier if this was possible. Despite that, companies, firms and organizations have to know how to manage different types of customers, even those who are always complaining and never fully satisfied.

2.2 Relationship Marketing

Relationship marketing is an important strategy and is one of the important aspects of marketing. The first researcher who defined relationship marketing as “all marketing activities directed toward establishing, developing, and maintaining successful relationships” was Morgan and Hunt (1994).

Relationship Marketing (RM) is:

- find customer
- get to know him
- keep in touch with him
- try to ensure that he gets what he wants from company in every aspect of company’s dealings with him
- check that he is getting what company promised him

(M. Stone, et al, 2000)

The primary goal of relationship marketing is to build and maintain a base of customers who are profitable for the company. For achieving this goal, the firm will focus on the attraction, retention and enhancement of customer relationships. First, the firm will seek to attract customers who are likely to become long-term relationship customers. Once they are attracted to begin a relationship with the firm, customers will be more likely to stay in the relationship when they are constantly supplied with quality products and services and good value over time. Long-term relationship customers become loyal customers, which will frequently help to attract (through word of mouth) new customers with similar relationship potentials.

2.3 Attraction, Retention and Loyalty

“Marketing managers should develop creative ways to attract new customers and keep them in the long run.”

Kumar and Petersen (2005)

“Since relationship marketing includes all activities directed towards the establishment, development and maintenance of exchange relationship the activities of a relational strategy comprise the next objectives (V. Kumar and A. Petersen, 2005):

- Attraction (creating relationships);
- Loyalty (developing relationships);
- Interaction (maintaining relationships);

According to the objectives above, the researcher can distinguish three types of relationship marketing activities: those oriented to *attract* consumers; those oriented to *retain* customers and to *create* loyalty.

2.3.1 Customer Attraction

Attraction is the use of marketing techniques specifically designed to teach the customer what the companies are doing and how a service or product will benefit them before they purchase it (www.wikipedia.org).

Attraction as a driver of customer commitment means something that makes the service provider interested to a given customer or the other way round, thus attraction can be based on financial, technology or social constructs (C. Grönroos, 2001).

How to attract customers?

Of course the first way is cutting prices. This way can be one of the quickest, most powerful ways of attracting customers. But cutting prices may cause problems; the negative profit can be quick and powerful as well.

Entertainment programs such as shows, bands and games can attract new customers to the night club. Also advertisements like “Buy one drink, you will get shot/ another drink FREE!” are very effective. Word “Free” is very powerful, offering something free will undoubtedly attract attention.

Big advertisements with bright colors (e.g. red, green, yellow) are also very good tools for attracting new customers. Never forget that people see what they want to see and hear what they want to hear. Only noticeable advertisement can attract their attention.

2.3.2 Customer Retention

Customer Retention is the activity that a selling organization undertakes in order to reduce customer leaving (www.wikipedia.org).

All company sales consist of two groups of customers: new- and repeat customers. It is definitely more cost- effective to retain existing customers than attract new ones. Existing customers have known identified needs that have been satisfied by

company's product or services in the past. Customer retention is the process of keeping customers.

Customer retention is more than giving the customer what they expect; it is about exceeding their expectations so that they become loyal.

2.3.3 Customer Loyalty

The attempt to satisfy customers is a necessary first step in building customer loyalty, but it is only a start. However satisfaction alone does not necessarily lead to loyalty (E. Little and E. Marandi, 2003, p 48).

What is Customer Loyalty?

The word loyalty conjures up the image of unquestioning commitment. It is, in that sense, a thoughtless condition. The dog is loyal to his owner, the patriots to their cause, and the customers to their suppliers.

The feelings that provoke loyalty in other situations are hard to reproduce in marketing. According to Paul Gamble and et al. (2003) loyalty can be defined in two ways:

- A state of mind, a set of attitudes, beliefs and desires. This can be called "emotional" loyalty.
- Loyalty is also a behavioural inclination. A customer can be loyal to more than one competing supplier. This could be called "rational" loyalty since it makes sense for some types of situation.

Good marketers use both approaches in combination, because they suit different customer situations.

Here the reader can look through the difference between state of mind and behaviour. These examples were written by Merlin Stone, et al. (2000).

Loyal state of mind

- “I trust you more than I trust your competitors.”
- “I feel at home with you more than with your competitors.”
- “I want to know what you can do for me, but I do not want to know what your competitors can do.”
- “I believe you treat me as special because I am a good customer of yours.”

Loyal behaviours

- Buying from you.
- Buying more from you.
- Paying attention to your information- in the media, face-to-face contact and so on.
- Recommending or even publicly advocating you to other potential customers.

Loyalty is a physical and emotional commitment given by customers in exchange for their needs being met (M. Stone, et al., 2000, p 102).

According to Rauyrueen (2005), satisfaction appears to be an important factor in maintaining purchase intentions through service. Quality will strongly enhance both purchase intentions and attitudinal loyalty.

However, satisfaction does not guarantee loyalty; there should be trust and commitment as well.



Table 1. The loyalty formula (E. Little and E. Marandi, 2003, p.49)

Loyal Customer

Customers are not equally valuable. Thus, it is very important to consider which customers to attract and which customers deserve to be loyal.

Loyal customers often believe that they get better service because they are loyal. They feel they are rewarded for their loyalty. That is true; for companies it is very important to keep loyal customers satisfied, because loyal customers not only repurchase but they also advocate products and services to their friends. They also pay less attention to competitive brands. To keep customers happy, satisfied and loyal the companies provide them inducements such as discounts, free products or fidelity (e.g. VIP cards).

2.4 Customer Service

The author decided to write about customer service because night clubs are places where people get service (drinks, music and cloakroom).

Relationships in industrial marketing literature have been described as the exchange of all mutually committed parties. In the service marketing the subject has not been clearly discussed. The simplest form of a relationship is when the customer has purchased from the same provider at least twice.

To maintain customer loyalty in the field of customer service, a supplier must enhance all four aspects of relationship quality, which are: trust, commitment, satisfaction and service quality (P. Rauyrue, 2005).

2.4.1 Service Quality

One visible way by which a company can stand out from its competitors is to offer a service with high quality. This helps in building close relationships with customers.

Grönroos (2000) described service quality in terms of seven perceived scales:

- Professionalism and skills;
- Attitudes and behaviour;
- Accessibility and flexibility;
- Reliability and trustworthiness;
- Service recovery;
- Serviscape
- Reputation and credibility.

2.5 Conclusion

Literature review contains huge amount of information; of course all information is important and useful. But the author would like to summarize and emphasize the main and the most important material. There are four main topics: *customers*, *management*, *relationship marketing* and *customer service*.

Customers- a marketing base which brings profit and success into business.

Everything in marketing depends on customers.

Management- is a very important tool in customer relationships. Managers have to make customers happy and satisfied. When customers are managed in the right way they become loyal.

Relationship marketing- it is an important strategy what requires long-term relationship. The primary goal of relationship marketing is to build and maintain a base of customers who are profitable for the company.

Customer service- the simplest form of a relationship in customer service is when the customer has purchased from the same provider at least twice. Service quality is very important in building a relationship.

3 STUDY METHOD

The study method is done by a survey which consists of two questionnaires, the first for managers and second for customers. Questions for managers and customers will have a little bit different context but the same meaning.

The author made a special model for survey questions. The questions are made according to the model below because then it will be easier to analyze the answers. The model was based on four main topics which were emphasized in the literature review.

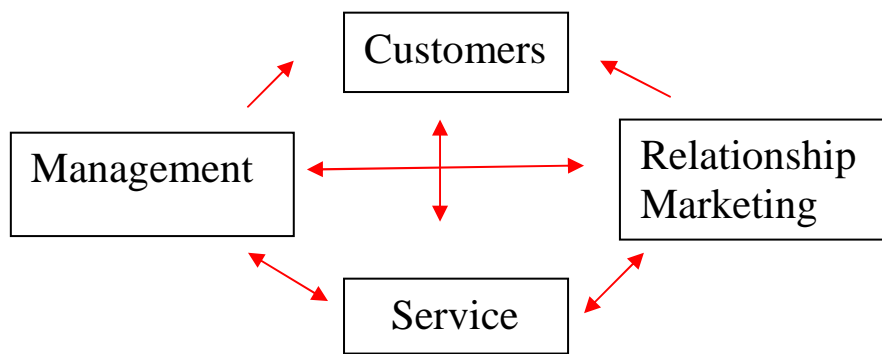


Figure 1. Special model for survey questions

The arrows explain how each component is connected with each other (e.g. management, relationship marketing and service has direct connection, with customers indirect. Customers have only with service direct connection and with the rest indirect. In own turn service has direct connection with all components. Relationship marketing has indirect connection only with customers and direct with rest.)

These components in turn are topics for survey questions. This means that survey questions divided into four topics (relationship marketing, customers, management and service).

3.1 Survey Questions

The aim of the survey is to get information and compare managers' strategy (how they attract new clients, how they manage them) with customers wants (how they

want to be attracted and managed). To achieve this aim following questions were made.

Questions for customers

Topic 1: Relationship Marketing

As a night club customer, do you prefer to have a long- term relationship with one night club or switch to different clubs? Why?

What do you like and do not like in being in relationship with a company?

Topic 2: Customers

What attracts you into becoming a new customer for a night club?

Do you want to be a loyal customer? Why?

Topic 3: Management

Do you want to be managed in customer relationship? Why yes/not?

How do you want to be managed? Are you being managed in the way you want to be managed?

Topic 4: Service

Which issues are important in the night clubs service?

If you are not satisfied with the service, will you come to that place again? Why yes/no?

Questions for night club managers

Topic 1: Relationship Marketing

Do you have relationship with your customers? Why you have /do not have?

Do you have a long-term relationship with all customers? Why?

Topic 2: Customers

Which customers you want to be loyal?

How do you attract new customers?

Topic 3: Management

How do you manage your customers?

How is cheaper to manage customers?

Topic 4: Service

What are the most important aspects in a night club service?

Service quality is extremely important in relationship marketing in a service industry. What do you do to achieve the highest service quality?

3.2 Survey Process

As it was mentioned before the survey is done with the help of several night club's managers and customers. Both target groups were picked randomly, but all samples were taken from Helsinki. Three managers, one of them owns a night club in the centre and two others in east side of the city, answered to the questionnaire.

The author did not have a big problem to ask managers to participate in the survey because she knows them personally. One of them is her employer, another is a friend and third is just familiar who is working in a competitive night club. The author has their phone numbers; she simply called them and asked to answer the questionnaire. The author took emails from managers and sent questionnaires to them.

Customers were picked randomly. Some of them were taken from the same place where the author is working and some respondents were students from Arcada. The target group for customer- questionnaire was young English speaking people, age limit 23 – 32. The author received answers from 3 males and 3 females. The same mailing process was done with customer-questionnaire. The author sent questionnaires to the participants through email.

All respondents were asked to answer the questionnaires during 2 weeks.

Unfortunately, not all answers came on time. The author had to send emails to

remind participants about filling in the questionnaires. Mostly managers were not able to send answers on time. Finally, all results of the survey were collected (questionnaires and all answers the reader will find in appendix A and B). Due to the fact that questionnaires were sent by email, some questions were left unanswered and some answers were difficult to interpret.

4 RESULTS

No corrections and adding were done by the author in customers' and managers' answers. As it was mentioned before the questionnaires were sent by emails, some questions were not answered or answers were difficult to understand.

Customers' Answers

Customers	Topic 1 <i>Relationship Marketing</i>	Topic 2 <i>Customers</i>	Topic 3 <i>Management</i>	Topic 4 <i>Service</i>
1	<p>1) <i>I prefer to have one place where I can sit down and talk with people I know.</i></p> <p>2) <i>RM is a good way to measure people who support certain firm/company, but it can make that firm/company make it feel that everything is better than they think. Companies usually forget to renew themselves in that situation.</i></p>	<p>1) <i>Outer appearance, first impression when I get in and of course staff friendliness and service orientation.</i></p> <p>2) <i>I want to support more such places where I feel comfortable.</i></p>	<p>1) <i>Yes, I suppose to receive more personalized service.</i></p> <p>2) <i>No answer</i></p>	<p>1) <i>Being present, personal service, friendliness, fluency</i></p> <p>2) <i>I'm sure not quite soon, probably someone would have to assure me that problems/errors have been corrected.</i></p>

<p>2</p>	<p>1) I prefer to have long-term relationship, because when you already know for example one night club and if I know and like everything in this place (people, music, services, environment), I would not switch to another place if I feel myself comfortable there.</p> <p>2) In RM I like that if person already have relationship with firm or company he or she can always be in focus of this company and his or her opinion can be taken into consideration in the future. What I do not like is when in some cases relationship can be transformed into different form of persuasion to achieve needed goals.</p>	<p>1) Quality of the service</p> <p>2) Yes, in defined areas. It's nice to get some benefits when you are a loyal customer.</p>	<p>1) Yes, usually its pleasure when somebody is thinking about you.</p> <p>2) Depending on sort of activity, but in most cases I prefer to be managed in the way I want.</p>	<p>1) Speed of services and quality of the drinks, for me is very important to not spend very much time in front of bar rack.</p> <p>2) In most cases no, I will only come back to the same place if somebody will wait for me there.</p>
<p>3</p>	<p>1) I like both. Like to have a comfort zone and be known. Also like surprises!</p> <p>2) I like the</p>	<p>1) Service, professionalism and originality.</p> <p>2) Yes, to deserve a good</p>	<p>1) Not really, because that makes an attitude less personal in many cases.</p>	<p>1) Quality!</p> <p>2) Definitely not. There is too much competition.</p>

	<i>special treatment, only in many cases the company or its employees, loses their professionalism.</i>	<i>service.</i>	<i>2) That is really depending on the place in question.</i>	
4	<i>1) It all depends on the place. At the moment I normally go to a few clubs/bars because they play my kind of music. I don't have a "long-term relationship" because I am lazy to go anywhere else; there simply aren't that many places I enjoy going to. I would like to have more clubs where I would enjoy being in. Helsinki just isn't a very big place. 2) Difficult to say. I like the communication to an extent, I don't like if I am getting e-mails all the time, like advertisements.</i>	<i>1) Good music, dj's, interesting theme nights. Friends. Special offers for example on a sparkling wine bottle and such. Good atmosphere altogether, decoration and most important location! 2) I don't necessarily want to be. I am if the place is what I like.</i>	<i>1) Not necessarily. It might be irritating. 2) I would like to have more for example drink tickets. They might have an influence on my night out, on deciding where to go to.</i>	<i>1) Smiling bartenders, good atmosphere 2) Yes, if I like the place, no, if it's far away from home.</i>
5	<i>1) I prefer to switch to different clubs, as i haven't found one that I would want to go to more than</i>	<i>1) I used to have a favorite night club, but now it is closed so I'm constantly looking for the</i>	<i>1) No, I don't. Being treated well is important, but when I go to a night club I meet</i>	<i>1) Flexibility of the bartender (if some ingredients of my favorite drink are missing, I expect the bartender to offer other options</i>

	<p>once.</p> <p>2) It gets annoying sometimes. However, it may feel good when I am offered some VIP services because I am in a relationship with a company.</p>	<p>exchange. It matters a great deal that the DJ plays the right kind of music and other customers look good. Atmosphere is important too.</p> <p>2) I want to be a loyal customer since I'm tired of switching clubs, none of which are good enough for me. When I find a good place I could go there every time as then I would know what to expect.</p>	<p>my friends or find new ones instead of establishing relationship with the company.</p> <p>2) I don't want to be managed.</p>	<p>instead of just saying that I can't have the drink I want).</p> <p>2) No, if I was the one to decide. However, I never go to a night club alone. If everybody else wants to go to a certain place I would probably go too whether I like the place or not.</p>
6	<p>1) It depends on some factors, but mostly I like to spend my time in one good (for me) place as a well-known customer.</p> <p>2) I like to get for example some useful info about events and other evening programs, and in some places to have benefits as a regular customer. But I do not like spam and pressure.</p>	<p>1) Almost everything: life acts, music, atmosphere, decorations, friendly staff, good reputation and of course other customers.</p> <p>2) Yes, because as a loyal customer you get better service from bartenders.</p>	<p>1) I would say YES, but within limits.</p> <p>2) Good informing (it's like "Hello! We always remember you! Welcome! etc."), text-messages, web-sites...and good service, of course.</p>	<p>1) Short lines/queues on entry, fast service, club's cleanness/neatness.</p> <p>2) Usually no. There is a high rivalry in this industry, I am sure I will find a place where I can go and where I like to be.</p>

Table 2. Customers' answers

Managers' Answers

Managers	Topic 1 Relationship Marketing	Topic 2 Customers	Topic 3 Management	Topic 4 Service
1	<p>1) Yes, I have long relationship with customers to keep them.</p> <p>2) Yes, I have a long-term relationship with all customers, because better to keep than to attract customers.</p>	<p>1) Good customers, who want to have long-term relationship.</p> <p>2) By advertisements, through word of mouth</p>	<p>1) By mail, phone, facebook and personally</p> <p>2) By mail and personally</p>	<p>1) Price and quality</p> <p>2) I give good quality and good price, I fulfill promises, I satisfy customers.</p>
2	<p>1) Yes, I have. In my opinion, it is better to create relationships with customers and keep them rather than always attract new once.</p> <p>2) Yes, because I want to keep long contact with customers. I try to be a friend to my customers, I want get know them and that takes time.</p>	<p>1) With whom I can make a long-term relationship, who is paying and willing to pay.</p> <p>2) I attract new customers by advertisements, different shows and programs.</p>	<p>1) For keeping/managing customers I prefer to use email and phone.</p> <p>2) The cheapest way to manage customers is emailing.</p>	<p>1) Product, price, quality, personnel</p> <p>2) Give the best service what I can. Fulfill promises.</p>

3	<p>1) Yes, all the people working in customer service do create relationship with their customers, it's part of the business.</p> <p>2) That is possible. If you are in business long enough, customers get to know you better and become kind a friends with you, there are many reasons why. Firstly, it is service and how you make feel them welcome.</p>	<p>1) Many customers can be loyal, but I am not choosing whom to make loyal. Everyone is welcome to be loyal.</p> <p>2) With new ideas, programs, word of mouth from existing customers.</p>	<p>1) With good service and through different online channels.</p> <p>2) Through internet and personal contact.</p>	<p>1) Being polite, listen to the customers, understand their needs.</p> <p>2) To make customers feel that I am there for them.</p>
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Table 3. Managers' answers

4.1. Analysis

Firstly, the author will compare and analyze customers' answers between each other, then, managers' answers, and finally, customers' answers with managers' answers.

4.1.1 Comparing Customers' Answers

Amount	Gender	Age
3 people	male	23 - 32
3 people	female	24 -25

Table 4. Sample of customers

Topic 1: Relationship Marketing

1) As a night club customer, do you prefer to have a long- term relationship or switch to different clubs? Why?

All participants did not answer straight to that question, because they all have different depending factors.

2) What do you like and do not like in relationship marketing?

Respondents	Like	Don not like
C1	good way to measure people who support a firm	no answer
C2	his opinion can be taken into consideration	relationship can be transformed into different form of persuasion to achieve needed goals.
C3	the special treatment	no answer
C4	communication to an extent	emails as advertisements
C5	get VIP service	annoying advertisements
C6	get useful info about some events	spam and pressure

Table 5. Customer' answers to question 2, topic1 (Letter C with number means customer)

Respondents like to have relationship with company because they get benefits (VIP service, attention, useful information), but they do not like annoying (pressure, emails, ads).

Topic 2: Customers

1) What attracts you into becoming a new customer for a night club?

About 50% of respondents can be attracted by service (service quality and professionalism, staff skills), and other 50% by music and atmosphere.

2) Do you want to be a loyal customer? Why?

Only one customer does not want to be a loyal. The rest five want to be a loyal, they have different reasons for that (better service, benefits, more attention).

Topic 3: Customer Relationship Management

1) Do you want to be managed in a customer relationship? Why yes/no?

50% of respondents want to be managed to get personal contacts, attention. And 50% do not want to be managed, it can be irritating.

2) How do you want to be managed? Are you being managed in the way you want to be managed?

It is quite hard to analyze answers to this question. Customers want to be managed but with limits. They prefer to have ticket drinks, get information-attention (e.g. “We always remember you! Welcome, etc”) as a management. They do not want to be managed by email, phone, and advertisements.

Topic 4: Service

1) Which issues are important in the night club’s service?

Here an author found the common answer: “quick, smiling, kind staff and good quality of the products”.

2) If you are not satisfied with service, will you come to that place again? Why yes/no?

	C1	C2	C3	C4	C5	C6
Yes				X		
No	X	X	X		X	X

Table 6. Customers’ answers to question 2, topic 4

Only one person will come back to the place where not good service was. The rest five customers will go to other place, because in this industry quite big competitions. In this case managers should be very careful with management, working personnel with service.

4.1.2 Comparing Managers' Answers

Three managers were interviewed. One of them is managing night club in the centre and two others manage clubs in East Helsinki.

Topic 1: Relationship Marketing

1) Do you have relationship with your customers? Why yes/no?

They all have a customer relationship with their customers, because in customer service should be relationships to keep customers to stay in business.

2) Do you have a long- term relationship with all your customers? Why?

The answer is yes. Because to get know a customer a manger needs time, during that time a long- term relationship will be created.

Topic 2: Customers.

1) Which customer do you want to be loyal?

One of the manager said that he does not choose whom to make loyal, everyone can be. Two other managers prefer good customers, who are willing to have long relationship, as a loyal customer.

2) How do you attract new customer?

And again answers to this question are the same; advertisements, programs and word of mouth are the keys for attraction.

Topic 3: Customer Relationship Management

1) How do you manage your customer?

All three managers manage their customers by emails, phone, web pages and some of them manage personally.

2) How is cheaper to manage customers?

And in this section answers the same. Emails and personal contact are the cheapest way to manage customers.

Topic 4: Service

1) Which main issues are important in a service?

Manager from the centre thinks that the most important issue in a service is being polite, listen and understand customers’ needs. Local managers prefer price and quality as important service issues.

2) Service quality is extremely important in relationship marketing in service industry. What do you do to achieve the highest service quality?

Again there is a common answer to this question. Managers try to achieve the highest service quality by best service and fulfilment of promises.

4.1.3 Summary of Results Together

	Topic 1 <i>Relationship Marketing</i>	Topic 2 <i>Customers</i>	Topic 3 <i>Management</i>	Topic 4 <i>Service</i>
Night club customers	The majority of the customers prefer to have long- term relationship with company because it is comfortable, beneficial and useful.	Night club customers can be attracted by service quality and atmosphere. And they can become a loyal because of benefits (attention, better service).	Not all customers want to be managed because it can be irritating and pressuring. But customers, who like to be managed, prefer to be managed by their ways (VIP cards, free drink tickets).	For customers atmosphere and prices are important aspects in night clubs. But if once they will not be satisfied with service they do not come back again.
Night club managers	Managers try to have long-term relationships with customers because it is profitable, safe and stable.	Managers prefer profitable customers as a loyal. To attract new customers managers use advertisements, entertainment programs and	Night club managers try to manage their all customers in the same, the cheapest way (online and personal contacts).	For managers important aspects are politeness and good price/quality. The highest service quality can be

		word of mouth.		achieved by best service and fulfilment of promises.
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Table 7. Summary of results

5 DISCUSSION

Customers' and Managers' Answers

Customers and managers want to have long-term relationships because both parties gain benefits from this. Usually financial benefits; customers like discounts and managers profit. In this case managers' and customers' interest are the same.

To attract new customers night club managers use advertisements and entertainment programs, but customers can also be attracted by service quality and atmosphere. When asked about attraction of customers, the managers and customers perceived it in different ways.

Not all customers want to be managed. But those who want prefer to be managed by VIP cards and free drink tickets. Managers would like to manage their customers in a way that is the cheapest, in this case online and personal contacts. It is obvious that both parties want to save money and reduce expenses, especially now when people have financial problems. Due to that fact, managers' and customers' views about management are different. In introduction was mentioned customer relationship management(CRM) as one way of managing customers, but according to the survey results night club managers do not use this approach in their business, maybe because it is too expensive or maybe because it is more suitable for B2B relationship.

In service case managers' and customers' opinions are almost the same. Both sides agree that a good personnel is very important in night club service.

During analyzing and summarizing customers' results the author pointed out one interesting thing. In topic 1 (relationship marketing) customers mentioned about discounts; in topic 3 (management) were said that they prefer VIP cards (give financial benefits). But when question was about attraction (topic 2-customers), no one said that low prices or free drinks can attract them into becoming a new customer for a night club. That is very interesting and unexpected. Based on her own experiences at work the author feels that it is true. When customers are already in a bar they buy what is cheaper, but outside advertisements with cheap drinks do not always attract people's attention. Unfortunately, it is true that nowadays customers' wishes, wants and needs depend on money. People do not drink what they like, they drink what is cheap. And they would like to have relationship with company if they gained something from that.

6 CONCLUSION

The topic of the study was managing customer relationships in night clubs. The aim of this study was to explore how night club managers can attract new customers and keep their old customers.

For getting results the author used a survey as a study method. The survey consisted of two questionnaires, one for night club customers and second for night club managers. To save time questionnaires were sent by emails.

After getting and analyzing the survey results the author answered to the study questions and achieved the aim of this study. The study showed that nowadays the best way to attract people into night clubs is good atmosphere and best service. The best management tool is to give customers discounts, comfort and attention. Happy and satisfy customer can become a loyal and bring more profit into business.

6.1 Criticism

Now when looking back on how the study was done, there are some things the author would have done in a different way. Firstly, to take only one particular night club for the survey, because it is difficult to mix several clubs and write about them. Secondly, to concentrate only on one target group; it was quite hard to analyze two target groups. Maybe if there were only managers or customers, the research would be deeper in detail and more spread. Third, no questionnaires by emails, only personally, face-to- face. In some cases the answers were written in such way that the author was not sure what the respondent actually meant, therefore some misunderstandings probably occurred. And also the author found it difficult to analyze the answers to the open- ended questions. Multiple- choice question might in some cases have been a better choice.

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Definitions

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Appendix A: Customers´ Questionnaire

Hello! My name is Anna Hassanova. I am a student at Arcada University of Applied Sciences in Finland. Now I am working on my Bachelor´s Degree Programme Thesis in International Business, with topic “Managing customer relationships in night clubs”

I kindly ask you, as a night club customer, to find a few minutes and help me with my research and answer my questions (see below).

I am looking forward to receiving your answers

Thank You!

Best wishes

Anna Hassanova

Customer 1

Topic 1: Relationship Marketing

1) As a night club customer, do you prefer to have a long- term relationship or switch to different clubs? Why?

Pretty much depends on the feelings, but getting older and passing that “every-weekend-party-mood” I prefer to have one place where I can sit down and talk with people I know or in some case “getting that party-mood” on. As said before, simple is the key here. If I have one place I know is good, why to choose another. Variation refreshes, but coming “back home” is the best.

2) What do you like and do not like in RM?

RM is a good way to measure people who support certain firm/company, but it can make that firm/company make it feel that everything is better than they think. Companies usually forget to renew themselves in that situation.

Topic 2: Customers

1) What attracts you into becoming a new customer for a night club?

Outer appearance, first impression when I get in and of course staff friendliness and service orientation.

2) Do you want to be a loyal customer? Why?

I want to support more such places where I feel comfortable.

Topic 3: Customer Relationship Management

1) Do you want to be managed in customer relationship? Why yes/not?

Yes, I suppose to receive more personalized service.

2) How do you want to be managed? Are you being managed in the way you want to be managed?

Topic 4: Service

1) Which issues are important in the night club’s service?

Being present, personal service, friendliness, fluency

- 2) If you are not satisfied with service, will you come to that place again? why
yes/no

I'm sure not quite soon, probably someone would have to assure me that problems/errors have been corrected.

Customer 2

Topic 1: Relationship Marketing

- 1) As a night club customer, do you prefer to have a long- term relationship or switch to different clubs? Why?

I prefer to have long-term relationship, because when you already know for example one night club and if I know and like everything in this place (people, music, services, environment), I would not switch to another place if I feel myself comfortable there.

- 2) What do you like and do not like in RM?

In RM I like that if person already have relationship with firm or company he or she can always be in focus of this company and his or her opinion can be taken into consideration in the future. What I do not like is when in some cases relationship can be transformed into different form of persuasion to achieve needed goals.

Topic 2: Customers

- 1) What attracts you into becoming a new customer for a night club?

Quality of the services

- 2) Do you want to be a loyal customer? Why?

Yes, in defined areas. It's nice to get some benefits when you are a loyal customer.

Topic 3: Customer Relationship Management

1) Do you want to be managed in customer relationship? Why yes/not?

Yes, usually its pleasure when somebody is thinking about you.

2) How do you want to be managed? Are you being managed in the way you want to be managed?

Depending on sort of activity, but in most cases I prefer to be managed in the way I want.

Topic 4: Service

1) Which issues are important in the night club's service?

Speed of services and quality of the drinks, for me is very important to not spend very much time in front of bar rack.

2) If you are not satisfied with the service, will you come to that place again?

Why yes/no?

In most cases no, I will only come back to the same place if somebody will wait for me there.

Customer 3

Topic 1: Relationship Marketing

1) As a night club customer, do you prefer to have a long- term relationship or switch to different clubs? Why?

I like both. Like to have a comfort zone and be known. Also like surprises!

2) What do you like and do not like in RM?

I like the special treatment, only in many cases the company or its employees, loses their professionalism.

Topic 2: Customers

1) What attracts you into becoming a new customer for a night club?

Service, professionalism and originality.

2) Do you want to be a loyal customer? Why?

Yes, to deserve a good service.

Topic 3: Customer Relationship Management

1) Do you want to be managed in customer relationship? Why yes/not?

Not really, because that makes an attitude less personal in many cases.

2) How do you want to be managed? Are you being managed in the way you want to be managed?

That is really depending on the place in question.

Topic 4: Service

1) Which issues are important in the night club's service?

Quality!

2) If you are not satisfied with the service, will you come to that place again?

Why yes/no?

Definitely not. There is too much competition.

Customer 4

Topic 1: Relationship Marketing

1) As a night club customer, do you prefer to have a long-term relationship or switch to different clubs? Why?

It all depends on the place. At the moment I normally go to a few clubs/bars because they play my kind of music. I don't have a "long-term relationship" because I am lazy to go anywhere else; there simply aren't that many places I enjoy going to. I would like to have more clubs where I would enjoy being in. Helsinki just isn't a very big place.

2) What do you like and do not like in RM?

Difficult to say. I like the communication to an extent, I don't like if I am getting e-mails all the time, like advertisements.

Topic 2: Customers

1) What attracts you into becoming a new customer for a night club?

Good music, dj's, interesting theme nights. Friends. Special offers for example on a sparkling wine bottle and such. Good atmosphere altogether, decoration and most important location!

2) Do you want to be a loyal customer? Why?

I don't necessarily want to be. I am if the place is what I like.

Topic 3: Customer Relationship Management

1) Do you want to be managed in customer relationship? Why yes/not?

Not necessarily. It might be irritating.

2) How do you want to be managed? Are you being managed in the way you want to be managed?

I would like to have more for example drink tickets. They might have an influence on my night out, on deciding where to go to.

Topic 4: Service

1) Which issues are important in the night club's service?

Smiling bartenders, good atmosphere

2) If you are not satisfied with the service, will you come to that place again? why yes/no

Yes, if I like the place, no, if it's far away from home.

Customer 5

Topic 1: Relationship Marketing

1) As a night club customer, do you prefer to have a long- term relationship or switch to different clubs? Why?

I prefer to switch to different clubs, as i haven't found one that I would want to go to more than once.

2) What do you like and do not like in RM?

It gets annoying sometimes. However, it may feel good when I am offered some VIP services because I am in a relationship with a company.

Topic 2: Customers

1) What attracts you into becoming a new customer for a night club?

I used to have a favorite night club, but now it is closed so I'm constantly looking for the exchange. It matters a great deal that the DJ plays the right kind of music and other customers look good. Atmosphere is important too.

2) Do you want to be a loyal customer? Why?

I want to be a loyal customer since I'm tired of switching clubs, none of which are good enough for me. When I find a good place I could go there every time as then I would know what to expect.

Topic 3: Customer Relationship Management

1) Do you want to be managed in customer relationship? Why yes/not?

No, I don't. Being treated well is important, but when I go to a night club I meet my friends or find new ones instead of establishing relationship with the company.

2) How do you want to be managed? Are you being managed in the way you want to be managed?

I don't want to be managed.

Topic 4: Service

1) Which issues are important in the night club's service?

Flexibility of the bartender (if some ingredients of my favorite drink are missing, I expect the bartender to offer other options instead of just saying that I can't have the drink I want.) Neither I like waiting for half an hour to buy a drink.

2) If you are not satisfied with the service, will you come to that place again? Why yes/no

No, if I was the one to decide. However, I never go to a night club alone. If everybody else wants to go to a certain place I would probably go too whether I like the place or not.

Customer 6

Topic 1: Relationship Marketing

1) As a night club customer, do you prefer to have a long- term relationship or switch to different clubs? Why?

It depends on some factors, but mostly I like to spend my time in one good (for me) place as a well-known customer.

2) What do you like and do not like in RM?

I like to get for example some useful info about events and other evening programs, and in some places to have benefits as a regular customer. But I do not like spam and pressure.

Topic 2: Customers

1) What attracts you into becoming a new customer for a night club?

Almost everything: life acts, music, atmosphere, decorations, friendly staff, good reputation and of course other customers.

2) Do you want to be a loyal customer? Why?

Yes, because as a loyal customer you get better service from bartenders.

Topic 3: Customer Relationship Management

1) Do you want to be managed in customer relationship? Why yes/not?

I would say YES, but within limits.

2) How do you want to be managed? Are you being managed in the way you want to be managed?

Good informing (it's like "Hello! We always remember you! Welcome! etc."), text-messages, web-sites...and good service, of course.

Topic 4: Service

1) Which issues are important in the night club's service?

Short lines/queues on entry, fast service, club's cleanness/neatness.

2) If you are not satisfied with the service, will you come to that place again?

Why yes/no?

Usually no. There is a high rivalry in this industry, I am sure I will find a place where I can go and where I like to be.

Appendix B: Managers´ Questionnaire

Hello! My name is Anna Hassanova. I am a student at Arcada University of Applied Sciences in Finland. Now I am working on my Bachelor´s Degree Programme Thesis in International Business, with topic “Managing Customer Relationships in night clubs”

I kindly ask you, as a night club manager, to find few minutes and help me with my research and answer my questions (see below).

I am looking forward to receiving your answers

Thank You!

Best wishes

Anna Hassanova

Manager 1

Topic 1: Relationship Marketing

1) Do you have Relationship with your customers? Why you have /do not have?

Yes, I have long relationship with customers to keep them.

2) Do you have a long-term relationship with all customers? Why

Yes, I have a long- term relationship with all customers, because better to keep than to attract customers.

Topic 2: Customers

1) Which customers you want to be loyal?

Good customers, who want to have long –term relationship.

2) How do you attract new customers?

By advertisements, through word of mouth

Topic 3: Customer Relationship Management

1) How do you keep/manage your customers?

By mail, phone, facebook and personally

2) How is cheaper to manage customers?

By mail and personally

Topic 4: Service

1) What are the most important aspects in a night club service?

Price and quality

2) Service quality is extremely important in relationship marketing.

What do you do to achieve the highest service quality?

I give good quality and good price, I fulfill promises, I satisfy customers.

Manager 2

Topic 1: Relationship Marketing

1) Do you have Relationship with your customers? Why you have /do not have?

Yes, I have. In my opinion, it is better to create relationships with customers and keep them rather than always attract new once.

2) Do you have a long-term relationship with all customers? Why

Yes, because I want to keep long contact with customers. I try to be a friend to my customers, I want get know them and that takes time.

Topic 2: Customers

1) Which customers you want to be loyal?

With whom I can make a long-term relationship, who is paying and willing to pay.

2) How do you attract new customers?

I attract new customers by advertisements, different shows and programs.

Topic 3: Customer Relationship Management

1) How do you manage your customers?

For keeping/managing customers I prefer to use email and phone.

2) How is cheaper to manage customers?

The cheapest way to manage customers is email.

Topic 4: Service

1) What are the most important aspects in a night club service?

Product, price, quality, personnel

2) Service quality is extremely important in relationship marketing.

What do you do to achieve the highest service quality?

Give the best service what I can. Fulfill promises.

Manager 3

Topic 1: Relationship Marketing

1) Do you have Relationship with your customers? Why you have /do not have?

Yes, all the people working in customer service do create relationship with their customers, it's part of the business.

2) Do you have a long-term relationship with all customers? Why

That is possible. If you are in business long enough, customers get to know you better and become kind a friends with you, there are many reasons why. Firstly, it is service and how you make feel them welcome.

Topic 2: Customers

1) Which customers you want to be loyal?

Many customers can be loyal, but I am not choosing whom to make loyal.

Everyone is welcome to be loyal.

2) How do you attract new customers?

With new ideas, programs, word of mouth from existing customers.

Topic 3: Customer Relationship Management

1) How do you manage your customers?

With good service and through different online channels.

2) How is cheaper to manage customers?

Through internet and personal contact.

Topic 4: Service

1) What are the most important aspects in a night club service?

Being polite, listen to the customers, understand their needs.

2) Service quality is extremely important in relationship marketing.

What do you do to achieve the highest service quality? To make customers feel that I am there for them.