Enhancing service quality by utilizing gap theory – Case Company X

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Service quality is the key element customers evaluate and value, when interacting with a company. The ability for service quality to retain and satisfy customers is unparallel to any other means of measurements companies might deploy to evaluate their services.

The goals of this study are to determine how a small-sized Finnish company can improve their service quality by utilizing gap theory. The study incorporates relevant theory to support the thesis' title. Furthermore the theory and the experiences of the author are used to analyze the current and future services and quality of service of Company X. Small-sized Company X, which prefers to stay anonymous, is associated as the client company for the thesis. The company's customers and CEO were interviewed by phone to obtain intuitive and honest opinions concerning satisfaction, perceptions and expectations towards offered services.

The importance of service quality and satisfied customers become imperative, when Company X's traditional offerings are being reevaluated by customers in hopings to save money. Constantly wanting to offer the best service quality, enforcing set standards and designs to support the desire to improve become key factors into succeess.

The research results can be assumed being reliable and of high value. The reliability of the research is increased by answers from long-term customers. On the contrary, slight decrease in reliability can be considered by the size of the research sampling, and by the lack of differentiation of customer relationships. The theoretical data supports the information obtained from the interviews. All theories are supported by analysis based by the authors personal knowledge and experiences working for the client company. Research results, the relevant theory and analysis' are amassed to form recommendations and conclusions.

Jesse Potinkara

Palvelun laadun vahvistaminen hyödyntäen kuilu -teoriaa – Case Yritys X

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Palvelun laatu on se avaintekijä, jota asiakkaat vertaavat ja arvostavat toimiessaan yrityksen kanssa. Palvelun laadun kyky säilyttää ja tyydyttää asiakkaita on omassa luokassaan verrattaen muihin mittausmenetelmiin, joita yritykset saattavat valjastaa arvioidakseensa palveluitansa.

Työn tarkoitus on ottaa selville kuinka pienikokoinen suomalainen yritys voi parantaa palvelun laatuansa hyödyntäen kuilu -teoriaa. Työ sisältää relevanttia teoriaa opinnäytetyön otsikon tueksi. Lisäksi, teoriaa ja tekijän kokemuksia hyödynnetään Yritys X:n nykyisten ja tulevien palveluiden ja niiden laadun analysoimisessa. Pienikokoinen Yritys X, joka haluaa pysyä nimettömänä, on opinnäytetyön asiakas. Yrityksen asiakkaita ja toimitusjohtajaa haastateltiin puhelimitse, jotta saavutettaisiin intuitiivisiä ja rehellisiä mielipiteitä liittyen tyytyväisyyteen, ennakkoluuloihin ja odotuksiin tarjottuja palveluja kohtaan.

Palvelun laadun ja asiakastyytyväisyyden tärkeys korostuu, kun asiakkaat arvioivat uudestaan Yritys X:n perinteistä tarjontaa säästääkseen rahaa. Jatkuva halu tarjota parasta palvelun laatua, ja toimeenpanna sovittuja standardeja ja muotoiluja tukee himoa kehittymiselle, jotka ovat avainasemassa onnistumiselle.

Tutkimustuloksien voidaan olettaa olevan luotettavia ja korkean arvon omaavia. Tutkimuksen relialibiteettia lisää pitkäaikaisasiakkaiden vastaukset. Toisaalta, lievä relialibiteetin aleneminen voidaan harkita pienen tutkimusotannan ja asiakassuhteiden erilaistumisten puutteiden vuoksi. Teoreettinen data tukee haastatteluista saatua informaatiota. Kaikki teoriat ovat tuettuna analyyseillä, jotka perustuvat kirjoittajan henkilökohtaisiin tietoihin ja kokemuksiin työskennellessään asiakasyrityksessä. Tutkimustulokset, relevantti teoria ja analyysit koottuna yhteen tuottavat työn suositukset ja päätelmät.

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1   Introduction

Businesses across the globe operate by offering products or services to potential customers. Companies battle to differentiate their services or products in order to produce satisfaction to their customers by offering superior value and quality over the competition. When a company is offering products, the customers have an opportunity to evaluate the products by appearance, quality, value, durability and number of defects. This is not the case with services. Services are intangible, one cannot touch or taste a service. Thus general ways of evaluating products do not apply to services.

Service quality has emerged to become the key marketing tool in retaining customer loyalty and differentiating businesses from one another. Service quality is a symbiosis of internal and external strategies deployed to satisfy the needs of customers. A company must take into consideration multiple elements of its overall operation to maximize service quality. When assessing service quality, the customers are the most important. Any business wanting to offer quality service must understand the perceptions and expectations of its customers.

Operating expensive and specialized services in a niche market require a company to deploy customer-oriented standards and designs to service quality. In the current economical situation of Finland, Company X strives to continue serving old and attract new customers by high quality of service. This thesis explores what elements of service quality are relevant to Company X's operations and how current practices can be sustained and improved upon.

1.1   Client Company Overview

In the past 30 years Company X has been offering conference and interpretation equipment to a vast clientele built during the operation of the company. With 30 years of experience in conference and interpretation solutions, Company X has become the trusted service provider for multiple clients; The Finnish government, Microsoft mobile (former Nokia) and various conference venues around Finland to name a few. The company is also a trusted equipment provider for all the major interpretation offices in Finland. On both terms of Finland's EU presidency in 1999 and 2006, Company X was selected to serve as the sole-provider for meeting and interpretation equipment around the summit venues in Finland.

Although Company X has always had a steady stream of events, recently it has been noted, that clients are minimizing or reducing usage of interpretation in their events. In depth, this means using cheaper alternatives for interpretation hereby making the company less profitable.

Being a very proud and trustworthy service provider for many long-lasting client relationships, Company X is looking to explore new dimensions and opportunities by developing their service quality on its offerings by the findings and conclusions of this thesis.

1.2   The objectives of the thesis

The objective of this thesis is to identify the key questions that a small-sized Finnish company, with 30 years of experience in the field of conference and interpretation solutions, has to consider when developing their service quality to better suit customer expectations. What are the key successes and failures in Company X's current service quality? What kind of value would improvements bring to the company's clients and how would they impact the client's event? The main objective is to examine the client company's current service portfolio and how improving service quality on offerings would bring more value to the company and their clients organized events. To cover the mentioned processes, the sub objectives of the thesis include the analysis of the current service package, initial overview on customer satisfaction, and analysis of the market and competitors.

The road to gain more value for the company and their clients by improving service quality is not particularly difficult, but it takes time and effort to collect, analyze, understand and adapt to changes. In order for the propositions of this thesis to become successful, careful analysis of customer feedback and accounted steps are needed to minimize risk and in turn maximize potential. The results are disclosed as conclusions and recommendations that the client company can use to its advantage when planning for improvements in their services and event offerings.

1.3   The key concepts of the thesis

A service has multiple applications and can range from personal service to service as a product or offering. In addition, any product can be transformed into a service if the seller takes effort to tailor solutions to its customers demands (Grönroos, 2010, p.51). Grönroos (2001, p.52) defines a service as follows: "A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or good and/or systems of the service provider, which are provided as solutions to customer problems".

Service quality is a term used to evaluate the success of a business' services. Customers assess service quality by comparing expectations with how the service provider actually performs. Customers form service expectations from past experiences, word of mouth and

advertisement. In general, customers compare perceived service with expected service in which if either falls short the customers are disappointed. Business' improve service quality by evaluating quality with customer perception and expectation of service (Zeithaml & Parasuraman, 2004, p. xi-xii).

The "Gaps Model" was proposed by A. Parasuraman, V. Zeithaml and LL. Berry in 1985 in the Journal of Marketing. It is a famous tool to improve service quality. The gaps model suggests in viewing the delivery of service quality in a structured and integrated way. The theory advices to start from the customer and build the organizations key concepts, strategies and decisions around to what is needed to close the gaps between customer expectations and perceptions (Zeithaml & Parasuraman, 2004, p. xiii, p. 15).

A service package is the combination of multiple services which form the whole offering of the business. The service package consists of three elements: the core service, facilitating- and support services. The core service is the main line of business whereas the facilitating- and supporting services complement the production of the core service (Bergström & Leppänen, 2013, p. 204).

Customer satisfaction is a metric of constant monitoring, where the improvements of satisfaction are monitored in a longer span of time and may be developed in time for new products and services (Bergström & Leppänen, 2013, p. 484).

1.4   The delimitations of the thesis

The generalization of the study is limited to one small-sized conference and interpretation solutions company operating in the audiovisual service provider market in Finland. The thesis study refers to the industry operating in the audiovisual service provider market in the Helsinki region.

Company X is a Finnish based interpretation and conference solutions service provided, which operates in a niche market within their domestic market. The thesis will concentrate on focusing on the conference- and meeting production market, with emphasis to interpretation solutions, in which the client company is looking to potentially find new perspectives to development ideas in order to improve its service quality.

The niche market and other opportunities are slightly analysed in this study, but limited to the knowledge and experiences of the author. Therefore no final conclusions are suggested to be made solely on the basis of this study. In addition, competitor analysis is performed on

only the three main competitors to Company X's current interpretation- and audio services target market in the Helsinki metropolitan area.

The thesis' qualitative research is delimited to a small sampling of answers. For better understanding of the market and customer expectations and perceptions to service quality, an extended research with a larger sampling is highly recommended. Moreover, the interviewees of the research are mostly long-time partners of Company X, and thus feedback may be skewed towards a more favorable outcome.

1.5   Theoretical framework

The theoretical framework of this study focuses on the core and extended view on services of a small-sized Finnish business. Service quality, customer satisfaction and the service package are described and analyzed thoroughly referencing the client company. This study refers to the general and analytical theory enabling the use of practical implementation of strategies to improve services and the overall service package of Company X and to their customers.

The fundamental theory this study refers to is the "Gap Model" proposed by Zeithaml, Parasuraman and Berry in 1985. An overview of the current gaps in service quality are identified, analyzed and propositions on imporvements are given based on this theory.

Service quality influences all customers and molds their perceptions and expectations of any business. The services of Company X are the focal point of this study, and thus all aspects of the business' services are analyzed thoroughly. Books from world-renowned authors such as Zeithaml, Parasuraman and Grönroos, and their theories on services and service quality are the basis of the study. Moreover, the theoretic sources of this study provide the ground for the production of the interview questions provided in the appendix of the thesis. Lastly, the author of this study has worked for the client company for 6 years and has firsthand experience and knowledge on the operations of Company X. This work experience and knowledge is applied in the theory and analysis of this study.

1.6   Research methods and analysis

Qualitative research was conducted by the author among selected clients of Company X. Qualitative methods were chosen over quantitative due to the problem of which this study aims to solve. The qualitative research was organized as a phone interview. Phone interviews allow the interviewer to receive a broader and more intuitive response to questions over email inquiry. The goal of the interview process was to understand customers perceptions and

expectations of service quality of Company X, which in turn would aid the study to analyze current and future proposals for improvements.

The information and development strategies delimit and relate to the client company, which is why a complete risk analysis on the collected material is required if another similar company is searching directions to improve service quality in similar markets.

2   Transforming service to quality

A service has multiple applications and can range from personal service to service as a product or offering. In addtion, any product can be transformed into a service if the seller takes effort to tailor solutions to its customers demands (Grönroos, 2010, p.51). Grönroos (2001, p.52) defines a service as follows: "A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or good and/or systems of the service provider, which are provided as solutions to customer problems".

The customer of a service is to a certain degree part of the service process, where the service is produced and delivered to him. In some instances, the customer participates even further into the process by distinguishing how the process develops. For example, when customers use internet banking from their home to pay bills, they are involved in the service process of interacting with systems and infrastructure of the bank. Companies are starting to understand the imporantance of these interactions, due to customers being involuntarily involved in various processes implemented to improve competitive advantage; desing of goods, delivery, maintenance and helpdesk functions to name a few (Grönroos, 2010, p.52-53).

In general, three basic characteristics can be identified for services:

1. Services are processes consisting of activities or a series of activities.
2. Services are at least to some extent produced and consumed simultaneously.
3. The customer participates as a co-producer in the service production process at least to some extent.

First, the process characteristic stems from the notion that the customer has a need to solve a problem. In the process to solve the problem, the customer is aided by people, goods, and other physical resources, information, systems and infrastructures to find a solution for the problem.

Secondly, when services are being produced and consumed simultaneously, it is hard to conduct quality control before the service is already sold and consumed. In many cases most of the service process leading to the selling is invisible to the customer. A repair by a car mechanic is usually experienced as invisible service by the customer, yet the service is still consumed after paying for the repairs and experiencing the fixed car on the streets. However, visible or invisible, the customer only cares about the visible part of the service process. The customer only experiences the outcome, thus only the visible activities and experiences are evaluated. Therefore companies must take advantage of practicing quality control and marketing at the time and place of simultaneous service production and consumption. Failing to utilize the opportunity may negatively affect the experience of the service to the customer.

Thirdly, the customer is not only a recipient of a service; the customer also co-creates and co-produces the service by participating in the service process as a resource (Grönroos, 2010. p. 53-54).

Moreover, services are characterized in many instances as intangible. Normally services cannot be touched or tried before purchased. One cannot experience flying abroad without buying an airplane ticket. Grönroos (2010, p. 54) states that: "A service is something which can be bought and sold but which you cannot drop on your feet" (as cited in Gummersson, 1987).

According to Grönroos (2010, p. 55) many definitions on services imply that services do not result in ownership of anything. To some degree this statement is true, however there are exceptions. One could argue withdrawing money from an ATM results in the ownership of money from the bank as a service, but actually the consumer had the ownership of the money all the time. The bank just managed the money and paid itself interest for the service. However, the retail business does result in the customer having ownership of tangible goods for a service.

Laslty, customers are different from each others. This makes it particularly difficult to maintain a consistent standard of service for each individual customer. An ATM might serve two customers differently, for example the first customer understands the instructions on the screen and the second customer has difficulty understanding the same instructions. Varying customers make it hard for companies to maintain an evenly perceived quality of service produced and rendered to satsify all of the customers needs (Grönroos, 2010, p. 55).

In the case of Company X, the service is a service package. Customers of Company X have a problem and need. Company X offers a solution to its clients by producing services for an event. Mainly these service needs are for interpretation- and conferencing solutions.

The service process always includes the customer. All inquiries of services received by Company X are tailored for the customers problems and needs. In most cases, the customer is well-aware of their needs for the event they are planning. In these cases the customer considers requirements for their event and actively participate in the production of their event. On the other hand, in some instances the client company is approached by customers not knowing what they need to solve the problem. In any case, the end product is always adapted and modified to solve the initial problem for the customer – should it be an experienced or inexperienced customer organizing an event.

To elaborate, the customer's problem is "receiving audio in their ear from translation". Company X uses devices, people and information to "deliver audio" for events held by their customers.

The service Company X produces is intangible, it cannot be consumed nor touched. Events are planned months ahead with the customer and the end product is experienced late in the service process. In fact, the customer agrees to purchase the service with no tangible contact with the product. Almost always processes in between selling the product to running the event are invisible to the customer; gathering equipment for the event, transportation and assembly of the event. In most cases, the first contact of the service is when the customer is actually experiencing the event, and by this stage the service has already been sold to the customer.

Eventhough it might seem the customer is purchasing a service blindly, this is not the case. All productions of events are organized with more or less in cooperation with the client. Some clients are more anxious to participate in the production for their event, while other clients trust Company X's expertise to produce an event with minimal intervention on their behalf.

All customers are different. Customers have varying requirements, needs, and experience in organizing their events. Although they all are different, they share the same problem in organizing conference- and interpretation solutions for a fluent and functioning event. For Company X, the field of business it operates in they dominate, as they are currently almost the only provider of transportable interpretation equipment services in Finland. This allows the company to set its own standards of service for its customers. To be clear, by no means does this mean the client company chooses its standards by the customer its dealing with, but quite the opposite. The company has set its own high-standards for all events and customers

produced with non-existent competition to compare standards with. All customers are different and percieve their experiences with Company X in different ways. Other customers are long-time consumers of Company X's services whereas others are first-timers.

2.1 Core Service and peripheral services

The domestic markets in Finland have been battling recession for the past 6 years (Pohjanpalo, 2014). This recession has forced companies to lay off employees and cut down on spendings to ensure competitiveness within the Finnish domestic markets. One way for companies to maintain competitive advantage is to evaluate their services and improve the overall offering to the customer.

In todays fierce competition for competitive advantage the businesses that succeed, have managed to build complete package offerings of services in a way that best meets their customer's needs while simultaneously bringing added value to the customer. A buyer might be ready to pay more for a similar competing product with the same characteristics, because the buyer finds the premium product to guarantee quality (Bergström & Leppänen, 2013, p. 203).

A service is perceived as an augmented service offering. This offering is formed out of three components; the core service, facilitating- and supporting services (also known as peripheral services). The core service is the foundation the business is focused on serving customers with. The core service is supported by facilitating services usually necessary to produce the service, such as a fitting room in a clothing retail store. A support service is a component to gain competitive advantages over your competition, for example a car dealership may offer a 5-year warranty on a new car when purchased with cash. The whole service offering is called a service package; a cruise may include on top of the actual cruise the cabin, meals, purchase voucher and an agenda for the cruise (Bergström & Leppänen, 2013, p. 204).
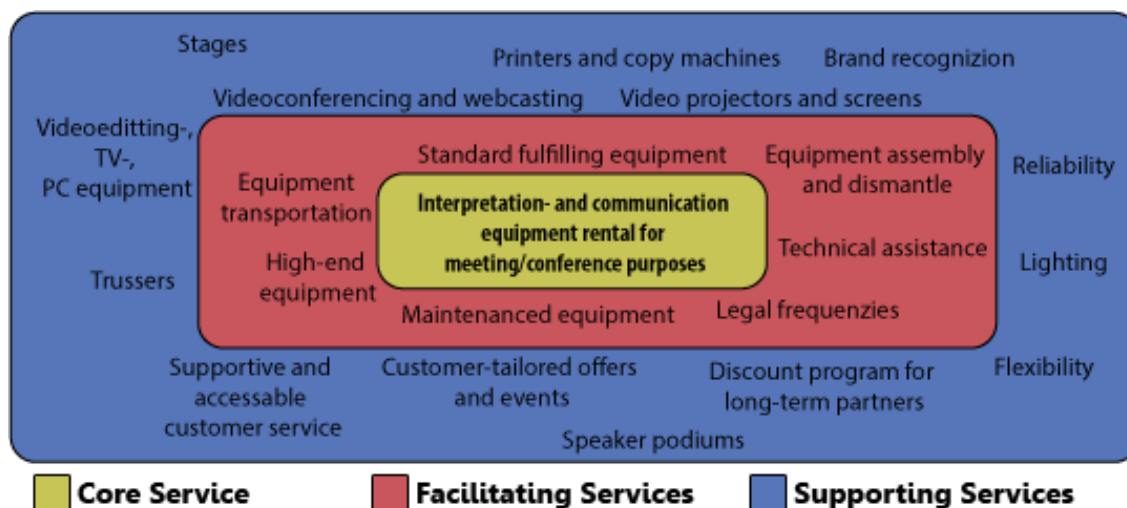
Figure 1. Company X service package (Potinkara, 2015).

2.2 Company X's service overview

Company X has been working in the field of conferencing since 1976 and have always had their main focus on providing customers with interpretation equipment. The business has always focused on offering companies and venues with interpretation equipment rental, and the technical assistance and expertise required to run a successful meeting. The company has slowly expanded its services to meet the technologically fast-paced 2000s to meet their customers additional equipment needs in organizing events. The past 10 years have brought additions to Company X's service portfolio and thus the service package, as a whole, is very vast and well-equipped to handle most requests done by customers. Moreover, the 2000s have transformed the company from a rental service to a specialized event production service prodiver. In this section, an overview of the core service, facilitating- and support services are examined closely to breakdown the elements Company X offers its customers as their service package.

The core service of Company X is interpretation- and communication equipment rental for meeting/conference purposes. Everything the business has done from the very start to the present has always revolved around producing interpretation solutions for their customers events. Moreover, to be specific the equipment is specialized for simultaneous interpretation. Simultaneous interpretation is advantageous to utilize in events, as there is no need for constant pauses whereas consecutive interpretation requires pauses for the interpreter to translate. For an interpreter to successfully work simultaneously listening to language A, process it and communicate it outwards in language B, Company X's provided special interpretation consoles are needed. In addition, for uninterrupted and focused simultaneous interpretation to be successful, the European Union has set directives and standards to the benefit of the interpretators. These standards require the above mentioned specialized

intepretators consoles and a soundproof intepretators booth. These booths allow
intepretators to work in a ventilated space with minimal distractions. Lastly, the
interpretators sitting in the booth need to hear audio from the meeting in order to translate
the original language in to a secondary language, thus microphones are required to allow the
interpretators to hear the original language. These factors are the foundation of the company
and form the core service.

Secondly, in order to produce the core service there are elements that build-up to form the
final product. Most of the facilitating services have the specialized equipment as the main
element. Simultaneous interpretation is a niche field of business, where the equipment is
expensive and requires expertise to use and manage from the operator. Expertise, costly
equipment and niche field of business have brought down the competition to a minimum or to
a nearly non-existent state. Therefore, customers do not have the required equipment or
ability to run simultaneous interpretation meetings by themselves and hence need the
equipment from Company X. Traditionally the production for the events require atleast the
following facilitating services:

- Transportation of equipment and accessories,
- Assembly and dismantling of equipment,
- Technical assistance for the duration of the meeting.

Furthemore, facilitating services cover the use of high-end-, maintained-, standard fulfilling-
and legally abiding (frequencies) equipment. All mentioned items are vital in creating and
producing the best possible end product for the customer.

Thirdly, the supporting services consist of elements tying together the overall experience for
the customer and producing increased value for Company X in competitive advatange.

Lately, there has been an increased demand for additional equipment rental outside the
company's normal field of operating equipment. The evolution of technology, the Internet
and social media have given customers more and more ideas on how they would like to
organize their meetings or events. Moreover, this evolution has customers needing more for
their events. To elaborate, today its not enough to settle for a setup where participants sit
around a table talking to microphones while reading presentations from a paper. The
standards have shifted. Customers ask for more equipment on top of the required
interpretation- and meeting equipment. They want

Thus, Company X has slowly expanded its supporting service equipment to offer additional
options to productions of its core service. Customers have evolved wanting to incorporate

social media, videos, possibility to print and copy documents, freedom for presenters to move, and additional lighting and podiums for their events.

The standard of having multiple companies set up their equipment has also shifted towards one company supplying all the equipment for the event. Now this is understandable, the customer saves on technical assistance costs, have less middlemen organizing the event and only have to rely on one supplier. Company X has adopted to this shift, and is supporting its core service (producing interpretation- and communication solutions for meeting/conference purposes) with additional investments to its inventory with elements customers may need for their events. These investments include the possibility to supply stages, speaker podiums, lighting, computers, printer and copy machines, video projectors, screens, video conferencing, webcasting, and trussers. All of these services are sold as supporting services to enhance and aid the experience of the core service.

Supportive and obliging customer service have always been in the forefront for Company X. Actually it is one of their best features as a business and their strong suit for maintaining competitive advantage and fruitful customer relationships. Communication, customizable service, reliability and flexibility are all part of the strong support services Company X provides for their customers.

The long history of Company X has brought upon a brand of well-organized, reliable and knowledgable service. Over 30 years working with domestic and international customers in producing interpretation and meetings solutions have built an enormous network of happy customers. Successfully having organized thousands of meetings, Company X has been highly respected to always produce the best events concerning interpretation- and meeting solutions.

Communications between B2C (Business to Customer) are friendly, accessable and helpful. The company is very contactable and available through phone, email and fax long after working hours. Even during weekends employees may answer calls and emails.

Customers are different, and so are the specifics to producing an event for their meeting. Communication is important when customers approach the company for the first time and inquire services for their event. Offers for the customers are always tailored through the result of one-to-one communication with the customer. Moreover, flexibility on offers and readiness to comply even to harder requests adds a personal touch to each individual customer relationship.

Company X has long-term partners. Long-term partner discounts are given for their use of Company X's services. These discounts are not necessarily to eliminate competition from a bid race, but rather a gesture and thank you for the long-lasting relationships.

2.3   Service Quality

According to Zeithaml & Parasuraman (2004, p. x1); "Service quality has become a key marketing tool for achieving competitive differentiation and fostering customer loyalty". Businesses across the globe look to diffrentiate themselves and retain their customers by excellent service performance. A business offering goods have tangible metrics to measure the success of their offerings such as quality, durability and number of defects on their goods. This is not the case when evaluating the success of a business' services. One cannot measure the durability of a service. Therefore, improvements in service performance can be difficult to managers, as service performance is intangible – all customer experiences vary from each other (Zeithaml & Parasuraman, 2004, p. x1).

Customers assess service quality by comparing expectations with how the service provider actually performs. Hereby, service quality can be defined by comparing perceptions of actual service performance to customers' expectations of service. Moreover, research shows customers evaluate service quality in five measures:

1. Assurance – Employees knowledge and courtesy to inspire trust and confidence in the customer.
2. Empathy – The company's individualized and caring attention to its customers.
3. Reliability – Ability to perform said services dependably and accurately.
4. Responsiveness – Willingness to aid and prompt service to customers.
5. Tangibles – The company's physical facilities, equipment, personnel and communication materials.

Reliability is persistently experienced as the most critical to customers, whereas tangibles the least critical (Zeithaml & Parasuraman, 2004, p. xi-xii).

2.3.1   The Gaps Model of Service Quality

Service quality improvement can be complex. Executives of service organizations have struggled to find an organized approach to solve this complicated topic involving different organizations, employee skills and tasks. Zeithaml & Parasuraman (2004, p. 15) have approached this problem with developing a theory called the "Gap Model". The gaps model takes a stance on viewing the delivery of service quality in a structured and integrated way.

The theory suggests to start from the customer and build the organizations key concepts, strategies and decisions around to what is needed to close the gaps between customer expectations and perceptions (Zeithaml & Parasuraman, 2004, p. xiii, p. 15).
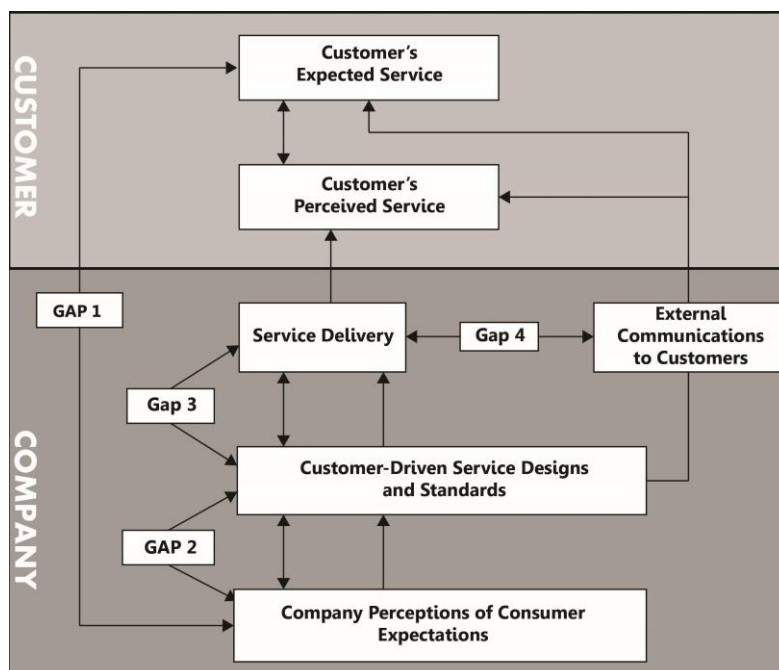

Figure 2. The Gaps Model of Service Quality (Zeithaml & Parasuraman, 2004, p. 16).

The model (Figure 2) identifies 5 different types of gaps. The customer gap is the central focus of the model (top half of Figure 1). For the organization to close the customer gap (customer expectations and perceptions of service), the model suggests four additional gaps, the provider gaps, need to be closed (Zeithaml & Parasuraman, 2004, p. 15). The gaps and their underlying causes are explained below:

Gap 1: The Management perception gap - Not knowing what customers expect

Gap 1 is all about the differences companies and customers may have in understanding each other in terms of expectations of service. Mainly the issues arise from the company's managers not being aware of what customers expect from their service; the managers may not interact directly with customers, they may be unwilling to ask about expectations, or they may be unprepared to address them (Zeithaml & Parasuraman, 2004, p. 16).

A number of reasons may be behind provider gap 1. First, marketing research being the principal factor in understanding consumer behavior and expectations of service – the size of gap 1 is greatly affected by the amount of marketing research done. Second, lacking upward communication between employees and management. Employees interacting with customers have a better knowledge about customers' experiences, expectations and perceptions.

Shortage of communication between management and frontline employees may result in the management making decisions on factors they are not aware of. Thirdly, a companys' strategies to retain customers and strengthen these relationships are inadequate. Lastly, the ability to deal with inevitable service failures. A company might undervalue the importance of understanding why customers complain and what they expect when they complain, and how to build effective strategies to deal with customer complaints (Grönroos, 2010, p. 115; Zeithaml & Parasuraman, 2004, p 16).

Gap 2: The quality specification gap - The wrong service quality design and standards

Companies have difficulties in translating customers' expectations into service quality specifications. According to Zeithaml & Parasuraman (2004, p. 17): "Gap 2 reflects the difference between company understanding of customer expectations and development of customer-driven service designs and standards". Customer-driven standards alter from traditional performance standards established by the company in that they are driven by customer requirements and are visible and measureable by customers. Customer-driven standards are set to complement to customer expectations and priorities. Standards signal to employees what management priorities are and which performance really counts. When service standards are non-reflective to customers' expectations, quality of service is likely to suffer (Grönroos, 2010, p. 117; Zeithaml & Parasuraman, 2004, p. 17).

Services being intangible, it may prove difficult to describe and communicate them forward. In order to develop strong services, all people involved – managers to frontline employees alike – need to work together to understand the overall concept. New and old services need to be developed in unison together, based on customer needs and expectations in order to build strong service desing. If people do not have the same vision of service, any attempt to improve will result in oversimplification, incompleteness, subjectivity and bias (Zeithaml & Parasuraman, 2004, p. 17).

Gap 3: The service quality gap - Not delivering to service standards

Gap 3 can be summarized as the conflict between development of customer-driven service standards and actual service performance by company employees. Falling short on level of service-quality performance decreases what customers expect. High-quality service performance is not a definitive. Even when existing standards and guidelines for service performance exist, they need to be backed up with resources (people, systems, technology). Moreover, given guidelines and standards need to be enforced and employees measured based on those standards. A company may reflect appropriate standards to meet customers' expectations, but should the company fail to facilitate, encourage and require the

achievement of these standards, the standards do no good. Ensuring all needed resources are in place to achieve set standards narrow the gap (Grönroos, 2010, p. 117; Zeithaml & Parasuraman, 2004, p. 18).

Inhibitors to fueling gap 3 all relate to the company's human resources department. Research and experience have indentified the following factors: employees not clearly understanding their role, employees feel caught in the middle between customers and management, hiring wrong employees, inadequate technology, inappropriate compensation and recognition, and lack of empowerement and teamwork. All of these factors are preventable with appropriate recruitment, training, feedback, job design, motivation, and organizationl structure practices (Zeithaml & Parasuraman, 2004, p. 18).

Zethaml & Parasuraman (2014, p. 18) further state that gap 3 is also affected by the challenge of using intermediaries. Most companies using intermediaries have problems controlling the standards of service performance and consistency with the intermediaries representing them, moreover interacting with their customers. Service quality is in liability when not in full control over the intermediary.

Gap 4: The market communication gap - Not matching performance to promise

Gap 4 means that promises made by marketing communication are not consistent with the service delivered. Promises in external communication channels may raise customer expectations and serve as the standard against in which customers assess service quality. Discrepancies between actual and promised service thus has an negative effect on the customer gap.

Reasons for the occurance of gap 4 can be divided into two categories, the planning and execution of external communication and operations, and the company's susceptibility to overpromise in all marketing channels (Grönroos, 2010, p. 118; Zeithaml & Parasuraman, 2004, p. 18-19).

2.3.2   Closing the gaps

The management gap – determining what customers expect

Fixing the management gap (Gap 1) is all about hearing what the customers expect. Part of any aspect to understanding customer expectations is the extent of market research. Companies must approach different customer groups, from multiple research angles and perspectives to ultimately understand their customers expectations on service quality. It is

vital for companies to establish ongoing listening channels to capture, organize, and break down service quality information to support right decision making (Zeithaml & Parasuraman, 2004, p. 19; Grönroos, 2010, p. 115). Grönroos (2010, p. 115) states that normally problems have not occured due to lack of competence but rather because of a lack of knowledge or appreciation of the nature and demands of service competition and service management among managers.

A well thought-out strategy to fix the management gap incorporates all approaches to address all possible reasons for not understanding what customers expect. A well thought-out strategy, for example management could encourage employee input to boost upward communication, identify market segments, inspire management-customer interaction, focus on understanding customer relationships, and identify mistakes that require service recovery (Zeithaml & Parasuraman, 2004, p. 19).

Company X has never conducted marketing research on their customers and market. The business has operated for over 30 years with little to no resistance in competition concerning their core service. Hereby, no real threat of losing customers or business overall has ever been present.

Old clients of Company X are aware of the quality of service and what to expect to be delivered when they order services from Company X. The problem which increases gap 1 lies with the new customers, the first timers. These customers are usually new to the core service and do not really understand how it benefits or eases their event. Moreover, the cost of using Company X's services are generally higher than other solutions provided. Customers might have used an alternative solution to solve their problem before and were not satisfied, thus requiring a professional and more expensive approach to solving their problem.

In Company X the interaction between management and employee really is not relevant, as the CEO works similarly to other employees. In a small company, the CEO also participates in taking offers, communicates with customers and supervises events among all the other employees.

The quality specification gap – Developing customer-driven standards and desing

Depeding on the size of gap 1, the potential planning-related problems vary. Matching new-service innovations and actual service process designs to customer expectations is the key to closing gap 2. There are two key strategies to help close this gap. Firstly, Research has proven that new-product desing process' can make service offerings clearer and avoid failure. A useful technique to improve new-service development is something called blueprinting,

where a hard to understand and intangible service is mapped out to visualize all of the steps, actors, processes, and physical evidence of the service. Moreover, a focus on the customer is vital, as it is important the customer's experience is documented before any of the internal elements of service design. Secondly, a company must establish customer-driven service standards. Zeithaml and Bitner (2003, source in book Z & Para.) recommend a nine-step process for developing these standards:

1. Identify existing or desired service encounter sequence,
2. Translate customer expectations into behaviors and actions for each service encounter,
3. Select behaviors and actions for standards,
4. Decide whether hard (operational) or soft (perceptual) standards are appropriate,
5. Develop feedback mechanisms for measurement to standards,
6. Establish measures and target levels,
7. Track measures against standards,
8. Provide feedback about performance to employees, and
9. Periodically update target levels and measures.

Planning of quality specifications normally fail due to top management undervaluing the importance of service quality among customer expectations. A company must commit real resources into prioritizing service quality as a top priority when it comes to improving services. Quality as perceived by customers is such a vital factor today, that it is imperative that commitment to quality ranks high on the priority list of management (Grönroos, 2010, p. 116).

Customer-driven standards have always been important to Company X. All services are produced having the customer and their event as the most important element. Management always encourages its employees to interact with the customer throughout the production of an event from arrangements to dismantle. These conversations help out to understand what the customers needs and what their expectations are for their event, and avoids miscommunication. Moreover, professional clothing when attending customers events, clean and neat outlook of equipment and overall helpful attitude towards a successful event are expected by the management.

Occacionally these customer-driven standards are slightly neglected by workers. It is standard practice for the full-time employees to exercise Company X standards, but freelancers might not always be fully meeting the required standards. For example, the event is setup nicely and neatly and the technicians station is build out-of-view and covered appropriately. The technician is otherwise dressed according to standards, but forgot to wear black shoes and

has a pair of white sneakers. Now while this might not seem like a big deal, it actually is a grievance in the overall technician outfit and does not fill the customer-driven standards fully, seeing that the customer is accustomed to expect the technician to wear all dark clothing. It is important that freelancer tehcnicians understand that the technician is one of many representations of the company's service quality standards. The technicians job is to supervise the production of the event, but moreover also represent the set quality standards of the company to ensure customer-driven standards do not suffer.

The service quality gap – Improving service performance

The service quality performance gap is heavily dependent on human resources strategies. Most services are people to people in real-time interactions where the employees are the medium of evalution to service quality performance. Research has shown that employee and customer satisfaction are positively correlated. Employee responses to service delivery failures, customer's needs and requests, and spontaneous employee actions to aid customers are largely responsible for customers' evaluations of service encounters – good or bad. Appropriate human resources practices are valuable and needed to close gap 3. Moreover, it should be considered that seldom there is only one reason to the service quality gap, therefore the cure is usually complicated. Considerable research on this gap has identified the following strategies aimed at efficient and productive employees that are effective in satisfying customers: addressing role obscurity and conflict, adjusting employee-technology-job fit, training, developing appropriate evaluation and compensation systems, supervisor communication practices, empowerment, teamwork, organizational citizenship, organizational learning, and developing a service culture (Zeithaml & Parasuraman, 2004, p. 21, Grönroos, 2010, p. 117).

Gap 3 reflects to Company X mostly in the training, feedback and intermediary factors. Like discussed earlier, the company is very traditional in its operations and sticks to its model. The model has been working for more than 30 years, so why change when its working?

The overall operations of the company rely on the employees knowing their equipment inside out, and while this is mostly true, there are occasions when the equipment shows itself with unexpected faults and errors. These mishaps are always solved, but it may take more than normal time to solve. The problem dealing with these problems is in that they are usually not communicated forward to other employees. Moreover, training by the full-time employees towards the part-time employees is very minimal. Full-time employees have more experience and knowledge on the equipment over other, which forces them to work longdays when a busy and demanding week of events presents itself. Occasional training and feedback sessions

between full-time and part-time employees would be beneficial in the longrun for all personnel.

Measuring and giving feedback to employees is something the company could do better. It is important to stick to set guidelines and allow the employees to learn and improve. If there is no feedback and means of measurement, the employees keep working ordinarily. As Zeithaml & Parasuraman (2014, p.18) said, reflecting appropriate standards towards customers is not enough. If the company fails to encourage and require the achievement of these standards – ultimately the standards do no good.

Lastly, the core service sometimes requires extra equipment and production. Company X has slowly acquired more of its own equipment to meet additional needs expected by its customers for the core service, but frequently the company uses intermediaries. There are many factors that may work adversely towards service quality using intermediaries; the equipment might not work properly, equipment is of low-quality, Company X's technicians might not have full knowledge on how to operate the equipment or rented equipment is delivered late for Company X. All of the above elements are risky and should one of them occur, it decreases the overall service quality of the service and production of the event. Overall when using intermediaries the service performance and consistency is out the company's control.

The marketing communication gap – Managing service promises

Aligning all of the companies external and internal messages are crucial in achieving an integrated marketing communication phenomenom. Messages between employee to customer are the most important communication companies have towards their customers, hence it is imporant to have consistent messages throughtout all marketing bodys in order to avoid missed promises and signals. A strategy to manage service promises, managing internal marketing communications, improving customer education, and managing customer expectations are amongs the key factors to successfully attain integrated marketing communications. Clearly stated service promises, such as warranties and guarantees are effective ways to increase customer perceptions of service reliability (Zeithaml & Parasuraman, 2004, p. 21, Grönroos, 2010, p. 118).

Gap 4 is irrelevant to Company X. Company X practices zero to minimal marketing in external channels, therefore there are no promises made to external parties and thus no gap to start with.

3   Keys to satisfied customers

Service quality and customer satisfaction are highly related empirically. However, these two concepts are believed to differ from each other. The term "quality" is a label that applies to or describes a product or service itself, whereas "satisfaction" is a subjective reaction or evaluation on the part of a consumer of the product or service (Myers, 1999, p. 156).

Customer satisfaction is generally an ongoing constant monitoring event, where the improvements of satisfaction can be monitored in a longer span of time and may be developed in time for new products and services. Customer satisfaction can be monitored in three ways; spontaneous feedback, satisfactory surveys and amount of recommendations (Bergström & Leppänen, 2013, p. 484).

Spontaneous feedback is genuine responses from customers on services or products. These responses may amount to thank yous, reproaches, complaints and development ideas. Companies must attract customers to give out feedback and the company must make giving feedback as easy as possible: feedback forms need to be easily available, customers need to be available to call a feedback phonenumber, or send feedback by email or SMS. Customer feedback may also come through the company's employees, retailers, website or blogs. Different ways and mediums for spontaneous feedback hereby need to be readily available for the customers (Bergström & Leppänen, 2013, p. 484).

Satisfactory surveys are aimed for the company's current clientele, and are aimed to figure out the functionality between company and product in relation with the expectations of the customers. Therefore, among measuring customer experiences the company needs to measure the expectations of their customers and the realization of these mediums. Purchase amounts or repetitive purchases on products or services are not always the best metrics to measure satisfaction – the customer may purchase a product for there are no alternatives or they are not aware of substitute products. In a situation like this the customer is not committed to the product or service of the company and thus can move to an substitute or alternative product immediately when an opportunity presents itself (Bergström & Leppänen, 2013, p. 485).

Satisfactory surveys measure satisfaction as a total and in sections (individual products, product categories, departments, pricing, quality, customer service). Surveys can measure the degree of satisfaction and can accordingly categorize individual customers within a customer segment (Bergström & Leppänen, 2013, p. 486).

It is important that the company chooses reliable metrics and that the survey is repeated in a frequent manner to ensure the satisfaction survey measurements and results are comparable and correct. If the company has lots of customers and purchase events, a random purchase event within selected customer segments is chosen, which in turn can be measured behalf of the whole clientele's satisfaction. Recommendations and satisfaction have a connection with each other and primarily increased customer satisfaction generates recommending for the company or product (Bergström & Leppänen, 2013, p. 487).

Company X is actively requesting feedback from its customers. Usually feedback is received through email inquiries. Occasionally employees supervising client events receive spontaneous feedback straight from the customer at the end of their event. Usually the feedback is of thank yous and satisfied responses on a successfull event. Rarely have clients had complaints on the services of Company X.

As stated earlier, Company X's market competition is very small and most of the customers do not have a choice should they need simultaneous interpretation equipment rental for their events. For the customers, there are substitute products that serve the same purpose (Company X has these options in there offering), but these equipment are of low-value, low-quality and lack professionalism. However, with improvement and effort to customer satisfaction, the problem of selecting between professional and non-professional solutions to simultaneous interpretation should be aimed to become obvious for the customer. With competent customer satisfaction the usage of professional services for the customer should be an easy choice and estrange them from the substitute products. The professional solution to clients events is more expensive, but in turn the customer receives uninterrupted meetings or events, more accurate interpretation and an overall more professional outlook for their meeting or event.

Although feedback is requested from clients frequently, it is not stored or collected anywhere. Measuring client satisfaction is non-existent in Company X. Received feedback is noted and realized, but not recorded anywhere. There is no database to compare and understand issues customers have with Company X's services and thus all knowledge on satisfaction and feedback becomes intangible. Issues are indeed communicated between management and employees, but not stored anywhere and having nothing tangible is prone to become forgotten.

In hard economical times satisfied customers become essential. Occassional campaigns of satisfactory surveys for customers would easily benefit the business and operations of Company X for a small prize. Developing a database for customer feedback would increase the understanding of the state of customer satisfaction and in turn more pleased customers.

Especially in a market where customers do not have many choices, satisfied customers might organize more events and moreover attract new customers to the business through word-of-mouth and other recommendations. Moreover, offering quality service and pleasing customers with the expensive service should encourage customers to view the productions of Company X more as a privilige rather than necessity.

3.1   Customer Loyalty, Retention and Commitment

The base for loyalty is customer satisfaction. This is achieved by 'doing best what matters most to customers'. Measuring customer satisfaction produces information which enables managers to analyze and aid correct decisions to maximize customer satisfaction and hereby improve customer retention (Hill & Alexander, 2006, p. 9).

Following the purchase behaviors of customers tells a company about the development of that particular customer's loyalty. A company follows a customer's impulse purchasing and purchasing density and what and how much that customer buys. Customer satisfaction does not guarantee customer loyalty: a dissatisfied customer may continue buying, because they are lazy to change product or there are no better options nearby. Many customers are indifferent about their customer relationship and do not consider why they purchase in particular places and particular products (Bergström & Leppänen, 2013, p. 488).

A customers loyalty will often be reflected in their behavior. A loyal customer might demonstrate commitment by travelling further than necessary or paying a higher price if they believe a company provides superior value in their services or products. Attitudes may also be reflected by loyal customers. Loyal customers will believe that their chosen supplier is the best in its field (Hill & Alexander, 2006, p. 17).

Researching customer purchasing behavior tells about multidimensional loyalty. There are customers that prefer only one company and brand all the time (hard loyals), and customers that are loyal to brands only for a short period of time (soft loyals). Furthermore, some customers switch between stores and brands simultaneously wearing or using multiple different brands or products (shifting loyals). Lastly, there are customers non-loyal to any brands or products (switchers). A company should map the levels of loyalty within their clientele and plan means to increase customer loyalty overall within their clientele (Bergström & Leppänen, 2013, p. 488; Hill & Alexander, 2006, p. 16).

Customer loyalty is improved by developing loyalty or vip programs, which are aimed to tie the best customers to become long-term buyers. There are multiple factors affecting loyalty,

and a single customer's loyalty is affected in multiple ways. Customer loyalty can be a learned manner or a conscious choice (Bergström & Leppänen, 2013, p. 488).

Long-term customer relationships should be rewarded, but not always are long-term customers good customers for the company. It is possible these long-term customers have been promised abnormal price- and service benefits, which strain the beneficiality of the customer relationship. These particular customers are reluctant to address their purchasing behavior and demand similar special services and prices as perceived previously. Hereby the company must surcharge their services or guide the customer to a more affordable purchasing channel (Bergström & Leppänen, 2013, p. 490).

It may be unreasonable for a business to expect its customers to be loyal, it is practicable to aim for customer commitment. Most businesses have some customers committed to them, but oftenly not enough. However, substantial value is gained by the few committed. While committed customers value the company and stay with the supplier longer, committed customers also purchase more often and buy from a larger scale of products from the supplier. Committed customers spend more because they are less price sensitive than the less committed customers. The most committed also recommend more and consider competitors less (Hill & Alexander, 2006, p. 17-18).

The satisfaction with a given service encounter influences the future behaviour of the customer. The customer's behaviour is dependent on feelings of loyalty and commitment to the company. However, there are also other factors that have an impact on behaviour. These are bonds that exist between the customer and the service provider. Structural bonds, often constitute to barriers exiting from the relationship, and on the other hand, experienced bonds, may glue the customer to the service provider and have a positive influence on the relationship (Grönroos, 2010, p. 94-97). Customers are binded on the other hand by factors affecting the structure of the customer realtionship, and on the other hand by bonds connected to the customers experiences as follows:

1. Structural bonds
   - Legal bond – A contract between the customer and service provider (e.g. TV).
   - Economic bond – Lack of resources may force the customer to buy a service that fits the customer's budget, price reductions based on relationships.
   - Technological bond – The purchase of a specific product that requires the use of a specified deal for repairs/maintenance and/or original spare parts from the manufacturer of retailer.
   - Geographical bond – Limited possibilities to buy the service from other than one or a few service providers because of distance and/or lack of transportation.

- Time bond – A service provider may be used because of suitable business hours or because of a flexible appointment system. Customers are limited by business hours set by service providers (e.g. child care/kindergarden).

2. Experienced bonds
   - Knowledge bond – The customer may have an established relationship with a doctor familiar with the customer's medical history.
   - Social bond – Social bonds exist when the customer and the service personnel know each other well. Contact is easy, there is mutual trust.
   - Cultural bond – Customers may identify themselves with a subculture (e.g. language, country) and therefore relate more strongly to certain companies or products made by certain countries.
   - Ideological bond – Customers may be inclined to prefer some service providers because of certain personal values (e.g. environmentally friendly products).
   - Psychological bond – The customer is convinced of the superiority of a certain service provider (brand image) (Bergström & Leppänen, 2013, p. 489; Grönroos, 2010, p. 98).

Structural Bonds	
Legal Bond	Contracts for sole-providing services.
Economic Bond	Long-term customer benefits and other discounts on equipment.
Technological Bond	Specialized equipment designed to cater simultaneous interpretation.
Geographical Bond	Lack of modernized equipment or demand does not meet supply (Estonia).
Time Bond	Services can be delivered around the clock, even after business hours.

Experienced Bonds	
Knowledge bond	Many customers have long-lasting relationships with Company X.
Social Bond	Employees and management are aquainted with customers through business.
Cultural Bond	No distinct culture bond between customers.
Ideological Bond	No distinct idealogical bond between customers.
Psychological Bond	Many customers recognize the brand image of Company X.

Table 1. Structural and Experienced bonds of Company X (Potinkara, 2015).

Commitment and loyalty towards Company X stems from the technological bond offered by the company as their core service, the specialized equipment enabling professional simultaneous interpretation. This particular bond binds most of Company X's customers to use its services. Only one competitor in Finland offers similar equipment to its clients, but they are restriced to use their equipment only in their venue, and thus do not have the possibility to transport and offer their equipment throughout Finland.

30 years of experience and presence as a conference service provider, the company has established many contacts, partners and friends within its operating market. Knowledge, psychological and social bonds have a notable factor in retaining old and new customers. The well-established reputation of service the company has served its clients with has kept several customers loyal to Company X's services for years. Moreover, the reputation has brought in new customers referred by these long-lasting customers. Brand image domestically and internationally for Company X is strong, and the image is of a quality-, reliable- and fluent service provider in conference- and interpretation solutions.

Geographically Estonia has a similar business to Company X, but their inventory and capabilities in equipment do not match Company X's. Occasionally Estonian colleagues rent equipment from Company X to cater for their bigger events, which they cannot organize with their equipment.

A study published in Journal of Marketing (Gustafsson, 2005) finds that when predicting customer retention two evaluations of performance (e.g. customer satisfaction) and viability of competitive offerings (structual bonds) should be used. The study (Gustafsson, 2005) states that: "If customer satisfaction is the key driver, retention programs and efforts should focus on improving satisfaction whether or not competitors are doing the same things". On the other hand, the study states that if structural bonds are more important, the value proposition aspects should be emphasized to bring more uniqueness to the offering (Gustafsson, 2005).

Monitoring flow of customers regularly is important. Companies should monitor different customer groups in the number of buyers, number of new buyers and the number of quit buyers. Purchases of a customer may indicate a decrease in customer relationship, and thus should be monitored or be contacted. Through customer information registers companies can constantly monitor customers purchasing behaviors and identify when customers are increasing their loyalty, making it possible for the company to respond in the correct manner to increase customer loyalty. This kind of monitoring should be conducted atleast towards the most important customers (Bergström & Leppänen, 2013, p. 490).

As stated earlier, having a database for customer satisfaction has other applications outside of understanding the "subjective reaction" (Myers, 1999, p.156) to a company's offering. It allows a business to measure customer retention. Monitoring a database and the financials of purchasing behavior occasionally aids a business to improve and enforce correct decision making concerning customer satisfaction and retention. However, in the case of Company X it is important to understand that most customers do not have a choice of supplier, and thus usage of a database should (outside of customer satisfaction) be considered mostly to aid decisions on tying new customers and to retaining current customers.

Company X offers discounts to its long-term customers. However, there is more the company could do to attract additional long-term customers. There are clients (f.ex. hotel chains) that use Company X's services for their meetings and events, but inquiries come from individual units. Mostly these customers use Company X's simultaneous interpretation services, but occasionally the events are for audio services. Production of audio services is a lucrative market area for Company X and has lots of suppliers offering varying amounts of audio services for customers. A contract of sole-providing services for producing all events to these clients would be beneficial by increasing the amount of business the company provides. Possibly the contract could offer the client a discount of service or other benefit for the services. The contract would suggest and enforce the client to direct all of its meeting or event needs towards Company X. Not only would this bring in more business, but simultaenously contribute marketing of Company X's services to the client's customers and hence attract more exposure and possible new customers. Lastly, the customer would be bound by contract to use the services of Company X and not another supplier, hereby boosting business in interpretation services and increasing market share in the audio service market.

3.2   Customer profitability

Customer profitability is monitored by the whole clientele, customer segments and in valuable cases by individual customers. It is important that profitability be monitored constantly by a few basic metrics in a manner, which supports the ability to give comparable data on different months, years and customer segments. Profitability can be improved by increasing customer-specific sales, increasing prices or decreasing marketing- and service costs (Bergström & Leppänen, 2013, p. 491).

When observing customer profitability it is important to note the whole life-cycle of the relationship. For example, a bank wants to have kids and teenagers as their customers. These low-income customers may grow into high profitable customers in the future when they need mortgages, study loan or capital for a company. Thus, a company must invest into both current and future customers. Customer profitability is also affected by the customer's

recommendations, meaning that the profitability is also measurable in how many new customers is brought in by the customer's example and recommendations (Bergström & Leppänen, 2013, p. 492).

Another perspective to observing customer profitability is to measure the lifetime value of a customer. It is a metric of the customer's average spendings with the business, multiplied by the length of time the business will retain the customer. To elaborate, if the average supermarket customer spends around 100€ per week and remains loyal for ten years, the lifetime value of the customer is 52 000€. The power of the concept is demonstrated by what can be achieved through very small increases in customer retention (Hill & Alexander, 2006, p. 9- 10).

Learning is a natural part of customer relationship management and development. Companies should learn from the above mentioned metrics and customer feedback, and moreover constantly develop their customer relationship marketing. There are always dissatisfied customers and their input may be a vital resource into receiving development ideas. Although this may be the case, it is important to understand that not everything is done on the customer's terms, but rather have the company act as the director of the customer relationship (Bergström & Leppänen, 2013, p. 492).

Learning can also happen from the company towards the customer: a company may teach its customers to act in a preferred way, which may benefit both parties. For example, an ATM user saves time and the company in service costs. Marketing should be communication with customers utilized through different channels and opportunities. Customer encounters can be planned accurately, and these encounters can be used to benefit (Bergström & Leppänen, 2013, p. 492).

Firstly customers are foremost in contact with purchased products, which may include a feedback form, customer survey, or atleast information how to contact if needed. Secondly, in personal contacts the company's employees can ask questions and encourage customers to give feedback. Thirdly support systems, such as invoicing and the company's website, are contact points where new products or additional products may be introduced. Lastly, the service environment may act as a contact place. The waiting area for an appointment may offer an opportunity to answer a feedback form or introduce the customer to new products (Bergström & Leppänen, 2013, p. 492).

Marketing has travelled a long road transfroming from a product-centric way of thinking towards a more holistic customer- and stakeholder relationship way of thinking. A company's traditional competitive tools; product and offering, price, availability, and marketing

communication are still very important, but alongside these have arisen a company's staff and service, internal marketing and relationship management. These are the means today's companies succeed in thriving competition (Bergström & Leppänen, 2013, p. 492).

Hereby modern marketing is a skill of mixing various means of creating, preserving and making use of profitable customer relationships. Every employee of the company markets, and in depth everything which is done, is marketing (Bergström & Leppänen, 2013, p. 492).

Customer profitability is not monitored in Company X, but rather it is taken into account. The business does not measure customer profitability, it is just another metric used in conversations to compare each individual customer.

On the other hand, customer profitability is always raised when dealing with new customers. Securing business with new customers is found important and looking for a long-term relationship is always the goal. New customers are generally new to the field of simultaneous interpretation, and thus successful productions for their events may inspire more orders in the future.

4   Overview of the markets and main competitors

This section is dedicated to dissecting the characteristics of Company X's main competitors and its markets. Following the topic of this thesis, the analysis will be delimited to analyzing competitors from a service viewpoint, and hereby no in-depth analysis on products, financials or overall market share are examined. It must be noted, that views and knowledge of the competitiors are of the author's, and therefore no conclusions are to be made on competitiveness of the markets or of the competitors.

4.1   Core service competition

The main line of business of Company X, a simultaneous interpretation solutions service provider, has only one recognizable competitor. Suomen Videoviestintä Oy (SVV) is the main audiovisual service provider of the Helsinki Convention Center (Helsingin Messukeskus). They market their main line of business on their website (Suomen Videoviestintä Oy SVV OY, 2015) as an "Audiovisual service provider".

Whilst their main services are in sound, light, visual solutions, AV technology, and telecommunications, they also offer interpretation solutions. Though it must be stated, interpretation is a small fraction of their operation. SVV is the only known company in Finland to have similar simultaneous interpretation equipment. Although they have the same

capabilities to produce similar events as Company X, they are limited to use their equipment only in their own productions. To elaborate, they do not offer simultaneous interpretation equipment to others, but Helsinki Convention Center's customers.

Eventhough they are bound to work with Helsinki Convention Center's customers, SVV has steady flow of productions within their quarters, which in turn cuts on Company X's potential customers and productions. Moreover, SVV have managed to secure substantial production events in Russia.

In perspective of market share, Company X has the majority of the simultaneous production market – no percentages are known, but it is safe to assume Company X controls a large portion. The only situation of real competition revolves around customers organizing events within the Helsinki Convention Center. Rest of the market is left for Company X as there is no other service provider in Finland to produce simultaneous interpretation events.

Eventhough one might assume there is competition, the fact is, it is very small. As a matter of fact, both companies have realized the void in competition and occasionally work together in events. With cooperation, both companies have worked together on bigger events organized within the Helsinki Convention Center. For example, in situations where the simultaneous interpretation production in genereal annual meetings of big organizations held in the Convention Center have been trusted to Company X, the company has rented equipment from SVV. The ease of having adequate volumes of equipment nearby and easily available saves on shipping and work costs rather than having equipment shipped from Sweden or Denmark. This cooperation is more profitable to SVV, but it saves money for Company X. It is a win-win situation for both companies.

To summarize, the existence of SVV is no threat to Company X in its current state. They mainly work in other fields of audiovisual production and their overall business with simultaneous interpretation is very minimal. No signs of attempt to expand its interpretation solutions offering is known to the author. The only notable nuisance is their presence in the Russian market. SVV having secured multiple production offers to participate in huge summits held in St. Petersburgh and Moscow is slightly worrisome. For Company X, having their main competitor attending big events in a lucrative market is a wedge in creating public awareness and market presence in the Eastern neighbor.

4.2   Facilitating- and supporting services competition

In the current economical state of Finland, Company X has noticed a clear decrease in its simultaneous interpretation event productions. Customers organize less events and use more

subsidiary products. The difficult economic climate has transformed the needs of customers - less interpretation and more audio. To clarify, customers use less expensive interpretation and settle for less, in which interpretation is ignored or solved in cheaper means. Due to these shifts in market, a notable increase in speaker and microphone events have emerged. Speaker and audio services have always been in the service package of Company X, but usually they were supporting the main line of business. In this context, Company X has started to offer its customers with audio- and video solutions as a separe service from their service package. Currently Company X has a significant portion of its business offered in audio- and video solutions compared to previous years.

While the market share in interpretation solutions is firmly in control of Company X, the market competition for audio- and video services is competitive and has many companies contesting for events. Most of the companies operating in either field usually offer customers with solutions to both services more or less with similar standards and readiness. Hereby companies have differing abilities to serve their clients with audio- and video services:

- others have the capacity to produce events with similar standards to either field,
- some have lacking possibilities in one or another field,
- and others are strictly only providing audio or video services.

The presence of multiple available competitors in the audio- and video production market has intensified the supply, and thus many companies are currently figuring out the correct angle of how to promote their services over the competition. Service quality and cost are the main metrics companies are competing with to secure business over the competition.

In the supporting services line of business, Company X has a bigger competition to compete with. This analysis is delimited to look in the competition in the audio field of production. Video production is a very small business for Company X and therefore comparisons concerning the market are consciously left out.

The two main competitors are Bright Group and Sound Engine. In addition, a handful of smaller companies are in the business of producing audio services.

4.2.1   Bright Group

The biggest of the two competitors is Bright Group. Bright Group was infused in 2014 from three companies: Eastway (audio), RBG (video and display) and Moving Light (lighting). In light of audio, Eastway was the biggest competitor (capacity to produce) to Company X. Eastway, according to their website, is an ".. provider of technical event services ..,

including sound, lighting, video, and stage" (Dekode No, 2015). Eastway was a very large business prior to the infusion focusing in organizing concerts, festivals and corporate events. Currently, they are even bigger being part of Bright Group, having access to video and lighting equipment within their business.

Currently there are no means for Company X to compete with Bright Group on events. Bright Group are competing on a larger scale, own larger stocks of inventory, employ much more staff and have access to more capital than Company X. On the contrary, the two companies participate in differing markets in audio- and video production. The distinction here is to separe the target market, where Bright Group focuses to target large organizations and international big events, whereas Company X focuses to produce smaller events for its clients and customers.

Due to Company X's core business, cooperation between the two companies is frequent in certain annual events. This cooperation is very valuable. Usually these events are produced for big corporations and have thousands of people attending. Having to produce interpretation solutions (offering equipment) is very profitable when scaled to large proportions. Moreover, the presence alone in these big events are very profitable. Company X being nearly the sole-provider of simultaneous interpretation equipment in Finland, the exposure and "silent" marketing participating in these events creates valuable knowledge and public awareness of Company X to the organizing body of these events, and their customers. The awareness and knowledge has brought in productions for smaller events of audio services.

Overall Bright Group controls the market, but they compete for different customers than Company X. As stated earlier, there are no means or needs for Company X to try and enter their markets. Presence and creating value through participating and cooperating in Bright Group's big productions is found to be beneficial enough.

4.2.2 Sound Engine

Sound Engine is the second competitor. Sound Engine is a production service provider (Sound Engine Oy, 2015). Sound Engine is a much smaller company compared to Bright Group. They are the main competitor to Company X in audio production events. Sound Engine focuses on the same target market as Company X – smaller event production needs of customers.

Sound Engine produces events to its customers. Customers are offered audio-, video-, lighting-, expo-, and furnishing solutions. It is important to understand, that their main line of business is event production, where they are responsible of organizing multiple technical aspects of an event. The competitiveness with Company X is due to contesting for audio

productions – microphone and speaker events to be specific. Sound Engine and Company X directly compete with each other for meetings, conferences and events organized by private people, companies and organizations.

Sound Engine has an edge in the competition. They have partnered with a few hotel chains to solely provide audio services for their events. Having secured partnerships, hotels are bound to have their events produced by Sound Engine. Instances of interaction with Sound Engine include events, where hotels have orderd simultaneous interpretation services from Company X, but Sound Engine was the party organizing the audio of the event. In these events it is inconvenient to the customer having two companies participate in the same event from two different production sides. Paying for two technicians to supervise two branches of technical equipment is expensive, especially knowing that Company X could have handled all technical needs of the events.

Hotels have started to realize the inconvienience of organizing events with two companies. This is a great development for Company X. Understanding the importance of well-organized events for the hotels is an excellent marketing tool, as Company X can handle all technical needs of smaller venues. Sound Engine is uncapable of organizing and producing simultaneous interpretation events. Hereby, Company X has a competitive edge that unfortunately is not utilized yet – the company can produce all events held by hotels should it be audio-, video-, interpretation or a combination of either.

Sound Engine uses Company X as an intermediary to their productions. Occassionally they rent equipment to help organize their events. Their rental needs usually consist of offering their customers with Company X's subsidiary interpretation solutions. These equipment are very light and secondary solutions generally avoided by Company X to offer its customers with. Company X has assumed renting to Sound Engine being profitable. As long as Sound Engine is not creating new relationships with Company X's current customers, and not claiming the equipment of being their own, the assessment should hold true. However, if in the future Sound Engine's need for interpretation equipment increases, the assessment on profitability should be reviewed to secure Company X's own business and prevent poaching of its current customers.

4.2.3   Other competitors

Bright Group and Sound Engine are described in this analysis as proficient businesses. High-end equipment, expertise, well-trained staff and overall appearance of the companies are features Company X recognizes and realizes.

The other half of the competition is formed out of "small" players. "Small" players are companies or private entrepreneurs in the market, with not very competitive merits in terms of service, quality and overall appreance of productions. Moreover, the assumed target market for these companies are a scale lower from the proficient businesses. "Small" players target markets which consists mostly of local small sports clubs, schools, and libraries to name a few.

"Small" players utilize outdated equipment and attentions to detail are of lower quality. Interactions have stayed minimal, but the current economical situation may see an increase in competition.

The only competitive way for them to obtain customers is to offer lower than standard prices. Naturally low prices invite customers to consider using their services. The presence of "small" players in the market is a nuisance to Company X, as they drive the prices down and risk customers to possibly settle for lower-quality.

Thankfully so far, customers have realized the relation of price to quality. Ventures of saving money have quickly rebounded back towards the proficient businesses and their professional productions.

5   Empirical study

The qualitative interview questions (Appendix 1) were generated from relevant theory found by authors Grönroos, Zeithaml, Berry and Parasuraman, and furthermore designed to leave an open-ended possibilty for answers catered to understand the respondent's perceptions and expectations on service quality and satisfaction.

The data was collected using established customers of a small-sized Finnish company providing congress and audiovisual services, Company X. The interview sampling was chosen from new to long-time customers. No predetermined guidelines or steps were given to interviewees prior to the phone interview. Interviews were deliberately planned to be of unexpected nature and thus promote intuitive and genuine responses. Slight specifications to initializations of questions were given to encourage a certain scope of answer, but no mixing of the authors values, attitudes or beliefs were brought into the study. Customers contacted for the phone interview were told the interview would be kept brief, which in turn might have brought diminishing value to the answers. Although the possibility for more complete answers was deficient, all answerees willingly took time during busy business hours to participate in the interview.

Questions were presented to customers in their native tongue, Finnish, and translated by the author to English. The interview process is considered as a reliable source of information – reviewing answers from multiple angles give the same results. Also, answers given to interview questions match the capacity they were designed to measure and thus it can be concluded the interview results are simultaneously valid (Hirsjärvi, S., Remes, P. & Sajavaara, P., 1997, p. 231-232; Taylor-Powell, E. & Renner, M., 2015).

The reliability of this research is increased by having answers from long-term customers. Long-term customers have more experience working with the client company. Moreover, the interview process allows for the interviewer to specify questions if misunderstood by customers.

On the contrary, the reliability can be hindered by the fact 75% of the answerees are long-term customers of Company X. With a small company such as Company X, long-term customers personally recognize all employees (such as the interviewer) and may give differing answers to reality. In the case of this study, the interviewer acknowledges three fourths of the customers to knowing him, but not on a very personal level, and hence concludes there to be a slight risk of impaired reliability to answers, but not on drastic levels.

Because the main purpose of these interviews was to understand customer expectations and perceptions to service quality, the interviews (Appendix 1) are reviewed and analyzed in this section. The interview analysis and results form the basis of the thesis' recommendations and conclusions.

5.1   Customer backrounds

Company X does not publicly release information on its clients, and thus interviewees are referred as customers A, B, C and D. All of the customers participating in the research are briefly introduced to understand the relationships and their field of business.

Customer A is the main business partner of Company X. They represent the best and most valuable customer. The business relationship is extensive, business between the two parties has gone on for over 20 years. Their business revolves around the utilization of Company X's core service and thus the relationship is very important to one another.

Customer B is another one of Company X's long-time customers. Customer B is an event center, in which they serve their customers with an venue and facilitate to organize their meetings and events. Customer B has been a client to Company X for well over 7 years. The entire length of the relationship is unknown to the author, but business with each other was conducted well before the author first worked in the client company in 2008.

Customer C works as an event coordinator for a hotel chain in Finland. In specific, this person organizes events for the chain's hotels in the Helsinki area. Whilst working for the hotel chain, the relationship is 2 years old, but this person had previous experience working with Company X from her previous employer, an event venue.

Customer D is a new customer to Company X. This person works for an public affairs agency, as a consultant. The company has served Customer D for two occasions, and thus the relationship is fairly new. This customer had its first contact with the Company in the spring of 2014.

5.2   Interview results – "Closing the gaps"

In order to improve service quality, the company must start building its key concepts, strategies and decisions from eyes of the customers perceptions and expectations. For the company to fully understand the customers perceptions and expectations, the feedback received from customers has to be deciphered and analyzed in a structured manner. In this section, specific questions from the interview (Appendix 1) are used to analyze and answer possible issues relating to each gap.

5.2.1   Determining what customers expect

The core reason for provider gap 1 is the difference in which company and customer understand each other in terms of expectations of service.

The interviewees expreseed high expectations of service. Reliable, functioning, rapid and professional service production were among adjectives to describe expectations of Company X's services.

In order to determine the size of gap 1 from the management side, the CEO of Company X was asked a few questions (Appenix 3) to aid the analysis. The CEO points out that first and foremost the company expects to serve the needs of its customers. Rather than expressing customers to expect professional and quality service, he states Company X to being an easy service provider. The CEO expects customers to appreciate the quickness of service delivey to their events.

In addition to expectations of service quality, communication between employee and management is a factor to the "management perception gap". The CEO felt that he actively asks his employees about produced events, but he does not automatically receive feedback.

He finds lack of automatic communication and feedback, transmitted by employees, of being a natural aspect of improvement in order to fix even the slightest shortfalls.

Thirdly, the value of customer retention was brought to the CEO. The aim was to establish knowledge of current strategies and tools to retain current and new customers of Company X, but the CEO misunderstood the question from the interviewers point of view. Nevertheless, he did recognize customer retention to be of primary importance. He points out that by sustaining and improving the current quality of service, the company attracts new customers and retains the current.

Reviewing all participants answers highlights a difference in expectations of service quality. Majority of the customers expected strongly that services are produced reliably, and that everything functions (from the authors experience and perspective, the customers are worried of the success of their events). While customers are expecting reliable and functioning service, the CEO expects to meet their needs easily and with quick responses to queries.

The difference in expectations underlines the views in which the CEO and the customers are coming from. To elaborate, the interviewees are serving their business' customers, while the CEO is producing services to the interviewed clients. Answers given by the customers reflect their worries of organizing successful events for their customers and hereby their expectations differ from the ones of the CEO of Company X.

Though there are differences in initial expectations, the overall satisfaction of service quality is very satisfied among the customers. Hereby it can be said the overall quality of service meets the customers expectations and thus gap 1 is currently a rather small factor to overall service quality.

5.2.2   Quality specification gap

Customer-driven standards are the cornerstone of Company X's service design. Throughout its more than 30 year experience working in the field, the customer always comes first. It is important for Company X to relay their knowledge on simultaneous interpretation production to customers, due to most customers being total strangers to the field. Supplementing customer-driven standards to customer service, the company communicates trust and expertise to handle their customers' interpretation production needs.

The interviewees were asked about their perceptions on Company X's approach to customer-oriented service, and feelings about the company meeting to serve their needs. All

interviewees agreed on Company X sufficiently serving their needs from a customer perspective. In addition, many customers admitted to being fairly unaware of simultaneous interpretation production, and thus thanked the company for the helpful and expert service they have received. Moreover, 75% of customers noted that forgotten items or needs on orders were inquired from the company's side which they would have not realized to even consider. One of the customers commented that the expertise of Company X brought him a lot of confidence in organizing events.

Concerning the service process of Company X, one customer remarked that the simultaneous interpretation production should be presented in a clearer fashion to the customer. Ultimately the customer is unaware of all the equipment required, nonetheless an event is to be produced. With clearer guidelines or clarifications to specific needs, the customer would feel more confident to the offered service.

The remark made on service process design was made by a new customer. All the other customers were long-time customers of Company X, which in turn translates to knowledge and trust in the current service process design. However, the fact that one out of four interviewees brought this design into question is rather important. Company X deals with many new customers, and knowing their probability to not understand the field – clearer specifications to simultaneous interpretation production is to be considered. The production of a simultaneous interpretation event may be complex, with many factors and elements relating to each other. To ensure the continueing relationship with newly acquired customers, the process should be made clearer and understandable to all customers. The equipment and services of Company X are considered expensive. The fact of obscurity and uncertainty to what the customer is paying for must be minimized by deploying clearer guidelines to the whole service process. It must be remembered that Company X operates in a niche market of event production, and thus all customers are vital and important to secure and even further improve business.

5.2.3 Service quality gap

Whilst Company X employs different levels of expertise bearing employees, none of the customers felt like service quality or customer service suffered in any way. Contrarily, all of the answerees had haved similar standards to customer service and were satisfied dealing with multiple employees of the company. All of the long-time customers found personality differences to each individual employee, but had nothing blameworthy to comment.

One of the interviewees had dealt with three employees, which he found peculiar. To note, the same customer understood Company X to be a big company in the market. Whilst the

company is the dominant player in the market, the fact is the business is a SME employing 4 full-time employees. If the customer felt dealing with a larger organization and expected a sales representative, the bewilderment could be explainable. Nonetheless, the ambuigity is nothing to be concerned of, just an interesting remark.

5.3   Other findings

Company X's core business is in its simultaneous interpretation solutions production. This niche market has been operated with minimal resistance for decades. However, as analyzed earlier, congress and meeting event production needs have shifted from an ideology of a compulsory professional simultaneous interpretation setup towards a more "settle for less" solution.

As stated before, Company X reacted to this shift by investing into additional equipment in order to serve the growing need for plain audio and microphone events. In addition, the company has expanded its service offering to platforms, trussers, small-scale video production, videoconferencing and lighting.

It is interesting to find that interviewees, even ones with 20 years of experience working together, have no idea of the whole service offering except for the interpretation solutions production branch. The notion of long-time partners only recognizing the company as a simultaneous interpretation solutions service provider is concerning. If long-time partners are unfamiliar with the whole offering, it is safe to assume so are new customers. With the shift towards "settle for less" solutions on the rise, the company is possibly losing business in which customers are unaware of Company X's possibility to facilitate services to their audio-only events. In fact, the inconvinience is confirmed by customer 3 expressing a need for image transfer and webcasting – which are already offered by Company X.

Comments on the other hand on overall service quality are encouraging. It seems the company has set high standards of customer service and service quality, and have performed to set standards. All interviewees expressed their grateful feelings for the service quality and the solicitous customer service received from Company X. Having the staff ensuring the customer has considered all aspects of planning their meeting, occasionally reminding on forgotten items, brings a nice personal touch between the company and customer. The trust and care it messages towards a customer strengthens the relationship further. Customers 1,2 and 3 specifically continued to add these comments when asked about expectations and satisfaction on offered service quality.

Lastly, it is interesting to notice that customers had no complaints on the services overall. It is hard to analyze the reasons for zero levels of dissatisfaction and rather assume service is always perfect. The value of feedback is usually in the negatives rather then the positives, as negative feedback gives valuable information for improvements or other factors influencing the customer's overall expectations and perceptions. However, a small hint of dissatisfaction can be interpreted from customer 3's answer concerning service recovery: "The clients have always been satisfied and Company X has operated flexibly" (Potinkara, p. Appendix 1). Regarding service recovery, it is imperative that the company seriously deals with possible mishaps of service. Mishaps in service and weak service recovery may lose an customer of the company.

Reviewing the good feedback regarding question 8, it can be concluded the company has succeeded to understand the importance of customer grievances and acted accordingly to compensate for possible losses.

6   Conclusions and recommendations

Service quality is the tool for achieving competitive differentiation. In other words, businesses compete to overcome one another with exceptional service performance. Sufficient standards and means of supplying service quality to all aspects of a business' output is vital to customer satisfaction and retention. Service quality is measured by understanding customers' perceptions and expectations of service, in which a business' differentiation strategies are ought to supplement shortcomings of their competitors offerings. The study finds that interviewed customers of Company X are very satisfied with the quality of service and overall service of the company. Differences in perceptions and expectations of service are explainable by understanding the stance of each customer; most customers of Company X are subcontracting the company's services for their organized events. Hereby, their expectations are bearing a minimal risk state of mind, expecting services to be produced reliably and events functioning flawlessly.

The difficult economical climate of the Finnish market forces companies to expand their service offering and furthermore develop their overall service package. Customers of Company X are currently inclined to choose a lesser solution for their events rather than the professional approach. In a niche market of offering simultaneous interpretation solutions to meetings and events, Company X's customers are cutting on its core niche business and settling for alternative solutions. Hereby the importance of utilizing the Company's current clientele to secure their meeting and event needs, even in alternate market areas, becomes increasingly important. The research found that customers are not fully aware of Company X's service offerings. The marjority of interviewees felt Company X to only produce

simultaneous interpretation events, although the service offering consists of multiple possibilities to facilitate non-interpretation events. Main communication channels should be updated to emphasise the Company to have capabilities of producing a broad variety of meeting needs and solutions. The current perceptions of the Company may lose non-interpretation events to competitors, due to customers not recognizing the whole service offering of Company X.

Customer-driven standards are vital to acquisition and retention of new customers. Customers of Company X are either long-term- or new customers. New customers are generally laymans to the field, and thus require additional care and guidance for their events. Developing clearer guidelines and specifications to the Company's productions ought to aid new customers to understand the complex and sophisticated elements which partake in producing their events. Elements of the service process is suggested to be updated to minimize confusion and unclarity amongst customers. With clear instructions to requirements of each production, customers pondering between lesser and professional solution should skew their choice towards the professional option. Ultimately the goal of refreshing the service process and standards is to shape the assumption of customers to always choose the professional option over the "settle for less" option.

Lastly, the easiest way of measuring success is by listening to customers. Customer feedback is paramount when determining a customer's needs. Generally companies conduct focus groups, in-person research or customer feedback surveys to determine service features, designs or standards that consumers desire and appreciate. Customer feedback helps companies determine what is important to their customers. Without customer feedback, a company could not possibly meet the expected product needs of the consumer. Though customers have always been prioritized in Company X, receiving feedback has not. As stated earlier, Company X has never conducted a market research or any other means of understanding the market and its customers. All customers are assumed to use services of the company when opportunity or needs present themselves. Acquiring feedback is the easiest, best and foremost cheapest way to improve service quality and customer satisfaction. Whilst it is true customer satisfaction towards offered services and service quality is of very satisfied sort, the company should strive to improve. Devoloping strategies to support internal communication between management and employees, and furthermore offering opportunities for customers to give feedback will allow the company to have increased knowledge on its successes and deficiencies. Moreover, customer feedback may help the business develop new services and offerings to further differentiate itself from the competition and shape the market.

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Appendices

Appendix 1: Interview questions in English.

Customer references and job description

    I.   Customer A (Long-time customer, International company) – Project Manager
   II.   Customer B (Long-time customer, Event Center) – Event Coordinator
  III.   Customer C (Long-time customer, Hotel Chain) – Event Coordinator
  IV.   Customer D (New customer, Public-Affairs consultant agency) - Consultant

1. **How many times have you used Company X's services?**

    I.   Experience from 20 years back (estimate).
   II.   Since 2005. Have been using services regularly since then. Company X is our main partner and sole-provider of simultaneous interpretation solutions.
  III.   Does not know. Somewhat five years' experience.
  IV.   Personally has used only once, but the agency has used multiple times.

2. **How familiar are You to Company X's whole service offering?**

    I.   Interpretation solutions are familiar, others are unknown.
   II.   All of the required elements have always been delivered. Personally cannot say other categories than interpretation offerings. Some indication towards knowing of the video production capabilities, but not familiar.
  III.   For her own needs sufficiently enough.
  IV.   Understands that the company offers interpretation solutions and found the company to be a big player in the market.

3. **What other services would you hope for Company X to offer?**

    I.   Rarely requested now-a-days, but clients are starting to have multi-point conferences, in which the need to input simultaneous interpretation is required. A videoconferencing-type of solution.
   II.   Nothing comes to mind, other providers supply our other technical needs.
  III.   Image transfer, webcasting, message board services and voting solutions
  IV.   We have a need for event recording. No other services come to mind.

4. **What kind of expectations of service quality do you have dealing with Company X?**
   (Is there any individual expectations/wishes concerning service quality?)

    I.   Everything works well, well-versed and know what you are doing. Items which he has not considered are understood to inquire from behalf of Company X. He knows that Company X will handle the event.
   II.   High expectations and moreover their customers have high expectations. Their service requirements have been met extremely well. Company X is reliable, rapid and professional.
  III.   I trust that everything works and realizes as agreed. High expectations, everything works always.

IV.   Expectations are for the service to be produced reliably, is reasonably-priced and the possibility to produce technical solutions to varying amount of events.

5. Have you been satisfied to the service quality of Company X? Why/Why not?

    I.   Yes. Very satsified. Reliable, professional and helpful customer service. For myself, I'm rather unaware of the technical aspects of organizing events, and hereby Company X have always helped to realize needs I personally had not even thought of. In addition to this, we find Company X to be our most important and trusted partner. Everything is familiar and the long-time partnership has enabled both parties to understand each other. Everything works really well, and if there is a mishap – it's fixed really fast.

    II.   Yes, very satisfied. All elements work really well, we receive quickly responds to queries, pricing and offers.

    III.   Yes very satisfied.

    IV.   We are very satisfied.

6. Do you feel that in the design of services your needs are taken care of in suffienct manner? Why/Why not?

    I.   Yes, Company X's expertise on interpretation solutions brings me lots of confidence.

    II.   Yes, if I myself forget something while asking for a quote, Company X have always realized to ask clarifying questions.

    III.   I feel yes. Aspects which I did not realize to think for myself are taken into account.

    IV.   I feel yes are taken into account. Complaints were given on how meeting needs should be presented better towards customers. The customer does not know what they need, but the need to organize an event is still present. In the case of simultaneous interpretation a clarification for example should be given why there is a need for two booths instead of one.

7. Have you been served by multiple employees of Company X? Have you received similar service from all contributors?

    I.   There has been multiple persons, uniform and similar service from everyone. Service does not differ anyhow.

    II.   Yes. My personal opinion is that I have. Everyone works in regards to service quality in similar fashion, only the personalities are different yet similar service.

    III.   Yes they have. The same high quality service from everybody. Nothing to complain or consider. The personal touch is a nice thing.

    IV.   Service has been good. The customer has worked with three employees, in which he felt was a bit weird.

8. **Have you been dissatisfied of the service quality and have problems been tackled effectively enough? Was the problem solved satisfactorily?**

    I.   Not once has there been a problem.
    II.   No problems concerning service quality. No comments on service quality from customers nor staff of the center.
    III.   There has not been any problems. The clients have always been satisfied and Company X has operated flexibly.
    IV.   There has not been any problems.

Appendix 2: Interview questions in Finnish.

Asiakas referenssit ja työnkuva

   I.   Asiakas A (Pitkäaikainen asiakas, Kansainvälinen yhtiö) – Projektipäällikkö
   II.   Asiakas B (Pitkäaikainen asiakas, Kokouskeskus) – Tapahtumakoordinaattori
   III. Asiakas C (Pitkäaikainen asiakas, Hotelliketju) – Tapahtumakoordinaattori
   IV. Asiakas D (Uusi asiakas, Public Affairs -konsulttiyritys) - Konsultti

1. **Kuinka monta kertaa olette käyttäneet Company X:n palveluita?**

    V.   Parin kymmen vuoden takaa (arvio).
    VI.   2005 lähtien. Säännöllisesti käyttänyt sinä aikana. Pääyhteistyökumppani, tulkkaustekniikka paljon.
    VII. Ei osaa sanoa. Viiden vuoden kokemus.
    VIII. Haastateltava käyttänyt vain kerran. Yritys on käyttänyt usein.

2. **Kuinka hyvin tunnette Company X:n palvelutarjonnan?**

    V.   Tulkkaustekniikka on tuttu, muut eivät tuttuja.
    VI.   Kaikki tarvittava on järjestetty, ei henkilökohtaisesti osaa vastata eri kategoriattain. Videopuolen asiat tiedossa.
    VII. Omiin tarpeisiin nähden ihan riittävästi.
    VIII. Tunsivat, että tarjoamme tulkkauslaitteita ja pitivät Company X:ää isona toimijana. Kuvaillessani Company X:n muita palveluja, yllätyksenä tuli varsinkin tapahtumataltioinnin mahdollisuus.

3. **Minkälaisia muita palveluita toivoisitte Company X:n tarjoavan?**

    V.   Nykysin harvoin on kysytty, mutta alkaa olee monipistekokouksia asiakkailla, joihin halutaan ympätä simultaanitulkkaus. Videoneuvottelutyyppinen ratkaisu.
    VI.   Ei tule mieleen, muut toimijat toimittavat loput tarvittavat.
    VII. Kuvansiirto, webcasting, viestiseinäpalvelu, äänestyspalvelu
    VIII. Heillä olisi tarvetta tapahtumataltioinnille. Muita ”uusia” palveluja ei tullut mieleen.

4. **Minkälaisia odotuksia palvelun laadusta teillä on toimiessanne Company X:n kanssa?** *(Onko jonkinlaisia yksittäisiä odotuksia/toiveita palvelun laadun suhteen?)*

    V.   Kaikki toimii hyvin, hyvin perehtyneitä ja tiedätte mitä teette. Asioita joita hän ei ole ottanut huomaan niin osaataan jo tietää Company X:n puolesta. Tietää, että Company X hoitaa homman.
    VI.   Korkeat odotukset, asiakkailla korkeat odotukset. Palveluvaatimuksiin vastattu erittäin hyvin. Luotettava, nopeus, asiantunteva.
    VII. Luotan että kaikki toimii ja toteutuu niin kuin on sovittu. Suuret odotukset. Kaikki toimii.

VIII.   Odotuksia oli, että palvelu tuotetaan luotettavasti, kohtuuhintaisesti ja mahdollisuus tuottaa eri tilaisuuksiin tekniikka.

5. **Oletteko olleet tyytyväisiä Company X:n palveluiden laatuun? Miksi/miksi ei?**

    V.   Kyllä. Erittäin tyytyväinen. Luotettavaa, ammattitaitoista, avuliasta palvelua. Itse suht tietämätön tekniikasta niin ei osaa kaikkea ajatella, ja tältä osalta kaikki tulee ajateluta ja loistava yhteistyökumppani. Tuttua ja pitkään tehny yhteistyötä niin se toimii. Kaikki sujuu hyvin. Jos jokin ei toimi niin fiksataan.
    VI.   Kyllä, erittäin tyytyväisiä. Hommat toimii, saavat nopeasti vastaukset ja hinnat ja tarjoukset.
    VII.   Kyllä hyvin tyytyväinen.
    VIII.   Ovat erittäin tyytyväistä.

6. **Tuntuuko, että palveluiden suunnittelussa tarpeenne huomioidaan riittävän kattavasti? Miksi/miksi ei?**

    V.   Joo, Company X:n tuntemus tulkkausalasta tuo paljon itsevarmuuta.
    VI.   Kyllä, jos itekkin unohtaa jotakin tarjoustapyytäessä, niin Company X on huomannut kysyä tarkentavia kysymyksiä.
    VII.   Kyllä tuntuu. Huomioidaan semmosetkin asiat mitkä ei tule ajatelleksi.
    VIII.   Kyllä huomioidaan. Moitteita tuli siitä, että kokoustarpeet tulisi esittää asiakkaille paremmin. Asiakas ei tiedä mitä tarvitsee, mutta tarve on tuottaa tapahtuma. Simultaanitulkkauksesta esimerkiksi selvemmin tulisi tuoda esille miksi kaksi koppia yhden sijaan.

7. **Onko teitä palvellut useampi Company X:n työntekijä? Oletteko saaneet kaikilta samanlaista palvelua?**

    V.   On ollut useampi henkilö, ja tasaista ja samanlaista palvelua kaikilta. Ei ero mitenkään.
    VI.   On. Henkilökohtainen mielipide että on saanut. Kaikki toimii palvelun laadun suhteen samalla lailla, persoonat ovat erilaisia mutta kaikilta samaa.
    VII.   Kyllä on. Yhtä laadukas palvelu kaikilta. Ei mitään moitteita ja huomioita. Henkilökohtainen tatsi on hyvä asia.
    VIII.   Palvelu on ollut hyvää. Asiakas oli toiminut kolmen henkilön kanssa, ja tämä hieman herätti ihmetystä.

8. **Oletteko olleet tyytymättömiä palvelun laatuun ja onko ongelmiin tartuttu riittävän tehokkaasti? Ratkesiko ongelmanne tyydyttävästi?**

    V.   Ei ole ollut kertaakaan ongelmia.
    VI.   Ei palvelun laadussa ongelmia. Ei mitään kommentteja asiakkailta tai kokousosaltota että olisi ollut ongelma.
    VII.   Ei oo ollu ongelmia. Asiakas varmasti aina tyytyväinen ja skt joustanut hyvin.
    VIII.   Ei ole ollut ongelmia.

Appendix 3: Specific questions for CEO of Company X.

What kind of expectations of service quality do you assume Company X's customers have?

First and foremost I expect that service needs are easily fullfilled. I find ourselves to be an easy service provider, many customers send exactly one message of their needs and we reply that message with a quote. Often we offer rapid service – from the initial query to final production. Now-a-days clients approach us very near to their event dates, which requires fast responses and actions to meet their needs.

Do you receive enough feedback from the field on customer satisfaction?

In general I ask how the events have gone, but no automatic feedback is given to me. Naturally I should be more active in asking for feedback from the field, this would enable myself to realize even the slightest mishaps.

How much does Company X value to retain current and new customers?

By ensuring our service quality remains in its current state and preferable improve service quality. Word-of-mouth is the primary marketing tool in these circles. Also, customers move from company to company. These movements have brought valuable exposure to new customers that were not aware of us previously. Good experiences with our services are moved into other companies. Overall I find customer retention to be of utmost importance.