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School of Business and Management
Program Global Management of Innovation and Technology

Master's Thesis

**THE EFFECT OF CUSTOMER SATISFACTION LEVEL ON THE
SALES VOLUME OF THE COMPANY: THE CASE OF B2B
SERVICES**

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ABSTRACT

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<p>Currently, many companies are trying to improve customer satisfaction and win customer loyalty, especially in the service sector. To do this, it is necessary to understand the effect that customer satisfaction has on the company's performance, which indicators it affects and how. The scientific novelty of this work is to study the effect of this indicator on sales volume and determine the factors that have a profound impact on it specifically for the digital advertising industry. In this work, the methodology for assessing customer satisfaction for companies engaged in providing services in the B2B area was developed. This methodology includes a survey, which is based on existing literature and scales established by science and is also organized taking into account the specifics of the market. The use of the developed methodology contributed to the development of a list of recommendations based on the matrix, which determined the characteristics of the company located in the risk zone. The obtained results show marginal link between the level of customer satisfaction and profitability of the company. Besides, the term of cooperation between companies has a direct effect on the profitability of the company providing the service in B2B. Therefore, further research in studying and analysing the link between the term of cooperation and the profitability of the company and the factors influencing this link in B2B service is needed.</p>	

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TABLE OF CONTENTS

1	INTRODUCTION	10
1.1	BACKGROUND OF THE STUDY	10
1.2	MAIN CONCEPTS USED IN THE THESIS AND THE CONCEPT MODEL.....	12
1.3	RESEARCH PROBLEM, RESEARCH QUESTIONS AND OBJECTIVES	14
1.4	THE STRUCTURE OF THE STUDY	17
2	THEORETICAL PART	20
2.1	THE CONCEPT OF CUSTOMER SATISFACTION	21
2.1.1	<i>Factors influencing the level of customer satisfaction</i>	<i>23</i>
2.1.2	<i>Customer satisfaction measurements.....</i>	<i>24</i>
2.2	CUSTOMER SATISFACTION AND CUSTOMER LOYALTY	28
2.3	THE EFFECT OF CUSTOMER SATISFACTION AND CUSTOMER LOYALTY ON THE PERFORMANCE OF A COMPANY.....	30
2.4	LITERATURE REVIEW OUTCOME.....	30
3	RESEARCH DESIGN AND METHODOLOGY	32
3.1	RESEARCH DESIGN	32
3.2	CASE DESCRIPTION	34
3.2.1	<i>Case company general information.....</i>	<i>34</i>
3.2.2	<i>Product and service description</i>	<i>34</i>
3.3	STAGES OF THE RESEARCH.....	36

3.4	METHODOLOGY OF ANALYSIS.....	38
4	EMPIRICAL PART	42
4.1	RESULTS OF THE PARTICIPANT OBSERVATION	42
4.1.1	<i>Cooperation between the case company and companies-clients (B2B service)</i> 42	
4.1.2	<i>Promotion and advertisement in the case company's directory.....</i>	44
4.2	RESULTS OF THE INTERVIEW	46
4.3	RESULTS OF THE SURVEY	47
4.3.1	<i>Customer loyalty indicators analysis.....</i>	47
4.3.2	<i>Results of the descriptive analysis</i>	50
4.3.3	<i>Results of the statistical analysis</i>	60
4.3.4	<i>Analysis of the case company service features</i>	62
5	DISCUSSION.....	67
6	CONCLUSIONS	74
6.1	RECOMMENDATIONS FOR THE CASE COMPANY	76
6.2	RESEARCH CONTRIBUTION.....	78
6.3	LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH	79
	REFERENCES.....	82
	APPENDIX	

LIST OF FIGURES

Figure 1. The conceptual model of the study.....	13
Figure 2. Customers of the case company	14
Figure 3. The questions of the case company and research questions of the thesis	16
Figure 4. Structure of the thesis	18
Figure 5. Theoretical framework	20
Figure 6. Advertising model of cooperation.....	42
Figure 7. Parties of direct interaction in the cooperation process.....	43
Figure 8. Level of overall satisfaction, likelihood to recommend and likelihood to repurchase	47
Figure 9. Customer loyalty indicators.....	49
Figure 10. The advertising expenditures of different categories of the client-companies...	50
Figure 11. Correlation of customer satisfaction level and advertising expenditures.....	51
Figure 12. Level of satisfaction of different industries' client-companies (1-5 point scale)	52
Figure 13. Overall satisfaction level of different types of companies (1-5 point scale).....	54
Figure 14. The advertising expenditures of different types of enterprises	54
Figure 15. Level of overall satisfaction of the client-companies with different marketing campaign features (1-5 point scale)	56
Figure 16. The advertising expenditures of client-companies requiring different term of advertising campaign	57

Figure 17. The advertising expenditures of client-companies requiring different frequency of exposure according to their advertising campaign	58
Figure 18. Level of overall satisfaction according to the term of cooperation (1-5 point scale)	59
Figure 19. The advertising expenditures of client-companies with different term of current cooperation with the case company	60
Figure 20. Research model to be checked	61
Figure 21. The matrix of statistically calculated “stated importance” correlating satisfaction levels	64

LIST OF TABLES

Table 1. Concepts of this study and their definition	12
Table 2. Research problem, sub questions and objectives of this work	17
Table 3. Sampling types and when to use them (Devers et al, 2000).....	25
Table 4. Research hypotheses	31
Table 5. Stages of the research, objectives, and outcomes of the stages	36
Table 6. The structure of the research methodology	38
Table 7. Number of respondents in strata on the 15 th of April 2017	39
Table 8. Model summary	61
Table 10. The status of the hypotheses tested.....	75
Table 11. Improvement areas recommended to the case company	77
Table 12. Suggestions for further research	79

LIST OF SYMBOLS AND ABBREVIATIONS

Adv.	Advertisement
B2B	Business to Business
CES	Customer Effort Score
CRM	Customer Relationship Management
CSAT	Customer Satisfaction Score
NPS	Net Promoter Score
ANOVA	Analysis of variance
₱	Rouble

1 INTRODUCTION

Introduction to the Master's Thesis on the subject "The effect of customer satisfaction level on the sales volume of the company: the case of B2B services" presents main concepts and their definition in terms of this study, describes general background of the study, shows how the research problem and objectives are indicated, represents how the research question was formulated and provides the structure of the thesis.

The results of the research could be used only in companies, providing B2B services, namely in those, which sell digital advertisement for more than 4-month period using e-platforms such as mobile applications, web sites, desktop programs etc.

1.1 Background of the study

To start with, it should be mentioned, that many companies always have been struggling to enhance customer satisfaction and win customer loyalty, especially in the services sector (Pettijohn, 1997). Scientists are putting efforts to introduce different marketing activities to help companies to do this. Furthermore, it is necessary to understand which kind of effect it makes towards company's performance, on which indicators it influences and how. The research gap is in exploring the effect of this parameter on the volume of sales and to identify the factors, which have a profound effect on it in the digital advertising industry. Firstly, it comes from the practical point of view due to the request of the company the research is conducted for. Secondly, existing literature represents a variety of researches on customer satisfaction, however, the authors argue, that the results can be different according to different industries and specifics of businesses (Shi et al, 2007; Anderson et al, 1997; Fornell, 1992; Goodman, 2009).

It was found from the literature that from the last decade of the XXth century researches have been proving the link between customer satisfaction and customer loyalty and between customer loyalty and the company's performance (sales volume, profitability etc.). The scientific research focuses on the issue of how the level of customer satisfaction can be measured and many indices to measure customer satisfaction level have been developed (CSAT, CES, NPS) (Dick & Basu, 2013; Anderson et al, 1994; Fornell, 1992; Hill & Alexander, 2000; Kristensen et al, 1992; Kahn et al, 1986). Customer satisfaction is

extremely important in the modern business environment and has become an invisible asset (Lee, 2016). “The competition in today’s market is the competition of service, which is based on the competition of customer satisfaction” (Wang et al, 2002, p. 55). Hill et al. (2007) defined customer satisfaction as both matching customer’s expectation and the product itself and it means that after the occasion, when the customers have experienced the product quality, they can conclude whether they are satisfied with it or not. Companies are also trying to improve the product quality and customer satisfaction, expecting that it will increase economic returns (Anderson, 1994).

Undoubtedly, every company, introducing or selling any product, wishes not only to make their customers satisfied, but also to retain them, make them buy or use their product or service again and again, or in other words, to make them loyal. The degree of customer satisfaction has a higher importance than the image of a product or service in the eyes of customers and leads to gaining a customer loyalty (Lee, 2016). The literature on this topic also suggests that there is a link between customer satisfaction and company’s profit with an intermediary parameter - customer loyalty (Anderson, 1994; Lentonen, 2012).

Moving towards the nowadays business-to-business environment, a great emphasis is often made on Relationships Marketing and Customer Relationship Management (CRM). According to Ndubisi (2016), this happens due to the fact that now the marketing relationships affect personal selling in the services sector. They also argue that to gain customer loyalty and create competitive advantage it is necessary to maintain and develop long-term relationships with clients. In this case, the emphasis is made not on acquiring new customers, but more on support and development of relationships with the current clients, so that both sides are in pole position (a win-win strategy) (Ndubisi, 2016). Customers should feel as being an integral part of the company’s business and at the same time should understand that it will be difficult for them to build such relationships with any other company. Marketing relationships allow winning the heart of the customer and then getting access to its wallet, which later will lead to higher profits for the company (Ndubisi, 2016). The main concept of relationships marketing is based on winning customer loyalty through gaining customer satisfaction and then retention (Hennig-Thurau, 1997).

Here is the summary of the information expressing the background in this chapter:

- Customer satisfaction is one of the most important concepts to be explored and measured within a company in the service sector (Petijohn, 1997; Shi et al, 2007; Anderson et al, 1997; Fornell, 1992; Goodman, 2009; Lee, 2016).
- Customer satisfaction can lead to gaining customer loyalty (Dick & Basu, 2013; Anderson et al, 1994; Fornell, 1992; Hill & Alexander, 2000; Kristensen et al, 1992).
- Scientific research focuses on the issue of how the level of customer satisfaction can be measured (Kahn et al, 1986; Hague, 2014)
- Higher customer satisfaction and customer loyalty levels are expected to lead to a higher profit of a company (Anderson, 1994; Lentonen, 2012; Ndubisi, 2016).

1.2 Main concepts used in the thesis and the concept model

In order for the reader of this thesis to better understand what exactly some concepts presented in this thesis mean, the table with the concepts and their definition used in this work was formed (Table 1).

Table 1. Concepts of this study and their definition

<i>Concept</i>	<i>Definition used in this thesis</i>
Digital advertising	Internet advertising: promotional activities of companies through digital and internet platforms, web sites etc. (Zeff and Aronson, 1999)
Customer	<p>A person (in B2C) or a company (in B2B) which buys a product/service from the business (Oliver, 1980).</p> <p>In this thesis customers in B2B relationships between the case company and its client (also a company) is called “client-company”.</p> <p>Customers (buyers of products/services) of the client-companies are called “customers”.</p> <p>Besides, the word “customer” is used in sustainable concepts like “customer satisfaction”, “customer loyalty”, “customer retention” etc. when analyzing the level of these parameters of the client-companies.</p>
Customer satisfaction	The level of satisfaction of customers with certain service, when the company meets the needs and expectations of their customer (Oliver, 1980).

Table 1. Concepts of this study and their definition

(continues)

<i>Concept</i>	<i>Definition used in this thesis</i>
Customer loyalty	Customers willingness to stay the client of a certain company (to repurchase), willingness to recommend it (Griffin, 2002; Polaris Marketing Research, 2015)
Performance	The efficiency of the company expressed in its financial outcomes (in this study: sales volume) (Rummler and Brache, 2012)
Sales volume	Income from selling the service in a certain period of time (in this study: case company's income from selling advertising spaces within the case company' platform) (Rummler and Brache, 2012)
Advertising expenditures	The amount of customer's money spent on advertising (in this study: the amount of money of the companies-clients spent on advertising through the platform of the case company, which forms case company's sales volume) (Cohen, 2005)
Marketing campaign	Organized actions to promote products/services (Cohen, 2005). In this thesis – all promotional activities of the client-companies through all the sources (not only through the case company's service)
Advertising campaign	The way how a client-company promotes its products/services through the case company's service (the chosen advertising package, term and type of advertisement)

More detailed definition of some concepts could also be found in chapter 2 of this thesis.

Accordingly, the conceptual model looks like the following (Figure 1):

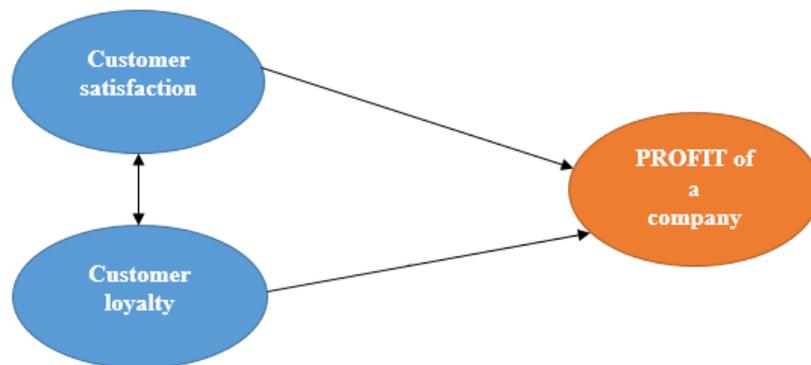


Figure 1. The conceptual model of the study

The company being analysed in this thesis (later on a ‘case company’) is a software developer based in Russia (see chapter 4.1). I was working in this company for a year as a sales manager and during this time was conducting a research on the efficiency of the sales managers work. Later on, the company representatives requested a research on customer satisfaction with their service – that was how the research problem for this Master’s thesis has been formulated. The case company’s product is a platform with free business listings (or directory) with a city map. The platform is presented in three versions: PC, Mobile, and The Web. The product is free for its users and main revenue comes from selling advertisement to organizations, which are presented in this directory (banners, place in the list, display advertising etc.). Thus, the research is focused on the case of B2B service, and particularly, advertising service.

1.3 Research problem, research questions and objectives

As it was mentioned in the previous chapter, the research gap is in exploring customer satisfaction effect on the sales volume and in identifying factors, which have a profound effect on the level of customer satisfaction and mainly it comes from the request of the case company.

To formulate the research problem, the interview with marketing CEO of the case company was conducted, the description and outcome of the interview are presented in chapter 3.1.2.

The case company is a software developer, which product is a platform with a city map and business listings. The customers of this company can be divided into 2 groups (Figure 2).



Figure 2. Customers of the case company

The case company provides its users with a free product and provides its customers-advertisers with advertising service. In this study there will not be any research referring to the first group of customers (users), the main focus of this research is placed in the second group of customers, B2B service (later on, companies-clients), because they bring 98% of the total income to the case company.

The B2B service of the case company is selling advertising spaces in the directory to the organizations, which are presented there. That brings 98% of total income to the company. The main condition of the B2B contracts is that its term should be not less than 4 months (4, 8, 12 or more months).

The problem of the case company is that after the term of the contract has ended, some companies-clients are not going to prolong the contract (to repurchase) and the number of such companies is increasing. Therefore, the main assumption of the company's managers is that they cannot retain their customers because those customers are not satisfied with their advertising service. This was the basis for formulating the research problem of this thesis, and it can be expressed as: "The case company cannot retain their customers because customers are not satisfied with some characteristics of the service and thus the company cannot increase its performance (the sales volume). – How to overcome this problem?".

To formulate the research questions, the representatives of the case company were asked to make a list of their main concerns during the in-depth interview (see also chapter 3.1.2) (Figure 3).

The research objectives of this study could be divided into 2 parts: practical and scientific.

1. The practical objective refers to formulating the list of needed improvements of the service's characteristics for the case company, which have an effect on the level of satisfaction.

2. The scientific objective focuses on the factors which have effect on the volume of sales (additional to the level of satisfaction) expressed in the volume of the advertising expenditures in this study: "To identify under what circumstances (client-company's marketing campaign characteristics and current term of cooperation) customer satisfaction level can have higher effect on the advertising expenditures in B2B services".

Questions of the case company:

- What is the level of satisfaction of the clients-companies now?
- What are they satisfied/unsatisfied with?
- What is needed to be improved to get more satisfied customers?
- What are other factors, which can influence the advertising expenditures of customers in the directory?



Research questions (RQs):

RQ1: How can the level of customer satisfaction be raised?

Sub question 1: *Which service's characteristics influence the level of overall satisfaction of the client-companies and what is the strength of this influence?*

Sub question 2: *Which service's characteristics are needed to be improved and in what order?*

RQ2: Under what conditions customer satisfaction level influences the volume of the advertising expenditures?

Sub question 3: *Do the client-company's marketing campaign characteristics influence the volume of advertising expenditures?*

Sub question 4: *Does the current term of cooperation influence the volume of the advertising expenditures?*

Figure 3. The questions of the case company and research questions of the thesis

Table 2 represents the summary of this chapter as the link between research problem, research sub questions and objectives of this thesis.

Table 2. Research problem, sub questions and objectives of this work

<i>Research problem</i>	<i>Research sub questions</i>	<i>Research objectives</i>
The case company cannot retain their customers, because customers are not satisfied with some characteristics of the service and thus the company cannot increase its performance (the sales volume)	Which service's characteristics influence the level of overall satisfaction of client-companies and what is the strength of this influence?	To formulate the list of needed improvements of the service's characteristics for the case company which have effect on the level of satisfaction
	Which service's characteristics are needed to be improved and in what order?	
	Do the client-company's marketing campaign characteristics influence the volume of advertising expenditures?	To identify under what circumstances (the client-company's characteristics of the marketing campaign and the current term of cooperation) customer satisfaction level can have higher effect on the advertising expenditures in B2B services
	Does current term of cooperation influence the volume of the advertising expenditures?	

1.4 The structure of the study

The structure of the study is divided into six parts: introduction, theoretical part, the methodology of the research, case company study and results, discussion and conclusions (Figure 4).

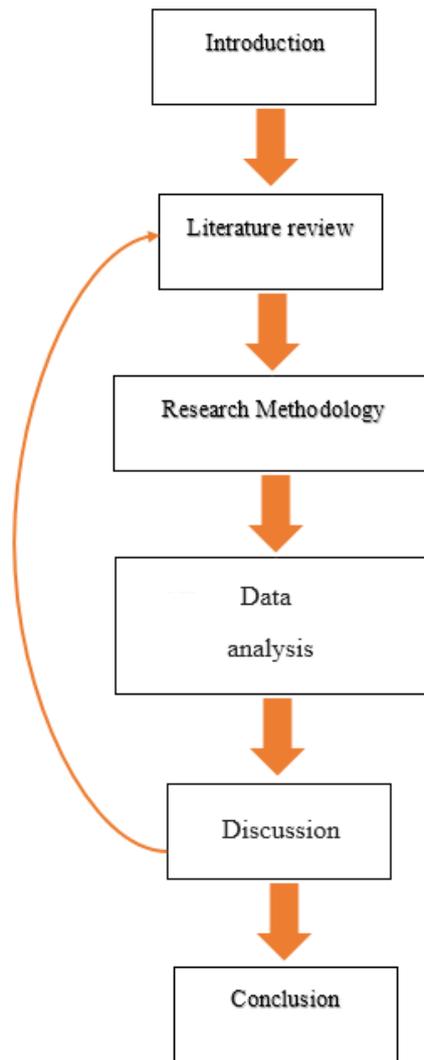


Figure 4. Structure of the thesis

The first part – “Introduction”, contains information about the research gap and problem, defines research questions and reflects the objectives of the research.

The second part focuses on the theory on the topic. This part mainly concentrates on the issue of the level of customer satisfaction, factors affecting it and its measurement and contains information about the specific of this concept in the modern world, in B2B and in the service sector.

The third chapter discusses existing research strategies, methods and techniques and represents the research design and methodology of this study.

The case study and its results based on the chosen research methods and techniques are presented in the fourth section of the thesis. The use of graphs and diagrams assisted in increasing the results' visibility.

The discussion of the results obtained, their comparison with existing literature and critical estimation is reflected in the next, fifth part of the study.

The last chapter is the conclusion, where both summary and recommendations were developed.

2 THEORETICAL PART

The literature review conducted for this thesis has revealed that four key theories are framing the research problem. The two core theories are Relationship Marketing Theory and Service Quality Theory. From the field of Relationship Marketing, the thesis deals particularly with Customer Satisfaction and Customer Loyalty theories. Figure 5 illustrates the theoretical framework of this thesis.



Figure 5. Theoretical framework

The case company is operating in B2B services, therefore it should be kept in mind that all the theories framing the thesis should be considered in terms of the Service Quality theory and it serves as a contextual setting in this thesis. That is why, on Figure 5, The Service Quality theory is marked as a framing context: its borders are dashed, since the other four theories considered do not serve as components of the Service Quality theory, but are placed into the context of the Service Quality theory.

The main concept of this thesis is customer satisfaction. Customer satisfaction is the totality of a customer's previous experiences of buying and using the product (Oliver, 1997). Measuring customer satisfaction is necessary for the company because it helps to see not only how the clients will behave in the future, but also how the revenue might change with times. Another reason is that the company will clearly understand what exactly needs to be improved to satisfy customers (Hill et al, 2007). Enhancing profitability of a company can

refer to increasing customer satisfaction, and studies have shown that five percent increase of customer loyalty level will add from 25 to 85 percent to the profit (Hill, 2000).

The concept, which is also significant in this thesis, is Customer Loyalty because the case company is interested in measuring it as well (as the problem of the case company is with the likelihood to repurchase and that means, in retaining customers). Customer satisfaction, likelihood to recommend and likelihood to repurchase are measures of customer loyalty, and the customer can be defined as “loyal” when all three measures show high results (Polaris Marketing Research, 2015). However, it is not the main topic of this research, because customer loyalty measurements could be useful for the company only in case of measuring it in dynamics and this research is limited in time. But the first steps towards researching customer loyalty have already been made.

These 2 concepts: Customer Satisfaction and Customer Loyalty are considered to be the components of Relationship Marketing Theory because relationship marketing favors the customer satisfaction level (Jagdish N. Sheth et al. 2012; Morgan and Hunt, 1994). Moreover, Morgan and Hunt (1994) argue that through relationship marketing the desired customer satisfaction and loyalty levels can be reached.

The area of the main interest in this thesis is lying in the intersection.

2.1 The concept of customer satisfaction

The phenomenon, which is the most important in affecting service management performance, is customer satisfaction (Oliver and Rust, 1997). Many researchers provide definitions of customer satisfaction, but the most common definition in scientific articles and papers is Oliver’s (1980), which is based on customer expectation. Customers are to buy products or services with expectation based on their previous experience (Oliver, 1980). Westbrook (1983) also argues that customer satisfaction is linked with the emotional response of the client to the process of purchasing product or service. Tse et al (1988, p.25) give the definition of customer satisfaction as a “judgment for the difference between customer expectation and the quality of the product or service”.

Oliver (1997) also mentions that it is important to understand that different people perceive the same things differently, depending on their mood, character, behaviour, upbringing and

so on. Moreover, Oliver (1997) claims that customer satisfaction with the product or service depends on the importance of this product in customers' lives. Furthermore, if this product or service has already satisfied the consumer at least once, the interest in the purchase increases, and therefore the degree of satisfaction can change with time (Oliver, 1997). We cannot talk about customer satisfaction if the client has no experience, in other words, if he has never used the product/service (Nagel, 1990). This opinion is also confirmed by Oliver (1997), who argues that customer satisfaction is the totality of the customer' previous experiences of buying and using the product/service.

Tao (2014) describes customer satisfaction as buying experience and attitude toward buying, confirming that the difference between the expectation and the opinion about the purchase is the degree of satisfaction. In addition to all of the above, Tao (2014) reports that customer's expectations depend on the purchase price, thus, the more they pay, the more they expect, and also customer expectation depends on the efforts that have to be made by the customer to make the purchase.

When there is a failure to meet the expectations of the customer, the company can obtain a dissatisfied customer, therefore the construct of customer satisfaction is closely related to the concept of dissatisfaction (Tao, 2014). According to this, there are three different levels of perception-expectation relationships of a customer:

- 1) Perception is lower than expectations – dissatisfied customer;
- 2) Perception is equal to expectations – satisfied customer;
- 3) Perception is higher than expectation – loyal customer (Tao, 2014).

The constant growth of customer satisfaction brings many benefits to the company, for example, increases customer loyalty, increases cooperation time, expands the range of customer purchases from the company, improves communication and mutual understanding with the client (Gable, 2008). According to Tao (2014) a customer, satisfied with the product can recommend it to his friends and relatives and a company can get a huge competitive advantage if its managers know how to manage customer loyalty through satisfying customers. Customer satisfaction and understanding customer needs are the key to business development (Tao, 2014).

2.1.1 Factors influencing the level of customer satisfaction

One of the factors which influence the level of customer satisfaction is service quality and there is a close link between these 2 parameters: customer satisfaction and service quality (Tam, 2004). Besides, talking about service quality, it should be added that customer satisfaction could be highly augmented by the quality of after-sales service provided by the company (Rigopoulou, 2008). Rigopoulou (2008) argues that the quality of after-sales service affects customer satisfaction, which in turn influences customer's behavioural intentions, moreover, it increases the value, perceived by the customer and therefore the quality of the relationships between buyers and sellers. If the company affords after-sales service to play the strategic role, it will obtain the value-adding process of the whole offering (Rigopoulou, 2008). Consistently, according to a number of studies customer satisfaction is related to quality service delivery and thus associated with loyal customers, who repeat their purchase and show high potential for customer retention (Lee, 2003; Anderson et al., 1994).

On the other hand, many scholars are discussing the role of the sales manager in the process of obtaining a satisfied customer. For example, there exists such a concept as Sales Force Management – a commonly used tactic to increase the level of company' sales through enhancing the performance of every sales manager (Johnston et al, 1986). It is mainly based on customer segmentation and customer orientation. The approach proposes that it is better not to increase the number of customers served, but to focus on sales efforts to the customers (Siguaw et al, 2003). In the service sector, where the company's focus is primarily on long-term relationships, to increase the level of customer loyalty, customer orientation is a necessary condition for sales managers (Pettijohn, 1997).

One more important factor influencing customer satisfaction proposed by Jenkins (2016) is a product quality. Understanding the product attributes and features which are important for the customer could be not only the challenge for the company but also a great opportunity as it could help to design and develop more products meeting the customer needs, which will bring commercial success (Jenkins, 2016). The enhanced quality control of the product should be established in a company to help in increasing customer satisfaction and loyalty in a certain market (Saleh, 2008).

The company itself could affect the level of customer satisfaction, especially in B2B perspective. The behaviour of the company represents corporate reputation which has an impact on customer satisfaction and loyalty through enabling cost' saving in establishing trust with new clients (Zhang, 2009). Besides, many customers pay attention to the ethical behaviour of the company in making their choice (Larsen et al, 2001).

2.1.2 Customer satisfaction measurements

Fornell (1992) argues that there are 2 types of business strategies: offensive and defensive. The offensive strategy requires getting new customers when defensive one aims at keeping existing. Measuring customer satisfaction level is one of the most effective ways of enhancing total customer satisfaction because a company always needs to be aware of accurate data on customer satisfaction level to achieve the goals of the business (Peterson, 1992).

Hill et al (2007) inform that measuring customer satisfaction is necessary for the company because it helps to see not only how the clients will behave in the future, but also how the revenue might change with times. Another reason for measuring customer satisfaction is that the company will clearly understand what exactly company needs to improve to satisfy customers. Besides, satisfied customers are cheaper to retain rather than retaining dissatisfied ones (Hill et al, 2007).

According to Dillman et al (2009), the survey is the most popular format for measuring customer satisfaction and every year hundreds of people are asked about their level of satisfaction with some product or service. Some of those surveys focus on product/service usability, some on the product/service itself (Dillman et al, 2009). It is important to understand that endless surveys about the quality of products or services can be tedious for customers, and thus affect the degree of satisfaction with the product. It is, therefore, necessary to carefully choose the frequency of conducting a survey and also to choose the right format, the structure of the questions and sample (Hill et al, 2007). Denver et al also argue that one of the main indicators of the success of the survey is the choice of the correct sampling strategy. To choose the right one, the researcher needs to know for sure which samples and under what circumstances are used. Table 3 contains information about types of samples and cases when to use them (Devers et al, 2000).

Table 3. Sampling types and when to use them (Devers et al, 2000)

<i>Type of Sampling</i>	<i>When to use it</i>
<i>Probability Sampling</i>	
Simple random sampling	When the response of each participant brings the same value to the result of the survey. Units of the population are similar to each other on important variables.
Systematic sampling	Units of the population are similar to each other, but the questions are asked at a certain time or for example to every fifth person. Data is collected in real time during process operations.
Stratified random sampling	The population is heterogeneous, containing several different strata (groups).
Cluster Sampling	When the population is about unity, not about individuals.
<i>Non-probability Sampling</i>	
Convenience sampling	When asking questions haphazardly does not harm the results of the survey. General social-related questions.
Quota sampling	When strata are present, but stratified sampling is not possible

Polls should be systematic, in order to track how this parameter varies, to understand the trends. If a company plans to implement any change in their service, it is sufficient to measure the degree of satisfaction before and after the implementation of the changes in order to get a clear picture of how this event can affect the performance of a company (EUPAN, 2008). Moreover, these surveys often use questions related to the assessment of additional parameters, referring to profit and number of complaints (Peterson, 1992).

During the survey, each respondent is asked the same set of questions in a certain order - questionnaire (De Vaus, 2002). The questionnaire assumes that questions will be compiled with a full understanding of the organizational context and precisely defined, and the sample will be representative and accurate. Stages of conducting a survey are:

- 1) Researcher understands the required data and designs a question;
- 2) Respondent decodes the question in the way, the researcher intended;
- 3) Respondent answers the question;
- 4) Researcher decodes the answer in the way respondent intended (Saunders et al, 2009)

The questionnaire should always be accompanied by an introduction, explaining the purposes of the survey and other important to the respondent information. The questions should be valid and reliable and could be of different types: open questions, list questions, category questions, ranking questions, rating questions and quantity questions (Sudman, 1982). The survey method has advantages and limitations. Advantages of the survey method are:

1. Compared to other methods such as observation or experiment, the survey provides a complete information, for example, on the attitude, opinion, causes, motives of the respondent;
2. Questioning is fast and cheap;
3. Responses are simple to administer;
4. Data obtained is reliable;
5. Variability of results is diminished;
6. Relatively simple to analyse and interpret the results (Sudman, 1982).

The limitations of the survey are:

1. The respondent may not wish to provide some kind of information, thinking it could be too personal;
2. Due to lack of knowledge on the issue or due to not remembering something, the respondents may not provide an accurate answer;
3. Biases of the respondents;
4. Symantec difficulties may occur because the same question could mean different things to different respondents (Sudman, 1982).

The limitations could be overcome by careful formulating questions and control of gathered data. One more important thing here is to look at the results obtained in more relative form. It means that generalizing should be made with caution, and only if the degree of confidence is high (Goyder, 1986). Results of a survey should be presented in the report in a readable and technically acceptable way, making sure that the meaning of the survey, its importance and usefulness have not lost their force. The report has to be structured, free of errors and contain tables and graphs presenting statistical data with strong conclusions (Salant, 1994).

Nowadays there exist plenty of methods for measuring customer satisfaction. Shankar et al (2003) present an idea about 4 levels of measuring customer satisfaction in their study.

Firstly, the overall satisfaction is measured, then the level of loyalty, the attributes that affect the level of satisfaction and the intention to repurchase the product measurements (Shankar et al, 2003).

Kristensen et al (1992) present a framework for measuring customer satisfaction, which includes seven steps:

- 1) Identify product/service quality characteristics, influencing customer satisfaction;
- 2) Choose customer population to be analysed;
- 3) Choose the sample: existing customers or the whole market;
- 4) Build a sampling framework;
- 5) Design questionnaire with appropriate scales;
- 6) Conduct a survey;
- 7) Analyse collected data with statistical tools.

Nevertheless, Perkins (2003) argues that it is possible to measure customer satisfaction in a faster way: the first step is to determine the characteristics of the product/service, which differ from the others, then ask customers to rate these characteristics in comparison with products/services of other companies. At the end, it is suggested to ask a question about the level of overall satisfaction (Perkins, 2003). However, for implementing this approach, the company organizing the survey should be aware of all the characteristics of competitors' products/services and that could be a challenging and time-consuming task.

Hayes' (2006) model of measuring customer satisfaction consists of three parts, the first is "determining customer requirements", the second is "developing and evaluating questionnaire", the last is "using questionnaire" and that model is similar to Kristensen et al. (1992).

To measure customer satisfaction quantitatively there are such models as Customer Satisfaction Score (CSAT), Net Promoter Score (NPS) and Customer Effort Score (CES).

Net Promoter Score (NPS) is an index, which is based on the measurement of customer satisfaction by asking questions like "How likely are you to recommend the product X of the company Y?" on a scale of 0-10. It is a difference between % of promoters (respondents

that had a positive view and estimated the product from 9-10) and % of detractors (those who gave low assessments from 0 to 6) (Schneider et al., 2008).

Customer Effort Score (CES) is based on the score given by a customer from 1-7, where 1 is “strongly disagree” and 7 is “strongly agree” to the question like “Company A made it easy to use/find/any the product B”. The index is based on the assumption how easy it is for the customer to interact with a company (Cardozo, 1965)

Customer Satisfaction Score (CSAT) helps to assess a customer’ feelings about a greater number of issues. The survey question could be: “How would you rate your experience with product/service/manager/etc.?”. The rate is from 1-5 where 1 means extremely unsatisfied and 5 is extremely satisfied. The customer gets a set of specific questions – each on a particular area and thus the approach helps to find those areas, where the company is strong and those, which should be improved. This set of questions on a specific characteristic of product/service is assumed to be rated by the customer with a Likert scale (Hague, 2014).

In this work, the model of Kristensen et al. (1992) including measurements of Customer Satisfaction Score (CSAT) and Net Promoter Score (NPS) is used because these methods coincide with the research objectives of this study (see chapter 3.1.2 and 3.2.2).

2.2 Customer satisfaction and customer loyalty

Customer loyalty, as well as customer satisfaction, is also a significant concept of this study because the case company is interested in measuring it in dynamics, to see how customer loyalty level will change with times. This thesis includes only first steps of measuring it (for the first time for the case company) due to a limitation in time.

According to Griffin (2002, p. 32), customer loyalty is repurchasing of goods and services based on the personal preferences of the client. Gremler (1999) believes that loyal customer is the customer who has a positive attitude towards the service and shows repeating behaviour as well. Reichheld (2001) claims that loyalty is an achievement of clients’ commitment, thus, it is when the clients are convinced that without the service provided by a certain company they will feel incomplete themselves. Goodman’s definition is the most generic – “loyalty is best measured by continued buying behaviour” (Goodman, 2009, p. 21).

All of the definitions above can represent two ways of expressing customer loyalty – on emotional and behavioural levels. Emotional customer loyalty is about perceptions and feelings of a customer towards the product – and that could be about customer satisfaction, and behavioural customer loyalty is about repurchasing and being a constant buyer of a certain product or service – and that could be about commitment (Gremler, 1999). However, Rauyruen et al. (2007) proposed another classification of customer loyalty. They stated that there are three patterns of customer loyalty: behavioural, attitudinal and composite, where behavioural is about repurchasing the product, attitudinal is when the customer wishes to recommend the product to his friends and relatives, and the composite is a mixture of these both.

Factors influencing customer loyalty can be divided into three sections: brand awareness, service quality and customer satisfaction (Day, 1976). Day (1976) claims that brand has great influence on the level of trust of the customer, improving service quality can lead to the increase in the perceived value of the customer. The service quality should meet customer expectations, and meeting customer expectations is basically the customer satisfaction (Wilton, 1988; Dickie, 2008). Heskett et al. (1997) also concluded that level of customer satisfaction results in customer loyalty concept, which is influenced by the quality of service.

Dick (2013) also claims that customer loyalty – is a tendency towards choosing a product or service among others (products or services of competitors), which is based on attitudinal and behavioural traits of customers and which is determined by the degree of awareness and customer satisfaction of products/services.

According to Polaris Marketing Research (2015), customer satisfaction, likelihood to recommend and likelihood to repurchase are measures of customer loyalty, and the customer can be defined as “loyal” when all three measures show high results. Thus, customer satisfaction can be assumed to be the component of customer loyalty and it can influence customer loyalty directly, providing the basis for achieving customer loyalty (Cronin, 1992). A company, which is quite confident that the degree of satisfaction of their customers is high enough, can move on to win the complete loyalty of their customers (Abrell, 2016).

2.3 The effect of customer satisfaction and customer loyalty on the performance of a company

According to Anderson (1997), the degree of customer satisfaction is becoming an increasingly important factor in the development of the company and profitability is largely dependent on the degree of customer satisfaction (Anderson, 1997). Enhancing profitability of a company can refer to increasing customer satisfaction, and the study of Hill (2000) has shown that 5% increase of customer loyalty level will add from 25 to 85% to the profit. Companies are trying to track and improve the product quality and customer satisfaction, expecting that it will increase economic returns (Anderson, 1994; Jones, 2013).

Customer loyalty as well represents one of the key success factors in organizational and financial meaning in highly competitive and changing business environment and can be seen as the way of enhancing total organizational performance (Lentonen, 2012). Trying to retain existing customers is much cheaper than trying to win new ones and moving from customer satisfaction to customer retention is one of the best ways to succeed in sales (Hill, 2000).

Besides, in terms of relationships marketing theory to gain more profit, the company needs to build strong relationships with their clients (Hennig-Thurau, 1997). Ndubisi (2016) argues that customers should feel as being an integral part of the company's business and at the same time should understand that it will be difficult for them to build such relationships with any other company. In other words, relationships allow winning the heart of the customers, and then to get access to their wallets, which later will lead to higher profits for a company (Ndubisi, 2016).

2.4 Literature review outcome

According to the existing literature several conclusions, which will serve as a basis for research methodology and research design, are made:

- 1) Customer satisfaction is the totality of a customer's previous experiences of buying and using the product/service (Oliver, 1997).
- 2) Measuring customer satisfaction is necessary for the company because it helps to see not only how the clients will behave in the future, but also how the revenue might

change with times. Another reason is that the company will clearly understand what exactly needs to be improved to satisfy customers (Hill et al, 2007).

- 3) According to Polaris Marketing Research (2015), customer satisfaction, likelihood to recommend and likelihood to repurchase are measures of customer loyalty, and the customer can be defined as “loyal” when all three measures show high results. A company, which is quite confident that the degree of satisfaction of their customers is high enough, can move on to win the complete loyalty of their customers (Abrell, 2016).
- 4) Companies’ performance is largely dependent on the degree of customer satisfaction and customer loyalty (Anderson, 1997; Hill, 2000; Anderson, 1994; Jones, 2013; Lentonen, 2012)
- 5) Factors, which influence the degree of customer satisfaction are: service quality, product quality, quality of after sales service, quality of service delivery, treats of sales managers and relationships with them, company itself (reputation and ethics) (Tam, 2004; Rigopoulou, 2008; Lee, 2003; Pettijohn, 1997; Siguaw et al, 2003; Jenkins, 2016; Saleh, 2008; Zhang, 2009; Larsen et al, 2001).

These outcomes also helped in forming the hypotheses and questions for the survey used as a quantitative method for this study (see chapter 3.2.2). Thus, according to the literature as well as specifics of the case company and research problem and objectives, the hypotheses could be expressed as (Table 4):

Table 4. Research hypotheses

H1	The level of customer satisfaction influences the advertising expenditures of the client-company
H2	The required term of advertising campaign of the client-company serves as a moderator in the relationship between the level of customer satisfaction and the advertising expenditures of the client-company
H3	The required frequency of advertising exposure of the client-company serves as a moderator in the relationship between the level of customer satisfaction and the advertising expenditures of the client-company
H4	The term of cooperation between the client-company and the case company serves as a moderator in the relationship between the level of customer satisfaction and the advertising expenditures of the client-company

3 RESEARCH DESIGN AND METHODOLOGY

3.1 Research design

According to Saunders et al. (2009), there are 3 types of purposes for the research: exploratory research, descriptive studies and explanatory (causal) studies. Exploratory research answers to the question “What is happening?” by seeking new insights, asking questions and assessing phenomena in a new way (Robson, 2002). It intends to determine the nature of the problem, to have a better understanding of it, rather than to propose final solutions to it (Saunders et al, 2012). Besides, exploratory research acts as the “first stage” or initial research, which then provides information and basis for the second, more conclusive, more practical research and could even help to choose further right research design, methodology and method (Singh, 2007). To sum up, this type of research intends to solve such problem, for which previous research has not been conducted (Brown, 2006). Most often met the type of data collection for it – unstructured interviews.

Descriptive studies represent “accurate profile of people, events or situations” (Robson, 2002). Such type of research paints a clear picture of the phenomena on which the researcher plans to collect data and answers to the question “What is it?” rather than “Why it is?” (Ethridge, 2004). The purpose of this research is to clarify current problems by collecting data and then to describe the situation more precisely and completely than it was possible without using this method (Fox, 2007). Mainly, the aim could be explained as describing, explaining and then validating the results and findings. The methods such as surveys, observations, case studies and interviews can be used.

Explanatory studies establish cause-and-effect relationships between variables, that is why this type of research often called “causal research”. In this research existing phenomena or processes are assessed in order to find out their impact on the situation. Most popular method of collecting data for this type of research design is experiments and other statistical methods, which can also be accompanied by qualitative data collection (Zikmund, 2012).

The next step in forming the research methodology after choosing the type of the research design is the choice of the research strategy: experiment, grounded theory, ethnography, action research, case study and archival research. The table containing information about commonly used research strategies could be found in Appendix 1.

Research design involves the use of quantitative and qualitative methods depending on the use and delivery of the final data. The qualitative research method is primarily an exploratory research, which is conducted in order to have an understanding of the causes, opinions, and the situation as a whole, which in turn becomes the basis for carrying out quantitative research. Qualitative research is more about feelings than numbers. Qualitative research methods are focus-groups, individual interviews, observations (Bellenger, 2011). Quantitative research is used to quantify the problem, attitudes, behaviours, opinions by collecting numerical data, or such data that can be converted into statistical one. The results are then generalized to a larger group. Quantitative research methods include different forms of surveys as well as interviews and longitudinal studies. (Neuman, 2002). Main differences between qualitative and quantitative research are presented in Appendix 2.

The research gap of this thesis comes not only from literature but mostly it arises from a practical point of view because the research is conducted for the certain company and comes from the request of this company. One of the research strategies named single case study is a research that involves the study of individuals, groups or organizations (Yin, 2015). Thus, in this thesis, the chosen research strategy is a single case study. The data for such type of research are collected using several methods, such as observations, interviews, the study of old data etc. (Yin, 2015).

As it was mentioned before, the main objectives of this thesis are:

- To formulate the list of needed improvements of the service's characteristics for the case company which have effect on the level of satisfaction;
- To identify under what circumstances (client-company's overall marketing campaign characteristics and current term of cooperation) customer satisfaction level can have higher effect on the advertising expenditures in B2B services

Since the research is referred to causal relationships, the suitable type of research design is explanatory studies.

Going further to the selection of the research method, single case study assumes to include several research methods. In this study qualitative methods were used to identify the

specifics of the company, the problem, and objectives. Then, for further explanatory research the quantitative research method was chosen, because this type of research method:

- Clarifies cause-effect relationships;
- Studies certain parameters and variables;
- Identifies statistical relationships;
- Tests a very specific topic;
- The results are projected for a certain group of people - in this case, the case company's customers – client-companies.

All these points coincide with the objectives of the case company for this research. Moreover, the case company representatives are interested in studying and analysing the measurements of customer satisfaction and customer loyalty systematically, to see how the parameters change with times.

Mentioning time horizons, it should be said that it is going to be a cross-sectional study because it is important to get the results in a particular time and master's thesis has its time limitations.

3.2 Case description

3.2.1 Case company general information

The research is conducted in the case company and applies survey as data collection method. The case company is an international cartographic company that produces electronic directories with city maps since 1999. Now this company is one of ten largest Internet companies in Russia (Forbes, 2014). The company has branches in many cities of Russia, as well as abroad - in Kazakhstan, Italy, the Czech Republic, Chile, the UAE, Kirghizia, Cyprus, and Ukraine. At the moment, the company covers 320 cities and 9 countries, where for each city the electronic directory was developed, according to the language and some special features of the country.

3.2.2 Product and service description

In the current moment of time, there are three versions of the product: online, desktop and mobile versions, which provide only verified information, and its app can operate offline

even without mobile data plan. All these versions contain the same information available to their users:

1) Information about any place in the city, moreover, the main attention is paid to organizations. Users can find there such information as addresses, telephone numbers, working hours, the location of entrance etc.

2) The way to any place. The service shows optimal route by foot, by public transport or by car from point A to point B. The service builds a route, taking into account the peculiarities of traffic and the state of roads.

3) Additional information: about the sights of the city, the presence of police traffic cameras on the roads, companies' advertising information, etc.

Besides, the app allows the users to:

- “Find the location of the company they are looking for, find out its phone number and make a call;
 - Find the desired location on the map of the city: a building (using its address), a public transport station or just a well-known object;
 - Tap on any building on the map and find out its address, amount of floors and organizations that reside there;
 - Find all companies in a specific business area, view them on the map, and filter out the ones that are open at a convenient time or right now;
 - Identify the users' location and find out what is close to them”
- (appworld.blackberry.com, 2015).

After installing the application, the users have the opportunity to choose the city and then they will receive the most up-to-date information every month with one tap using the built-in automatic update system. The information is always up-to-date due to the fact, that all business listings are verified by the company's own call-center and so called 'field teams', who update the databases on a monthly basis. The maps are created by professional cartographers based on up-to-date satellite images and with regular on-site verification.

The consumers could be divided into 2 separate categories: users and users-advertisers. The first group, consumers, who are users, do not pay for the app, and thus, do not bring money

to the company, the relationships between the case company and such users can be described as B2C product selling. Another group, users-advertisers companies, which present in the directory with priority position, banners or any other promotional material, they pay to the case company and the relationships here could be identified as B2B service selling. In this study, the efforts are put to analyse the relationships with the second presented group, as well as their level of satisfaction with the advertising service.

As it was mentioned earlier, the concept of a new project implied free distribution and payback from selling advertising spaces. Aside from free distribution of the app, all existing organizations and companies in the city are imported in the directory system for free either. This concept has remained the same, and now 98% of income is generated by selling advertisement to organizations and companies presenting in the directory, and 2 other percent come from direct investments.

3.3 Stages of the research

Stages of this research, their objectives and outcomes are presented in Table 5 and described further below.

Table 5. Stages of the research, objectives, and outcomes of the stages

<i>Research stages</i>	<i>The stage objective</i>	<i>The stage outcome</i>
1. Participant observation	<ul style="list-style-type: none"> - To understand the working process in the sales department and its rules; - To get familiar with the rules of cooperation process with client-companies; - To learn about the case company service specifics, types of advertising packages. 	During the participant observation, the background of the case company, its service, and cooperation process with client-companies was clarified. Participant observation contributed in organizing further interview and developing questions for it.
2. Interview	To identify the case company problem and objectives for the research	Interview contributed in identifying the main research areas, research questions and hypotheses, research technique and developing the questions for the survey which helped to solve the problem of the case company

Table 5. Stages of the research, objectives, and outcomes of the stages (continues)

<i>Research stages</i>	<i>The stage objective</i>	<i>The stage outcome</i>
3. Survey	To organize the questionnaire and obtain the data for further analysis	The online survey was conducted, the data for the analysis were obtained
4. Data analysis	To check the hypotheses of the research and reach the aim of the research	The hypotheses were checked, the recommendations list for the case company was organized

The first stage of the research was the participant observation. During the participant observation, the background of the case company, its service, and cooperation process with client-companies was clarified. The results of the participant observation could be found in chapter 4.1.1.

The case company and research problems had to be identified and therefore qualitative research technique – the interview with the case company representative (namely, marketing CEO) was conducted, as, according to Johnson (2008), it helps to understand, interpret and then present the problem. The interview also contributed in formulating the hypotheses for this research (Table 4).

The survey is the most popular research technique in the business and marketing environment, related to quantitative methods, where the questionnaire is prepared and a certain group of people is interviewed. In this study, an online survey was conducted. The survey of this study contains questions, which can be divided into 2 groups: questions based on the literature review and those, which related directly to the client-company, its activities, and conditions of cooperation. The questionnaire is presented in Appendix 3. The survey and covering letter was sent to the case company, where its marketing specialists conducted it online.

After data collection process, the data were analysed in order not only to check the hypotheses but also to compose the recommendations list for the case company. The methodology of analysis is described further in chapter 3.4.

According to all information provided above (in chapter 3.1 and 3.3), the systematized table was composed (Table 6):

Table 6. The structure of the research methodology

<i>Research questions and sub questions</i>	How can the level of customer satisfaction be raised?	Which service's characteristics influence the level of overall satisfaction of the client-companies and what is the strength of this influence?
		Which service's characteristics are needed to be improved and in what order?
	Under what conditions customer satisfaction level influences the volume of the advertising expenditures?	Do the client-company's marketing campaign characteristics influence the volume of advertising expenditures?
		Does the current term of cooperation influence the volume of the advertising expenditures?
<i>Type of purpose of the research</i>	Explanatory	
<i>Research Strategy</i>	Single case study	
<i>Method of data collection</i>	<ul style="list-style-type: none"> • Qualitative method for observing the working process • Qualitative method for identifying the problem • Quantitative method for data collection 	
<i>Technique for data collection</i>	<ul style="list-style-type: none"> • Participant observation (working in the case company) • In-depth interview with the case company representatives • Online-surveys. The respondents are current clients of the company 	

3.4 Methodology of analysis

The participant observation lasted for one year – the period when the researcher was working in the case company as a sales manager. It helped in better studying and analysing secondary data about the case company.

The interview with the case company representative (namely, marketing CEO) was conducted in December 2016, and its transcript and minutes are confidential, only the main points are described in the thesis. After the interview, the author followed these seven steps:

1. Collect existing theoretical and practical materials on the defined problem;
2. Develop the questionnaire for the survey, using the scales and concepts applied in the previous studies ;
3. Build the sample frame and sampling strategy for data collection;
4. Conduct the survey;
5. Analyse collected data;
6. Discuss the results and position the results against the previous research;
7. Make a conclusion based on the outcomes.

Thus, the next step in the research analysis was the analysis of the survey data. The process of obtaining the data from the survey has ended at 15th of April 2017 due to Master's Thesis's time limitations. The analysed data consider providing the results, which were collected from 123 respondents at that moment. Since in this work we study the degree of customer satisfaction, which depends on the time of cooperation with the company (Griffin, 2002), interviewed clients were divided into groups in accordance with the term of cooperation. Thus, probability stratified quota sampling was used (Table 7). Besides, the case company's marketing specialists set the quota, in other words – the minimum number of companies to be surveyed per strata at the rate of 25, and at that moment (15.04.2017) number of respondents in strata was almost equal.

Table 7. Number of respondents in strata on the 15th of April 2017

Stratum 1	Stratum 2	Stratum 3	Stratum 4
<i>Cooperation lasting less than 4 months</i>	<i>Cooperation lasting 4-8 months</i>	<i>Cooperation lasting 8-12 months</i>	<i>Cooperation lasting a year or more</i>
30 answers	34 answers	29 answers	30 answers

Variables of the survey for further analysis include dependent, independent and control. Operationalization of variables could be found in Appendix 4.

Independent variables are overall level of customer satisfaction, the required term of the client-company's advertising campaign, the required frequency of the client-company's advertising campaign and term of current cooperation.

The overall level of customer satisfaction is expressed in 1-5 scale, where 1 is “Extremely Dissatisfied” and 5 is “Extremely Satisfied”.

The required term of the client-company’s advertising campaign means for how long the client-company prefers to promote their product or service not only through the case company’s advertising service but in total, through all the promoting sources. The required term is divided into 4 categories: long-term (over 5 years), medium-term (from 1 to 5 years), short-term (less than 1 year) and one-time.

The required frequency of the client-company’s advertising campaign is expressed in required frequency of exposure, which means the required number of customers’ interaction with the advertisement. In other words, it is a number of times customers should see the client-company’s advertising proposal, which will be enough for the client-company to sell such number of product/service items that will be enough to reach the client-company’s desired level of sales. The frequency of exposure also consists of 4 categories: high frequency (frequency of exposure more than 30 times a month), mid-frequency (frequency - from 10 to 30 times a month), low frequency (frequency - less than 10 times the exposure per month), resonant (seasonal, with the definition of frequencies and the period of time at which the effect of advertising influence is repeatedly amplified).

The term of current cooperation between the case company and the client-company is presented in 4 categories according to the available contract terms suggested to the client-company by the case company: less than 4 months, from 4 to 8 months, from 8 to 12 months, and more than a year.

The dependent variable is the advertising expenditures, which is expressed in the current sum of money spent on the advertising through the case company’s advertising service per month. The advertising expenditures of client-companies form the total sales volume of the case company and serve as the case company’s performance indicator in this work. There are 5 groups of the advertising expenditures, which were proposed by the case company according to the available advertising packages: less than 15 000 roubles, 15 000 - 25 000 roubles, 26 000 - 50 000 roubles, 51 000 - 100 000 roubles, over 100,000 roubles.

The control variable is the size of the client-company which is coded from 1-4 according to the number of employees, where 1 means micro enterprises (less than 15 employees), 2 is small enterprises (15-100 employees), 3 is medium enterprises (101-250 employees) and 4 is large enterprises (more than 250 employees).

To sum up, the survey provided the information, which made it possible for the researcher to check the hypotheses mentioned in Table 4. Besides, in this research, various parameters of companies were studied and analysed, such as industries, the size of the company, marketing features, and what level of satisfaction with the case company's product the client-companies with these different parameters have. Moreover, the areas of improvement were identified when comparing the level of satisfaction of certain factors with their rate of importance.

The survey data have been analysed with the help of Webropol reports service, Microsoft Excel tables and graphs and statistical application software SPSS 22.0. The results are presented as such: at first descriptive analysis via Microsoft Excel, then statistical analysis via SPSS 22.0 in chapter 4.1.3

4 EMPIRICAL PART

4.1 Results of the participant observation

The following chapters (4.1.1 and 4.1.2) include the outcome of the participant observation describing the cooperation process with client-companies and specifics of the advertising service.

4.1.1 Cooperation between the case company and companies-clients (B2B service)

The advertising model of cooperation is based on interaction with a client-company, its sales manager, service managers, designers and programmers (Figure 6).

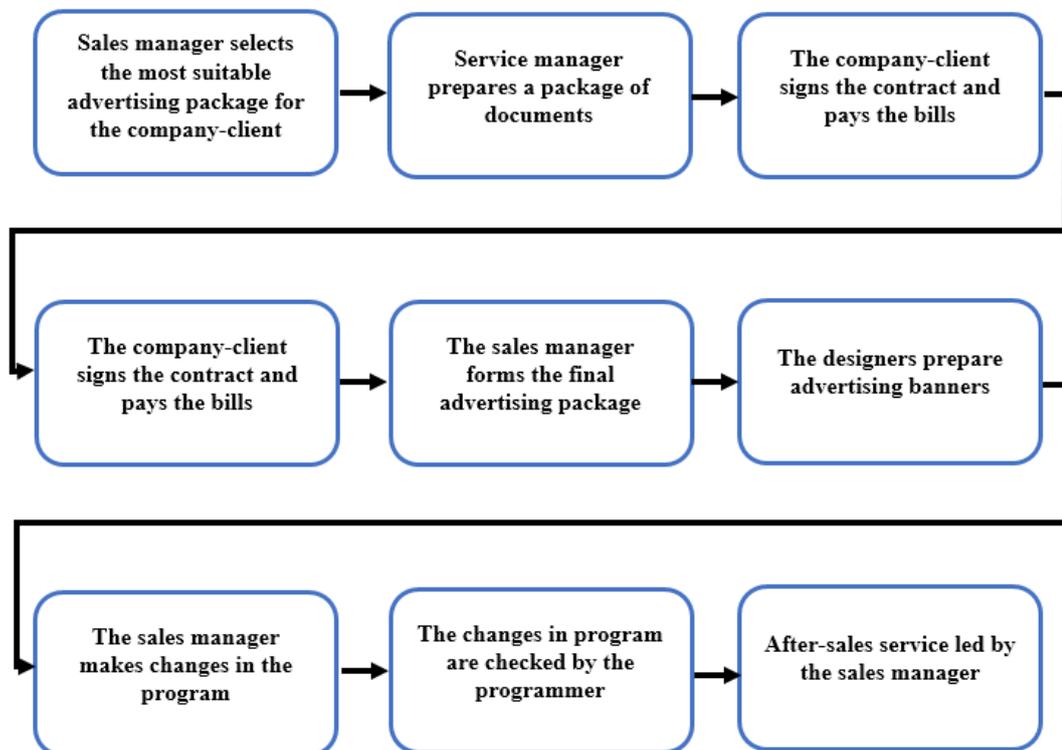


Figure 6. Advertising model of cooperation

The basis of cooperation between companies is formed by sales managers of advertising opportunities, who participate in this process as intermediaries. Cooperation, in most cases, begins with a “cold” call from the manager to the company, which is assumed to be a potential client of the case company. In the process of this call, the manager must go through the following steps:

- 1) Get acquainted with company and a person who is responsible for making decisions in promoting and advertising issues;
- 2) To acquaint the company with the product of the case company, in case they do not know anything about it;
- 3) Update information represented in the company's card (portfolio) in the service;
- 4) To acquaint the company with promotional opportunities and advertising package of the case company;
- 5) Choose the ideal package, which will meet the needs of the potential client, and promotional conditions for the company in accordance with specifics of their business.

After that, the service manager prepares a package of documents, including a service agreement and billing invoices, which should be signed by both parties. The client-company pays the bills and begins to prepare the base for the formation of the advertising package: the text, the logo of the company, the wishes for the appearance of advertising and its content. The sales manager forms the final advertising package and redirects it to designers of the case company, who prepare advertising banners. The next step is to get approval from the client that the advertisement corresponds to his wishes and requests and if everything meets the needs of the client-company, the sales manager makes changes in the program, which then are checked by the case company's programmers. The final step is after-sales service. Basically, parties involved in direct interaction are the client, the sales manager and the service manager (Figure 7).

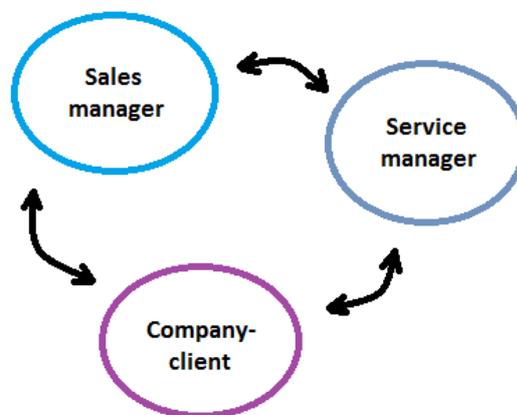


Figure 7. Parties of direct interaction in the cooperation process

All the issues concerned to promotional activities and advertising package, as well as a marketing campaign, are solved between the sales manager and the client-company, when issues concerned to documents, workflow and payments – with the service manager. Sales managers' and service managers' steps are strongly related to each other and could not be continued until the questions and information are not confirmed by another party. For example, the sales manager should not start working on the creation of advertising package until the service manager confirms the client-company's payment.

Besides succeeding in formal cooperation model and building perfect interaction among parties of this process, the case company tries to obtain not a "client" but a "partner". Here it is meant that the main goal of the company is to build such relationships with the client, that he will not feel like being just an ordinary buyer, who brings money to the company. The case company puts efforts to prepossess the client-companies through additional cooperative events, like business-breakfasts, conferences, competitions, etc.

4.1.2 Promotion and advertisement in the case company's directory

The advertising in the case company service is presented as additional information in the directory and complements the information about the company. The company offers various formats of advertising for various purposes of clients' business. There are more than 50 advertisement positions in the directory, which are divided into media and contextual advertising. Media format of advertisement is seen by all users of the desktop and online versions directory. The purpose of such type of advertisement is to tell everyone about the company or product itself, support the brand or enhance recognizability. The minimum term of a contract for media advertising is one month, but only in exceptional cases, for example, with a clearly marked seasonality of the business. Usually, a contract is concluded for a period of 4 months or more.

The contextual format is used to attract customers in the category of companies which suggest the same product or service, in other words, its purpose is to stand out the client-company among competitors. The difference of contextual format from media format is that it is represented by packages including several advertising items. For example, the minimum contextual advertising package includes a short and expanded description of the company and product and a banner in the certain rubric. Usually, companies-clients wishing to

strengthen their power among competitors, buy additional items like “logo on the map” and “priority in the rubric”, which means that they will come dome positions above their competitors and will be in the top one, top five or top ten of the companies, according to the purchased position and price paid for it. Sometimes, companies-clients prefer buying both formats in order to strengthen the influence of the advertising campaign on the user. The minimum period for contextual advertising is four months.

As it was mentioned earlier, usually minimum contract term is four months, next available contract term – eight months, then twelve months and more than twelve months. In order to have more long-term contracts, the client-companies can receive discounts. The size of the discount depends on the term of advertisement placement in the directory, the longer the contract term is - the greater the discount is.

Another important issue in the cooperation is after sales service, which is led by the sales manager, who becomes client-company’s personal manager. A personal manager must communicate with a representative of the company in charge of promotion at least once a month and discuss the following issues:

- Current data in the client-company’s directory card and the need for changing it or updating;
- Appearance and content of the advertisement and the need to change it;
- Current statistics about views of advertising and responses to it;
- Whether the client-company observes the effect of advertising and how the client-company measures it.

To monitor the effect of advertising and to present statistical data to the client, the case company created a special tool in its directory – “personal area”, this tool helps the client understand if his advertising is effective or not, as well as input some changes to its card or advertising text. The client-company can see, how many people have seen his advertisement, how many have clicked it, seen their phone or gone to their web site.

When the term of the contract is ending, the main objective of the personal manager is to prolong the contract by discussing the current effect and further perspectives of the cooperation. The case company has worked out the discount loyalty-program for current

clients, which offers discounts for further cooperation, however, the main problem is that there has become fewer clients who agree to prolong the contract, even if they seemed to be satisfied with the provided service. That explains the formulation of the research problem, questions, and objectives of this study.

4.2 Results of the interview

The interview with the case company representative (namely, marketing CEO) was conducted and contributed in presenting the problem of the case company. Moreover, this interview helped to understand the objectives for the research, formulate the research questions, choose the research technique and organize the questionnaire.

The interview was conducted in December 2016 and its transcript is confidential, only main points are described in the thesis. The B2B service of the case company is selling advertising spaces in the directory to the organizations, which are presented there, which brings 98% of total income to the company. The main condition of the B2B contracts is that its term should be not less than 4 months (4, 8, 12 or more months). According to this interview, the problem of the case company is that after the term of the contract has ended, some companies-clients are not going to prolong the contract (to repurchase) and the number of such companies is increasing. Therefore, the main assumption of the company's managers is that they cannot retain the client-companies because those are not satisfied with their advertising service. Besides, the representative of the case company made a list of main concerns during the in-depth interview:

- What is the level of satisfaction of the clients-companies now?
- What are they satisfied/unsatisfied with?
- What is needed to be improved to get more satisfied client-companies?

Moreover, to control the results, the case company representative had the aim to check whether other factors can influence the advertising expenditures of the client-companies in the directory such as the client-company's overall marketing campaign features and term of current cooperation.

4.3 Results of the survey

4.3.1 Customer loyalty indicators analysis

The first three questions of the survey were aiming at assessing the overall level of customer satisfaction and answers are based on the first client's feelings coming up to his mind, before thinking of the details. These first three questions are followed by answers and are presented separately at first. The answers are expressed in the diagram (Figure 8). The obtained average score of all three parameters is illustrated in Figure 9 and given an explanation.

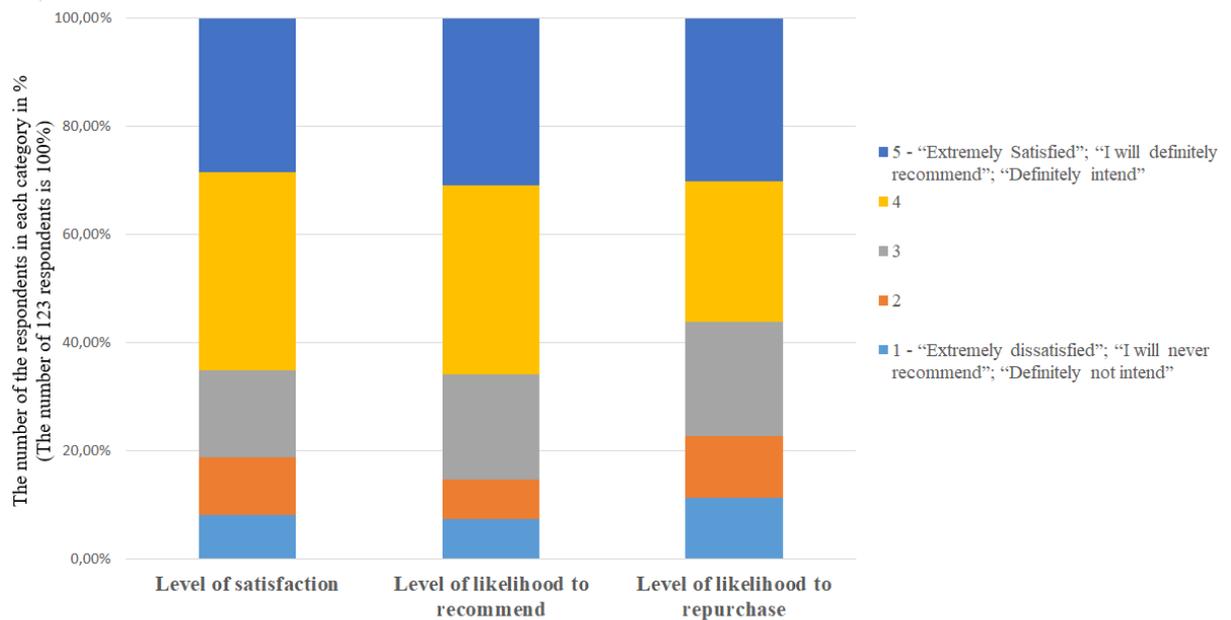


Figure 8. Level of overall satisfaction, likelihood to recommend and likelihood to repurchase

At first glance, it seems that the level of overall satisfaction is very high, as more than 36 percent of respondents rated it at "4", and over 28 percent at "5". However, the percentage of respondents who are completely unhappy is quite significant – 8.13%.

The percentage of the respondents who are ready to recommend the service is relatively high – almost 31% of the client-companies will definitely recommend placing advertising in the service to their partners and friends at the rate of "5", and about 35% are willing to recommend at the rate of "4".

The third question is about the likelihood to repurchase, or according to the specific of the contract system, to continue the cooperation by prolonging the advertising contract. The

situation with likelihood to repurchase is ambiguous. Despite the fact, that the largest percentage of respondents - 30% - definitely intend to continue cooperation, a large percentage of respondents doubt in their decision, 11.38% - definitely do not want to repurchase at the rate of “1”, 11.38% are at the rate of “2”, which is also not so promising, 21.14% are at the rate of “3” and it could mean that something also stops them in making positive conclusion about their willingness to place their advertisement in the directory once more.

The central concept of this research is customer satisfaction, but the concept, which is also significant in this thesis, is customer loyalty because the case company is interested in measuring it as well (since the problem of the case company is with the likelihood to repurchase and that means, in retaining the client-companies). However, it is not the main topic of this research, because customer loyalty measurements could be useful for the company only in case of measuring it systematically and this research is limited in time. Nevertheless, the first steps towards researching customer loyalty have been made.

According to Polaris Marketing Research, these three indicators (overall satisfaction, likelihood to recommend and likelihood to repurchase) are the components of customer loyalty, and the customer can be defined as “loyal” when all three measures show high results (Figure 9). Moreover, the authors argue, that these indicators in terms of loyalty can show the likelihood of customers to switch to competitors. These researchers suggest the scale with levels of risks, which represents the upside-down scale of customer loyalty indicators level. According to this scale, the customer is about to become indifferent to the service when the level of risk is 40%, thus the level of customer loyalty at the rate of 60% is critical and that is the “switch to competitors” line (Polaris Marketing Research, 2015). In the scale used in this measurement 100% is meant that all the respondents have chosen the highest score at the rate of “5”, thus we have the average score of each indicator of all the respondents and assume that the score 5.00 is 100%. If all three parameters exceed the “dangerous” level, it can be claimed, that averagely the client-companies are loyal and are not likely to switch to competitor’s services.

Customer loyalty level is suggested to be the average value for 3 parameters: level of overall customer satisfaction, the level of likelihood to recommend and level of likelihood to repurchase, and thus could be easily counted. The general level of customer loyalty of the

case company, according to this research is 3.64 (which is 72.8%, if 5.00 is 100%). To confirm the reliability of these 3 scales used for the customer loyalty measurement Cronbach's Alpha coefficient was counted via SPSS. The Cronbach's Alpha value for the overall level of satisfaction is 0.904, for likelihood to recommend – 0.903 and for likelihood to repurchase – 0.904. It means that the scales are reliable and are appropriate for further systematic analysis.

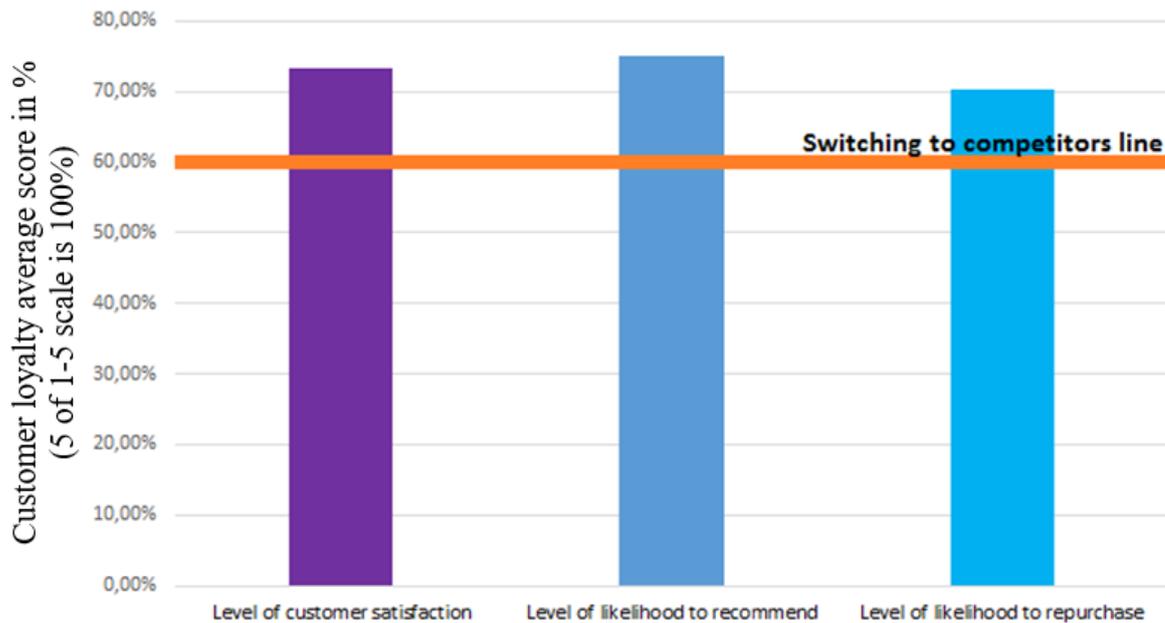


Figure 9. Customer loyalty indicators

Customer satisfaction is the first step to winning customer loyalty and customer loyalty is the key to the company's profit success (Hill, 2000). And it is confirmed by Lentonen, who reports that customer loyalty represents one of the key success factors in organizational and financial meaning and can be seen as the way of enhancing total organizational performance (Lentonen, 2012). Thus, the level of customer loyalty should be constantly compared with the client-companies' advertising costs, and it should be compared in dynamics. But since this is the first study on this topic, there is no opportunity to track the relationship of this index to the profit. The case company is suggested to conduct this study periodically and compare the newly obtained data with the previous ones.

Next step is to check the relationships between overall customer satisfaction level, advertising expenditures, the size of client-companies, the industry of client-companies,

client-companies' marketing campaign features and term of current cooperation and check the hypotheses presented earlier. Firstly, the data were analysed with the help of Microsoft Excel and the descriptive analysis of the results are presented. After the descriptive analysis, the outcomes of it were checked using SPSS 22.0 software.

4.3.2 Results of the descriptive analysis

Companies' performance is largely dependent on the degree of customer satisfaction (Anderson, 1997; Hill, 2000). This statement was also checked in terms of this research. In this thesis, the company's performance is supposed as the sum of the advertising expenditures of the clients, which is simply, the sales volume. The data obtained were filtered as such: firstly, by the respondents, considering their level of overall customer satisfaction to be at the rate of "1", then, those who consider it to be at the rate of "2", then at the rate of "3", and so on. Let us see what the expenditures on advertising of these categories are (Figure 10).

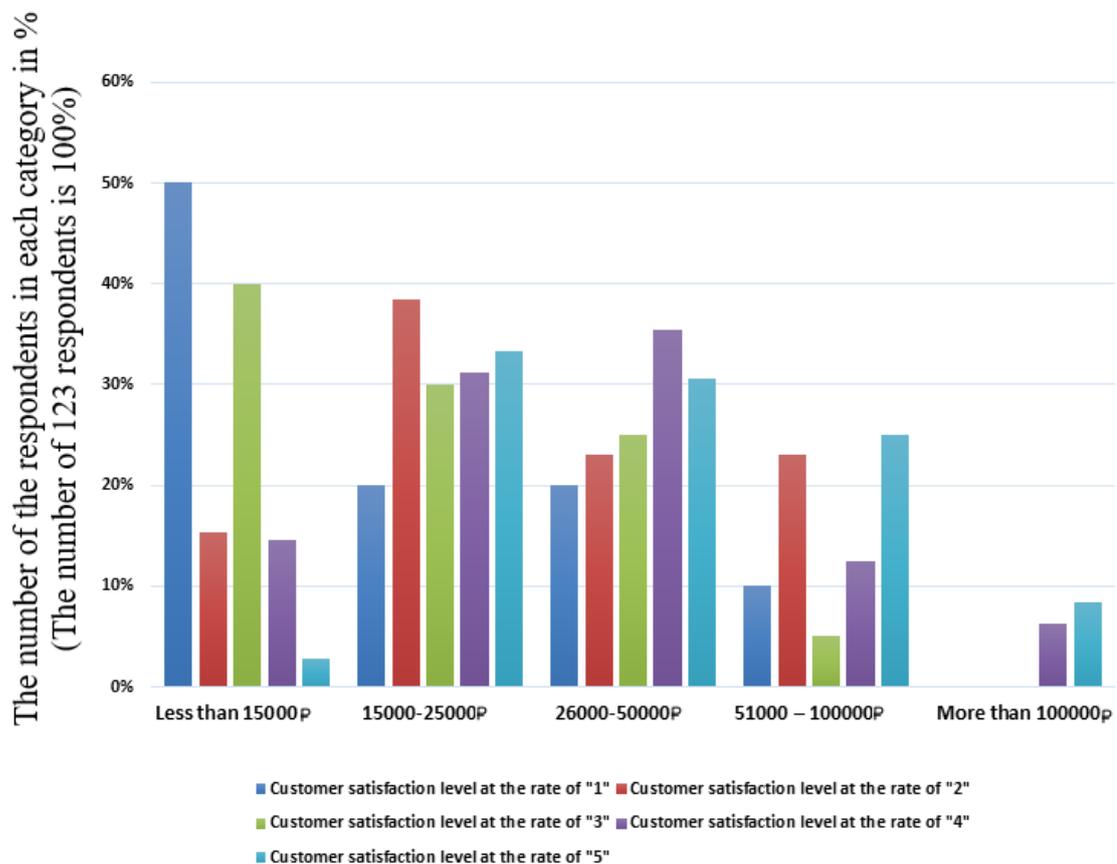


Figure 10. The advertising expenditures of different categories of the client-companies

This figure shows, that only those client-companies, which are more satisfied (at the rate of “4” and “5”) spend more than 100 000 roubles on advertising in the directory (Figure 10). It could be assumed, that in these cases the level of satisfaction is supported by the level of trust to the company. However, it is difficult to trace a clear correlation between the level of satisfaction and advertising costs, because this figure shows how the answers provided by respondents are different, and therefore it is impossible to identify some tendency. For example, the highest amount of respondents, who are totally satisfied with the service, spend from 15 000 to 25 000 on advertising. In order to better understand the dependency of satisfaction level and the advertising expenditures, the correlation graph was built (Figure 11). The level of satisfaction is located in axis “x” and the advertising expenditures – in axis “y”. Larger circles show a larger amount of respondents in a certain category. The red line – is the fit line, which represents the best approximation of the dependencies.

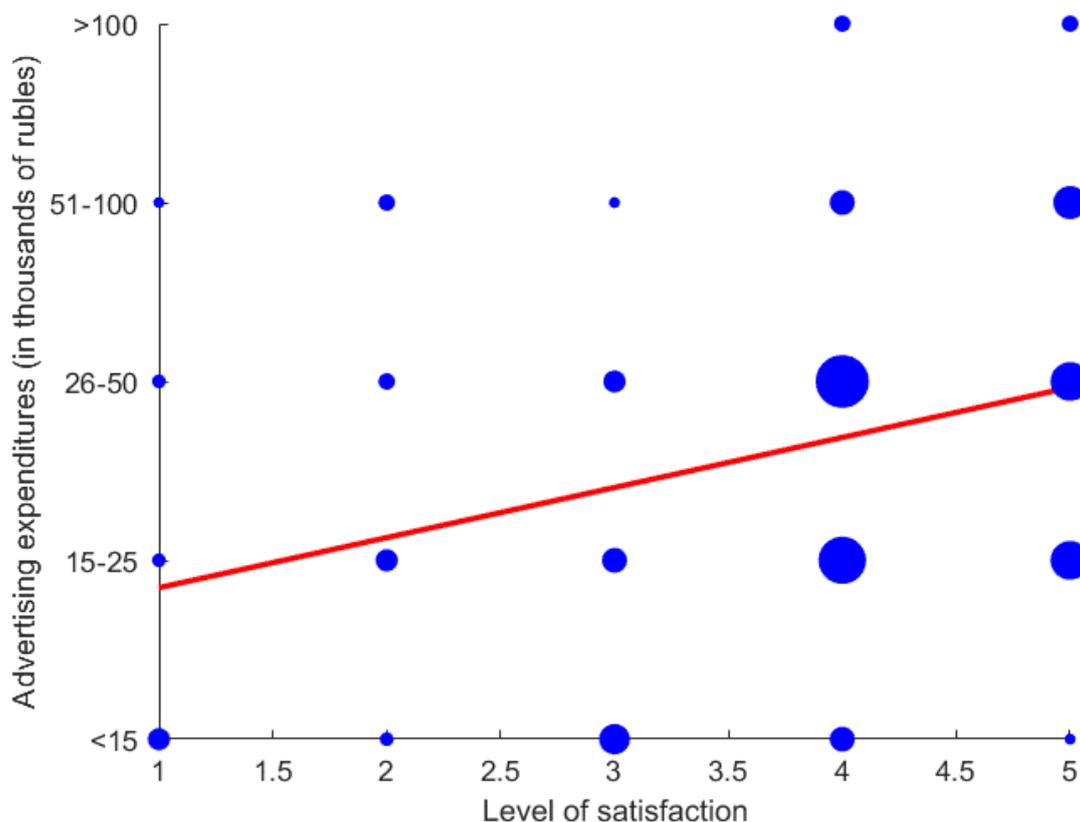


Figure 11. Correlation of customer satisfaction level and advertising expenditures

In case of straight correlation of these categories, larger circles would be placed close to the fit line, and here, in this situation it is almost so, however, there are some circles of

significant size, which are located far away from this line, thus, it cannot be proved that there is a strong straight link between these 2 parameters. It can be assumed that this link could exist with some moderators, and it will be checked in further analysis.

In this study, it was expected that following parameters can differentiate in the level of satisfaction and influence the volume of expenses on advertising of the client-companies:

- Industry;
- Size of the company;
- Features of client-companies' product/service marketing (term of promotional activities and their frequency);
- The term of current cooperation.

The following figure represents the average value of satisfaction level in different industries (Figure 12).

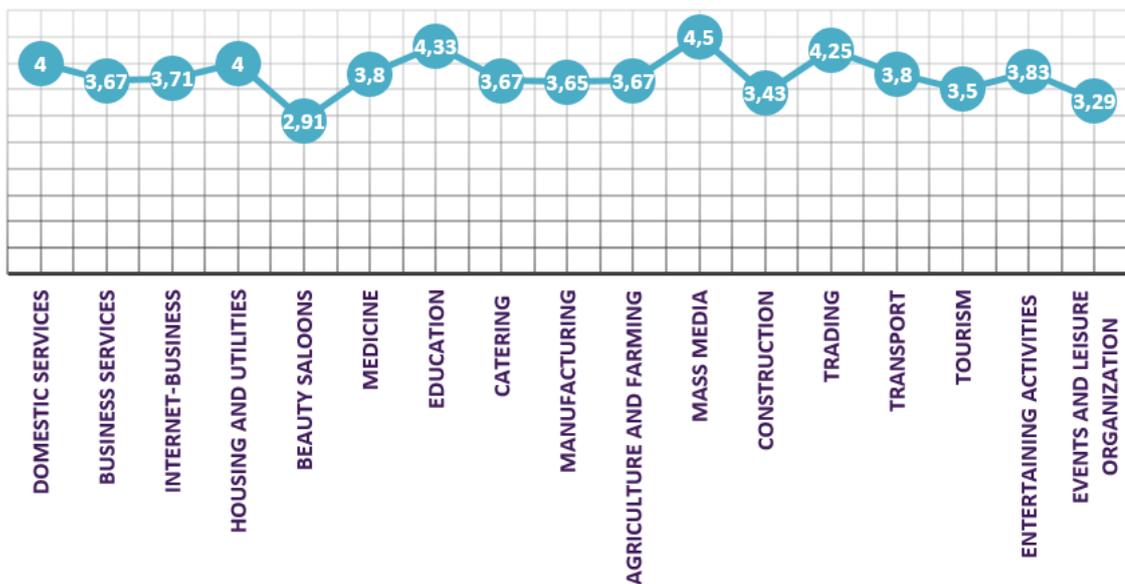


Figure 12. Level of satisfaction of different industries' client-companies (1-5 point scale)

According to the graph, the most promising industries with the level of satisfaction index value more than “4” are domestic services, housing and utilities, education, mass media industry and trading. It could mean, that for these industries, the service – advertising in the directory, better meets the needs of client-companies and their expectations, or it also can

mean that the auditory of the directory seeks for such companies and their products and services and contact these companies more often. Any tendency referring to the link between industry and the advertising expenditures was not found, according to obtained data presented in Appendix 5. Besides, the sample in each industry is small and ANOVA analysis would not show reliable results. In each industry, there are companies, which spend different amount of money on advertising, and it could be caused by various specifics of companies' businesses. Besides the sample in each of 18 industries is small, therefore the data are not generalizable. One possible way of generalizing the data is to categorize these industries into sectors: service and manufacturing sector. However, in this case, the sample is not equal – 83 responses from services sector and 40 responses from manufacturing. Thus, the reliable results cannot be obtained in this direction due to not enough and not an equal amount of data in samples.

The next issue to be analysed is the link between the size of the company and overall level of satisfaction and the advertising expenditures. The question of the survey specifying the size of the company was:

“My company accounts ...”

- Less than 15 employees
- 15-100 employees
- 101-250 employees
- More than 250 employees

The classification of Russian enterprises delineates enterprises into micro enterprises (less than 15 employees), small enterprises (15-100 employees), medium enterprises (101-250 employees) and large enterprises (more than 250 employees) (Sergeyev, 2005). The relationship between client-companies' types and level of satisfaction is presented in Figure 13.

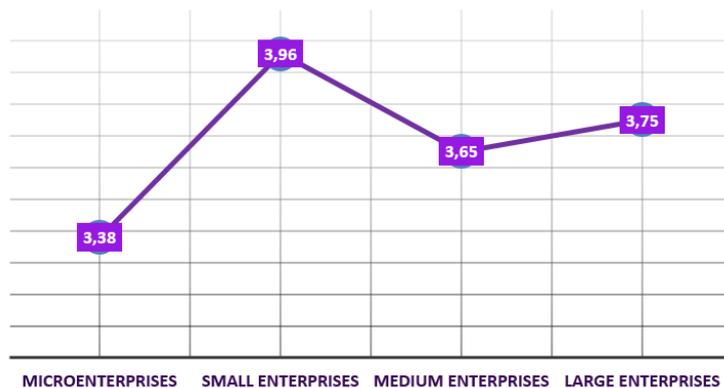


Figure 13. Overall satisfaction level of different types of companies (1-5 point scale)

It is approved that small enterprises are more satisfied with the service, large enterprises also show a high level of satisfaction, the next is medium enterprises and the least satisfied client-companies are micro enterprises according to the graph. If we look at the advertising expenditures of different types of companies (Figure 14), we can see “total winners” in each category of expenditures.

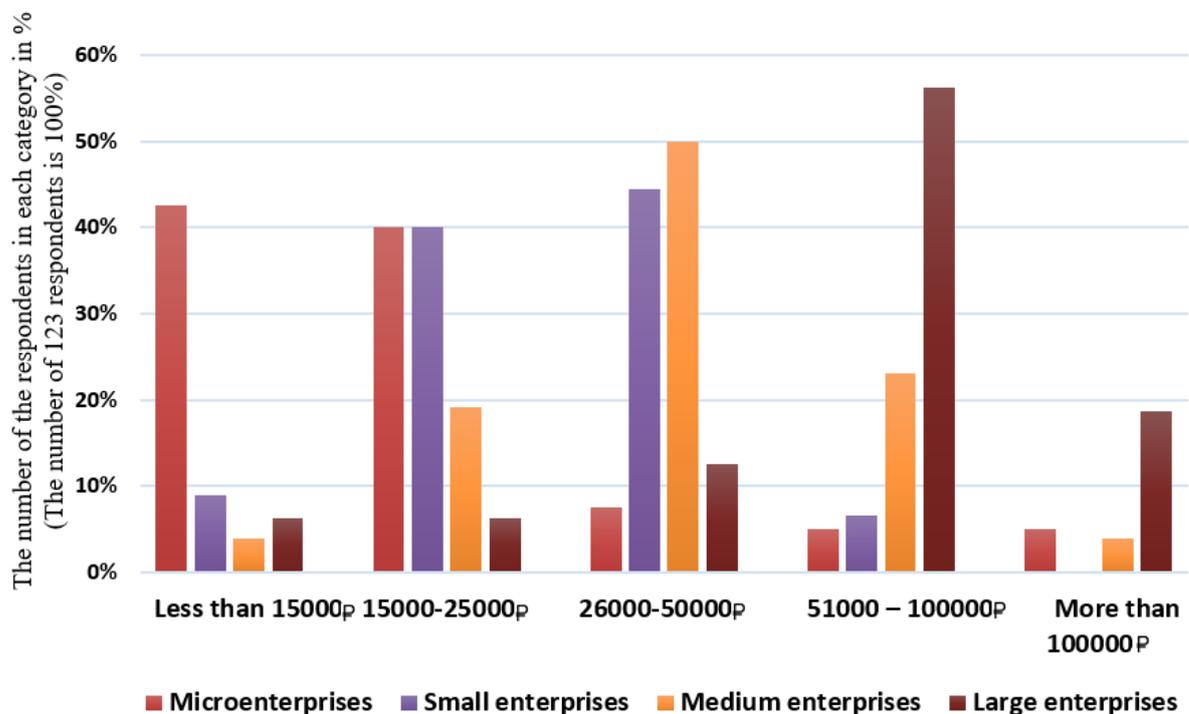


Figure 14. The advertising expenditures of different types of enterprises

The level of micro enterprises' expenditures on advertising is minimal, up to 25000 roubles, small businesses in most cases spend on advertising more, from 15000 to 50000 roubles,

when medium enterprises' expenditures mostly higher, from 26000 to 100000 roubles. And large enterprises are the most profitable clients for the case company, paying for advertising from 51000 roubles and more in most cases. Thus, with the help of the graph, it became easy to understand, that usually there is a direct dependency between the size of the client-company and its promotional or marketing expenses. Despite this, there are, of course, not typical situations, when for example, micro enterprises buy the most expensive advertisement in the directory, and when large enterprises prefer the cheapest one, however, they are assumed to be the outliers as their amount is low. In the case of this research, the size of the client-company can serve as a control variable.

In the survey there are 2 questions about the marketing features of companies, the first one is about the term of advertising preferable for the company: long-term (over 5 years), mid-term (1-5 years), short term (less than 1 year) and one-time (Vasilyev & Polyakov, 2006). The second question refers to frequency of exposure of advertisement and is divided into 4 categories: high frequency (frequency of exposure more than 30 times a month), mid-frequency (frequency - from 10 to 30 times a month), low frequency (frequency - less than 10 times the exposure per month) and resonant (seasonal, with the definition of frequencies and the period of time at which the effect of advertising influence is repeatedly amplified) (Mudrov, 2005). Figure 15 shows overall level of satisfaction of these groups while figures 16 and 17 represent their advertising expenditures.

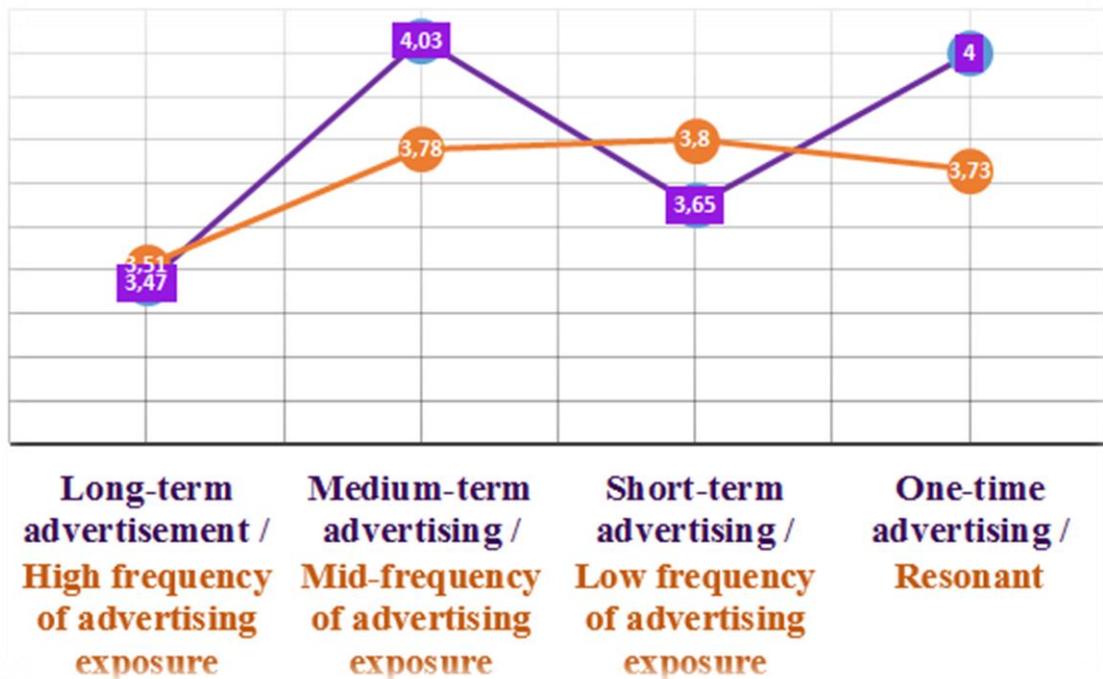


Figure 15. Level of overall satisfaction of the client-companies with different marketing campaign features (1-5 point scale)

The research showed, that the needed frequency of advertising exposure of a company has no link with overall satisfaction level due to very close, almost the same average rates, and ANOVA is not significant. Therefore, it can be assumed that the advertisement in the case company directory is flexible and can provide a suitable package for various client-companies' needs in terms of frequency of exposure. What can be concluded about the term of the advertising campaign is that companies, which require medium-term advertising, are satisfied most and it can be easily explained. A company requires medium-term advertising, from 1 to 5 years, supposing that advertising has a cumulative effect, and to succeed the client-company needs to remind its customer about its product or service for a long period of time, according to specifications of its business. At the same time, the directory's advertisement packages are formed in such a way, that they bring more customers to client-companies with times. This proposal will also be checked further when the term of cooperation influence will be analysed. Nevertheless, the surprising fact is that the client-companies demanding one-time advertising also have a very high level of satisfaction, it could happen when a client-company wants to tell about its new product of very high current interest in the eyes of their customers through media advertising. These are only assumptions

and the case company is suggested to check them in its further research, by dividing client-companies using different types of advertising (contextual and media) in the directory into 2 groups.

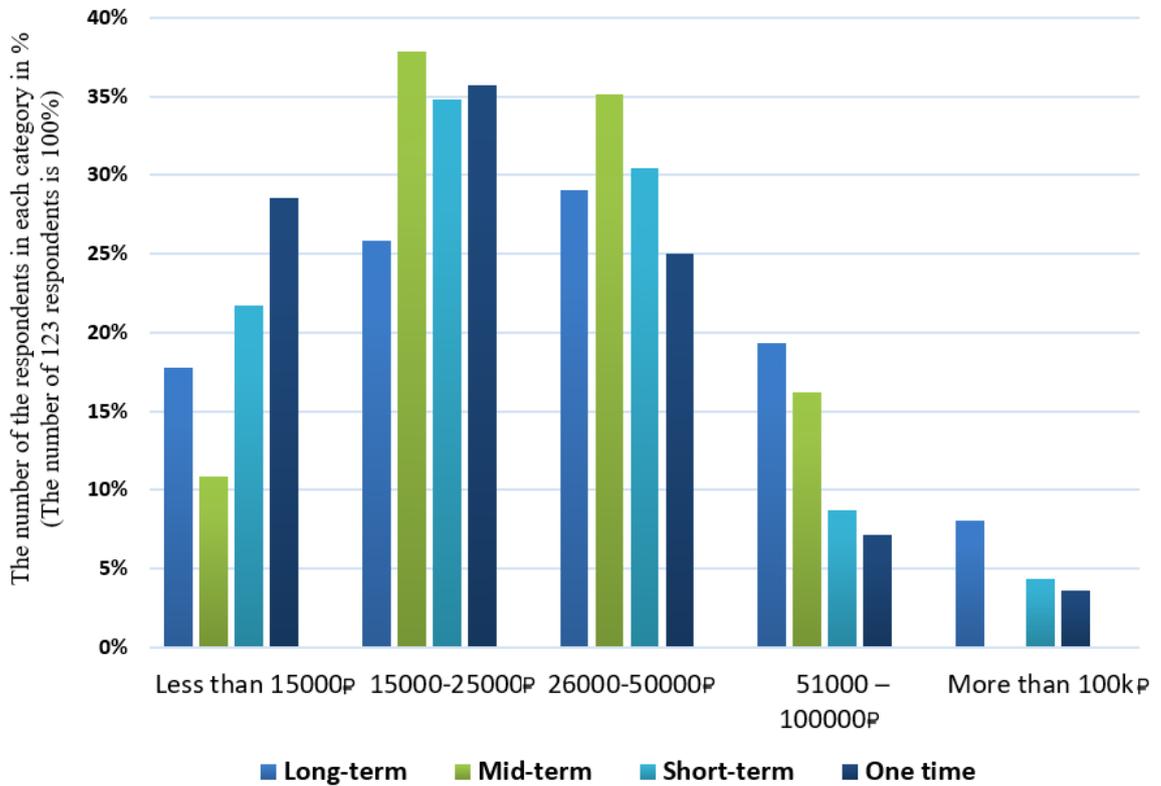


Figure 16. The advertising expenditures of client-companies requiring different term of advertising campaign

Obtained data do not represent the dependency between required term of the advertising campaign and the advertising expenditures, showing that in most cases all these categories of companies spend from 15000 to 50000 roubles on advertising in the directory.

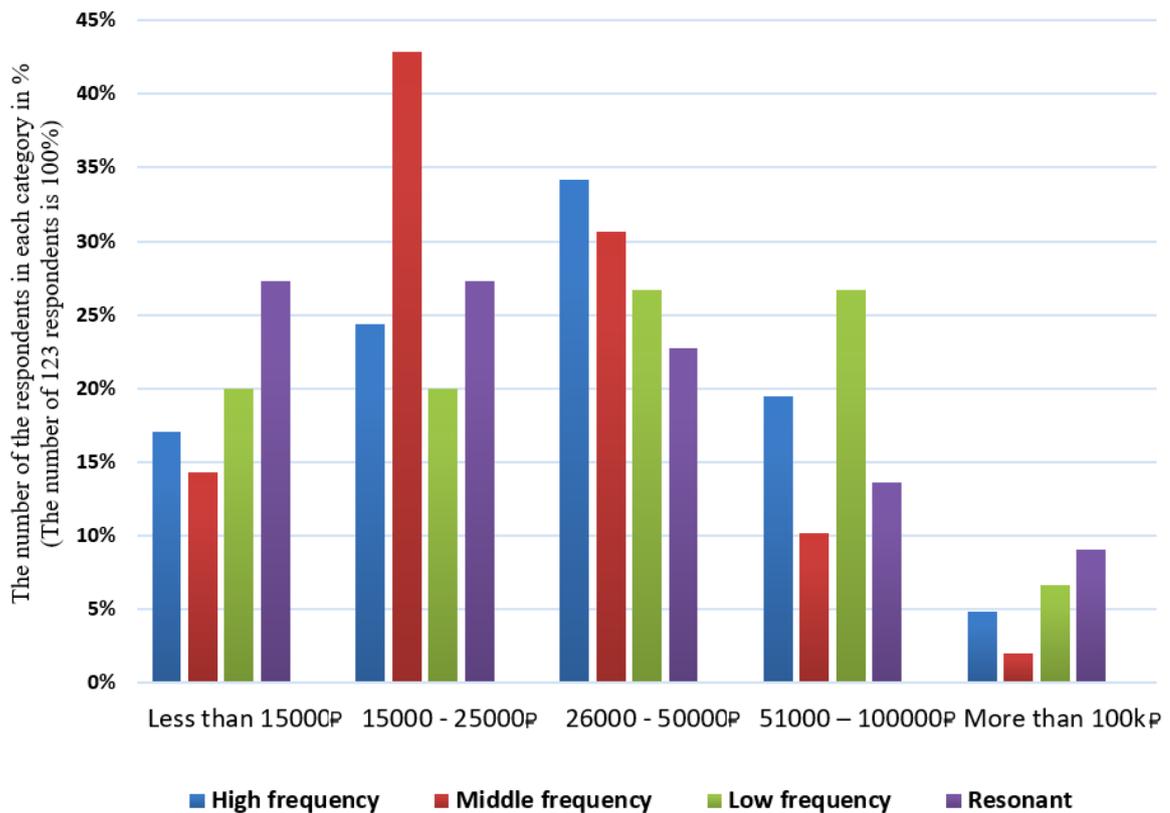


Figure 17. The advertising expenditures of client-companies requiring different frequency of exposure according to their advertising campaign

One of the main features of advertising in the directory is the constancy of advertisement during the whole month. It means that the client-company cannot change any advertising position as well as the content of its advertisement or anything else, advertisement in the directory is not flexible in terms of frequency of exposure and companies can only choose among the positions and types of advertisement (contextual or media). According to the graph, the majority of companies requiring a high frequency of advertising exposure spend from 26000 to 50000 roubles, when companies requiring mid-frequency, prefer spending from 15000 to 25000 roubles on advertising. Companies with a seasonal business, leading resonant advertising campaign, spend less, in most cases less than 25000 roubles. However, companies which are interested in low-frequency of exposure (3d category) purchase advertisement of higher price – from 26000 to 100000 roubles, and thus for the results of the third category it cannot be concluded, that the higher the frequency of exposure is, the more money is spent on advertisement.

The last indicator, which influence is going to be analysed is the term of cooperation with the case company. Earlier in the thesis, it was mentioned that for carrying out the survey, respondents were allocated to 4 strata, according to the period of cooperation. Griffin said that customer satisfaction depends on the time of cooperation with the company (Griffin, 2002), this statement is going to be checked on the example of the case company (Figure 18).

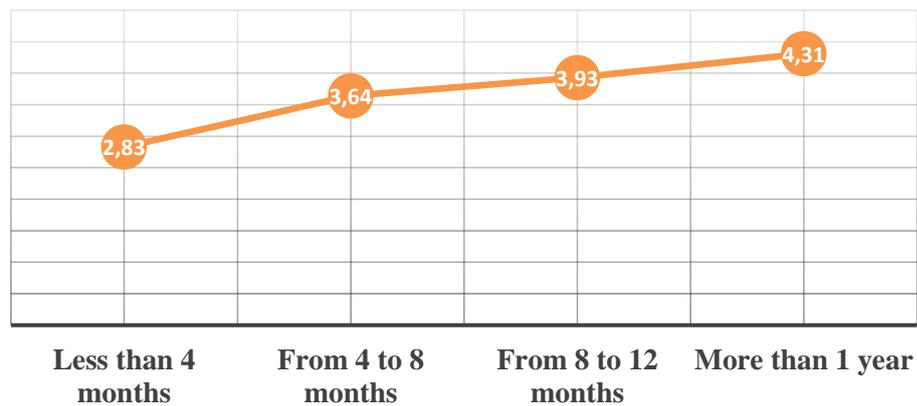


Figure 18. Level of overall satisfaction according to the term of cooperation (1-5 point scale)

The value of overall satisfaction level is growing with the term of cooperation and the graph shows the strong dependency between the term of cooperation and level of overall satisfaction. The following figure shows the level of the advertising expenditures of the client-companies having a different term of cooperation with the case company (Figure 19).

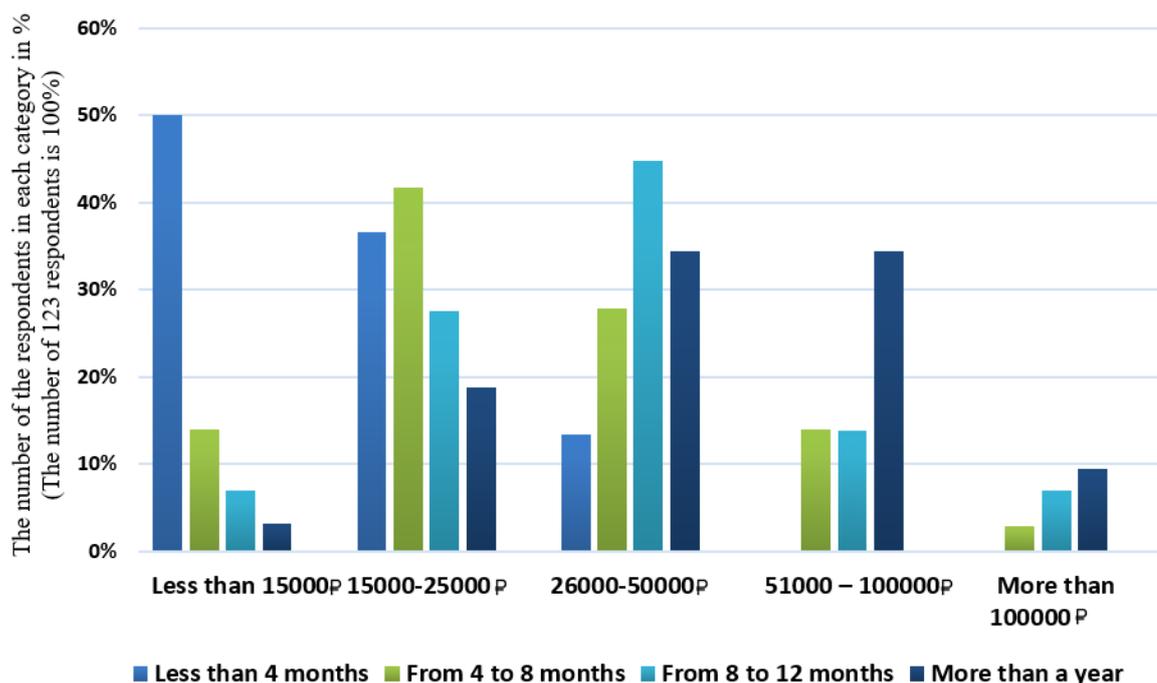


Figure 19. The advertising expenditures of client-companies with different term of current cooperation with the case company

The majority of client-companies, whose cooperation term is less than 4 months, spend less than 15000 roubles on an advertisement, when those client-companies, who have been the clients of the case company from 4 to 8 months, in most cases prefer spending from 15000 to 25000 roubles on advertising. Besides, the level of the advertising expenditures of the considerable number of client-companies who have cooperated with the case company from 8 to 12 months is varying from 26000 to 50000 roubles. The long-term client-companies, having been in cooperation for more than a year, have the highest amount of expenses – starting from 26000 to 100000 roubles and more. Thereby, in most of the cases, the longer the cooperation term, the more money client-company spends on advertising.

4.3.3 Results of the statistical analysis

To check the hypotheses and the results of the descriptive analysis statistical analysis with SPSS 22.0 software, namely regression analysis of the model (Figure 20) was conducted (using Process procedure for SPSS, Model 2). Each of the hypotheses was checked as a separate model with one moderator. The name of each model's moderators is presented under Table 8. The model summary is presented in Table 8.

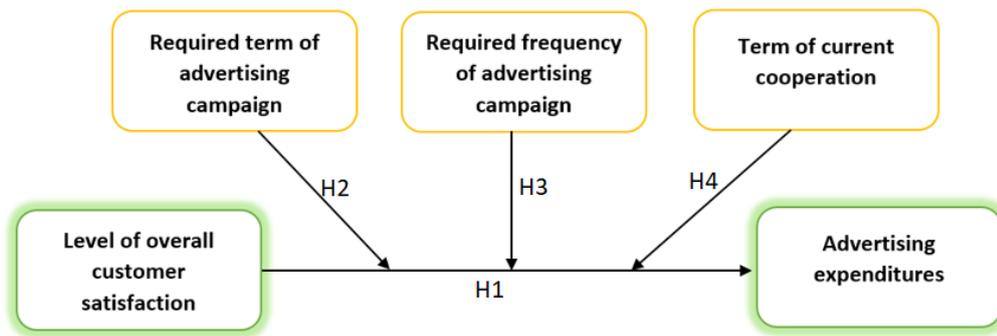


Figure 20. Research model to be checked

The overall level of customer satisfaction is expressed in 1-5 Likert scale, where 1 is “Extremely Dissatisfied” and 5 is “Extremely Satisfied”. Reliability of customer satisfaction level “Overall satisfaction (1-5)” scale was presented earlier (chapter 4.3.1), Cronbach’s alpha for this parameter is 0.904. The required term of the client-company’s advertising campaign, the required frequency of the client-company’s advertising campaign and the current term of cooperation were coded in this analysis from 1 to 4 according to categories presented in chapter 3.2.2.

Table 8. Model summary

	<i>Model 1</i>	<i>Model 2</i>	<i>Model 3</i>	<i>Model 4</i>
The required term of advertising	-0,306***	-	-	-
The required frequency of advertising	-	-0,045***	-	-
The term of cooperation	-	-	0,502*	-
Overall level of customer satisfaction	0,296*	0,291*	0,068***	0,280**
Constant	2,599	2,587	2,626	1,567
Overall level of customer satisfaction x The required term of advertising	0,631	-	-	-
Overall level of customer satisfaction x The required frequency of advertising	-	0,165	-	-
Overall level of customer satisfaction x The term of cooperation	-	-	0,376	-
R square	0,158	0,117	0,303	0,438
F	7,501*	4,847*	20,643*	12,854*

Model 1: Required term of advertising

Model 3: Term of cooperation

Model 2: Required frequency of advertising

Model 4: Overall level of customer satisfaction

*p<0.01; **p<0.05; ***p<0.1

Outcome: Advertising expenditures

R Square values show a good result and confirm the model's accuracy. Int_1 values represent whether the moderator effect exists or not and according to its values, all three parameters (the required term of advertising, the required frequency of advertising and the term of cooperation) cannot be the moderators in the link.

The significance values show, that overall level of customer satisfaction is marginally significant, the size of the company is significant (it is a control variable), the term of cooperation is significant too when required term of the client-company's advertising campaign and required frequency of the client-company's advertising campaign are not significant.

Summarizing the results of the statistical analysis, overall level of customer satisfaction influences the level of the advertising expenditures of the client-company itself, without these three moderators. The required term of the client-company's advertising campaign and required frequency of exposure of the client-company's advertising campaign and the term of cooperation have no significant effect on this link. However, the term of cooperation influences the advertising expenditures directly, not being a moderator of the link between customer satisfaction and advertising expenditures. Thus, the statistical analysis supports the results of the descriptive analysis. The discussion of the results is presented in chapter 5.

4.3.4 Analysis of the case company service features

To understand which of the service's characteristics influence the level of satisfaction more, the features of advertising in the directory have to be analysed on the basis of the answers to the following question received from the respondents:

Assess your satisfaction level with the following indicators on a scale of 1 to 5, where 1 is "Absolutely dissatisfied" and 5 is "Satisfied completely":

- The quality of the design of advertisement
- Time needed for advertisement to start work
- The range of advertising positions
- The tool for assessing effect from advertising (personal area)
- Time of delivery of advertising materials for verification
- Manager's availability
- Manager's knowledge

- Manager's courtesy and friendliness
- Complaint resolution
- Manager's responsiveness to inquiries
- After sales service
- Technical service
- Reputation of the company
- Ease of doing business
- Additional events provided by the company
- Invoice clarity
- Invoices on time

It is necessary to take into consideration the importance of these factors to the client-company because if one of the factors is not so important for the client-company and it shows not very high value, there is no need in trying to improve it. Therefore, in the next question of the survey client-companies had to rate the importance of indicators mentioned above. The indices of the importance were calculated and the matrix of statistically calculated "stated importance" correlating satisfaction levels, plotting the scores of satisfaction against the scores of importance is provided in Figure 21. In the matrix, the level of satisfaction (average score of all 123 respondents) of a certain factor is put in the axis "x", whilst the level of importance (average score of all 123 respondents) of this factor for the client-companies is located in the "y" axis. The average value of both parameters was combined in one graph as coordinates (x; y) for the dots in order to identify 4 categories of features:

1. The features, client-companies are satisfied with, and they are of high importance to them;
2. The features, client-companies are satisfied with, but they are not important to them;
3. The features, client-companies are not satisfied with, and they are not very important to them;
4. The features, client-companies are not satisfied with, but they are important to them.

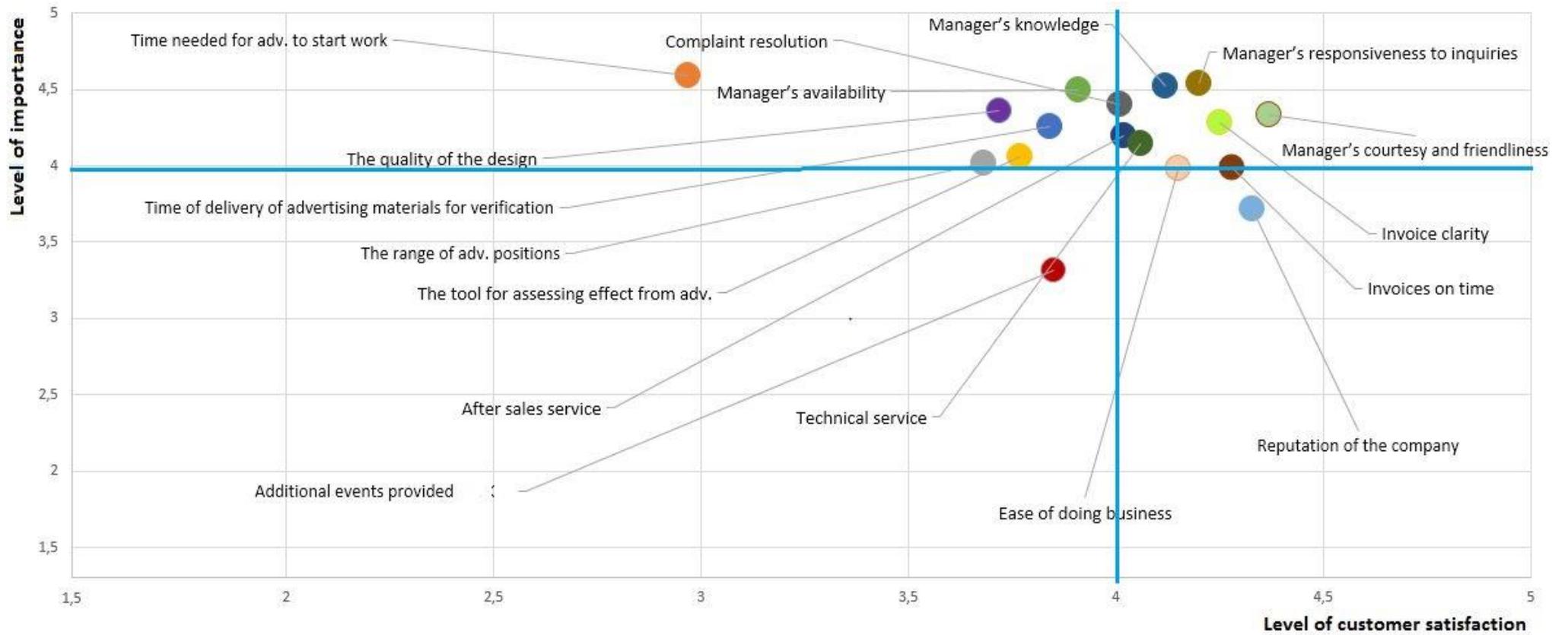


Figure 21. The matrix of statistically calculated “stated importance” correlating satisfaction levels

The upper right corner shows the attributes that are important to the clients, and in which they are satisfied. It is noteworthy that the largest number of factors is concentrated in the first area “The features, client-companies are satisfied with, and they are of high importance to them”. These features are:

- Manager’s knowledge;
- Manager’s courtesy and friendliness,
- Complaint resolution;
- Manager’s responsiveness to inquiries;
- After sales service;
- Technical service;
- Ease of doing business;
- Invoice clarity;
- Invoices on time.

Accordingly, it positively characterizes the company's activities aimed at increasing customer loyalty. As almost all the dots have a high score and are located in one area, it has been decided by the representatives of the case company to assume the area in the square (4.0; 4.0) as a risky one. Analysing the location of the dots on the graph, which are out of this area, it was noticed, that the first feature - “Additional events, provided by the company” refers to the second group “The features, client-companies are satisfied with, but they are not important to them”. The client-companies are more or less satisfied with this parameter, however, they do not consider it to be of high importance. Perhaps the company has paid much attention to this factor, but the value for the client has not been added, and it means that switching to other areas would be more urgent in order to enhance the level of customer satisfaction. Thus, there is no need for the case company to put all their efforts in organizing additional activities for their client-companies. One more factor, which is close to the “danger” area (second group), is “Reputation of the company”, of course, it is important for the client-companies, however, it is not so significant as other factors, what’s more, client-companies are satisfied with this parameter, therefore working on improvement of this value is not the matter of urgency.

The third group “The features, client-companies are not satisfied with, and they are not very important to them” is empty according to the matrix.

The most interesting area of the matrix is the upper left corner (fourth group), here the factors that are important to the client are presented, but the degree of satisfaction is low. Factors lying in this area should be considered firstly during the preparation of a new strategy to enhance the level of customer satisfaction. The main representative of this area is the feature called “Time needed for advertisement to start work” and it is of very high importance (more than 4.5), however, the level of satisfaction is less than 3. This is the main feature of the product and every client-company is undoubtedly interested in the result of placing an advertisement in the directory, it is more important for them how advertisement works, how many clients and how fast it can provide. No matter how remarkable the additional features of the product are, if the main feature does not meet the stated requirements of the client-company, it will be almost impossible to satisfy and retain it. This research shows, that it is the most problematic area, but why is it so for this company and its product? That could be a good question for future research.

Besides, there are factors, which are close to this area, client-companies are not totally satisfied with them (the rate of satisfaction is less than 4), but they are important to the clients (the rate of importance is higher than 4):

- The range of advertising positions;
- The quality of the design of advertisement;
- The tool for assessing effect from advertising (personal area);
- The delivery of advertising materials for verification;
- Manager’s availability.

In order to enhance the level of customer satisfaction these factors are considered to be the main for the case company, being “the area, which is needed to be improved”. The process of conducting the research on the “customer satisfaction” topic has shown, that there are many more factors, which can affect the level of overall customer satisfaction. However, it is difficult to find out them using only the survey, and they could be discovered during in-depth interviews with clients of the case company.

5 DISCUSSION

Customer satisfaction surveys should be systematic in order to make the company be able to build models based on appearing patterns, compare the results and carry out further quantitative research (Hague, 2004). The survey conducted in this study showed that each client-company is different, and has its own specific features which can affect their marketing strategy. Thus, their requirements towards advertising according to the number of outliers in this research: almost every question has a number of respondents whose point of view is extremely different from the point of view of the majority. Despite this, some clear patterns were found during the analysis process.

The first three questions of the survey were composed as a tool for the company for further systematic or periodical analysis of customer loyalty and comparison of customer loyalty indicators changing with years. The case company was interested in measuring the level of customer loyalty assuming that customer loyalty will help to reach better financial results in future. This assumption is confirmed in existing literature where it is reported that customer loyalty represents one of the key success factors in organizational and financial meaning and can be seen as the way of enhancing total organizational performance (Lentonen, 2012; Hallowell, 1996; Bhote, 1996; Loveman, 1998). To check the influence of the customer loyalty level on performance of the company, the case company has to conduct this survey and compare the values of the customer loyalty indicators each year (or another period of time), compare the results and see whether their actions towards meeting customers' expectations and their needs were of the right direction. Only in this case, the results of the first three questions will create a value for the case company. The answers to questions 1-3 were measuring the overall satisfaction level, the likelihood to recommend and the likelihood to repurchase. These three parameters are the components of customer loyalty, and the customer can be defined as "loyal" when all three measures show high results. Besides, they can show the likelihood of customers to switch to competitors (Polaris Marketing Research, 2015). Due to the fact that all three parameters exceed the "dangerous" level, it can be claimed, that averagely the customers of the case company are loyal and are not likely to switch to competitor's services.

Conducting the literature review and composing research methodology of this thesis made it possible to construct 4 hypotheses (see chapter 2.4). The first hypothesis is:

H1: The level of customer satisfaction influences the advertising expenditures of the client-company

According to the existing literature, enhancing the profitability of a company can refer to increasing customer satisfaction (Anderson et al, 1997; Hallowell, 1996; Yeung et al, 2002). On the basis of the obtained results of this thesis, the correlation between the level of satisfaction and advertising costs exists, however it is not so direct. Statistical analysis also showed that this link is significant only marginally. Some authors also argue that in some cases higher customer satisfaction level does not lead to higher profit. For example, Hill (2000) reports that customer satisfaction is only the first step to winning customer loyalty and then customer loyalty is the key to the company's profit success. Others say that not every satisfied customer is going to repurchase and bring money to the company (Reichheld, 1993; Keiningham et al, 2005). There could be the different strength of this link for different industries, different markets and different specifics of businesses (Bhote, 1996; Baker and James, 2009). In this thesis, the hypothesis was partially supported for the B2B services in the digital advertising industry. Therefore, further research and analysis of the link between the customer satisfaction level and companies' performance with larger sample size is needed in terms of the digital advertising industry. The author of this work assumed that this link could exist with some moderators, and it was checked in the further analysis. Consequently, the second and third hypotheses tested in this thesis were:

H2: The required term of advertising campaign of the client-company serves as a moderator in the relationship between the level of customer satisfaction and the advertising expenditures of the client-company

H3: The required frequency of advertising exposure of the client-company serves as a moderator in the relationship between the level of customer satisfaction and the advertising expenditures of the client-company

Hypotheses 2 and 3 refer to the marketing features of the client-companies, and the link between the required term and frequency and the advertising expenditures was going to be

analysed. According to Weinberg and Pehlivan (2011) and Zhao and Zhu (2010), most of the companies understand that nowadays it is important to invest in digital advertising, to be in line with progress in today's marketing environment by using the most modern promoting channels and sources (online advertisement). The volume of their expenditures on the digital advertising is affected by such firms' characteristics as the internal digital infrastructure of a firm, media choices and their customer preferences (Weinberg and Pehlivan, 2011). However, the research on the link between the overall marketing campaign features and the advertising expenditures on the digital advertising remains very limited. The required term of advertising and the required frequency of advertising are the parameters of the overall marketing strategy and are taken into account when forming the marketing budget of a company (Vasilyev and Polyakov, 2006). Therefore, the author of this thesis assumes that the required term of advertising and the required a frequency of advertising could serve as moderators in the link between the customer satisfaction level and the advertising expenditures. However, the obtained data do not represent assumed moderated effect of the required term of advertising and the required a frequency of advertising on the link between the customer satisfaction level and the advertising expenditures. Hypotheses 3 and 4 were not supported. Therefore, as this is one of the first studies examining the link between the required term of advertising / the required a frequency of advertising and the advertising expenditures in the digital advertising industry and for the client-companies of a single case company, further research is needed to test these results for a larger sample.

The fourth hypothesis tested in this thesis is:

H4: The term of cooperation between the client-company and the case company serves as a moderator in the relationship between the level of customer satisfaction and the advertising expenditures of the client-company

In B2B services customer satisfaction depends on the time of cooperation with the focal company (Griffin, 2002; Williams and Naumann, 2011; Davis-Sramek et al, 2009), and this assumption was tested for the case company. The value of the overall satisfaction level is growing as the cooperation term increases (Griffin, 2002; Williams and Naumann, 2011) and the results of this research show a strong dependency between the term of cooperation and the level of overall satisfaction for the digital advertising industry. Besides, the link

between the term of cooperation between companies and profitability is reflected in relationship marketing theory (Christopher et al, 2013; Kanagal, 2009; Alrubaiee and Al-Nazer, 2010). In this research according to the survey results, the longer the cooperation term is, the more the client-company spends on advertising. In this research, the 2 links (between the customer satisfaction and the term of cooperation; between the term of cooperation and the advertising expenditures) were found. It is notable that according to the statistical analysis, the term of cooperation is not a moderator in the link between the customer satisfaction and the advertising expenditures. Thus, this research's results show that the term of cooperation influences directly to the advertising expenditures and is not a moderator in the link. It means that the term of cooperation is a separate parameter, which can influence the profitability of the case company and it is important to pay attention to customer retention (trying to increase the term of cooperation) as well as enhancing the level of customer satisfaction in the digital advertising industry. Besides, in the future research, it would be interesting to check whether the customer satisfaction can be the moderator of the link between the term of cooperation and the advertising expenditures. The fourth hypothesis was not supported in this research.

The analysis of the level of satisfaction of client-companies according to the following parameters (the industry, the company size, the marketing features, and their level of satisfaction) is discussed only with the information obtained during the participant observation. The objective of this analysis was to form the propositions for the case company only. In this analysis the author identified, which certain groups of client-companies are the most satisfied with the particular service of the case company. Therefore, these results cannot be discussed with the existing literature. The results of this analysis show that:

- *The most satisfied with the case company's service industries are domestic services, housing and utilities, education, mass media industry and trading (the level of satisfaction value is more than "4").*

It might mean that for these industries, the service (advertising in the directory), better meets the needs of the client-companies and their expectations, or it also can mean that the auditory of the directory seek for such companies and their products and services and contact these companies more often. However, the sample within this survey is not representative for this

industries and further research conducted by the case company for their client-companies in this area is needed to test this proposition.

- *Small enterprises are the most satisfied with the case company service, large enterprises also show a high level of satisfaction, the next by the satisfaction level are medium enterprises and the least satisfied client-companies are micro enterprises.*

This could happen because of the various expectations of these categories of clients towards advertising according to their marketing strategies, however, the genuine reason for this outcome could be found during further research.

- *The required frequency of the advertising exposure of the client-company does not affect the level of the overall satisfaction.*

It can be assumed that the advertisement in the directory is flexible and can provide a suitable package for various client-companies' needs in terms of the exposure frequency.

- *The client-companies, which require medium-term advertising, are satisfied the most.*

The explanation might be: the client-company, which requires a medium-term advertising (from 1 to 5 years) supposes that advertising has a cumulative effect, and in order to succeed the client-company needs to remind its customer about its product or service for a long period of time, according to the specifics of its business. At the same time, the advertisement packages suggested to the client-companies by the case company are formed in such a way, that they bring more customers to the client-companies with times. Thus, to meet the needs of all the client-companies, the case company is suggested to develop the advertising packages also for those client-companies, which require short-term and resonant advertising.

The emphasis in results' analysis was made to factors, influencing the overall level of customer satisfaction (Figure 19). The main purpose of this particular analysis is to find the areas of high importance in the provided service, which then affect overall customer satisfaction level of the client-companies.

The literature sources containing information about the factors influencing customer satisfaction and being assumed to be important to customers express the following: Tam argues that there is a close link between customer satisfaction and service quality (Tam, 2004). Rigopoulou reports about the augmenting customer satisfaction by the role of after sales service (Rigopoulou, 2008). If a company's focus is primarily on long-term relationships, to increase the level of customer loyalty, customer orientation is a necessary condition for sales managers (Pettijohn, 1997). Product quality is argued to be one more important factor. Understanding the attributes and features of the product which are important for the customer could be not only the challenge for the company but also a great opportunity and could help to design and develop more satisfying products, which will bring commercial success (Jenkins, 2016)

The obtained results confirm the literature findings, showing a high interest of the client-companies in:

- The treats of their personal manager and relationships with him/her (manager's knowledge, manager's courtesy and friendliness, manager's responsiveness to inquiries, manager's availability, complaint resolution);
- The quality of the service (the delivery of advertising materials for verification, invoice clarity, invoices on time, ease of doing business);
- The concomitant service (after sales and technical service, the tool for assessing effect from advertising) and in product quality (time needed for advertisement to start work, the range of advertising positions, the quality of the design).

The proposal that the company itself could affect the level of customer satisfaction (Xu Jinfa, 2005) is put under doubt. Corporate Social Responsibility and the relationships of the company with their clients form the corporate reputation, which has an impact on customer loyalty by saving the cost of establishing a trust with the new clients (Xu Jinfa, 2005). However, in this research client-companies' responses show less interest towards the case company's reputation" and the additional events provided by the case company. During the participant observation stage it was noticed that the case company had paid much attention to this factor, but the value for the client-company has not been added – at least to the same

extent, and it means that shifting the attention towards other areas would be more valuable and efficient in order to enhance the level of customer satisfaction.

The level of customer satisfaction by 17 factors accompanied by the level of importance as described earlier gives the basis for providing recommendations to the case company, which are presented in the following chapter “Conclusions”.

6 CONCLUSIONS

The research questions of this thesis were:

- 1) How can the level of customer satisfaction be raised?
- 2) Under what conditions customer satisfaction level influences the volume of the advertising expenditures?

The research sub questions of this thesis were:

- 1) Which service's characteristics influence the level of overall satisfaction of the client-companies and what is the strength of this influence?
- 2) Which service's characteristics are needed to be improved and in what order?
- 3) Do the client-company's marketing campaign characteristics influence the volume of advertising expenditures?
- 4) Does the current term of cooperation influence the volume of the advertising expenditures?

In order to answer it, the researcher had to reach the following objectives:

- To formulate the list of needed improvements of the service's characteristics for the case company which have effect on the level of satisfaction;
- To identify under what circumstances (the client-company's characteristics of the marketing campaign and the current term of cooperation) customer satisfaction level can have a higher effect on the advertising expenditures in B2B services.

For reaching these research goals, using a participant observation method a survey questionnaire was developed and online survey was conducted using stratified quota sampling according to the period of cooperation between the client-company and the case company. Four hypothesis were checked during the research (Table 10).

Table 9. The status of the hypotheses tested

<i>Hypothesis number</i>	<i>Description</i>	<i>Status of confirmation</i>
H1	Level of customer satisfaction of the client-company influences the advertising expenditures of the client-company	Partially supported
H2	Required term of advertising campaign of the client-company serves as a moderator in the relationship between the level of customer satisfaction of the client-company and the advertising expenditures of the client-company	Not supported
H3	Required frequency of advertising exposure of the client-company serves as a moderator in the relationship between the level of customer satisfaction of the client-company and the advertising expenditures of the client-company	Not supported
H4	The term of cooperation between the client-company and the case company serves as a moderator in the relationship between the level of customer satisfaction of the client-company and the advertising expenditures of the client-company	Not supported

According to the obtained results, the required term and the required frequency of advertising campaign, as well as the term of cooperation, are not the moderators in the link between customer satisfaction and advertising expenditures. However, during the analysis, it was found that the term of cooperation influences the level of advertising expenditures directly in case of B2B services, the digital advertising industry. It means that more attention of the case company should be paid towards customer loyalty and retention. In B2B services relationships, customers should feel themselves like partners, not just ordinary buyers of the service (Naumann et al, 2010). Thus, it can be concluded that the case company has chosen the right direction for future research – systematic analysis of the customer loyalty.

6.1 Recommendations for the case company

To formulate the recommendations for improving the case company advertising service, the matrix of statistically calculated “stated importance” correlating satisfaction levels was built. This matrix plots the scores of satisfaction level against the scores of importance (Figure 19). The attention was paid to the dots which are in “risky” rectangles, when the client-companies are not satisfied or when they consider some factors as not important for them.

The first feature from the risky areas is “Additional events, provided by the company” and it refers to the second group “The features, client-companies are satisfied with, but they are not important to them”. The client-companies are more or less satisfied with this parameter, however, they do not consider it to be of a high importance. Perhaps the company has paid much attention to this factor, but the value for the client has not been added, and it means that switching to other areas would be more valuable in order to enhance the level of customer satisfaction.

One more feature is “Reputation of the company”, of course, it is important for the client-companies, however not so significant as other factors. Furthermore, client-companies are satisfied with this parameter, therefore working on the improvement of this value is not the matter of urgency.

The feature called “Time needed for advertisement to start work” is of very high importance (more than 4.5 of a 1-5 scale), however, the level of satisfaction is less than 3. This is the main feature of the product and every client-company is undoubtedly interested in the result of placing an advertisement in the directory. The more important factors for them are how the advertisement works, how fast and how many clients it can provide. No matter how remarkable the additional features of the product are, if the main feature does not meet the stated requirements of the client-companies, it will be almost impossible to satisfy and retain them. This research shows, that it is the most problematic area of the case company, but why is it so for this company and its product? That could be a good question for future research.

Besides, there are features, which are close to the risky area, client-companies are not totally satisfied with them (the rate of satisfaction is less than 4), but they are important to the clients (the rate of importance is higher than 4):

- The range of advertising positions;
- The quality of the design of advertisement;
- The tool for assessing effect from advertising (personal area);
- The delivery of advertising materials for verification;
- Manager’s availability.

In order to enhance the level of customer satisfaction these factors are considered to be the main for the case company, being “the area, which is needed to be improved”. Thus, the recommendation list can be the following (Table 11).

Table 10. Improvement areas recommended to the case company

<i>Features requiring urgent improvements</i>	<ul style="list-style-type: none"> • Time needed for advertisement to start work
<i>Features requiring not very urgent improvements</i>	<ul style="list-style-type: none"> • The range of advertising positions; • The quality of the design of advertisement; • The tool for assessing effect from advertising (personal area); • The delivery of advertising materials for verification; • Manager’s availability.
<i>Features not requiring improvements at the stage of this research</i>	<ul style="list-style-type: none"> • Additional events for client-companies, provided by the case company; • Reputation of the case company.

The feature “Time needed for advertisement to start work” in other words is for how long the client-company waits for the first client brought by the advertisement in the case company directory. That could depend on the position of the client-company in the business listing, so the possible recommendation is to work on the range of positions available for the client-companies. Another reason could be that not so many people use the directory to search for organizations; therefore, it is important for the case company to promote their directory as an easy way for organizations searching. The possible recommendation is to change the direction of the existing marketing campaign towards the users who use the platform only as a map.

For the next 3 features which require not very urgent improvements: “The range of advertising positions”; “The quality of the design of advertisement”; “The tool for assessing

effect from advertising (personal area)” there are employees and their managers who are responsible for these areas: marketing specialists, designers, and programmers. The quality of their work is dependent on their current working conditions, motivation, skills and experience (Weitz, 1981). Therefore, the possible recommendation for the case company representatives is to develop a new approach or system for motivating their employees.

The last 2 features “The delivery of advertising materials for verification” and “Manager’s availability” refers to the personal managers of the client-companies. According to the results of this research, it could be concluded that either they have problems with time management or they have too many responsibilities in their working process or in other words, a lack of staff. The possible way to rearrange their work is to check how much time they need for every operation they are responsible for and whether they have enough time to manage all the tasks. If not, then to share their responsibilities with employees from other departments or hire additional staff.

These are only the first steps recommended for the case company to enhance the level of customer satisfaction of their client-companies, however, the results of this work showed that further research in some particular areas is required.

6.2 Research contribution

The contribution of this study refers to the area in which the case company is interested, and thus, firstly, this research will help this company to find answers to their main questions. However, Valvi et al. (2015) also report the need for further research in the digital advertising area, arguing that with the development of internet and application technologies, a number of companies, producing apps or web-platforms is getting higher with times, and one of the most common ways of monetization of such platforms and apps is selling advertising spaces. It is a relatively new, rapidly developing direction, and many aspects of it remain unexplored (Valvi et al, 2015). The hypotheses tested in this thesis and the results show that the level of customer satisfaction has a marginal effect on the performance of the company in the digital advertising industry. Besides, the overall marketing campaign features of clients companies such as required term and frequency of advertising campaign have no effect on advertising expenditures in digital advertising sources, and this has not been studied before. Moreover, the results showed that in digital advertising industry it is

more important to retain customers rather than trying to enhance the level of customer satisfaction. Thus, secondly, this thesis contributes to the digital advertising area (in the case of B2B services) in the field of marketing relationships, namely in the field of customer satisfaction. The results of the research describe other useful outcomes, which were identified and can be taken into account when aiming to succeed in sales in digital advertising.

6.3 Limitations and suggestions for future research

The results of the research could be used only in companies, providing B2B services, namely in those, which sell digital advertisement for more than 4-month period using e-platforms such as mobile applications, web sites, desktop programs etc. Moreover, the generalization of the results can be achieved only in case of further research in the same business field.

According to the conducted research and its results, 2 directions of suggestions for further research areas were identified: the first is about further research in terms of the case company, and the second is in terms of scientific research in the same business field (Table 12).

Table 11. Suggestions for further research

<p><i>For the case company</i></p>	<ul style="list-style-type: none"> • The influence of industry of a client-company on the level of customer satisfaction. • Further research towards the level of satisfaction with service/product quality features and the reasons for obtaining such low values of these parameters. • Further research and systematic analysis of customer loyalty and retention in B2B services
<p><i>For further scientific research (in B2B digital advertising)</i></p>	<ul style="list-style-type: none"> • The influence of corporate social responsibility and company reputation on customer satisfaction level in case of B2B digital advertising service. • Further research aimed at finding more factors, which influence the level of customer satisfaction in case of B2B digital advertising service. • The influence of the customer satisfaction on the link between the term of cooperation and the profitability (to check whether the customer satisfaction level could be the moderator in this link)

Conducting the research the author found that client-companies of some industries are more satisfied with the service of the case company. However, the sample in these categories was not representative to generalize the results and make conclusions. Therefore, further research in this direction is needed. In order to understand the effect, it is suggested to conduct this survey classifying the companies by industries or sectors (composing strata according to the industry or sector of companies-clients) in the future studies.

Analysing the results, which referred to the case company service's features, it became clear that client-companies are not satisfied with some of them, but as the data were obtained using the quantitative method, it is not clear why it is so. The in-depth interview can help in drawing the whole picture and building an explanatory link.

Moreover, as the case company's area of interest was not only about customer satisfaction measurement, but also about customer loyalty, it is suggested to conduct a systematic analysis of customer loyalty and customer retention to better see these parameters link on company's performance.

Talking about further scientific research, it would be interesting to study the effect of corporate social responsibility and companies' reputation on customer satisfaction in the digital advertising industry, because of the results of this research show, that in this industry client-companies are not interested in these parameters considering them to be not important in their cooperation process.

Existing literature suggests many factors, which have an effect on customer satisfaction level in B2B services, however, a literature review done for this study revealed only a few sources, which study this topic in the context of the digital advertising industry. It is a relatively new direction, which has its unique features, that is why further research in this area is also needed.

Besides, according to the statistical analysis conducted in this thesis, the term of cooperation is not a moderator in the link between the customer satisfaction and the advertising expenditures and has a direct effect on the level of advertising expenditures. Therefore, in the future scientific research, it would be valuable to check whether the customer satisfaction

can be the moderator of the link between the term of cooperation and the profitability of companies.

These suggestions were built in accordance with obtained results and were also reflected in the following chapters: “Empirical part”, “Discussion”, “Conclusions”.

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APPENDIX 1. Types of research strategies

<i>Research Strategies</i>	<i>Description</i>
Experiment	Answers to “How” and “Why?” questions and usually implemented in natural and social sciences, in psychology. The experiment is conducted in the case of a fundamental worldwide problem and its result is important to society, helping to improve everyday lives. The aim is to study whether a change in one variable influences other variable or produces changes in it (Hakim, 2000) Experiment is not a good strategy to investigate the causal effect of variables for many business and management research questions (Saunders et al, 2009).
Grounded theory	This is a research, where the researcher builds a theory based on collected data through induction and deduction, however, it doesn’t mean that existing literature should be ignored. It allows the researcher to find the patterns and structure in a particular area of interest of the researchers, using a constant comparison, and offer a concept. Refers to exploratory research design (Glaser et al, 2009).
Ethnography	The ethnographic research comes from anthropology and its purpose is to explain the social world of the researcher and its observations in a way, the researcher understands it. It takes a long period of time, involves extended observation of participants (Saunders et al, 2009).
Action Research	Basically, it is a research in action, which implies the involvement of practitioners in the research and the researcher becomes a part of the organization. The process of action research is repeating, starting with diagnosis, then planning, taking actions, evaluating and diagnosing again (Saunders et al, 2009).
Case study	This is a kind of descriptive research that involves the study of individuals, groups or organizations. The data is collected using several methods, such as observations, interviews, the study of old data. The results obtained in the case study are applicable only to the subject of this study, so it is difficult to say that these results may be true for other groups or individual. Furthermore, the researcher will not find any causal links there, that is just descriptive and exploring. Usually used for qualitative research (Yin, 2015).
Archival research	The archival research aims at analysing the reasons of what happened before now. The sources of data for this research strategy are documents and administrative records and the research question refers to past events (Mohr, 2002).

APPENDIX 2. Qualitative vs. quantitative research (Johnson, 2008)

<i>Criteria</i>	<i>Quantitative Research</i>	<i>Qualitative Research</i>
Purpose	To test the hypotheses, see cause-and-effect links, make predictions and conclusions	To understand, interpret and then present social or other interactions
Sample	Usually larger and selected randomly	Usually smaller selected not randomly
Variables	Studies specific variables	No variables are studied, the whole situation is studied
Type of data	Numbers and statistics	Words, images
Form of data	Data are based on precise measurements, using validated and structured data collection instruments	Responses are open-ended, notes which reflect responses to the interviews and observations are presented
Data analysis	Identifying statistical relationships	Identifying features, patterns, themes
Research objective	Describe, predict, explain	Discover, explore, construct
Focus	Narrow focus on a very specific topic	Wide focus examining breadth and depth of the topic
Results	Projectable over population base	More generalized and directional

APPENDIX 3. Survey

Customer satisfaction level

The purpose of this study is to determine the customer satisfaction level and see the areas, which should be improved to satisfy customers of the advertising service. This research project is being conducted by a graduate student at the Lappeenranta University of Technology <http://www.lut.fi/web/ru> (Lappeenranta, Finland), Valeriia Voitsekhovskaia.

Participation in this research is voluntary. To conduct the research, a large number of companies, different in size, branch, and term of cooperation was chosen. Participation of your company in this research is important for improving the quality of customer service.

The research includes questions regarding your attitude to the service and its components, as an advertiser.

The study involves answering to a short online questionnaire and takes no more than 10 minutes. The survey is anonymous and does not include mandatory questions that could identify your identity or belong to any company.

The results of the research will identify areas that need improvement, in order to make your cooperation with the company more comfortable. If you have any questions about the research or would like to see its results, please leave your contact details in a special field or contact me at valeriia.voitsekhovskaia@student.lut.fi.

1. How would you rate your level of overall satisfaction of working with the company on a scale of 1 to 5 where 1 represents "Extremely Dissatisfied" and 5 represents "Extremely Satisfied":

1	2	3	4	5
«Extremely Dissatisfied»				«Extremely Satisfied»
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. How much you are willing to recommend placing advertising in the case company to your partners and friends, on a scale from 1 to 5, where: 1 - "I will never recommend," 5 - "I will definitely recommend":

1 «I will never recommend»	2	3	4	5 «I will definitely recommend»
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. How likely are you to continue cooperation with the case company, namely in advertising, on a scale of 1 to 5, where: 1 - "Definitely not intend", 5 - "Definitely intend":

1	2	3	4	5
«Definitely not intend»				«Definitely intend»
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

APPENDIX 3. Survey

(continues)

4. Assess your **satisfaction level** with the following indicators on a scale of 1 to 5, where 1 is "Absolutely dissatisfied" and 5 is "Satisfied completely":

	1 «Absolutely dissatisfied»	2	3	4	5 «Satisfied completely»
The quality of the design of advertisement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time needed for advertisement to start work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The range of advertising positions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The tool for assessing effect from advertising (personal area)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time of delivery of advertising materials for verification (Speed of delivery)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manager's availability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manager's knowledge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manager's courtesy and friendliness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Complaint resolution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Manager's responsiveness to inquiries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
After sales service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technical service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

APPENDIX 3. Survey

(continues)

Reputation of the company	<input type="radio"/>				
Ease of doing business	<input type="radio"/>				
Additional events provided by the company	<input type="radio"/>				
Invoice clarity	<input type="radio"/>				
Invoices on time	<input type="radio"/>				

5. How important are these issues for you? Rank the importance of the following factors during the period of cooperation from 1-5, where 5 – “very important” and 1 – “not important at all”:

	1 «very important»	2	3	4	5 «not important at all»
The quality of the design of advertisement	<input type="radio"/>				
Time needed for advertisement to start work	<input type="radio"/>				
The range of advertising positions	<input type="radio"/>				
The tool for assessing effect from advertising (personal area)	<input type="radio"/>				
Time of delivery of advertising materials for verification (Speed of delivery)	<input type="radio"/>				
Manager’s availability	<input type="radio"/>				

APPENDIX 3. Survey

(continues)

Manager's knowledge	<input type="radio"/>				
Manager's courtesy and friendliness	<input type="radio"/>				
Complaint resolution	<input type="radio"/>				
Manager's responsiveness to inquiries	<input type="radio"/>				
After sales service	<input type="radio"/>				
Technical service	<input type="radio"/>				
Reputation of the company	<input type="radio"/>				
Ease of doing business	<input type="radio"/>				
Additional events provided by the company	<input type="radio"/>				
Invoice clarity	<input type="radio"/>				
Invoices on time	<input type="radio"/>				

6. My company accounts ...

- Less than 15 employees
- 15-100 employees
- 101-250 employees
- More than 250 employees

APPENDIX 3. Survey

(continues)

7. My company belongs to the following industry (choose one of the options offered or specify your own):

- Domestic services
- Business services
- Internet business
- Housing and communal services
- Beauty Salons
- Medicine
- Education
- Catering
- Production
- Agriculture, farming
- Mass media
- Building
- Trade
- Transport
- Travel business
- Entertainment activities
- Organization of rest, holidays, etc.
- Other (please specify __)

8. What is the required term of advertising for your company (product, service)? Choose one of the options:

- Long-term (over 5 years)
- Medium-term (from 1 to 5 years)
- Short-term (less than 1 year)
- One-time

APPENDIX 3. Survey

(continues)

9. What should be the frequency of exposure of your company (product, service) promotion?
Choose one of the options:

- High frequency (frequency of exposure more than 30 times a month)
- Mid-frequency (frequency - from 10 to 30 times a month)
- Low frequency (Frequency - less than 10 times the exposure per month)
- Resonant (seasonal, with the definition of frequencies and the period of time at which the effect of advertising influence is repeatedly amplified)

10. The current sum of money spent on the advertising through the service/app per month accounts...

- Less than 15 000 roubles
- 15 000 - 25 000 roubles
- 26 000 - 50 000 roubles
- 51 000 - 100 000 roubles
- Over 100,000 roubles

11. In total, how long have you been a customer of the company?

- Less than 4 months
- 4 to 8 months
- From 8 to 12 months
- More than 1 year

12. If you have any questions about the study, or you want to see its results, please leave your contact information below:

Name _____
Position in your company _____
Telephone number _____
E-mail _____

13. In this field you can leave your comments or share your opinion about this study

APPENDIX 4. Operationalization of variables

<i>Question</i>	<i>Scale/Range</i>	<i>Variable/Purpose</i>	<i>Source</i>
1. How would you rate your level of overall satisfaction of working with the company on a scale of 1 to 5 where 1 represents "Extremely Dissatisfied" and 5 represents "Extremely Satisfied"	1-5	Independent variable (Also for future research and analysis of customer loyalty)	Polaris Marketing Research, Inc., <i>Sample Customer Loyalty Survey Questions</i> , 2010
2. How much you are willing to recommend placing advertising in the case company to your partners and friends, on a scale from 1 to 5, where: 1 - "I will never recommend," 5 - "I will definitely recommend":	1-5	For future research and analysis of customer loyalty	Polaris Marketing Research, Inc., <i>Sample Customer Loyalty Survey Questions</i> , 2010
3. How likely are you to continue cooperation with the case company, namely in advertising, on a scale of 1 to 5, where: 1 - "Definitely not intend", 5 - "Definitely intend":	1-5	For future research and analysis of customer loyalty	Polaris Marketing Research, Inc., <i>Sample Customer Loyalty Survey Questions</i> , 2010
4. Assess your satisfaction level with the following indicators on a scale of 1 to 5, where 1 is "Absolutely dissatisfied" and 5 is "Satisfied completely": <ul style="list-style-type: none"> - The quality of the design of advertisement - Time needed for advertisement to start work - The range of advertising positions - The tool for assessing effect from advertising (personal area) - Time of delivery of advertising materials for verification Speed of delivery - Manager's availability - Manager's knowledge - Manager's courtesy and friendliness - Complaint resolution - Manager's responsiveness to inquiries - After sales service - Technical service - Reputation of the company - Ease of doing business - Additional events provided by the company - Invoice clarity - Invoices on time 	1-5	For the analysis of risky areas and formulation of the recommendation list	Paul N Hague, Nicholas Hague, Carol-Ann Morgan, <i>Market Research in Practice: A Guide to the Basics</i> , 2004

APPENDIX 4. Operationalization of variables

(continues)

<i>Question</i>	<i>Scale/Range</i>	<i>Variable/Purpose</i>	<i>Source</i>
<p>5. How important are these issues for you? Rank the importance of the following factors during the period of cooperation from 1-5, where 5 – very important and 1 – not important at all:</p> <ul style="list-style-type: none"> - The quality of the design of advertisement - Time needed for advertisement to start work - The range of advertising positions - The tool for assessing effect from advertising (personal area) - Time of delivery of advertising materials for verification Speed of delivery - Manager’s availability - Manager’s knowledge - Manager’s courtesy and friendliness - Complaint resolution - Manager’s responsiveness to inquiries - After sales service - Technical service - Reputation of the company - Ease of doing business - Additional events provided by the company - Invoice clarity - Invoices on time 	<p>1-5</p>	<p>For the analysis of risky areas and formulation of the recommendation list</p>	<p>Paul N Hague, Nicholas Hague, Carol-Ann Morgan, <i>Market Research in Practice: A Guide to the Basics</i>, 2004</p>
<p>6. My company accounts ...</p>	<ul style="list-style-type: none"> <input type="radio"/> Less than 15 employees <input type="radio"/> 15-100 employees <input type="radio"/> 101-250 employees <input type="radio"/> More than 250 employees 	<p>Control variable</p>	

APPENDIX 4. Operationalization of variables

(continues)

<i>Question</i>	<i>Scale/Range</i>	<i>Variable/Purpose</i>	<i>Source</i>
<p>7. My company belongs to the following industry (choose one of the options offered or specify your own):</p>	<ul style="list-style-type: none"> <input type="radio"/> Domestic services <input type="radio"/> Business services <input type="radio"/> Internet business <input type="radio"/> Housing and communal services <input type="radio"/> Beauty Salons <input type="radio"/> Medicine <input type="radio"/> Education <input type="radio"/> Catering <input type="radio"/> Production <input type="radio"/> Agriculture, farming <input type="radio"/> Mass media <input type="radio"/> Building <input type="radio"/> Trade <input type="radio"/> Transport <input type="radio"/> Travel business <input type="radio"/> Entertainment activities <input type="radio"/> Organization of rest, holidays, etc. <input type="radio"/> Other (please specify __) 	<p>In order to check what industries are more satisfied with the case company advertising service</p> <p>(Also for future research and analysis)</p>	<p>Sergeyev, 2005</p>
<p>8. What is the required term of advertising for your company (product, service)? Choose one of the options:</p>	<ul style="list-style-type: none"> <input type="radio"/> Long-term (over 5 years) <input type="radio"/> Medium-term (from 1 to 5 years) <input type="radio"/> Short-term (less than 1 year) <input type="radio"/> One-time 	<p>Independent variable</p>	<p>Vasilyev & Polyakov, 2006</p>
<p>9. What should be the frequency of exposure of your company (product, service) promotion? Choose one of the options:</p>	<ul style="list-style-type: none"> <input type="radio"/> High frequency <input type="radio"/> Mid-frequency <input type="radio"/> Low frequency <input type="radio"/> Resonant 	<p>Independent variable</p>	<p>Mudrov, 2005; Khan, 2007</p>

APPENDIX 4. Operationalization of variables**(continues)**

<i>Question</i>	<i>Scale/Range</i>	<i>Variable/Purpose</i>	<i>Source</i>
10. The current sum of money spent on the advertising through the service/app per month accounts...	<input type="radio"/> Less than 15 000 roubles <input type="radio"/> 15 000 - 25 000 roubles <input type="radio"/> 26 000 - 50 000 roubles <input type="radio"/> 51 000 - 100 000 roubles <input type="radio"/> Over 100,000 roubles	Dependent variable	
11. In total, how long have you been a customer of the company?	<input type="radio"/> Less than 4 months <input type="radio"/> 4 to 8 months <input type="radio"/> From 8 to 12 months <input type="radio"/> More than 1 year	Independent variable	

APPENDIX 5. The advertising expenditures of different industries' client-companies

Money spent on advertisement (in rubles)	Domestic services		Business services		Internet business		Housing and utilities		Beauty saloons		Medicine		Education		Catering	
	Number of respondents	%	Number of respondents	%	Number of respondents	%	Number of respondents	%								
Less than 15000	1	14,28%	2	33,33%	4	57,14%	0	0%	2	18,18%	0	0%	0	0%	1	16,66%
15000-25000	2	28,57%	4	66,67%	3	42,86%	2	66,67%	4	36,36%	2	40%	0	0%	0	0%
26000-50000	1	14,29%	0	0%	0	0%	1	33,33%	5	45,46%	2	40%	3	100%	3	50%
51000-100000	1	14,29%	0	0%	0	0%	0	0%	0	0%	1	20%	0	0%	1	16,67%
More than 100000	2	28,57%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	1	16,67%

APPENDIX 5. The advertising expenditures of different industries' client-companies

(continues)

	Manufacturing		Agriculture and farming		Mass media		Construction		Trading		Transport		Tourism		Entertaining activities		Events and leisure organization	
	Number of respondents	%	Number of respondents	%	Number of respondents	%	Number of respondents	%	Number of respondents	%	Number of respondents	%	Number of respondents	%	Number of respondents	%	Number of respondents	%
Less than 15000	1	4,35%	2	66,67%	1	50%	2	14,28%	1	8,33%	0	0%	1	25%	1	16,66%	3	42,86%
15000-25000	7	30,44%	0	0%	0	0%	3	21,43%	5	41,67%	1	20%	2	50%	1	16,67%	2	28,57%
26000-50000	7	30,43%	0	0%	1	50%	3	21,43%	4	33,33%	3	60%	1	25%	3	50%	1	14,28%
51000-100000	7	30,43%	1	33,33%	0	0%	4	28,57%	2	16,67%	1	20%	0	0%	1	16,67%	1	14,29%
More than 100000	1	4,35%	0	0%	0	0%	2	14,29%	0	0%	0	0%	0	0%	0	0%	0	0%