



Relationship Marketing

– One Way to Increase Customer Value

Abstract

Within the consumer electronic branch, the expectations and demands by customers are constatly increasing. The organizations has to create and develop additional values for their customers to offer more than just low prices. One way of creating more value for the customers is to implement relationship marketing in the business. The purpose of this paper is to analyse if and how the company Kjell & Co. is working with relationship marketing, and to see how the customers experience and percieve Kjell & Co. 's relationship marketing and what effects it has on customers' value. To answer the purpose of the paper this thesis is based on both quantitative and qualitative studies. The results shows that the firm is working with relationship marketing and that the customers have an overall positive experience and perception towards the relationship marketing approach taken by the company. Through the discussion of the empiric data we have created a model to explain how the firm works with relationship marketing, aswell as how important the interaction is between the staff and the customer to create, sustain and develop a positive customer experience, perception which directly impacts customer value.

Key words: *Relationship Marketing, Customer-experience, Customer-perception, Customer-value, Consumer-electronic Branch*

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Would like to say big thanks to:

Martin Öberg, Our tutor

Stefan Piippo, for tips, critique and advice along the way

Graciela Rovner Piippo, for tips, critique and advice along the way

Ulrika Klinkert, for a deeper understanding of Kjell & Co.

Johan Claesson, for a deeper understanding of Kjell & Co.

Andreas Rylander, for a deeper understanding of Kjell & Co.

Kjell & Co. for agreeing that we could include their customers in our survey

And lastly, our respondents for participating in our marketing survey



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1. Introduction

This chapter will present an overview of the Swedish retail branch, the consumer electronic retail branch, and the future of the retail branch. In brief relationship marketing will be discussed in relation to the retail sector.

1.1 Swedish Retail Branch – Shift in Perspective

In terms of businesses within the retail most of the companies has to show that their firm are offering more than just low prices. The customers expectations and demands are increasing (Grönroos, 2000). At the same time *price wars* could be the only marketing activity that really works and has a positive effect within a specific situation.

One of the biggest challenges and issues for the retail branch is to show that the firms is offering more than just a regular retail store with competitive prices. This is especially true to the consumer-electronic branch. The consumers do not always recognize these additional values, this could be an effect of the branch tough price rivalry. The price rivalry is affecting the consumers' reflection of the whole branch. One of the most crucial factors in the industry is to show the customers that the company is offering other key benefits as well, this could be in terms of good service, - quality and competent staff in the store (Handelns utvecklingsråd, 2010). In other words it is the personal relationship between the staff and the customers that is of the most important value for establishing and enhancing the customer relationships, so that customer value can be amplified.

To gain these customer values, firms need to adopt different perspectives and strategies for elevating these values with different approaches than the traditional techniques. These strategies trends that one has might take into account is the technological developments, Internet and digital media, the structural changes and the changes in demand from the customers. One of these strategies could be to create an experience for the customer, a great experience so that the customer perceive the firm in a positive way. This could contain an increased degree of service offerings and personal contact. To understand these perspectives, tactics and strategies we will firstly present a general overview of both the Swedish retail branch and the consumer-electronic branch within the retail branch.

1.1.1 The Retail Branch – an Overview

The retail branch is one of the growth engines in the Swedish economy. During 2009 the Swedish households spent around 33 percent of their disposable income on retail merchandise products, which is the biggest spending post in the household. The retail branch give jobs to around 250 000 people in Sweden and between 2010 and 2011 it has increased by 3 percent. (Handelns utvecklingsråd, 2010, HUI Research, 2012b, HUI Research, 2011b).

Furthermore, in 2011 the retail branch had a turnover of 575 billions SEK (including VAT). The Fast Moving Consumer Goods (FMCG) turnover was 293 billions SEK while durable consumer goods (DCG) trade had a turnover of 282 billions SEK. Between 2010 and 2011 the retail turnover increased with 1 percent while FMCG



increased with 2 percent and durable goods trade was unchanged (HUI Research, 2012b). This turnover development is noted in diagram 1 below.

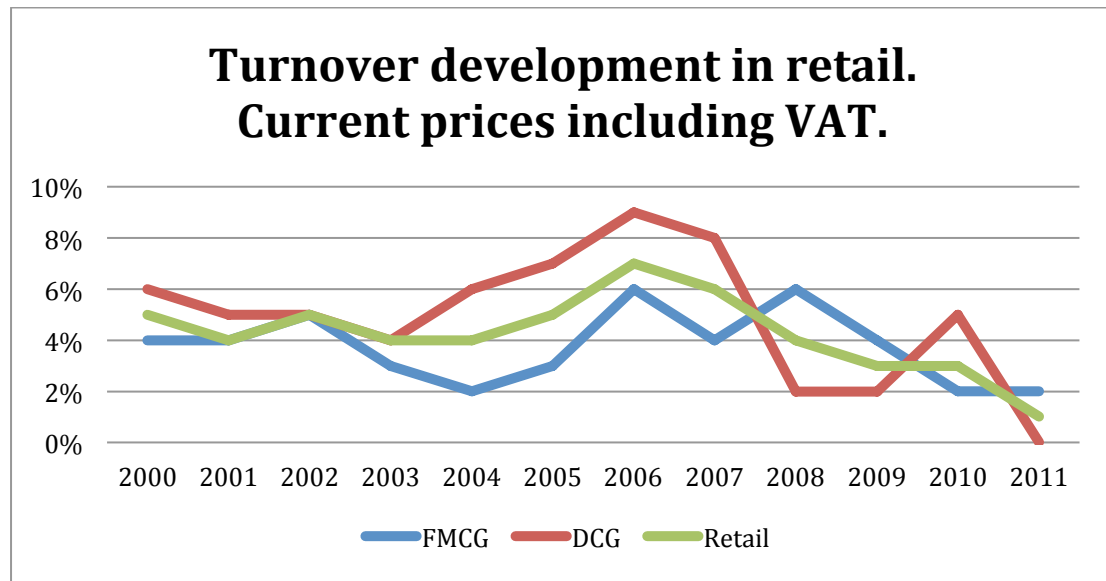


Diagram 1: Turnover Development in retail Current prices including VAT. Source: (HUI Research, 2012b)

Diagram 1, shows us that the turnover development had its peak in 2006, while declining when the financial crisis affected the Swedish economy in 2007/2008. We can see that the retail sector had more of a steady decline overall, FMCG is more fluctuating, while FMCG had a rapid decline from in 2006 with 8 percent to 2 percent in 2008. In 2008 it seems that the DCG recovered and the sector looked more optimistic in the next two years that followed where the increase of turnover development nearly doubled, but a rapid decline occurred in 2010 created a rough time for the DCG sector.

Although the retail sector shows that it have had a rough couple of years, with the financial crisis, but the sales have had an increase in both current and constant prices, as can be shown in the diagram below.

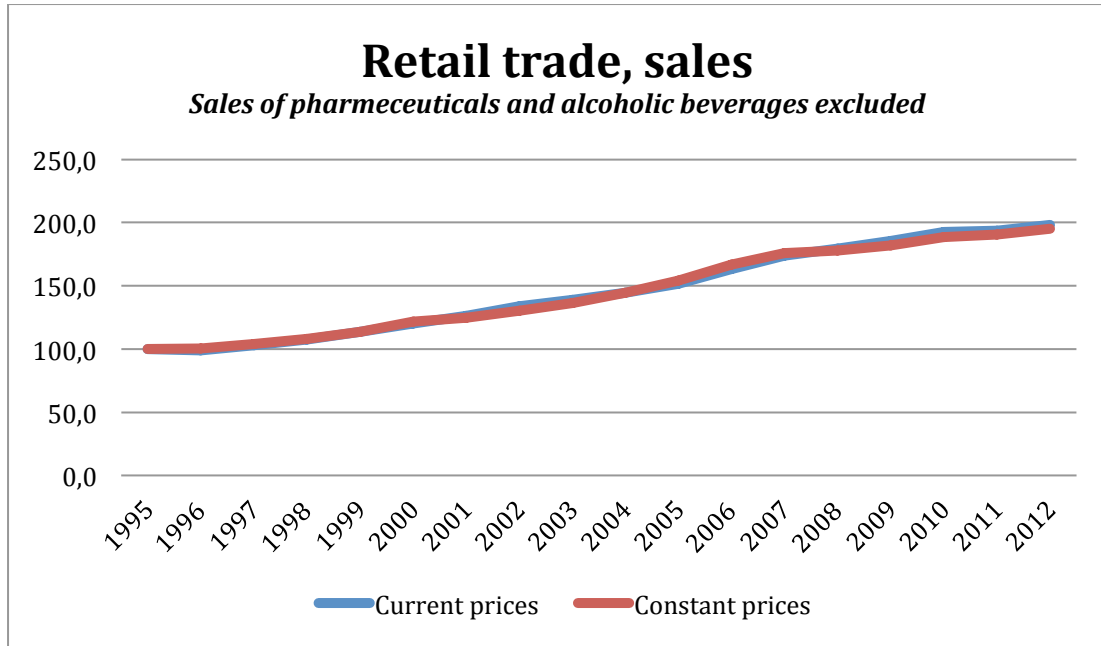


Diagram 2: Swedish Retail Trade Sales, 1956-2012. Source: (Statistiska centralbyrån, 2013)

As can be noted from diagram 2, both the current and constant prices have doubled in the last 15 years. It also does not seem that it has been affected by the financial crisis, another aspect, which shows nearly the same trend, is the retail sales volume. In the diagram below we can see calendar-adjusted values for DCG, FMCG and total retail sector (sales of pharmaceuticals and alcoholic beverages excluded).

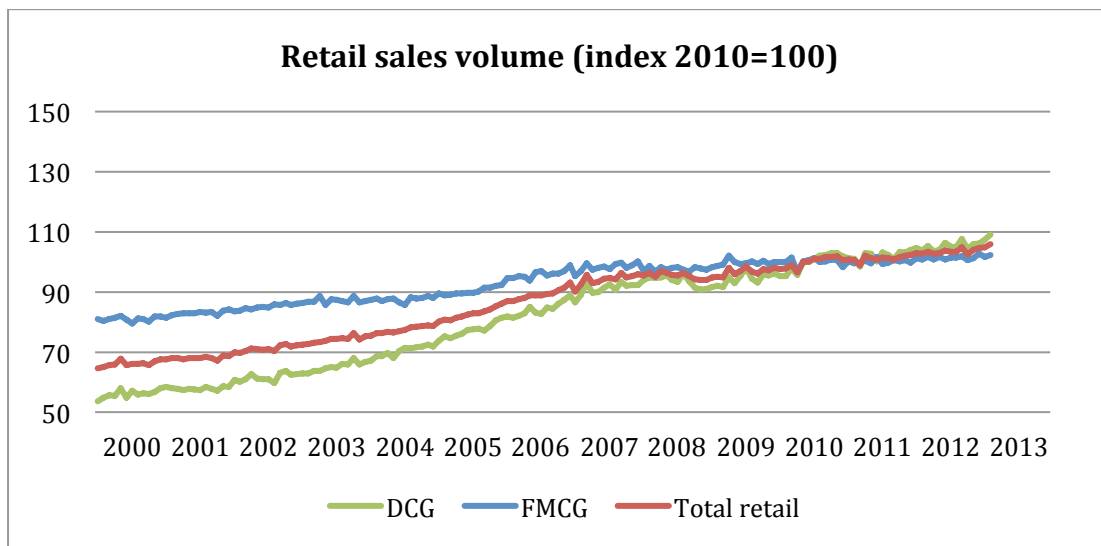


Diagram 3: Retail sales volume – 2000-2013. Source: (Statistiska centralbyrån, 2013)

Both diagram 2 and 3 show an increase in trade sales and sales volume, this can partly be explained by the rise in income and the lower prices in the retail sector (HUI Research, 2011b, Handelns utvecklingsråd, 2010), as well as we mentioned before that the average household spend 33 percent of their income in the retail sector.



The retail branch is a growing industry, and it contributes both income and employment in the Swedish society. The employment rate is gradually rising (HUI Research, 2011b, Handelsns utvecklingsråd, 2010), which provides more jobs and income and as a result has a positive effect the economy as a whole.

1.2 The Consumer Electronic Branch - an Overview

The durable consumer goods include a various different branches, such as the consumer-electronic branch. The consumer-electronic branch has had a couple of turbulent years, in the diagram 4, the outline the turnover development in percent of the electronic branch vs. the retail branch.

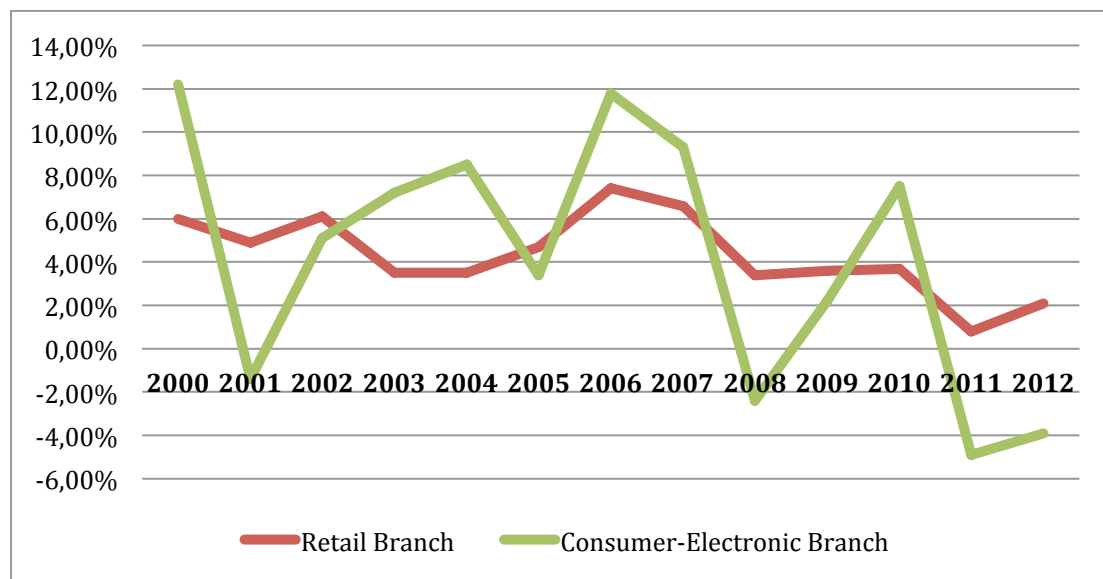


Diagram 4: Retail turnover index – Shows the turnover development in percent from 2000-2012. Source: (HUI Research, 2013)

As can be seen the electronic branch took a heavy hit after the recession, thereafter an incline and it looked like the outcome would be a positive one. But after 2010 the decline was evident, overall the retail branch has had a tough period after the recession as can be viewed from the diagram 4.

Various reports from HUI and SCB gives us an overview that the retail branch and especially electronic branch, which also is evident from diagram 1 and 4 have a tough time adapting from the financial crisis in 2007/2008 (HUI Research, 2012a, HUI Research, 2012b, HUI Research, 2011a).

1.2.1 Electronic Branch Size and Development

The size and development of the electronic retail branch can best be explained from an annual percentage change in value and volume. In the diagram that follows the annual value and volume of the electronic branch in current and fixed prices between 2001 and 2011.

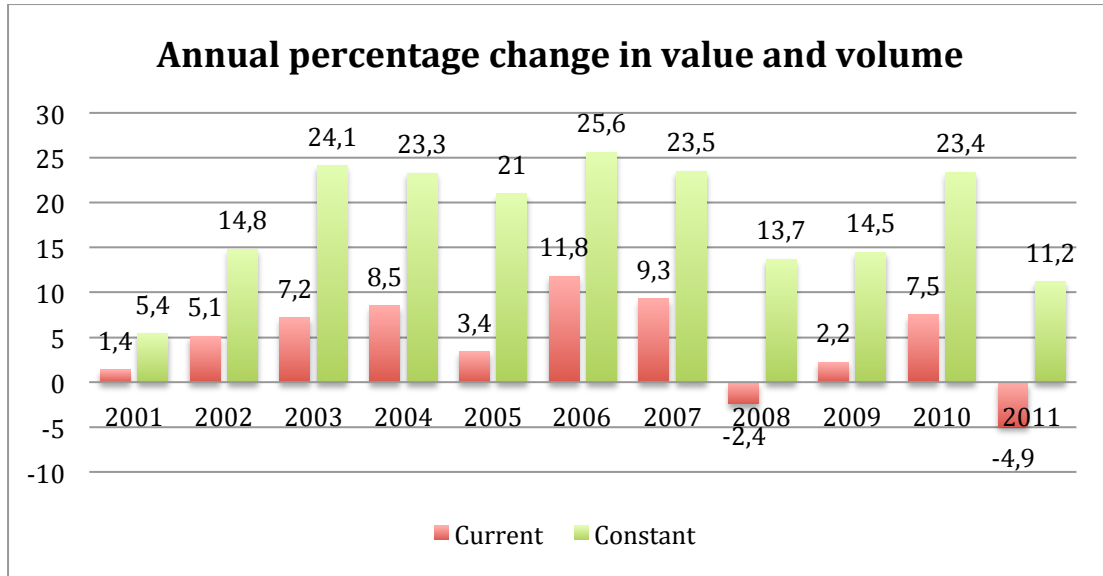


Diagram 5: Annual percentage of change in value and volume between 2001-2011. Source: (HUI Research, 2012a)

The value in 2011 was 45 million SEK (including VAT) and as we can see the development have had an increase since 2001 but have definitely been affected by the recent financial crisis. We can especially see the changes in the current values and volumes; something that is quite interesting is that the electronic branch had a tougher year in 2011 then in 2008. The electronic branch did “survive” the financial crisis easier then the other branches in retail, for example restaurants and service industries (HUI Research, 2011a).

In a closer look at 2011, we can see if there are any differences in sales each month, and how the size in sales differs each month, in diagram 6 this is presented.

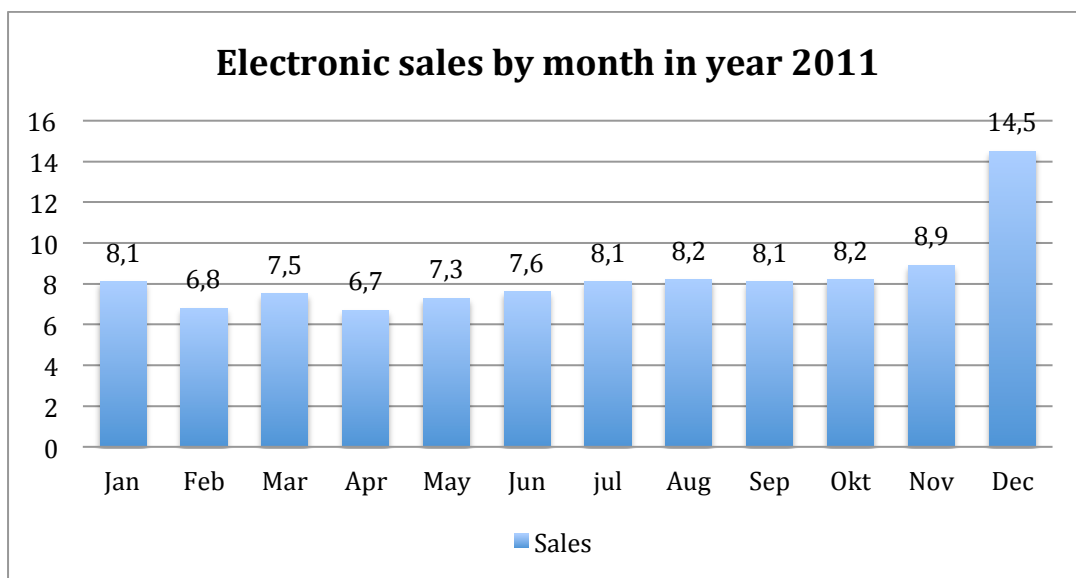


Diagram 6: Consumer-electronic branch sales divided per month. Source: (HUI Research, 2012a)



A quick outline of the diagram shows that the first half-year (Jan-Jun) has generally a lower sales rate than the other half the year (Jul-Dec). Here we can also note a trend that the month December has its biggest sales while the month April has the lowest sales. This is also a trend that usually describes the electronic branch over the years.

1.2.2 The Largest Actors Within the Swedish Electronic Branch

There are a numbers of actors in the consumer-electronic branch, we will display the largest ones and show the turnover and the share of market of these different companies. Firstly we have the turnover for the years 2010 and 2011 in the diagram below.

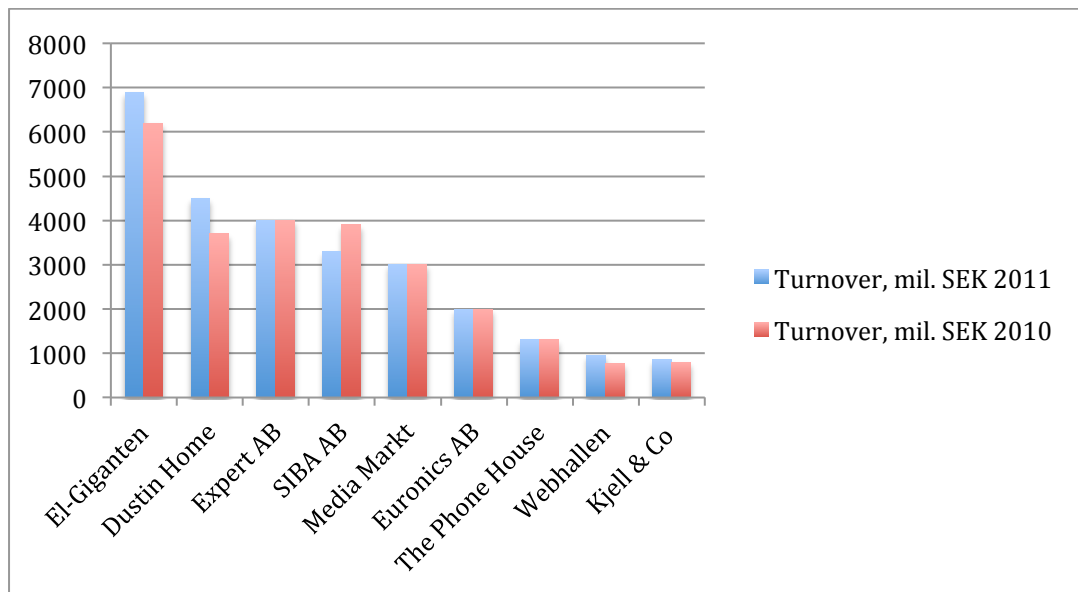


Diagram 7: Turnover by company. Source: (HUI Research, 2012a)

As can be expected the largest actors are Elgiganten, Dustin Home, Expert (bankrupt in 2012), SIBA, and Media Markt. It is important to note that these chain stores also sell all kinds of electronics products compared to Kjell & Co. who only sells the accessories for them. Dustin Home is in this case the largest actor in the e-commerce market of consumer electronic branch. Since not all the companies in the electronic branch are listed here we will also point out each of their share of market in the diagram below.

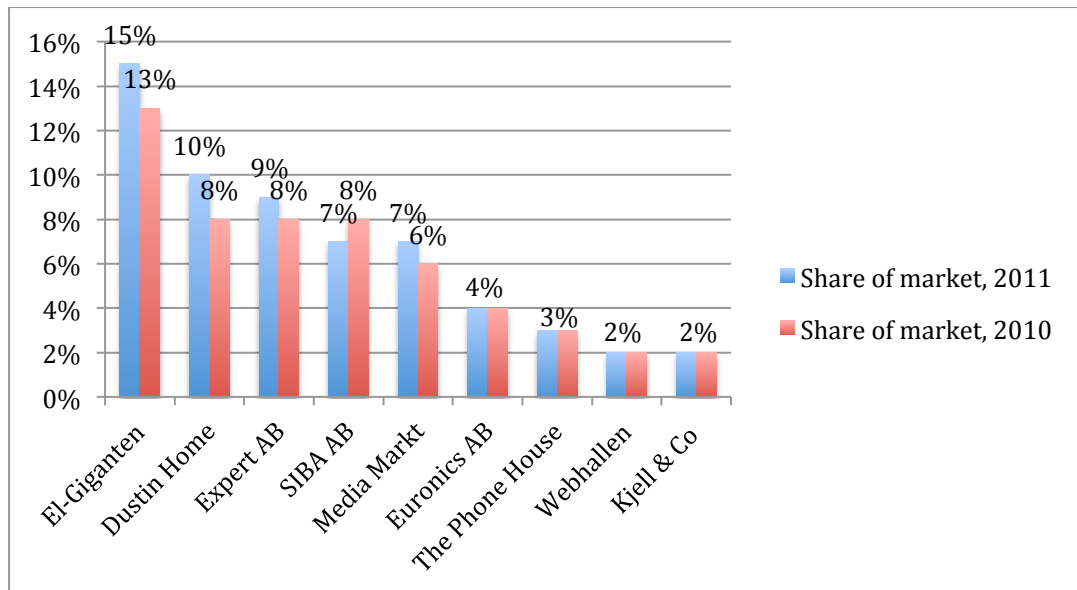


Diagram 8: Share of market. Source: (HUI Research, 2012a)

These 9 companies stand for 59 percent of the whole consumer electronic market combined in 2011. It is worth noting that Expert as we previously mentioned went bankrupt in 2012, there is then cause for to fill the gap of the missing 9 percent in the later half of 2012 and in the year 2013. It will be interesting to see the development in the branch, since Expert AB is the third largest chain. As we mentioned before the consumer-electronic branch is highly price competitive and therefore companies need to look for other offerings to the consumers instead of the price-strategy or combine the price aspect with something else that holds a competitive advantage.

1.3 The Future of The Swedish Retail Branch

According to the report (Handelns utvecklingsråd, 2010) there are seven trend that affects the retail branch in the near future. These are:

1. Internationalization & Globalization
2. Technological development
3. Internet & digital media
4. Service & experiences
5. Structural changes
6. Sustainable development
7. Changes in demand

From these trends, all are obviously important, the main trends that this thesis focuses on will be service and experiences within the consumer-electronic branch. It becomes more important for the staff and firms in retail branch to consider the service, experience and to focus on the personal contact with the customers (HUI Research, 2011b, Handelns utvecklingsråd, 2010).

1.3.1 Service and Experience

In a competitive market like the consumer-electronic branch, the driving forces for service and experiences is to stimulate the development of consumption, to



understand the consumer and to look for new ways to reach the customers (Handelns utvecklingsråd, 2010). In other word it is also important use more innovative forms of marketing, communications and advertisements for firms in their marketing strategy today (Mårtenson, 2009). In relations to service and experiences the firms also has to be aware of these factors (Handelns utvecklingsråd, 2010):

- Functional and personal customer service
- The shift from output to input
- Experiences and sensory marketing

The report explains that the traditional checkout lines is decreasing in the stores and in relations to this it should create space for increased service in the stores. Furthermore the report explains that the labor focus more on personal guidance to help the customers in the stores. This makes room for a new transformation from the traditional cashier role to a role of informants and experts (Handelns utvecklingsråd, 2010).

The development of different types of services in the retail sector and the understanding of service-offers will in the future make for a shift in focus. The shift will be from the output or more precisely the production process to the offers role as input in the customers or the customers value system (Handelns utvecklingsråd, 2010). This will also transform the view in the traditional sense, that of, production to users, and will expand the offer to customers.

One of the main shifts in the service perspective is the transformation from transactional- to relational thinking in todays business (Grönroos, 2000). In todays market its important to understand that the customers become more demanding and will therefore demand more information (Handelns utvecklingsråd, 2010). This will lead to a change in the staffs' role as explained above.

The experience in the stores is also worth noticing. The word experience is a widely term that has been used in marketing strategies, but is seldom realized and also quite hard to realize in different retail stores. But the experience have is now equivalent to other competitive advantages like price and quality (HUI Research, 2011b, Handelns utvecklingsråd, 2010). This means furthermore that the retail sector will be more focused towards happenings and events and that it might be more important in the future.

With this experience in mind the author (Mossberg) explains that the experience in the stores are of great importance. The experience is also accompanied by others factors which are (Mossberg, 2003):

- The customers experience
- The experience room
- The staff
- Other customers
- Creates the image

With all these factors it is important to notice that they all are important in todays retail sector. Firms should focus more and more on these factors, as well as maybe



transform more of their sales from the traditional transactional perspective to a more service oriented and relationship approach. All these factors are displayed in figure 7.

1.4 Relationship Marketing in the Retail Branch

To develop and invest in a business culture that creates long-term relationships with the customer becomes more important today as the competitiveness among the retail stores increasing (HUI Research, 2011b).

1.4.1 What Does a Relationship entail?

Grönroos (2000) claims that relationship marketing is based on managing customer relationship (as well as other stakeholders). However in the literature of the subject the question *what is a relationship? Or how do you know that a relationship has been developed?* Needs to be further developed (Grönroos, 2000).

There is a difference that is not always obvious to the practitioners of relationship marketing, if a marketer says they have established a relationship with their customers, that is not always the case. What the marketers needs to do is to make sure that the customer also mutually understand and perceive this relationship approach (Grönroos, 2000).

A relationship with a customer does not develop over night, it is a process and a mutual understanding of the benefits that both parties will possess. The relationship has therefore been earned by the firm. The other important factor is that it is the customer and not the firm that can regulate whether there is relationship established or not (Grönroos, 2000). (Grönroos, 2000) explanation of when a relationship has been established is shown below:

“A relationship has developed when a customer perceives that a mutual way of thinking exists between customer and supplier or service provider.”

Furthermore, Sheth and Parvatiyar (1995) argues that there has been a change in the buyer-seller relationship. This change to the relational perspective from the transactional perspective does affect both the B-C and B-B market. The relationship perspective is in Grönroos (2000) definition as not certain tools to implement, but rather how value is generated for customers and that the relationship is based on the mutual collaboration and interdependence. He further argues that it is the firms view on the customer that improves the relationship, it also requires help from different marketing activities that are in a sense based from a traditional marketing methods. Sheth and Parvatiyar (1995)

Further explains that relationship marketing incorporates the customer to the firm which consequently creates an cooperative relationship, that has a positive effect of the mutual value produced.



2. Problem Discussion

After a brief overview of the retail branch we will in this chapter focus on Kjell & Co. which is the firm that this thesis is based upon. In the following sections we will describe a general overview of the firm, our problem identification, the objective and lastly the limitations of this thesis.

2.1 Company Background – a History and General Overview

The firm Kjell & Co. trades in accessories for consumer electronic products, preferably computer, mobile, audio, video, TV / satellite, and phone accessories. The firm was founded in 1990 by the family Dahnelius, which consists of three brothers and their father Kjell. The family actually started their first store in 1988 in a town called Sundsvall, but the first Kjell & Co. store was placed in the shopping center *Triangeln* in Malmö and since 1992 the firm has had its head office and the central warehouse in Malmö.

The headquarters consists of six divisions. Human resources, which also includes education for the firm's personnel. Another division is a mix of the catalog production, range development and new suppliers. Naturally the firm also have marketing, IT, economy and purchase division at the head office in Malmö. Another interesting fact about the firm is that the education and marketing division works together for the production of the Kjell & Co.'s own fact-book about everyday electronic and related technology and electronic information. The book is written and updated every year by the main author Karl Emil Sigfússon Nikka, the book is a success and as of now has sold for over 400 000 times in the firms' stores. Some schools and universities around Sweden use this book as recommended literature for technology and electronic information.

Karl Emil Sigfússon Nikka, is one of the key components and persons of Kjell & Co. He is the head of the education division in Kjell & Co. and educates the new staff for a full week (40 hours), which also gives the new staff knowledge and competence about electronic and technology such as network, antenna, computers, audio and video cables, etc. This gives the new staff more tools to help and also sell products optimized to the customers needs.

In the beginning of the 2000s the company also created a branch with staff in China for extensive direct import. This gives them both a broad overview over new and existing products as well as competitive price advantage. Another factor is that they can guarantee good quality, security and corporate social responsibly easier with their suppliers.

2.1.1 The Firms' Mission

Kjell & Co.'s mission is to offer consumers the widest range of accessories for consumer electronics through a nationwide network of stores and through an online shop, and with genuinely knowledgeable staff providing world-class service.



“No matter how good we are at keeping the right product mix and pricing, may it never be forgotten that we live on and evolve thanks to our willingness and ability to give our customers a personalized world class service.” (Kjell & Co, 2013)

As can be seen above, the statement to provide *world class service* to its customers is the core value in the firm’s mission. The focus has moved from the traditionally marketing focus in the electronic retail branch with low prices towards the core value of offering *world class service* and more personalized relations with the customers.

2.1.2 The Firms’ Store Development and Financial Information

The establishment rate of Kjell & Co.’s stores has been slow between the years 1990 and 2005. After 2005 the establishment rate has expanded quite rapidly, which can be seen in Diagram 9. One of the main reasons for the low expanding rate is probably due to the financial aspect of the firm as well as the time aspect of building up a well organized and functioning company without getting ahead of itself.

Since 2005, the expansion took a more rapid approach. This is probably an effect of the first established store in Stockholm that produced positive results, but the major factor is that in July 2006 Hakon Invest bought 50 % of the company and invested 100 million SEK. And as can be seen in Diagram 9, the effect of the investment resulted in more stores because of greater cash flow.

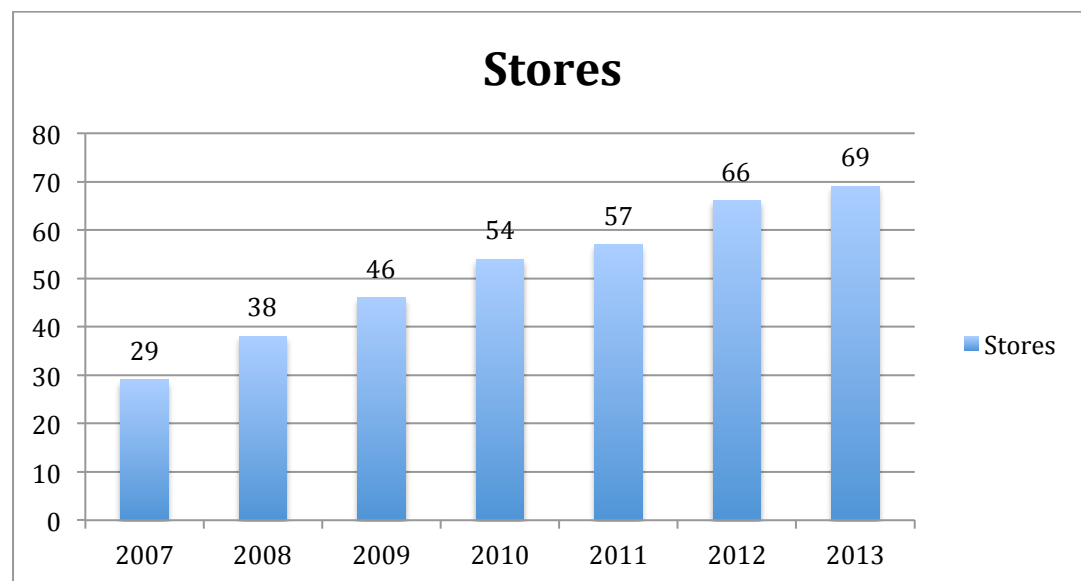


Diagram 9: Kjell & Co. store development between the years 2007-2013

The data in diagram 9 is as of April 2013 and consists of 69 stores at this time. Kjell & Co. planning of opening 3 new stores during 2013, it is possible that there may open more stores due to the trend of opening about 8-12 stores a year since 2007. Diagram shows that from 2007-2011 an establishment rate of 100 percent and has of 2007-2013 a 142 percent as of April 2013.

One of the main positive aspects about the store development is that the net turnover has increased drastically, especially after *Hakon Invest* invested in Kjell & Co. The net turnover is displayed in diagram 10.

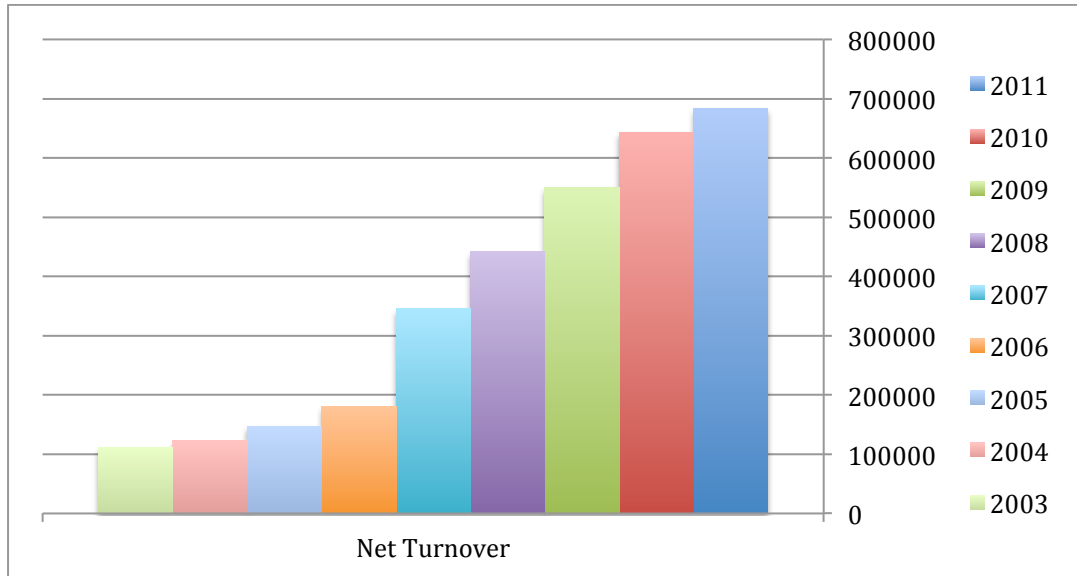


Diagram 10: Kjell & Co. Net turnover from the years 2003-2011. Source: (Retriever AB, 2013)

Over the last 10 years the net turnover has improved extremely, from nearly 100 million SEK to 700 million SEK during 8 years. This is of course related to the strong expansion with the stores in the beginning of 2006, which also reflects the difference from 2006 net turnover with 180 million SEK to 2007 net turnover 345 million SEK. The net turnover 2011 was 684 million SEK. Another indication of the expansive establishment rate of the stores is described in diagram 11.

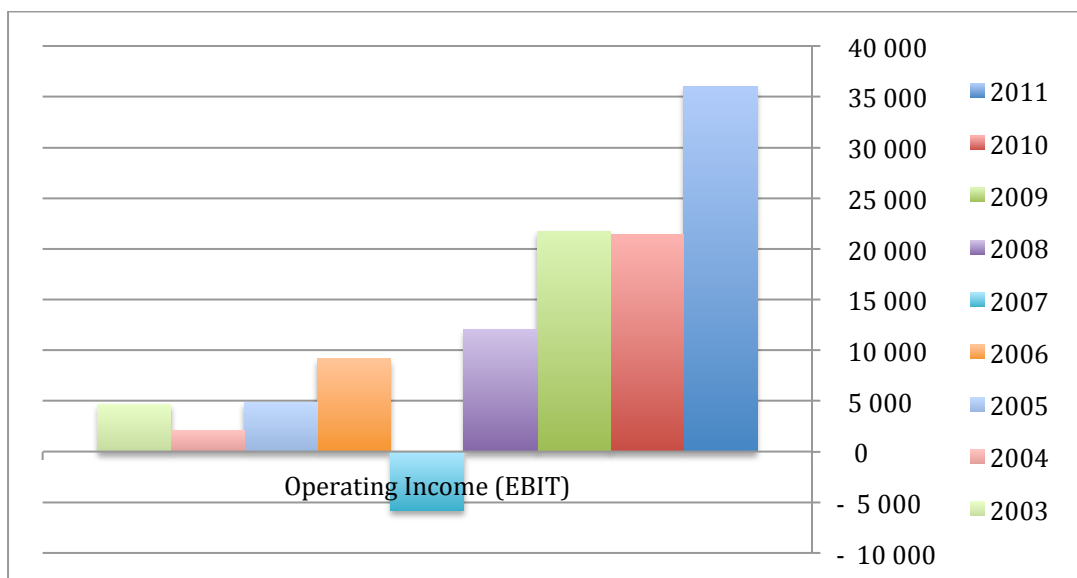


Diagram 11: Kjell & Co. EBIT from the years 2003-2011. Source: (Retriever AB, 2013)

The earning before interest and taxes (EBIT) clearly shows that even though the net turnover nearly doubled this resulted in nearly 6 million SEK in negative EBIT for the company in 2007. But positive results the years after are shown and it seems that the



company are heading in the right direction. Below we can see diagram 12 that in relation to diagram 11 shows the same pattern.

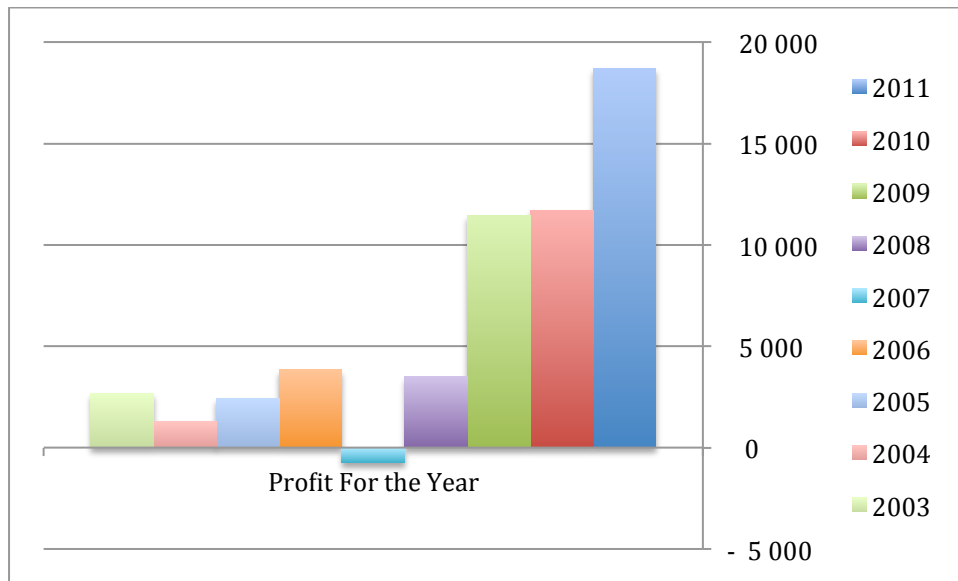


Diagram 12: Kjell & Co. Profits over the years 2003-2011; Source: (Retriever AB, 2013)

Something that we have to note is that the recession which hit 2008/2009 has not affected Kjell & Co. in a large extent as the rest of the retail industry. The firm shows stronger results every year and there are no signs of decline in the near future. The results from diagram 12 is not that great in relation to other companies in the retail branch have in numbers, yet the numbers are positive in contrast of the firms previous year and that its continuing to grow.

2.2 Problem Identification

Within the retail branch it is common to focus on traditional values i.e. price, products. As the competitiveness is constantly increasing, the retail firm has to offer additional values to its customers. One way of offering more value is to focus on relationship marketing and urges the customers interest. We have noted that Kjell & Co. is alone in the consumer electronic retail branch when working with the concept of *sales over the counter*. We are therefore interested to see if this concept creates a deeper relationship with the customers and how this affects the perception of Kjell & Co. Another aspect to note with the concept is if the customers perceive if the service is greater or not compare to competitive models.

Can Kjell & Co. use relationship marketing as an additional tool for the concept of *sales over the counter* to create, sustain and develop deeper relationships and to focus on the already existing customers? There might be a possibility that Kjell & Co. already is using, or to a certain extent, relationship marketing tools towards their customers. If this might be the case, how is it used? What are the effects of it? Do the customers' perceive this additional value?



How can Kjell & Co. use the relationship marketing perspective so that the customer perceives the added value that Kjell & Co. is offering? What effects does this have on customer experience and how it might create customer value?

2.3 Objective

The aim of this thesis based on the problem identification is to identify and analyze if and how Kjell & Co. is working with relationship marketing as well as analyze the effects of it. The secondary aim is to analyze how the customers experience and perceive Kjell & Co.'s relationship marketing and what effects it has on customers value.

2.4 Limitations

Relationship marketing covers various different relations with the firms' stakeholders. We have in this thesis chosen to restrict the concept of relationship marketing by only refer to relationship marketing as the relation between the firm and the customer and opposite. Further this thesis will not consider if the customers are interested in having a relationship with Kjell & Co.

We have also chosen to limit the thesis in the number of stores and in geographic area, we will only be looking at three Kjell & Co. stores in the region of Gothenburg, located in the west-, center- and in the east of the city.

3. Theoretical Framework

In this chapter we will introduce our theoretical frameworks for this thesis.

3.1 Relationship Marketing – Firms Point of View

Relationship marketing integrates various relations that the firm has (partners, customers, suppliers etc.) these relations will be considered in the companies' marketing activities. The involvements of the firms' relations leads to a closer and more integrated contact with the customer (Sheth and Parvatiyar, 1995).

Of the transactional marketing view one of the axioms represent the belief that self-interest and competition are value creation drivers. Competition leads to a larger amount of offers for the buyer and also the choice of suppliers that in a later stage motivates marketers to develop more and higher values, offering for their self interest. Today this axiom (competition) is faced by the supporters of relationship marketing. These supporters believe that the mutual cooperation compared to competition and conflict will lead to more value development. Social psychologist have suggested that competition has a adverse effect on the value development (Sheth and Parvatiyar, 1995).

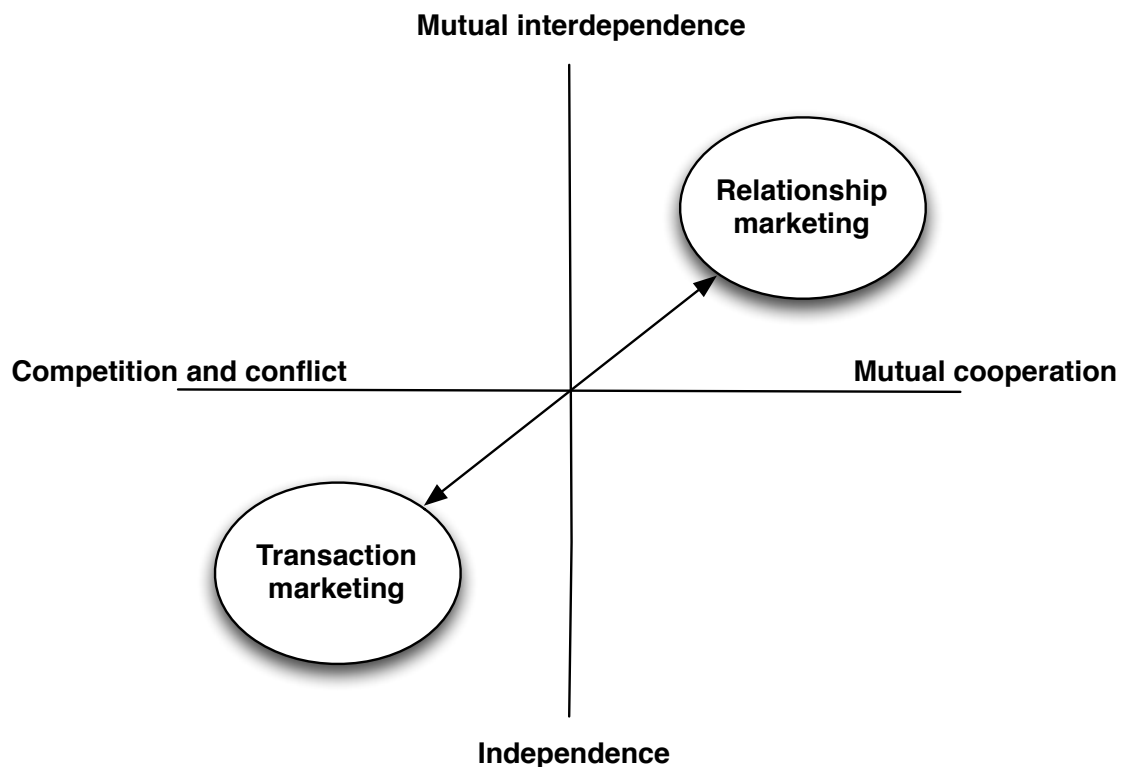


Figure 1: Axioms of transactional marketing and relationship marketing. Source: (Sheth and Parvatiyar, 1995)

In figure 1 the relationship marketing is a perspective is based on cooperation in order to facilitate a mutual creation of value, while the transaction marketing perspective is based on the exchange of ready-made value for money (Grönroos, 2000)

The vertical line of transactional marketing is built on the beliefs that marketers are developing more value and a more efficient system with independence of the choice

of marketing players. It is of greatest importance for the marketing efficiency to maintain an *arm's length relationship*. It is also argued that the transactional view involves costs that makes the transactional view less efficient for the firms engaged in exchange transactions. This could be costs like transaction costs in search, negotiation costs etc. Relationship marketers therefore argues that interdependence reduce transactional costs and therefore leads to a higher value and a higher quality. For summing, the integration of interdependence in the value chain will lead to a higher value, lower costs for higher quality (Sheth and Parvatiyar, 1995).

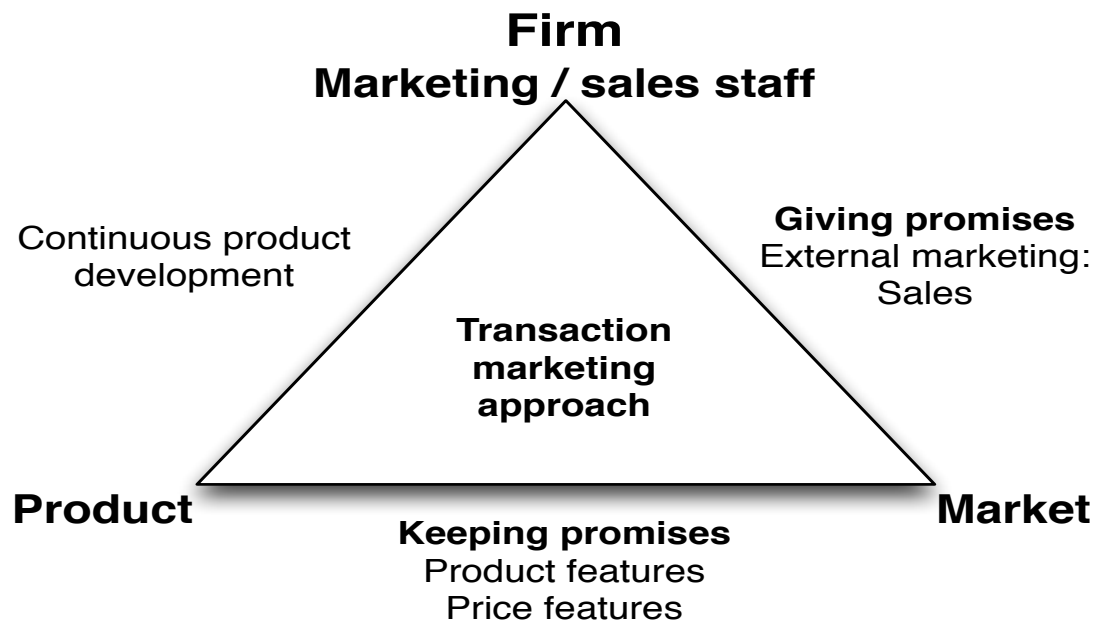


Figure 2: Transaction marketing approach. Source: (Grönroos, 1996)

Figures 2 and 3 describes the shift from a product-based transactional approach towards a resource-based relational approach. The three main parts of marketing by the transactional view are shown in figure 2, marketing/sales department, the market and the product. The customers which are included in the market are more or less anonymous individuals or organizations. The firm offers products (goods or services) as the mainly part. Three aspects are covered along the sides of the figure, giving promises (external marketing and sales), keeping promises (product features), and continuous product development. In other words the model is describing the activities of giving and fulfilling promises (Grönroos, 1996).

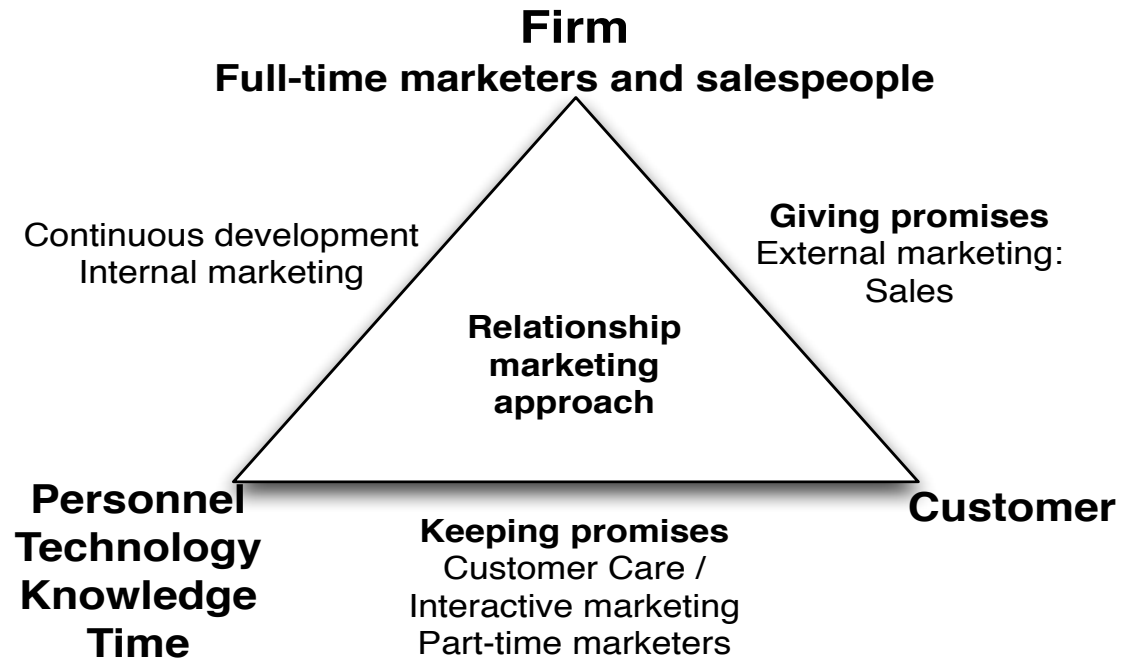


Figure 3: Relationship marketing approach. Source: (Grönroos, 1996)

Figure 3 represents the market situation today, for a growing number of businesses. In this model the marketers and sales people within the firm is called full-time marketers, but this group does not represent all the marketers and salespeople in the firm. The model also considers the so called part-time marketers, which could be both customers or other employees within the firm. The previous market with the more or less anonymous customers have now been switched to more individual customers that are being treated after his/her specific needs, no customer remain anonymous to the firm (Grönroos, 1996).

To create customer care there are four types of factors that can be used, according to the model (figure 3), personnel, technology, knowledge and time. The customers' satisfaction and quality perception are affected by the people involved in resale or cross-sales activities. In the service marketing literature this type of marketing is called interactive marketing. The promises given by the firm and how these promises are being fulfilled becomes extremely important for the marketing activities and has to be communicated to the market. In the second model not only product development are sufficient but also the development of all type of resources such as successful marketing (Grönroos, 1996).

3.1.1 Different Perspectives

When a firm is choosing strategy there is a number of perspectives that the firm has to consider, Grönroos (2000) mention four main strategic perspectives:

- A service perspective
- A core product perspective
- A price perspective
- An image perspective



The service perspective describes that the firm has to offer more to support customer's value-generating processes. The *core* solution (the actual product or the main service) is not longer sufficient to convince the customer. The firm has to differentiate their product or service (or both) in the marketplace to stand out from the competitors. In the service perspective the actual product or service becomes more of a "*share*" in a whole offering from the firm, service, the product, customer relationship, information, attention from the personal are combined. As the total offering are combined in a package to increase the value for the customers this is labeled service offering, even though the core value actually may be a product. Creating this total value may be seen as a strategic choice for the firm, the management are therefore giving this creation of a total value a high priority in the firm. The price is considered less important in the service perspective, it is the value that actually matters both for the customers and for the company. It is normal for a company that has a service perspective to consider itself more of a service business even though the core value of the company is a product (Grönroos, 2000).

The core product perspective could be described as when the firm is concentrating on the actual product or service, a firm with the core product perspective argues that this is creating the highest value for the customers. Other values could be considered as well but are of less value for the strategy of the firm, the goal is to create an excellent core product (Grönroos, 2000).

The price perspective describes the strategy of focusing on the price as the core value. The price perspective argues that the price (low) is creating the highest value for the customer, the low price is also necessary for surviving in the competitive market (Grönroos, 2000).

The image perspective describes the strategy of developing a feeling about the brand image and around the firms' core products. This value are created by the consumers themselves by the help of good advertisement by marketers (Grönroos, 2000).

The content in marketing and advertisement are affected in a large extent of the shift in perspectives. In the relationship perspective the process of developing value for the firms' customers is different from the exchange perspective (Grönroos, 2000).

In the relationship perspective the mainly focus is on developing a additional value for the firms' customers, suppliers etc. The exchange perspective involves money as the mainly focus for marketing (Grönroos, 2000).

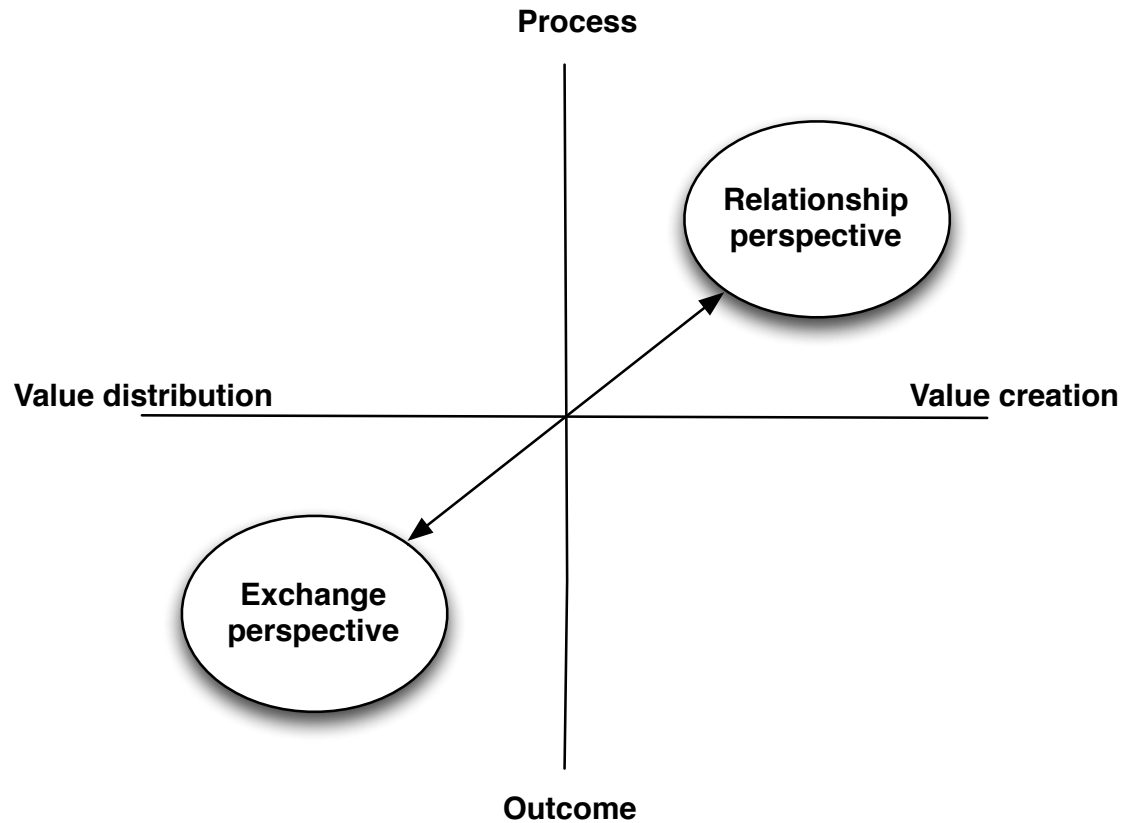


Figure: 4 Paradigm shift in marketing orientation. Source: (Sheth and Parvatiyar, 1995)

Traditional marketing models often explain the exchange perspective (as shown in figure 3) as the value for the service firm is developed in the factory or in the back office, and are thereafter embedded in the product or service. This means that the value is created without an interaction with the firms' partners or customers (Grönroos, 2000). Compared to the relationship perspective the value is not developed in the back office, the value is rather created in consultation with the marketplace and the players within the market (i.e. suppliers and customers). As mentioned earlier the focus has shifted away from the product towards the customers' value development, the values in these terms emerges for customers and is perceived by them (Grönroos, 2000). To summarize, the relationship perspective describes that the focus of marketing activities is value development rather than distributing an already existing value to customers (Grönroos, 2000).

3.1.2 From Perspectives to Implementation and Process

A shift of focus, explained earlier, is required to implement relationship marketing. Grönroos (2004) mentions that there are three main aspects that are vital for the successful execution of a relationship strategy:

1. An interaction process as the core of relationship marketing.
2. A planned communication process supporting the development and enhancement of relationships.
3. A value process as the output of relationship marketing.



An integration of all communication messages are required if relationship marketing will be successful, the firm has to establish, maintain and enhance the relationships with the customers, suppliers etc. Therefore a integrated division for marketing management and communication activities is required for a successful relationship marketing (Grönroos, 2004). As the relationship marketing perspective puts the customers (and other stakeholders) in the front rather than the firms' products in the front of the marketing activities. The stakeholder has to share their perspectives and support its resources (competence) to the value chain to increase the value for the firms' relations. These interactions may be encourage by the planned messages in the communication programs (Grönroos, 2004), this development of value should be reinforced by the marketing messages, before and during the interaction process of the relationship. To see how the customer perceives the development of the value over time it is important to demonstrate the value process.

If the firm do not realize the aspects of the customer's value systems, products, services, information and other fundamentals of the model, the interaction process cannot be created and offered in a satisfactory way (Grönroos, 2004).

3.2 Relationship Marketing – Customer Point of View

It is not always the case that customers are interested in relationship with a retail chain store. The main reason for this might be of the branch reflected image of low prices, and that the customers are looking for the lowest price available on the market. Although this might be the case, Grönroos (1997) explains that it is always achievable to take a relational approach towards customer and implement relational marketing in the firm, although it may not be a profitable strategy for every firm and business.

3.2.1 In Which Mode is the Customer?

This theory from Grönroos (1997) is based on both what the firms focuses on, is the firm relational-seeking or non-relational-seeking, and what the customer seeks in the relationship. Customers that are in the *transactional mode* state tend to look for solutions and products at a low or affordable price, meanwhile they do not welcome the contact from the firm before, under or after the purchase. The relational seeking customer can be divided into two parts, one active and one passive. The *active relational mode* customer are in contrast of the transactional customer looking to establish a contact with the firm, firstly the customer understand the value and gladly receives it, secondly this is because they appreciate the relationship, and become disappointed when the contact aspect is missing in the interactions with the firm. The other side is the *passive relational mode*, here the customer does appreciate contact with the firm, but want to establish a relationship on their own terms. These customers are also looking for the extra value that the firm may offer in the relational aspect, but in a sense would instead like to choose how, when and where the contact would be established. These different types of relations are displayed in figure 5, below.

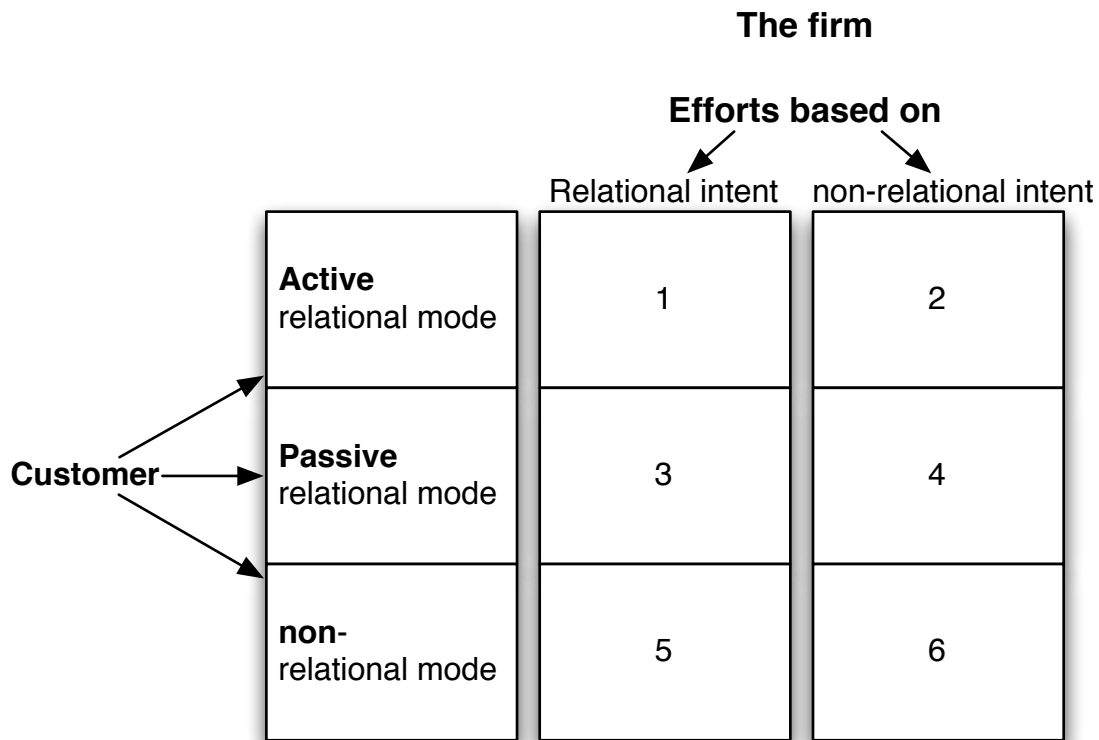


Figure 5: Relation configuration matrix. Source: (Grönroos, 1997)

When talking about the extra value that the customer may receive from a relational mode, it is the extra offering that does not come from the traditional core solution, product, or price that the company also uses. When in a transactional mode, this is the opposite, where an exchange is between money for the core solution, product, or price. As we mentioned earlier there are three different aspects of customer, but there are also three different aspects of the firm. This make use of the author Grönroos (1997) to be better explained as can be shown in figure 5. An active relational intent from the customer may be a non-relational intent from the customer, for example when a customer would like to join a customer club but when the firm does not have one. There is also the case of a passive relational mode customer where the firm is seeking contact and has a relational intent, for example personal designed newsletters or memberships that the firms offers customer but where the customer may decline this proposal. The non-relational mode is the transaction mode customer, where the firm may have as mentioned before both relational intent and non-relational intent towards the customer.

3.2.2 Customer Value in Relationship Marketing

The relationship marketing approach is as we previously mentioned a way for the company to have a mutual understanding and gain value with its customers. Relationship marketing makes for an interaction to maintain and develop customer relationships. The authors of Blomqvist et al. (2004) further explains that relationship between a customer and a firm is created and developed when the customers meets the firms staff and experience the firms resources that creates value. Furthermore the authors argues that the core of relationship marketing in this aspect is customer value and it is only created if the customer perceive the additional values of this core

strategy. When the customer perceive this core aspect it is only then the firm will experience the success of the relationship marketing strategy (Blomqvist et al., 2004).

The starting point the firms strategies of the relationship marketing is created together between the firm and the customer, it starts with the customer meeting which designs the output of the optimized mutual value between the subjects (Blomqvist et al., 2004). To illustrate in further depths what factors and aspect forms customer value the authors Blomqvist et al. (2004), has made a model to explain the affiliation between the customer interaction, customer experience and customer value. These three levels construct the basic view of the relationship marketing strategy between a firm and a customer. This model is depicted in figure 6 below.

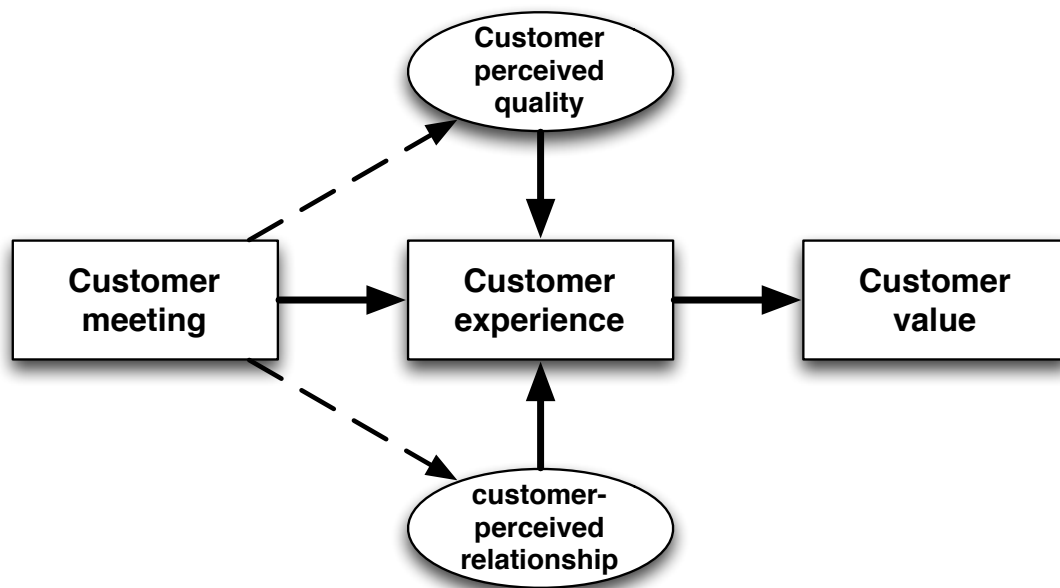


Figure 6: Customer value. Source: (Blomqvist et al., 2004)

The customer evaluates its own customer interaction, which comes from the meeting with the staff, this is not defined in terms of direct measured value but rather in terms of negative or positive experience. The customer perceived quality, i.e. the dissimilarity between the customers expectations before the meeting compared to the outcomes and experience the customer perceived as a result after the meeting (Blomqvist et al., 2004).

These meetings and interactions the customers have with the staff have a direct impact on the customer perceived quality. The customer perceived relationship impacts on a more subconscious level the effects are more indirectly, since the need for more interactions needs to been made (Blomqvist et al., 2004).

To summarize the figure and explain the main effect, the customer value the authors Blomqvist et al. (2004) describes that the relationship value is the ratio between the benefits the firm offers the customer and the sacrifice the customer has to make to receive these benefits (Blomqvist et al., 2004).



3.3 Creating the Experience

In relation to the authors Blomqvist et al. (2004) another author Mossberg (2003) suggests that the customer experience is influenced by a range of other aspects that when combined makes the “whole”. This whole includes the following factors, the staff, other customers and the environment (Mossberg, 2003). It is of great importance that the marketers understand the significance of the customers behavior and wants during the consumption act (Mossberg, 2003).

The importance and the interest for consumption that are experienced-based has grown larger in the past years. The focus has been shifted towards giving the customers the “right” experience (Mossberg and Sundström, 2011).

Satisfaction increases when the positive factors of experience consumption are developed but the this is not always guaranteed (Mossberg, 2003). Aspects that affect customer satisfaction (Mossberg, 2003, Evans et al., 2008):

- Service quality
- Product quality
- Price
- Situational factor
- Personal factor
- Social factor

Mossberg (2003) has an overall model that is used to understand and explain the customers experiences. As mentioned earlier the factors are (Mossberg, 2003):

- The customers experience
- The experience room
- The staff
- Other customers
- Creates the image

When the aspects are combined they create a greater whole, this is shown in the books’ overall model, figure below. The model is best explained by citing the author (translated from Swedish to English) (Mossberg, 2003):

“The starting point is that experience is a process, where the staff and other customers (The social dimensions) exists in the experience room (The context) and that all parts affects the customers feelings, absorption and control.”

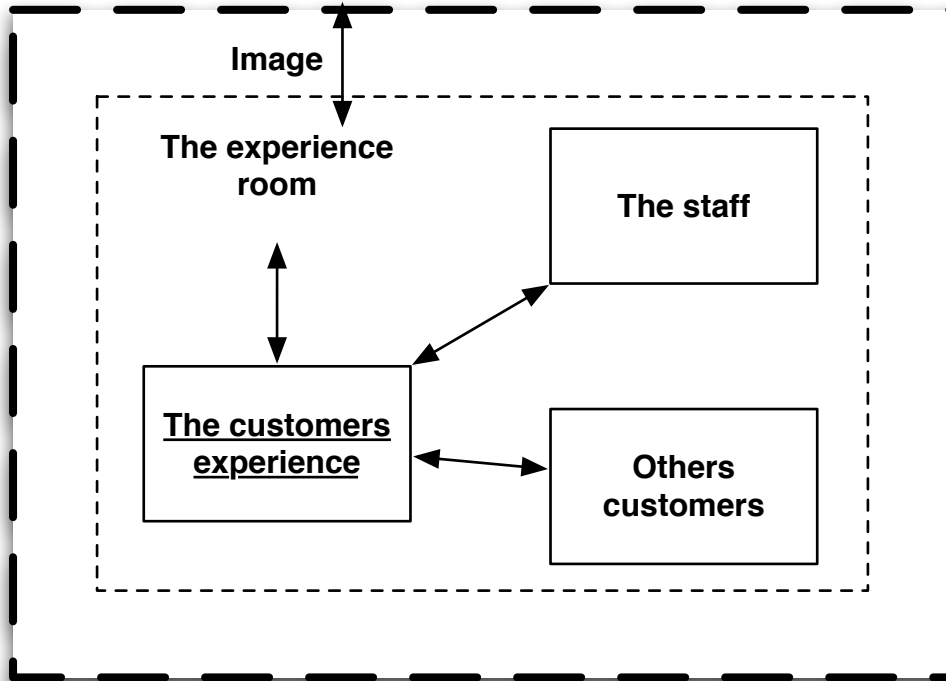


Figure 7: An overview of which factors affect different types of experience. Source: (Mossberg, 2003)

The central theme in this model is therefore the customers' involvement and consumption. As mention in previous chapters, the customers should not be seen as passive, anonymous customers rather they should be seen as co-producer, as an existing part of the company. The barriers between the firm and their customers should therefore be removed and creating an affinity instead of a "them vs. me" feeling (Mossberg, 2003).



4. Methodology

This chapter will present a general overview of the methodology that has been used to answer the main and secondary aim of the thesis.

4.1 Method

After we defined a clear view of the aim of the study we decided that we needed both point of view. Firstly we needed the view of firm and secondly the view of the customer to answer our objective. After consideration we decided to complete our first objective with qualitative interviews. The respondents were a store manager of one the three selected stores, the regional manager for the west part of Sweden and the chief of the marketing division within Kjell & Co.'s headquarters in Malmö, Sweden. To complete our second objective we choose to complete a quantitative marketing research survey where customers to Kjell & Co.'s got a chance to answer how they perceive Kjell & Co.

Before we launched our final survey we decided to conduct a pilot study to a few friends on Facebook. The approach of the pilot study was of more explorative nature, this because we wanted a basic understanding and knowledge about our final survey (Lekvall et al., 2001). The purpose of the pilot study had a few main objectives, firstly to increase the study's validity and reliability. Secondly the pilot was used to analyze and optimize the surveys in regards to the following factors:

- To see if the answers could help us solve the thesis objective
- To see how the respondents would react of the surveys length
- To decrease the number of incomplete surveys
- To see if there were any mistakes made with our survey that we could correct.

The pilot study was as we earlier stated conducted on Facebook, and was in comparison to our final survey an internet-based survey. We selected 40 friends that we thought could answer our survey on a Monday between 10:00 am to 6:00 PM. We got a 48 percent completion of our internet-based survey, which means that 19 people completed the survey, while 21 people did not complete the whole survey. We also noted that we had to change a few of our answers in order to optimize our survey according to analyze more effectively for our results.

To compare these results with our final survey, where we had an incompleteness rate of 11,7% out of 180, which makes the use of 159, completed surveys. So in sum we got a higher completion rate in our final survey then we did in our pilot survey, which we conclude is positive. But it is also notable that we conducted the final survey outside on of the firm's stores and in person. This could be one of the main reason the incomplete rate was lower during the final survey then in our pilot survey, which is usually the case with internet-based surveys (Troost, 2012).

4.2 Research Design

This thesis is based on a descriptive approach in our study. This approach is based on finding and collecting facts and data within a specific subject (Lekvall et al., 2001). In other words this thesis is based on existing models- and frameworks (Christensen,



2001), which in a later stage are being applied and tested to Kjell & Co.'s specific case.

A mixed method of strategies has been decided according to the purpose of the thesis. Mixed method research combines both the quantitative and qualitative use and aspect (Creswell, 2009), which in our case is the interviews with the representatives from the firm (qualitative) and the survey (quantitative) with the customers. With collecting and analyzing the qualitative and quantitative data combined the general potency of the study is superior than either one of them alone (Creswell, 2009).

4.3 Collecting Data

As mentioned above we have been using a mixed method research while collecting our primary data. The secondary data has been collected by previous studies and research in the specific subject, mainly to complement the primary data.

4.3.1 Survey

The survey was of a quantitative approach. We also made sure that the survey had moderate/high standardization and a moderate/high structuration. Standardization means that the degree to which the question are the same and in the same situation for all respondents, while it lacks variety and everything is the same for everyone (Trost, 2012). In sum, no variation is acceptable. With the structure of the survey, means two things. Firstly it explains if the survey had open or closed answers (Trost, 2012), in our case we used closed answers. Secondly it also ads the importance of a structured survey (Trost, 2012), which in our case also is applicable.

The importance of constructing the right question is quite large. There are some rules that we wanted to take in consideration and follow, these are as followed (Ejlertsson and Axelsson, 2005):

- Use of simple language
- Unambiguous questions
- Avoiding double negatives
- None unjustifiably long questions
- Memory factor
- Not overly sensitive question
- Socially desirable answers – there is a tendency to answer with the social norms
- The answer alternatives are mutually exclusive
- The answer alternatives are exhaustive
- Caution with yes / no answers
- The answers sequence should be the same
- Symmetry in the answer alternatives
- Odd or Even?

With following these rules we made it easier for ourselves but also for ours respondents to answer our survey questions.



The survey was made outside three different Kjell & Co. stores located in the western-, eastern & central part of Gothenburg. Our selection of respondents were customers that have had contact with Kjell & Co.'s staff over the counter and/or just finished a purchase have completed the survey. In each of the three stores we completed 60 submissions, in other words a total value of 180 submissions have been completed during the survey. As mentioned earlier we had a completion rate of 88,3 %, which means a total of 159 submissions. Most of the incompletes survey consisted of missing whole sides, where the respondents haven't noticed that survey was printed front and back.

Our selection was based on selection probability, we applied the method of simple random sampling (Christensen, 2001) but with a twist, since it consisted with random people, given a random day in the week that went to a Kjell & Co. store and had contact with Kjell & Co.'s staff over the counter and/or purchased something. All of the respondents were given full anonymity. Not everybody wanted to answer, and we have no account of how many we asked to complete our survey but we were in front of the stores of a total of 24 hours, about 8 hours per store.

The main goal of the survey has been to increase the knowledge about how the customers perceive Kjell & Co. as a whole, and how the customers perceive and experience the relationship between the staff and themselves.

4.3.2 Interviews

To get Kjell & Co.'s perspective of relationship marketing and to see how Kjell & Co. is working with marketing questions we decided to interview three different employees of Kjell & Co. Johan Claesson who works as a store manager at Nordstan in the central part of Gothenburg, Andreas Rylander who works as regional manager in the western part of Sweden and Ulrika Klinkert who is head of the marketing – and strategy questions within Kjell & Co.'s headquarter in Malmö, Sweden. We asked all three representatives if they allowed to be mentioned by name in this thesis.

We chose an interview form that Lantz (2007) like to call "The targeted opening". The starting point of this interview form is to seek out and understand the concept you are interviewing about. The interviewer is looking for specific knowledge about the context of their problem of information, which is defined by the interviewer. The context is in other words determined by what the interviewer finds meaningful and not what the respondent find meaningful. With this method it is easier to get information by the specific knowledge that the interviewer seeks, the negative aspect of this is that the interviewer has to listen accurately to the respondent to catch certain factors. So that the interviewer does follow up in both their own terms, but also catches and develops on the subjects that the respondent answers. In sum, the respondent will go deeper into what the interviewer finds more meaningful to discuss. To analyze these types of interviews, the respondent of the interviews has to be interviewed on the same theme and subject and may not differ. The results may vary depending on the respondent and the subject, this is quite beneficial to the data, in which it catches a wider range of information but it is also limited since the interviewer has more control (Lantz, 2007).



Since we had contact with Kjell & Co. before our thesis we could easily contact relevant people to ask to be interviewed. Before the interview we went ahead to look for what concepts we needed answers for our primary objective. We thought it would be best to use a interview guide (See appendix 8.2) including the following areas:

- Kjell & Co. and their use of marketing and relationship marketing,
- The customer,
- The staff.

The interviews were conducted in one of the stores in Gothenburg that has a conference room. There we had an open and relaxed interview, without interruptions. We also audio-recorded the interview, for the purpose to have more of a conversation with the respondent than to have a strict interview. With both these starting points we made easier to listen to our respondent answer and immerse ourselves on important subjects and answers. One exception is the interview with Ulrika Klinkert, which was a telephone-interview.

4.3.3 Collecting Secondary Data

The secondary data that has been used in this thesis are based on articles, previous - studies and research within relationship marketing. The articles have been found by searching in databases in the School of Business, Economics and Law's library. Recommended authors and literature by our tutor have also been beneficial.

4.4 Research Quality – Reliability and Validity

In the sections below we will explain reliability and validity for quantitative and qualitative methods and how we stand in regards to these terms.

4.4.1 Validity and Reliability in Quantitative Research

The validity of a survey question refers to it's ability to measure what it intends to measure (Trost, 2012). We have conduct all over questions in our survey so that the result given can be both statistical- and quantitative measured. Trost (2012) further explains that a question with high validity will have little or no systematic error. In regards to the latter we did a pilot study of our survey, to see if the results displayed any systematic errors. Which we later found quite useful, since it brought a higher degree of validity to our original survey.

The term validity is used in different ways regarding quantitative and qualitative studies, the concept of validity is quite important in quantitative studies. We conducted our survey so that the purposes of each question were met in relation to our secondary aim. By doing so the authors (Ejlertsson and Axelsson, 2005) further argues that a connection between the background (the aim) and the issues (our problems) where the effect is a higher degree of validity.

The types of validity that are most widely used in quantitative studies are *criterion-related validity*, *face validity* and *construct validity* (Ejlertsson and Axelsson, 2005, Lekvall et al., 2001). Since all of these methods describe and validate on different terms, our reflections is that our type of validity is closely related to *face validity*. Face validity is best explained that if the objective of the survey is directly understood



and other people can determine that it holds of its purpose the immediate perceived quality is quite high (Lekvall et al., 2001), and in relation the validity also high. The other people in our case are both our supervisor and our close family.

Reliability is dependent if the questions are asked in a proper way, and if they are consistent. If there is a lack in consistency and there are poorly constructed questions, there will be a large random variation in the responses, and as a result it will give low reliability in the study (Christensen, 2001, Ejlertsson and Axelsson, 2005). We have tried following these guidelines, ask the respondents in a proper and consistent way, while also having the right constructed question in our survey. Another aspect that also gives low reliability is if the repetitive measures would be taken and it would not give the same results, our inference to this is that we would have got all the same results if we would have done it in another time, but it may differ in another place.

Therefore a test-retest method could have been conducted to give us a higher reliability within our survey. The test-retest method indicates that the survey with the same questions should be conducted a short while after, and if the answers are the same the results indicate a high reliability (Lekvall et al., 2001). In the sense of the limited time supply for this bachelor thesis a test-retest method could not be conducted. We are however sure, that the results would not have varied since we got so much of the positive reviews from our respondents.

4.4.2 Validity and Reliability in Qualitative Research

Qualitative reliability describes in which degree the outcome can be repeated if the study is being repeated in an identical approach. The qualitative data is based on the interaction between other people in a specific situation, and as the reality is changing it is almost impossible to create the same result in absolute terms that in a later stage can be measured (Christensen, 2001). It is therefore quite hard to measure the qualitative reliability in our study just because of the factor time, we might have different answers from the interviews if they were conducted earlier or later. Another problem is the interviewer, since the interviewer is directly linked to reliability and the results, the only way to get the same results is if the interviews were conducted at the exact time and place (Christensen, 2001).

Validity is based on credibility, in other terms how well the study and its findings are consistent with reality, defined as internal validity. The degree of generalizability is usually defined as external validity. It is relevant to value both external and internal validity in qualitative analysis (Christensen, 2001). Our thoughts are that the internal validity of our qualitative interviews does reflect the reality of Kjell & Co, our findings in the study are quite consistent since all three of our representatives had three different titles within the firm and the answers reflected the same reality.

The external validity of our study can be generalized within the firm, since as previously mentioned we interviewed three different people with different work titles. But the external validity is only limited to Kjell & Co, as it should be, but it does not reflect the whole branch.



4.5 Critics of Method

In the survey we asked customers that exactly had completed a visit in one of Kjell & Co.'s stores, therefore we could hardly capture customers who were not stressed. Stressed customers did not have time for our survey which took about 5 – 7 minutes, and as we only could complete the survey by customers who were less stressed, a more positive attitude could affect the result of the survey. With this said it also noticeable to conclude that we may have capture a higher completion degree of *positive-* than *negative customers*, as *negative customers* are less interested of completing a survey about the firm they just got a negative feeling about. On the other hand it could also be the case that negative customers are more likely to tell how greatly they dislike the company. While we wanted to measure several aspects of relationship marketing, the length of the survey was quite long as previously mentioned. The author Lekvall et al. (2001) explains that random factors, like the respondents became tired and therefore filled in the rest of the survey at random instead could affect the results.

In our qualitative method (interviews) we sent an *interview guide* in advance for the actual interview. This could have both positive and negative effects. The positive is that the respondents had time to feel that they were prepared, review the questions, and gather their thoughts, which in turn is positive for us. The negative aspect of this is that our respondents might waver his response so it fits us or Kjell & Co.'s image better.

5. Results and Analysis

This chapter will present the results we found in our marketing survey and interviews of Kjell & Co.'s, we will further analyze our findings.

5.1 Kjell & Co. Use of Relationship Marketing

There are as mentioned in previous chapter two general perspectives that a firm can adopt. These are transactional marketing and relationship marketing. Within these there are more perspectives and strategies a firm may adopt. For example Grönroos (2000) mentions that there are four major strategic perspectives which are, a service perspective, a core product perspective, a price perspective, and an image perspective. Both the service perspective and the image perspective are in our opinion a relationship marketing approach while the core product perspective and the price perspective uses a classical transactional marketing approach.

5.1.1 Transactional or Relationship Marketing

As Sheth and Parvatiyar (1995) mentions, there are different axioms of transactional marketing and relationship marketing. Below we can see the figure, and their differences.

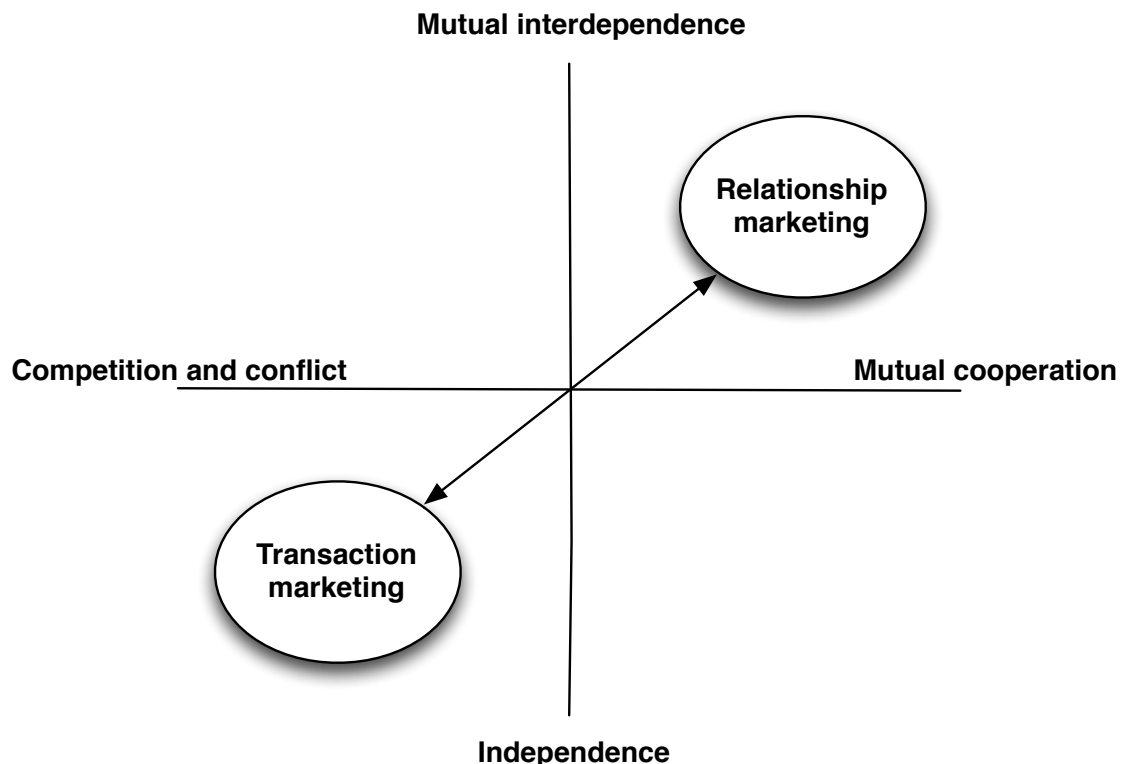


Figure 8: Axioms of transactional marketing and relationship marketing.
Source:(Sheth and Parvatiyar, 1995)

As we can see relationship marketing is based on the axioms of mutual interdependence and mutual cooperation to create value, while transaction marketing axioms are closer to competition and conflict and independence. As we mentioned before Kjell & Co. works a great deal with service with their customers and are creating both mutual cooperation and mutual interdependence for both the firm and its



customer. This we can conclude mainly based on our research, but also that the customers always interact with the staff at the store, while other main competitors does not.

The interactions that take place is the base foundation of the relationship that the firm creates with its customers. This is the platform where the staff creates the relationship with value and offers more than a transaction. From our interviews we can also see that this is something the firm actively does work with and has knowledge about.

“The relationship are created when the customer visit us in the store.”

- Andreas Rylander Regional manager, 3rd of May 2013

“What we strive for is to create a relationship with the customer, and it is our staffs’ tasks to create it out in the store.”

- Johan Claesson Store manager, 7th of May 2013

One central theme in Kjell & Co. is that they only have sales over the counter in their stores, except for two larger Kjell & Co. stores which also has a fast checkout counter. The sale over the counter leads to that every customer have to interact with the staff, which in turn creates a direct positive link for a service and relationship encounter.

Grönroos (1996) describes the relationship marketing approach as can be seen in the figure below, where the firm and its full-time marketers and salespeople, gives promises to the customer instead to giving promises to the market. The customer in turn can see if the promises are kept which in turn may include how they experience the customer care, the interactive marketing and the part-time marketers (in this case the sales staff of Kjell & Co). Furthermore there are four types of resources that satisfy these promises, these are the personnel (the firms sales staff), technology, knowledge (possessed by the sales staff of the firm) and time.

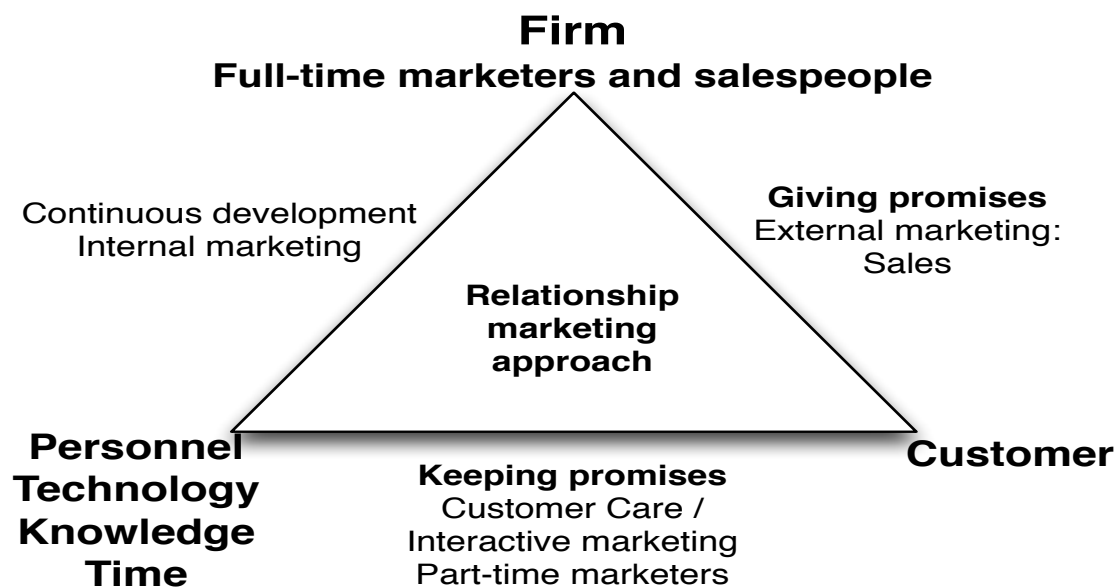


Figure 3: Relationship marketing approach. Source: (Grönroos, 1996)

From our research we can note that the firm does follow this model to a certain extent. To show this we chosen divide this model into three different models, where we try to explain how these models can be adapted to the company's case.

Model 1: Firm and Customer

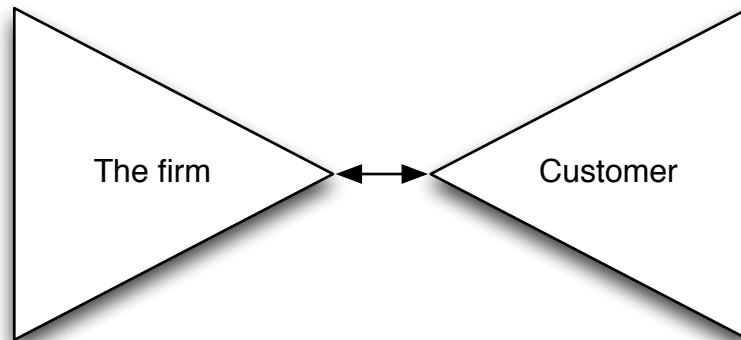


Figure 9: Firm and customer. Source: Adapted from (Grönroos, 1996)

The firm consists of the full-time marketers and salespeople, which in Kjell & Co.'s case is the marketing and sales division at the headquarters in Malmö, Sweden. The marketing division communicates the overall image of Kjell & Co to the customer, where the focus varies dependent of which in Sweden the marketing appears. From our research we have found out that the customers' knowledge about Kjell & Co is greater in the southern and eastern part of Sweden compared to the western (especially Gothenburg) and northern part.

According to Ulrika Klinkert the firm uses three marketing communication strategies towards the customer:

1. That the firm exist (awareness & recognition)
2. What the firm does offer
3. What makes the firm unique

To communicate these different strategies the firm is using different marketing channels, optimized for the specific purpose and the target group. There are in turn three different channels that are of importance for Kjell & Co, these are:

1. TV, which reaches a wide market and its purpose is to develop the brand.
2. Digital marketing, where the main target group exists.
3. Direct marketing, to increase sales.

These are all good aspect, to have the strategies and to know which marketing channels should be prioritized to reach the target group, but what message does Kjell & Co send out to their customers? Ulrika Klinkert explains that it is quite important that the message is consistent and that the same values are communicated, this because it is easier to recognize the firm in that way. She further explains that there are two more important aspect that needs to be in the messages, these are:

1. The visual, so that customers recognize the firms logo
2. What the logo represents, in this case the firm emphasizes technology and knowledge about technology, which enhance relationships and leads to better customer service and experience.

To review, the main message that the firm is trying to communicate to its customer is the right associations, which are as we earlier stated knowledge and technology.

One of the most important values that Kjell & Co. is emphasizing is the vision of having “*world class service and knowledge*”. These two values are the hardest one to promote in the marketing aspect. Therefore Ulrika Klinkert states that they are not trying to communicate this directly in their marketing, but more indirectly. Instead of saying that they have the best service or knowledge or trying to be the best, they communicate that they are service and knowledge. To give an example of this, the company own book “*How does it work*” contains various information and facts about technology that could help in every day life. This book is a direct example that the firm is knowledge as explained above, and can also be seen as a competitive advantage and key benefit.

To summarize, and to explain how this is applied to the divided and adapted model above, the firm communicates service and knowledge to the customer using a mixed strategy, the same message reaches the customer through external marketing, but the customer also receives knowledge and this in turn creates a relationship between the customer and the firm.

Model 2: Customer and Staff

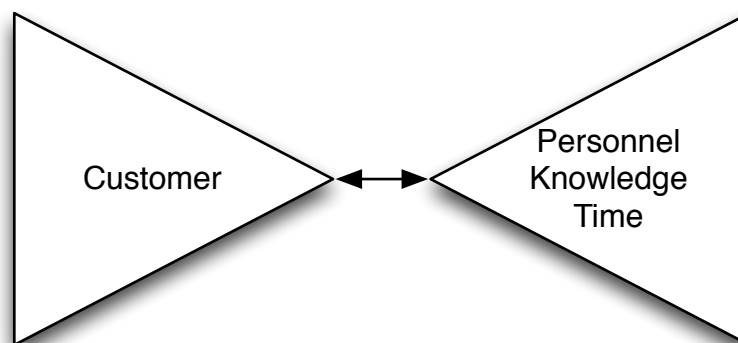


Figure 10: Customer and staff. Source: adapted from (Grönroos, 1996)

Even though the firm consists of full-time marketers and salespeople in the marketing division at the headquarters it does not represent all the marketers within the firm, both the staff and the customer can be considered as part time-marketers (Gummesson, 2002, Grönroos, 1996), which in this case is quite applicable to Kjell & Co. The relationship marketing approach is described further by Ulrika Klinkert, and what she thinks is the difference between marketing and relationship marketing, and what the firm does offer it customers.

“Marketing is mainly awareness and sales. But in relationship marketing where you integrate the ambassadorship (in this case the part-time marketers), and that is to give something more than just a product, you give the consumer something more. The



effect thereafter is that customers (also in this case part-time marketers) will spread from person to person. And this is relationship marketing.”

- Ulrika Klinkert Chief of Marketing, 10th of May 2013

“To develop a closer relationship with the customer it is important to be more than just a cashier, its important to be more personal and to create a good vibe with customer... We are quite alone with offering sales over the counter in the retail branch, we also emphasize the service aspect, and to give our customers an experience when coming to the store.”

- Johan Claesson Store manager, 7th of May 2013

“We could have the world best products, but if our sales staff are unpleasant, then the customer forgets how nice the product actually are...”

- Andreas Rylander Regional manager, 3rd of May 2013

All these account describe that the firm knowingly is trying to offer something more than just core-product and price, which most of the competitors in this branch does, and the effect, if successful, will create part-time marketers in terms of customers, who highly would recommend Kjell & Co. All of this is well, but how does actually the customer say about these aspects? From or marketing research we can conclude that a majority of customer have a mutual understanding of these aspects. As shown in the diagram below:

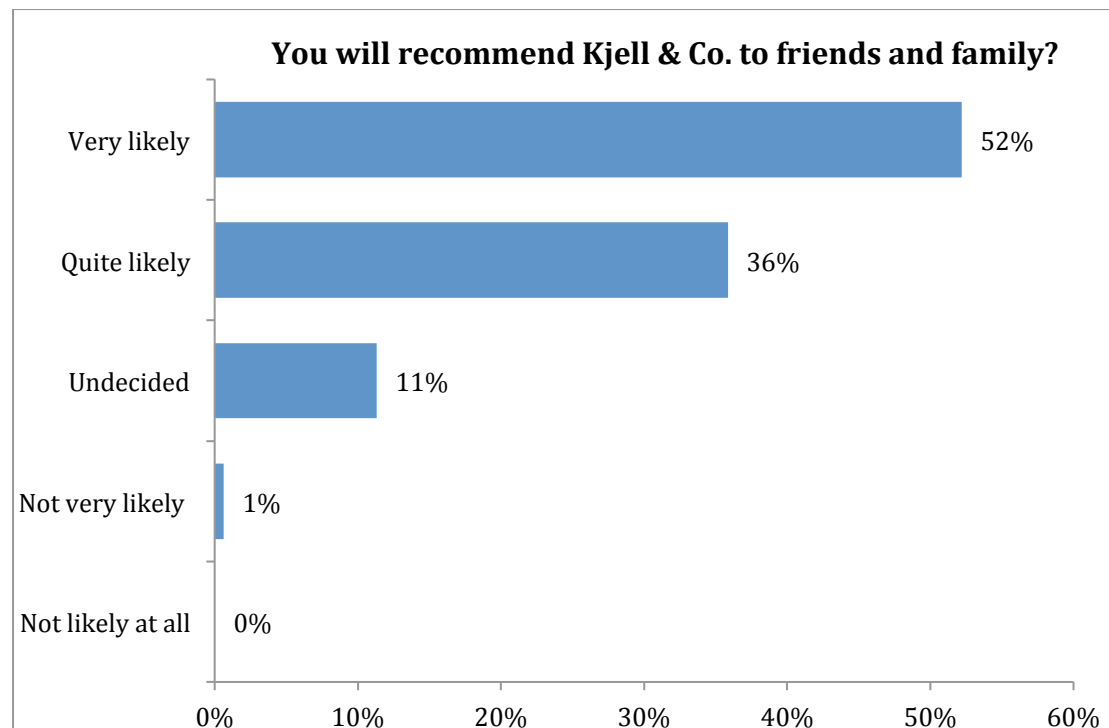


Diagram 13. Will the customers recommend Kjell & Co. to friends and family

As can be seen from the diagram, 88 percent of the customer will recommend Kjell & Co. to friends and family in the near future. This is surely because of the

experience, service and relational aspect of the sales staff. This can also be backed up from our marketing research, as shown in the diagram below:

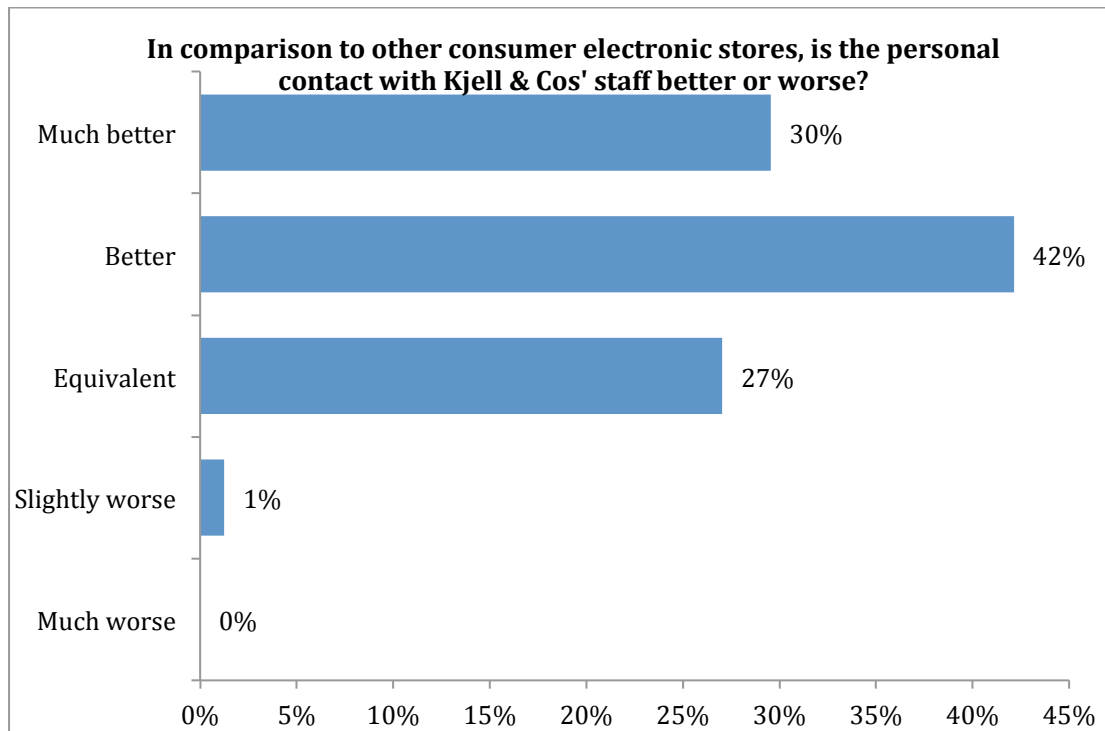


Diagram 14: How customers perceive the personal contact at Kjell & Co.

Diagram 14 shows that 72 percent of the customer agrees that the personal contact is better or much better than the firms competitors, while 27 percent agrees that the personal contact is equivalent.

It is also important to take into consideration the two other factors that are knowledge and time in the model. We have chosen to divide time into to separate aspects, short-term and long-term. The short-term aspect includes the time the staff helps the customer over the counter. The time aspect is important in relation to the customer where they fell appreciated, seen and get the help they need (which also can be represented in Diagram 17). The long-term aspect touches on the subject loyal and recurrent customer, where it takes a considerable longer time to create a loyal customer.

“It takes a longer time to do a customer analysis and help the customer compared to just charge the customer and thereafter go for the next one ... In this way, we have to take into account that it takes a longer time to sell like we do, but we get a different and deeper relation with the customer, than others... Where the effect is recurrent and satisfied customers”

- Johan Claesson Store manager, 7th of May 2013

As mentioned earlier the other aspect is knowledge is also of great value for the customers and sales staff in the stores. In our marketing research we also asked the customer how well they perceive the sales staff as knowledgeable and competent, as can be seen in the diagram below.

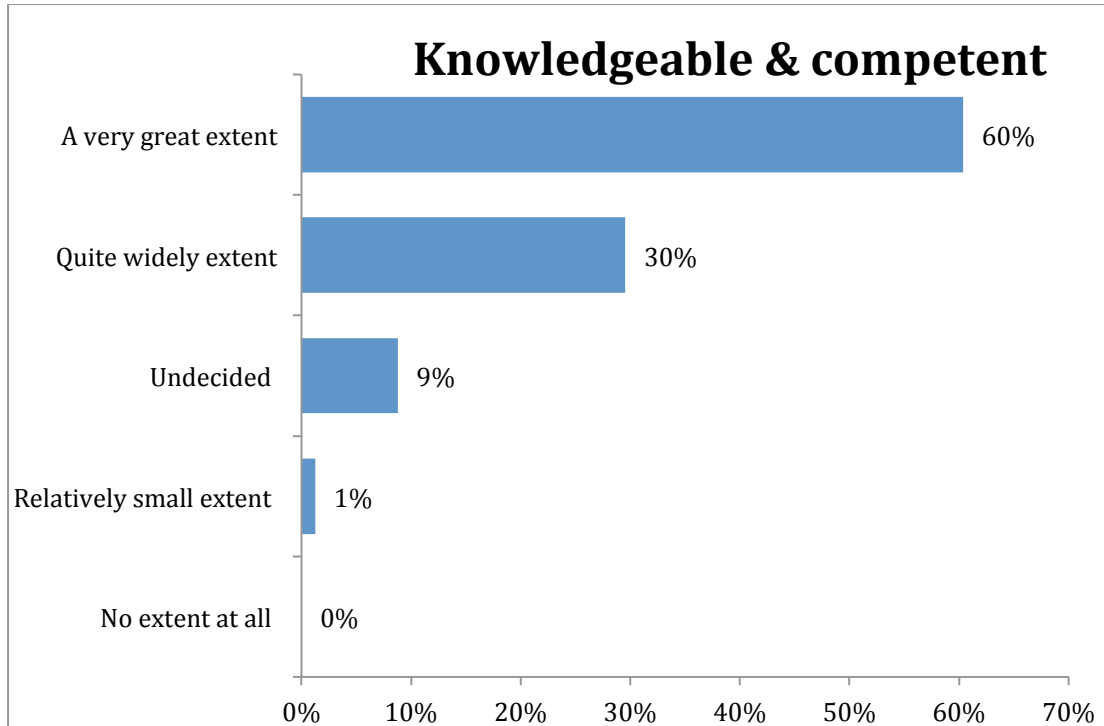


Diagram 15. How well does the criteria knowledgeable & competent describe Kjell & Co.'s staff.

In diagram 15, we can see that we have a great majority of customer that perceive the firms sales staff as knowledgeable and competent. Where as 90 percent of the customer chose to a quite wide extent and a very great extent.

Model 3: Staff and Firm

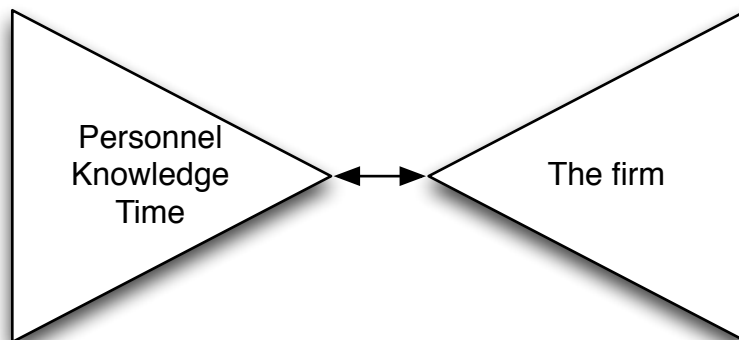


Figure 11: staff and the firm. Source: adapted from (Grönroos, 1996)

To create good customer experience and service it is important that the sales staff is well educated in technology, have an interest in technology, but foremost have interest in solving the customer problems.

“If you don't have a interest to understand a customers problem, you will never be a good Kjell & Co. store sales staff... The focus is not on sales, but instead to help the customer solve his/her technology problems.”

- Ulrika Klinkert Chief of Marketing, 10th of May 2013



From our research we can conclude that the firm invest both time and knowledge in their staff. When the staff is hired they get a introduction week at Kjell & Co.'s headquarters. The focus during this week is to get to know the company, thereafter to learn about technology and the products which the firm is offering. Klinkert states that the focus is on giving the staff the right knowledge, not on the sale-aspect, which is what the competitors does. The week is the start of the teaching-program Kjell Academy which also offering continuous web-lectures for the employees after the introduction week.

According to Johan Claesson it is important to invest time in the employees and try to satisfy each individuals needs and wants, to help develop each individual employee to reach their own specific goals is one of the most important aspects as a store manager. Andreas Rylander the regional manager also notes that it is important to let the staff feel comfortable when working:

“We do not force our employees to adapt or change themselves into a different personality, instead we allow the staff to be who they really are... There is nothing harder and more frustrating to try to be someone else at work.”

- Andreas Rylander Regional manager, 3rd of May 2013

5.1.2 The Service Perspective

After having our interviews we could clearly state that Kjell & Co. uses the general relationship marketing approach towards their customers. To be more precise we actually agree that Kjell & Co. uses a service perspective within the relationship marketing paradigm. After our interview with the CMO Ulrika Klinkert we could also confirm that the company sees itself as more of a service company than a transaction company in the retail branch. Below we find a quote from our interview with Ulrika Klinkert:

“In my opinion we are more like a service company... a service company that are selling technology products.”

- Ulrika Klinkert Chief of Marketing, 10th of May 2013

This is exactly how Grönroos (2000) describes the service perspective:

“A firm that adopts a service perspective will consider itself a service business.”

Even Andreas Rylander, regional manager in the west-part in Sweden, agrees with the concept of service perspective, he states that:

“Our mission is to sell accessories to home-electronic and merchandise products instead of the actual product itself and of course include service that is a bit beyond all others.”

- Andreas Rylander Regional manager, 3rd of May 2013

Johan Claesson, store manager central part of Gothenburg (Nordstan) further describes:



“That is our concept, to exceed the customers expectations. To give outstanding service mixed with knowledge of course, knowledge is required to achieve great service.”

- Johan Claesson Store manager, 7th of May 2013

Even though all these interview confirm that the firm has adopted a service perspective, we have to note that this is only the firms point of view, its therefore important to consider how the customers perceive Kjell & Co. service. From our marketing research we can conclude that 92 percent of the customers perceive that the staff are service-minded in either a very great extent or quite widely extent.

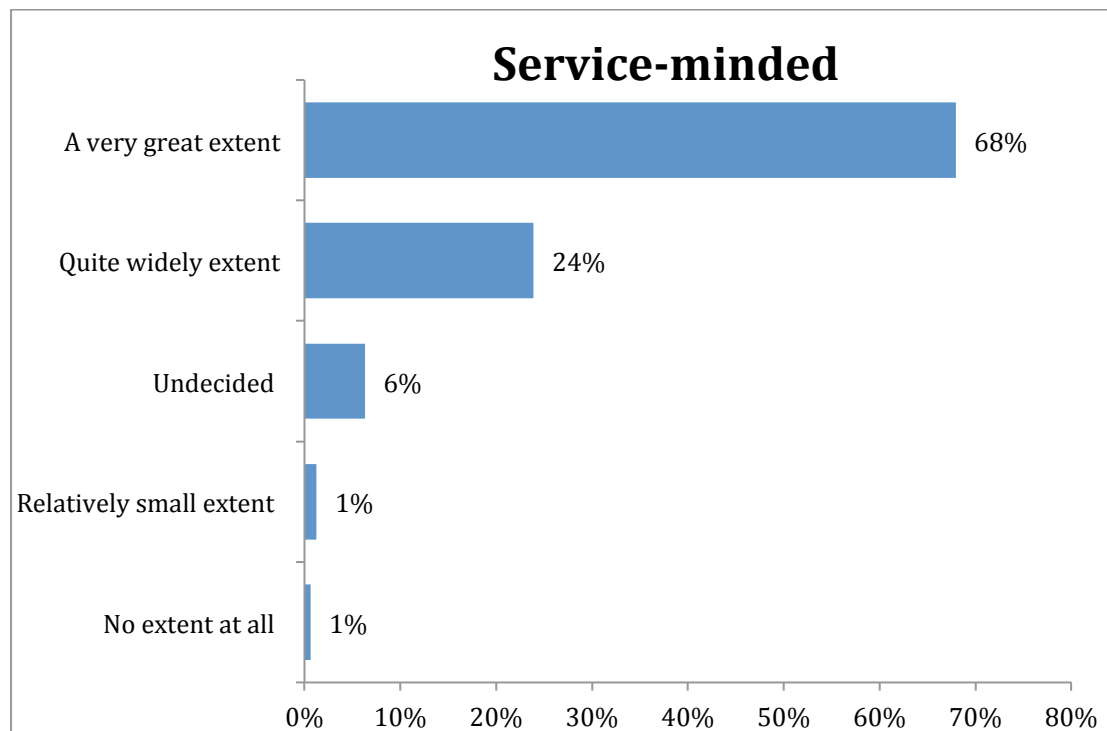


Diagram 16: How customers perceive Kjell & Co. staff, service-minded.

Furthermore in our marketing research we asked the customer what they associate with Kjell & Co, and service got 60 percent. It is noticeable that good prices which got 69 percent, are the variable that most customer are likely to associate with Kjell & Co. even though the firm does not primarily focus on this factor.

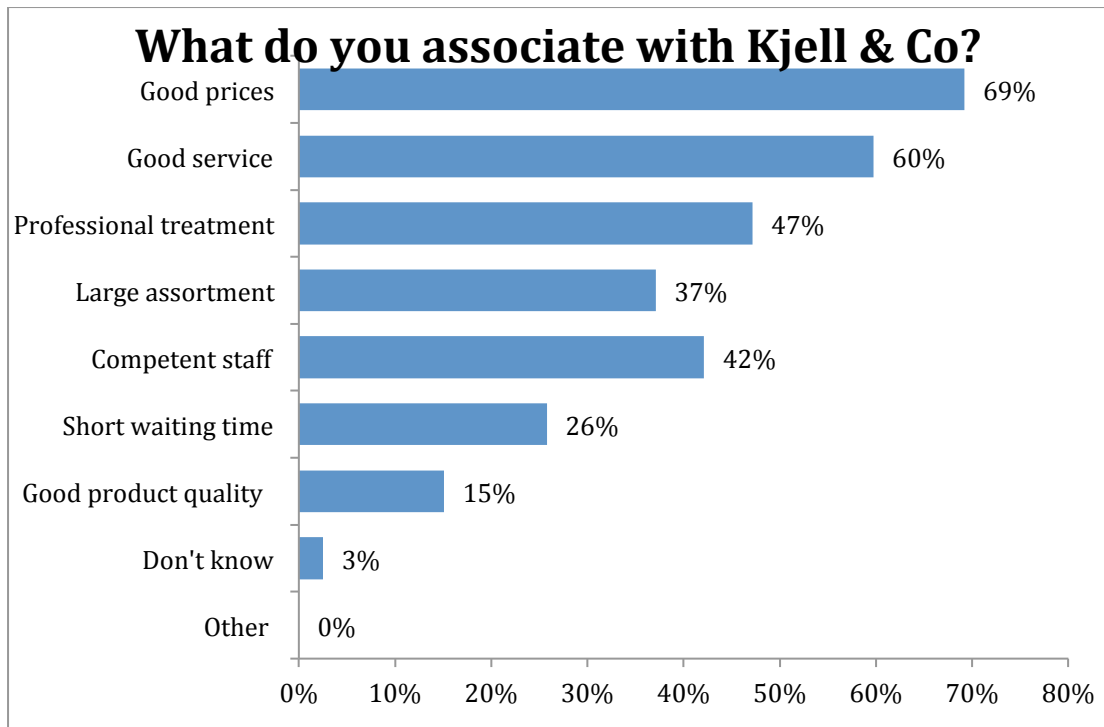


Diagram 17: What customers associate with Kjell & Co.

In sum we can conclude that the firm has done a quite good job at indirectly communication the service aspect to their customers, implementing the service aspect within the staff, and that the customer experience and associate Kjell & Co. with great service.

5.1.3 From Perspectives to Implementation and Process

As mention in previous chapters Grönroos (2004) explains that a shift of focus is required to implement relationship marketing in the firm. He further explains that there are three aspects which has to be considered will take a relationship strategy approach;

1. An interaction process as the core of relationship marketing.
2. A planned communication process supporting the development and enhancement of relationships.
3. A value process as the output of relationship marketing.

With interaction process as the core of relationship marketing is in Kjell & Co.'s case the interaction between the customers and the sales staff. The relationship strategy puts the customer in focus and not the products (Grönroos, 2004). As we mentioned earlier, Kjell & Co. sees itself as a service-company, the interactions process (between the customer and the sales staff) is therefore essential for the enrichment of the relationship (Grönroos, 2004).

In Kjell & Co.'s case there are planned communications but these communications does not directly support the development and enhance of relationship marketing. Most of the planned communications are the visual aspect and indirectly what the visual represents, which is knowledge about technology.

If this is done correctly, and the aligned resources are used in the right way, the value, competitive advantage and key benefit may occur. The creation of this advantage should be supported before and during the interaction process (Grönroos, 2004). It is also important to understand how the customer perceive the value creation over time, and how all these three processes are placed, by doing so, the firm may have a good foundation of implementing relationship marketing (Grönroos, 2004). Our interpretation of this is shown in figure below.

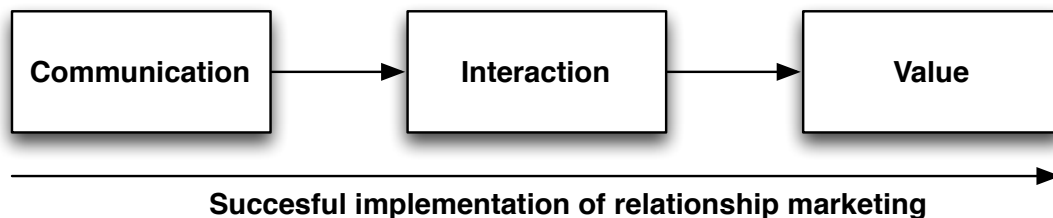


Figure 12: Adaptation of Grönroos key processes of relationship marketing. Source: (Grönroos, 2004)

Where the communication in this case the marketing of Kjell & Co.'s raises the awareness and attracts customers into the store, where the second process takes place which is the interaction process. The interaction process, is in this case critical to develop a successful relationship between the customer and the sales staff, if it is not done correctly, value will not be generated.

5.2 How Customers Perceive and Experience Kjell & Co.

The other aspect of Kjell & Co. relationship marketing is how the customers perceive and experience it. In these next sections to come we will present our results in how the customers perceive and experience the relationship marketing. The selected results can also be seen from chapter 8.1 Appendix – Marketing results.

5.2.1 Background - Marketing Survey

This section will firstly present which are the largest groups of people in the population. The demographics of our survey shows that 58 percent of the respondents were men and 42 percent of the respondents were women (Appendix 8.1, question 1). The largest age groups were 20-24, 40-44 and 65+ years (Appendix 8.1, question 2). This is interesting to note for further analysis in our study. The diagram below, represent the largest group of the population in our study.

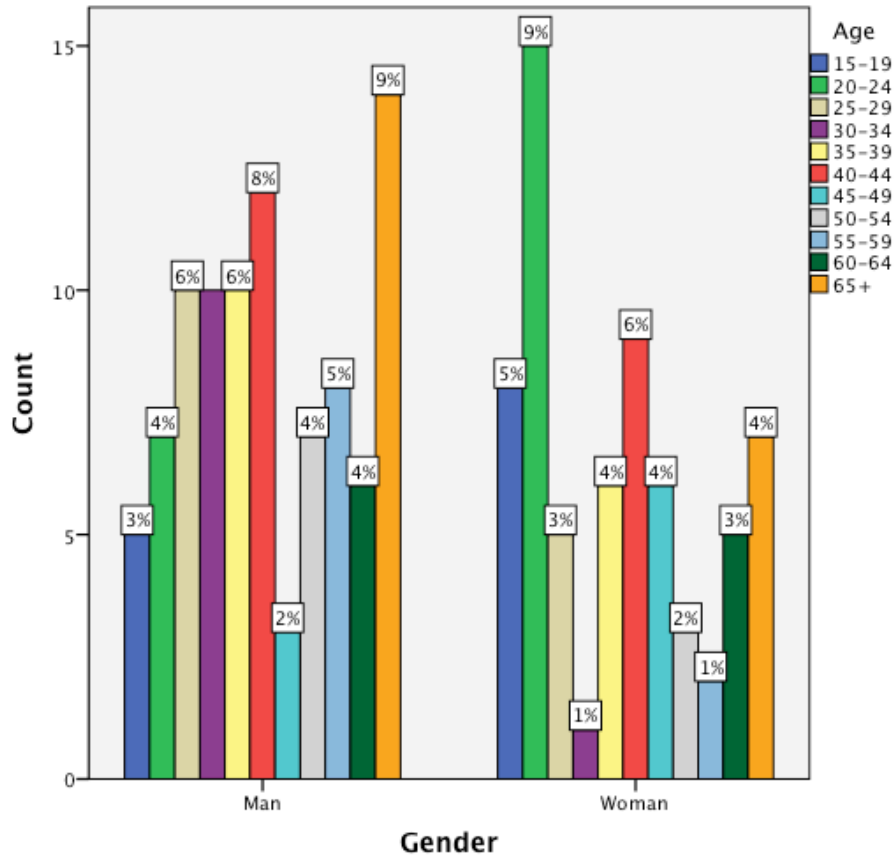


Diagram 18: Cross tabulation between gender and age.

The survey respondent consisted of 159 people. In the diagram we can outline that we have a great variation in both gender and age. The largest group is clearly women in the ages 20-24, while men in the age 65+ is a close second. These findings are quite interesting since the majority of the respondents were men. Another interesting factor is the groups consisting of women at the ages between 20-24 are more than the double of males in the equivalent age group. We thought we would find totally reverse results, since young men tend to be more interested in technology than women.

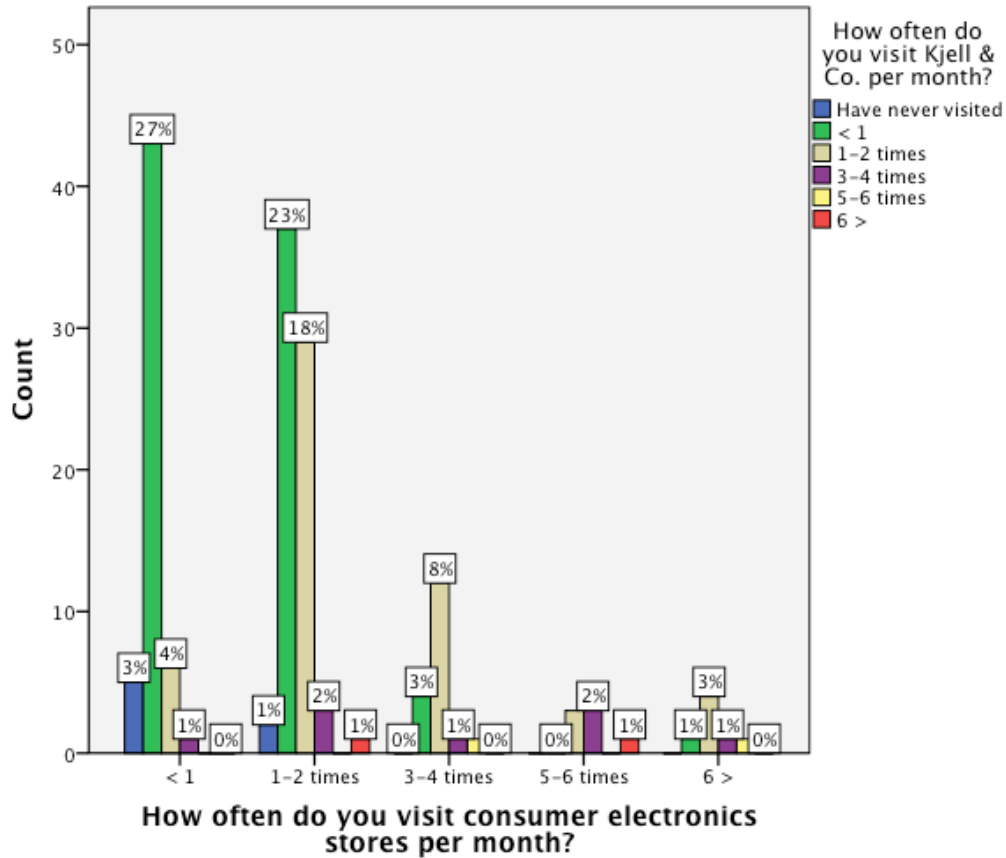


Diagram 19: Cross tabulation of how often the respondent visit electronic store vs. visit to Kjell & Co.

The finding in the diagram 19, displays that a majority of the customers that visit consumer electronic stores less than once a month (<1) also visits Kjell & Co. less than once a month are 27 percent. The customer that visits home electronic stores once or twice a month as well as Kjell & Co. once or twice a month (1-2 times) is 18 percent. We can also outline the 23 percent of customer that visit Kjell & Co less than once a month (<1) visits other consumer electronic stores once or twice a month (1-2 times). Our analysis of this is mainly due to that Kjell & Co. mostly sells accessories to hardware technology products, and that the customer bought the actual hardware product in another consumer electronic store but not the accessory and instead chooses Kjell & Co. to buy it in. Another reason is clearly that we are in the retail branch of DCG while the retail branch also is more seasonally based as mentioned in the introduction chapter, where the first half year sales more or less covers the cost and the second half year and especially Christmas time is where the profit takes place.

If this survey would have been conducted in November or December this year the survey would of got different results in how often the respondents usually visit home electronic stores, and how much the respondent would spend in these stores. This can also be reflected from the diagram below, where the respondents in this survey spent smaller amounts per transaction.

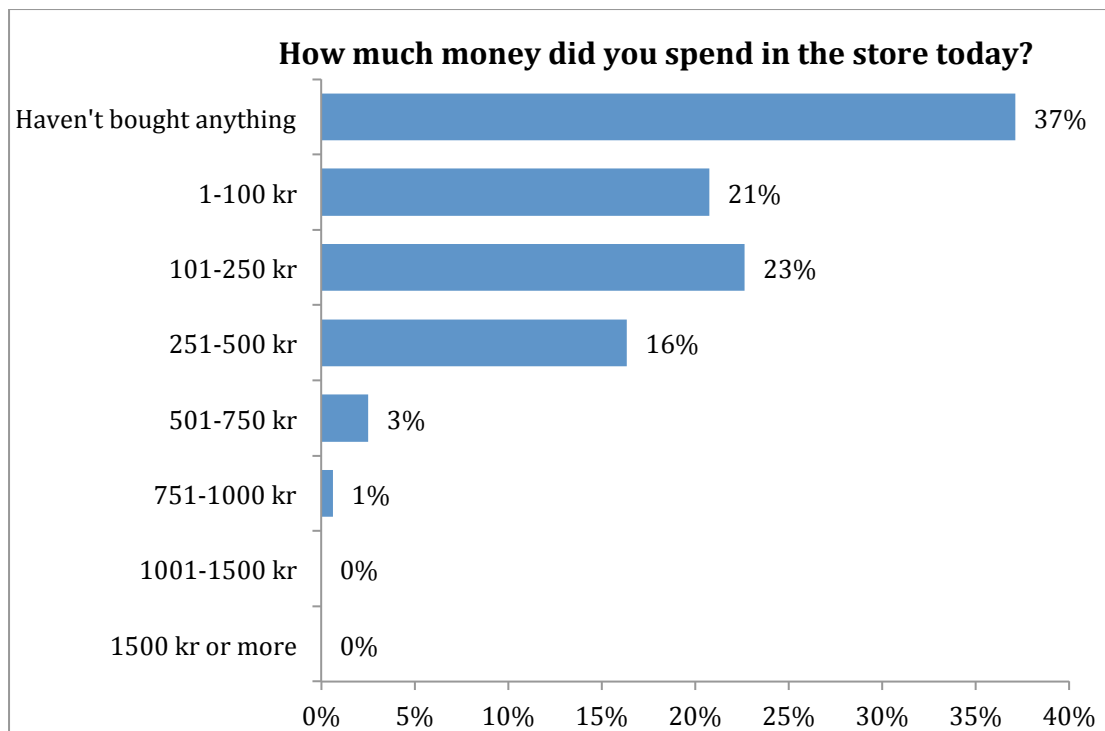


Diagram 20: How much did the customers spend in the store.

In diagram 20 we can outline that the largest group that spent money in the store have spent between 101 – 250 SEK. The majority of the respondents, 37 percent, did not buy anything at all, the reason for this could be explained as they just visited the store to ask the staff a question or asked the sales assistants for help with a technological problem.

According to Grönroos (1997) relation configuration matrix there are different customer modes when in contact with a firm (figure 5), where our analysis is that the mode of these customers are closer to the relational side than the non-relationship mode. The customers perceive and experience that the firm does offer a relationship intent, although we can not conclude if the customer mode is either relation active, passive or non-relational towards the firm just by looking on how much they spent, since that is not how you measure how well a relationship has been developed. This rather sets the basis of a foundation of in which mode the customers might be, and its worth looking into.

5.2.2 How the Customers Overall Perceive Kjell & Co.

From our marketing research we have an extremely positive results in the overall attitude perception and experience. It would also be interesting to see if we would have acquired the same results in the peak season, which as stated previously is the second half of the year. Our analysis of these positive results is that the staff might have had more time with the customer during the off-season since, there are fewer customers. The results of the respondents overall perception of Kjell & Co, can be seen in diagram 21.

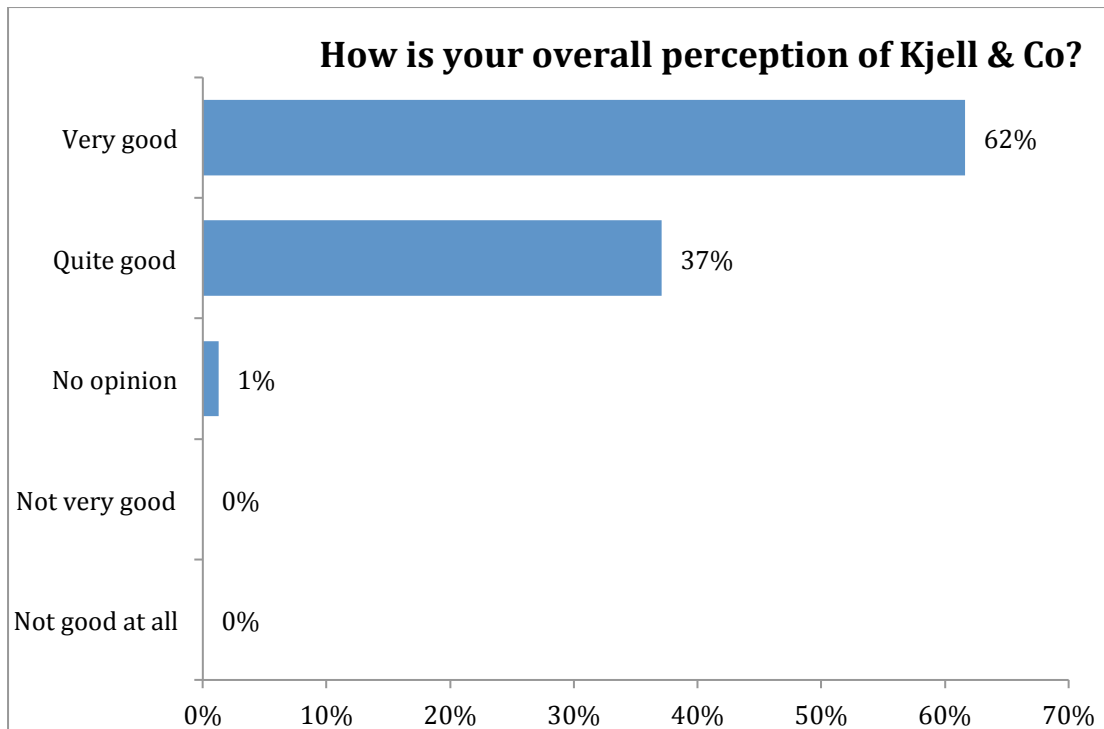


Diagram 21: The customers overall perception

The overall perception of Kjell & Co. (diagram 21) shows that 99 percent of the respondent's answers were "quite good" and/or "very good" with 1 percent had no opinion. It is very interesting that none of the respondents answered "not very good" or "not good at all", one reason for this could be that the respondents who were not satisfied with Kjell & Co. did not want to answer our survey, but likewise the unsatisfied customer would want express their feeling and gladly participate in the survey. We can't lean to either side, but what we can determine is that almost all of the customers have an overall positive view of the firm.

These finding are quite interesting. But what about the customers experience. The perception tells us one thing, what the customer thought about the visit and how they relate to the factors such as the price, service, professional treatment and so forth. It is important to understand that we are searching for different things when asking for the customer's perception and the experience. The experience is how the customer felt during the visit, and what factors accomplished those feelings. But the perception is what the customers thought and how they related to different factors towards the firm. The results of the customer overall experience is depicted in the diagram below.

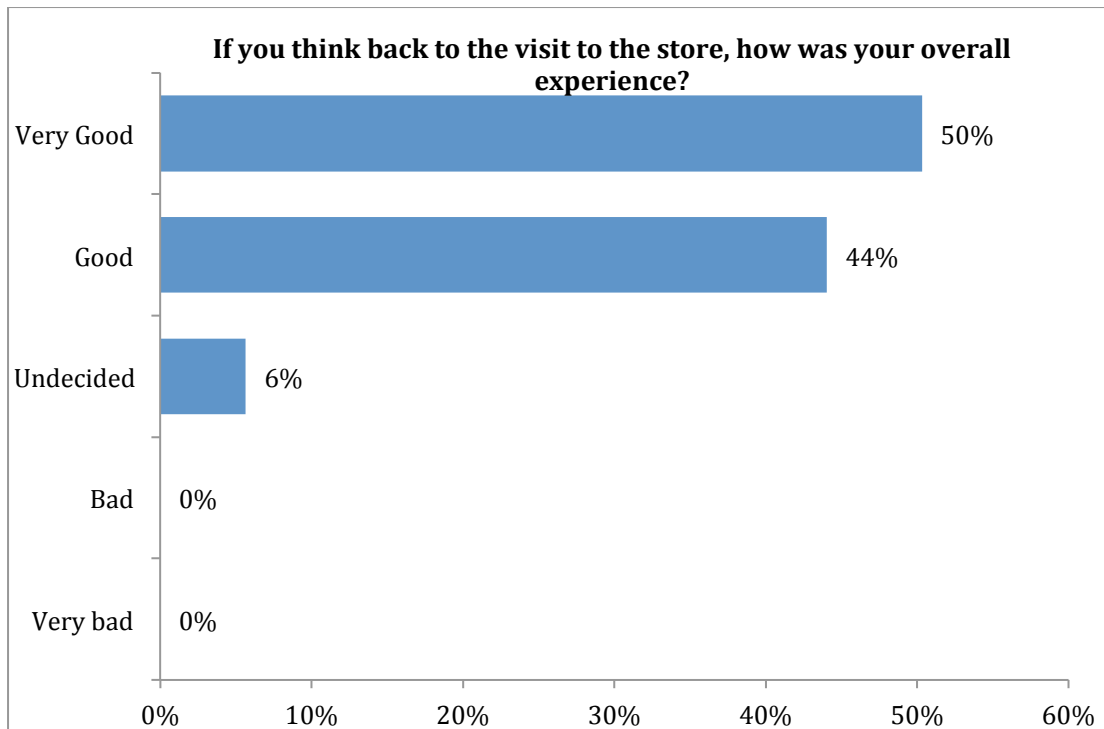


Diagram 22: The customers overall experience

The diagram above shows as been noted before a majority if not all the customer that the experience is positive. The respondents have answered “very good” or “good” to an extent of 94 percent. Only 6 percent are undecided and no respondent had a “bad” or “very bad” experience of during the visit in the store.

5.2.3 What and How Well Does the Customer Perceive Kjell & Co.’s Sales Staff

The last two diagrams (21 & 22) showed us the overall perception and experience that the customer perceived about the firm. As been said before, these positive results, but in order to analyze this further we also have to understand which factors, criteria’s and aspects affect the customer’s perception and experiences. In our marketing research we asked our respondents to fill out a likert-scale table, with seven different factors and rate them on a five scale, with two positive, one neutral, and two negative answer possibilities. The diagram below shows our marketing results.

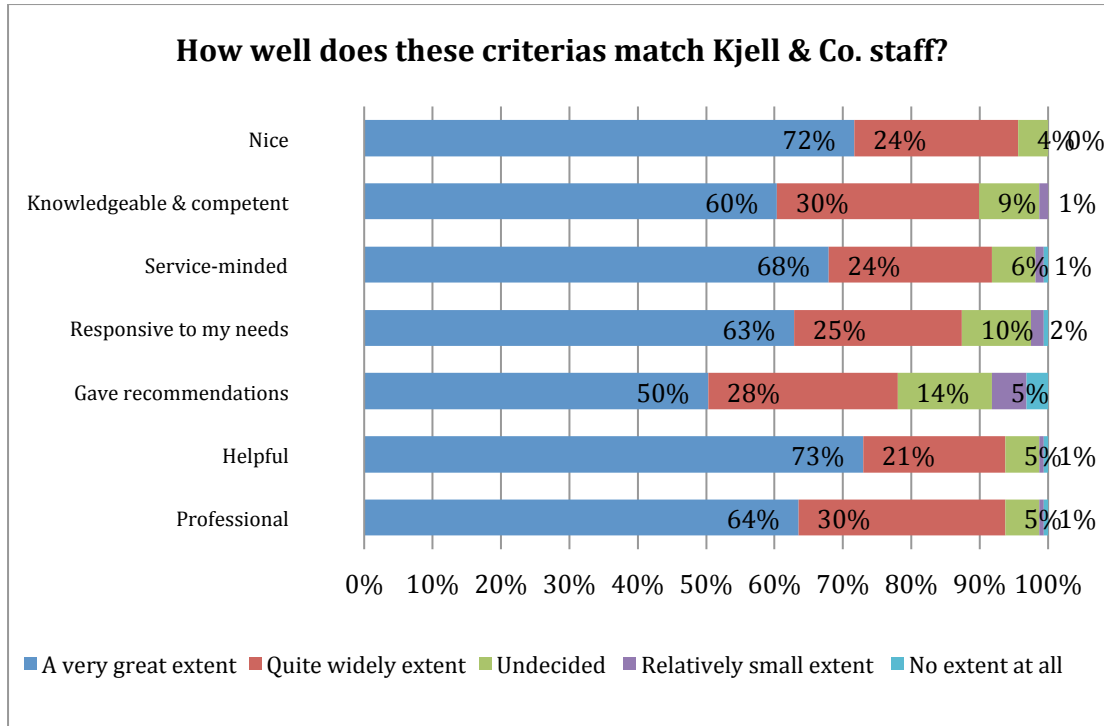


Diagram 23: How well does these criteria's match Kjell & Co. sales staff?

Diagram 23 shows us what and how well these factors and criteria's represent Kjell & Co. staff. At first glance we can summarize this quite quickly by saying that all the factors got more than 50 percent of a very great extent. The factor that got the highest score is helpful with 73 percent, and combining it with quite widely extent we get a score of 94 percent. The highest factor combined is nice with a total of 96 percent. These are all great results. We can clearly state that the time and effort that the firm takes on creating, sustaining and developing their staff is clearly payed off since the customers perception give such a positive results.

5.2.4 Factors That Affect the Customers' Experience

Mossberg (2003) states that the customer experience is influenced by a range of factors, which in turn creates a larger reference frame of the customer experience. This model that she describes mentions 5 key aspect, the effect of these aspects does in the later stage create an image. The key aspect are (Mossberg, 2003):

- The customers experience
- The experience room
- The staff
- Other customers
- Creates the image

These aspect combined make a model of the customer experience, and the factor affects the customer experience each individually, in the figure below the model is shown.

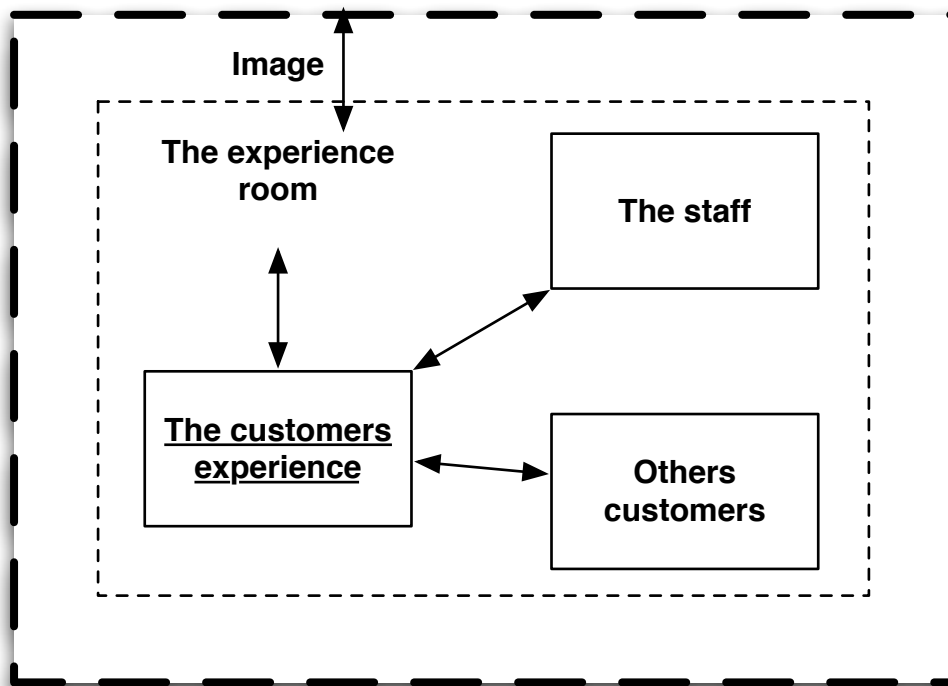


Figure 7: An overview of which factors affect different types of experience. Source: (Mossberg, 2003)

The author further explains that the central theme in the model is the customer involvement, instead of seeing the customer as passive and anonymous it should rather be seen a counterpart (Mossberg, 2003), this correlates much to what both (Gummesson, 2002, Grönroos, 1996) calls the customer as part-time marketers. Where as the customer becomes an interactive part. In the case of Kjell & Co, the interaction is as we mentioned earlier in our adaptation of Grönroos key processes of relationship marketing (Figure 11) a critical key aspect of the relationship. But there is also the importance of what factors represent the customers experience in the interaction process. In the diagram below, we will show our finding from our marketing survey, what factors affected the customers experience and to which extent.

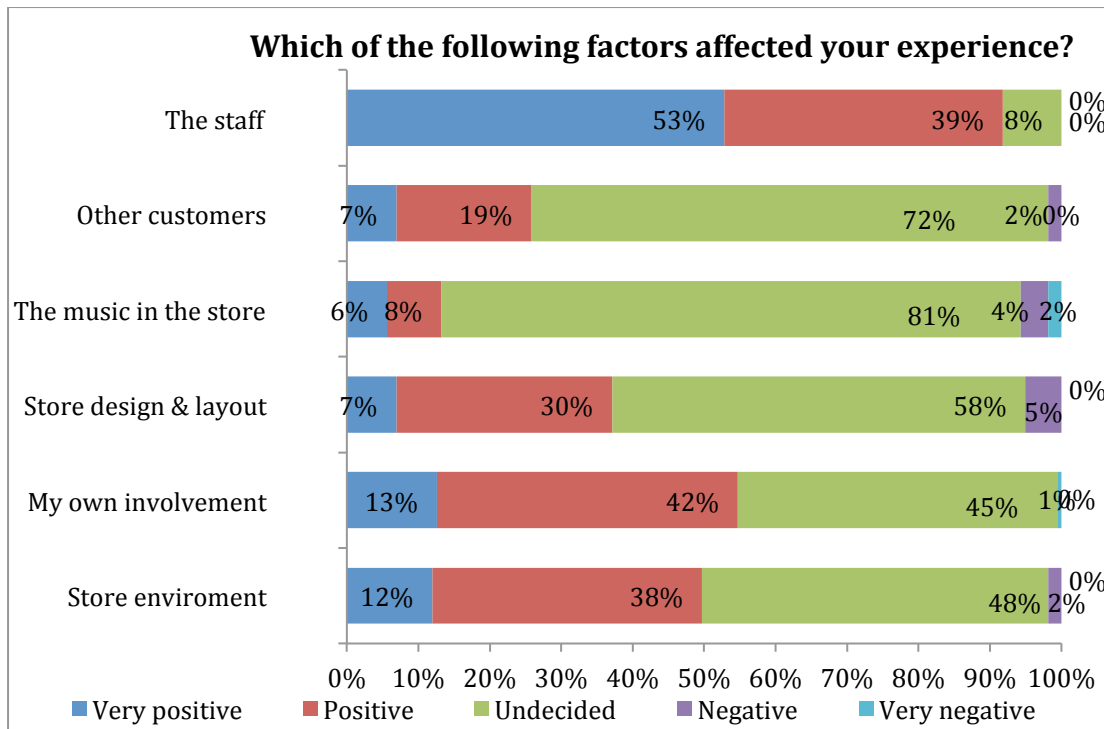


Diagram 24: Which of the following factors affected the customer’s experiences in the store

As noted many times before, the staff of Kjell & Co. does receive a majority of the positive feedback from the customer (diagram 24), with 53 percent of the customer agreeing to that the staff affected their experience in a “very positive” way, while combining the “very positive” and “positive” we get a total of 92 percent. There are however a few other factors where the customer are largely undecided. The two larger ones are the other customers with 72 percent and the music in the store with 81 percent, probably because that these factors is not something that customers notices directly, but more indirectly and when asked. There is also room for improvement in the “store design & layout” with 58 percent “undecided” and 5 percent “negative”, this does directly affects the customers experience, the customer should feel that they enjoy being in the store, this also goes for the store environment.

The “store environment” and “store design & layout” are intended to be synonyms to what Mossberg (2003) calls the experience room. The experience room is one of the main factors, in her model and is created by the customers experience and the effect thereafter is the image of the firm. These result finding show us that Kjell & Co. really invest in their staff, knowledge, service and a range of other factors that is important during the interaction process (Figure 11), but there are others aspects that should be taken into consideration.

The factors that the firm has direct control over is the “the staff”, “music in the store”, “store design & layout”, and “store environment”. The factor “other customer” is not something that the firm has control over. The other factor concern the customers own involvement, with 55 percent of the customer agreeing that their customer experience dependent on their own involvement. This factors is something that the firm has an indirect control over, where as if the interaction process (Figure 11) in the later stages



creates value, an interest and involvement may occur which creates a positive customer experience with recurrent customers.

5.2.5 Relationship Marketing – an Outcome of Customers’ Experiences, Satisfactions and Recurrent

All of these factors that have represented should lead to a good customer experience, satisfied, and recurrent customer. All of these variables are somewhat an effect of the relationship marketing. In Kjell & Co. case, we can present that they have achieved a high standard, according to our marketing survey of these variables, as can be shown in the figure below most of the respondent are quite positive.

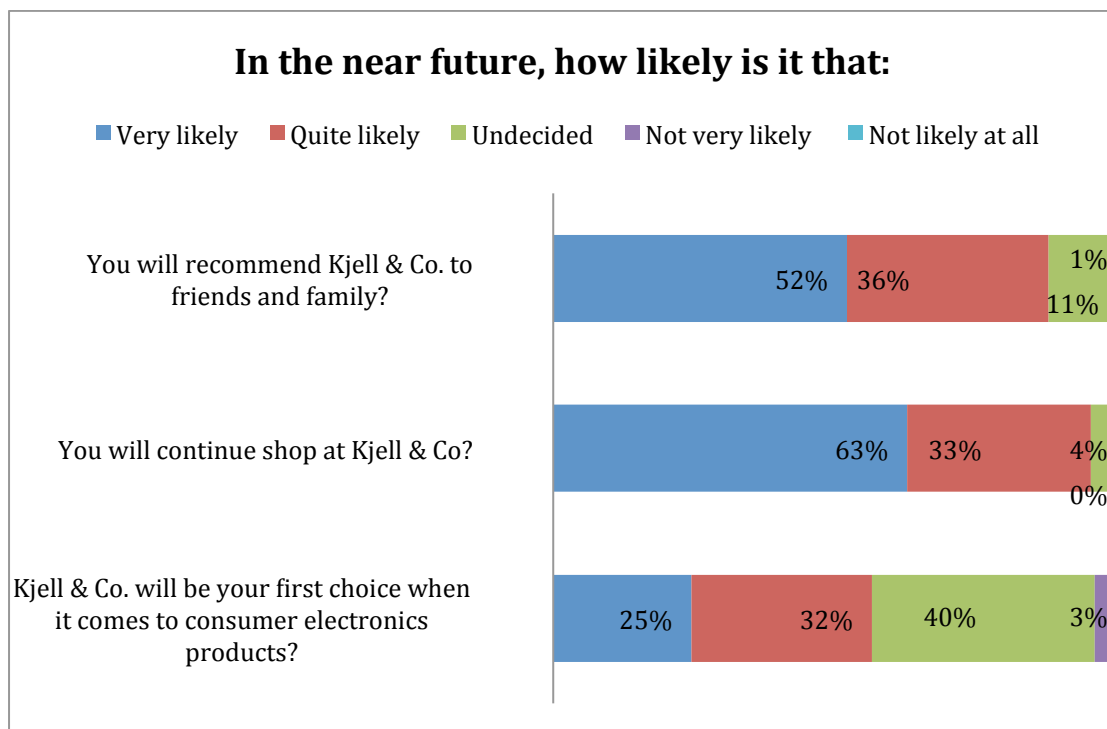


Diagram 25: How likely the customer are to recommend, continue to shop and first choice of electronic in relation to Kjell & Co.

Diagram 25, shows us that 52 percent of the customer will “very likely” recommend Kjell & Co. to friends and family, 63 percent will continue to shop at the firm and 25 percent choose Kjell & Co. as the first choice when shopping for electronic products. This is once again, a great majority in the “very likely” scale, when combining the “very likely” with “quite likely” the results show that 88 percent of the customer will recommend the firm to family and friend, 96 percent will continue to shop at the firm and 57 percent will choose the firm as the first choice when shopping for electronic products.

These results can be correlated to figure 11, where our analysis is that most of the customers perceive and experience the value that the firm offers, this value is a direct key competitive advantage towards the firms competitors. This value is thereby created by the interaction, as can be seen in the multiple diagrams, where the staff has a positive effect.



6. Discussion

In this chapter we will present our discussion based on the result we have shown in previous chapter. The objective for this chapter is to answer the main problem and to ensure that the aim of the thesis has been met. Lastly we will give both recommendations for Kjell & Co. and future studies within the subject.

6.1 Conclusion

The two aims of this bachelor thesis has been to understand and analyze how the firm Kjell & Co. uses and implements the use of relationship marketing towards customers. The secondary aim has been to analyze how the customers perceive this use of relationship marketing, and how this affects the customer experience and other related aspects of customer experiences. Our findings and results were both surprising and unsurprising, where as we had a major landslide with positive comments on our marketing survey while we almost expected the answers we got from the representatives of Kjell & Co.

Trough the results we have got during the market research together with the interviews with Kjell & Co.'s personnel we can state three main conclusions;

- The employees of Kjell & Co. are well know of the core values within the firm, *knowledge and technology*,
- The core values which Kjell & Co. communicates to the market is rightly perceived by the customers,
- The customers' overall experience reflects that they are in an extremely high degree satisfied with Kjell & Co.

In our market research we have found that *the staff* is the main factor when we consider which causes that affect the customers overall experience. As previously stated one of the core-values of the firm is *knowledge* and Kjell & Co. has therefore invested largely in their personnel and the personal contact with the customers, this thesis definition of relationship marketing. This diversity in the retail branch has resulted in a high degree of satisfied customers (99 %, see diagram 21) for Kjell & Co.

6.1.1 The Use of Relationship Marketing in Kjell & Co.

To answer the primary aim of the study, Kjell & Co. is working and is well aware of relationship marketing. We have identified that they have implemented relationship marketing in their core strategy, where the main focus is the service perspective and the staff. There are also other important aspects that we have identified, *knowledge and technology*. All these aspect are important factors for the company, we will go into further depth and analyze the identified aspect and explain how they are related to each other, see the figure 13 below.

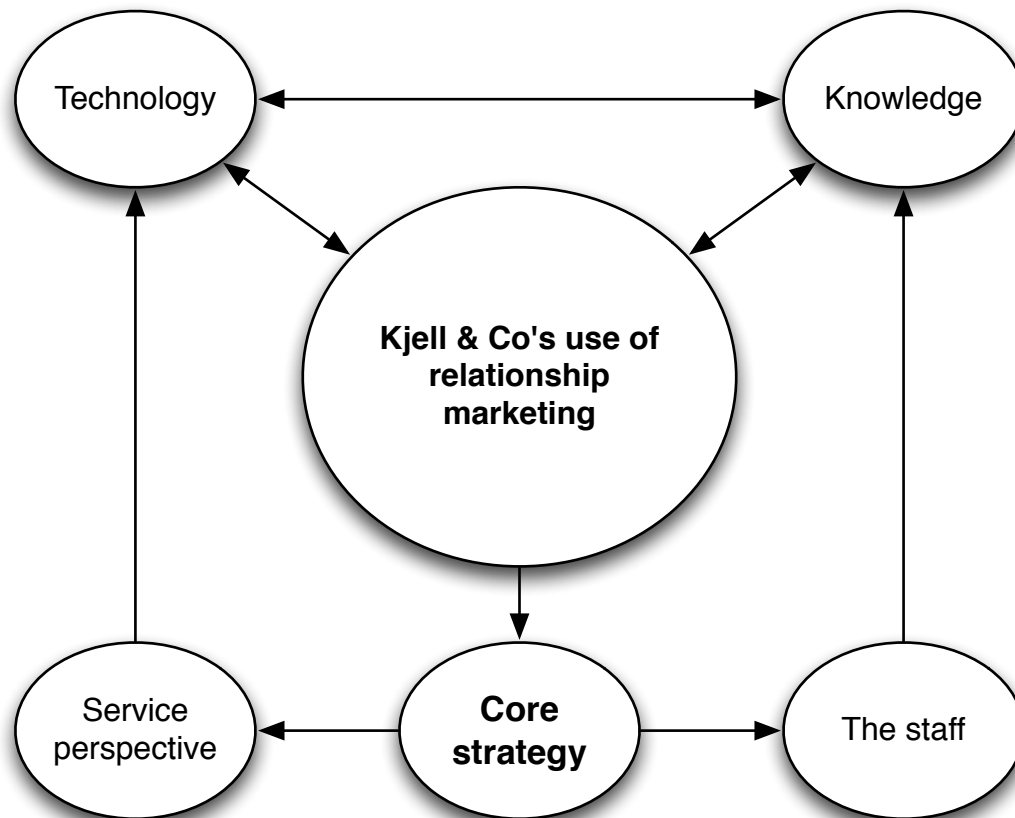


Figure 13: Relationship marketing within Kjell & Co.

The starting point of this model is the use of Kjell & Co.'s relationship marketing. The first major aspect is the core strategy, contains the staff and the service aspect. The second major division includes knowledge and technology while being correlated to each other. When combining all of these aspects together, the use of relationship marketing is identified within the firm as well as how it uses these factors which combines creates the key benefit or the competitive advantage.

The relationship marketing strategy is contained within the core strategy. The core strategy covers two minor aspects, the staff and the service perspective. These are not divided parts, but are incorporated in the core strategy, where each of the factors in turn covers another aspect that is critical in the relationship marketing use within the firm. The core strategy in the aspect of the staff is to heavily invest for maintaining and developing the competence and knowledge of the staff, which in turn leads the staff to give the *knowledge and competence* as additional value to the customers. The core strategy within the aspect of the service perspective is the incorporation of creating a high-level service for their customer combined with information about how technology works, and solve the customers' technology problem.

The second major part of this model is how the *technology* and the *knowledge* aspect are in need to be integrated to create the additional value for its customer with relationship marketing. The business idea of relationship marketing is how both *knowledge* and *technology* is strongest when they are combined, and can be explained, fixed or solved by the firms staff, which in turn creates a positive customer experience and reinforce the relationship with the customer.



The effect of all of these factors together makes the relationship marketing approach as the key competitive advantage for the firm, this is also perceived by the customers (diagram 14) where 72 percentage agrees that the personal contact is greater than the firms' competitors. With these results the firm needs to firstly maintain the relationship, but also enhance and further develop it.

The other effect of this is one of the grand sought off after effects of the relationship marketing approach, which is word-of-mouth. The company does create a very strong word-of-mouth, where 88 percentage (diagram 13) of the customer will recommend the firm to either friends or family. Our conclusion is that this is because of the staff (relational-perspective) and the service (service-perspective) the staff provides its customer, when combining knowledge and technology.

6.1.2 How Kjell & Co.'s Relationship Marketing is Perceived by the Customer

To answer our secondary aim of the study, to analyze how customers perceive and experience Kjell & Co.'s relationship marketing and what effects it has on customer value we have chosen to divide the answer into three parts. Firstly we will discuss the customer and how they perceive the business, secondly the customers experience and lastly what effects the firms' relationship marketing has on customer value. In the latter case we will use the model (figure 6) from the authors Blomqvist et al. (2004) to explain this further.

The perception that the customer has towards the firm is as we noted before very positive. These perceptions are in line with what the firm indirectly communicates outwards from the marketing division, but also the perception that the store creates for the customer. It is only in the store that the interaction takes place; it is here that the customers meet the staff, and it is of critical note that the staff creates a positive outcome of this meeting. If this is done correctly the customer will have appreciated and perceived two critical aspect, quality and the relationship. Also by doing this, it creates a positive customer experience. As we have mentioned before, the firms' staff doing a good job in creating a positive customer perception where 99 percentages of the customers agrees that their perception is *quite good* or *very good*.

In terms of making the customer interaction a positive consequence, the customer will have positive perception of the firm and its staff, the next level of this is the customer experience. There are of course a lot of factors that needs to be taken into consideration when forming positive customer experience, and it is not only the interaction, the staff or the perception of the customer that creates it. The elements that are included are as mentioned before, the customers own involvement, the other customers, the experience room i.e. the store design and layout and the store environment, that needs to be taken into consideration. On these aspects the firm has quite a bit of work left (diagram 24, see undecided answers) to develop, since the only competitive benefit the company offers is the staffs knowledge in the stores. With this discussion in mind it is also significant to note that 94 percentage of the customer had a *good* or a *very good* experience (diagram 22), after the visit when it came to the aspect of the overall experience. But we would like to argue that these results are more reflected because of the staff and not of the other factors, and it is important to develop these other factor because other firms in this branch may copy the



competitive advantage. It is as the author Mossberg (2003) debates that the experience is influenced by the “whole” a range of factors combined, and not by an independent factor.

To sum this section we have integrated figure 6 and figure 12 for an explanation of what effects customer value and how successful relational marketing can be used. The marketing needs to communicate the right values before a meeting takes place, the interaction and the meeting needs to have a positive outcome, which in turn creates positive customer perception which affects the customer experience, by affecting the customer experience the result will be value and generated customer value.

6.2 Recommendations for Future Research

There are a various amount of aspects and perspectives that can be studied further within the subject. As this thesis is within the confines of a bachelor thesis, the time aspect has been taken into consideration, limitations have therefore been necessary. For further studies we have found four main areas to focus on;

- Relationship marketing towards all stakeholders
- The knowledge about Kjell & Co. differs between regions
- How may Kjell & Co. create a higher degree of interdependence and a stronger relationship with their customers
- Are the customers really interested of having relations

It would be interesting to analyze how Kjell & Co. implements relationship marketing for all its stakeholders, not only towards the customers but also suppliers etc.

The focus has been on three different Kjell & Co. stores within Gothenburg. For further studies it would be interesting to analyze how the customers perceive Kjell & Co. and their relationship marketing in different regions of Sweden. Based on our interview with Ulrika Klinkert it has been clarified that there are differences about the knowledge for Kjell & Co. in different areas of Sweden.

How may Kjell & Co. develop a higher interdependence and a stronger relationship with their customers. We have found that Kjell & Co. is using newsletter to its customers, it would therefore be interesting to see what the effects of these newsletters really are, and if Kjell & Co. could develop a higher degree of interdependence and a stronger relationship through this media.

Another aspect that would be interesting to analyze and to focus more on would be the customer and their willingness to develop relations with the firm, *Are customers really interested of having relationships with a company?*

As we stated in the limitations, we would not look at if the customers are interested of having a relationship. This is firstly because there needs to be a basis foundation for further research for the firm, a basic understanding of how the company works with relationship marketing. Secondly is how the customers perceive and experience the relationship marketing activities. Thirdly what effects these have on customers-experience, perception and value.



When a basic knowledge and understanding has been put to place on these subjects, the later activity in the stage is to identify if the customer are interested in having a relationship with a company. Secondly would be what kind of relationship, which we have touched on briefly with the model relation configuration matrix by Grönroos (1997) but not gone into further depths with. Lastly would be how the firm intends to develop this relationship that the customer seeks with the firm, or what strategies the company may take into account when analyzing what relationship a customer might want.

In conclusion we think that this subject is worth looking into, as the next research in relationship marketing directed between customers and business in the retail branch. Our opinion is that these types of strategies and perspectives will become increasingly important in the future, much more then it is today, and that the traditional perspectives needs to be re-invented or combined with these tactics for creating and optimizing customer value.



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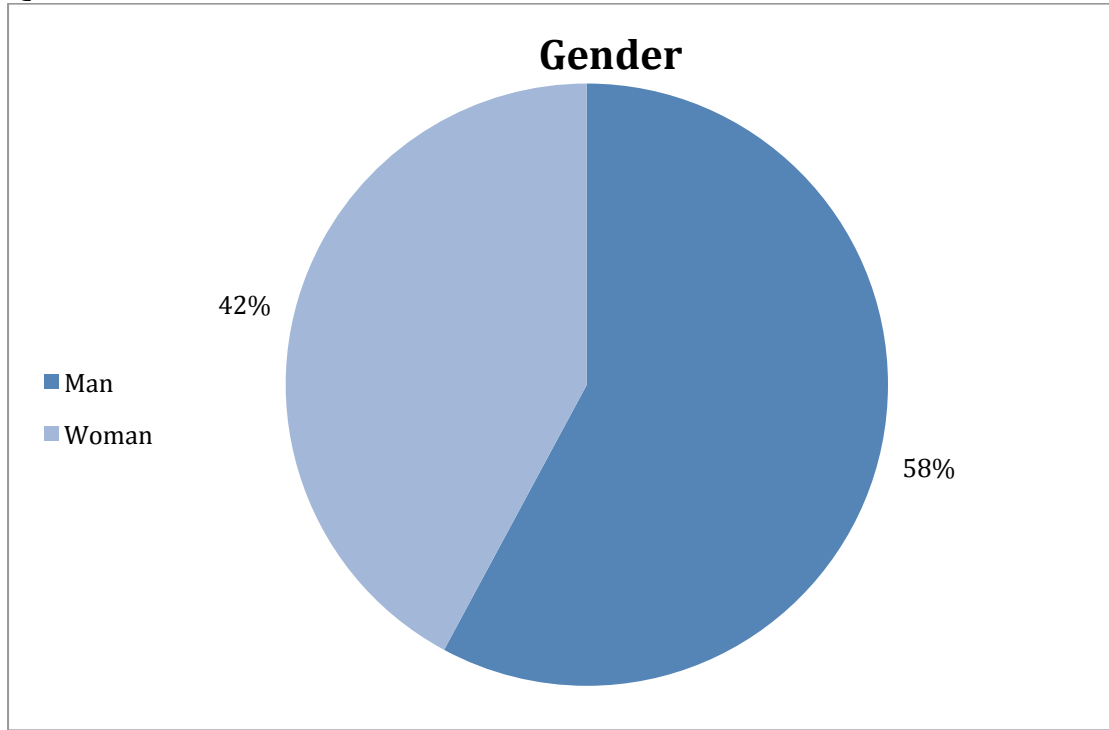
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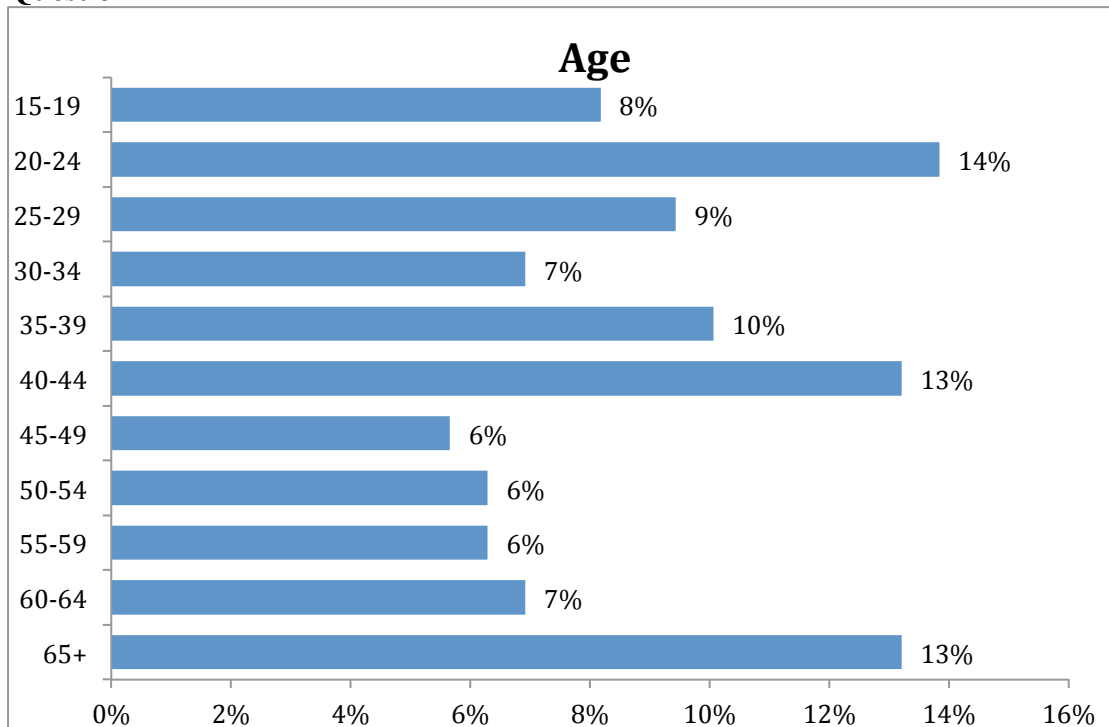
8. Appendix

8.1 Marketing Survey

Question 1

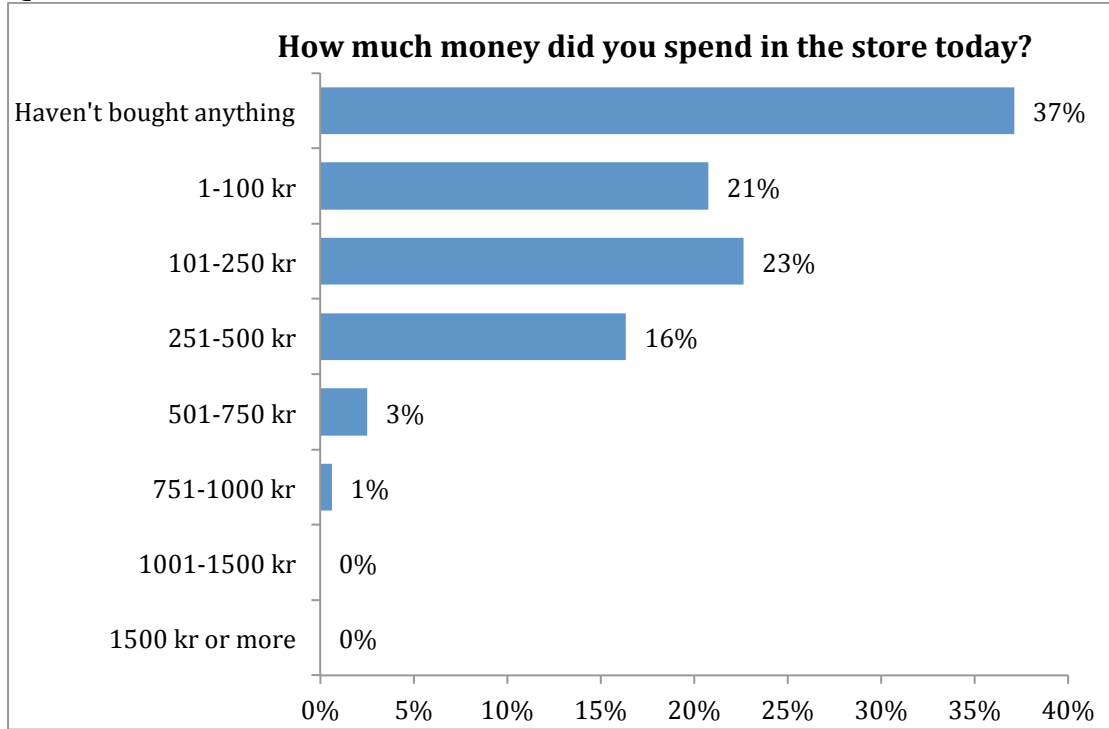


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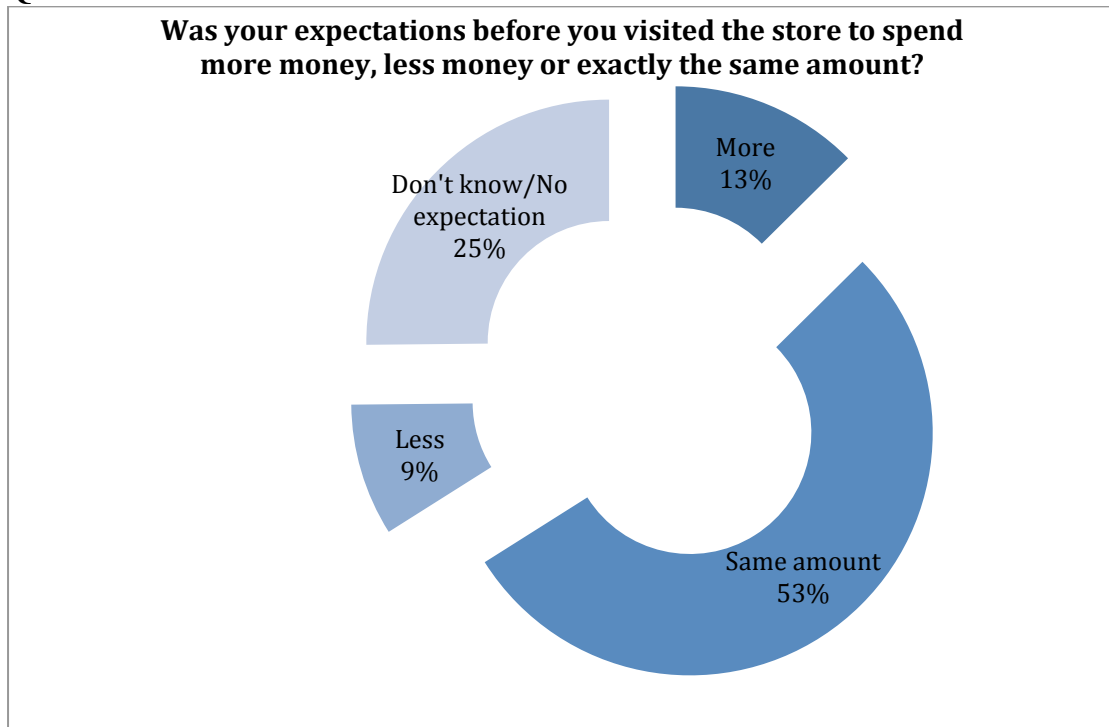




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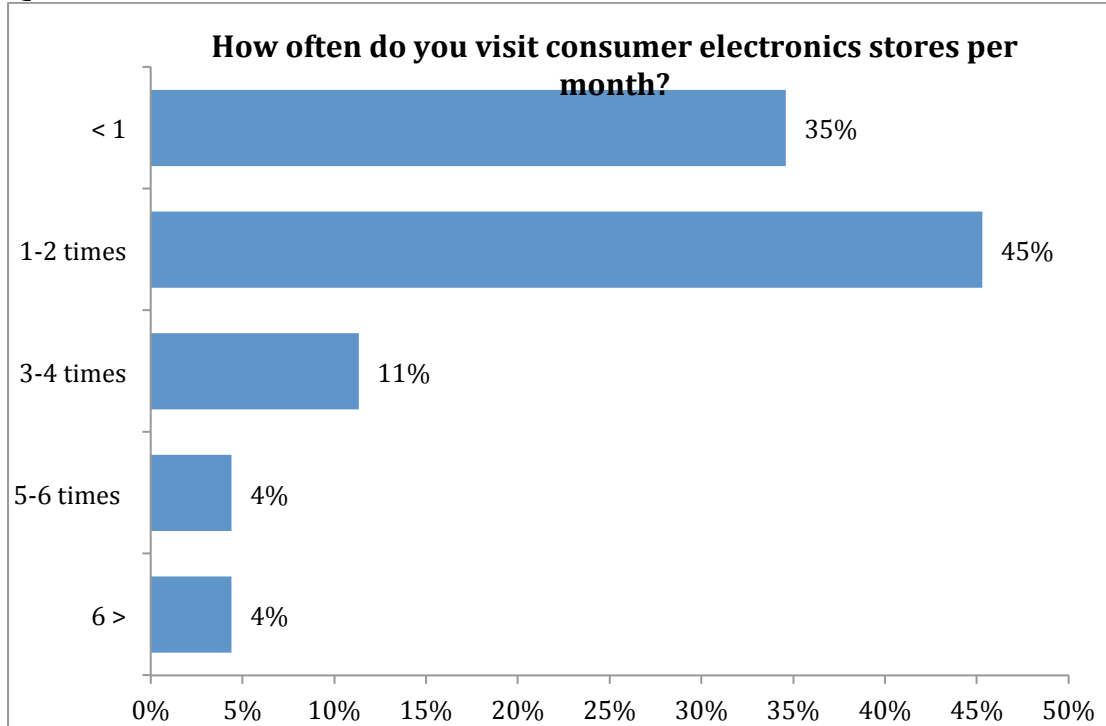


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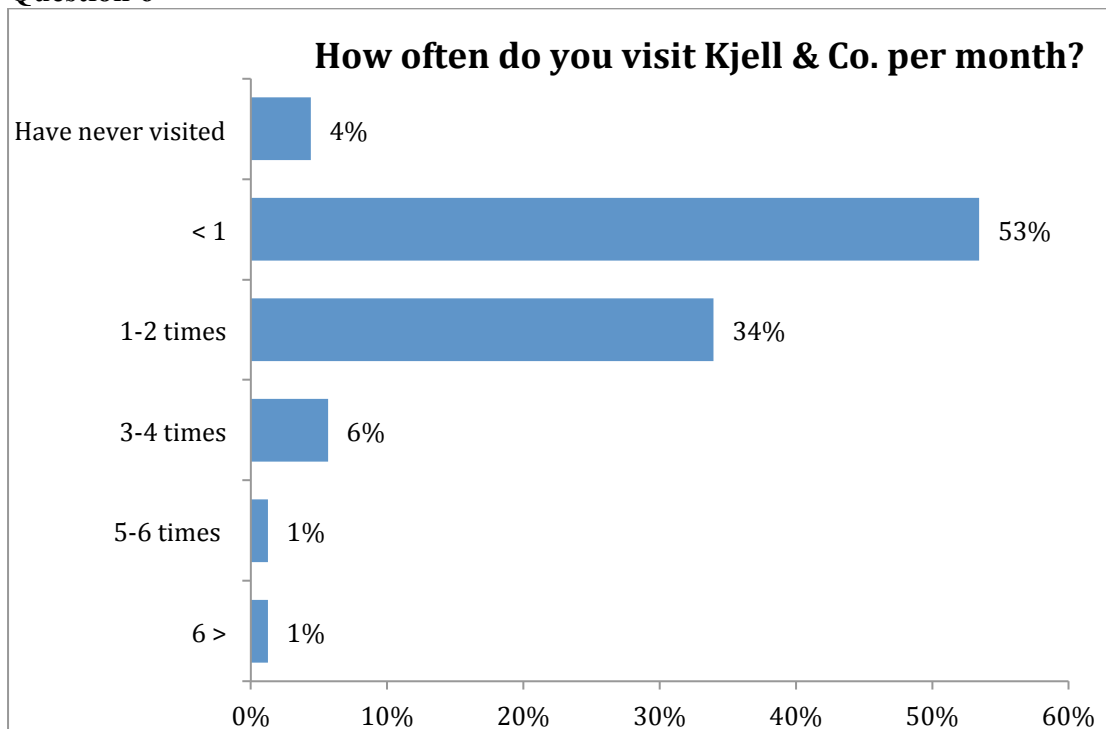




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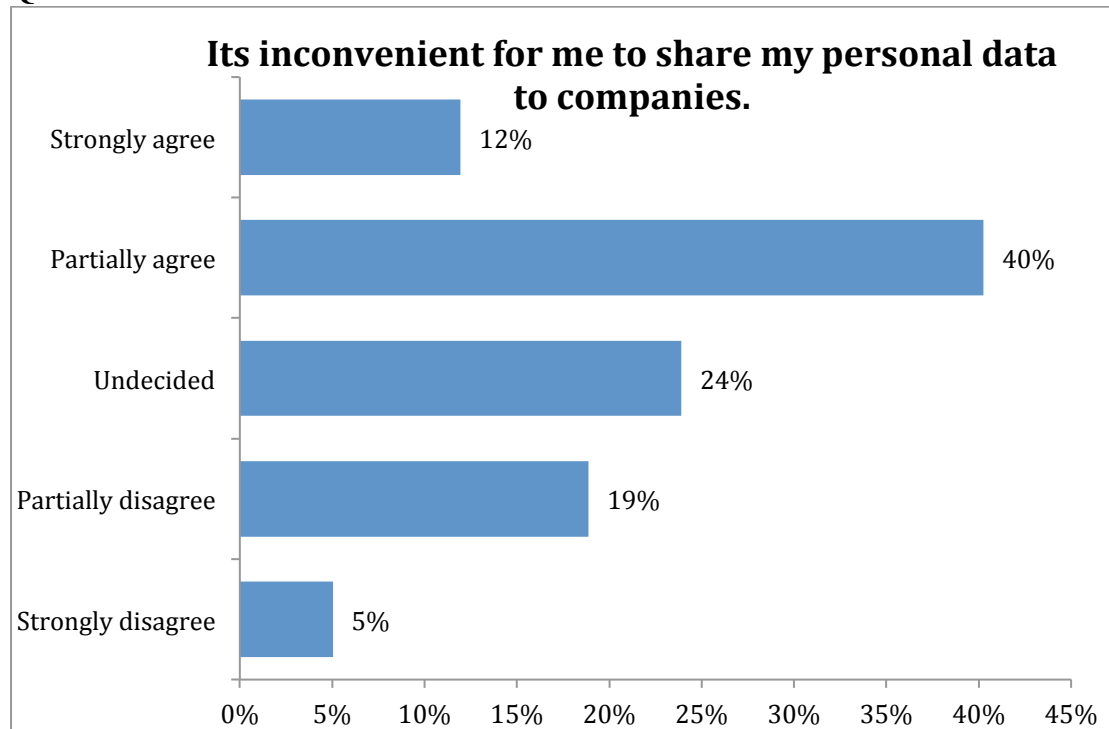


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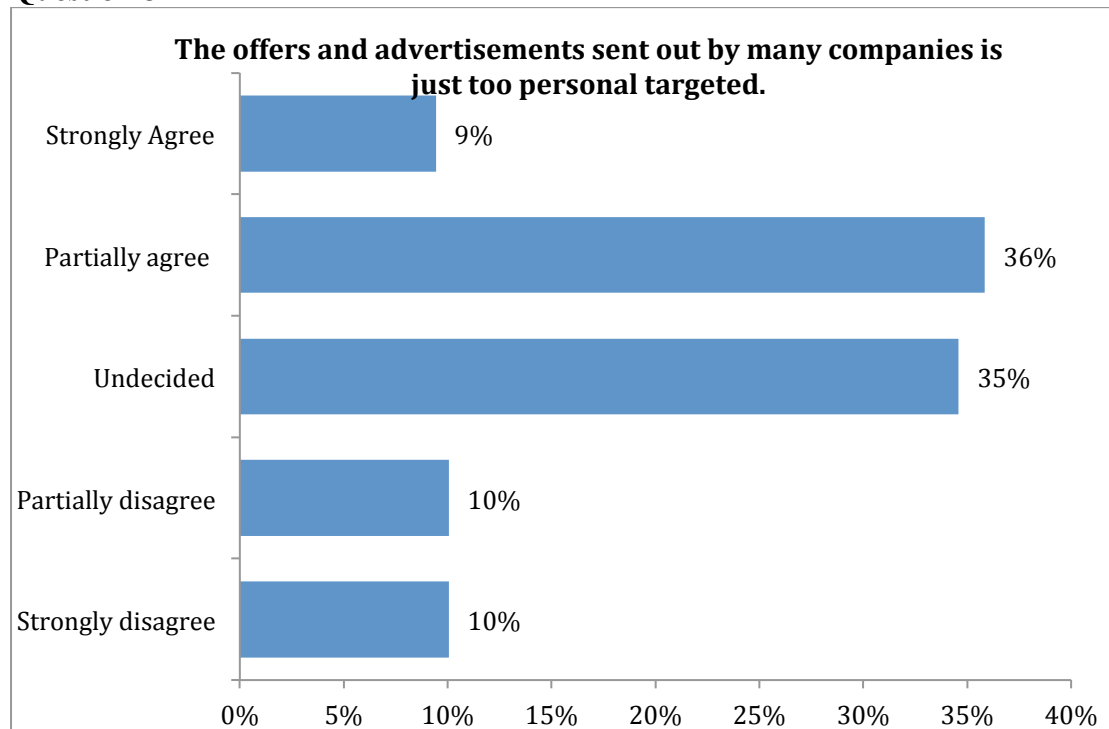




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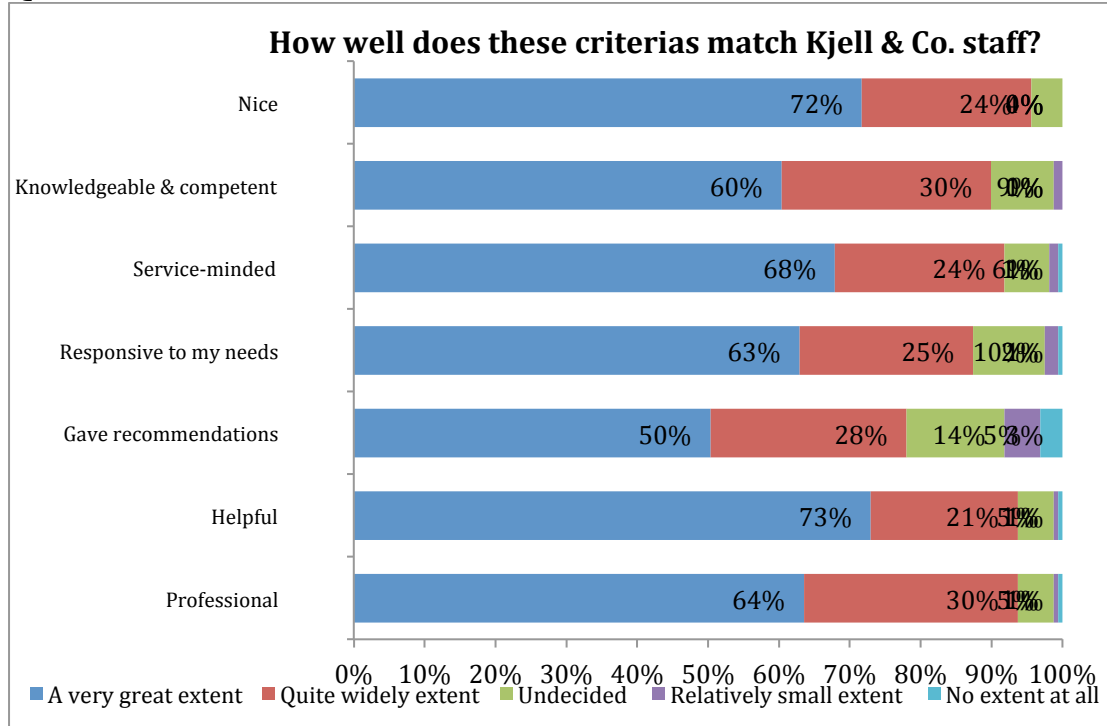


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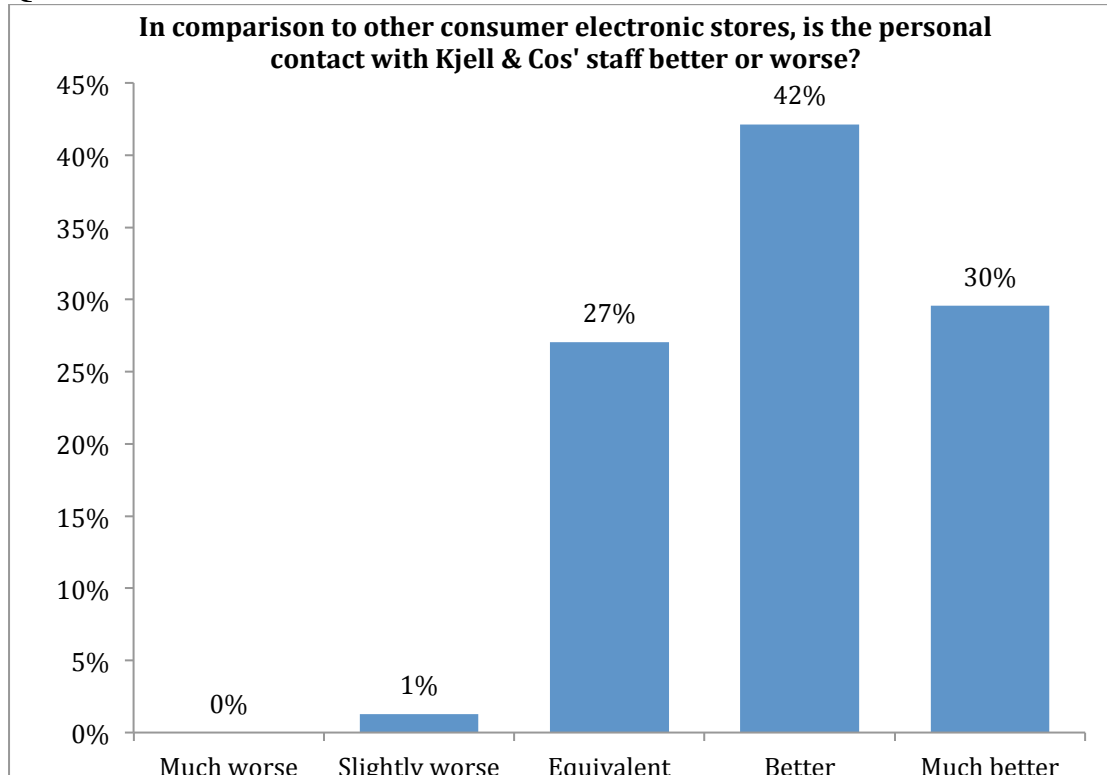




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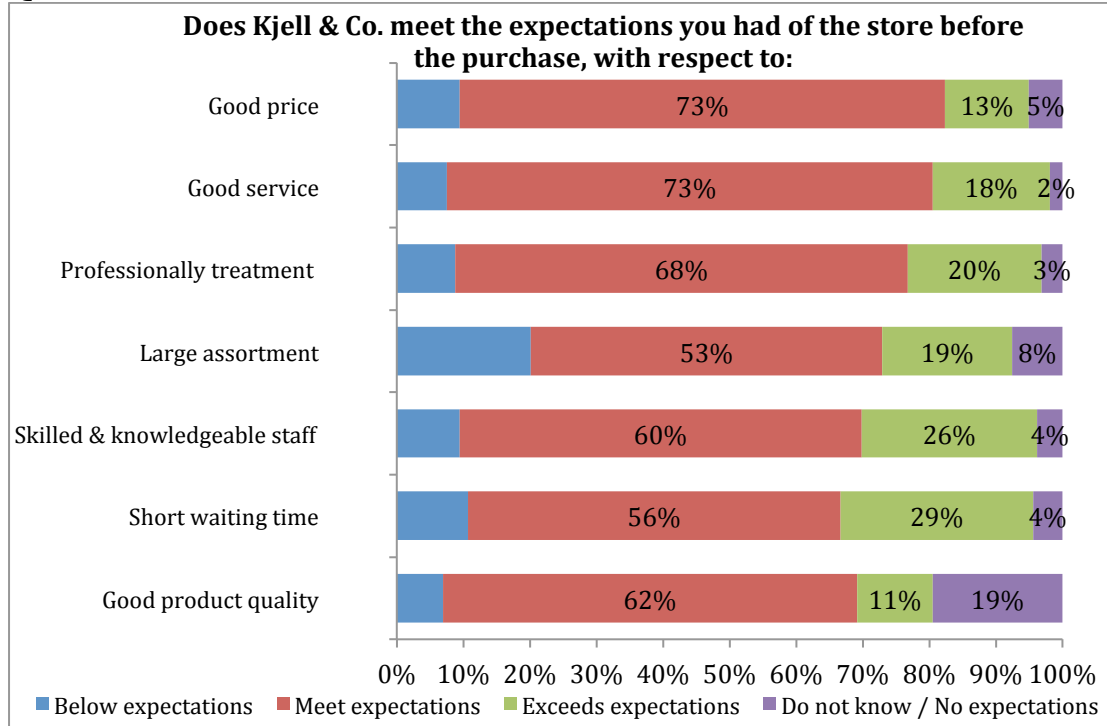


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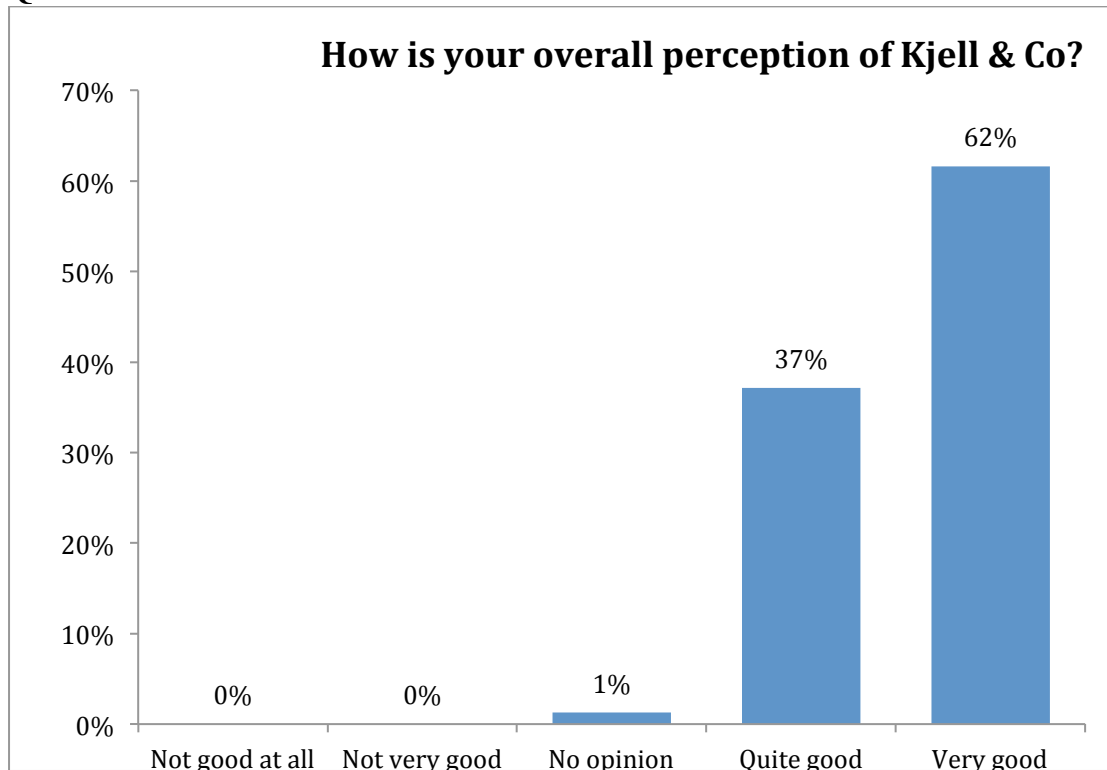




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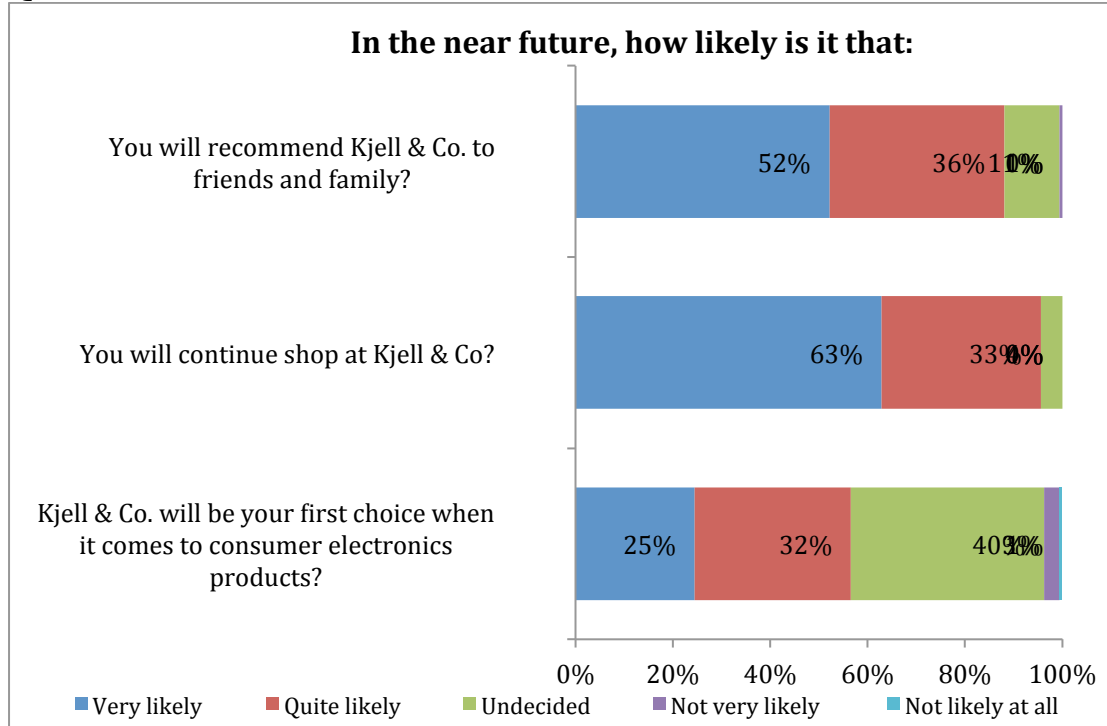


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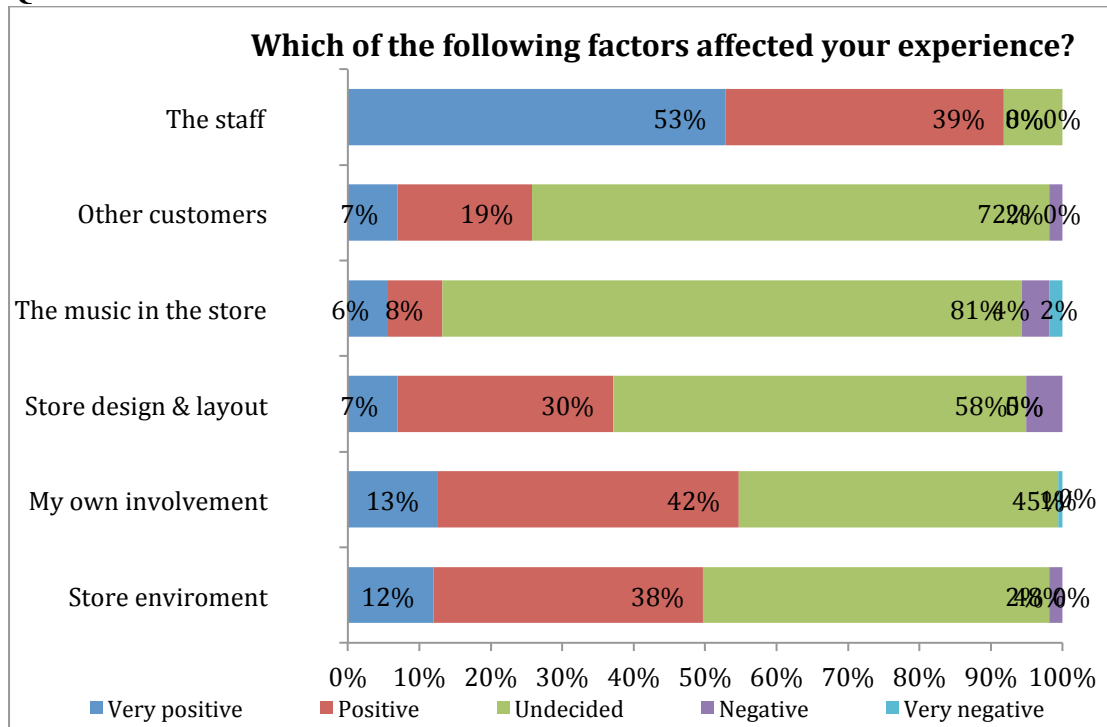




Question 13

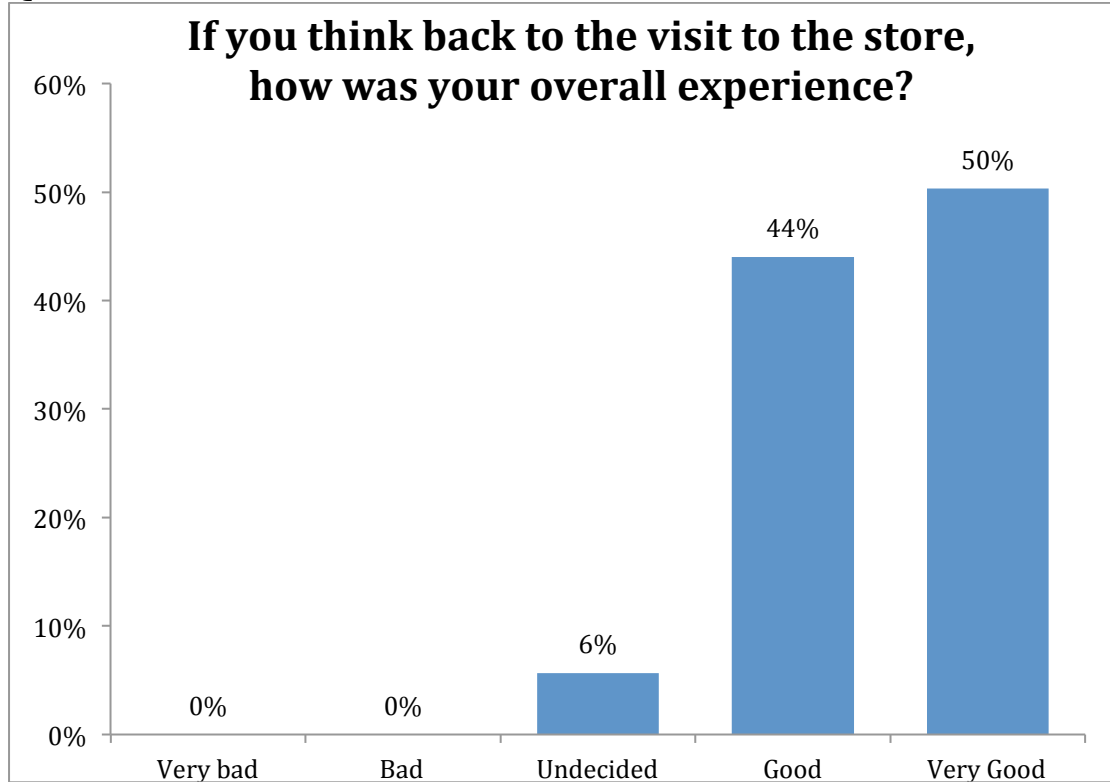


Question 14

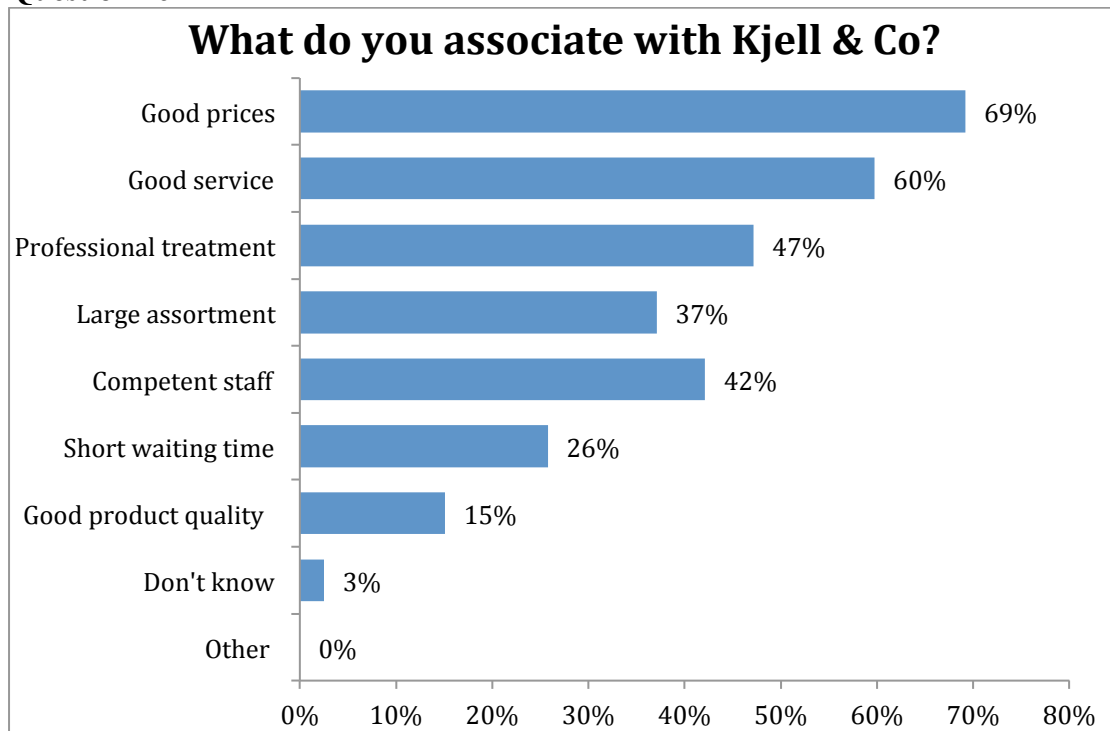




Question 15

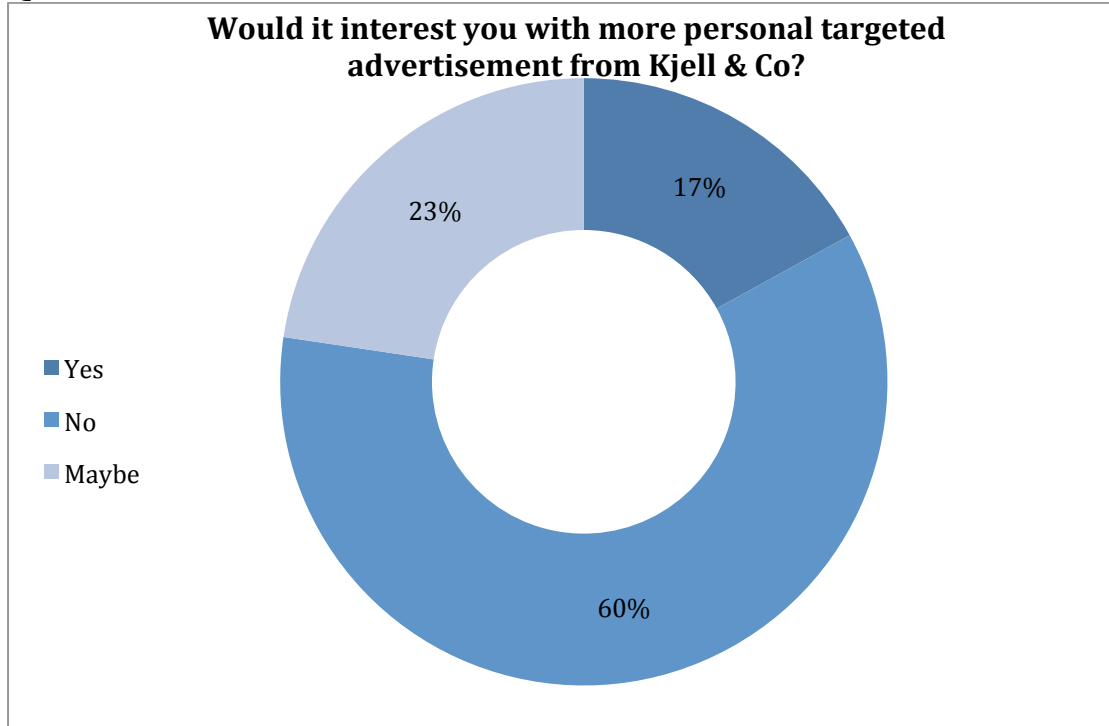


Question 16

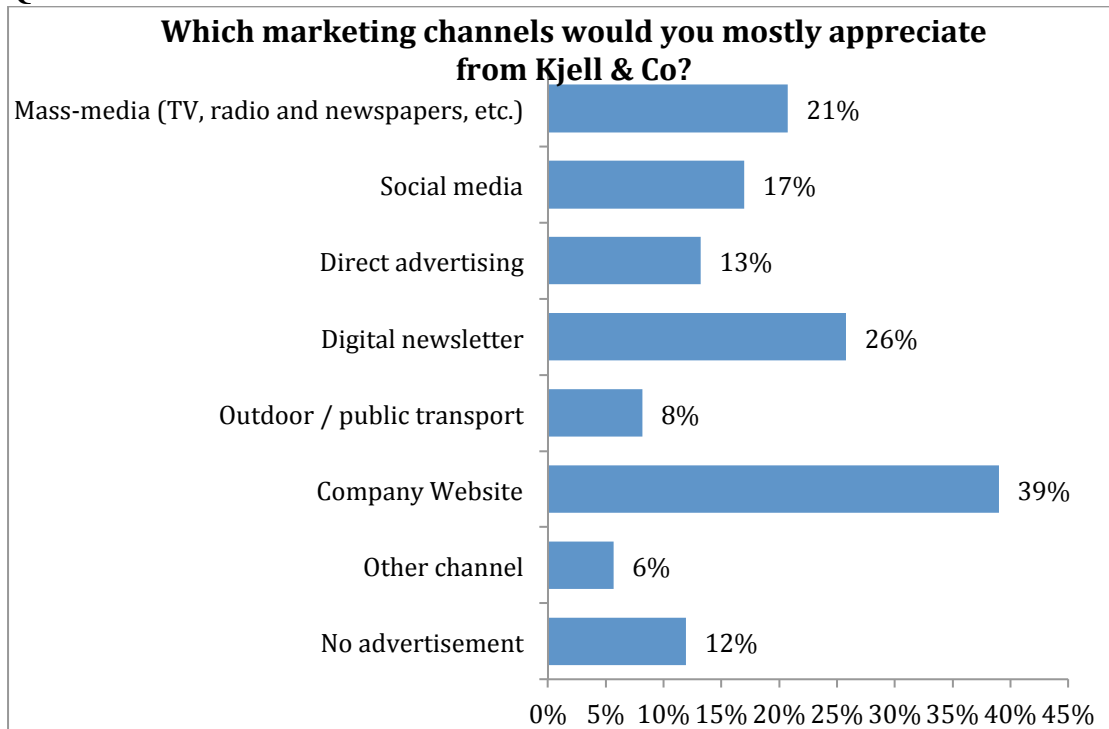




Question 17



Question 18





Välkommen till vår undersökning!

Hej och välkommen till vår enkätundersökning.

Enkäten tar cirka 5 minuter att besvara.

Vi är två studenter från Handelshögskolan på Göteborgs universitet som skriver vår kandidatuppsats i marknadsföring. Vi har inriktat oss att kolla på hur marknadsföring används inom detaljhandeln, och även valt att fokusera på butikskedjan Kjell & Co.

Undersökningen görs helt anonymt. Ingen av oss kommer att veta vem det är som har svarat. Dina svar är väldigt viktiga för oss och vi uppskattar din medverkan.

På förhand tack för din medverkan!



Din Bakgrund

Här kommer några frågor om dig.

1. Kön

(Ange endast ett svar)

Man

Kvinna

2. Ålder

(Ange endast ett svar)

15-19 20-24 25-29 30-34 35-39 40-44 45-49 50-54 55-59 60-64 65+

Ditt besök i butiken

Här följer några frågor angående besöket hos Kjell & Co.

3. Hur mycket handlade du för idag?

(Ange endast ett svar)

Har ej
handlat

1-100 kr

101-250
kr

251-500
kr

501-750
kr

751-1000
kr

1001-
1500 kr

1500 kr
eller mer

4. Var din föreställning innan besöket att du skulle handla för mer, mindre eller likvärdigt det beloppet du precis handlade för?

(Ange endast ett svar)

Mer

Likvärdigt

Mindre

Vet ej/ingen
föreställning



5. Hur ofta besöker du hemelektronikbutiker per månad?

(Ange endast ett svar)

< 1	1-2 gånger	3-4 gånger	5-6 gånger	6 >
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Hur ofta besöker du Kjell & Co per månad?

(Ange endast ett svar)

Har aldrig
tidigare
besökt

Har aldrig tidigare besökt	< 1	1-2 gånger	3-4 gånger	5-6 gånger	6 >
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Påstående om personlig integritet

Här kommer några påståenden om vad du anser är viktigt när det gäller din personliga integritet.

7. Det är obekvämt för mig att lämna ut personliga uppgifter till företag.

(Ange endast ett svar)

Instämmer helt	Instämmer delvis	Tveksam	Tar delvis avstånd	Tar helt avstånd
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. De erbjudanden och reklam som skickas ut av många företag är alldeles för personligt riktade.

(Ange endast ett svar)

Instämmer helt	Instämmer delvis	Tveksam	Tar delvis avstånd	Tar helt avstånd
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Din uppfattning som kund.

Efterföljande kommer ett par frågor som behandlar hur du som kund uppfattar Kjell & Co.

9. Hur väl stämmer dessa kriterier in på Kjell & Co personal?

(Ange endast ett svar per fråga)

	I mycket stor utsträckning	I ganska stor utsträckning	Varken/eller	I ganska liten utsträckning	I ingen utsträckning alls
Trevlig	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kunnig och kompetent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Service-minded"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lyhörd för mina behov	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gav rekommendationer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hjälpsam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professionell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. I jämförelse till andra hemelektronikbutiker, är den personliga kontakten med personalen hos Kjell & Co bättre eller sämre?

(Ange endast ett svar)

Mycket bättre	Något Bättre	Likvärdig	Något sämre	Mycket sämre
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



11. Motsvarar Kjell & Co de förväntningar du hade på butiken innan köpet, vad gäller:

(Ange endast ett svar per fråga)

	Understiger förväntningarna	Motsvarar förväntningar	Överstiger förväntningar	Vet ej/Ingen förväntning
Bra pris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bra Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professionellt bemötande	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stort sortiment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kompetent och kunnig personal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kort Väntetid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bra Produktkvalité	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. Hur är din samlade helhetsuppfattning av Kjell & Co?

(Ange endast ett svar)

Mycket bra	Ganska bra	Ingen åsikt	Inte särskilt bra	Inte bra alls
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. I den närmsta framtiden, hur troligt är det att:

(Ange endast ett svar per fråga)

	Mycket troligt	Ganska troligt	Varken/eller	Inte särskilt troligt	Inte alls troligt
Du rekommenderar Kjell & Co till närstående?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Du fortsätter handla hos Kjell & Co?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kjell & Co blir ditt förstahandsval när det gäller hemelektronikprodukt er?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Din upplevelse

Här kommer ett par frågor om hur din upplevelse som kund var i butiken.

14. Hur påverkade dessa faktorer din upplevelse?

(Ange endast ett svar per fråga)

	Mycket positivt	Positivt	Varken/eller	Negativt	Mycket negativt
Personalen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Andra kunder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Musiken i butiken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Butikens design och utformning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mitt egna engagemang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Butikens omgivning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. Ifall du tänker tillbaka till besöket till butiken, hur var din helhets-upplevelse?

(Ange endast ett svar)

Mycket bra	Bra	Varken/eller	Dålig	Väldigt dålig
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Marknadsföringen

Här kommer ett par frågor som handlar om vad du tycker om Kjell & Co marknadsföring och kommunikation till dig som kund.

16. Vad associerar du med Kjell & Co?

(Ange gärna flera svar)

- Bra pris
- Bra service
- Professionellt bemötande
- Stort sortiment
- Kompetent personal
- Kort Väntetid
- God Produktkvalité
- Vet ej

Annat

17. Skulle det vara intressant för dig med mer personligt riktad reklam från Kjell & Co?

(Ange endast ett svar)

- | Ja | Nej | Kanske |
|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

18. Vilka marknadsföringskanaler skulle du uppskatta mest från Kjell & Co?

(Ange gärna flera svar)

- | Massmedia (TV, Radio och tidningar etc) | Sociala medier | Direktreklam | Digitala nyhetsbrev | Utomhus/kollektivtrafik | Företagets hemsida | Annan kanal | Ingen reklam |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



Tack för din medverkan!

Vi vill tacka för ditt engagemang och din medverkan i denna undersökning. Har du några frågor eller synpunkter på denna undersökning får du gärna kontakta Alexis Piippo och/eller Rikard Jonsson. Vi uppskattar dina synpunkter på vår undersökningen.



8.2 Interview Guide

Kjell & Co

- Vad utmärker och gör Kjell & Co unikt?

Marknadsföring och relationsmarknadsföring

- Vad är enligt dig marknadsföring och relationsmarknadsföring?
- På vilket sätt arbetar Kjell & Co med marknadsföring och relationsmarknadsföring?
- Har relationsmarknadsföring växt fram inom företaget eller var detta en tydlig strategi redan från start?
- Vad tror ni är fördelarna och nackdelarna med relationsmarknadsföring?
- På vilket sätt är marknadsföringen ett verktyg för att skapa relationen gentemot kund?

Kunden

Kundnöjdhet:

- Vad är enligt er en nöjd kund?
- På vilket sätt skapar Kjell & Co nöjda kunder?
- Hur hanterar ni missnöjda kunder?

Kundlojalitet:

- Vad är enligt er en lojal kund?
- På vilket sätt skapar Kjell & Co lojala kunder?

Personalen

- Vad är enligt er, bra personal?
- Vad anser ni är unikt hos personalen på Kjell & Co?
- Hur anser ni att Kjell & Co. personal utmärker sig från era konkurrenter?
- Hur skaffar man, bibehåller och utvecklar rätt personal inom Kjell & Co?
- På vilket sätt är personalen ett verktyg för att skapa relationen gentemot kund?
- Skapar denna relationen enligt er lojala och nöjda kunder?