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**Internet Survey as Customer Satisfaction Research Method,
Case Hercules Finland Oy - Tampere Plant**

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ABSTRACT

This thesis focuses on survey research and especially on internet survey research. It studies the pro's and con's of different research methods compared with internet research and leads the readers through a real survey process in the case study.

This thesis was done for Hercules Finland, Tampere plant, who needed to get customer feedback in order to fulfill the ISO certification demand. Hercules Incorporated had conducted their customer satisfaction survey with their biggest customers in each market area, so the plant in Tampere was forced to get the information by themselves.

The theoretical part of this thesis covers the definitions of research and research methods, and also discusses about the big reasons for customer satisfaction surveys, *the quality demand and ISO certification*. The aim of the theoretical part is to answer to questions; *what is research, why to research and how to research*.

The research process is studied in details in the case study part of the thesis, where first the third party, the research company, is introduced. The research method and why it was chosen are also explained in this section with the reasons for choosing a third party to conduct the actual research.

In the research results chapter, the results are shown, discussed and illustrated with figures. Because of confidentiality reasons the results were kept anonymous for this report.

Keywords Customer Satisfaction, Quality, Quality control, Survey, Internet survey

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1 Introduction

1.1 Background

Customer satisfaction is nowadays a very important part of business activities. Knowing what customer wants gives a competitive advantage to a company over others.

Company wishing to make the best products at the lowest cost will end up facing the problem of poor quality unless they take a quality control perspective into their actions. Making quality products requires the attention of the whole company from the assembly line to the sales people and managers. Quality control is about products and services, but also people. One person without training to the job can severely diminish the quality of the product he/she is making.

Quality is what customers want today, and it has become more usual for customers to even pay more for receiving a better quality product. By knowing the needs and expectations of a customer give the possibility to invest into the features that are important to them and therefore earning the customer.

Today one efficient way to find out customer's thoughts is an internet survey, which this thesis is about. Internet surveys are efficient and cost-effective method for getting substantial amount of information in very small time-frame. From the 80's to today this method has grown its popularity and as the technology has changed over the years so has internet surveys. New software platforms for easy research process and research companies that provide you everything you need give the advantage for researching, but still let time for other things.

This thesis is divided into two parts. The ground is laid for the research in the theoretical part of the thesis and the deeper insight of a real survey process is given in the case study part.

1.2 Research Purpose and Problem

The major driver for this research is the ISO 9000 standard demand for customer satisfaction feedback. This was a weak point for Hercules Tampere plant in the ISO audit, and after getting remarks about this subject, they needed to take action towards getting clients opinions.

Hercules Incorporated utilizes ISO certification globally and has conducted a customer satisfaction survey recently, but only for their biggest customers in each market area, which didn't include the factory in Tampere and therefore they were forced to do it by them selves.

The company wanted to find a method that provides them reliable answers with cost effective and easy way, and to have continuing information flow coming from the customers.

The sales department of Hercules Tampere has conducted its own customer satisfaction research for their own purposes every three years, by them selves. This research contained mainly only the sales actions and customer service side, but now Hercules needed to get the voice of the customer to be heard to the factory side too. The factory side do keep track on customer rebates and handle any complaints that comes and also collects volunteer customer feedback. With this research they want to specifically get customer feedback for the manufactured products and the facts that factory side has influence on.

Although the sales department has done some researches they will be included into this study as well, because this is a convenient way to give them info about their work as well.

The purpose of this study is to find out what the customer's think of Hercules's:

- quality of the products
- deliveries
- customer service
- overall activities of the company
- sales contacts/representatives

By adding the sales department to the survey the customers will also be able to give direct feedback about their contact person in Hercules Tampere plant.

If this research method turns out to be good it will be recommended to the other small Hercules factories in Europe who were left out of the Hercules Incorporated-customer satisfaction survey.

2 The Case Company - Hercules Finland, Tampere Plant



Hercules Incorporated was founded in 1912, and it is a global solutions provider of specialty chemicals and materials, services and applied chemistry expertise primarily for water-based products and water-borne systems. Their portfolio of businesses consists of two major operating segments: Aqualon Group and the Paper Technologies and Ventures Group

Aqualon is a world leader in products that modify the physical properties of water-based systems. Most of Aqualon's products are derived from renewable natural raw materials.

Key customers of Aqualon's products include manufacturers of interior and exterior water-based paints; producers of construction materials; oil field service companies for oil and gas exploration; paper mills; pharmaceutical companies; and makers of oral hygiene products, chewing gum base, citrus soft drinks and sport beverages, cosmetics, food, personal care products, printing inks and specialty adhesives for product assembly, medical tapes, and food packaging.

Hercules Paper Technologies and Ventures is dedicated to providing innovative chemistries that enhance product performance, optimize manufacturing processes, and/or improve customer productivity.

Hercules Paper Technologies products are used as functional, process, and water treatment additives in a variety of paper applications. Key customers include producers of tissue and towel, packaging, printing and writing papers, and virgin and deinked pulps. Ventures—a platform for customer innovation—offers a broad array of specialty chemicals for a variety of distinct markets. The chemistries offered are used to optimize various manufacturing processes and to enhance the performance of numerous consumer and industrial materials including adhesives, building products, electronics, filters, latex gloves, lubricants, textiles, and paints, inks, and coatings.

Hercules's vision is to be recognized as a premier global specialty chemical company that consistently delivers exceptional long term performance and creates value for their shareholders while being admired for their conduct, people, productivity and progress.

The key elements of their strategy are:

- Continuously improve to better serve their customers and extend their competitive advantage.
- Invest in innovation, emerging market opportunities and bolt-on acquisitions to accelerate profitable growth and increase ROIC (Return on Investment Capital).
- Maximize and grow cash flow per share. (Hercules Incorporated 2008)

Hercules Finland - Tampere plant is a part of Hercules Incorporated and functions in the field of Paper Technologies and Ventures.

Hercules Finland, Tampere plant was built as a Greenfield factory in 1961. Today it has 22 employees and in Hercules Finland total amount of employees consists of 63 employees, half in the operations and half in the sales & service side.

About 75% of the plant products are supplied to Finnish customers and 25% goes to export abroad. The main export countries are Russia, Sweden and the Baltic countries.

Tampere Plants main products are functional paper chemicals and process chemicals for pulp and paper industry. The annual production volume is about 35 thousand tons.

The turnover for Hercules Finland was 27.8 million € in year 2007 and for the whole incorporation it was 2.0 billion \$.

3 Theoretical Background

3.1 Marketing Research in General

Simply explained marketing research is defined as all activities that provide information to guide marketing decisions. That is, marketing research is any information-gathering activity that intended to guide strategic or operational marketing decisions about target markets, competitive strategies, product, price, place, (distribution) or promotion. Marketing research can take many forms. The common denominator in marketing is not *how* is it done, but *why* it's done (Sudman & Blair 1998: 6).

According to Kent (1999: 3) marketing Research can be used in several different ways. The following bulletin points indicate some of the most typical uses of marketing research in businesses and organizations:

- To help tackle or resolve 'one-off' problems or issues, e.g. reacting to a threat from a new product or new technology by competitors
- To assist in making plans and setting objectives for the future
- To monitor changes in the environment as they occur
- To built up a database or marketing information system that can become a resource for a growing range analyses or database marketing techniques
- To use as a common 'currency' with which organizations can negotiate with media owners, advertising agencies, distributors, suppliers, or other agents whose service they require.

3.2 Survey Research

Survey research is very commonly used in market research. Its identifying character is a fixed questionnaire with prespecified questions. According to Sudman & Blair (1998: 154) the major strength of surveys compared with other self-report procedures is broad coverage of the respondent population. Sudman & Blair (1998: 154) also state the broad coverage is possible because of the relatively low cost surveys that allow the researcher to contact many respondents. The major weakness on this method is that only limited information can be obtained from each respondent.

Basically all communication medias – personal, telephone, mail and internet interviews–rely on questionnaires. A questionnaire is a plan of collecting data from respondent. According to Kinnear & Taylor (1996: 353) the

function of the questionnaire is measurement. Questionnaires can be used for example to measure past behavior, attitudes, and respondent characteristics.

3.3 Customer Satisfaction

Catalogue and retail giant L. L. Beans founder Leon Leonwood Bean emphasized the importance of the customer satisfaction:

A customer is the most important person ever in this company – in person or by mail. A customer is not dependent on us, we are dependent on him. A customer is not an interruption of work; he is the purpose of it. A customer is not someone to argue or match wits with. A customer is someone who brings us his wants. It's our job to handle him profitably to him and to ourselves (Bergman & Klefsjö 1994: 285).

Bergman and Klefsjö stated that it has been considered much more important to gain new customers than to retain old ones and much more expensive to gain new customers than to keep one who's satisfied or, even easier, who's delighted with our product (1994: 280-285).

At the beginning of the new millennium customer satisfaction seems to be everywhere. (Vavra 2002: 6) The concept of customer satisfaction has started to play a huge role in the companies' life and recent surveys have shown that more than 95 percent of all senior U.S executives say that customer satisfaction is an important concern for their organizations. This has been shown everywhere by statements or slogans:

- Amtrak - satisfaction guaranteed,
- Lexus - No 1 in Customer satisfaction,
- L.L.Bean - Our products are guaranteed to give 100% satisfaction in every way. Return anything purchased from us at any time if it proves otherwise, we will replace it, refund your purchased price or credit card as you wish. We do not want you to have anything from L.L.Beans that is not completely satisfactory (Vavra 2002: 6-7).

It's vital for the company to keep customers satisfied. In the figure 1 is explained how the customer satisfaction effects on company success and sales; a satisfied customer brings other customers to the business due to positive word of mouth and therefore increase the sales.

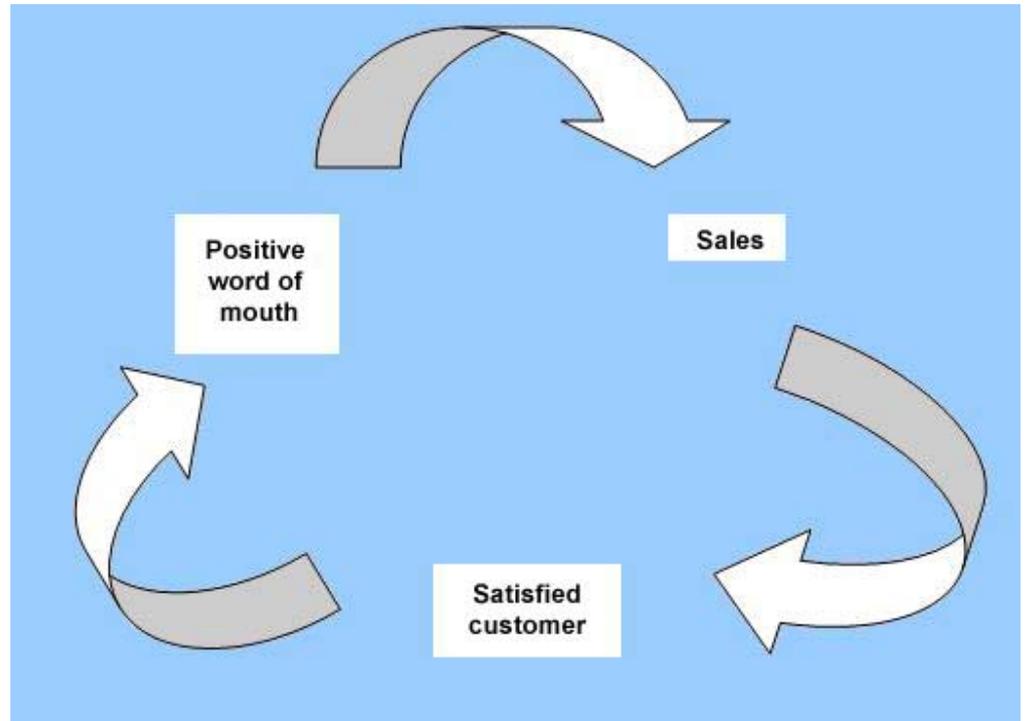


Figure 1 Reinforced sales process due to customer communication (Bergman & Klefsjö 1994: 281)

Bergman & Klefsjö stated that to focus on the customer does not mean that the customer is always right. However, we have to understand why they have their opinions and expectations. They also pointed out that we ourselves are the experts on our products. *If we can see through our customers' stated opinions and understand the background we have the opportunity of supplying our customers with products that fill them with surprise and delight* (Bergman & Klefsjö 1994: 24).

3.4 Customer Satisfaction Formation

We have to aim at exceeding these expectations; we have to delight our customers (Bergman & Klefsjö 1994: 282).

According to Noriaki Kano, a Japanese expert in quality; satisfaction and customer needs are not on a single continuum. Kano has developed a model for customer satisfaction, where quality dimensions are separated into three groups: basic needs, expected needs, and exiting experiences. These three groups are introduced in the next paragraph with examples derived from hotel environment.

3.4.1 Basic Needs

These are the basic “Must Be”-needs that the customers almost unconsciously expect to get. You can be sure that if the customer doesn’t get these he will go elsewhere. In George Woodly’s words *The customer does not care if the product is wrapped in 24-carat gold, only that it is present and is functionally doing what it was designed to do.* An example of this could be a client who checks into a hotel room expecting to find a bed, curtains, and bathroom in the room. These items are not called out for by the customer, but would definitely cause them to go elsewhere if any of these “characteristics” were not present (Kano 2006, Bergman & Klefsjö 1994: 283, Kessler 2003: 27-28).

3.4.2 Expected Needs

We could also think of these needs as “desired” need. These needs reflect the *voice of the customer*. The better you are in meeting these needs the happier the customer is. When thinking again about the hotel room among expected needs there are perhaps a TV-set, a piece of soap and a tooth brush, or maybe spending less time in waiting at the line when checking in to the hotel (Kano 2006, Bergman & Klefsjö 1994: 283, Kessler 2003: 27-28).

3.4.3 Exiting Experiences

By far, the most interesting evaluation point of the model according to Woodly is the exiting experiences, or as he calls it, “the delighter” (Kano 2006). This represents those qualities that the customer was not expecting, but received as a bonus. These experiences towards the hotel room may include for example a dressing gown, a bowl of fruit or personal greetings from the manager (Kano 2006, Bergman & Klefsjö 1994: 283).

Bergman & Klefsjö stated that the customer requirements also change with time and a good illustration of this is the necessity of a Car. ”It was an exiting experience in the twenties, an expected need in the forties but it is

very basic today” (1994: 283). Woodly also told about his own experiences as following “another example of this is the amenities platter that some hotels provide their platinum customers upon checking in. I am one of those clients entitled to such a treat. This practice was certainly a delight. It has, however, become an expected part of my check-in, such that if there is no platter waiting in my room, I’m on the phone with the front desk” (Kano, 2006).

Also Bergman & Klefsjö wanted to point out that sometimes it is possible to change dissatisfaction to excitement. *By treating a disappointed customer very well you can win a loyal customer. Here it is important that the people in the front line have sufficient knowledge and possibilities to act rapidly and take corrective action when faults occur* (Bergman & Klefsjö 1994: 283).

3.5 Quality

The Quality of a product (article or service) is its ability to satisfy the needs and expectations of the customer (Bergman & Klefsjö 1994: 16).

Nowadays quality has become a more and more important means of competition. A company wanting to base their strategy on management commitment for continuous improvement has to apply it more generally and systematically in any organization to keep its position on the market. Otherwise, it's possible that large shares of the market will be lost to those competitors who are more aware of the importance of quality (Bergman & Klefsjö 1994: 15).

There are many definitions of the quality concept and American Society for Quality (ASQ) stated that it is a subjective term for which each person or sector has its own definition. In technical usage they say that it can have two meanings: 1. the characteristics of a product or service that bear on its ability to satisfy stated or implied needs; 2. a product or service free of deficiencies (American Society for Quality 2008).

These needs referred by ASQ according to Besterfield (1994: 1) involve:

- Safety
- Availability
- Maintainability
- Reliability
- Usability
- Economics (price) and
- Environment

Many of these dimensions are related to customers' confidence in those providing the service. Bergman & Klefsjö (1994: 19) also noted that those needs, referring to them as a generic list of quality dimensions, can only give a first set of ideas needed for product planning. Each product, article or service has to meet its own special set of customer requirements. They also state that those wishes and needs have to be thoroughly investigated and they should have a major impact on the planning of the work to be performed. Besterfield (1994: 2) also noted that needs change over time, therefore periodical reevaluation is necessary.

Bergman & Klefsjö (1994: 23) state that quality is a relative term, which is mainly set by the competition on the market. This means that the quality of products, both goods and services, can be

experienced as having deteriorated if competitive alternative with better features shows up in the market. They also state that as the focus should be on the customers wants and needs, a marketing research should be conducted and only after trying to fulfill the market expectations.

3.5.1 Quality Control

In today's view of quality we have to focus on their customers. Quality has to be valued by the customers, and it has to be put in relation to their needs and expectations (Bergman & Klefsjö 1994: 23).

Quality control is the use of techniques and activities to achieve, sustain, and improve the quality of a product or service. According to Besterfield (1994: 2) it involves integrating the following related techniques and activities:

- *Specifications* of what is needed
- *Design* of the product or service to meet the specifications
- *Product* or *installation* to meet the full intent of the specifications
- *Inspections* to determine conformance to specifications
- *Review of usage* to provide information for the revision of specifications if needed

Besterfield states that making use of these activities provide the customer with the best product or service at the lowest cost (1994: 2).

Essentially, quality control involves the examination of a product, service, or process for certain minimum levels of quality. The goal of a quality control is to identify products or services that do not meet the company's specified standards of quality (Wisegeek 2008).

When talking about Quality control, one could think it's just about products, services, and processes, but actually it covers also *people*. Employees are a significant part of any company. If a company has employees that don't have adequate skills or training, have trouble understanding directions, or are misinformed, quality may be severely diminished. When quality control is considered in terms of human beings, it concerns correctable issues. However, it should not be confused with human resource issues (Wisegeek 2008).

Often, quality control is confused with quality assurance. Though these are two very similar concepts, there are some basic differences. Simply explained quality control is concerned with the product, while quality assurance is process-oriented. Besterfield and the article of “What is Quality Control” both emphasizes the differences between these two concepts.

As Besterfield states, quality is not the responsibility on any one person or functional area; it’s everyone’s job. From the assembly line to the president of the company, everyone needs to be on board working towards the better quality. In figure 2 is illustrated the areas responsible for quality control of a product, however, these can be adapted to a service as well (1994: 5-6).

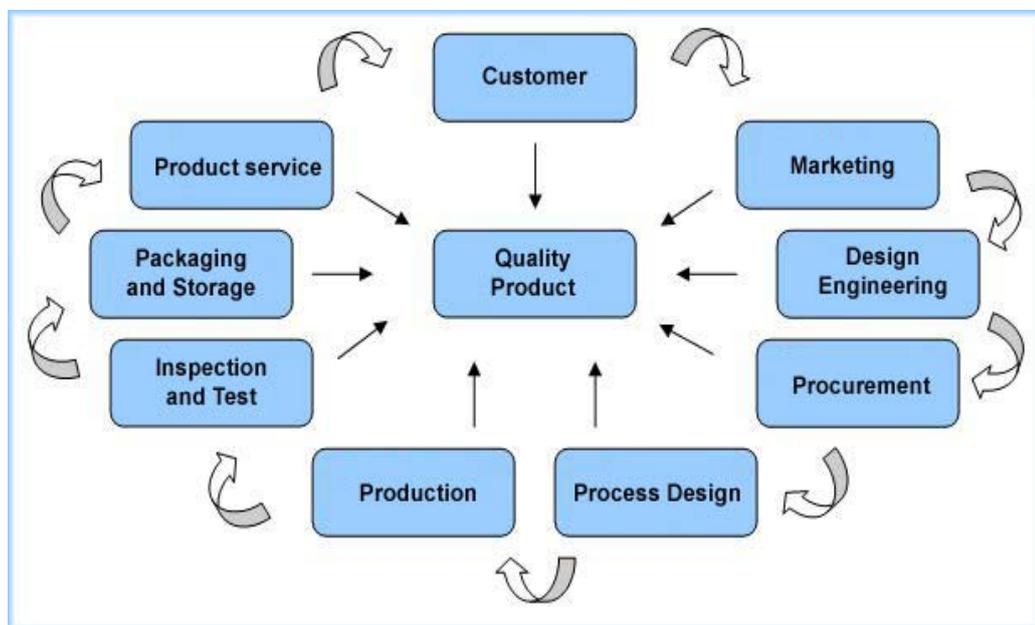


Figure 2 Areas responsible for quality control (Besterfield 1994: 5-6)

According to Bergman & Klefsjö (1994: 29), one part of successful quality strategy is working towards *continuous quality improvements*. The quality control process must be ongoing to have possible issues discovered as soon as possible and to immediately take corrective and preventive actions. By detecting and correcting defects early the company achieves competitive advantages. As Bergman and Klefsjö (1994: 29) state: *market shares will not be lost to companies which better live up to the quality demands of the market.*

Even without the external pressure continuous quality control is extremely important because of the cost-factor. Defects cause also other costs than just repair and replace costs. Because of the higher demand compared to the amount of customers, companies are forced to keep higher stock, that tie capital. With having a better quality products the capital can be released for productive use.

"It's always possible to improve the quality and at the same time reduce costs"

Above is the basic rule of quality improvements which is surprisingly often applicable. It's not necessarily needed to make dramatical changes to gain improved quality and at the same time reduce cost; in many cases simple steps can bring spectacular changes. (Bergman & Klefsjö 1994: 30)

3.5.2 ISO 9000 Series

A quality system is the organizational structure, responsibilities, procedures, processes and resources for implementing quality management. (Bergman & Klefsjö 1994: 392)

Today companies and organizations are driven into a point where they need to find any aspects of uniqueness they can get to differentiate themselves from their competitors. At the same time the customers are seeking for better product and services and are trying to justify any cost they pay of the product by the quality. Because of the great number of supply with similar quality products in the markets, customers are forced to look for the quality beyond the product. For a company to measure customer satisfaction not only gives the company a chance to see into customers' thought but as well signals a customer about the company's orientation to quality. ISO certification is another very respective cue. It's definitely not a coincidence that the ISO 9000 series emphasize the importance of measuring customer satisfaction (Vavra 2002: 3).

According to Bergman & Klefsjö (1994: 392) a quality system is a tool for steering and improving the quality of the company's products. It comprises most of the methods and routines as well as organization and distribution of responsibility. It is also required that the system is well documented. The documentation is both a support and a basis for the quality audit of the company.

The ISO 9000 family addresses "quality management". This International series of Standards specifies requirements for a quality management system where an organization:

1. Needs to demonstrate its ability to consistently provide product that meets customer and applicable regulatory requirements, and
2. Aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable regulatory requirements.

All of these requirements are generic and are intended to be applicable to all organizations, regardless of type, size and product provided (ISO 9001: 2000, 2008).

The ISO 9000 series was established as an ISO-standard in 1987 by the International Organization for Standardization, which is known as the worlds largest developer and publisher of international standards. Over the 20 yeas of existence the ISO series has undergone some changes; it has been updated and changed three times so far, in 1994, 2002 and 2005.

The standard family has also grown its popularity dramatically over the few years and in a survey conducted by ISO in 2006 in 170 countries and economies were found that in the whole world there are almost 900 000 ISO 9001: 2000 certificates and in Europe alone there were more than 400 000 of those certificates. When comparing these results to the 2002 survey they also made, when there were only about 167 000 certificates worldwide, we can notice the ISO Standards have enjoyed a tremendous success with an increase of almost 5,5 times.(ISO 9000 history, ISO 9000: 2005, 2006)

3.6 Survey Process

A survey should be thought of as a process. The entire survey process is important to success. A Researcher should take a holistic approach to survey design by consciously considering all aspects of the survey process and consider it as social interaction between researcher and respondent. The survey process according to Schonlau et al. (2002: 5-6) consist of following phases:

1. Defining the survey objectives
2. Developing a sample frame, who will participate to the study?
3. Creating and testing the instrument
4. Contacting respondents throughout the survey process
5. Data collection, data reduction, and analysis

The first phase includes specifying the population of interest, tracing the outline of the type of data to be collected and determining the desired accuracy of the results (Schonlau et al. 2002: 6-7). This phase is answering the questions; Why surveying? And what do we want from this survey?

Who will be sampled is determined on the second phase. First the method of sampling is selected, either probability or convenience based. Secondly the sample frame is created, if necessary, and eventually the sample is selected (Schonlau et al. 2002: 6-7). Probability and a convenience samples can be simply explained by the fact that probability sampling very often utilizes some sort of *random* selection method and convenience sample, which might be called as nonprobability sample as well, does not include any random selection but the sample is carefully selected for the purposes (Research Methods Knowledge Base, Sampling 2008).

Third phase is the actual creation of the survey appearance including question drafting and method of conducting it (mail, web or other), also pretesting and revising the survey instrument is included. (Schonlau et al. 2002: 6-7) Design will be a crucial part of this phase; the survey needs to be made a pleasant experience for the respondent by making it relatively short and easy to understand. Important is also to ask only questions that the sample selected is aware of (e.g. don't ask marketing people about the satisfaction of logistics etc) (Kastinen 13.3.2008, Interview).

The fourth phase is about interaction with the respondent. This can be divided in to 3 main components; contact, response and follow-up. The contacting component includes for example the prenotification that the survey is coming, postdelivery reminder and thank you- note, and nonresponse follow-up for those who do not

return the survey. According to Schonlau et al. (2002: 7) each of these components can be conducted in different modes, by telephone, Web or e-mail. For example the respondents may be contacted by mail to participate in a Web survey and the follow-up for nonrespondents may be contacted in yet another mode.

The fifth and last stage of the survey process includes the actual data collection, data reduction and analysis of the results (Shonlau et al., 2002: 5-6). Before getting mesmerized about the complexity and the opportunities in data analysis and the huge amount of data collected, Vavra (2002: 167) emphasizes the importance of carefully planning the steps in the analytical plan. Most quantitative customer satisfaction analytical programs follow a similar logical sequence like following:

- Calculating your organization's current performance (on your overall and performance measures) using summary statistics
- Interpreting your current performance levels by comparing them with benchmarks such as managerial goals, historical performance, or industry norms
- Using statistical testing to determine the significance of the changes from previous measurements of the difference from managerial goals or competitors' performance.
- Exploring other aspects of your data using more complex, multivariate statistical techniques such as determining which issues are key drivers of your customers' satisfaction

Also the analysis depends on the type of data you have, is it numerical or verbal data. With numerical data it should first be familiarized by using descriptive statistics and possibly correlation analysis. After these it should be able to appropriately order or meaningfully create cross-tab tables of the data. Advanced analysis can be used both prior to cross-tab tables to better understand the structure of and dependencies within your data and later in the analytical process, to help build more advanced models of the data.

With verbal data there are relatively rich array of techniques to use the information from your respondents' *verbatim* responses. *Coding* open-ended responses is almost always performed to help to quantify what customers are telling you in their verbatim responses. *Sorting* open-ended responses using classification variables (extremely satisfied customers vs. extremely dissatisfied customers etc.), adds considerable value to the listing and helps to organize the responses. Searching for occurrences of particular words or phrases representing particular issues, *keywords*, is also one way of analyzing the verbal data, it is just important to identify the

keywords you are searching from the text and easily let the computer do the search.

As interpreting and tracking the results, there are three basic statistical concepts that allow making inferences from the results:

- The size of the sample
- What range of error you are willing to tolerate about your sample's result
- The level of statistical significance that is required of the findings

Also it is needed to discover a method to deal with missing data; not all of the customers will completely answer to the questionnaire. (Vavra 2002: 167-203)

After these phases it should be wise to think when repeating the survey, that way you can make sure you always have accurate data about your respondents, and when talking about customer satisfaction surveys and ISO standards this ensures you are following the standard requirements (Kastinen 13.3.2008, Interview, ISO 9001:2000 2008).

3.7 Survey Methods

A survey is the collection of data based on addressing questions to respondents in a formal manner and taking a systematic record of their responses. The record will normally be a questionnaire, but may be a diary or direct data capture using electronic means (Kent 1999: 92-93).

3.7.1 Traditional Methods

3.7.1.1 Interview

It's very common to be stopped at a mall or on the street by a person who's asking for a minute of your time to help them with their research. This example is a part of interview surveys, or *personal* interview surveys as they could be called as well.

Interview surveys are conducted in person either in a public place, organizations or possibly even at the interviewees' homes. This method ensures that all the questions are being answered by the required amount of people in the right order with the required material shown in proper form. Also the interviewer can check the eligibility before interview is started and can usually persuade respondents to complete the interview. The quality of the data derived from interview survey is generally superior to that obtained by other methods (Kent 1999: 94).

3.7.1.2 Telephone

Telephone surveys could be a very effective survey mode with no travel costs and wasteful callbacks, but unfortunately there are some negative points that lead to its unpopularity. First negative side is that often phone surveying calls are thought of as telemarketing and sales calls, and to get a call from a strange number makes people suspicious and reluctant to answer. From a researcher's point of view, telephone interviews are limited to verbal exchanges, meaning that no visual material is possible to show, unless it's posted in advance. Secondly there are no observational data gathered, it's not possible to see the facial expressions or body language of the respondent. Also the surveys need to be very short and factual which limits their use (Kent 1999: 99-100).

3.7.1.3 Mail

This is a very cost-effective method which requires neither interviewers nor telephone systems (which are perhaps one third of the cost of telephone surveys and one eighth of interviewing surveys). This customer friendly method gives a chance to fill the questionnaire when ever wanted and gives a possibility to talk with other members of the household. But on the other hand this is a very slow way of getting responses, the questionnaires may have been filled by other person, not the selected one, and the answers need to be accepted as they are written without further editing (Kent 1999: 100-101).

3.7.2 Internet Survey

Schonlau, Fricker and Elliot (2002:summary: xiii) note that the Internet is completely changing the way we communicate with one another and that one of the most recent uses of the World Wide Web, or internet as it's more commonly know, is as survey platform.

The first steps of internet survey use were taken in the late 1980s and early 1990s when it offered the possibility of nearly instantaneous transmission of survey at little cost or no cost. Email surveys tended to be text-based, very modest looking and limited in length. The only significant advantage over paper surveys was the possibility to save time and money in delivery and response. In early- to mid- 1990s the Web started to become widely available and rapidly replaced the e-mail as survey method. The web offered significantly more possibilities, including interactive features for surveys, containing audio and video as well as intensified user interface (Schonlau et al. 2002: 19-20).

This method could probably be classified as the most effective of all survey methods, with features starting from the nearly complete elimination of paper, postage, mailout and data entry cost, fast delivery times, to the potentiality of overcoming international boundaries as significant barriers to conducting surveys. These features certainly make this method one to take a closer look at.

Although this method isn't flawless, which will be explained in detail in the following chapter, it certainly gives good competition to the traditional survey methods (Dillman 2007: 352).

3.7.3 Comparison between Internet Survey Methods and Traditional Survey Methods

Internet-based surveys, although still in their infancy, are becoming increasingly popular because they are believed to be faster, better, cheaper, and easier to conduct than surveys using more-traditional telephone or mail methods (Schonlau et al. 2002: summary: xiii).

Surprisingly, survey innovation in the twentieth century has been driven much more by the potential for reducing costs than by the development of new ways of reducing survey error. According to Dillman (2007: 411) for example telephone interviewing became a popular survey method because it was much less expensive than conducting face-to-face interviews. Dillman states that the cost reduction potential offered by internet surveys, over both mail and telephone methods, is far greater than that offered by the switch from face-to-face to telephone methods. These differences of traditional methods vs. internet survey methods are illustrated in Figure 3.

	Internet Survey	Traditional methods
Respondents are free to fill in the survey whenever and where ever they want	This applies to Internet surveys as long as there is a computer provided.	This applies to mail surveys as well.
Data collection costs	Are close to nothing	Are substantial in all of the traditional methods; paper, postage, mailout, calling costs
Labor cost	Close to none as only the cost of data collection system is required	Labor cost are substantial
Correspondence between sample size and survey costs	The cost of surveying a small sample is the same as surveying entire population	The cost depends on sample size
The reliability of the answers	The survey could be conducted by other person than intended, because it can be forwarded to anyone	In mail method the survey could be conducted by some other person than intended, this results to not having reliable answers
Suitable for sensitive questions	As a very impersonal method, respondents answer more carefully and honestly even to sensitive questions	Interviewer assisted modes tend to bias answers towards more socially acceptable answers
Response rates	Response rates vary, but 30-60% is normal	Depends on the scale of the survey and method

Includes audio, video, images	Yes, as much as wanted	In personal interviewing it's possible to have visual objects or audio showed to respondent. Over phone interview only audio is possible to have played. Mail questionnaires can only hold images
Return time	Delivery and return time can be as small as few hours	By mail this will take days, phone- and personal interviewing the responses are immediate, but need still data processing afterwards
International surveys	This method gives the possibility to conduct surveys abroad	With traditional methods it would be very difficult and expensive to conduct surveys across international boundaries

Figure 3 Comparison between traditional survey methods and internet survey method (Kastinen 13.3.2008, Interview, Dillman 2007: 352-353, Shonlau et al. 2002: 10)

Although internet surveying seems to be very cost effective, time and effort saving method, it also has some negative sides on it. The biggest problems arise when it's been made by someone without prior experience, in many cases unanticipated technical problems will occur and because of that there will be additional costs. Also the analysis of the result can be done incorrectly, especially when it's conducted using a readymade software (good example of this is when a company purchases a research tool with readymade analysis software and analyses the results by them selves with possibly wrong statistical methods). Some errors are likely to occur as well in respondents' side if they have no prior experience in filling in the questionnaires (Kastinen 13.3.2008, Interview).

Even though the web surveys offer a substantial amount of possibilities of design, there are still things that need to be taken into account when designing one. There are several features of one's computers that may influence the appearance and usability of the questionnaire:

- Computer monitors may vary in size and may be configured for different screen displays. As a result of this the image may be seen differently
- Poor internet connection may cause problems for the respondents (e.g with surveys that you can respond only once, the right to respond might be lost if internet connection stops working in the middle of questionnaire, respondent is not able to respond again)
- Users might have only minimal computer skills

Most problems with internet surveys relate to technical, computer issues. Along with the facts that need to be taken account when making internet survey probably the most crucial thing is to instruct the respondents properly. Without proper instructions the survey can be filled incorrectly and therefore the results are not valid (Dillman 2007: 359).

4 The Case Study

4.1 Introduction of the Company

This research was conducted with a third party, who managed the whole survey process from giving suggestions and providing sample questionnaires to conducting the survey, and giving results in an internet-report.

4.1.1 Aktiivitiето Palvelut Oy



Suomen Aktiivitiето Oy was founded in 1997. Company has focused on customer information measurement, analysis and consulting projects for well established international companies. Essential role in their work is to develop conceptualized quality control solutions from experienced operation models also for small and medium sized companies.

Aktiivitiето Palvelut Oy was founded in 2006 as its own business unit for the execution of quality control services in small and medium sized companies. Ownership of this unit is entirely Finnish. Aktiivitiето Palvelut utilizes modern information technology based on data management platform, called Active Customer Platform (ACP), in their processes.

At end of year 2007 Aktiivitiето Palvelut had more than 300 Finnish client companies.

Aktiivitiето offers a wide variety of measuring services helping companies in managing and gathering customer information, figure 4 illustrates all the service areas and the explanations of those services.

4.1.2 Aktiivitiето's Services

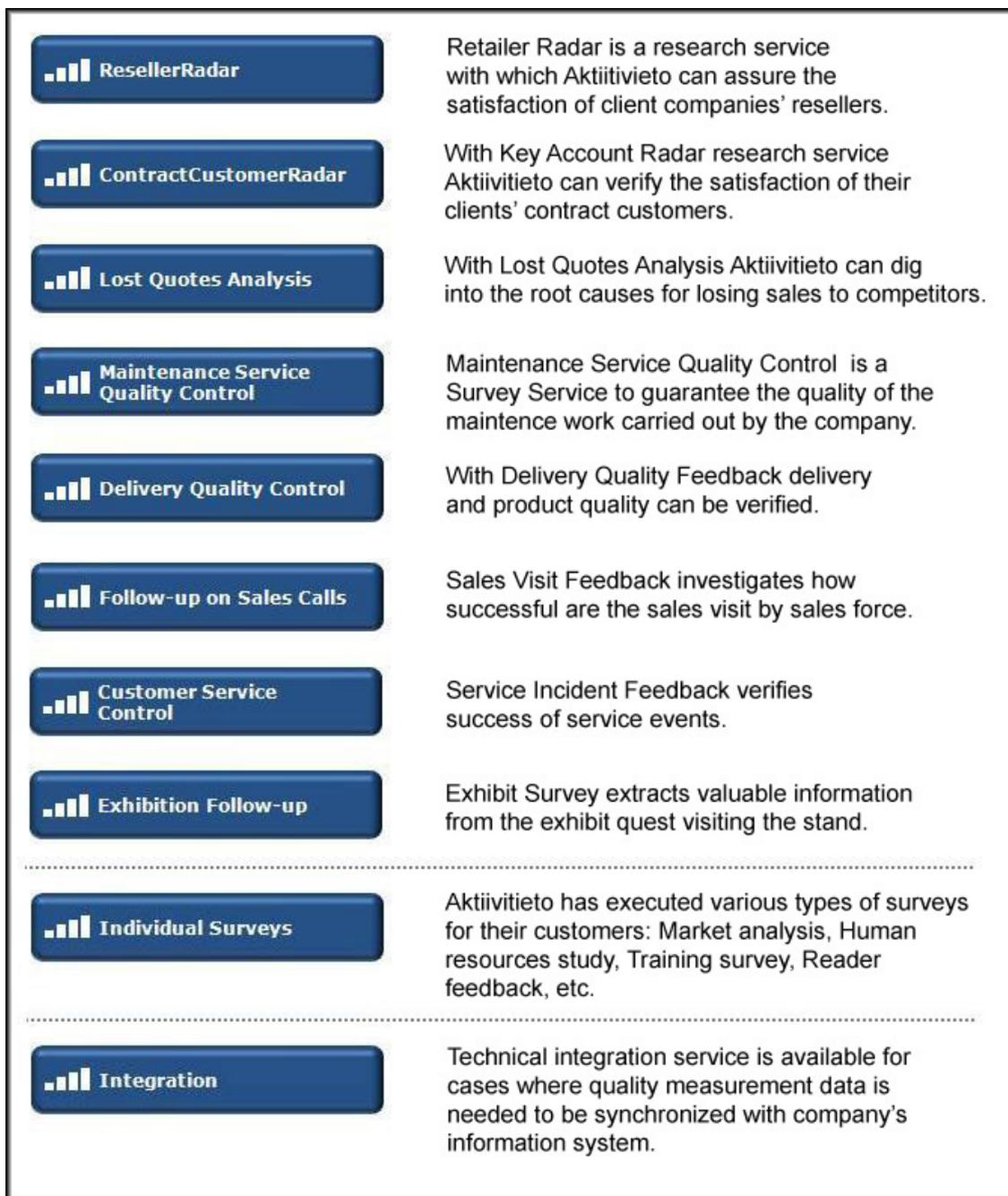


Figure 4 Aktiivitiето's service sectors (Aktiivitiето 2008)

4.1.3 Aktiivitiето's Process Stages

The content of Aktiivitiето's research process, illustrated in figure 5, follows the normal survey process stages. On the first stage Aktiivitiето will plan a suitable research concept for each company. The second stage is execution, meaning the actual research making from the beginning. Third and final stage is the reporting, this can be done in various ways for the client company and also if the client wishes it can be made public. (Aktiivitiето 2008)

Planning ➔	Execution ➔	Reporting
Survey questions	Collecting respondents contact information	Online–reporting over Internet (using ACP extranet opened for the company)
Invitation or information letter	Invitating (Email, letter)	Report document (can be published electronically)
Reporting	Ensuring response rate	Personal reporting (meeting)

Figure 5 Aktiivitiето's research process stages (Aktiivitiето 2008)

4.2 Conducting the Research

4.2.1 Research Method

The method of researching in this case was survey, specifically internet survey. Surveys are very cost effective method for researching and they allow also gathering of very extensive material. Internet surveys especially allow almost an infinite number of respondents to take part on it, and still costs can be maintained the same level as would for smaller group of respondents. Surveys are also very time-saving giving the time to do other things.

If the questionnaire is well designed the data can be easily stored and analyzed. Statistical analysis and reporting methods are included in the services of most researching companies, and even when the research is done without a third party there are methods available. One good advantage of this method is the possibility to estimate the expenses quite exactly

The reason why Hercules decided to take a third party for conducting this study was that Tampere plant didn't have the resources to make the research by them selves from the factory side. The sales side has conducted a research for their own purposes earlier and as seeing that even hard to do they saw this survey being too heavy task to make.

It's nowadays very common to have a third party to do the research for you, reducing the workload, and Hercules decided to try that too. The reason why Aktiivitieta was selected was mainly the right time and place for them to advertise their services. The easiness and reasonable price were also important criterion in selection.

Aktiivitieta provided services with low cost but big input. They made suggestions, provided the tool, conducted the survey, and gave results. Only thing Hercules needed to do was the customer record of email addresses.

4.2.2 Research Steps

In spring 2007 Hercules Finland got the remark from the ISO audit to take actions into getting customer feedback and conveniently in the fall Aktiivitiето came to advertise their services to the factory. The decision was easy as they advertised a service which Hercules had established a need earlier. Aktiivitiето's offer for a 2-time study in a year was accepted and the process could begin. After acceptance the discussion of taking the sales side along with the research took place.

Planning

First step in December was a meeting with together with the representative of Aktiivitiето and Hercules staff to go through the process and content of the research. In this meeting a representative of Aktiivitiето marked up all the suggestions and ideas for the implementation and the team discussed about the questions for the study.

Second step in January was to get the initial proposal of the content of the study and the cover letters from Aktiivitiето. Also the list of the customers' email addresses, customer record, was made and given to Aktiivitiето

Execution

On the third step Hercules accepted the content and the first contact with the respondents were done with an informative message about the upcoming research (Appendix II).

After a week the respondents received the e-mail invitation with a link to the web-questionnaire (Appendix I). This was done in February.

After a week of the invitation to take part to the study (early March) responding was encouraged with a reminder email sent to nonrespondents.

Reporting

The reports were done after the research and there will be a meeting later where the companies will go thorough the results and talk about the next research, what was good in this study, what should be changed, etc.

The second study will be conducted in August/September 2008.

If the customer would be willing Aktiivitiето could sent a summary of the study to the respondents with a thank you note for responding.

The duration of the whole process varies among clients/projects, but according to Aktiivitiето an average time for delivering the reports to the client after the study is about 1 month

4.3 Research Results

The questionnaire for this study was kept very simple and short, consisting of 7 questions. Before answering to the questionnaire the respondents were asked to select the company they work for, the factory where they are placed, and the name of the contact person they have in Hercules, so the actual number of questions was 10.

The following reports indicate the result from the customer satisfaction research conducted to Hercules Finland –Tampere Plant February-march 2008. Questions 2, 4, 6 were open questions and were kept confidential as they included information about the respondents. The open ended questions contained valuable information for the company and gave the respondents a possibility to comment also other things of the company that wasn't in the questionnaire.

The questionnaire was sent to 146 people and 42 answers were received, which gives the answer percentage 29% for this study.

4.3.1 Question 1

Question 1 handled the informative part of the respondent. The sample selected included several customer companies from which 7 took part on this survey. Answers to this question gave the perspective of which company had the most influence on the results.

Figure 6 illustrated that 52% of the overall respondents worked for the same company, and the other half was divided among 6 other companies.

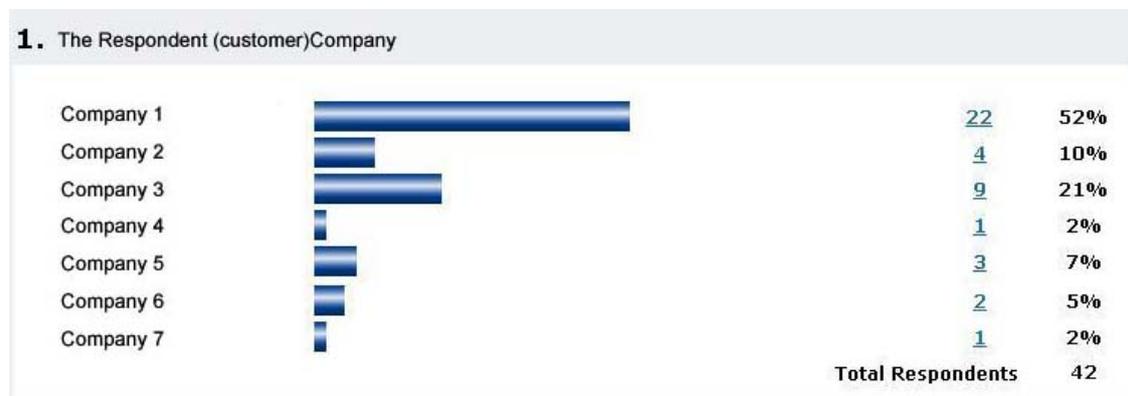


Figure 6 Question 1 in customer satisfaction research

4.3.2 Question 3

In question 3, illustrated in Figure 7, the participants had to mark their contact person in Hercules so that the feedback about the person can be directed straight to the right sales-person.

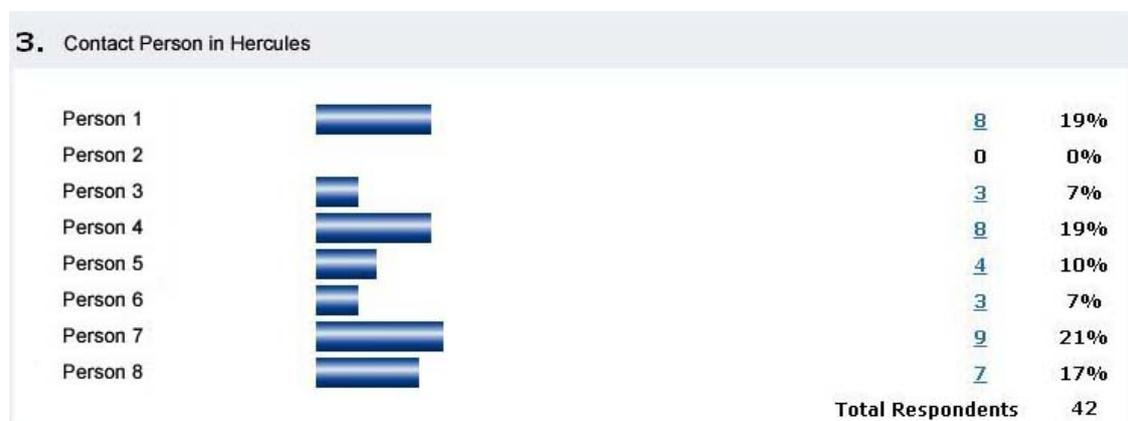


Figure 7 Question 3 in customer satisfaction research

4.3.3 Question 4

In the first real question about Hercules, shown in Figure 8, the respondents gave their opinion about Hercules' business activities in the last 6 months. Over 70 % of the respondents were satisfied with the company and 5% (only 2 respondents) were unsatisfied. None of the respondents were extremely unsatisfied, yet 23 % of the respondents were completely satisfied. Three respondents left out answering this question.



Figure 8 Question 4 in customer satisfaction research

4.3.4 Question 6

Question number 6, shown in Figure 9, rated customer's opinions about their Hercules contact person, and the contact persons' actions. The results were extremely good, as most of the respondents rated all the actions of their contact person good or very good. Only two respondents rated their contact persons' ability to introduce new products or product families *poor*. The first part of the analysis figure show's the average of the responses (1= poor, 5=very good). The average grade for the contact person actions in general was 4,13 which states as more than *good*.

The best rated activities or features of the contact persons according to the averages were *reachability* and *service oriented* and in the contrary worst was *ability to find suitable solution*.

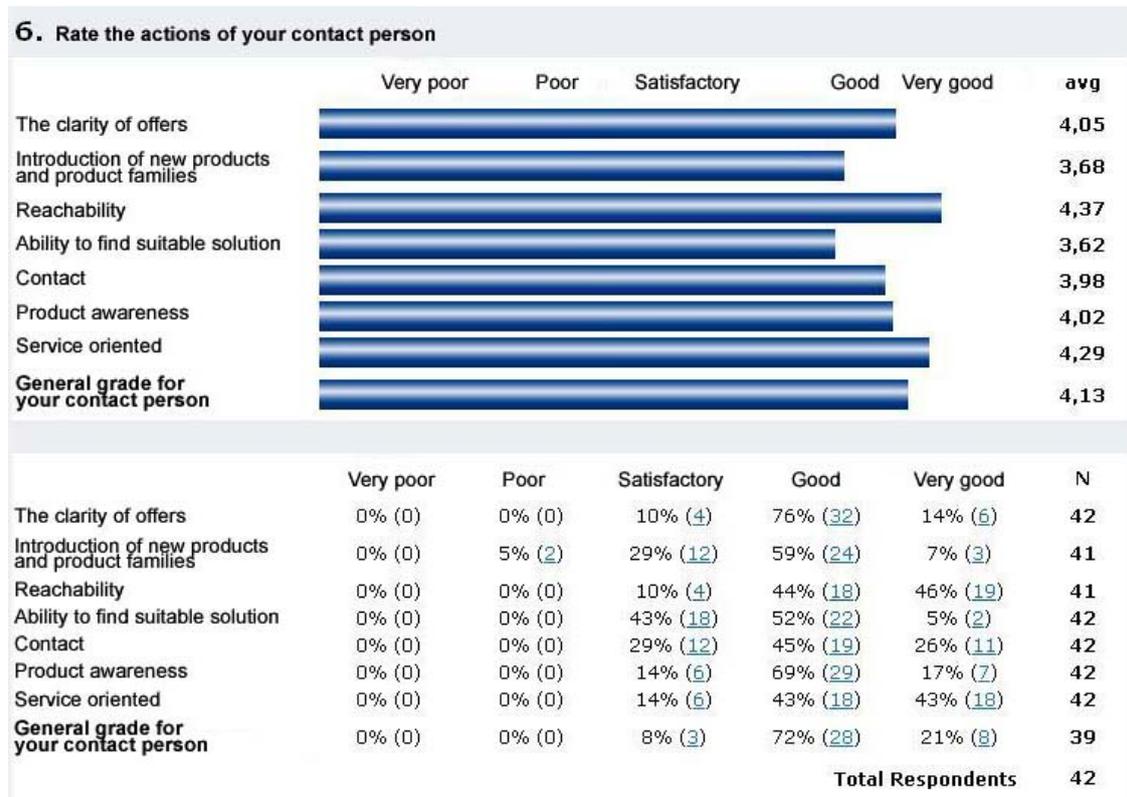


Figure 9 Question 6 in customer satisfaction research

4.3.5 Question 8

Similar question was asked about the company it self in question 8, illustrated in Figure 10. Again most of the answers were centralized into the *good*-section, satisfactory and very good had the same amount of answers. Only 1 respondent (2 %) gave the grade of *very poor* to Hercules's competitiveness of pricing, 12 % gave the same activity grade of *poor*.

According to the average the best rated activity for Hercules was faultlessness of deliveries (4,38). Two lowest averages were given to price-quality ratio and competitiveness of Hercules's products (3,26 and 3,17). General grade average for Hercules was 3,95, which consisted of 12% of grade *satisfactory*, 80% of *good* and 38% of grade *very good*.

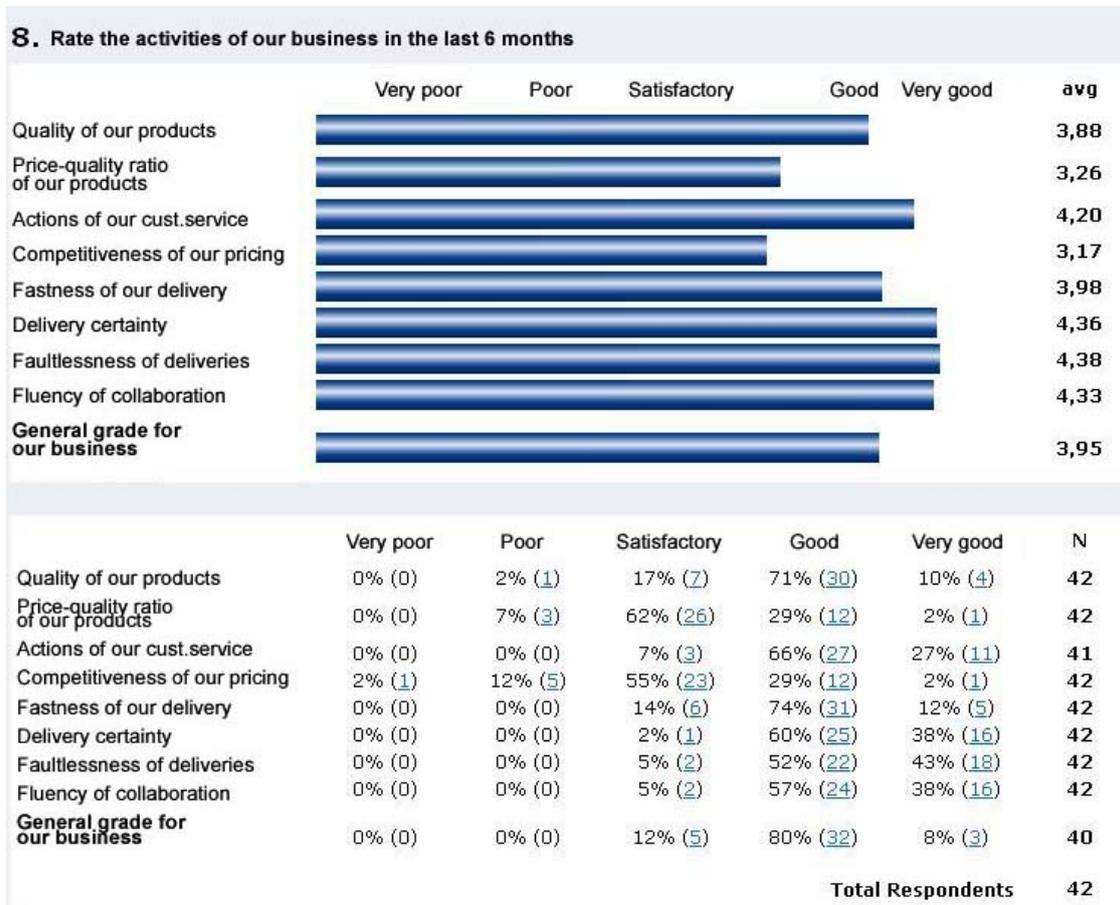


Figure 10 Question 8 in customer satisfaction research

4.3.6 Question 10

The last question, number 10, illustrated in Figure 11, was to find out if the customer sees that the business relationship with Hercules has been satisfying enough to continue. As seen in the answers (1= continuance is on a very uncertain level, 10= continuance is on a very sure level) all of the respondents gave at least grade of 5, meaning that none of the respondents are so dissatisfied with Hercules that they wish to discontinue the customership.

Most of the responses, 36 per cent, were given a grade 8 and the second highest number a grade 9. Two percent stated that their customership was on a very sure level, by giving the grade 10.

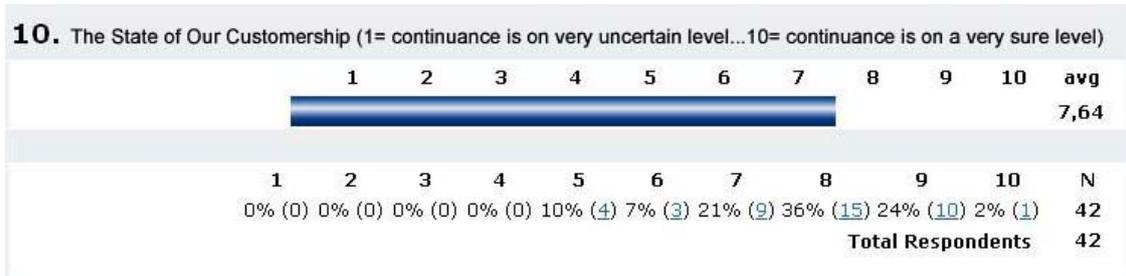


Figure 11 Question 10 in customer satisfaction research

5 Summary and Conclusions

Hercules Finland, Tampere plant needed to get customer feedback about their products and customer service at the factory side mostly because of the ISO certification demand, but also because it's very useful for a company to know what customers think about it.

The focus of this thesis was to first study the theoretical part and the reasons to conduct internet surveys and then conduct one with a third party company to reach the goal of getting customer feedback for Hercules.

The customer satisfaction research for Hercules took about 5 months time from beginning to end. The research was sent to 146 people and the number of responses was 42, making the response rate 29%. The target sample consisted of all of Hercules's customers, having one or several people from each company. The respondents were most from the production side of the companies, the people who actually use the products.

The theoretical part of the thesis consisted of three categories of subjects. First part gave the answer to question; *what is research*, consisting of the basic definitions of marketing research and survey research. Second part answered to question *why to research* by talking about customer satisfaction and quality. And the third part; *how to research* consisted of methods of researching, survey process and of the main subject, internet surveys.

The questionnaire consisted of 7 questions mainly about the company, their products, deliveries and the actions of their sales people and 3 questions in the beginning of the questionnaire to indicate the company the respondents work for, the placement and the contact person they have in Hercules. In the questionnaire were also 3 open ended questions. The questionnaire was deliberately kept short to keep it convenient and easy for the customers to respond. With the open-ended questions, questionnaire also consisted of questions where respondents graded activities with grades; very poor, poor, satisfied, good, and very good, these were indicted with numbers from 1-5 (5 as very good).

The main purpose of this study was to find whether the customers are satisfied with Hercules or not. Including the sales part to this study gave also valuable information about their representatives. The results were very positive including rating *very good* from several respondents in several questions and the general opinion about

Hercules seemed to be very satisfied. Like most studies possibly do, this gave also Hercules some negative feedback about few things that they should think about. Although the amount of negative feedback was very low, it's always important to take it into account as it is easier to retain the old customer than to get a new one.

In the results Hercules received positive feedback about their sales representatives, most of the ratings about their actions were rated as *good*. The actions of the whole business were also rated and the respondents thought that especially Hercules's deliveries were handled very well, also their customer service earned the rating *very good*. Only rating average concerning the pricing were ranked as little more than *satisfactory*. Lastly, very good results were received from the question of customership continuation, which pointed out that most of the customers are indeed satisfied with Hercules and wish to continue with the business relationship, only 10% of the respondents were a little unsure about the future with Hercules.

Hercules received valuable information from this research and especially from the open questions, where respondents were able to mention things that were not addressed in this questionnaire. Hercules will take actions to do what's necessary to fix everything needed and will keep on collecting customer feedback.

Hercules was also satisfied with the services of Aktiivitiето Palvelut Oy. The easiness was one reason why Aktiivitiето was chosen. Aktiivitiето made suggestions, provided the tool, conducted the survey, and gave results in an internet-report.

Hercules was very satisfied with the study process, although this time they got relatively low response rate for the study. Hercules is hoping that the people who did not answer this time will answer in the second study conducted in the fall 2008.

I personally recommend Hercules to keep on gathering customer feedback and keeping the questionnaires short, as it is very easy not to give answers. I see this being very important task also because it signals a message to the customers of caring about what they think.

For me this thesis was a great learning process on customer satisfaction and quality issues and also the survey processes in the business environment, which were fairly new topics for me. I see those being very useful topics to know as nowadays quality is becoming more and more important matter in businesses.

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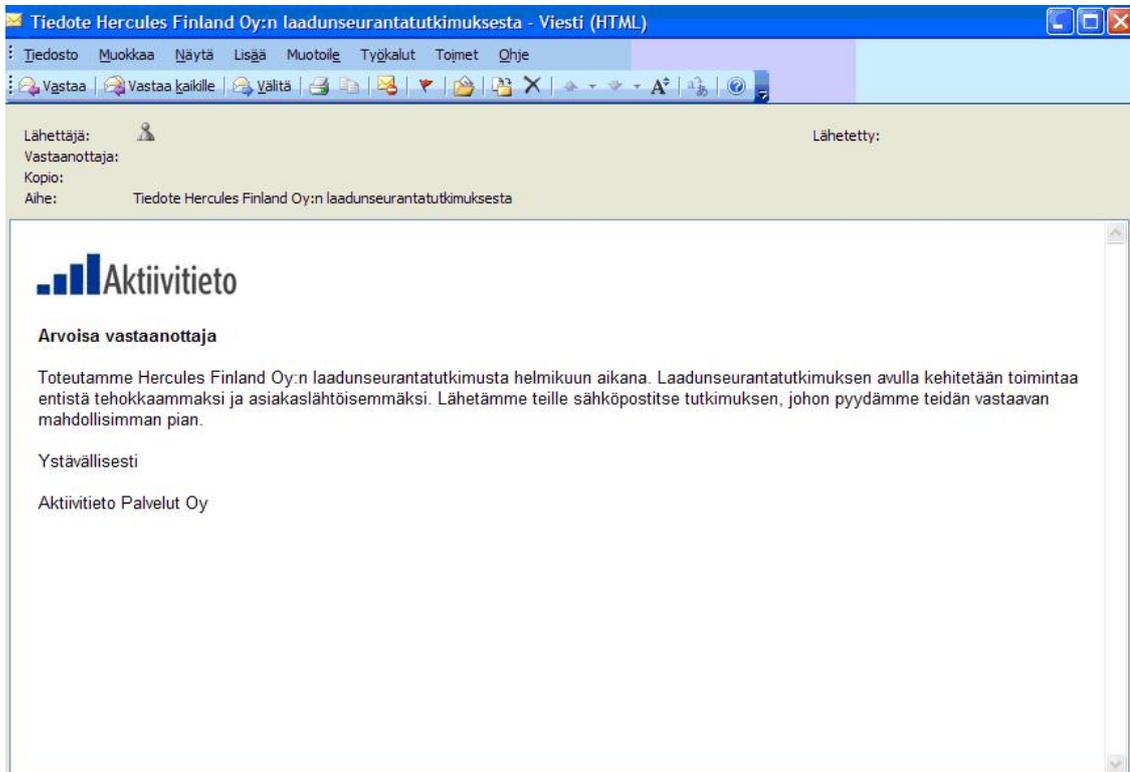
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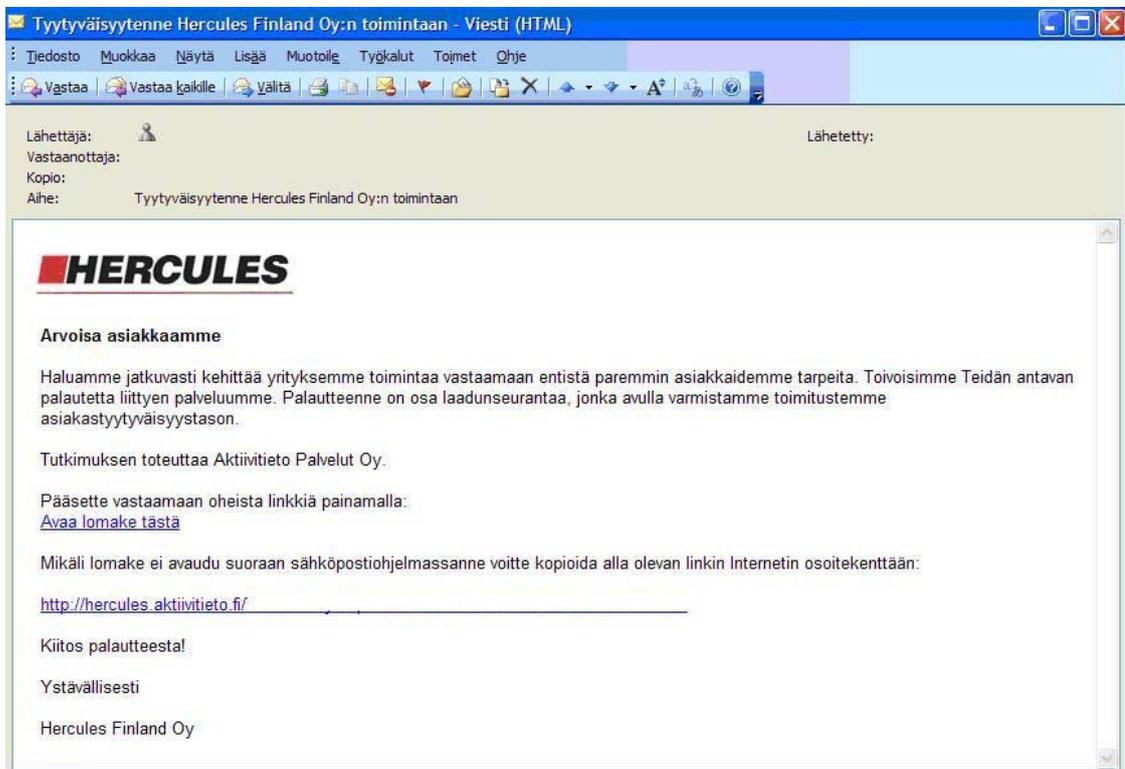
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Appendix II: Pre-notice



Appendix III: Cover Letter



Tyytyväisyytenne Hercules Finland Oy:n toimintaan - Viesti (HTML)

Tiedosto Muokkaa Näytä Lisää Muotoilu Työkalut Toimet Ohje

Vastaa Vastaa kaikille Vältä

Lähettilä:  Lähetetty:

Vastaanottaja:

Kopio:

Aihe: Tyytyväisyytenne Hercules Finland Oy:n toimintaan



Arvoisa asiakkaamme

Haluamme jatkuvasti kehittää yrityksemme toimintaa vastaamaan entistä paremmin asiakkaidemme tarpeita. Toivoisimme Teidän antavan palautetta liittyen palveluumme. Palautteenne on osa laadunseurantaa, jonka avulla varmistamme toimitustemme asiakastytyväisyytensä.

Tutkimuksen toteuttaa Aktiivieto Palvelut Oy.

Pääsette vastaamaan oheista linkkiä painamalla:
[Avaa lomake tästä](#)

Mikäli lomake ei avaudu suoraan sähköpostiohjelmassanne voitte kopioida alla olevan linkin Internetin osoitekenttään:

<http://hercules.aktiivieto.fi/>

Kiitos palautteesta!

Ystävällisesti

Hercules Finland Oy

Appendix IV: Thank You-note



KIITOS PALAUTTEESTASI!



Tämäkin laadunseuranta on toteutettu yhteistyössä [Aktiivietiedon](#) palvelun avulla!

Mikäli Hercules Finland Oy:n kotisivut eivät 5 sekunnin kuluessa avaudu automaattisesti, klikkaa [tästä](#)