A customer satisfaction survey

for Company X

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2015 Leppävaara

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Leppävaara

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Business Management
Bachelor's Thesis
May, 2015

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Customer satisfaction is an important factor in the success of any business as customers are the main source of profit generation. Satisfied customers will continue to purchase products and services even during a period of crisis for the company. Companies attempt to satisfy their current customers, and this allocate enough resources in different forms to achieve a higher level of customer satisfaction. In the era of globalization customer satisfaction could be the important factor to differentiate from the competitors.

This thesis was commissioned Company X, which provides IT services for other businesses. The main focus of the thesis is to review the current level of customer satisfaction and try to find reasons for any customer dissatisfaction. The thesis is divided into five parts that consist of an introduction, theoretical background, research methodology, empirical study, and conclusion respectively. The importance, advantages, problems and elements of customer satisfaction are discussed in the theoretical section. The relation between profit and satisfaction is also elaborated in this chapter.

A quantitative research method has been used for the empirical study presented in this thesis. A well-designed questionnaire was sent to different customers. The results of the survey are presented using percentages. Conclusively, the results show that the level of customer satisfaction for Company X is at a normal level. However, based on the results of the survey, the author suggests that the delivery time of the services needs to be improved. The staff needs more training to deliver the best quality products and services.

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1   Introduction

Customer satisfaction is a familiar term for the businesses. It has been debated for so many years from the small companies to big organizations. Customers are the main source for the growth of the company and maintaining the profitability. It is a key point to check the progress of the business. Companies make strategies after evaluating the customer satisfaction level. Companies compare the current level of satisfaction with the previous results of the survey of the customer's satisfaction. It shows the path to senior management to take the right decisions for the company. It indicated the warning signals when the company is in trouble conditions. Satisfied customers are more loyal to the company even in the crisis period. Whenever a company wants to expand his business (adding more services and products) and trying to find new opportunities it should also give the consideration to the current customers. In every business, there is a similarity of the products and services so what force the customers to choose a company among many can be the customer satisfaction.

"As per a report published by the American society of quality and Arthur Andersen consulting Inc., in 1977, customers tell to eight friends about their satisfying experience and 20 friends for negative experience; it is easier to influence existing customers to buy 10% more than it is to increase the customer base by 10%; 80% of successful new product and services ideas come from existing customers, and repeat customers cost 1/5 less than new customers, and can substantially increase profits." (Chaturvedi & Chaturvedi 2005, 8)

1.1   Objective/purpose of study

The main purpose of this thesis is to investigate the customer satisfaction level at Company X. The case Company X is providing services to other companies for the software development and website designing. In other words, they are engaged in B-B business. The main customers are the manufacturing units, schools, hospitals, departmental stores. The Company X wants to establish a long-term relationship with the customers as per the requirement of the business nature. Therefore, a customer should be highly satisfied to retain the long-term relationship.

1.2   Research approach

The author will use the quantitative method to check the customer satisfaction level for Company X. A well-designed questionnaire will send to the different customers to get the required data for evaluation.

1.3 Structure/framework of the thesis

The thesis is divided into five main parts as shown in figure 1. The first part is introduction. Introduction part relates to objective of study, research approach and limitation of the study. Theoretical Framework includes basics of customer satisfaction and effect on customer satisfaction on profit. The third part, research methodology describes the whole research process. This section also explains reliability and validity. The details of the empirical study are discussed in part 4. The final part includes conclusions and future recommendation.
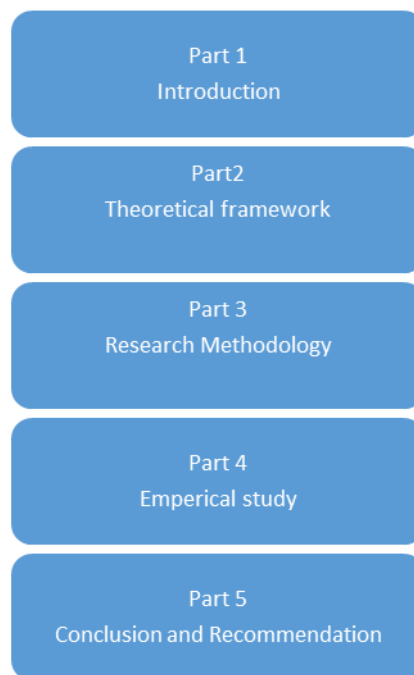
Figure 1: Framework of the thesis

1.4 Limitation of the study

The thesis research was done in a Pakistani market. A reader from the Finnish background can have problems in understanding. Also, the Company X has not done before this kind of survey, so it is difficult to measure exactly the customer satisfaction level.

2 Theoretical background

2.1 Define customer satisfaction

Oliver (1997) defines customer satisfaction as "…satisfaction is the consumers fulfilment response.it is a judgement that a product or service feature, or the product or service itself,

provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under- or over fulfillment…" (Grigoroudis & Siskos 2010, 4). All the companies are now focusing on customer satisfaction because of the survival among competitors. It is much easier to serve existing customers as compared to new one. Customer satisfaction itself is the symbol of success in many companies. Companies invest their resources to improve the customer satisfaction.

Also in the normal life if you want to manage something you have to measure it. The same rule also applies to the customer satisfaction also. Now days many companies have implemented the customer satisfaction in their businesses but still some companies are not giving consideration. And even some are not implementing it in a proper way.

Customer satisfaction can be defined as how a company can full fill the customer expectation with his products and services. It can also be a measurement of the customers about your performance. A company needs to investigate in detail about the customer requirements instead of relying on only the internal information to improve the customer satisfaction. (Hill & Alexander 2006, 1-2). A good customer satisfaction plan includes all the components (product, brand, service, price, distribution) as per the customer requirement. These components are represented by figure 2.
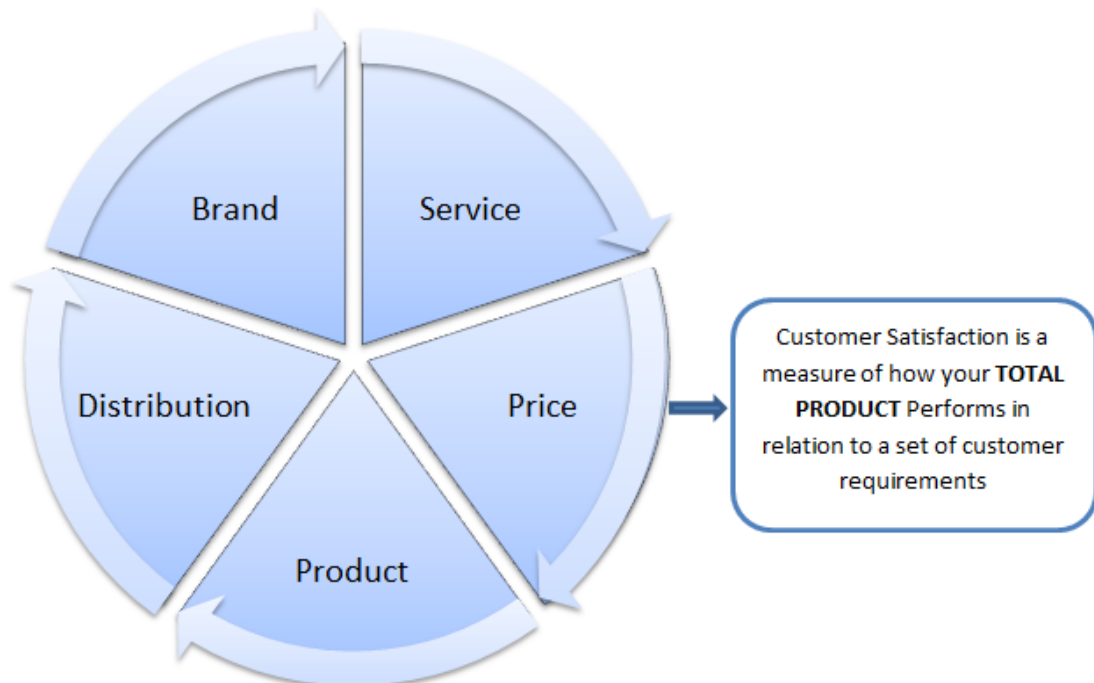

Figure 2: Customer satisfaction and the total product
(Hill & Alexander 2006, 31)

Customer satisfaction directly related to the expectations of the customers. If the product quality is even better than what the customer was demanding, the level of satisfaction will be high. If the product quality meets the customer demands, the customer will be satisfied. On the other side if product quality is very lower than what the customer was demanding, the customer will be dissatisfied. In the future, highly satisfied customers become the loyal customers. Good companies deliver even more than what they promise to the customers for long term relationship. (Kotler & Armstrong 2010, 37)

2.2   The importance of customer satisfaction

Customer satisfaction is an important factor for the continuous improvement of all type of organizations. According to Vranesevic and Vignali (2003, 117) Initial and repeated purchases are the two categories of the purchases. The Initial purchase is the first part of the purchase that basis on the expectation of the customers. The repeat purchases occurred because of the experience of the first purchase. Therefore, repeat purchase is more important than initial purchase for sale increment. A company still need to focus on the both purchases because customers have many other reasons for stopping repeat purchases.

As Lord Kelvin said "If you cannot measure something, you cannot understand it". Due to this, customer satisfaction should get high importance in an organization. With every passing day, customer satisfaction measurement is becoming the most trustworthy tool that delivers the customers' expectations and preferences. Customer satisfaction also encourages the company employees to get the higher objectives.

Customer satisfaction is a basic method to check the market situation. With this kind of surveys, a company understand its value in the market and help for the future strategies of competitors. Either many customers do not complain because of their habit or they think it is the wastage of time. They also consider that company will not take any action against their complaints.

Whenever company want to launch a new product or to expand his business market, the customer satisfaction survey is a helpful tool for this. Continue surveys of customer satisfaction improve product development. When a company is in a continuous relationship with the customers, it helps to understand the customer expectation and demands. In addition, it makes a strong bridge between customers and management. (Grigoroudis & Siskos 2010, 1-2)

The satisfied customer becomes more profitable with every passing day. This is a truth that attracting new customers is very expensive. In many companies, the revenue that comes from

the first deal is not even enough to bear the costs. The actual profit begins when a customer buy different products and services from a company continuously. In addition, this profit increases with every passing year. At some point, the cost of selling to a customer becomes almost zero and profit at maximum level. (Robinson & Etherington 2006, 74-75)

Customer decay is also a big reason for the customer lost. Studies show that a company loses his 10 to 30 % customers every year. Nevertheless, what are the reasons and how much does this cost. Only a few companies take it seriously. Nevertheless, many companies invest their resources and energy for getting new customers instead of focusing on current customers. Its example is like a "leaking bucket". (Hill & Alexander 2006, 5)

2.3   Advantages of customer satisfaction

Continuous surveys of customer satisfaction build strong relationship between customer and a company. It also generates a positive thinking in the customer's minds that a company is taking care of them. Customer satisfaction is a tool to check that whether the new strategies and programmes are working and full fill the customer expectation.

The critical analysis of customer satisfaction surveys shows that what need to improve and how to improve. What are the negative points that a company is losing the customers. These surveys also provide the competitors information and market situation of the company. What are the strengths and weaknesses of a company against the competitors? Customer perception and views against competitors can be determined.

The employees get motivation as the efforts for the improvements give the results. In addition, employees notice that customers are evaluating themselves, so they try to improve their services for better results. (Grigoroudis & Siskos 2010, 3)

Public companies are working in the market so that they could maximize their profits and deliver to their shareholders. That is only possible if the customers have good experience and will continue to purchase products and services continuously. American Studies show that it is five times more profitable to keep the current customers as compared to get a new one. The companies spend a lot to attract new customers. If the customer is satisfied with the one product, surely he or she will buy more products of the company. It also saves the cost of advertising and marketing for new products. It is easy to serve the satisfied customers because they already know about the product folio. It saves the time and energy for the Company employees.

Satisfied customers become the advocates of the company. They recommend to their family and friends. Studies show that the referral customers are more loyal as compared to those that attract by advertising and sale personnel. The satisfied customers are ready to pay even more price because they believe that the product will be better than others. Customer satisfaction is the main indicator of the customer loyalty.

The employees are the main reason for customer satisfaction especially for the service based companies. The satisfied employees serve the customers at their best. That results in the form of good customer satisfaction. Also, the employees stay longer with the companies that have higher customer satisfaction level. Satisfied customers spend more in the form of taxes that is also beneficial for the economy of a country. Companies with satisfied customers have a good reputation and image in the society. People think positive about these companies. Customers share their positive experience in the society. (Hill, Roche & Allen 2007, 19-25)

Earning more revenue is the main reason for any activity in a business. Companies want to raise their profit level for that they want to do best for their customers. If the customer expectation meets from the product, he will buy it eagerly. PIMS (Profit Impact on marketing strategies) discovered that companies with high customer satisfaction level charged 9 percent more than competitors for the same product or service (Hill & Alexander 2006, 11).According to Rowson (2009, 13-14), the satisfied customer becomes the advocate and repeat purchaser, increase revenue, efficiency, confidence and profits. Also increase the staff turnover, punctuality, morale, confidence, motivation and responsibility.

The below figure 4 describes the difference between Satisfied and Dissatisfied customers more clearly.

Dissatisfied customers	Satisfied customers
• only 4% disssatisfied custoers complain directly to the company	• Retaining a customer costs 4-5 times less than capturing a new customer
• Over 90 % dissatisfied customers no longer wish to do business or come into conatct with the company	• satisfaied customers are prepared to pay more for the product or service
• Each dissatisfied customer will on average tell nine other people about his dissatisfaction	• Every satisfied customer will tell five other people about a good product or service

Figure 3: Satisfied vs. Dissatisfied customers

(Vranesevic & Vignali 2003, 122)

2.4   Problems in customer satisfaction planning

Before describing in detail that how to measure the customer satisfaction and exploring different methods. More discussion is required that why customer satisfaction planning does not work in some organization. Many people argue that customer satisfaction "Does not work". On the other hand, the customer satisfaction is not helping to retain the customers, increasing profits and creating the loyalty in the customers' minds. If the customer satisfaction is not producing good results, then there is a problem in the planning or implementation of the customer satisfaction. In next part, there will be detailed explanation that why the customer satisfaction is not working.

Most companies measure the wrong things when doing customer satisfaction survey. Most companies observe other companies customer satisfaction surveys but every company has different objectives and goals and also different problems. Companies need to do a detailed customer measure in their field of interest. Many researching companies used too many variables for measurement. This can work at the time of collecting but can be complicated after collecting the whole data. The whole data can be complicated for measuring the right things. It can devote the company intention from very important matters to interesting matters. This leads to decrease the results of the collected data.

Companies take aggressively the matter of customer satisfaction that causes the ignorance of their internal people that are the responsible to deliver the good customer service. Incentive and punishment consider for the motivation of the employees that results negatively for the customer satisfaction. Some companies take very strict action to deliver the high level of customer satisfaction against employees. If this habit continues for a long time in the company, it will create the fear in the employees. Moreover, as long as this fear will be there they will start to work in the survival mode. Ultimately, they will try to find other ways of avoiding customer interaction.

Customer's habits are changing with the rapid progress in the technology. The things that customer think very important before can be a normal now. Companies have to keep an eye on that the customer satisfaction research is still up to date.

Many CSM (customer satisfaction management) systems mix their customers and treat them in the same pattern. Every customer has his expectations and requirements. For example, in the case of Pizza delivery service, some customers are time conscious, and few are giving the importance to quality. A company need to understand the customer requirement in order to get the good customer satisfaction grade. In addition, when measuring customer satisfaction, try to avoid conflict with other variables. Companies used CSI (customer satisfaction index) for check the customer satisfaction level. This number can also mislead the customer satisfaction index. (Chakrapani 1998, 207-212)

A company need to forecast with the customer lens instead of company lens to get higher results of customer satisfaction. (Hill, Roche & Allen 2007, 37)

2.5   Elements of customer satisfaction

Inghilleri & Solomon explains four elements of Customer satisfaction in his book:

1. A Quality product/service
2. A friendly and caring delivery
3. Perfect timing
4. Effective problem-solving mechanism

A perfect product is a product without any problem and according to the customer requirement. Companies are designing their products or services without defects and error. The designers and developers are trying their best but still difficult to meet the customer expectations. They need to try their best at the time of development or delivery because the exceptional problems can happen in the later stages.

After development, your best product needs to deliver. This is the time to make a difference because the same kind of product is already available in the market. The delivery should be with care and in a friendly environment to make it distinguish from competitors. The best product and best delivery both are interrelated to each other. If one part is working perfectly, but another is not supporting, all the efforts will be in vain.

Now customers decide what could be the time for the product delivery. They compare with their previous experiences and with the competitors. People considered a product is faulty if delivery is not on time. People are stricter about timing and have less patience nowadays as compared to their elders. Customers are ready to allow more time for special orders because of unique quality they are expecting. Companies need to understand the customer's requirement and preferences.

It is extremely hard to a product/service without problems. Humans make the mistakes, but the solution also required for these mistakes. When a customer returns to you with a complaint/problem, companies try to give their best solution. If the customer is satisfied with your solution, he or she will be more loyal than those who do not have any problem. Companies prove themselves at the time of the crisis that how they handle and solve the problems immediately. (Inghilleri & Solomon 2010, 7-13).

"Product and service quality, customer satisfaction, and company profitability are intimately connected. Higher levels of the quality result in higher levels of customer satisfaction, which supports higher prices and (often) lower costs. Studies have shown a high correlation between relative product quality and company profitability. Companies that have lowered costs to cut corners have paid the price when the quality of the customer experience suffers." (Kotler & Keller 2009, 169)

2.6   Satisfaction and profit

Companies have strong believed that a relationship exists between satisfaction and profit. Figure 6 shows that how a satisfaction finally turns into profit by adding different factors. It is true that market share is the best way to determine the profitability. Still there are some companies who are having fewer customers but more profit. The reason for this is customer loyalty as compared to the market share. (Hill & Alexander 2006, 22)
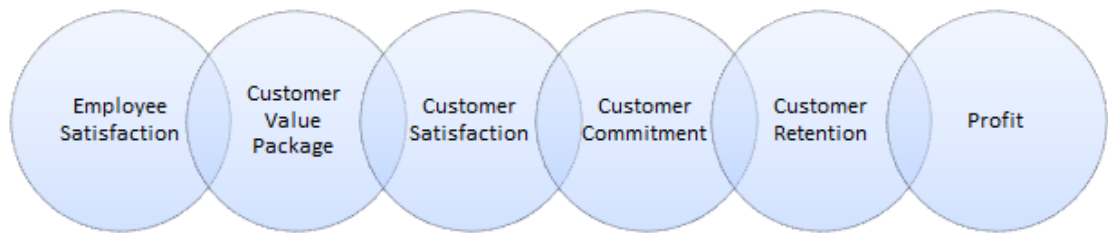
Figure 4: The value profit chain
(Hill & Alexander 2006, 22)

A high level of customer satisfaction increases the customer loyalty. This shows that a customer will be less sensitive to the price increase. This will also decrease the cost for future dealings and increase in company reputation. These loyal customers will be the asset for the company and will continue to purchase a new product or services. New customers always cost more because more efforts need to get them from competitors. Additionally the satisfied customers will buy in bulk quantities and reduce the cost of an advertisement. Altogether, this will have a positive influence on the company reputation. It will be easier to introduce the new products and to catch the new customers. (Vranesevic & Vignali 2003, 120-121)

Repeat customers are the main source of the profit. It is difficult to get profit from the new customer because the cost of advertisement and serving took away almost all the expected profit. When these customers come to buy again and again, they already know about your location and product line. It causes the reduction in the cost of publicity and time of the salesman. They know about the company terms and conditions. This all accounts for the company profit. (Lawfer 2004, 16-17).

"Loyal customers always account for the companies' high profits, so a company should not ignore its customers. It is said that winning back a lost customer is very important than attracting new customers, and it is also less expensive for the company. Some companies use their logo as 100% satisfaction guarantee to attract the customers as an effective marketing strategy, but it depends on various factors to succeed among the customers in the competitive market. Due to the full dependence of customers, they are good for the companies. But satisfaction for them is always prime factor in the whole marketing process, and it always leads to increased profits, it is no doubt there." (Kotler 2000, 48).

Research proved that profit can be raised from 25 to 85 percent in different sectors with the increment of 5 percent in customer loyalty. Keeping existing customers is more profitable than getting a new one. (Hill & Alexander 2006, 23).

Kotler also mentions that customer satisfaction is not the final destination for the companies. If a company continues to focus on the customer satisfaction by decreasing the cost of the product, it can also affect the profitability. (Kotler & Keller 2009, 164). "It should be mentioned that although customer satisfaction is a necessary but not a sufficient condition for the financial viability, several researches have shown that there is a significant correlation between satisfaction level, customer loyalty and profitability". (Grigoroudis & Siskos 2010, 4)

Zhang and Pan (2009) conclude in figure 7 that how improving a customer satisfaction increases the profitability.
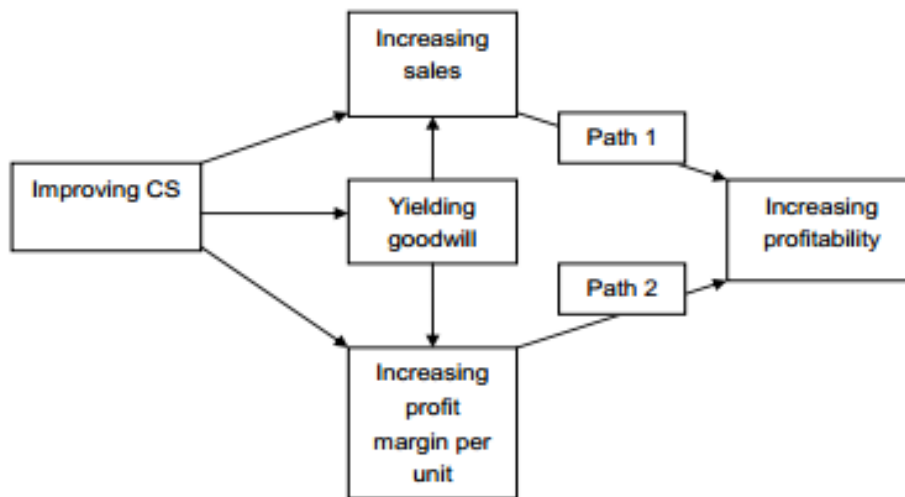

Figure 5: The correlation between customer satisfaction and profitability
(Zhang & Pan 2009)

2.7   Service gaps and dissatisfaction

The difference between customer expectation and customer experience is the main reason for the dissatisfaction. This dissatisfaction can be found in the following five service gaps that are also shown in figure 8.
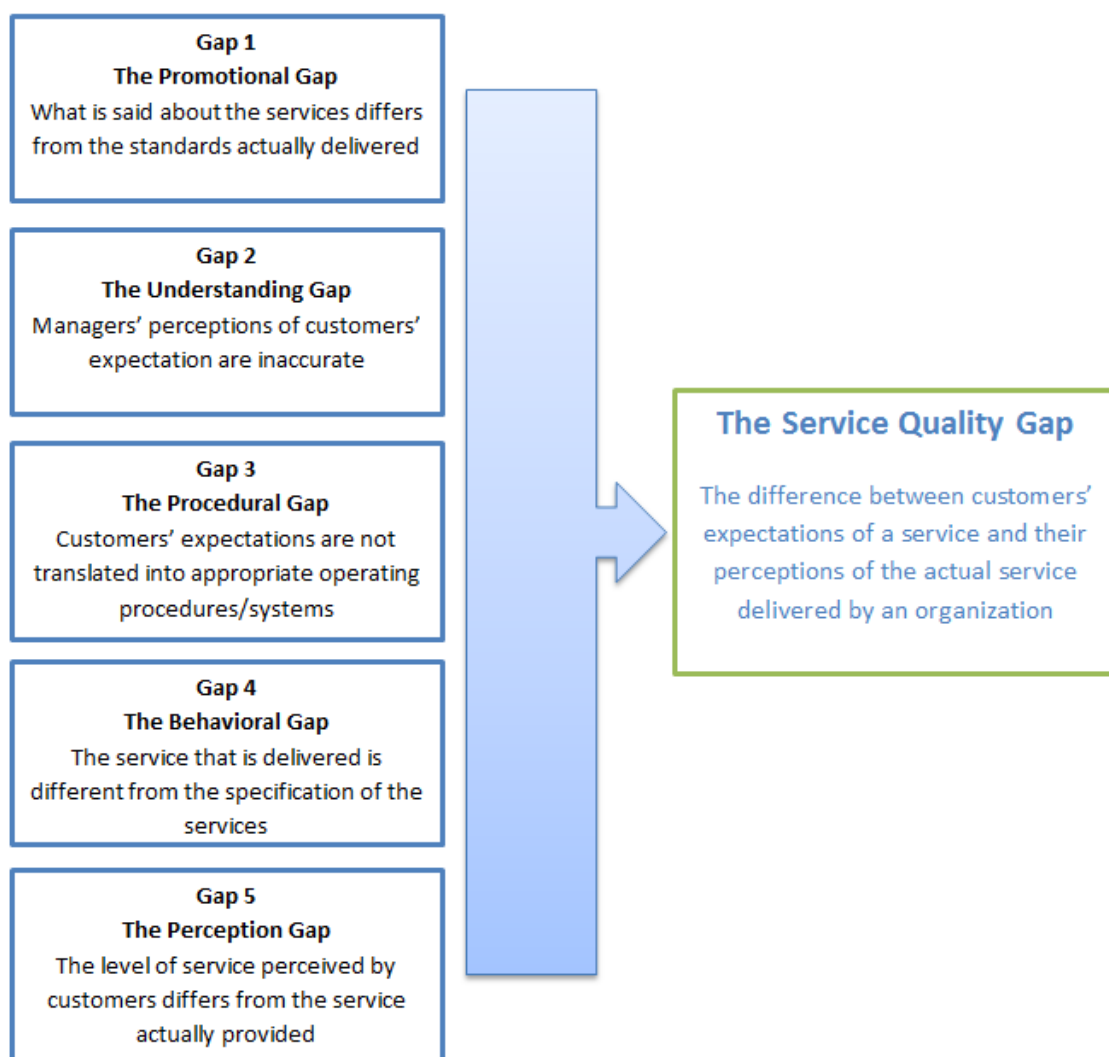
Figure 6: Service Gaps

(Hill & Alexander 2006, 6)

Marketing department is one of the basic reasons for customer dissatisfaction. They create the high expectation in customer's mind that is difficult to meet by the company in the later stages. The marketing staff promised for the fast delivery and high quality that is difficult to meet. For example, a fast food restaurant promises the fast delivery. If delivery is not on time, the promotional gap can exist.

The understanding gap occurred due to the misunderstanding of the customer's needs and requirements by the managers. The managers need to know exactly customers' demands. It is not possible to do best for the customers even with high quality and good service. Most companies try to anticipate the customers' demands without having a proper survey from the customer satisfaction. The next problem is that even a company understand the customer re-

quirements but could not deliver into proper systems and procedures so that it could maximize the results. If a restaurant understands the customer, do not like to wait during lunchtime due to short break times but still not having enough facilities to serve them fast. A restaurant needs to understand the customer requirements and try to modify the whole procedures.

In the behavioural gap, the company have enough knowledge about the customers behaviours but the employees are not enough trained to follow the whole system of the organization. Companies have to focus on the training of the employees about all the procedures of the company.

The perception gap means that customer have a different perception of the product or service from the reality. Even the company full fill all the rest of the gaps, but still the results show negative impression from the customer. The customer has different views about your company than the real situation. This perception may be from his previous experience or some another reason, and they do not want to change. (Hill & Alexander 2006, 6-7; Grigoroudis & Siskos 2010, 5).

These gaps exists in the companies and companies should be ready to solve these gaps for Getting high level of satisfaction. However it is not possible to remove all the gaps at once, it is the continuous process of the improvement.

2.8   Customer expectations

"Expectations are our personal vision of the result that will come from our experience."(Harris 2010, 16). These expectations always bring the customer to find the product and service that can fulfil his expectations. Different experience generates this kind of expectations that bring positive or negative impacts. If a company understand the customer expectations, it is easy to full fill and give good results as compared to full fill company's own expectations. (Harris 2010, 17).

These expectations results from the buying history, comparison with competitors, family recommendations and advertisement techniques. New customers will be difficult to find if a company drop his expectations although the current customers are satisfied. Vice versa, it will be difficult to meet the expectations if it is too high. Good companies always keep a balance between customer expectations and his performance. (Kotler & Keller 2009, 165).

Some customers own a specific expectation, and a company can get satisfaction by meeting those specific expectations. A customer can feel pleasure if a company go above from his expectations. A company need to give some extra services to make a customer delight. It is not

possible for the companies to always exceed or deliver surprising expectations. Therefore, many companies full fill only experience-based expectations. (Robinson and Etherington 2006, 9)

Harris (2010, 18) mentioned two types of the expectation, primary expectations and secondary expectations. The basic need and requirement of a customer expecting from a company is known as basic expectation. When a customer visits an auto repair shop, the basic requirement is to fix a car at affordable price. Secondary expectations are that expectations that formed from previous experiences and related to our primary expectations. In the car repairing example, the secondary expectations are to have good sitting facility, quick repair, and good communications. Customer expectations are not the same at all the time. It is varying all the times and companies should consider this matter also.

3 Research Methodology

"Research methods are rules and procedures, and can be seen as tools or ways of proceeding to solve problem". (Ghauri & Grønhaug 2005, 40).

This part of the thesis is describing the different methods of research. The author will also elaborate the difference between qualitative and quantitative method, reliability and validity and constructing a good questionnaire.

3.1 Research process

A research is a complete process and used in a systematic way to find a solution to the problem with different activities. This process mostly requires time and attention. The sample research process is shown in the fig 10 but in real case this process can be changed or modify over time.
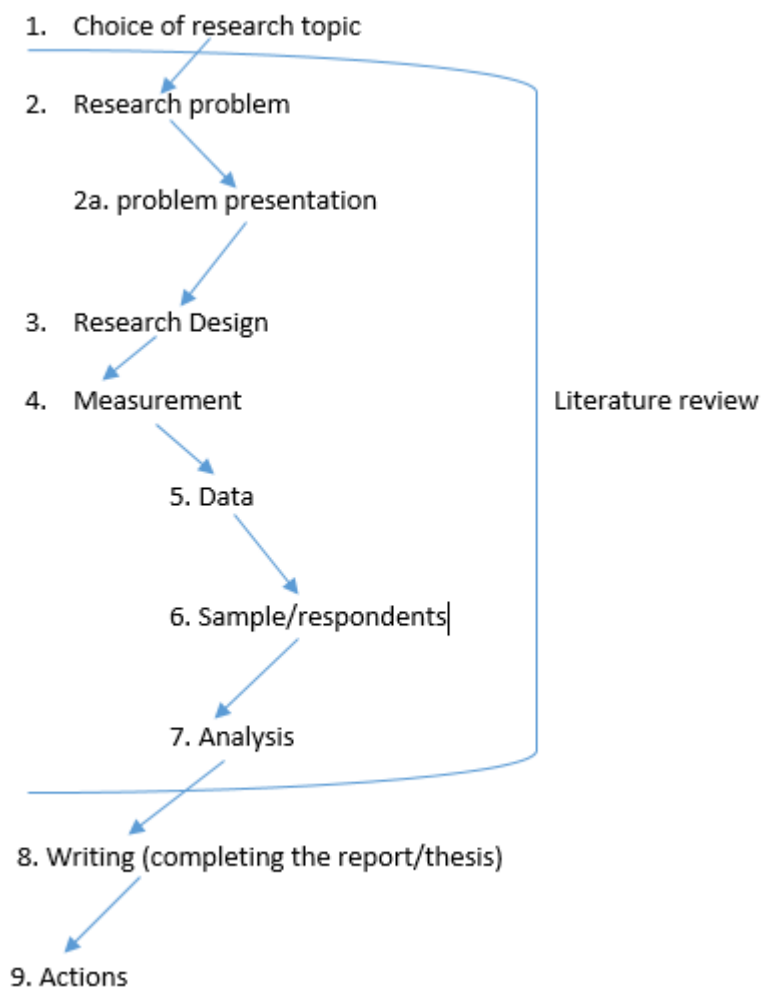
1. Choice of research topic
2. Research problem
    2a. problem presentation
3. Research Design
4. Measurement   Literature review
    5. Data
    6. Sample/respondents
    7. Analysis
8. Writing (completing the report/thesis)
9. Actions

Figure 7: The research process
(Ghauri & Grønhaug 2005, 30)

Concerning this thesis, the research topic is customer satisfaction. The research problem is the how to improve the customer satisfaction. A questionnaire will forward to the customers to collect the required data. The collected data will present to the concerned authorities with the critical analysis of the results. Bar charts and diagrams will used to show the clear results. An organization can take positive action by following these results. (Ghauri & Grønhaug 2005, 29-30). Saunders, Lewis and Thornhill (2009, 5) describe the research characteristics that the data should be collected and interpreted systematically and have a clear purpose to find the solution.

Collis and Hussey (2009, 5-6) elaborate four different types of research methods; exploratory research, descriptive research, analytical research, and predictive research. Exploratory research is required when there is no prior research for the problem. Such type of research is easy to change at any stage. Descriptive research is used to identify the reasons for specific problems in the current scenario. The author used descriptive research methods for this the-

sis. Exploratory and descriptive research is mostly used for undergraduate studies. Analytical research is a next part of the descriptive research that is used to investigate the why or how the things are happening. Predictive research is the advanced form of the research that tries to find the solution to the concerned problem that is discussed in other types of the research.

3.1.1 The international dimension

A cross-cultural research is different from the local research. This thesis is for a Pakistani company, and the author is studying in Finland. The author has done the internship in the case company and living there for long time. The influence of culture can affect the data availability.

According to Ghauri & Grønhaug (2005, 32-33) it is difficult for the researcher to manage the international aspects of the whole research process. The whole process includes the unexpected situation and cultural difference that make it more complicated. The researcher needs to investigate the all effects that can arise during a research process. More time and energy is required for international research. The finance availability can be the issue for the international research. Different countries have different interpretation levels. In some countries, the data available from the government agencies is not up to date or even not available sometimes. Data comparability is also a big issue for the researchers in international markets. When writing a report, also check the language and vocabulary for local and as for as for international readers.

3.2 Qualitative and Quantitative methods

According to Dutka (1995), customer satisfaction research categorized into qualitative research and quantitative research. (Grigoroudis and Siskos 2010, 171)

Creswell define "qualitative research is an approach to exploring and understanding the meaning individuals or groups ascribe to a social or human problem" (Creswell 2014, 4). Qualitative research is more theoretical and complex in nature. (Davies 2007, 135). Customer attitude and behaviour are studied in the qualitative research. In this kind of research, it is difficult to plan the questionnaire. When the Company have few customers, it is good to use the qualitative methods. (Grigoroudis & Siskos 2010, 171-172).

The data obtained from qualitative methods is mostly unstructured and lengthy. A researcher needs to summarise or reorganized this data to get some results. It is difficult and challenging to analyse qualitative data. Yin (2003) note that for some researchers, it is difficult to analyse the collected data due to the complex procedure of analysing. (Saunders, Lewis & Thorn-

hill 2009, 482-484). According to Collis and Hussy (2009, 7) qualitative research is quite easy for the researchers in the early stages of the research but more difficult in the writing phase. In-depth interviews, protocol analysis, repertory grid technique, diary methods, observation, focus groups and grounded theory are the possible methods of qualitative research. (Collis & Hussey 2009, 144-157).

"Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures."(Creswell 2014, 4). Such research is mostly based on numeric and digits, so a researcher with statistic background knowledge will find it easy. Also, the quantitative research well structure and format as compared to qualitative research. . (Collis & Hussey 2009, 7). This type of research is focused on large quantity of respondents to get a larger data for statistical evaluation. This numerical data can be obtained by having a well-structured questionnaire. This statistical data are also beneficial to measure the customer satisfaction. (Grigoroudis and Siskos 2010, 173). The data collected in this method are well planned in advance. A concerned problem identified by the critical analysis of more and more data. This numerical data deliver the significant and clear fact and figure. (Ghauri & Grønhaug 2005, 204). The researcher feels more satisfied with the results of quantitative research. (Davies 2007, 11). The table 1 shows the main point of difference between qualitative and quantitative methods.

Qualitative Methods	Quantitative methods
Emphasis on understanding	Emphasis on testing and verification
Focus on understanding from respondent's /informant's point of view	Focus on facts and/or reasons for social events
Interpretation and rational approach	Logical and critical approach
Observations and measurements in natural settings	Controlled measurement
Subjective 'insider view' and closeness to data	Objective 'outsider view' distant from data
Explorative orientation	Hypothetical-deductive; focus on hypothesis testing
Processed oriented	Result oriented
Holistic perspective	Particularistic and analytical
Generalization by comparison of properties and contexts of individual organism	Generalization by population membership
Based on meaning derived from numbers	Based on meaning expressed
Collection results in numerical and standardized data	Collection results in non-standardized data requiring classification into categories

Analysis conducted through the use of diagrams and statistics	Analysis conducted through the use of conceptualization

Table 1: Qualitative and quantitative methods
(Ghauri & Grønhaug 2005, 110,204)

3.3   Reliability and validity

"Reliability is defined as the extent to which measurements are free from random-error variance". (Hayes, 2008). Reliability means the consistency of the results from the respondent at the different time of intervals or different respondent at a same time. (Silverman 2005, 224). It is difficult to get the similar results in the similar circumstance due to a disorganized routine of the respondents. But if the results are similar in the style, the applied procedures and techniques assumed to be reliable. (Andres 2012, 123).

Validity refers to the accuracy of the thesis. A research considered valid if collected data answer the research question truthfully and even beneficial for those who are not the part of the research. Meanwhile, every aspect of the thesis will influence the validity if not managed accurately. Face validity, content validity, construct validity, criterion validity, predictive validity, external validity, ecological validity, statistical validity, conclusion validity, substantive validity, transferability and catalytic validity are different types of validity according to their characteristics and qualities. (Andres 2012, 115-121)

To ensure the validity of the thesis, the author has considered the questionnaire. Four meetings arranged with the supervisor to ensure the availability of the data for the questionnaire. Before sending the final version of the questionnaire to the customers, the author also discussed the questionnaire contents with the company. Few changes made in the questionnaire to ensure that all the questions are according to the requirement of the company. For the reliability of the thesis, all the data collected with special care from reliable resources. Questionnaire forward to the 70 random customers, from which author could get the answers to 60 questionnaires. Forty fully filled questionnaire selected for further analysis. The feedback was quite high because the customers have a continuous working relationship with the Company.

Foddy (1994) connect the success of reliability and validity with the well-structured questionnaire design. In addition, a reliable questionnaire can only be a valid questionnaire. (Saunders, Lewis & Thornhill 2009, 372-373). Figure 11 emphases on the different stages for a valid and reliable questionnaire.
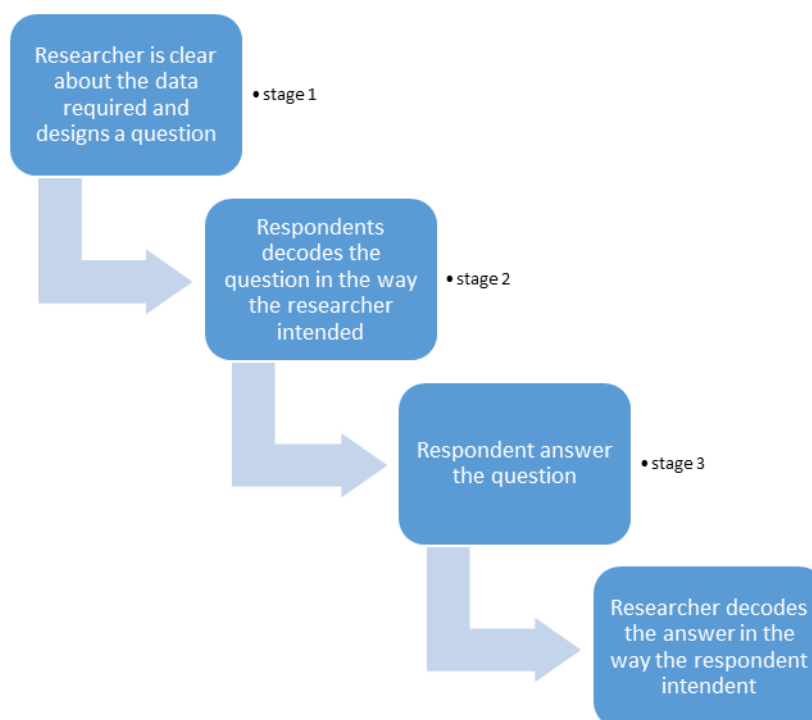
Figure 8: Stages that must occur if a question is to be valid and reliable
(Saunders, Lewis & Thornhill 2009, 372)

3.4 Designing questionnaire

The term questionnaire refers to the procedures for gathering data with the similar questions from different people. This is the most effective instrument for the quantitative research. However many authors claim that it is difficult for the researcher to create a good questionnaire. The researcher needs to put an extra effort for the questionnaire that can answer their research questions. Otherwise, a wrong questionnaire can ruin the whole process of research. It is almost impossible to visit the respondents again for the updated questionnaire. Again, a well-organized questionnaire can increase the validity, reliability and get the best answers.

Studies show that many researchers insist on practicing a questionnaire instead of trying other methods. A company needs to find other ways when a large number of questions are open-ended. The main purpose for the questionnaire is to collect the data but can also work best with other research methods. On the other hand, a well-structured questionnaire involves less energy and efforts to analyse as compared to the other research methods. (Saunders, Lewis & Thornhill 2009, 360-362)

Badly structured questionnaire have bad response rate and collect inaccurate information from the respondent. A questioner should be designed that it helps the respondent to give a quick response and accurate information. (Brace 2013, 3)

A special consideration required when developing a cross-cultural questionnaire. A researcher needs to develop a questionnaire as per the cultural requirement of the target market. For example when a student from a Finnish University is conducting research in Asian market, he or she should develop a questionnaire according to the requirement of the Asian market and not to just for the Finnish culture. (Ghauri & Grønhaug 2005, 127)

According to Dutka (1995), an organized questionnaire is a key to the success of customer satisfaction survey. While many researchers imagine that developing a questionnaire is very simple task, but in reality it is not easy as someone think. Author conducts four meetings in a month with the thesis supervisor to finalize this questionnaire. According to Naumann and Giel (1995), a questionnaire is a two-way communication process between an organization and its customers". Figure 12 elaborate this communication process in more detail. (Grigoroudis and Siskos 2010, 179)

Step 9
The fim decodes the responses

step 1
the firm identiefies desired information

Step 2
Desired information is enclosed into a questionnaire

Step 3
Questionnaire is transmitted to respondent

Step 4
Respondent recodes questionnaire

Step 5
Respondent mentally forms a response

Step 6
Respondent selects the best response alternative

Step 8
Respondent transmits questionnaire to firm

Figure 9: The Questionnaire as a two-way communication process
(Grigoroudis and Siskos 2010, 180)

3.4.1 Characteristics of a good questionnaire

Ghauri and Grønhaug (2005, 127-128) recommend some guidelines for building a good questionnaire. The most important is that what kind of data is required for the questionnaire related to our research questions. At the same time need to know that what information required for the research. A researcher should also know in advance that who will be the respondent for this survey. In the second stage, the way of delivering the question should also be discussed. A questionnaire can be sent by email, on a paper form, interview or publishing on the web site. In the third step a researcher need to check that what will be the contents of the questionnaire. How many questions need to ask and how much time it will take to get an answer from respondents. This is the most important part of the survey. A questionnaire can contain both types of questions, open ended or closed questions. An open-ended question is the question where a respondent is free to answer. For example in this thesis, the last question "any other comments for the improvements" is the example of the open-ended question. A closed questionnaire is a question where a respondent has to choose an answer from the given options. It is not a good idea to have a lengthy questionnaire. People do not like to answer the lengthy questionnaire and avoid them.

In the same way, there are few more points to remember when developing a questionnaire.

- The questionnaire is written in easy and understandable language
- Questions are planned according to the educational knowledge of the respondent
- The questionnaire has the same meanings for everybody
- One question is for only one problem
- Questions should be specific and not too general
- The questions should not be suggestive in nature
- A well-mannered and lenient language attract more to the respondent
- Every question should have direct meaning
- Ask simple questions in early parts of the questionnaire and vice versa0
- The questionnaire should look neat and clean
- It is a better idea to take suggestions from the friends about the questionnaire. The pilot test is also a good example. (Ghauri and Grønhaug 2005, 129-131)

A customer satisfaction questionnaire mostly consists of four parts; introduction, demographics, satisfaction questions, behavioral questions. The first part of the questionnaire introduces the purpose of the survey. Demographic part includes basic questions about the

respondent. For example "how long you are working with the Company X" and "How much you pay monthly for the services". Satisfaction questions are the most important part of the survey. There are four questions about the satisfaction are included in this questionnaire. For example "overall how satisfied are you from Company X". The last part refers to the questions about future recommendations and recommendations to others. For example, two behavioral questions are included in this questionnaire. "Would you like to have other services from the Company X in near future"?

Finally, many researchers believe that Customer Satisfaction questions are compulsory for the customer satisfaction survey. A researcher should include more than one question about the satisfaction. However, the overall satisfaction questions deliver better results if placed at the end of the questionnaire. Lastly adding additional information and instructions, help out the respondent to answer the questionnaire in detail. (Grigoroudis and Siskos 2010, 180-182)

4   Empirical study

4.1   Brief Introduction of Company X

Company X was established in 2003 in a small town in Pakistan. They provide hardware, software and website designing services in the different sectors of the industries. Currently, they have more than 100 customers including Schools, Hospitals, Factories, and Departmental stores. More than 30 people are working in the two department's hardware and software. The software department is the main source for the revenue generation by developing software and designing websites and logos. The Company owned ISO-9002 certification and registered with the Pakistan Software Export board.

4.2   SWOT analysis

In the SWOT analysis, the long working history of the Company X is the main strength. Also, the Company X is the only software house in the city that is registered with PSEB and have ISO-9002 certification. Due to long working history they have a great command of the market situation, and they are specialized in the local market. Mostly the software houses are very big in size as compared to Company X. The competitors invest heavily in the marketing and advertisement of the new products.
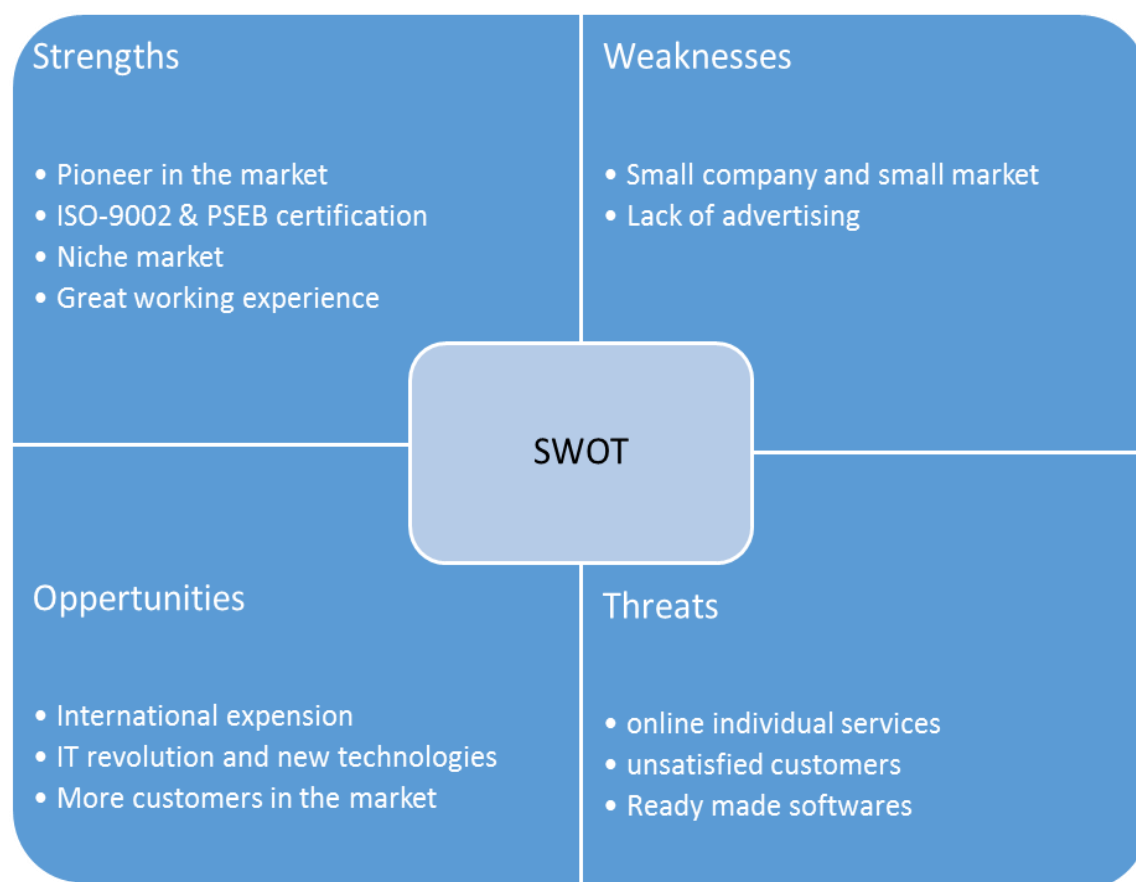
Figure 10: Swot analysis of Company   X

Company X has an opportunity to expand his business by getting more customers in the local market and internationally. The IT sector is growing every day with the enhancement of new and advanced technologies. This can lead to raising their business and increase the revenue. Unsatisfied customers are the main threats to the company. The company is not in a position to lose the current customers. Many companies are giving services to the individuals to work for them individually online. This decreases their cost and can be a major threat in the future. Customers can get the same software and websites at the low price as compared to Company X.

4.3   Research findings

The research questionnaire consists of twelve questions. The sixty customers filled the questioner. From that forty filled questionnaire was selected to analyze.

The first question was asked just to make sure that a questionnaire is going to be filled by the right person in the organization. In the big organization, it was difficult to meet the concerned person who is responsible to fill this questionnaire.

The below column chart shows the working history of the customers with the Company X. Most of the revenue comes from the customers that are working more than a year with the company. 40% customers are working with the company from 1 year to 3 years. Only 20% customers have a more than three years working history with the company. 40% customers are working less than a year with a company that shows that a marketing department is also trying hard to get new customers. To increase the revenue and satisfaction a company needs to prolong his working relationship with the existing customers.

Working Experience
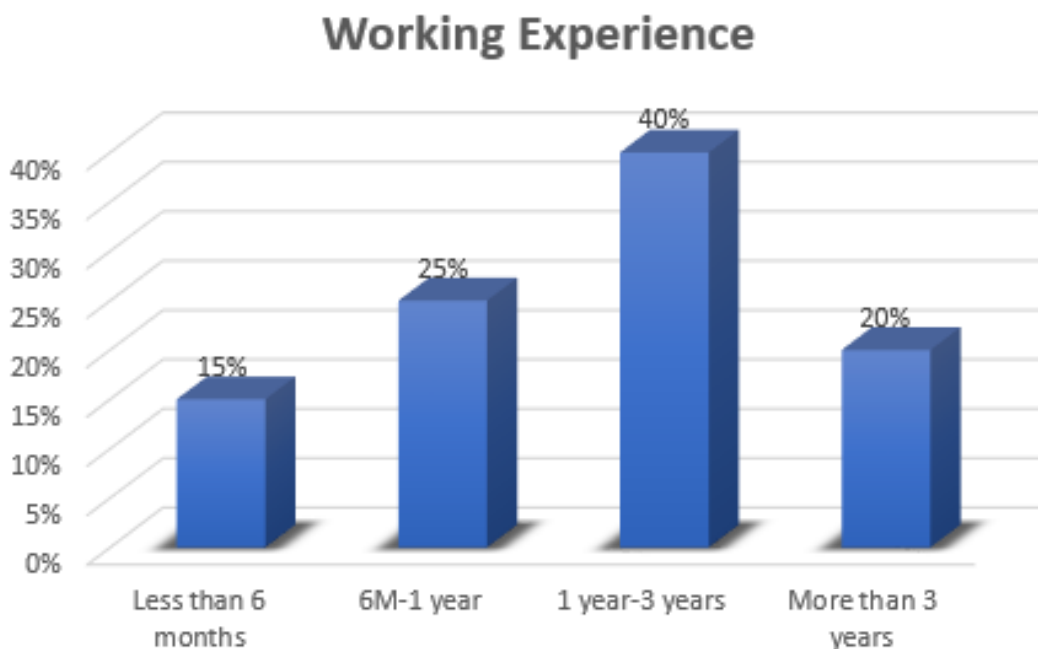
Figure 11: How long you have been working with Company X

Most of the customers are charged monthly for the maintenance of the services. This helps the company to maintain his monthly expenses. The below figure illustrates that almost all the customers are charged monthly except one customer. 60% of the customers are charged from 10001-30000 monthly while the 25% are paying very fewer charges. Only 15% are contributing more than 30000. The company needs to get high volume customers to raise their profit.

MONTHLY CHARGES
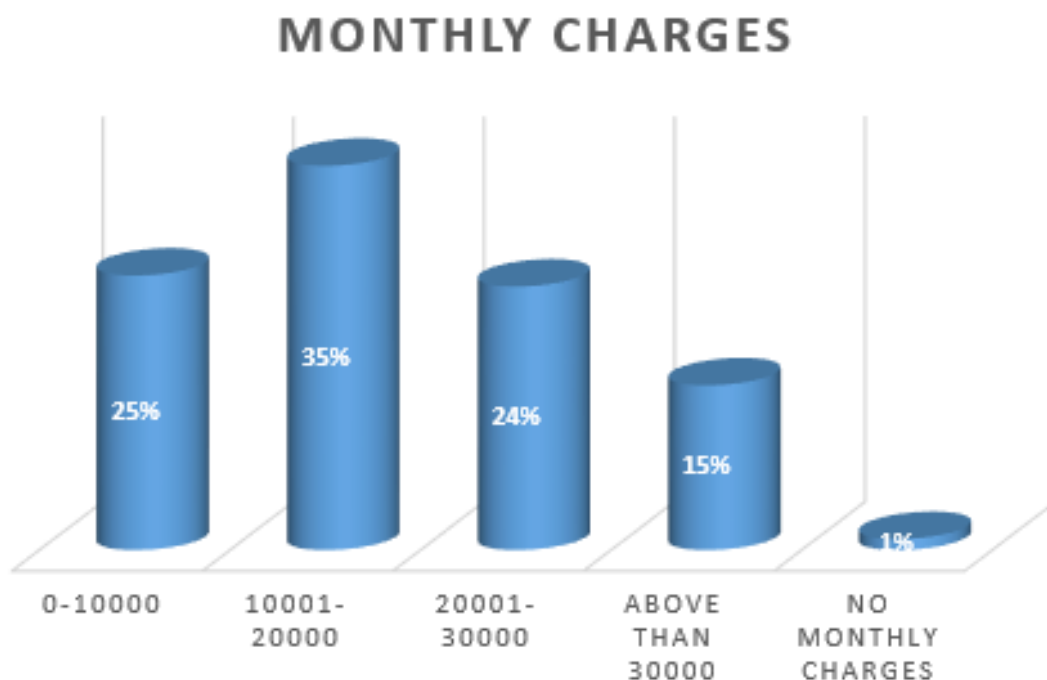
Figure 12: How much you pay monthly for the services

The next question is raised to the customers to get information that how important is the office premises for them. Almost half of the customer visits 2-3 times in a year. Only 35% customers come to the office premises every month. Surprisingly 10% customers have never visited the office premises. The below bar chart described clearly that the office location is not an important factor for the customers.
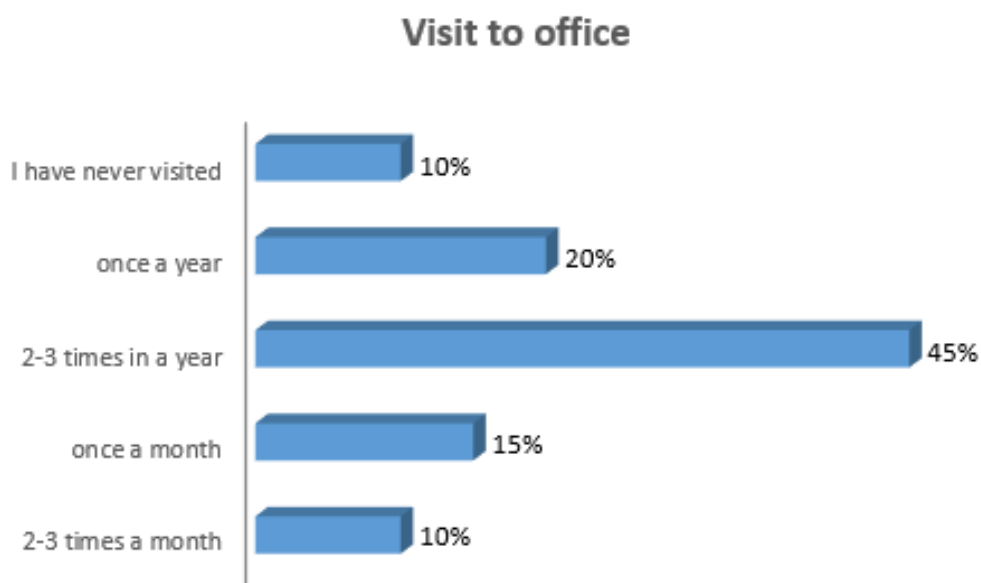
Visit to office

Figure 13: How often you visit our office premises

The competitors are the main drivers that force the companies to keep the prices at low level. More than half of customer answers that the prices are normal as compared to the competitors. The number of the customer who think that price is expensive is almost same who think that price is cheaper than competitors. However, 15% customers have no idea about the competitors prices.

Price competation
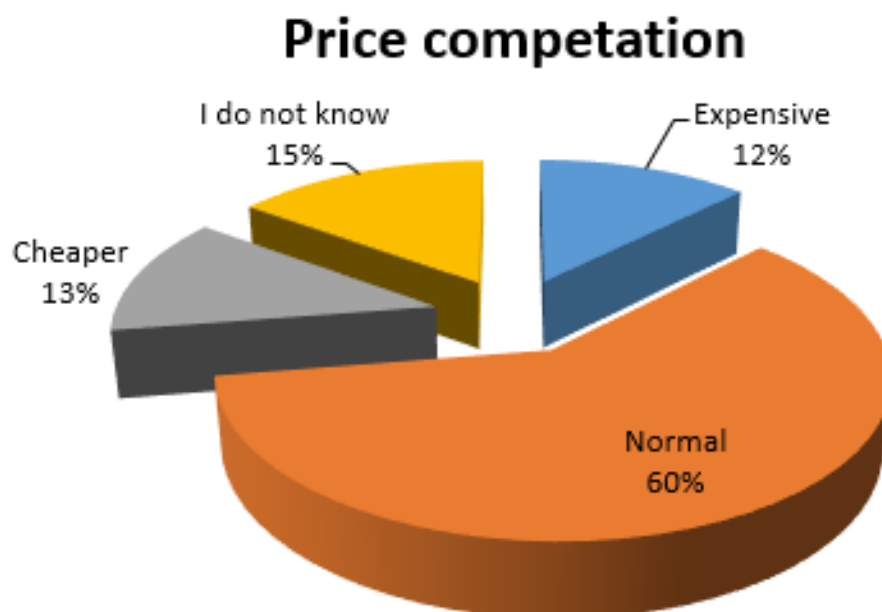
Figure 14: What do you think about the price of our services as compared to competitors

The next four questions asked to check the satisfaction level of the customers. The employees are the main assets of the company that bring revenue to the company. The below diagram shows that how much the customers are satisfied with the work of the professional. Almost half of the customers are neutral from the performance of the staff. 12 out of 40 customers are somehow satisfied with the professional work. Results show those 13% customers are dissatisfied with the services of the employees. A minor portion of 10% is extremely satisfied with the staff work.

Staff Professionalism
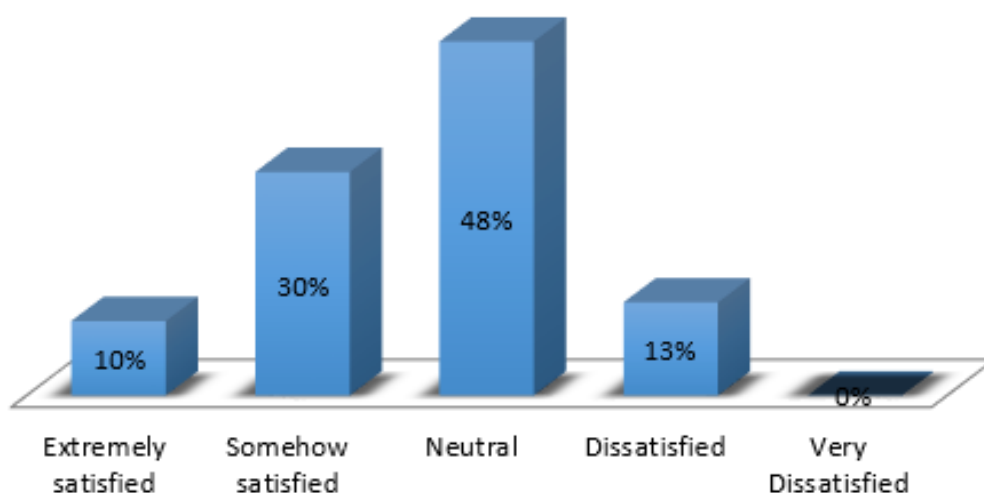
Figure 15: How satisfied you are from Company X for his staff professionalism

Figure 18 illustrates that half of the customers are neutral about the quality of the services, at the same time 33% customers are somehow satisfied. The number of the extremely satisfied customers is equal to dissatisfied customers. The company should invest more energy to convert his somehow satisfied customers to satisfied customers. Also, these extremely satisfied customers can bring more customers for the company. Collectively 11% are dissatisfied with the quality of services of Company X.

Quality of services
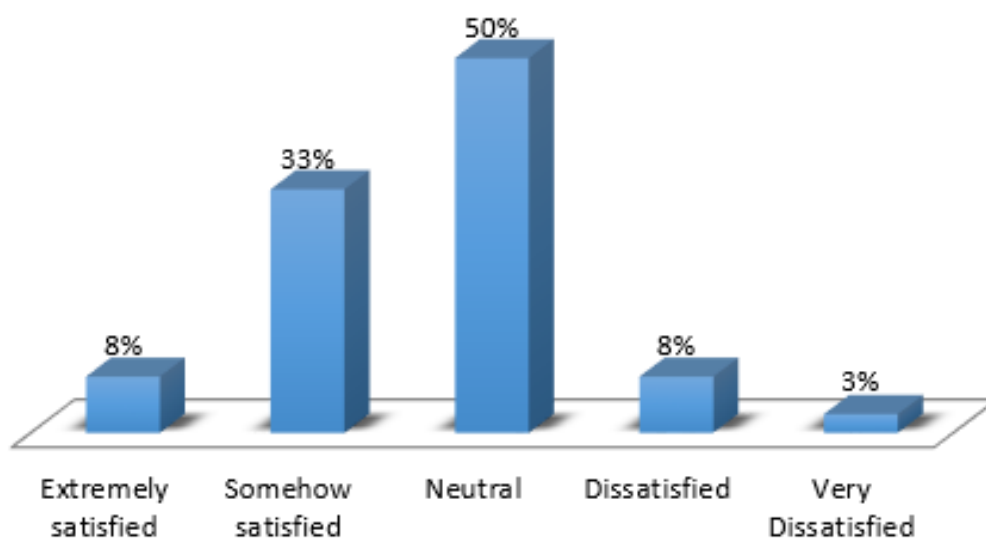
Figure 16: How satisfied you are from Company X for his quality of services

The next question was direct in nature to ask that from which factor you are not satisfy. Pie chart shows that 25 out of 40 have no reason to dissatisfy. A big part of 22% has some issue with the delivery time. Research shows that in Pakistani culture delivery time is a big issue for most companies as compared to Finland. Shortage of electricity, transportation and political instability can be the one reason for poor delivery time. Company X could not deliver his services on time as what promised. 7 % have problems with the technical issues of the products. One respondent has a problem with the billing and account department. One customer mention that companies didn't reply to his emails and phone calls on time. An another respondent complaint about the privacy and security of the products and services.
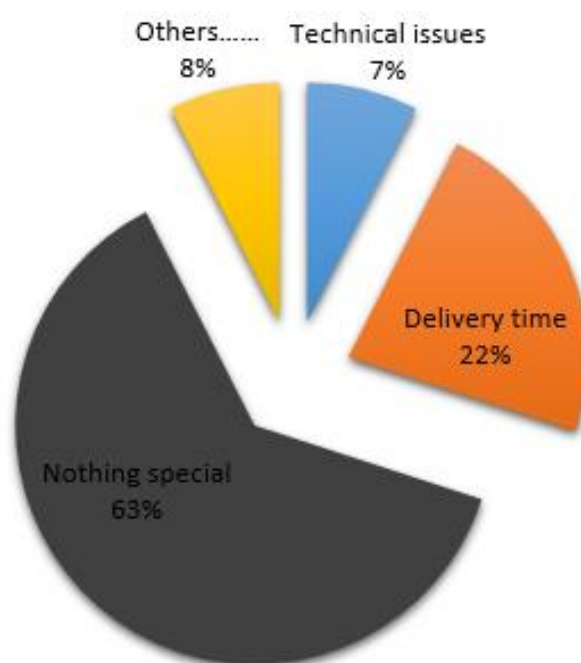
Figure 17: Please choose the factor of the Company X that you are not satisfy

Figure 20 shows that Company X has only 15% extremely satisfied or loyal customers. 35% and 38% customers are somehow satisfied and neutral respectively. Six out of 40 customers was not satisfying from the Company X services.
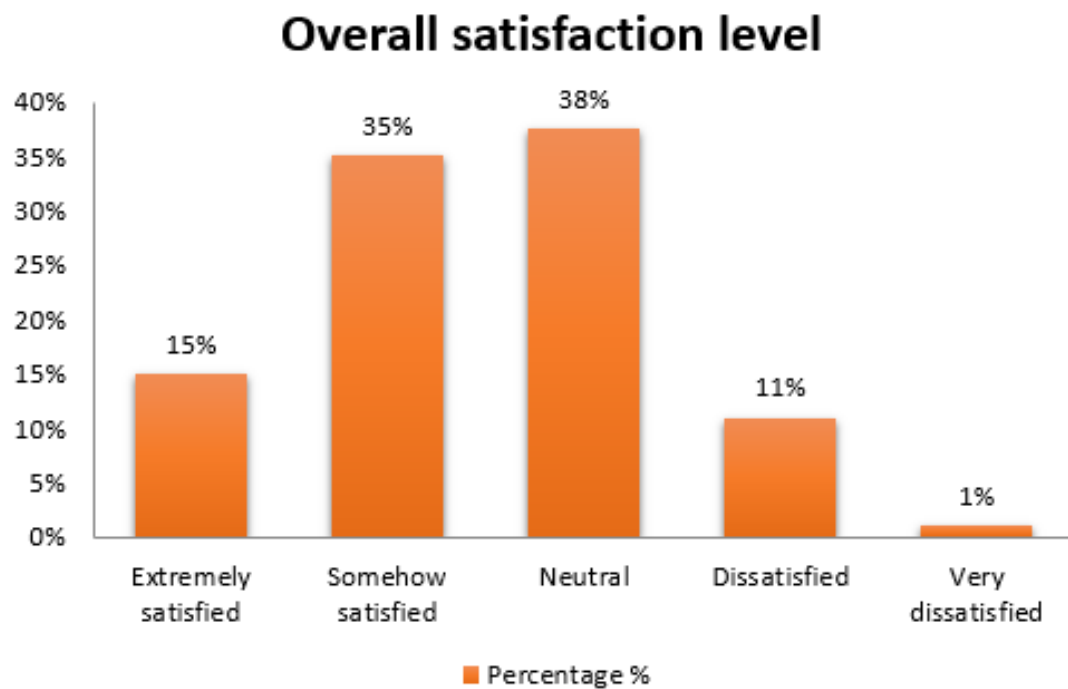
Figure 18: Overall how satisfied are you with our company

Studies show that recommended customers are more loyal to the products of the companies. The below bar chart describes that almost half of the customer probably will recommend the services of the Company X. 30% are not sure for promoting the products of Company X. 8 out of 40 customers will strongly recommend and will become advocates of the company. 3% show no recommendations to other companies.
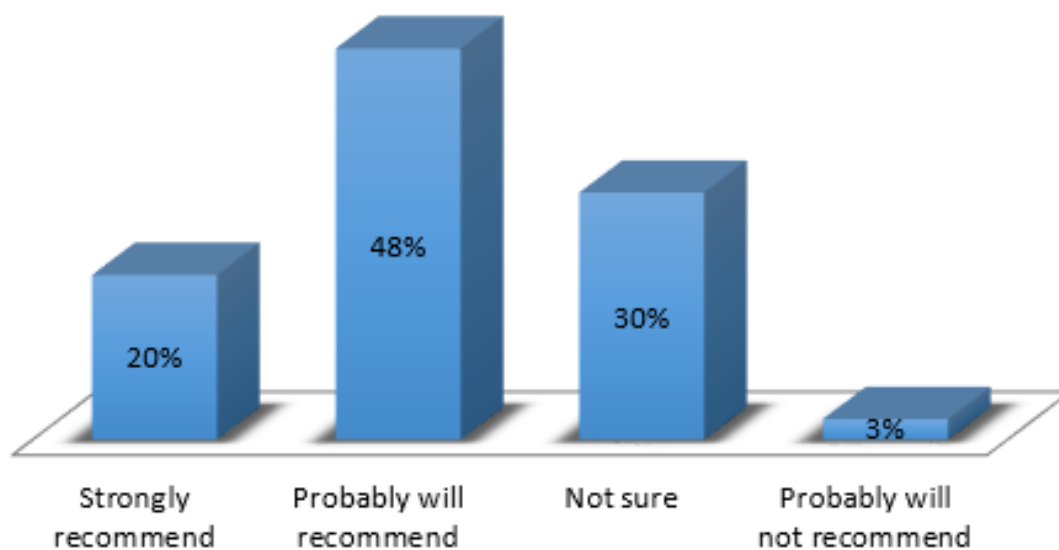
Recommendations

Figure 19: Would you recommend our services to other companies

The intention to ask this questions was to promote the other products of the company. As the Company X is planning to expand his business and bring more products in the market in near future.37% customers say directly that they will try our new services and products. The company is planning to develop networking and logo designing products. This is a good sign for the motivation and development of new products. Mostly existing customers try your new products. Half of the respondent answer that may be, they will try our other services. A portion of 13 % is not ready to buy out new products.

More services
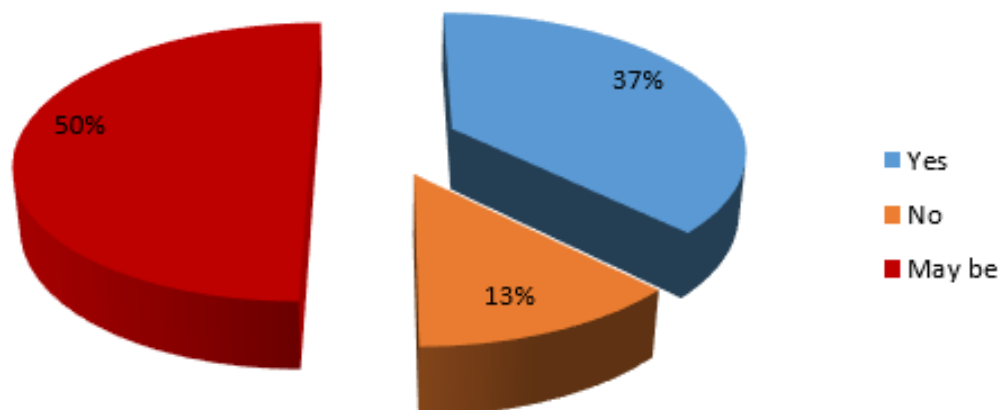
Figure 20: Would you like to have other services from Company X in near future

5   Conclusion and Recommendations

The main purpose of this research paper was to check the customer satisfaction level of the Company X and to find the reasons that affect the customer satisfaction level.

As the author has been working in the Company X for six months, he noticed that customers are not consistent with the company products and services. The marketing staff was not enough knowledge that why the customers are not happy with the company products. The customers always complain verbally and sometimes in the form of email, but there was not a proper way to find the reasons behind their complaints. In addition, the Company X has not done any customer satisfaction survey that is very important for the customers. The higher management wants to introduce more products and services to the current customers. From this, the idea of customer satisfaction generated.

The author has collected all the required data through a questionnaire. The results of the collected data show that customers are somehow satisfied with the company services. Most customers have long-term experience, but still company want to raise their working experience. Because the most of the profits comes from the long-term customers. Company X product prices are at a normal level but still need to get more customers, Company X has to revise his prices. The staffs need to deliver better services to raise the customer satisfaction level. As the competition is rising in the market, the services need to improve. Overall, the customers

are satisfied with the company services. Only a few customers are dissatisfied with the company services. The reason for this dissatisfaction is delivery time. The author suggests the company to improve the delivery time. After discussion with the company management, author suggested that the marketing department should consult with the development team before signing the agreement. Just to make sure that the product will delivered on time or even before that to make customers happier.

As this is the first customer satisfaction survey for the Company X, the author recommends that this kind of surveys improve the quality of the services, and this can done once in a year.

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Figures

Appendix

Customer satisfaction survey

We want to serve you in a better way. Please fill this questionnaire to improve the services. All the answers will be kept confidential.

1. My role (Designation) in the IT department?

   _____

2. How long have you been working with Company   X?

   A. Less than 6 months
   B. 6 months- 1 year
   C. 1 year -3 years
   D. more than 3 years

3. How much you pay monthly for the services

   A. 0-10000 PRs.
   B. 10001-20000 PRs.
   C. 20001-30000 PRs.
   D. Above than 30000 PRs.
   E. we don't pay monthly

4. How often do you visit our office premises

   A. 2-3 times a month
   B. Once a month
   C. 2-3 times in a year
   D. once a year
   E. I have never visited

5. What do you think about the price of the product/services bought from Company X as compared to competitors?

   A. Expensive
   B. Normal
   C. cheaper
   D. I do not know

6. How satisfied you are from Company   X for his staff professionalism?
    A. extremely satisfied
    B. somehow satisfied
    C. Neutral
    D. Dissatisfied
    E. very Dissatisfied

7. How satisfied you are from Company   X for his quality of services?
    A. extremely satisfied
    B. somehow satisfied
    C. Neutral
    D. Dissatisfied
    E. very Dissatisfied

8. Please choose the factor of the Company   X that you are not satisfy.
    A. technical issues
    B. Delivery time
    C. Nothing special
    D. other_____

9. Overall, how satisfied are you from our Company?
    A. extremely satisfied
    B. somehow satisfied
    C. Neutral
    D. Dissatisfied
    E. very Dissatisfied

10. Would you recommend our services/products to other companies/friends?

    A. strongly recommend
    B. probably will recommend
    C. not sure
    D. probably will not recommend

11. Would you like to have other services from the Company   X in near future?
    A. yes
    B. No
    C. May be

12. Any other comments or suggestions for the improvement

    _____
    _____
    Thank you!!!