

DO SLOVENE COMPANIES MEASURE CUSTOMER SATISFACTION?

MJERE LI SLOVENSKA PODUZEĆA ZADOVOLJSTVO KUPACA?

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Abstract: *This article primarily investigates whether Slovene companies measure customer satisfaction. Research we made shows that majority of them (74,7%) do measure customer satisfaction. The share of those who measure customer satisfaction between bigger Slovene companies is higher than between smaller. Among the objectives that companies realize with measuring customer satisfaction, the objective "to put near customers so we could greatly understand their needs and wants" is of the highest importance. For those who don't measure customer satisfactions we further analyze how their readiness to invest funds into measuring customer satisfaction affects the actual intention for doing those researches.*

Key words: *measuring customer satisfaction, business success, Slovene companies*

Sažetak: *Ovaj rad istražuje bave li se slovenska poduzeća mjerenjem kupčevog zadovoljstva. Istraživanje koje smo proveli pokazuje da većina (74.7%) mjeri kupčevo zadovoljstvo. Udio većih slovenskih poduzeća koja vrše mjerenje je veći od manjih poduzeća. Mjerenjem kupčevog zadovoljstva poduzeća su došla do podataka da je od najveće važnosti "biti blizu kupaca kako bi se što bolje razumjele njihove potrebe i želje". Za one koji ne mjere kupčevo zadovoljstvo dalje analiziramo koliko njihova spremnost za investiranje u mjerenje kupčevog zadovoljstva utječe na stvarnu namjeru da provedu ta istraživanja.*

Ključne riječi: *mjerenje kupčevog zadovoljstva, poslovni uspjeh, slovenska poduzeća*



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1. Introduction

Focus of marketing theory and praxis today is the cognition that companies can improve their business success by customer satisfaction (Yeung, et al., 2002). We found many verified economic models in American-English literature that show direct positive connection between customer satisfaction and future revenue flow (Reichheld, et al., 2000; Devetak, 2007; Djupvik & Eilertsen, 1995). Vincour (2006) believes that connoisseurship of customers and their perception of the company's products and services might affect future company's strategy and its success. Fečikova (2004) even says that customer satisfaction measurement presents the core factor in measuring company's success. Alas Nikitas (2002) states that majority of companies still doesn't have established procedures how to listen to the customers, gather the available information about the customer satisfaction and further analyze them to build company's strategies and tactics. Therefore our key issue was to research whether Slovene companies measure customer satisfaction.

A telephone interview between Slovene companies was conducted from 3rd to 17th March 2008. The sample was random; responsiveness was about 80 per cent. The interview was done with the person that is responsible for marketing in the company. Processing of statistical data were done with statistical program SPSS 15.0

Our major objective was to research whether Slovene companies measure customer satisfaction. Further we wanted to investigate whether the size of the company affects measuring customer satisfaction and to look for correlation between variables "willingness to invest money in research" and "intention to start continuously monitoring customer satisfaction".

2. Research analysis

Sample is composed of 158 Slovene companies. Majority of companies, 74,7 %, answered that they do measure customer satisfaction. The answers to the question what is their current number of active customers gave the following results: 21,5% answered less than 50 active customers, 40,5 % answered between 50 and 500 active customers, 19,6 % answered from 500 to 2000 active customers and 18,4 % answered more than 2000 active customers. In 42,4% of companies, a person that is responsible for marketing in the company is in a position of commercial manager (or marketing manager), in 20,3% he is a member of the board or one of the top executives, in 19,6% he has no significant influence on business decisions of the company. 12,0% of companies do not have a person responsible for marketing and 5,7 % interviewed stated other. The majority of companies, 74,1 %, have prevailing domestic capital and private ownership, 16,5 % of companies have prevailing foreign capital, 9,5 % of companies have prevailing state ownership. 35,4 % of companies do business only on domestic market; 3,2% do business on foreign market only and 61,4 % do business on domestic and foreign market. 2,5 % of companies make business for less than 3 years, 46,8 % of the companies make business from 3 to 15 years and majority (50,6 %) of them make business for more than 15 years.

In our research we formed 4 hypotheses which we further examined. H₁: Majority of Slovene companies do not measure customer satisfaction. The hypothesis can not be confirmed. Frequency distribution shows that majority of companies in the sample (74,7 %) measure customer satisfaction.

H₂: The share of those who measure customer satisfaction between bigger Slovene companies is higher than between smaller. We conducted crosstabs analysis. The share of companies, that measure customer satisfaction increases with the size of the company. As shown in the Figure 1 between small companies the share of those that measure customer satisfaction is 60,5 %, between middle sized companies the share is 87,5 % and between big companies 88,5 %. Pearson Chi-Square is statistically significant (Asymp. Sig. is 0,000). The hypothesis is confirmed.

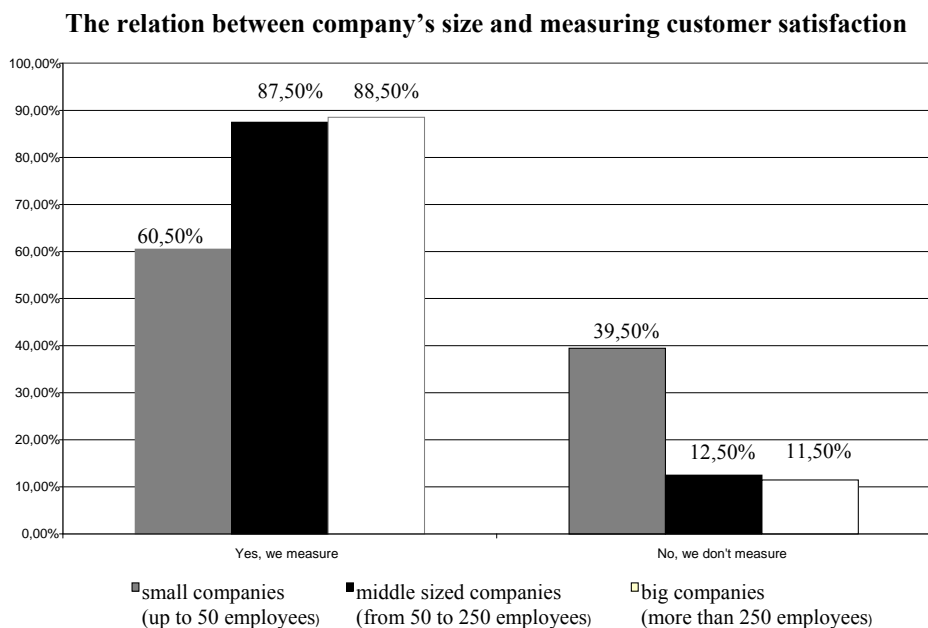


Figure 1. The relation between company's size and measuring customer satisfaction.

| | Value | df | Asymp. Sig. (2-sided) |
|------------------------------|-----------|----|-----------------------|
| Pearson Chi-Square | 15,532(a) | 2 | ,000 |
| Likelihood Ratio | 16,029 | 2 | ,000 |
| Linear-by-Linear Association | 12,544 | 1 | ,000 |
| Number of Valid Cases | 158 | | |

Note: 0 cells (,0%) have expected count less than 5. The minimum expected count is 6,58.

Table 1. Chi-Square Test. Source: telephone interview, question 1 and question 13.

H₃: More the companies are ready to invest funds into researches in measuring customer satisfaction, the more they are thinking of starting systematically measuring customer satisfaction. The Pearson Correlation is 0,427, the degree of significance is 0,6 %, therefore still significant. The middle strong positive correlation exists between two variables. The hypothesis is confirmed.

| | | | |
|--|---------------------|--|---|
| | | We are willing to invest money in research of measuring customer satisfaction. | We plan to start continuously monitoring our customer satisfaction. |
| We are willing to invest money in research of measuring customer satisfaction. | Pearson Correlation | 1 | ,427(**) |
| | Sig. (2-tailed) | | ,006 |
| | N | 40 | 40 |
| We plan to start continuously monitoring our customer satisfaction | Pearson Correlation | ,427(**) | 1 |
| | Sig. (2-tailed) | ,006 | |
| | N | 40 | 40 |

Note: Correlation is significant at the 0.01 level (2-tailed).

Table 2. Correlation between statements “We are willing to invest money in research of measuring customer satisfaction” and “We plan to start continuously monitoring our customer satisfaction”. Source: telephone interview, questions 11 b and 11 e.

H₄: Among the objectives that companies realize with measuring customer satisfaction, the objective “to put near customers so we could greatly understand their needs and wants” is of the highest importance.

| | N | Minimum | Maximum | Mode | Std. Deviation | Variance |
|--|-----|---------|---------|------|----------------|----------|
| We measure customer satisfaction to approach customers so we could understand better their needs and wants. | 118 | 1 | 5 | 4,42 | ,766 | ,587 |
| We measure customer satisfaction to monitor improvement continuity of relations with customers and products. | 118 | 2 | 5 | 4,32 | ,772 | ,596 |
| We measure customer satisfaction so we could get new ideas to improve our products. | 118 | 2 | 5 | 4,10 | ,851 | ,725 |
| We measure customer satisfaction to investigate the position of our product toward the competitor's. | 118 | 1 | 5 | 4,03 | 1,074 | 1,153 |
| Customer satisfaction research is the basis for evaluation and prizing of our employees. | 118 | 1 | 5 | 2,71 | 1,262 | 1,591 |

Table 3. The importance that Slovene companies put on certain individual objectives for customer satisfaction measuring. Source: telephone interview, questions 7a to 7e.

The hypothesis is confirmed, because the objective “to approach customers so we could understand better their needs and wants” has the highest mean among all the objectives of measuring customer satisfaction in Slovene companies.

3. Conclusion

The majority of Slovene companies (74,7 %) in the sample measure customer satisfaction. This data is encouraging as most of the researches we found out in literature show positive connection between customer satisfaction, loyalty and

profitableness. It doesn't surprise that the size of the company affects measuring customer satisfaction in the way that bigger companies interfere this researches more than smaller companies. We found out the positive connection between willingness to invest money in researches and intention to start continuously monitoring customer satisfaction. We believe that companies should be encouraged to start such researches. Therefore we suggest that companies must be informed about the benefits they could gain by implementing customer research measurements and therefore must be encouraged to start measuring customer satisfaction on their own. Further they should be educated how to implement those researches, what methods are available to use, how often those researches are to be done, what information support they could use, which customers to address, which objectives to follow etc. There is lots of literature available on this topic and many marketing agencies offer such a support. For those companies that don't measure customer satisfaction yet our further research should be to find out the reasons behind their decision not to measure customer satisfaction. Our focus must be small Slovene companies. For those companies that do already measure customer satisfaction our further research must go in direction how to implement the results of the measuring so they would positively affect business success. To conclude, results our research gave are surprisingly good, but there is still room for improvements, especially between small Slovene companies.

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