Using Online Surveys to Improve Customer Loyalty

Bachelor Thesis within Business Administration

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Background: Companies nowadays are trying to get the competitive advantage through building the long-lasting customer relationship. The customer feedback plays an important role in increasing the degree of customer loyalty, since the most successful companies are those that can adapt to customer needs. One of the most efficient ways of receiving the feedback is through online surveys that can be sent directly to customers. According to statistics of 2009 (Xi, 2009), a cost of attracting a new customer equivalent to five-ten times of maintaining cost of an old customer. The quality of survey, together with the result interpretation are the key for a company to build long-lasting loyalty.

Purpose: The goal is to examine the connection between online surveys and developing long-lasting customer loyalty. The investigation is about how firms can improve customer loyalty through analyzing the customer feedback. The aim is to see if such method of getting the customer's opinion is effective and how the whole process looks like.

Method: This research involves a case study within the two SME fashion stores based in Sweden. The empirical data is gathered by personal interviews and emails to companies' representatives. The observations and measurement are performed in natural settings.

Conclusion: The findings of this research extend the existing knowledge of online survey development and implementation as well as building customer loyalty. Companies can use the most cost effective effective way od evaluating the service quality, they are online surveys and surveys provided by eBay platform. By properly analising the results, companies are able to become more competitive since they can serve customers in accordance to their needs, which is especially crucial in fashion industry. According to the experience of analized companies, loyal customers can be awarded by gifts, all customers can receive a "Thank you note", which intends to stimulate the loyalty.

"If it is important enough to you, you will find a way.
If it is not, you will find an excuse."

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1 Introduction

The first chapter describes the gap found in previously done researches, presents the purpose of the work and also provides guidelines to the whole paper. Additionally, delimitations are discussed, definitions are provided in order to avoid confusion of a reader and explain the main concepts of manuscript.

The number of companies is growing fast, no matter if it is Business-to-business or Business-to-customers, it still has to deal with clients. Customer loyalty is a key driver in building long-lasting customer relationship. According to Oliver (1999), customer loyalty is important because the cost of attracting new customers is higher relative to the cost of retaining one's existing base. The competition in the marketplace is becoming stronger and it is crucial for both big corporations and Small Medium sized companies to understand customers' demands and concerns. Collecting customers' feedback is the way to build relationship and improve the service provided. In compliance with Bowen and Schneider (2014), a high level of service climate would yield service-oriented behaviors toward customers who would then report positively on their experiences of service quality. Correctly interpreted and professionally formulated questions will result in identification of problem areas. Online surveys are often used and appear to be more cost-effective than personal meetings with customers (Fulgoni, 2014). The quality of online survey is important, a questionnaire should not be too long and should address the target audience with questions formulated in a way that is useful to identify customers' concerns and requirements (Hayes, 2008). After developing an effective survey, a company will be able to collect the empirical real-time data. Data, collected through surveys is analyzed by company's researches and can later be the key tool to building long-lasting customer relationship (Hayes, 2008).

1.1 Background

Along with growing market competition, customer loyalty has become the key element in influencing companies' long-term profit. The term customer loyalty is usually defined as the power force of the relationship between the attitudes of character's repeat and relative patronage (Shaw, 2000). According to statistics of 2009 (Xi, 2009), a cost of attracting a new customer equivalent to five-ten times of maintaining cost of an old customer. By spending capital on customer relationship, a company develops ways to keep current customers satisfied so that they repurchase the good and are likely to recommend it to others.

Customer loyalty is an intangible factor which is difficult, but important to measure. Nowadays, there are many indices developed, measuring the customer loyalty, such as Advocacy Loyalty Index (ALI); Purchasing Loyalty Index (PLI); Retention Loyalty Index(RLI); Importance-Performance Analysis (IPA) (Hayes, 2008). However, mentioned above indices are applicable for big corporations with high data availability, while small companies usually experience the lack of information available so they are not able to apply these

indices to measure their customer loyalty. In order to collect the data needed for measuring customer loyalty, the quantitative analysis is an applicable way, and the data is usually collected through questionnaires. Online survey is a quite recent phenomenon, so it can be an enriching topic to research in (Sue & Ritter, 2012). Online feedback collection is available for different toes of companies, no matter what size they are. Market researches are luckily provided with a radically more cost-effective method of approaching respondents and conducting surveys namely the Internet. In compliance with recent researches about uses of online-survey (Fulgoni, 2014), there is a widespread use of online-survey panels; in 2013 alone, the 43 % of the United States research surveys were filled in online, which resulted in generating total savings of $1.8 billion due to the elimination of the costs of printing and distributing the paper questionnaires.

Fashion industry is a highly competitive one, and small companies strive towards keeping current customers satisfied as well as towards attracting new ones (Aspers,2010). The industry is difficult to forecast, therefore, companies should be flexible and clearly understand their customers' needs in order to satisfy them. Online surveys analyzed on a regular basis can contribute very much to customers' requirement understanding and problem areas identifying (Hayes,2008).

1.2 Problem Discussion

Fashion industry has always been in trend and popular as well as new technologies, so that there is an undying interest in fashion. Fashion industry is a highly competitive one. As Christopher, Lowson and Peck (2004) state about fashion industry, it is noticeable that fashion markets are changing fast every day. These authors also claim that commercial success or failure is often determined by the ability to be flexible and company's responsiveness. Consequently, fashion companies should always understand and follow customers' requirements and needs in order to stay competitive. Small and medium sized companies are dealing with the same problems as big ones, such as customer feedback, packaging, and delivery. However, big corporations usually have their own established way of solving problems, while small and medium sized are in need to find the solutions (Donell, 2012).

According to Wang, Head, and Archer (2000), in order to achieve the long term sustainability and profitably in the online market place, Internet retailers should focus on fostering online customer loyalty. Customers are playing an important role in the business process, and this makes it vital to constantly conduct research about them. In order to stay competitive, it is crucial for companies to know exactly what their customers demand (Wilson, Zeithaml, Bitner & Gremler, 2012). Satisfied customers are likely to repurchase and share the experience by word-of-mouth (sharing experience through someone else). As Anatoleevna, Vladimerovna, Ramisovna, (2015) highlight, it should be clearly understood that satisfaction and loyalty of customers are inseparably linked to prosperity and elaboration of long-term strategy of the company.

Customer's feedback collection is the key for establishing the customer loyalty (Fill, 2013; Hayes, 2008; Anatoleevna et al., 2015). This is especially crucial for such companies that operate through an online website, since the improvement of products/services through the customer feedback might be a push for companies' growth. Stable usage of online surveys is a way of keeping track on customers' demands and evaluating their loyalty towards a certain company.

Online surveys are a growing phenomenon, which is very common in developed countries and still growing in developing ones (Sue & Ritter, 2012). Though, there are already numerous publications existing regarding analysis based on online surveys and customer loyalty, it is still a not well-known topic. This research paper identifies the real use and application of online surveys, touching different approaches of creating surveys. The most important is to see, if there is a clear connection between the customer loyalty creation and the companies' attitude towards the customer feedback. When properly analyzing customer feedback, a company might come up with ideas of service or product improvement. After identifying the problem areas, company is able to set new goals and change strategies so that it can lead to better outcomes.

Anatoleevna et al. (2015) argue that it was believed for long times that customer loyalty was defined by customer satisfaction, however, multiple surveys have proven that satisfaction does not necessarily result in sales increase. Customer satisfaction surveys measure demands, but loyalty survey includes the necessity of prediction of customers' attitude towards the company in the future (Anatoleevna et al., 2015). Consequently depending on the type of survey the result would differ a lot, leading to understanding requirements or contributing to long-lasting customer loyalty.

The aim of this research is to explore the connection of online surveys and customer loyalty, focusing primarily on SMEs which operate in a highly competitive and dynamic fashion industry. After examing the literature it is aimed to investigate on real companies' examples, how SMEs develop and use customer feedback surveys, as well as to find additional factors that could improve customer satisfaction and lead to customer loyalty.

1.3 Purpose and Research Questions

The purpose of this research is to discover the way organizations use online customer surveys to improve customer satisfaction and create competitive advantage. The emphasis is on fashion stores that provide customers with both services and tangible products, and use online customer feedback. By researching this subject, we aim at contributing to already existing researches on understanding customer requirements and improving customer loyalty after collecting their feedback.

The following research questions are associated with this research:

1   What kind of surveys do fashion companies use?

2   How do fashion companies use the findings from surveys?

3   Are there any additional factors that help develop long-lasting customer relationship?

1.4 Definitions

In this part, the definitions of the key concepts of the thesis are provided.

Customer loyalty- the power force of the relationship between the attitudes of character's repeating and relative patronage (Shaw, 2000). The ability to retain customers and to keep them buying what is on offer over a longer period of time than competitors (Doyle, 2011).

Customer lifetime value- all the potential purchase values from a single customer over the lifetime of a relationship with a supplier or service provider. This moves the focus away from looking at customers in terms of single purchasing transactions and, equally, gives an assessment of the cost of losing a potential lifetime customer (Doyle, 2011).

Customer relationship management- an efficient way to develop and maintain customer relationships, leading to more satisfied and loyal customers (Wright et al. 2002).

Customer satisfaction- customer satisfaction is a necessary step in foundation of loyalty (Oliver1999). When a customer pleased with either service or product it is termed satisfaction (Wilson et al., 2012).

Electronic commerce- Broadly speaking, electronic commerce includes any form of economic activity conducted via electronic connections (Rolf,1997).

Fashion- according to Christopher et al. (2004),"fashion is a broad term that typically encompasses any product or market where there is an element of style that is likely to be short-lived". By term *fashion companies* authors of this research mean all kind of companies, that operate within fashion industry.

Services- all economic activities whose output is not a physical product or constriction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort, or health) that are essentially intangible concerns of its first purchaser (Quinn, Baruch, and Paquette, 1987).

SME- stands for small and medium-sized enterprises, determent by the following main factors: less than 250 employees and less/equal to €50 million turnover for Medium-sized companies, and for Small companies the number of employees is less than 50, less/equal €10 million turnover (European Commission, 2003).

Survey- is the method of data collection from the whole population or a certain part of it. This method includes several techniques of the data collection process, such as interviews, questionnaires, and observations (Williamson, 2002). Hence, an *online survey* is a questionnaire developed as a Web form with its database to store the responses coupled with statistical software to provide analytics (Sue & Ritter, 2012).

Word of mouth- a product, an event, a service, a place, a work—through someone else (Doyle, 2011). Word of mouth is an effective method of marketing since the recommendations are coming from someone familiar—possibly who has had good experiences—and therefore gain a greater element of trust.

1.5   Delimitations

The focus of the thesis is online surveys; not online surveys as a phenomenon, but rather as a tool to improvement of customer loyalty. Many of the investigated researches mention the term "online survey" actually meaning the act of collecting customer feedback through online questionnaires. Therefore authors decided to do the same and focus the study only on this particular type of survey.

It should also be noted that results and applications of customer feedback might differ depending on the service provided. Therefore, the research will be only done for small online retailers, due to the fact that receiving the feedback is crucial for such companies in order to establish the customer loyalty. The focus of this study is on small companies that are on their way to develop a strategy and expend its market share.

The gap was founded in small companies based in Sweden, operating in well-known brand clothes and accessories. The emphasis of following research is on small enterprises, located in Sweden and their way of improving customer loyalty through online customer feedback. Companies chosen for examination work internationally, selling brand clothes and accessories, and strive to occupy the market niche. However, some similar industry might see the findings of this study as suggestions for the further development of customer feedback analysis field.

1.6   Disposition

This thesis is structured in the following way: introduction and background present the general topic. Next step is theoretical framework, which highlights concepts used in the research aiming to explore previously analyzed theories and ideas on the given subject, and then build upon the empirical findings an appropriate approach to the thesis. The research is followed by the analysis, conclusion of study, discussion part, references, and appendices.

In order to show the clear connection between customer loyalty, service quality, and online customer feedback, it was decided to combine two different models, namely General model of usage online questionnaire (Hayes, 2008) (Figure 1) and the model examining customer perceptions of quality and customer satisfaction (Wilson et al., 2012). The first model is a general model suggested by Hayes (2008), online surveys will be observed in order to establish the dimensions of survey quality. Those dimensions affect the service quality provided to customers. The quality is important, since customer feedback is a volunteering act, it should not be disturbing or annoying. When developing the questionnaire, it is crucial to understand what the customer requirements are. Loyalty management has Micro and Macro approaches, which lead to general approach to all customers and individual approach through an online survey. The result of identifying all the mentioned above dimensions is the actual use of questionnaire.

Figure 1. General model of usage online questionnaire

| Determine customer requirement | Develop and evaluate questionnaire | Use questionnaire |

Source: Hayes, 2008, p 34

The three stated steps will be discussed. Each of the three points will be provided with the examples and investigated into depth. The theoretical concepts appearing will be explained as well. The assistance of the relevant theories will be used.

Service quality concept focuses specifically on dimensions of service, which actually determine customer requirements. Wilson et al. (2012) suggests the model examining customer perceptions of quality and customer satisfaction. It was decided to link this model to Hayes's one since they both have one important section in common, which is determination of how customers perceive service quality, which is also defined by Parasuraman's five dimensions of quality (1990). By combining the two mentioned above models the connection to customer loyalty becomes clearly visible. The two combined theories demonstrate the clear connection between online customer survey and customer loyalty, so then it can be narrowed down to SMEs in Sweden that operate within fashion industry. It is believed by authors that the combined model is the key instrument to base the theoretical framework on and answer the research questions.

Figure 2. The combined model
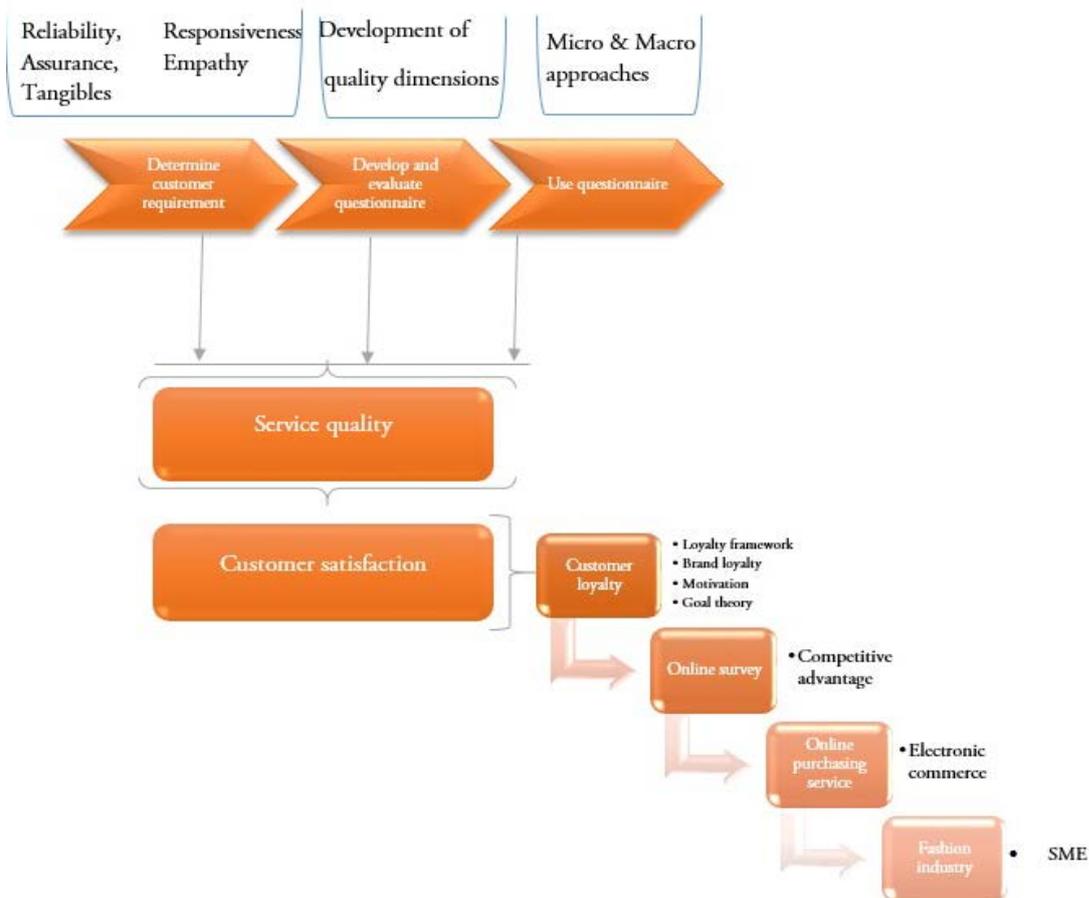
Source: Hayes, 2008, p 34; Wilson et al., 2012, p 74

Customer satisfaction usually leads to customer loyalty, both concepts will be identified. For deeper understanding of customer loyalty, the loyalty framework developed by Oliver (1999) will be provided and examined. Satisfaction is influenced by perceptions of service quality, quality of the product purchased, and prices (Wilson, 2012). After identifying the customer loyalty it is also important to examine the brand loyalty, so that these two definitions are clear and will not be mixed. Under the brand loyalty there will be examined the two ways of brand perception, they are attitudinal and behavioral loyalty. This model is useful to access customer requirements and beliefs.

Afterwards, the online survey in general will be discussed, including advantages and disadvantages of online questionnaires. Service industry is growing very fast and it has a market share of 64.8% in Sweden (Central Intelligence Agency, 2014). Next step of this

paper is to define online purchasing service and importance of the quality of service delivery. "Brick and click" and "Pure players" companies will be discussed as well as advantages and disadvantages of electronic commerce.

Later, the method of the study will be discussed. The research method based on theoretical framework will be stated. It will be explained why the particular type of research was chosen, and how it can contribute to this study. The choice of the focus group will follow the explanation. The process of creating interviews, involving the two methods of interview creation will be described and explained. Interviews will be done with companies' representatives, in order to get more insight perception of the problem. The empirical findings will follow. In the next section, the analysis of the findings in correlation with the Frame of References is stated. The conclusions of the research are to follow. The firms' attitude towards customer feedback will be correlated with the customer loyalty level. The different dimensions of findings will be touched. In the discussion part, the limitations of the particular research are summarized and the suggestions for the future researches are proposed.

References and Appendices will conclude the paper work. Appendices will consist of the relevant figures and the interviews' questions.

2 Frame of Reference

The theoretical framework of this thesis is summarized in the following parts: Determine Customer Requirements; Develop and Evaluate Questionnaire; and Use of Questionnaire; Customer satisfaction and service quality; Customer loyalty; Online surveys in the electronic commerce industry; and SMEs in fashion industry. The combined model from Wilson (2012) and Hayes (2008), is chosen as a guideline for the framework. The sections explain the theory behind the concepts. Each of the parts is based on the previous literature review.

Figure 3. The combined model
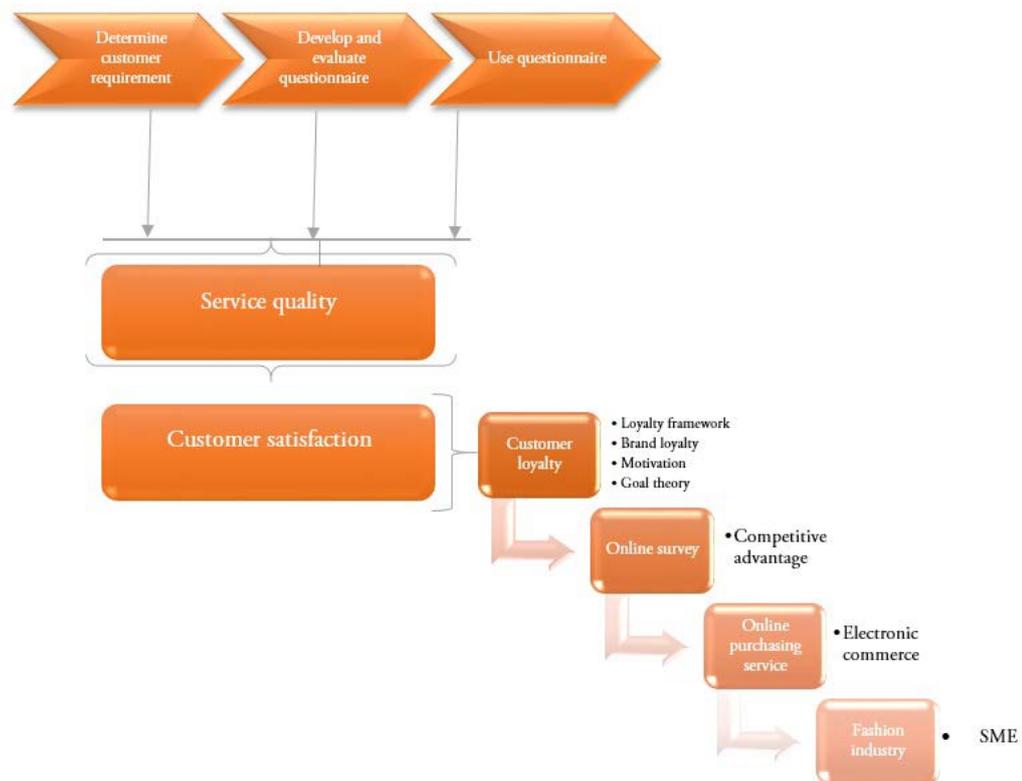
Source: Hayes, 2008, p. 34; Wilson et al., 2012, p 74

2.1 Determine Customer Requirements; five quality dimensions

According to Hayes (2008) and Anatoleevna et al. (2015), knowing customer requirements is significant for the following reasons: it makes clearer the way they define the

quality of a good or service; identified customer requirements will facilitate the development of the questionnaire to collect data on customer satisfaction. Understanding customers' requirements creates an advantage to know how to satisfy them.

Hayes (2008) suggests a quality dimension development as an approach to identify customer requirements. This method involves team members working on better understanding of customers' requirements. Two basic steps are included in this specific method: creating a comprehensive list of all the meaningful dimensions that describe the service; defining recognized dimensions with specific examples.

In compliance with Parasuraman, Zeithalm, Berry (1990) and Wilson et al. (2012), there are five dimensions of service quality: *tangibles, reliability, responsiveness, assurance, and empathy.* These five dimensions can be used in order to examine and identify customer requirements in service industry (Hayes, 2008; Wilson et al., 2012; Parasuraman et al., 1990). A comprehensive list of customer expectations can be developed in a company that applied this approach created by Parasuraman et al. (1990).

Tangibility is about physical facilities that customer receive, equipment used, maintenance staff, and everything that a person can perceive by his/her five human senses (Wilson et al., 2012; Parasuraman et al., 1990).

Reliability can be translated into the capability of the supplier to implement the service in an effective and safe way. The customer is served in compliance with promises and with no recasts so that the trust in relationships is built (Wilson et al., 2012; Parasuraman et al., 1990).

Responsiveness states that the speed of reaction on customers' questions and concerns is high. The availability of employees who assist users is corresponding to the standards of promptly providing replies (Wilson et al., 2012; Parasuraman et al., 1990).

Assurance refers to employees being able to convey trust, behaving courteously with clients (Wilson et al., 2012; Parasuraman et al., 1990).

Empathy associated with the manner an organization treat its customers, an individual approach is highly valued. Employees should be capable to demonstrate the interest and personal attention, including effort in understanding clients' demands (Wilson et al., 2012; Parasuraman et al., 1990).

The five dimensions are the key components in measuring the service quality in Wilson's et al. (2012) customer perceptions of quality and customer satisfaction model (see Figure 3). The figure 3 shows the relationship between customer satisfaction and service quality, which leads to customer loyalty. In case if customers agree that they are satisfied in terms of service quality, then the conclusion could be drawn that service quality has a noteworthy relationship with customer satisfaction as well as with quality dimensions.

2.2 Develop and Evaluate Questionnaire

When measuring customer loyalty through online surveys the results are normally evaluated through the use of standard questions (Sue & Ritter, 2012). In large companies developing a survey can involve few different departments to work on it in order to adjust a certain problem to a question. As Hayes (2008) mentions, there are different stages implemented in order to produce a qualitative survey, which start by development of quality dimensions. This is crucial due to the fact that it will identify the exact problem areas. After the quality dimensions are recognized, it is the time for going deeper into details, and deciding what exactly the company wants to know about the customer attitude in the certain field.

2.2.1 Quality Dimensions Development

According to Hayes (2008), the quality dimensions development method requires individuals who should be the ones investigating on customers' satisfaction level. They can range from quality department representatives to individuals doing a private research. However, in all the cases staff should be familiar with the service process. There are two steps in this process: identifying the dimensions, and defining these dimensions with specific examples (Sue & Ritter, 2012; Hayes, 2008). Quality dimension data can be categorized as attribute data and variable data. Attribute data is c ategorical and describes the quality characteristics, while variable data is numerical and reflects the measurement characteristics. Attribute data is usually used in order to describe the single situations, whereas the numerical one is collected for statistical purposes.

2.3 Use of questionnaire. Measures of customer loyalty

Even though many different measures of customer quality exist, customer surveys remain a regularly used way to approach customer loyalty (Hayes, 2008; Anatoleevna et al., 2015; Wang et al., 2000). These surveys enable companies to examine the loyalty of its customers in real time and compare the results with competitors. While establishing the questionnaire, it is important for a company to understand, if it uses the micro or macro approach to loyalty management. Depending on this decisions, it is later understood, what types of questions should be included.

2.3.1 Micro and Macro Approaches to Loyalty Management

Figure 4. Micro and Macro approach

Micro Approach	Macro Approach
Addresses special causes of disloyalty	Addresses common causes of disloyalty
Focus on changing individual issues	Focus on improving systemic issues
Customer-specific improvements	Organization-wide improvements
Short-term solutions	Long-term solutions

Source: Hayes 2008

There are two types of approaches to loyalty management, described by Hayes (2008): the micro or individual approach and macro or organizational approach, in order to visualize the two approaches the table above was created by authors.

Macro approach is applied to all customers as a whole by identifying systematic factors causing loyalty and disloyalty. This approach tends to improve the system with long-term effects on customer loyalty.

Micro approach examines the relationship between a specific customer who is unsatisfied or disloyal and the organization by individual treatment. The method is used to outline specific causes of disloyalty and addresses customers concerns. By applying this method, the organization defines specific needs of unsatisfied customers and instantly takes measures. An important part of the micro approach is Web-based surveys. The process of developing the customer survey should be accurately assigned to an appropriate department responsible for results. A survey question should be developed by a department that has an ability to make changes in a specific problem area. There is a useful tool for managers who immediately react on unhappy customers, namely the trigger emails. These alert emails are set up to automatically notify a responsible team member when his/her customer score low to a satisfaction question in company's online survey. This trigger email should include the information regarding the respondent who submitted the survey so that the responsible employee is able to contact the customer.

 To sum Hayes's (2008) general model up, the actual use of questionnaires is summarizing the data with descriptive statistic so that the company has enough primary information for analyzing and developing new strategies. Second, by using customer surveys a firm is capable to determine the most important customer requirements and therefore define the focus for operating coupled with setting own goals. Additionally, owning to the data collected, the company can track the quality of service provided over time. The last but not

least important use of survey is the opportunity to compare customer satisfaction level with competitors, if such an information regarding competitors is available.

2.4   Service quality and Customer satisfaction

According to Wilson et al. (2012), customer satisfaction depends on the quality of the service provided, the quality of the product purchased (if applicable), and the price. For a company's offer to reach the customers there is a need for services. According to Kotler & Keller (2009, p. 789), service is defined as "any intangible act of performance that one party offers to another that does not result in the ownership of anything".

In order to distinguish whether an organization provides qualitative services or not, it requires the customers' feedback about the level of satisfaction they get from consuming the products, because the higher the quality is, the higher the satisfaction will be (Kotler & Keller, 2009).

Customers are stakeholders of an organization, who play an important role in organizations' performance. From the firm's perspective, all strategies are developed with an eye on the customer, also all implementations of them are accomplished with an understanding of their effect on the customer (Wilson et al., 2012). When a customer pleased with either service or product it is termed satisfaction. Mentioned above authors also state that customers perceive services in terms of its quality coupled with how satisfied they are with overall experience. Many researches tend to use the two concepts satisfaction and service quality interchangeably. However, based on Wilson et al. (2012) view, perceived service quality is a component of customer satisfaction. In addition, Oliver (1999) claims that customer satisfaction is a necessary step in developing loyalty.

Satisfaction can be considered as an overall post-purchase evaluation, Wilson et al. (2012) also suggest to define satisfaction as the individual perception of products or services' performance in connection to customer's expectations. Satisfaction related to human feelings, which makes it difficult to measure.

2.5   Customer Loyalty

The term customer loyalty is closely linked to customer satisfaction and customer relationship. In accordance to Shaw (2000), customer loyalty is usually seen as the power force of the relationship between the attitudes of character's repeat and relative patronage. One of the most overused phrases in business for today is customer loyalty. In Oliver's (1999) study about consumer loyalty, he concludes that customer satisfaction is a necessary step in foundation of loyalty. Customer relationship management requires temporary control and monitor over customers' concerns together with satisfaction, so many companies spend money and time on customer relationship management. According to Ro-

mano and Fjermestad (2002), CRM is hardware, software, process, management commitment and applications in a combination aiming to reform provided customer service, retain customer and provoke analytical capabilities.

In this research the focus area is the service provided to customers. As Bowen and Schneider (2014) argued, a high level of service climate would yield service-oriented behaviors toward customers who would then report positively on their experiences of service quality. It could be food service, transportation, wholesaling, and entertainment. Miles states that the service can be delivered alone to the customer or in consolidation with physical products (Miles, 2011). According to the data provided by Central Intelligence Agency (2014), service industry plays a significant role in country's economic growth and in Sweden service industry has a market share of 64, 8%.

Nowadays, word-of-mouth (viral marketing) is a useful tool in media planning, since people tend to trust this type of marketing more than other types. Big corporations with professional marketing departments work on advertising and promotion, plan marketing campaigns in a specific way so that to provoke word-of-mouth communication (Fill, 2013). In case of Small Medium sized Enterprises, it is unlikely that organization hires many professional marketers to develop marketing plans and strategies. However, customer satisfaction remains crucial, since word-of-mouth is a way to expend the network and build up reputation among potential and existing customers, it can be advisable to provoke a positive word-of-mouth. Any organization values loyal customers a lot, since they are not only the ones who repurchase a service or product, but also recommend it among acquaintanceship. If the customer had a positive experience within the company, according to word-of-mouth tool, these customers are likely to spread a word among their friends and relatives. By doing this, they encourage the customer loyalty which is one of the key drivers to long-term stable growth in terms of profit, sales and lower marketing costs.

2.5.1   Brand loyalty

There are many different types of models concerning customer loyalty and satisfaction, but they all have elements in common. Empirical research made by Oliver (1999) shows that customer loyalty stimulates business growth, and loyalty is defined as a direct result of customer satisfaction, while satisfaction is affected very much by the value of services provided. Oliver's (1999) framework categorizes loyalty development into four sequential phases: cognitive, attitudinal, conative, and behavioral. This framework is applied in order to assess consumer requirements and beliefs as well as develop effective strategies that generate customer loyalty. The sub parts of this model are described below.

Cognitive-based commitment refers to consumer's preferences to one brand among other alternatives. Cognition can be based on previously gained information, at this phase loyalty is directed toward the brand (Oliver, 1999). At this stage, the customer feedback does not play an important role.

Attitudinal phase refers to the attitude toward the brand built on cumulatively fulfilling occasions. Cognition and emotion are the key elements of this phase, since attitude involves customers' emotional and evaluative responses to a provider of a service or good (Oliver, 1999). This stage is crucial in order to establish the long-lasting relationship between customers and companies.

Conative loyalty is about behavioral motivation to repurchase, this stage is influenced by positive repeating episodes toward the brand. This type of loyalty implies assurance of repurchase, but it stays mostly on motivation level, rather than becomes real action. Conative loyalty is a desire to repurchase, but in the reality it might be an unrealized action (Oliver, 1999). In this case, a firm might need to make a push in order for a customer to use their services or products.

The final phase is called *behavioral commitment* or *action loyalty*. This type refers to intentions converted into actions. Behavioral commitment is perceived to be a necessary result in engaging the above mentioned phases (Oliver, 1999). Such a phase is the most probable result of companies to achieve in customer loyalty creation.

Figure 5. Elements of two-and-three dimensional definition of loyalty

Source: Adapted from Khan, 2009

In most researches about customer loyalty the attention is paid toward the two-dimensional definition of loyalty, which consists of attitudinal loyalty and behavioral loyalty. The last type can be measured with shares of purchase and frequency of purchasing (Khan 2009). In simple words, behavioral loyalty is what customers do, while attitudinal loyalty

refers to customers' feelings. Khan (2009) suggests the following tools to measure attitudinal loyalty: preferences, buying intention, supplier prioritization and willingness to recommend. Loyal customers are likely to support the organization and spread positive word-of-mouth.

2.5.2   Motivation

Motivation is a wide-ranging topic that can be applied to any kind of organization. Motivation can play a significant role in conjunction with intentions, cognition, and behaviors of entrepreneurs (Carsrud, Brännback, Elfving, & Brandt, 2009). For example, commercially oriented entrepreneurs most probably are interested in earning money, status, prestige and/or power. However, these are not necessarily the only motivations or rewards entrepreneurs are striving for. As Carsrud et al. (2009) research, entrepreneurs have the same motivations as any other individuals, namely fulfilling the own wants and needs. However, the use of motivation is different, they create own ventures instead of working for them. Cited authors also point out that the individual entrepreneur's motivation affects significantly the way of company's performance. In service industry motivation plays important role as well.

2.5.3   Goal setting theory

The goal-setting theory is relatively modern, it was developed during the second half of 20th century for theoretical researches regarding motivation (Kurose, 2013). Author identifies the theory as a framework developed in order to understand the linkages between motivation, behavior, and performance. Kurose (2013) concluded in his research that high goals result in better performance than vague or low ones. Author also suggests the usage of feedback in order to make more visible aspects regarding the set goal, notice if a goal loses its power, and track the progress toward the goal. Feedback can be received from employees so that the inside company's environment is described, or it can be concluded from some statistical data such as turnover or sales volume change to see if the company achieving related goals or not. Feedback can be seen as a guideline to correct behavior and to a need in order to learn new things. Goals can be categorized with the purpose of specification of their levels of difficulty, Carsrud et al. (2009) suggest division into outcome goals and learning goals. Thus, learning goals focus on mastery of task fulfillment, while outcome goals linked to a task performance.

2.6   Online Survey

There are many indices existing to measure customer loyalty such as, American Customer Satisfaction Index (ACSI), Predictive Loyalty Index" (PLI) and Customer Loyalty Evaluation (CLE), but customer survey still linger a commonly used way to estimate customer loyalty. Many organizations use this kind of indices in order to be able to keep track of

the change in their customer loyalty creation. As Grossnickle and Raskin (2001) have noted "while initial forays were fraught with technical difficulties and methodological hurdles, recent developments have begun to expose the medium's immense potential. The earliest online tools offered little more than the ability to deploy paper-based questionnaires to internet users. Today, tools and services are available with a wide range of feature sets at a wide range of price points. One or more of them are almost certain to meet the needs of any marketing research professional."

There are several reasons for popularity of surveys. Firstly, it enables companies to quickly analyze and standardize the level of customer loyalty. Additionally, a company might not have an access to objective customer loyalty data. Secondly, empirical data collected from surveys can be used in changing organizational business process. An additional advantage of surveys is the information gathered in real time, which makes companies be able to look into the future concerning customer loyalty. Technological innovations led to the easy vehicle for gathering data- web-based surveys (Grossnickle and Raskin, 2001).

According to Fill (2013), online surveys provide a number of advantages in comparison to the "old method" of data collecting. Web-based surveys as well as results are accessible 24/7 by anyone who are relevant. Some organizations may connect customer survey data to their CRM systems so that they have up-to-date data. In case of quick need of resolving problems, there are certain tools that will automatically address emails to a responsible team member, such as trigger emails, that are discussed later on. For easy use and examination of data, modern technologies offer different tools that automatically analyze the data and point out causes of customer satisfaction and concerns. One more advantage of online survey is cost saving (Fill, 2013), obviously it is much cheaper to manage an online survey than hire the special agencies who will collect information. Once properly developed, customer survey can be used many times in future.

2.6.1   Competitive advantage

In order to compete in a market, a firm should have a competitive advantage, which is crucial for many, if not for all. According to Barney (2002), competitive advantage is an action or a strategy to develop economic value that is not being implemented by potential rivals and is difficult to imitate. Author describes competitive organization as the one of those few that operate within the same activities. The source of success in the market is staying competitive (Heywood, (2008). By having a regular customer feedback on a regular basis and analizing it properly, a company might gain its own competitive advantage.

2.7   Online purchasing service

According to Hayes (2008), loyalty is a direct result of customer satisfaction and it is mostly influenced by the value of services provided. Productive and satisfied employees are the ones who create the value. The author also mentions that the level of employees'

satisfaction depends on inside culture of an organization and its business strategies that are coherent to service delivery. Wang et al. (2000) claim that for online retailer loyalty development is both more significant and more challenging in comparison to offline retailing. Hayes (2008) terms it as a game of guesswork when it comes to define an amount of money to spend on customer relationship management, because this type of cost is problematic to calculate due to the lack of necessary data.

Hollenbeck & Hall (2004) have noticed that online shopping has become a well-accepted way of purchasing products, so that there is a visible growth of online retail sales, which also exhibits the growing customer enthusiasm for the online shopping network.

All of the dimension being assessed by the customer satisfaction questionnaire are important to customers (Hayes, 2008). It is, however, crucial for a firm to understand which one of those dimensions plays the most important role in identification of the most highly related issue to the overall satisfaction. If such information is available, the organization knows exactly where to put the main focus. The correlational analysis of a questionnaire can be helpful in that sense.

Factors as a restriction in range of scores and measurements of quality dimension should be considered when determining which quality characteristic is the most important in determining how to allocate company resources (Hayes, 2008). Another, more sophisticated method is to do multiple regression analysis in order to determine the relationship between variables. Determination of important quality dimensions does not have to be confined to a single point of time. Customer attitude towards different dimensions might be changing over time.

2.7.1 Electronic commerce

According to Goldmanis, Hortacsu, Syverson, and Emre (2010), market shares are likely to decrease due to reduced costs of consumer search that e-commerce can bring. These authors argue that nowadays consumers have more knowledge regarding searching for other options, because of retailers experiencing difficulties in selling overpriced goods. Goldmanis et al. (2010) suggested that since more and more retailers operate online, and customers also went online, behavior of customers is likely to change and become more selective. Due to the existence of online shops, customers have more options to choose from and therefore the competition among retailers is higher than it was before. Hence, "e-commerce ought to lead to intensified price competition and through it to lower variation or dispersion in prices" (Goldmanis et al., 2010). The cited authors also add that higher e-commerce activity among consumers lead to losses for smallest industry producers and positively affect the large ones. The reason for this could be economies of scale, implying that larger producers have lower production costs.

Electronic commerce can be divided into two groups, namely "Brick and click" and "Pure players" (Kämäräinen, Saranen, & Holmström, 2001). Companies which have both online channel and a physical store are related to Brick and click, while the ones only offering

the online customer reaching channels are the pure players. The focus of this paper is on pure players companies that have already well-known brand name and existing customer database.

Obviously, it is very convenient for customers to order goods online and spend less time waiting than in in-store shopping. Depending on personal perceptions, the convenience might appear as an effort customer put, spent time, reduced stress, and it could even be physical effort when picking up purchased items (Verhoef & Langerak, 2001).

From another perspective, there are also disadvantages of e-commerce. Companies face difficulties to provide high-quality service to its customers. Supply chain department is concerned about cost-effectiveness in delivering from the distribution center to the customers (Kämäräinen et al., 2001). Moreover, the author points out packing as a big challenge, especially, when it comes to products that require different temperature, such as fridge and freezer. An appropriate type of packing should be chosen in order to safely deliver the product and satisfy the customer. In fashion industry, there are expensive handmade items that should be treat properly, such as designed hats or accessorizes. Shipping cost coupled with card security might also be considered as disadvantages of e-commerce (Verhoef & Langerak, 2001).

The number of people who shop online is growing fast, in compliance with the annual report of 2013 by Swedish Digital Commerce, average percentage of online shopping in Sweden has risen from 12.4 % to 16.2% (2010-2013; see figure 1 in the appendix section). According to the chart provided in the report, 12% of all online purchases consist of shoes and clothes (see Figure 3 in the appendix section). It is also stated in the report that the most common age among online shoppers is 35-44 (see Figure 2 in the appendix section). Mobile shopping is also growing very fast in Sweden, there are 733 000 new consumers who started mobile shopping in 2013 (Svensk Digital Handel, 2013).

2.8   Fashion industry

The demand for products in the fashion industry cannot be forecasted. As Christopher et al. (2004) describe fashion markets, they are open complex systems that habitually show high level of "chaos". Aspers (2010) defines the garment market as "a social structure for the exchange of rights in which offers are evaluated and priced, and compete with each other". Actors involved usually have a big variety of different products at variable price levels. Aspers (2010) also describes the market as a predictable from actors' point of view and stable, implying that predictability in a market if knowing what is produced, who are the actors, and how they become what they are. It is difficult to predict what will come into fashion, but at least actors have a sense what is trendy.

According to the Swedish Textile and Clothing Association (2013), Swedish fashion industry had reported a turnover of 206 billion SEK, and 60% out of that was exported in 2013. According to a statistics and analysis of 2015, a turnover raise up to SEK 237 billion, which shows a fast growth of industry. Domestic market sales decreased by 1.7%

in 2013, while exports increased by 6.8 %. The main markets for export of Swedish fashion products are Nordic countries and Germany. One can say that fashion industry can be viewed as a contribution to the image of the country. So the most famous and popular Swedish brand H&M plays a role of the image of Sweden abroad. Nevertheless, Swedish fashion industry has a variety of brands sold at different price levels, such as Lindex which is the affordable one and J. Lindeberg which is considered to be a luxury brand.

2.8.1 SME

Many researches show that the competition in fashion industry is highly intensified, and there is a big number of smaller independent fashion retailers who face many difficulties and consequently they are unable to cope with these challenging economic trading settings (Donell, 2012). However, there are still opportunities to grow, because of unsatisfied customer demands and probable competitive advantages that small retailers can take into consideration and become steadier in the industry.

Fashion retailers, as any other retailers strive to improve their market position, one of the ways to do so is to always re-evaluate the product and service offered and invest in new innovative marketing strategies in store as well as the ones performed online (Birtwistle, Clarke, Freathy, 1998). Typically retailers were more transaction oriented than relationship oriented (Mulhern, 1997), clearly when having smaller customer database than big corporation have it is easier to provide more personalized approach to every single customer.

SMEs are normally managed by an entrepreneur, meaning that their internal systems are more collegial and less standardized, their resources are limited, such as finance, staff, attitudes and skills (Donell 2012). SMEs as well as larger companies practice basic marketing concepts, namely market segmentation, customer orientation, positioning, and targeting. Though, according to Birtwistle et al. (1998), the central component of SMEs is customer focus, which allows small companies to deeper understand customer requirements and satisfy their needs. Author also argues that small firms often rely on historical reports and analyse as a support instrument in order to make a decision. SMEs typically face a lack of customers, luckily modern technologies provide them with less costly platforms to reach new customers.

2.9   Summary

Figure 6. The combined model
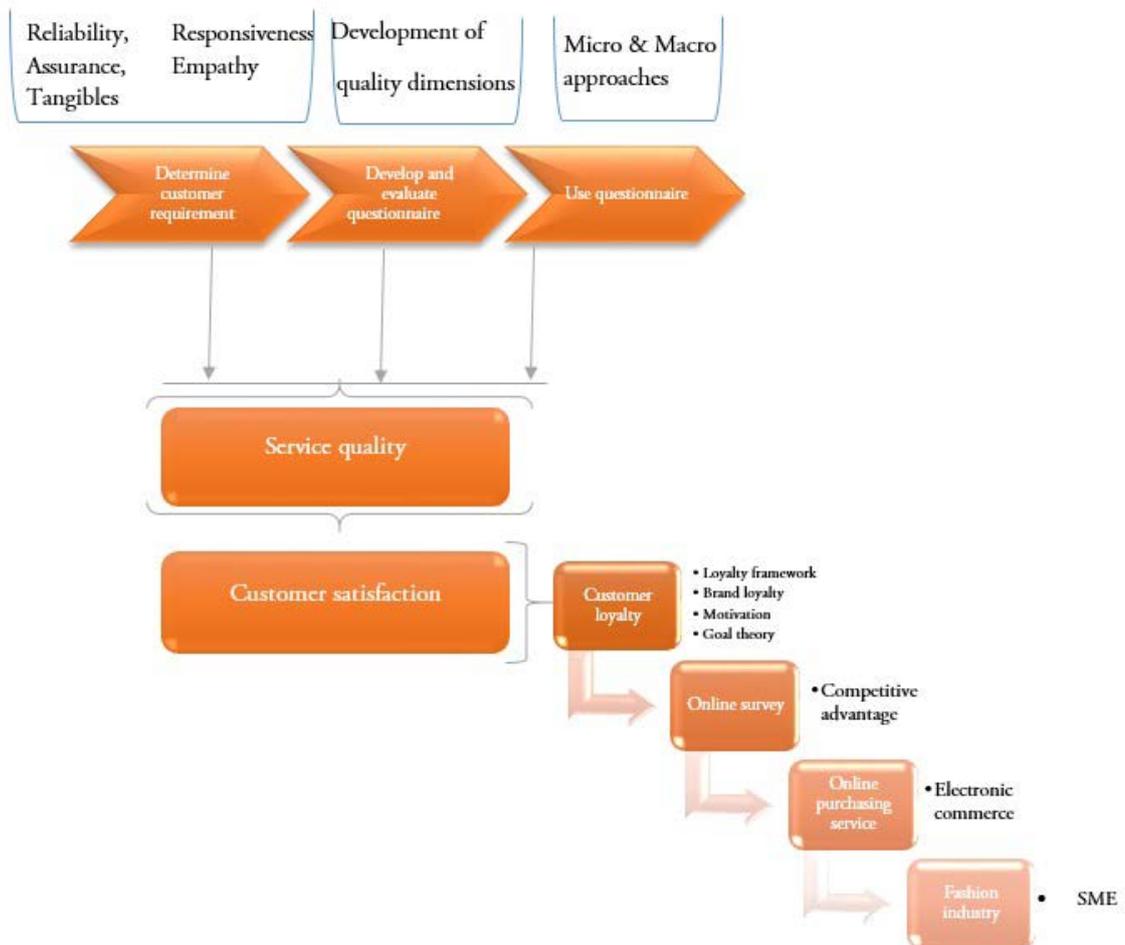
Source: Source: Hayes, 2008, p. 34; Wilson et al., 2012, p 74

The purpose of the Frame of Reference is to introduce important concepts, such as customer loyalty, customer dimensions, critical incident approach, and customer lifetime value as well as to establish the overall comprehension of the steps to be followed while creating the customer feedback survey. This paper also explains the connection between the customer feedback analysis and customer loyalty improvements. Knowledge gained from five dimensions of defining the quality (Parasuraman, 1990), Oliver's (1999) framework regarding loyalty development, and Hayes (2008) general model about development and use of online survey are the main theories that help to build the empirical data and answer on research questions. The research recognizes how online surveys are created by

organizations, how the responses are analysed, and identifies additional factors that help to develop long-lasting customer relationship.

This case study is focused on the online fashion stores, clothes industry companies located in Sweden in particular. Not only is the quality of a good important to customer, but also the quality of service. In order to keep existing customers and attract the new ones, a company should pay its attention to customer loyalty. When operating online, the best way to ask for feedback is survey. The company gets many benefits from developing online surveys, such as saving money from less staff, more respondents are available, easier data analysis because of computer programs, 24/7 accessibility, and as a result building a new strategy that will result in more revenues.

The research covers the improvements that companies can make, if taking the customers' feedback into consideration. As it was mentioned in the beginning, if a company regularly makes satisfaction surveys, it understands customers' demands, and when making loyalty surveys it will contribute to developing long-lasting customer relationship, which can lead to business growth or increasing sales volumes. After defining the importance of customer loyalty and developing an effective survey a company is able to collect the data and adjust it to theories examined above. The goal is to examine how the actual use of online surveys works in a real world companys' practices. Fashion industry is difficult to forecast and companies involved should be very flexible in order to be able to follow trends and customer requirements. Swedish fashion industry has 237 billion SEK turnover reported for 2014 (Sveriges textil & modeföretag, 2015), so the industry influences the national economy a lot and 60% out of it are received from exporting. It is also important to investigate, if customer feedback can be a push growth tool. Once the literature framework is clear, the study is ready for the methodological part.

3 Methodology and Method

In the methodology part, the data collection techniques are described. Firstly, it is explained why the particular methodology and method were chosen. Secondly, the practical aspects of data collection are described which was shaped as personal interviews with online stores' representatives and founders located in Sweden. It is further presented, how the focus group was chosen, how interview guides were created, and how the interview was conducted, documented, and investigated.

It is necessary to identify what is the reason behind performing the research. Establishment of the clear steps in the research together with the statement of deadlines will allow to have a confidence regarding the work control. Based on the literature review, the research purpose was defined as following: finding the influence of the customer feedback interpretation on customer loyalty in case of online fashion stores, the outcomes of which can be later on used in the service industry as a whole. Based on the purpose, it was decided to use a qualitative approach in the study.

In order to collect the data, it was decided to perform the interviews with the companies' representatives, which would help to create a more in depth, "inside" view on the topic. The interviews were also chosen as the most efficient tool, since personal interviews can create the more informal data collection, which should lead to the more reliable answers gained. In this way, the information collection method can be regarded as the most reliable and efficient one.

3.1 Choice of Methodology

The methodology used by the authors has a rather qualitative approach, and it was therefore decided to regard it as hermeneutics concept. Hermeneutics approach is the synonym for the interpretational approach, according to Bruns (1984). Since it was decided to perform the interviews with the company's representatives, the interpretation of the received data seemed more relevant than application of the positivism methodology. According to Bruns (1984), positivism is the philosophy of science that information derived from logical and mathematical treatments. In the case study, such as performed in this manuscript, positivism would seem rather irrelevant.

According to Thomas (2010)," it is an anatomy, if you like, of case normativity, of story making, using abduction (rather than expecting induction) and relying on phronesis (rather than expecting the development of theory)". The example described in a study with the abductive research is neither taken to be typical or to be a model to follow (Thomas, 2010). The author also suggests that in an acknowledgment of the impossibility of any

kind of special generalization leading to induction, can any recourse be made to theory, for theory in this context is usually being used to mean simply a generalization—weak or strong. Since the authors have decided on making a case study, and the results of this research are rather interpretative, the abductive research approach was chosen. The aim of this particular study is not to generalize, but to find some practical implications arising for the case, and therefore, the abductive approach seemed as the most relevant one.

3.2   Choice of the Research Method

When examining how customer loyalty is connected with online survey and how companies use online survey data, it requires a deeper understanding of the subject area. The qualitative approach is used in order to perform the study. The choice was made due to the fact of focusing on a subjective matter. In order to make the data collection more effective, the personal interviews were conducted. In compliance with Maxwell (2005), "qualitative data are not restricted to the results of specified 'methods'; you are the research instrument in a qualitative study, and your eyes and ears are the tools you use to make sense of what is going on". With the goal of achieving a comprehensive understanding of a situation in particular companies, it has been decided to handle interviews face to face rather than e-mailing. In case of sticking to quantitative data, the authors take the risk of facing misleading information, missing important insights, and being not able to elaborate on certain answers. Hence, we find the qualitative method as more appropriates for gaining deeper understanding of the research topic.

In order to select the organizations, the following criteria were taken into consideration: Firstly, the focus was on the Small Enterprises, due to the fact that big corporations might have different approach to its customers and more data is available for companies; Secondly, it was decided to decrease the focus group to the companies located in Sweden, since the way of running business can differ depending on countries law regulations, or cultural dimensions. To narrow down the number of firms we are interested in even further, it was decided to focus on the online fashion companies, due to the fact that the customer feedback is crucial in such type of business (Birtwistle et al., 1998; Christopher et al.,2004).

As it was mentioned before, fashion companies should be very flexible in order to meet customer requirements. Small Enterprises as well as other compnaies are interested in developing tools to build long-lasting customer relationship, since it palys a signigficant role in maximizing profitability (Wang et al., 2000). SMEs have their own advantages compared to big companies, because of availability of applying personalized approach to customers due to lower number of customer database. As Wondrak, Gooderham, and Nordhaug (2003) argue in their book, small companies are much easier and faster to switch to a new strategy than the big ones, they can also be more innovative. The mnetioned authors prove arguments in their book by highlighting that large companies are

often hampered by their size, so that they are slow in making changes and it is difficult to try new things because of being slowed by past experience.

In general, the evaluation of service quality differs from product quality. According to Liu et al. (2014), the quality of service is an abstract intangible concept and as well as a form of expression. For the purpose of conducting researches related to the quality of service offered, certain quality concepts should be clearly identified, targeted and assessed.

3.3 Criticism of the Qualitative Research Method

The authors acknowledge that there are several limitations with the method chosen for the research work. According to Adcock and Collier (2001), firstly, there is a probability of a strong generalization. Secondly, it is possible to create a rather holistic view on the problem. Another challenge is related to the difficulties in data interpretation which lead to the subjectivism in conclusion making.

3.4 Sampling Method

The information can be collected though primary and secondary data. Primary data is the specifically collected raw data in order to complete own studies (Rabianski, 2003). In this particular study the primary data are related to online stores, specifically their analysis of online customer feedback. The data is collected by interviews with company representatives and e-mails. Secondary data gathered from companies' websites.

Brewer (2000) suggests the ethnography method for research study. This method is a comprehensive study of people in naturally occurring conditions by data collection methods which capture their social senses as well as regular activities, while the researches are also involved in the situation. Author also highlights the advantages of this method application in entrepreneurial research. Ethnographic research highlights unstated needs that we may be unaware of, it includes gathering insights on how people behave in everyday lives, what the habits people adopt are. This method is applicable to social studies, since it focuses on social interactions, behaviors, and perceptions that arise within organizations or communities. As an advantage of this method, one can identify the better understanding of society's values and entrepreneurial behavior, which cannot be achieved by quantitative methods of data collection. Brewer (2000) describes the ethnographic research as an important tool to examine entrepreneurship from the viewpoint of stakeholders.

Elemnts of ethnographic research method are chosen for this study since it contributes by enabling to get details regarding two specific business running processes and have more insightful view of the problem (Brewer, 2000). In order to create more comprehensive questions for interview, ethnography method as well as Maxwell's method are used. Approach via interviews allows to be more flexible than the statistical one. Brewer also critiques ethnographic method since social sciences emanate from two opposite sources.

Due to the fact that running a business in fashion industry is a dynamic process, and it is not possible to forecast customers' demands as it was mentioned before, ethnography method was chosen as an appropriate one. Elements of ethnography method are applied in order to investigate the process of customer feedback analysis which affects the customer loyalty. In this study five interviews were conducted in compliance with elements of ethnographic method.

3.5   Selection of companies

The number of online purchases is growing fast, more and more people prefer to save their time and get wider choice of products to buy. As it was already mentioned, in Sweden there are 16.2% of all purchases done online (see figure 1 in the appendix section). In order to catch more customers, companies develop and improve their strategies as well as competitive advantages.

There are many industries providing online websites, such as grocery stores, fashion stores, and electronic centers. Sweden has a strong fashion industry, H&M for example is a world leader in using organic cotton. According to Sveriges textil & modeföretag (2011), there are 49050 people employed in fashion industry in Sweden, excluding H&M, which is more than in the food industry or steel and metal industry.

The focus of this paper is on online fashion stores based in Sweden, selling brand items and which are not yet experienced to become a market leader. As it was previously explained, the aim is to investigate not yet well-examined topic. Since big corporations like H&M most probably have their own techniques to measure and improve customer loyalty, it was decided to examine small enterprises.

While studying the profile of both companies it was noticed that they meet our research requirements. The requirements are to have small and medium sized enterprises based in Sweden, operation in fashion industry that conduct customer online survey on a frequent basis. Both interviewed companies were experienced by cooperation with university projects, they offer internship for students. During interviews with company representatives it was aimed to understand how the company stay competitive in the market, how important the customer loyalty is for the certain company, and how online survey affects the way a firm serves its clients.

3.6   Creation of Interview Guides

In order to develop questions that will be applicable in this study, a comprehensive list of important dimensions was developed in accordance to Parasuraman (1990). Aiming to understand how customers define quality dimensions in case of two chosen companies. There are few techniques that have been used in order to create the interview guide. It is believed that in order to create high-quality interview questions, it is useful to combine the two techniques developed by Maxwell (2005) and Brewer (2003).

The first technique that has been used in creating interview questions is Questions and Methods Matrix developed by Maxwell (2005). Before creating questions author suggests sorting out the thoughts and answer first to the following questions:

- What do I need to know?

- Why do I need to know this?

- What kind of data will answer the questions?

- Where can I find the data?

- Whom do I contact for access?

As it was previously described, in this study qualitative data collection is applied together with ethnography method. Aiming to get insightful and fresh viewpoints of interviewed

Figure 7. The combined model to create interviews
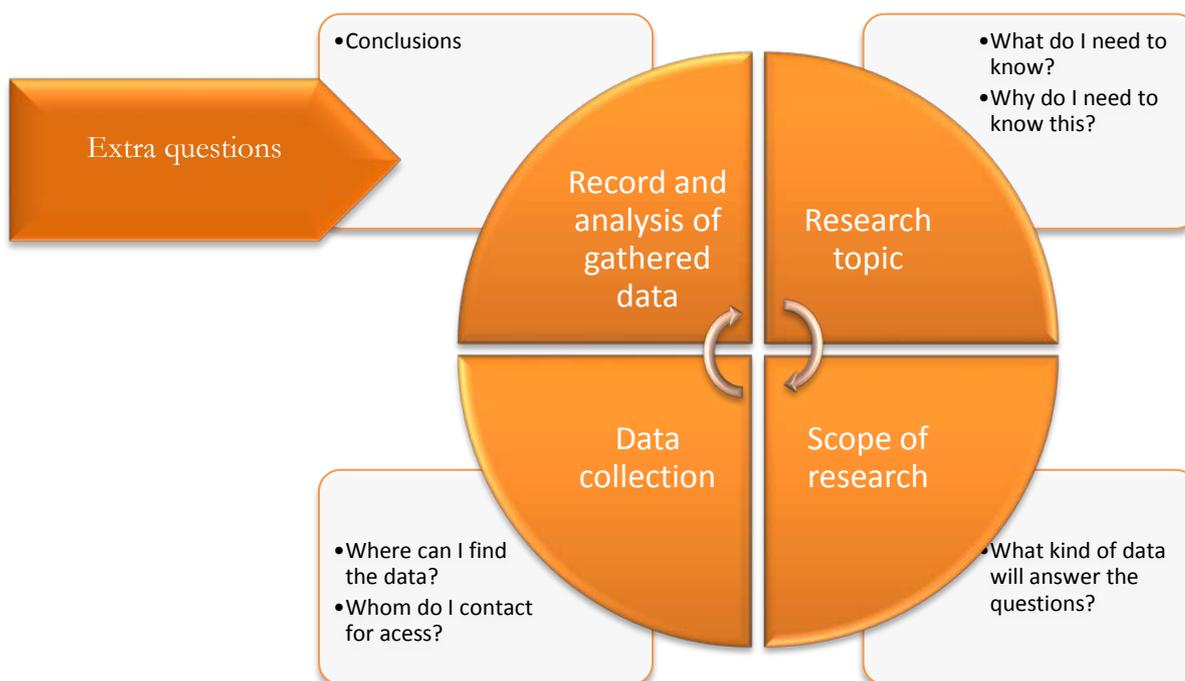
people the ethnography cycle was used in order to perform the study. According to Brewer (2003), Ethnography cycle includes the following steps: selection of the research topic, definition of the scope of research, asking ethnographic questions, data collection, record and analysis of gathered data. Later comes extra ethnographic questions if needed in order to receive more information.

Source: Maxwell (2005), Brewer (2003)

While developing the questions for interview, it has been decided to examine the connection between online surveys and building long-lasting customer loyalty in certain fashion companies. Aiming to investigate how companies analyse and gather the customer feedback, how important the customer loyalty is, what the tips that companies have for keeping its customers satisfied are, and make them repurchase. All mentioned aspects are important to know in order to see how theories could be used in real world and to be able to analyse on real example how companies develop customer loyalty. When linking two methods the figure above was developed, based on ethnography method and Maxwell's Questions and Methods Matrix. Because of not focusing on numerical and statistical data, but rather being interested on more insightful information the qualitative method was chosen.

Since the study involves many social aspects, the ethnography method was added aiming to produce more comprehensive interview questions. To be able to interact with the interviewing person and see verbal behaviour, face-to-face meetings were prioritize. Since the focus is on small companies operation in fashion industry, most probably there is no IT department responsible for tracking the progress of online surveys, so we are interested in employees from marketing management department, who promote the company and also deal with customers. The founder of a business should be ableto answer any question because of being aware of what is happening. Companies' websites are also very useful in order to collect a general information to describe background.

Maxwell (2005) reminds to follow timelines for acquisition, because it is very stressful to finish the research on time when having time limits. When preparing questions they should be linked to methods. "To design a workable and productive study, and to communicate this design to others, you need to create a coherent design, the one in which the different methods fit together compatibly, and in which they are integrated with the other components of your design" (p. 102, Maxwell 2005).

In this part the information provided is regarding the creation of interview questions by applying the mentioned above methods, Maxwell's questions and methods matrix combined with elements of the ethnographic cycle. The interview started with greetings and giving explanations regarding project, recording, and interview. According to Spradley (1979), during interview, ethnographic questions are divided into the following groups: descriptive questions, structural questions, contrast questions. Descriptive questions are the easiest to ask, they usually begin an interview and give an overall image about the informant's position and the company. Firstly, we described our goal which is to examine the connection between online surveys and developing long-lasting customer loyalty. The investigation is on how firms analyze the customer feedback and if this particular method is effective or not. Next, we needed to get the general information regarding the company's place in the industry. Such information as size of organizations, years in the industry, and other facts considering the general information about the company was asked first.

Structural questions allow to examine how informants built their knowledge. The question can examine some kind of stages or steps taken in an activity. The informants were asked to explain the personal approach to customers, and characterize the nature of customers. Afterwards, it was aimed to understand the attitude towards identifying the most important customer requirements. It was decided to investigate if a customer's individual concerns are taken into consideration by companies. Later, it was decided to identify the level of personal relationship with customers. Additionally, the flexibility of the company, its ability to adapt to special customer requirements is taken into consideration.

It was discovered if an informant agree with the statement by Oliver (1999) "customer loyalty stimulates business growth and loyalty is defined as a direct result of customer satisfaction, while satisfaction is affected very much by the value of services provided".

The contrast questions aimed to understand what informant means by terms used while discussion. We asked what was meant by "the satisfied customer", how the interviewed person define loyalty and satisfaction.

The company may also use some loyalty indices, even if they are small medium sized, so during personal interviews examples of indices were mentioned and it was asked if companies use any of those.

Next, it was decided to investigate on company's ability to track the quality of provided services. In the beginning, the authors asked a company about the sources of the feedback collection. Afterwards, it was explored how the company implements the improvements according to customer feedback.

After asking the questions from the list, it is important to express interest, according to a guide for the ethnographic interview. When concluding the interview, it was asked if the information received is correct.

3.7   Primary data

The primary data was collected through interviewing representatives of two chosen companies. The interview were conducted approximately at the same time, in April 2015. In total there were five interviews conducted; Company A: CEO, marketing manager, and intern from marketing management department; Company B: sales manager and marketing manager. The first two interviews were semi-structured, meaning that there were prepared in advance questions as well as flexibility to ask questions that arise during the process. Questions were formed according to ethnography method coupled with Maxwell's recommendations (see appendix section, Interview questions to Company A). So firstly the aim of interview and the topic were identified, then the scope or research and data collection method, so in the end after data gathering process the information was analyzed. While analyzing the data, more questions arise so an extra interview was arranged with the marketing department intern. Respondents were able to speak their mind about certain topics and develop their own ideas regarding customer loyalty. The last two interviews were conducted online via e-mail due to the lack of time that employees from

the second company experienced. The character of these interviews was very structured and clear, because there was no personal contact and ambiguity should have been avoided. The interview questions were sent by e-mail to the company B representatives and they are provided in Appendix section (Interview questions to Company B).

However, both interviewed companies and representatives required to stay anonymous on the reason of sharing private information that may affect the business or may be used by competitors. Therefore all the names are replaced and instead of real company name there are company A that was the first interviewed and company B which was e-mailed. The following table summarizes all the interviews that have been done.

Figure 8. The summary of interviews

Given Identity	Position	Type of Data Collection	Date	Interview length
John	CEO	Personal Interview	22/04/2015	42 minutes
Anita	Marketing Manager	Personal Interview	22/04/2015	45 minutes
Emma	Intern of the Marketing Department	Personal Interview	18/04/2015	37 minutes
Johan	Sales Manager	E-mail Interview	11/04/2015	N/A
Richard	Marketing Manager	E-mail Interview	30/04/2015	N/A

Source: own

4 Empirical Findings

The following section is presenting the companies and interviewees' backgrounds and interviews' results.

Company A background

One of the largest Scandinavia's fashion outlet. The company was founded in the late 2000s in Jönköping, Sweden by John and Kristina. This family business operates as a designer cloth outlet, which sells discounted womenswear, menswear and accessories. It has only one physical store located in Jönköping, while the online shop sells products worldwide and the warehouse has around 15000 items stored. Current brands displayed in the store are Dolce&Gabbana, Versace, Armani, Belstaff, Prada, Valentino and many more.

According to the interview with the founder of company A, the biggest competitive advantage is absence of sales intermediaries. Company A reducing as much as possible selling prices by decreased distribution margins and buying old collection items.

John and Kristina own two more companies in Jönköping, so they are experienced entrepreneurs and when season sales start they are able to transfer employees from one workplace to another in order to hasten the process.

However, the biggest stock market is eBay, through which the company A sells about 90%. As the marketing manager Anita mentioned, eBay offers a very comfortable platform to increase sales and it is very easy to collect customer information.

Company B background

The company was founded in the late 2000s in Malmö, Sweden by Richard and Daniel. It is a multinational e-commerce SME that specializes in selling fashion and lifestyle attributes online. It serves Europe only and started operation by selling footwear. From the beginning the company B started to expand the stock into other Europe countries. Online stores contributes to branding and company B launched its website from the start.

The company offer around 1500 different brand names, exporting them to more than 10 countries located within The EU. The company sells diverse brands at different price levels, which allows it to capture customers with any income.

The company focuses very much on customer loyalty and always ask each customer to leave a comment regarding ordered products and stimulates existing clients with discounts. The company focused very much on expanding the customer database, it offers a 100 SEK discount if a client subscribes to receive a newsletter, it cooperates with Mecenat.se which provides current students with special discounts, and once buying a product from company B there will be also discounts provided with the order aiming to encourage people to become stable customers.

In this section the results of the five interviews performed are presented. According to the interview guide provided in the section 3.5, it was decided to divide each interview presentation into three parts: Background information, Determining most important customer requirements, and Tracking the quality of service. With the Company A representatives, the interviews were performed in person, with an approximate duration of 40 minutes. In the case of the company B, the interviews were sent via email, they consisted of 7 questions. All the five interviews were conducted in approximately the same time, between the 11th and the 30th of April 2015. The names of the persons participating are changed due to the reason of them preferring to stay anonymously.

Company A

CEO- John

Background

John is the Chief Executive Director and co-owner of the Company A. Together with his wife they have started the fashion outlet company in May 2009 in Jönköping. There are five permanent employees working for the company, and their warehouse has around 15000 items stored. 90% of the selling done by the company goes from eBay.

Determining most important customer requirements

Company A has based their business model on gaining the customer trust by receiving the Top Rated Seller's status on eBay, which plays an important role in distribution of the stock. It was therefore decided, that all the employees should be working towards this goal, and as John said "*it has become our main motivation*". In order for the company to receive the Top Rated Seller status, it is extremely important to have a good feedback from customers' side, and to meet the promised quality. In order for a company to understand, if the service provided is of a high quality, the eBay standard online feedback template is used. "*We were lucky enough, that eBay has already provided the necessary quality checking template, so that we do not have to do the extra work. The platform is so convenient to use and there is already the existing customer database and if we get the Top Rated Seller award, we believe we will increase our sales enormously*", says John. The online survey is divided into four categories, which are the accuracy of the item description, communication quality with the seller, punctuality of the shipment, and reasonability of the changes, if any, in shipment and handling.

John says that since the company's size is not very large, every single customer is extremely important. "*We try to take each single customer's requirement into consideration, starting with the small requests, such as taking out the price label, up to sending the items in four different boxes instead of one, during the four different days.*" The organization is also quite concerned about receiving the negative feedback. "*This is something that we definitely do not want to receive, since it all goes in our eBay history, and puts us back from the main goal of receiving the Top Rated Seller status, therefore, my main job is to ensure that the quality provided is of a very high level.*" At the same time, by lowering prices for delivery, packing, and hiring less staff, Company A is able to sell their goods cheaper.

Tracking the quality of service

Once feedback is received from a customers, it all goes to the data base. Marketing manager is the one who takes care of feedback and decides, if any improvements should be done accordingly. There are three types of feedback that can be received from eBay surveys: positive, negative, and neutral. What is interesting about the company, is that the neutral feedback is still regarded as the negative one. "*If one wants, to get the Top Rated Seller status, he or she has to be evaluated positively in 99.9% of cases, this is why if we get a neutral feedback, it harms our goal accomplishment*", says John. After the feedback was evaluated by the marketing manager, she decides on who should receive it. For example, if the delivery was late, the case goes further to the logistics manager, so that he makes sure that the same issue will not happen in the future. The co-owner of the company, Kristina is also responsible for the customer relationship, and all the issues in the company also go through her. "*We do not want any of our customers to have an impression that we do not care about their problems, we do try to make everything possible in order to make sure that the unsatisfied customers will change their attitude*", adds John.

Marketing manager- Anita

Background

Anita is the marketing manager of the company, and she is also one of the longest working employee, due to the fact that she has been in the company since the day it was founded. She has seven years of experience in marketing, and she is a university friend of co-owner Kristina. Today Anita is the only permanent employee of the marketing department, even though there are some interns working for the company. She is also the one helping to the customer relationships to Kristina.

Determining most important customer requirements

Anita is the most important person in the company when it comes to marketing, and this is why it is so important for her to know, what exactly the customers want, in order to know how to market the company. Since the organization puts the main focus on quality, this is also how the marketing is done. "*We promote ourselves as a quality provider, so we should also meet the requirements! I believe that there can never be too much knowledge of your customers and their wishes, so what I do, is I collect all the feedback we receive, and use the information gained for statistical analysis, identify the most important areas, in other words, every day, I am making a kind of research based on feedback*, describes Anita.

The standard eBay template is used in order to recognize which areas need the closer look, and which departments should continue with their way of work. There is a database in the company, where the information about every customer is collected. It is a very efficient way of gaining the information regarding the feedback history, as well as the purchase background. "*We are working on a goal of achieving the Top Rated Seller status, and this is where everyone's opinion is important, however, of course there is a difference between a person that does not buy much, and complains every single time, and someone who does big purchases, and complains only occasionally and reasonably. This is where our database helps a lot*" said Anita. Company does not

meet the customers in person due to the fact that the only physical store that existed was decided to be closed because it did not bring enough profit. Therefore, all the customer loyalty establishment actions are performed online.

Tracking the quality of service

After the feedback is collected, and the history of a customer is gained, the following actions are taken. Anita decides, on what kind of department is responsible for the feedback, and forwards the completed survey to them. "*It is not always about the negative reviews*", says Anita, "*I am responsible for marketing, and it is mostly about defining the strengths. If I see that a department is doing well, and received a positive review, I know that this is what I should focus on in my promotion*". Otherwise, the company always tries to improve their mistakes. Apart from improving the weak areas, the organization always tries to deliver the customer satisfaction, even if the customer was not happy with the service provided. In order to do this, they usually send some extra items to a client, or make sure that next time he or she will get the faster delivery. At the same time, company tries to establish close relationship with the customers who are satisfied, in order to make them willing to stay with the organization. This is achieved by sending the "Thank you notes" together with the items, or by sending small Christmas or Birthday presents for important customers. "*There are not that many items in our warehouse, only 15000 variations, but the quality of service connected to delivering them should be outstanding*", highlights Anita.

Marketing intern- Emma

Background

Emma is an intern in the marketing department of the company A, and she has been in the organization since August 2014. Emma is closely working with marketing manager Anita, and due to the small size of the company already has a good knowledge about the overall structure of the company.

Determining most important customer requirements

In her daily routine, Emma has an insider view on what is happening within the field of customer surveys. Customer needs recognition is the most important task of a marketing department employee, but it is also crucial to be able to deliver the promised value. "*The eBay customer survey is strict towards the quality that we provide. If one of the categories, which could be the accuracy of the item description, communication quality with the seller, punctuality of the shipment, and reasonability of the changes, shipment, is not met the standards, the overall feedback is regarded as negative*". The company is striving towards the Top Rated Seller status, and it is already marketing itself as a best quality providers, since this is the way the company sees itself increasing its profits. It was decided by eBay that the above mentioned dimensions are something that a customer expects to see from the seller, but, of course, there is a possi-

bility for the buyers to leave their personal requirements as well. Company also encourages its buyers to purchase more through providing them with advertisement leaflets offering more products.

Tracking the quality of service

According to Emma and John, company is very afraid of receiving bad feedback, since this affects the general picture of them on eBay. In order to prevent a customer from writing a negative feedback, the organization sends something extra, if the customer is unsatisfied with the service. Another way of preventing the negative feedback is blocking from the online store. If the company sees, that a customer does not buy much, and after every purchase they leave the negative review, such kind of buyer might be blocked, and not able to perform purchases in the online store anymore. Emma is in the opinion that the company is also using the micro approach towards the clients, which means that they try to take every single customer needs into consideration. There are around 60-100 orders done daily in the company, so the company is able to deliver the individual approach to most consumers' concerns. "*Of course there are the periods when we are more busy than usually*", admits Emma, *"During these times we are not able to take everything to meet all of the special requirements due to lack of resources, mainly human resources, but we still try to do our best, to have an individual approach towards as many customers as possible"*.

Company B

Sales manager- Johan

Background

Johan is a sales manager in the Company B, and he has been in the company since May 2011. Starting as a regular sales person, he has reached the sales manager position in April 2014. Since Johan has been in the company for a while, he is able to provide a good critical perspective on the company's current situation regarding the creation and analysis of customers' online feedback templates. The company does a lot of sales, and it is important for Johan to be confident about the quality that the organization is able to provide, and this is why the customer feedback becomes crucial.

Determining most important customer requirements

Company B has large sales volumes, and it also sets its goals towards the constant growth and attraction of the new customers. "*We are a commercial organization, and the more customers we get, the bigger revenues we receive. However, companies are usually not able to think objectively, and this is why customers are important in order for an organization to comprehend, what their strengths and weaknesses are"* says Johan. Due to that, Company B has created their own customer feedback survey, which is available on the website after the service is provided. The survey has three categories, which are delivery, customer service and product. Each of the categories has to be evaluated by a scale of up to five stars.

Tracking the quality of service

After a customer has filled in the feedback form, the special department responsible for customer feedback collection starts their job. Their main responsibility is to identify the major trend, and to evaluate how each of the three dimensions is working. If there is a category that gets many low evaluations, the responsible department gets the notice, and it is now the time for them to understand the routes of the problem. "*We are not able to meet the needs of each customer, and sometimes we are unable to deal with individual concerns, so I would say that we are rather using the general approach*", says Johan. As an example of customer feedback analysis, Johan mentions the changes of packaging. "*We have recently got some complaints regarding the misfit of products and packages, which can sometimes be unnecessarily big, and this is why right now we are working on changing our packaging policies towards the more efficient ones*". Johan is of the opinion that it is the value of a product or services that delivers the customer satisfaction, and this is why the company tries to provide the best value. "*A satisfied customer is the one who feels that the promised value is delivered properly*", says Johan, and this is what Company B is striving for.

Marketing manager- Richard

Background

Richard is a marketing manager of Company B, and he has been in the position since September 2012, and he has a total of eighteen years of experience in marketing. Richard spends a lot of time working with the company's website, and since the customer feedback is a part of it, he is able to provide the insider view on the situation. It is important for Richard to know the customers' expectations, and this is why the customer reviews have direct influence on his everyday job.

Determining most important customer requirements

"*Everything starts from an accurate marketing, and marketing starts from getting the clue of what people are lacking. The company's main motivation is to attract more customers, expand, and grow*", mentions Richard, describing the goal. The company B offers 100 SEK discount, if a client subscribes to receive the company's newsletter. It also cooperates with Mecenat.se, which provides current students with special discounts, and once buying a product, there will also be discounts provided within an order. The leaflets of other products' advertisements are provided by the company, as well as the partners' announcements. As Richard mentions, it is first important for the organization to make as many people as possible to become the potential buyers, and this is why they organize many promotional campaigns. However, it does not stop here, after purchase is done, it is crucial to understand, if it was successful, and if there are some kind of areas that require an improvement of any kind. "*Me, and my team have worked on development of the online survey, and we have decided to keep it as simple as possible*", says Richard, "*We have identified the three categories, which are delivery, customer service, and product. Clients get an opportunity to evaluate them on a scale from one to five. If a buyer has a more specific or individual concern, he or she can always send us their individual feedback.*"

Tracking the quality of service

"*After the feedback is received, the customer feedback department takes care of it. Their job is to determine the most important trends, and to see which areas work smoothly, and which do not*", explains Richard. Regarding the individual concerns, Company B tries to take them into consideration as well, but it is not possible to take care of everyone, due to not such big amount of staff available, and the big amount of customers. "*I would say that we use a general approach towards our customers*", suggests Richard, *"This means that we will not be focusing on the every single problem's solutions, but rather on what should be improved overall in the long-term."*

5 Analysis

As it was mentioned in the Frame of Reference, customer loyalty is the key for companies in order to stay competitive and sustainable in the market. During the empirical data collection, it was concluded that both Company A and B are striving towards establishing successful customer relationships and improving consumers' image of the service provided. Both companies believe that the good brand image is the main step for gaining loyal customers, and that the trust should be first of all established. In Customer Relationship Management, the two companies mainly focus on receiving the feedback and improving the service accordingly. Online surveys are used as the tool for receiving productive feedback. Marketing departments in the organizations are responsible for taking care of receiving and analyzing the customer reviews, as well as suggesting the changes to be implemented.

Figure 9. The combined model
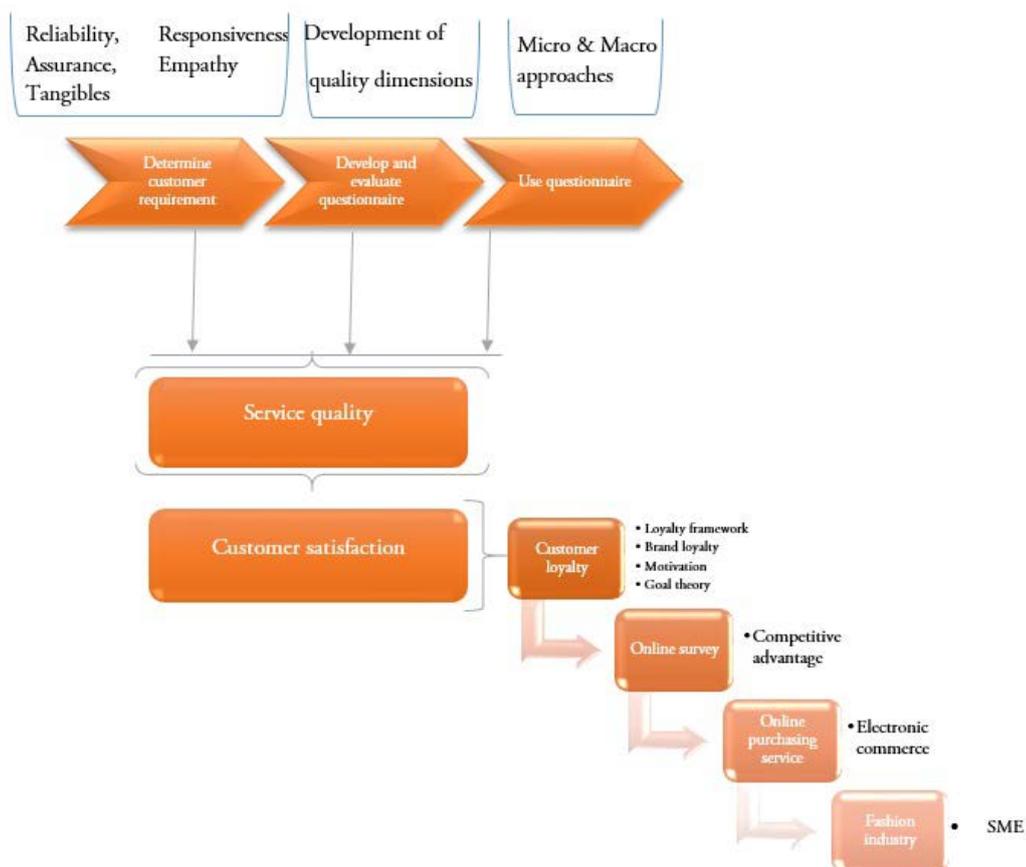
Source: Hayes, 2008, p. 34; Wilson et al., 2012, p 74

Determine customer requirement

Before developing customer loyalty a company might consider loyalty dimensions suggested by Parasuraman (1990) in order to understand how customers define the quality of the service provided. The first dimension is *tangibility*, which refers to physical facilities coming along with order. Both company A and B deliver extra leaflets with advertisements of other products or company B in particular adds partners' announcements. From the personal experience of the authors, in the package received from company B a pharmacy commercial and a coupon discount was found.

Implementing the service in an effective and safe way is called *reliability* dimension. It is important in online shopping that a customer receives exactly what was promised and the delivery was safe so that there are no damages on the product. According to the online survey which companies provide to its customers after order delivery company A asks if the received product correspond to a picture displayed on the website, and company B is wants to know the overall satisfaction with the product quality.

Responsiveness and *assurance* refer to employees and their ability to convey trust together with the speed of replies. Both companies replied in 2-3 workdays to directed questions. From our point of view, the 2 examined companies are showing their concernment in solving customers' problems and they are creating a decent impression of themselves.

The last dimension Parasuraman (1990) suggests is *empathy*, which is about the manner of treating customers. Obviously, individual approach is highly valued by customers and company A is showing great achievements in this. The Micro approach proposed by Hayes (2008) is related to empathy dimension, because the Micro approach focuses on individual issues and satisfying customer-specific requests. In other words, it is important to apply an individual approach to its customers in order to create more value. In compliance with intern from company A, around 60-100 orders are done daily, so the company is able to deliver the individual approach to most consumers' concerns, if it is not seasonal sales when sales volumes enormously increase. Company B did not provide us with the sales volume information, however the ability to cooperate with university students regarding this particular research also shows the high level of empathy and the application of the Micro approach.

Develop and evaluate questionnaire

Big corporations care about their customers and there are sometimes special departments working on developing customer survey, or as Hayes (2008) claims, the best way to create an effective survey is to allocate specific problem areas to an appropriate department so that the survey covers different areas. Hayes (2008) made a research about developing customer loyalty questionnaire and according to this research, accurately generated survey will lead to problem solving and customer loyalty improvement. In compliance with the general model (Hayes, 2008), it is crucial to identify the exact areas the attention should be paid on.

The companies that were chosen for this particular case study are small sized and they are missing special departments responsible for survey creation, however they involve marketing and sales departments in developing the survey. Company A tracks customer loyalty in two ways: first they have customer database for those who buy from a website and a physical store, and second they operate through eBay platform. Most of company's A sales are done through eBay platform, because of already existing customer database.

Before analyzing the interviews with company A it was not clear that this company relies a lot on eBay platform, but it was later decided to find out more how does this platform work. According to the eBay website (2015), Top Rated Sellers are recognized and rewarded as sellers who consistently deliver outstanding customer service. In order to become a Top Rated Seller, one has to meet certain sales and tracking requirements, as well as performance standards. There are several benefits arising from becoming a Top Rated Seller on eBay, which are the Top Rated Plus seal displayed prominently, a 20% discount on final value fees, and USPS Commercial Plus pricing.

The standard eBay feedback template consists of the following *quality dimensions*: the accuracy of the item description, communication quality with the seller, punctuality of the shipment, and reasonability of the changes, if any, in shipment and handling. These are the dimensions that the Company A focuses on. Speaking of the company B, they use their own survey in order to get the customer feedback, and the following dimensions have been identified: delivery, customer service, and product. A customer gets an opportunity to evaluate the product gained according to the scale of up to five stars for each of the categories individually.

Use
quastionnaire

There are two following approaches that can be applied by companies in order to improve customer loyalty: *micro and macro approach.* The macro approach stands for improving general trends in customer feedback surveys, while micro approach stands for dealing with individual concerns. After collecting the data gained during the interview, it was established that the company A uses the macro approach together with the micro approach in their customer feedback analysis. Speaking of the macro approach, it has the general template for collecting the customer reviews in order to use it for statistical data, and investigating the main areas of improvement. At the same time, the company has developed the micro approach as well. Since the company is striving towards the Top Rated Seller status every single feedback matters, and the company does everything possible in order to avoid it, and establish customer loyalty.

If the company knows that a customer is unsatisfied, it will try to gain the trust back by, for example, delivering some additional products. There is a person in the company who keeps track of every individual that buy the products, and the organization acts accordingly regarding what kind of customer one is. If an individual does not buy often, and mostly the cheap products, at the same time leaving a negative feedback, such kind of customer might even become blocked and unable to purchase from the organization. At the meantime, if one is a permanent customer, who usually does big purchases, the company will focus their efforts on maintaining the customer relationship with this individual.

In order to keep such customers loyal, the organization will assure quicker products' delivery, or show positive attitude towards the customer by sending them gift cards and small presents for Christmas or Birthdays. Another implementation is sending "Thank you notes" together with all the big purchases. The special requests are taken into consideration as well. For example, if a customer wants to send the purchase in four different boxes instead of only one, or not to put a price on a product, this will always be considered.

The company B, on the other hand, would rather be considered as the one implementing only one approach, the Macro approach. Even though there is a separate department responsible for customer feedback collection, its purpose is rather generic, and focused on investigating the major trends. The reason for this can be that the company is focusing on getting the new customers instead of maintaining the existing one. It is necessary to notice, that Company B is the bigger one, and with the bigger amount of customers every single one becomes less important.

Customer
loyalty

According to Oliver's framework (1999), there are 4 sequential phases of loyalty development that a company should go through, namely cognitive based commitment, attitudinal, conative, and behavioral commitment. Cognitive based commitment refers to customer preferences among variety of brands. Company A offers very low prices for brand products it sells, so this is how firms differs from its competitors. By lowering prices for delivery, packing, and hiring less staff company A is able to sell cheaper their goods. Customers still purchase the brand clothes, but due to some reasons such as old collection, defects or reduced delivery costs, the price is lower compared to rivals. Meanwhile, company B offer to its customers much bigger variety of products and brands. While at company A's storehouse 15000 items are stored (marketing manager, 2015), company B has 1500 different brands, meaning that their stock is much bigger, which is noticeable on company B's website (company's website, 2015).

Attitudinal and conative loyalty is strongly connected to emotions and motivation to repurchase. If linking them to Parasuramn's five dimensions of customers' definition of service quality (1990), it can be related to tangibility. Tangibility is physical facilities provided within the delivered product. Company A appears to motivate customers very well to repurchase by sending "Thank you" notes together with orders. As founder explains, customers become more loyal when receiving something personalized, and in case of some delivery or other problems there is a chance that customer will remain loyal because of feeling the belonging to the company. By the word "belonging" a founder means the feeling of importance of every single customer and their role in companies maintaining, because unsatisfied customers can leave bad reviews which will definitely affect the business. In the meantime company B includes in the order a discount coupon, which aimed to motivate people to repurchase. From the personal experience, company B makes the coupon valid only when the order sum is higher than 750 SEK, so that customers buy

more. However, discount actually motivates to repurchase. The last stage of loyalty development is the act of convergence of intentions and motivations into actions. This phase engages previous steps and appear to be the result of companies to achieve customer loyalty creation. Since both companies have big customer databases and act in a way of engaging more loyal customers, one can conclude that both firms are doing well regarding the loyalty creation.

As it was mentioned previously, motivation and goal setting significantly influence the performance of business. As Carsrud et al. (2009) concluded in his research about entrepreneurs' motivation, motivation has an impact on company's performance as well as on the success of activity. Author also highlights that individual entrepreneur's motivation directly affects the business operation process. Based on interviews conducted with company representatives, we make a conclusion that company A and B are profit-oriented and strive to increase sales and consequently revenues. Money is the motivation for both responded companies. In addition, company A explained a clear goal set for the business- to achieve a top seller sign on eBay website. This goal is very high and not easy to achieve, since it is difficult to have 99, 9% positive feedback, but it motivates employees to work harder. As Kurose (2013) concluded in his research, high goals result in better performance than vague or low ones. This goal falls into outcome category, focusing on task performance.

In real world, small and medium sized companies, not each of them would have customer online surveys. Hence, those that already practice this tool can relate it as a competitive advantage, since properly analyzed customer feedback can result in improved customer loyalty and consequently in increase in sales volumes. As Barney (2002) claims in his research, competitive advantage is an action or a strategy that develops economic values and is not implemented by potential competitors. While searching for appropriate companies to use in this case study quite many companies did not meet our requirements of having online customer surveys and analyzing them accurately.

There are many indices to measure customer loyalty such as ALI and PLI, but the companies that were interviewed are not using them, instead they have customer surveys that still linger a commonly used way to evaluate customer loyalty. As it mentioned before, online surveys have many reasons for its popularity, such as 24/7 access of both company and clients; real time information; cost savings; easy tools from new technologies to analyze the data. Small companies very often face difficulties with an access to objective customer loyalty data (Grossnickle and Raskin, 2001). Company A and B overcome these difficulties with data access by providing own customer online surveys. They are unable to compare their loyalty with competitors because of data privacy, but what they can do is to improve business performance and solve identified problems.

The two companies we have focused our research on are the ones using electronic commerce. As it was mentioned in the Frame of Reference, there are two types of online sellers, namely "brick and click" and "pure players". "Brick and click" companies are the ones offering online as well as offline purchase opportunity, while "pure players" are

those only offering the online shopping (Kämäräinenet al., 2001). Company A as well as the Company B are the examples of "pure players" due to the fact that they do not have any physical stores. However, before Company A used to have a store in Jönköping, which had to be close due to the high costs of maintaining the store, and not enough income gained from operating the store.

According to Hayes (2008), in order for companies to develop a successful questionnaire, it is important to know which quality dimensions are to be exactly included in the survey. Quality dimensions are the categories one wants to investigate his or her customers' attitude according to. In the case of the company A, the dimensions they base their survey on is the standard eBay buyer's feedback template. It is important for the company to seem as a reliable seller on eBay which they use as the online product distribution platform, and therefore they are striving towards achieving the Top Rated Seller status.

What kind of surveys fashion companies use

The main finding of the thesis is related to establishment of how fashion companies decide on their customer survey design. According to Hayes (2008), the key for the creation of a successful online survey is the quality dimensions' recognition. The particular study is focused on the quality dimensions established by the two companies. The research revealed that the Company A, which is concerned of the Micro and Macro approaches towards the customers, has produced more quality dimensions, also making them more flexible towards individual cases. Company B, which is more focused on generic, Macro approach towards their customers has slightly less dimension, and reflects less of the individual cases. However, even though the approaches towards the online surveys used by the two organizations are different, the categories itself had a lot of similarities, and have shown that while creating the online survey, companies are willing to investigate on similar fields.

The reason behind these findings might be the general trends where the online stores get most of the complaints from, delivery problems, service received from the seller, and product quality. The mentioned quality dimensions have the strong correlation with Parasuraman's et al. (1990) five dimensions of service quality, which are tangibility, reliability, responsiveness, assurance, and empathy. Qualitative delivery can be related to tangibility and reliability, service provided by the seller represents responsiveness, assurance, and empathy, and product quality can be associated with tangibility.

Consequently, the authors find it possible to conclude that when creating the customer feedback online surveys, companies use Parasuraman's et al. (1990) dimensions as quality dimensions. It is important for the organizations to know that the service provided is striving towards achieving the five categories, and the online surveys should be maximally adapted to recognizing the problem areas. The investigated fields and the questions related to ones, should motivate customers to identify strengths and weaknesses of a particular firm within each dimension.

How fashion companies use the findings from surveys

Furthermore, it was realized that firms of different sizes have different approaches to improving customer loyalty through customer survey analyses. According to Hayes (2008), there are two types of approaches when establishing customer relationship, namely Micro and Macro approaches. What it means is that smaller companies, which is the Company A in our case implement a rather Micro approach which includes the personal attitude towards almost each customer, and the individual feedbacks are taken into consideration. This is done in order to make sure that the existing customers will not switch to the rival, due to the established customer loyalty. At the meantime, for the bigger companies, as Company B is, it is important that the main feedback from the customer side is delivered. However, even though the company is still focusing on establishing customer loyalty, they implement the Macro approach, and do not focus on taking care of individual concerns. These can be explained by the fact that the company rather focuses on gaining new customers instead of maintaining the existing ones. Instead of showing the special treatment towards the customers who have been committed to the company for a long time, the new customers get the special offers and discounts, in order to encourage the growing amount of people switching from the rivals.

Additional factors that help to develop long-lasting customer relationship

Additionally, Oliver's (1999) framework has reflected the stages of customer loyalty creation which companies are following. It was found that the first stage, which is cognitive-based commitment is not affected by the customer feedback. Instead, the positive attitude is gained through the correct advertisement, word-of-mouth and overall motivation. Company A, which has not focused much on cognitive-based commitment stage might be missing an important step in customer loyalty creation, and this would explain small relatively to Company B amount of customers. At the meantime, Company B has put their main emphasis on the first stage of customer loyalty creation by marketing campaigns and special treatments for new customers, such as discounts for those who joined the membership club or those who signed up for receiving newsleters. The next stage which is attitudinal phase has been recognized as the one where a customer starts basing the attitude on one's personal experience.

 Company A tries to establish customer loyalty since the first buying experiences by delivering the service as expected and taking individual concerns into consideration. Since Company B has their main focus on gaining new customers, the attitudinal phase is crucial for them. The organization implements discounts and special offers for new clients. The next stage which is conative loyalty is associated with the customer's motivation to repurchase based on the previous experience. The Company A's main motivation for running their business activities is to get the Top Rated Seller status. Since this status very much depends on positive customer feedbacks, the company pays a lot of attention towards keeping the customers satisfied. At the same time, keeping the customers satisfied helps to establish the willingness of repurchasing, and, consequently, developing conative loyalty. Company B does not focus on repurchase motivation too much. Even though the

quality of the service is tried to stay on the high level, not every single individual motivation to stay with the organization is taken into consideration. On such stage it is important to make the extra push from the company's side in order for a costumer to move forward in his or her brand loyalty creation, and it was discovered that Company A is more successful on the phase in comparison with the Company B. In the end, during the last stage, which is behavioral commitment, Company A shows much more interest towards getting the long-term customers in comparison with the Company B. The authors suggest that the reason for it being is that Company B has a bigger target market in comparison with Company A, and therefore does not have to worry about every particular client. Company A, at the same time, has a much smaller customer base, which makes them value each one of the clients.

According to Carsud et al. (2009), motivation is a wide-ranging topic that can be applied to any kind of organization. In the case of Company A, while conducting an interview, it was realized, that the organization is "motivated by their goal of achieving the Top Rated Seller on eBay.

An interesting finding of this particular study is concerned with the Goal Setting Theory. The Theoretical Framework can be used as an explanatory base. Kurose (2013) concluded in his research that high goals result in better performance than vague or low ones. The company A has set up their goals, which are very high, but on the other hand they ensure the continuous striving towards them. Additionally, it seems possible to conclude that Company A's employees feel much more motivated due to the clearer and higher goals that were set for them in comparison with the Company B.

How online survey can contribute to improving customer loyalty

The main finding of the thesis is related to establishment of how online feedback surveys issued to organization's customers can contribute to improvement of customer loyalty. According to Hayes (2008), the key for the creation of a successful online survey is the quality dimensions' recognition. The particular study is focused on the quality dimensions established by the two companies. The research revealed that the Company A, which is more concerned of the Micro approach towards the customers, has produced more quality dimensions, also making them more flexible towards individual cases, whereas the Company B, which is more focused on generic, Macro approach towards their customers has slightly less dimension, and reflects less of the individual cases. However, even though the approaches towards the online surveys used by the two organizations are different, the categories itself had a lot of similarities, and have shown that when creating the online survey, companies are willing to investigate on similar fields.

The reason behind these findings might be the general trends where the online stores get most of the complaints about, which are the accuracy of delivery, service received from the seller, and product quality. The mentioned quality dimensions have the strong correlation with Parasuraman et al. (1990) five dimensions of service quality, which are tangi-

bility, reliability, responsiveness, assurance, and empathy. Qualitative delivery can be related to tangibility and reliability, service provided by the seller represents responsiveness, assurance, and empathy, and product quality can be associated with tangibility.

Consequently, the authors find it possible to conclude that when creating the customer feedback online surveys, companies use Parasuraman et al. (1990) dimensions as quality dimensions. It is important for the organizations to know that the service provided is striving towards achieving the five categories, and the online surveys should be maximally adapted to recognizing the problem areas. The investigated fields and the questions related to ones, should motivate customers to identify strengths and weaknesses of a particular firm within each dimension.

Additionally, Oliver's (1999) framework has reflected the stages of customer loyalty creation which companies are following. It was found that the first stage, which is cognitive-based commitment is not affected by the customer feedback. Instead, the positive attitude is gained through the correct advertisement, word-of-mouth and overall motivation. Company A, which has not focused much on cognitive-based commitment stage might be missing an important step in customer loyalty creation, and this would explain the small amount of customers they have compared to Company B. At the meantime, Company B has put their main emphasis on the first stage of customer loyalty creation by big marketing campaigns and special treatments for new customers. The next stage which is attitudinal phase has been recognized as the one where a customer starts basing the attitude on one's personal experience. Company A tries to establish customer loyalty through the first buying experiences by delivering the service as expected and taking individual concerns into consideration. Since Company B has their main focus on gaining new customers, the attitudinal phase is crucial for them. Discounts for the new comers, as long as the special offers for new clients are implemented.

The following stage which is conative loyalty is associated with the customer's motivation to repurchase based on the previous experience. The Company A's main motivation for running their business activities is to get the Top Rated Seller status. Since this status very much depends on positive customer feedback, the company pays a lot of attention towards keeping the customers satisfied. At the same time, keeping the customers satisfied helps to establish the willingness of repurchasing, and, consequently, developing conative loyalty. Company B does not focus of repurchase motivation too much. Even though the quality of the service is tried to stay on the high level, not every single individual motivation to stay with the organization is taken into consideration. On such stage it is important to make the extra push from the company's side in order for a costumer to move forward in his or her brand loyalty creation, and it was discovered that Company A is more successful on the phase in comparison with the Company B.

6 Conclusions

This chapter states the purpose and answers it with the aid of the proposed re-search questions.

The purpose of this research was to discover the way organizations use online customer surveys to improve customer satisfaction and create competitive advantage. By researching this subject, we aimed at contributing to already existing research on understanding customer requirements and improving customer loyalty after collecting their feedback.

The following research questions were proposed within this research:

1   *What kind of surveys do fashion companies use?*
    Our research showed that small and medium sized fashion stores send to their customers an online survey in order to receive the feedback regarding the quality of the service offered to a customer and the quality of a product purchased. It can be a questionnaire based on eBay platform or a link to an online survey that is sent to a customer by email.

2   *How do fashion companies use the findings from surveys?*
    According to the interviews made with companies' representatives, online fashion stores tend to understand the problem areas and customers' demands through the feedback. The problems could be with delivery, packing, or the quality of a product. In addition, companies understand the customer demands through analyzing the feedback. As a result of understanding the customer demands, companies become more competitive and serve customers in accordance to their needs.

3   *Are there any additional factors that help develop long-lasting customer relationship?*

Company A encourages those customers who spend substantial amount of money on orders and leave positive feedback afterwards by providing gits. A beautiful pack or a "Thank you" note can be provided to a customer in order to increase his/her satisfaction. It was also found out that both analised companies tend to provide additional discounts to its customers in order to stimulate the interest to repurchase.

First, the finding of this research extend the existing knowledge on online survey development and implementation as well as building customer loyalty, which was focused primarily on fashion industry retailers. While building strong long-lasting customer relationship is crucial for every market or company, this study approves the urgency of keeping customers loyal in SMEs that operate in a highly competitive and dynamic fashion sector. It has been found that based on deep understanding of customer requirements, a company can build its own loyalty strategy. Linked to this, online survey is the most cost effective way to evaluate the quality of service delivered, and by developing a comprehen-

sive questionnaire the company gains an opportunity to identify and later improve problem areas that are from customer perspective. This paper claims that one of the most effective ways to understand customer needs is to provide customers with online surveys that are high quality and being analyzed properly by companies. For owners to overcome problems regarding customers' concerns, it is important to understand what benefits well-developed online survey can bring to the company and how affect customer loyalty in a positive way.

It is significant to point out that the multi-perspective of this research in the framework of two cases does not claim any generalizability. Hence, it is discussed that this holistic analysis of online survey in connection with customer loyalty in two fashion SMEs delivers new and valuable insightful into understanding the role of online surveys and keeping customers satisfied in this particular sector. In terms of theory and practical implications of this paper, the priority of this study is realized, given the valuable contribution to the Swedish economy by its fashion sector and the importance of customer loyalty in the routinely operations of SMEs. Online retailers and other similar industries could base the customer loyalty improvement strategy on this particular study, since for many companies the most common way to succeed is to own as many loyal customers as possible.

7 Discussion

This chapter of the manuscript recognizes the practical implications of the study, limitations of the research done, and suggest the further studies that can be done in the area.

7.1 Practical Implications

The study performed was able to answer the three above mentioned research questions. The resulted findings might be interested to implicate by different actors, such as various kinds of organizations. On the first place, the authors would especially advise Small-Medium -Enterprises to put their attention on this particular research since the practices used by the two companies, which are SMEs themselves, could help other Small-Medium – Enterprises to use the ideas for establishing sustainable customer relationship. Companies that are already using online surveys, could benefit from investigating on the manuscript even more, and by comparison of the two organization, choose the best tactics for themselves.

7.2 Limitations

As the theory suggests, there are different tools for the online survey creation, and variety of ways how the customer loyalty is established. Due to the limited amount of time, the authors were not able to cover a great number of strategies regarding the questionnaires' development. However, we were still able to investigate on two different approaches, and to compare the quality dimensions between the two. Still, taking a closer look, and comparing the online feedback surveys' development in a bigger amount of organizations or in large sized organization, could be a suggestion for further study.

Even though one of the research questions was "how companies use their online surveys", only a holistic view was established due to the shortage of time available for investigating the details. Another limitation is the fact that only Swedish online stores were investigated, whereas the concept of creation and use of the online questionnaires might be different abroad. However, since the work is performed in the way of a case study, the authors were able to meet the research purpose. All the research questions were covered, and gave the answers for this particular case study.

7.3 Suggestions for future research

The chosen topic covers a growing phenomenon of online surveys and the one with an undying interest – customer loyalty, however due to limitations there is a need for further research, because the study does not consider the internal corporate culture and employees' attitude towards job and customers. The focus was only on SMEs, which rises the interest to examine large corporations and compare their usage and development of online customer surveys to small and medium enterprises. There are many indices to measure customer loyalty that large companies might use, but it is not clear enough how do they manage to collect the data needed and if SMEs can do the same. It is also not yet investigated how online surveys affect business growth, if at all.

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Appendices

Interview questions to company A

Information about recording and anonymity

Presenting ourselves

Our goal is to examine the connection between online surveys and developing long-lasting customer loyalty

Aiming to investigate how companies analyse and gather the customer feedback, how important the customer loyalty is, what are the tips that companies have for keeping its customers satisfied and make them repurchase. The investigation is on how firms analyze the customer feedback and if this particular method is effective or not.

General information about company

1. Tell us about your job position and responsibilities.

2. How many employees work for your company?

3. How many years has the firm spent in the industry?

4. Are you able to be flexible in your service according to customer needs and what makes you think so?

5. Tell us about your delivery and packing. Are there any problems or tips?

6. How would you characterize the relationship with your customers?

7. What are the ways to keep current customers satisfied so that they repurchase the good and are likely to recommend it to others?

8. Which tools do you use in order to collect the customer feedback?

9. How do you implement the improvements according to customer feedback?

10. How do you contribute to collecting and analyzing customer feedback?

11. What are your own tools that you use in order to keep your customers satisfied?

12. According to the Empirical research made by Oliver (1999) shows that customer loyalty stimulates business growth and loyalty is defined as a direct result of customer satisfaction, while satisfaction is affected very much by the value of services provided, do you agree with it?

13. There are many indexes exist to measure customer loyalty such as, American Customer Satisfaction Index (ACSI), Predictive Loyalty Index" (PLI) and Customer Loyalty Evaluation (CLE).Do you use any of loyalty indices?

14. There are Micro and Macro approach, which one do you use more often?

Micro Approach	Macro Approach
Addresses special causes of disloyalty	Addresses common causes of disloyalty
Focus on changing individual issues	*Focus on improving systemic issues*
Customer-specific improvements	*Organization-wide improvements*
Short-term solutions	*Long-term solutions*

15. Do you compare your customers' satisfaction level with the one of competitors'?

16. What was meant by the satisfied customer, how the interviewed person define loyalty and satisfaction.

When concluding the interview, it was asked if the information received is correct.

Interview questions to Company B

The following questions were sent via e-mail.

Information about recording and anonymity

Presenting ourselves and our goal which is to examine the connection between online surveys and developing long-lasting customer loyalty.

1. Please, describe your job position and responsibilities. For how long have you been working in the company?

2. How many years has the firm spent in the industry?

3. What are your goals towards the constant growth in the company? Are they set by the CEO or do you have your own goals?

4. Are there any problem areas that you are working on right now? They could be with packing, delivery, or negative customer feedback.

5. How would you describe a satisfied customer (of your company)? How do you analyze the customer feedback? Is there a special department that is responsible for it?

6. Tell us about your delivery and packing. Are there any problems or tips?

7. Do you compare your customers' satisfaction level with the one of competitors'? Do you mainly use the general approach towards your customers or the individual one? The individual approach is about treating each customer individually, considering his/her concerns; while the general approach is addressing common causes of disloyalty, focusing on improving systemic issues and making long-term solutions.

Tables and graphs

Figure 1.

Average percentage of purchases done online in Sweden per year. (Svensk Digital Handel, 2013, pp 6-10[Swedish Digital Commerce])
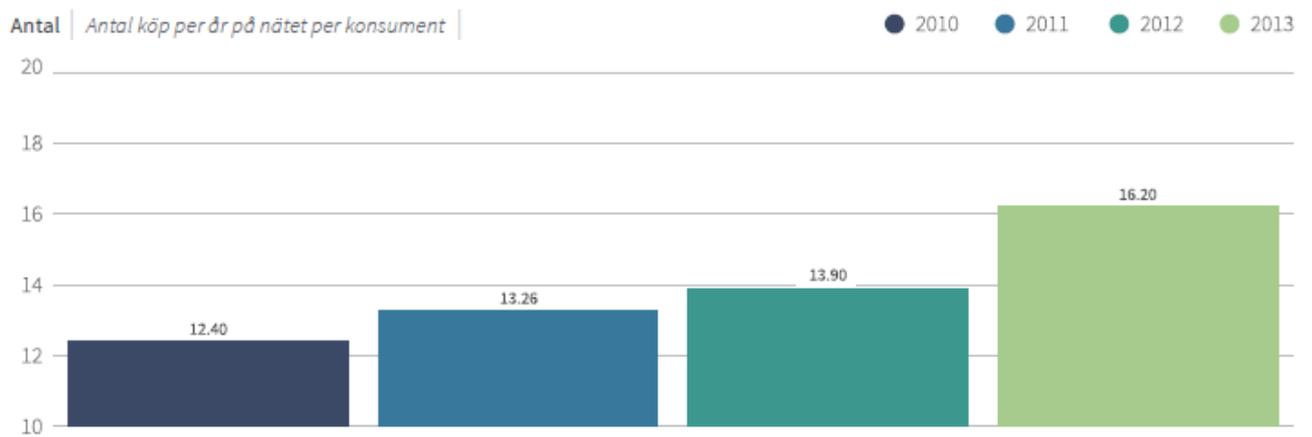
Figure 2.

Average purchases done online in Sweden. Considering different age groups and years 2011-2013. (Svensk Digital Handel, 2013, pp 6-10[Swedish Digital Commerce])
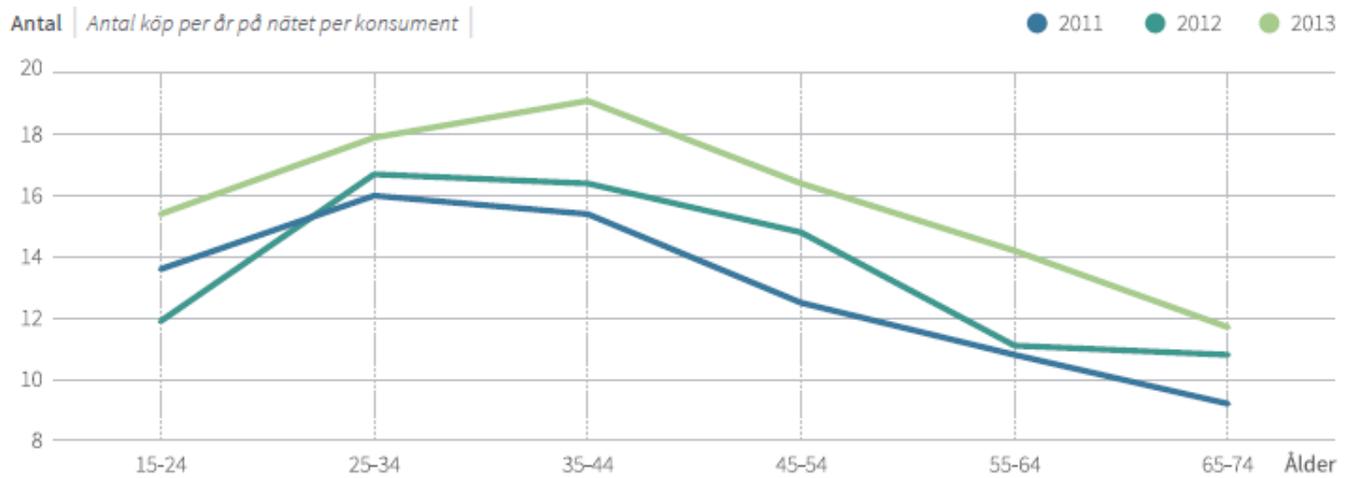
Figure 3.

Swedish online purchases by industries, 2012-2013. (Svensk Digital Handel, 2013, pp 6-10[Swedish Digital Commerce])