Customer Feedback Online

Case Studies of Swedish Manufacturing SMEs

Robert Ankomah Opoku
Muhammad Naeem Khan

Social Science and Business Administration Programmes

Department of Business Administration and Social Sciences
Division of Industrial Marketing and e-Commerce

MSc PROGRAMME IN ELECTRONIC COMMERCE
Supervisor: Lars Bäckström

LULEÅ UNIVERSITY OF TECHNOLOGY
Keeping existing customers as well as attracting new ones have been a critical concern to many firms. Collecting and monitoring customer feedback online in these regard have given firms the possibility to assess and upgrade their services and product capabilities as needed to maintain and improve competitiveness. This thesis aims at exploring and describing the tools used by SMEs to collect customer feedback online, their components and the criteria used in selecting these Internet-based tools. The research is deductive and qualitative. Multiple in-depth case studies were conducted on three SMEs in Luleå, Norrbotten region of Sweden all of which are engaged in customer feedback collection online. Documentation and personal interviews were used. The data collected was analysed in a cross-case analysis. Based on a threefold purpose and a conceptual framework, we concluded that e-mail is the most dominant tool though supported by other online tools. These tools are also supplemented with other offline means such as questionnaire, telephone and focus group meetings. Components of an internet-based customer feedback system and the criteria for assessing an Internet-based customer feedback collection tool also were identified.

Keywords: Customer feedback, Internet, SMEs, Sweden

1 Norrbotten Region is Sweden’s biggest county and belongs to the enormous Barents region. Though sparsely populated, it occupies a quarter of Sweden’s total area. Much of the regions’ industries are characterised by a high level of technical competence. Luleå is the county town of Norrbotten
ACKNOWLEDGEMENTS

Our sincere thanks go to the Almighty God (Allah) for seeing us through all our studies at Luleå University of Technology, Luleå, Sweden.

We are greatly indebted to Mr. Lars Bäckström (PhD Candidate and Instructor), our supervisor. He had been patient and kind in guiding the study. He offered us constructive criticisms, encouragement and useful suggestions. We owe a great deal to him. We must attest that we have learnt a lot from him.

Our dear parents back home, loved ones, the Ghanaian and Pakistani communities in Luleå and beyond and all the second batch of e-Commerce students also need special mention. Their contributions in diverse ways are duly acknowledged.

Our profound gratitude goes to the Faculty and Staff of the Division of Industrial Marketing and e-Commerce and particularly the Chairman, Professor Esmail Saheli-Sangari who offered us admissions and gave us the moral support to make our studies up to this level a reality.

We would like to thank the corporate respondents in this study for their contributed time and effort. At these companies we would like to extend our profound gratitude to Anders Lindgren at Abelko AB, Rikard Stenberg at Marratech AB and Per Forsberg at Propac AB. Without your help we could not have reached this far.

Finally, may we state that we are solely accountable for any flaws that this contribution to knowledge may harbour.

Luleå University of Technology, Luleå, Sweden, June 25, 2004

Robert Ankomah Opoku
Muhammad Naeem Khan
TABLE OF CONTENTS

1.0 INTRODUCTION AND BACKGROUND ................................................................. 1
1.1 Traditional way of gathering Customer feedback.................................................. 2
1.2 The Internet ........................................................................................................... 3
1.3 Customer Feedback and the Internet ................................................................. 3
1.4 Definition and Structure of SMEs ...................................................................... 4
1.5 Problem Area ...................................................................................................... 7
1.6 Outline of the Study ............................................................................................ 9

2.0 CUSTOMER FEEDBACK .................................................................................... 10
2.1 Customer Feedback System ............................................................................... 11
2.2 Small and Medium sized Enterprises and Customer Feedback ....................... 17
2.2.1 Specific Uses of the internet in different Business ........................................... 18

2.3 SUMMARY AND CONCLUSION OF THE LITERATURE REVIEW ................. 23

3.0 RESEARCH PROBLEM, RESEARCH QUESTIONS AND THE FRAME OF
REFERENCE .............................................................................................................. 24
3.1 Problem Area .................................................................................................... 24
3.2 Research Problem and Research Questions ..................................................... 24
3.3 Delimitation ...................................................................................................... 25
3.4 Frame of Reference .......................................................................................... 26

4.0 METHODOLOGY ................................................................................................ 28
4.1 Introduction ....................................................................................................... 28
4.2 Research Purpose ............................................................................................... 28
4.3 Research Approach ........................................................................................... 29
4.4 Research Strategy ............................................................................................. 31
4.5 Research Methods ............................................................................................ 32

5.0 EMPIRICAL DATA PRESENTATION .............................................................. 38
5.1 Case 1: Abelko Innovation AB ........................................................................ 38
5.1.1 Background Information ............................................................................. 38
TABLES AND FIGURES

TABLE 1: Alternative Definitions of Small & Medium Sized Enterprises (SMEs) ................................................................. 5

TABLE 2: Uses of Internet for Specific Business ........................................... 18

TABLE 3: Classification of Internet Marketing functions in relation to customer service ......................................................................................................................... 20

TABLE 4: Informational, relational facilitating or transactional marketing activities on the Internet ............................................................ 21

TABLE 5: A framework of perceived benefits related to Internet use .......... 22

TABLE 6: Research Variables ........................................................................ 27

FIGURE 1: A Selection of feedback collection tools ................................. 14

FIGURE 2: Integrated IT Customer feedback system .................................... 15
1.0 INTRODUCTION AND BACKGROUND

In this chapter, we introduce the area in which the study is conducted, moving from a general perspective towards the focus on the specific problem. Some important terms are mentioned and the interrelations between different areas are presented. The research problem of this work is introduced to give the reader a clearer picture of our field of study.

Wisner and Corney (2001) argued that, keeping existing customers as well as attracting new ones has been a critical concern to many firms. Collecting and monitoring customer feedback in these regard allow firms to assess and upgrade their services and product capabilities as needed to maintain and improve competitiveness. Information squeezed out from customer, suggestions and complaints can also be used for benchmarking purposes, to form the basis for long term planning and to allow firms to direct their continued improvement efforts in a more efficient and effective manner (ibid).

Considerable research has found advantages of receiving customer feedback for customer service and product improvement (Wisney and Corney, 2001). Lockwood (1994) noted that the customer requirements change with time, requiring a continual effort to update customer requirements and make operational improvements in order to achieve customer satisfaction. According to Taikkenen et al (2002), customer satisfaction has often been defined as “the degree to which a consumer’s repurchase expectations are fulfilled or surpassed by a product” (e.g. Peter and Olson, 1996, Howard and Sheth, 1969). A high level of customer satisfaction is one of the most powerful indicators for the future of a business. Satisfied customers are loyal customers and ensure a lasting cash-flow for the business in the future. An increase in the customer loyalty rate by 5 percent can increase the profit of a business by 100 percent (see Reichheld and Sasser, 1990) due to the fact that satisfied customers purchase the products of a company more often and in greater quantities. Satisfied customers are furthermore less price-sensitive and more inclined to spend more on previously tried and tested products. Stable business relations have another advantage: the positive quality image reduces the costs of attracting new customers, and the high level of customer loyalty lowers transaction costs for existing customers (Söderlund 1998). Feedback to the supplier, again, would serve as one important pillar of the “learning organization” and may affect both costs and revenues as information from customers is used for the development of new products, improving existing products, etc. In other words, learning is likely to facilitate behaviour change in the supplier which in turn leads to improved performance (Slater and Narver, 1995).

It therefore becomes extremely important to determine as quickly as possible what customers want so as to capture new customers as well as to keep existing ones. Obtaining customer feedback is essentially to finding this information (Wisney and Corney, 2001).

Recently, developing a customer driven organisation is among the most top priorities of most firms (Donovan and Samler, 1994). Creating an Internet presence provides some opportunities in the process of creating an effective customer feedback system (Wisner and Corney, 2001). The responsibility of firms is how to gather customer feedback effectively and use it to upgrade their services and product capabilities in order to maintain and improve competitiveness (ibid).

In today’s increasingly competitive market, the importance of delighting the customer and attempt to avoid disappointing them cannot be overemphasized. Thus it is of value to have a
systematic process for obtaining feedback from the customer, not only as a basis for corrective action relating to products, but also as a vital input to the new product development process (Fundin and Bergman, 2003). Gummesson (2003) further argued that companies in the spirit of quality management should pursue the zero defection strategy in order not to create a dissatisfied customer.

The feedback data can be used by firms to track quality, locate quality problems and identify suggestions for improvement (Sampson, 1998). With the advent of the Internet, a lot of potential has been realised through this medium as to the way customer feedback can be gathered. Many people have been wondering how internet technologies might transform the means of gathering and using customer feedback. Gathering feedback on the internet has become a recent but prevalent phenomenon (Sampson, 1998).

1.1 Traditional way of gathering Customer feedback

It is not uncommon for companies to gather feedback from customers in either active or passively solicited ways. The feedback can take many forms, including on–site customer complaints, calls to toll-free customer response phone numbers, and the customer comment cards (Sampson, 1996). Passive solicitation consists of all the appeals made to customers in general without focusing on any specific customer whilst the active solicitation focuses on specific customers, as with market research. Normally, the sample frame is selected with utmost care and diligence in order to avoid biases. Additionally, active effort is adopted to encourage response in order to cater for biases as a result of non-response (Sampson, 1998).

Unlike the active solicitation, the company has no control over the sample frame and non-response bias of the passive solicitation. Churchill (1995) added that “certain advantages exist with passive solicitation of feedback. The cost of gathering feedback is low. A passive appeal to each and every customer might represent no more cost than the staffing and maintenance of a toll- free telephone line and a sign at the service location or a notice on the product. However, active solicitation is accomplished at moderate cost (e.g. mail surveys) to high cost (e.g. personal interviews).”

Sampson (1996) has advanced this argument that another advantage of passive solicitation of feedback is in the use of the data. Since the data is inherently biased, it is not a useful market research tool in estimating general consensus on the target market. However, the nature of the bias can be exploited. One might assume that customers with exceptionally positive or negative views about a company are more likely to respond than the customer population in general. This would result in an extreme response bias that would be more likely to identify current quality problems than a controlled survey of equal sample size.

Sampson (1998) concluded that “passive data collection is particularly useful in monitoring and controlling quality in the day- to- day operations of the business and in identifying ideas for quality improvement.”
1.2 The Internet

The Internet as a concept dates back to the cold war. This concept was developed as networks of computers which were remotely linked by the US Department of Defence in order to counteract vulnerability to enemy attack. ARPANET\(^2\) was then established in the late 1960s to network US government defence research institutions, and the standards which were developed for this system remain at the core of the Internet (McGoey, 1998).

By the end of that year, the first four “host” computers were attached to the network where other computers can access the Internet by connecting, or dialling-in, to a host which is already connected to the Internet. With the introduction of the Internet, it has included provisions for person-to-person electronic communication, i.e. e-mail (Sproull and Kiesler, 1986). Sampson (1998) indicated that this then opens the way for customer feedback. He went further to explain that a market researcher might use e-mail as means of contacting individuals to actively solicit their feedback about a company or a product. Prior to 1993, such surveys would be largely limited to scientists and military personnel who represented most of the people with e-mail addresses.

The mid 1990s were reported to have witnessed an explosive growth in internet access among the general population of developed nations. There has been a large speculation as to the scope of the Internet at present-as the Internet becomes larger and larger each day and this makes it increasingly difficult if not impossible to determine what hosts are attached to other hosts (McGoey, 1998). Avlonitis and Karayanni (2000) argued that the high approval and use of the Internet by business organisations may largely be attributed to two factors. First is the compatible nature of the Internet with every network and individual information system, which entails lower setup and operational costs and elimination of switching costs. Second are the enhanced informational and interactive communicative capabilities of the Internet, which enable it to be used both as a communication tool and marketing channel, thus inducing the development of more effective inter-organisational relationships and the emergence of new network cooperative opportunities. Sampson (1998) maintained that as the Internet’s reach continues to expand, market researchers will have the opportunity to actively solicit feedback from various customer groups at lower cost than traditional mail and phone surveys.

1.3 Customer Feedback and the Internet

Sproull and Kiesler (1986) argued that e-mail does not lend itself to passive solicitation of feedback. A customer cannot go out and grab an e-mail message that has not been specifically sent to him or her. Companies may put customer response e-mail addresses on product labelling, however, such passive solicitation are through the product not through electronic means.

\(^2\) ARPANET means Advanced Research Projects Agency Network. It is described as the originator of the Internet.
The introduction of the World Wide Web (WWW) or simply the "Web" in 1993-1994 serves as a breakthrough for electronic passive solicitation (Berners-Lee, et al., 1994). The Web represents an electronic communication medium which user (i.e. customer) initiated-a fundamental requirement of passive solicitation. Documents consisting of information and graphics are placed on the Web. Many organisations and individuals have websites which contains their web pages. Companies can therefore post a general solicitation for feedback. Customers and other individuals who access the firm’s web site can decide to respond to these passive solicitations, as they might if they were presented with comment cards or toll free telephone numbers (Sampson, 1998).

### 1.3.1 Feedback in HTML

Corresponding to the requests for response, the Web also contains provisions which help the process of the feedback process. These provisions are components of the language of Web: HTML or Hyper Text Mark up Language. Normally, HTML documents contain formatted text and hyperlinks (or “links”) which guide the user to other web pages or other resources. HTML also includes provision for forms and “mail to” links which can be used to gather feedback (Hoffman et al., 1995).

A “mailto” (as in “mail message to someone”) link is a code in an HTML document which, when selected by the user; opens an e-mail window on the user’s screen so that a message may be sent to a pre-specified e-mail address at the company. The e-mail window is simply a box for composing any textual message. The message is unstructured, thus is an Internet version of a toll-free telephone number to a customer service employee, but without personal interaction (Sampson, 1998).

Sampson (1998) further explained that greater feedback potential can be found in the form of provisions of HTML. An HTML document structured as a form may contain text fields, check boxes, and/ drop –down lists of selections. To this end, after the user has entered information to such an on-screen form; a “submit” button can be selected to automatically send the information to the firm’s computer. The firm receives the information in a structured format which allows various options for handling the data.

According to Sampson (1998), much research pertaining to active solicitation of customer feedback has been published but research regarding passive solicitation of customer feedback is scarce to say the least. From this, one may be tempted to develop a keen interest in the area of passive solicitation However, the interest of this study relates to how small and medium-sized enterprises (SMEs) gather customer feedback

### 1.4 Definition and Structure of SMEs

According to the European Network for SMEs Research (1998), a lot of companies in Europe can be classified as small and medium-sized enterprises (SMEs) and due to the uncharted area of SMEs; there is strong need for a better knowledge about their specific characteristics. More so, the emphasis that comes to be placed on SMEs is also associated with the failure of the
large scale manufacturing sector in meeting many of modernisation and growth theories (Khalid, 1995). To Landström and Johannison (1998), research about small businesses in Europe is also fragmentary and heterogeneous.

In terms of definition, there is no single, uniformly acceptable one for small firm (Storey, 1994). Firm differs in their levels of capitalization, sales and employment. Hence, definitions that employ measures of size (number of employees, turnover, profitability, net worth etc) when applied to one sector could lead to all firms being described as small, while the same definition when applied to a different sector would lead to different results (Quartey, 2001).

The first attempt to overcome this definition problem was by the Bolton Committee (1971) when they formulated an ‘economic and statistical definitions. Below is a summary of alternative definitions.

### Table 1: Alternative Definitions of Small and Medium sized Enterprises (SMEs)

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank since 1997</td>
<td>Firms with fixed assets (excluding land) less than US$ 250,000 in value is a small scale enterprise</td>
</tr>
<tr>
<td>Grindle et al (1989:9-10)</td>
<td>Small scale enterprise are firms with less than or equal to 25 permanent members and with fixed assets (excluding land) worth up to US$ 50,000</td>
</tr>
<tr>
<td>USAID in the 1990s</td>
<td>Firms with less than 50 employees and at least half the output is sold (also refer to Mead, 1994)</td>
</tr>
<tr>
<td>UNIDO’s Definition for Industrialised countries</td>
<td>Large-firms with 500+ workers, Medium firms with 100-499 workers, Small firms with less than or equal to 99 workers</td>
</tr>
<tr>
<td>Commission of the European Communities Definition of SMEs (EC, 1996) Also see Bäckström (2002)</td>
<td>Micro enterprises: 1-9 employees, Small enterprises: 10-49 employees, less than or equal to 7 million Ecu in revenue, Total capital employed-less than 5 million Ecu, Medium-sized enterprises: 50-249 employees, less than or equal to 40 million Ecu, Total capital employed-less than or equal to 27 million Ecu</td>
</tr>
</tbody>
</table>

*Source: Multiple sources gathered and put together by the Authors*

---

3 ECU (European Currency Unit was conceived on March 13, 1979 by the European Economic Community (EEC). It was the precursor of the single European currency, the Euro which was introduced on January 1, 1999.
From the various definitions above, it can be said that there is no unique definition for Small and medium-sized enterprises. According to Pobobsky (1992), a study conducted by the International Labour Organisation (ILO), more than 50 definitions were identified in 75 countries, with considerable ambiguity in the terminology used. The enormous variety of criteria applied include size of workforce or capital, form of management or ownership, production techniques, volume of sales, client numbers and levels of energy consumption.

With regards to this study, our definition of SMEs will be based on the number of employees. This is because, EC (1996) considers number of employees to be one of the most important criteria (Bäckström, 2002). Again, Storey (1994) puts forward an interesting argument in favour of a definition based solely on number of employees and to Lundström et al (1998) in Bäckström (2002), the widely used definition of small businesses measures the number of employees.

1.4.1 Marketing in Small and Medium-Sized Enterprises (SMEs)

Sales and marketing is often the most dominant problem encountered by small business operators and yet has been acknowledged to be the most important of all business activities and essential for the survival and growth of small businesses (Huang and Brown, 1999 and Mckenna,1991). Unfortunately, the difficulties encountered in marketing by small businesses is an area that has not been given the needed attention in research (Marchesnay,1998). Again, given that the study of small firms is relatively new branch of social science and relatively lack of understanding of small firms (Churchill et al.,1998, Brockhaus 1987 and Bygrave,1989), finding information on the previous research on how to gather customer feedback by SMEs yielded no results. However, we deem it interesting to describe SMEs’ marketing at a more general level.

It is documented that SMEs have unique characteristics that differentiate them from large corporations in terms of conventional marketing (Carson, 1990). These characteristics may be determined by the inherent characteristics and behaviours of the entrepreneur or owner/manager; and they may also be determined by the inherent size and stage of development of the enterprise. In addition, SME marketing is haphazard and informal because of the way an owner/manager does business; they make most decisions on their own, respond to current opportunities and circumstances and so decision making occurs in a haphazard and apparently chaotic way, according to personal and business priorities at any given point in time (Scase and Goffee,1980)

1.4.2 Internet and SMEs

Mellor (1998) postulated that, the use of Internet has been found to improve business competitiveness, with the Internet providing the opportunity for SMEs to compete on equal terms with larger organisations. In particular, e-mail and the World Wide Web present opportunities for SMEs to harness the benefits of Internet in an affordable, simple way. These applications have been termed the "key service of the Information Society" and “leading environment for interactive advertising” respectively (Spectrum, 1997)
Furthermore, according to Daniel (2002) much of the media coverage of Internet and e-commerce concentrates either on "born to the Web" company, such as Amazon.com or eBay, or on its adoption by large companies. However, small and medium-sized enterprises (SMEs) are a vital part of all economies. This sector is traditionally characterised by high failure, with failure rates being six times higher for smaller than large businesses (Storey, 1994).

Many authors like Quelch and Klein (1996), Day (1996) and Verscovi (2000) have also suggested the opportunity represented by the Internet for small companies due to absence of financial and technological barriers, and the international spirit of the tool. However Verscovi (2000) went further to argue that this apparent simplicity hides a great complexity, often underestimated by SMEs and the question of how the use of Internet influence the marketing of SMEs still remain unclear. Tedlow (1996) added that, despite the diffused enthusiasm, some problems persist.

The adoption of Information and communication technology (ICT) by SMEs to allow them to achieve inter-organisational exploitation of the Internet has been found to be prevented by a number of major issues (Spectrum, 1997). These consist of the:

- lack of understanding of the opportunities available to small businesses;
- lack of understanding on how to implement these techniques;
- lack of skills amongst the workforce to use them;
- price of the technology.

In addition, SMEs lack the willingness to dedicate time and resources to resolving their lack of understanding and skills (ibid).

The lack of understanding of the need to adopt innovations, such as Information and Communication Technology (ICT), prevents SMEs using them to over come existing performance gaps or exploit new opportunities (Zmud, 1984). The lack of understanding on how to implement and then use ICT applications prevents the accomplishment of the strategic goals of efficiency, effectiveness and innovation (Feher and Towell, 1997) which denies SMEs this particular opportunity to improve competitiveness.

1.5 Problem Area

Hart et al (1990) argued that the importance of feedback seems clear. For example, complaints aid the supplier in identifying areas where improvements can be made, while compliments suggest areas where the current performance may not need immediate improvements. Consequently, the importance of feedback is stressed by several authors who discuss systems which facilitate the customer's transmission of feedback. Yet the relationship between customer satisfaction and feedback is severely under researched (Söderlund, 1998).

According to Sampson (1998), much research in the area of active solicitation of customer feedback has been published. However, research regarding passive solicitation of customer feedback is scarce, to say the least. He ascribed this to the fact that research pertaining to the Web is still in its infancy and it is particularly hard to find articles that address the customer feedback system. Sampson (1998) agrees with Murphy, Forrest and Wortring (1996) in considering customer feedback as one of four Web-sites communication functions for
businesses but admitted that they did not go beyond just saying that feedback will provide ideas and ways for improvement. Hoffman et al., (1995) tried to identify the potential for engaging customers in communication with the firm in order to receive information from customers about their needs. They went further to indicate that “e-mail buttons” (i.e. mailto links) and forms can be used for such a feedback but do not discuss the responds to this feedback by firms. Emerick (1995) discusses Internet feedback and gives suggestions such as how to keep forms and ask open-ended questions when appropriate. Unfortunately he did not discuss how the response should be treated.

Further more, the research conducted by Goodman et al., (1996) revealed that companies spent a median of one million US Dollars and employed the equivalent of 13 fulltime professional staff per year on customer feedback systems, in a study of 22 large customer-driven companies. However, these researchers under the TARP4 (Technical Assistance Research Program) Studies concluded that the real problem is not to gather, but to respond effectively and how to do something sensible with it.

Unfortunately, all the few studies conducted on customer feedback have been geared towards large companies and hardly could one find literature on customer feedback on SMEs.

Also, despite the widespread acceptance of Internet use in corporate environments, the extent of Internet use continues to vary widely among small- and medium-sized enterprises (SMEs). While some SMEs benefit from rapid Internet growth, selling and purchasing over the Internet or experimenting with new business models, others are barely interested in the medium(Sadowski et al. 2002). In addition, Storey (1994) claims that small organisations form a significant part of every economy and the sector embrace the majority of companies. For instance, more than 95 percent of the companies in the economies of the European Community are classified as small. Ek (1995) further pointed out that the amount in Sweden of companies less than 200 employees is 99.8 percent. According to Bäckström (2002), a study conducted about the dynamics of Swedish economy by Davidsson et al (1996) revealed that small enterprises and their role as creators of employment have increased in importance over time and it is therefore overdue to recognize their importance as such. According to Persson (1997a) in Bäckström (2002), though SMEs contribute almost a third of the Swedish GNP, knowledge about them must be considered scanty. Against the backdrop of this, small businesses are therefore attracting a lot of attention nowadays (Gustafsson et al, 2001).

To this, we intend limiting our study to Norrbotten region of Sweden. This is due to access and some practical reasons such as time and finance.

More so, because the study concerns SMEs in a different setting and also considering the ubiquitous nature of the Internet (see Avlonitis and Karayanni, 2000) it is evidently clear that the issue of separating active solicitation from the passive solicitation becomes seemingly difficult as the distinction between the two becomes very blur. This makes it somehow impossible for us to separate the two in this research. From the above discussions, the problem area for this study would be:

SMEs and customer feedback on the Internet in Sweden

4 TARP is a specialist and innovator in the measurement of customer satisfaction and loyalty.(www.tarp.com)
1.6 Outline of the Study

This section provides the structure of the study.

The study includes seven chapters. The aim of the introductory and background chapter (chapter one) is to introduce the reader to the background of the research and the justification of the research area. Chapter two composes of the literature review- where the area of Internet in relation to SMEs and customer feedback online is further outlined based on earlier research. The chapter three looks at the frame of reference. This is presented together with the operationalization of present concepts.

The chapter four looks at the methodology of this study. This chapter brings into light the research approach, strategy and methods. All these methodologies are described and appropriate justifications given.

Chapter five focuses on the presentation of the data collected from the field. Chapter six captures the analysis and results of this study. Findings and conclusions and recommendations are provided under chapter seven.
2.0 Customer Feedback

This chapter focuses on providing the reader with the necessary information about the literature connected to our research problem. It provides theories found which can be connected to, and which covers our research problem.

Söderlund (1998) argues in more general terms that, feedback is a class of behaviour which deals with the customer's transmission of information. To this end, word-of-mouth is also classified by this author to be a subset of this class of behaviour. He further argued that both a “positivity bias” and a “negativity bias” may be expected in feedback behaviour but yet feedback behaviour is somewhat different, since it involves transmitting information to the very actor who was involved in the situation which created the decision to transmit feedback.

Söderlund (1998) further advanced his argument to assume a “zone of indifference” also in the case of feedback. He defined this term “zone of indifference” to mean that, there is expectation of the likelihood of a feedback response to be greater when the customer's prior expectations are not matched by the perceived performance (negative and positive disconfirmation) compared to the case in which a match does exist (confirmation). Moreover, given this zone of indifference, it is expected that the satisfaction-feedback link is negative in cases of “low” satisfaction and positive in cases of “high” satisfaction.

In arguing their case that positive events produce a stronger response than negative events under certain conditions (a “positivity bias”), Holmes and Lett (1977) added that customers with positive experiences were more inclined than those with negative experiences to communicate their feelings to others. According to Söderlund (1998), this finding appears to be consistent with the “Pollyanna principle”: pleasantness predominates in communication. One reason is that pleasant items are processed more accurately and efficiently by human perceptual-cognitive structures (cf. Fornell and Westbrook, 1984, p. 70).

From the above, Söderlund (1998) further suggested that “the basis for interaction with others (the items to discuss) is more accessible when the individual has been exposed to a positive event.” Moreover, it has been argued by Taylor (1991) that most individuals have a general propensity to strive for interpretation in positive rather than negative terms. That is to say, when people are faced with information or events which challenge their generally positive conceptions, they may try to reinterpret, distort or minimize the negative aspects. In the extreme case, when people encounter something very negative, they may even respond with denial which serves to obliterate the memory of the negative experience altogether.

Zairi (2000) maintained that customer satisfaction is not an absolute scenario, but very much depends on interactions; feedback, praise, and, yes, complaints. Complaints have to be looked at in a constructive, positive and professional perspective because:

- They are a way of receiving feedback from customers and therefore necessary means for putting into action improvement plans.
- They are a tool for preventing complacency and harnessing internal competencies for optimising products and services.
- They are a useful way of measuring performance and allocating resources to deal with the deficient areas of the business.
They are a useful “mirror” for gauging internal performance against competition and best in class organisations.

They are a useful exercise for getting nearer the customer and understanding them better.

He went further to stress that most organisations that face challenges in customer complaints handling:

- Suffer from a lack of systematic approach to complaints handling.
- Do not recognise the importance of customer complaints at a strategic level.
- Are ill-equipped in terms of systems and processes for logging in complaints, processing them, etc.
- Are not proficient with measurement and in particular in non-financial areas such as customer satisfaction and complaints.
- Have adverse cultures and too much of "blame and reprimand" practices.
- Have not embraced the concept of quality management and its related concepts.

### 2.1 Customer Feedback System

Wirtz and Tomlin (2000)\(^5\) claimed that, the key objective of a good customer feedback system (CFS) is to learn from customer feedback in an institutionalised, continuous manner.

Wirtz and Tomlin (2000) argued that when designing a customer feedback system, it makes sense from an implementation perspective to limit the scope initially to only service quality angel, which is usually the highest priority area on which systematically to obtain feedback and stimulate improvement.

It should be noted that many models of customer satisfaction used in academia (and also by many market research agencies) are either attribute based (e.g. price, quality, response time, etc.), or based on the underlying dimensions of quality (e.g. SERVQUAL)\(^6\). However, both approaches alone have the problem of not being easily linked back to operational responsibilities and, therefore, have reduced value from a managerial perspective (ibid).

However, Wirth and Tomlin (2002) identified these seven components of an effective Customer Feedback System:

1. Service indicators, standards and performance targets;
2. Feedback collection tools and feedback process management;
3. A reporting system;
4. A service recovery system;
5. An IT system;
6. A team learning system; and

---

\(^5\) This article was the lead article in the issue.

\(^6\) The most popular measure of service quality is SERVQUAL, an instrument developed by Parasuraman et al. (1985; 1988). Not only has research on this instrument been widely cited in the marketing literature, but also its use in industry has been quite widespread (Brown et al., 1993).
2.1.1 Customer Feedback processes

Fundin and Bergman (2003) argued that little is written about the feedback processes and how they are organized. Fundin and Bergman (2003) indicated that, Bergman (1985) did not cover this problem. They further stated that the book of great insight on reliability and engineering management in general, O’Connor (2002) does not describe the processes for transferring information about customer complaints and customer dissatisfaction failures for strategic decision making.

Cole (2001) also discussed that feedback process is effective and fast, so that learning based on product features and problems may also be fast. He further added that emphasis is laid on fast changes in the new product development process, based on problem with current product.

2.1.2 Customer Feedback Collection Tools

According to Wirtz and Tomlin (2000), firms need to pick a “cocktail of feedback collection tools” that together meet the requirements of an effective feedback collection system, which are:

- multi-level measurement;
- actionability
- representativeness
- service recovery potential
- first-hand learning ; and
- cost effectiveness

First, the level of measurement can be a global indicator of overall customer satisfaction or product or service quality. Often, this is based on indexed (e.g. using various indicators) and/or weighted data (e.g. weighted by core segments and/or products). This overall index provides an answer to how satisfied our customers are, but does not tell us why our customers are happy or unhappy. This is typically what more detailed measures on specific service processes or products, as well as open-ended and unsolicited feedback (e.g. complaints, compliments and suggestions), can answer (see Berry and Parasuraman (1997, p. 67) for an excellent overview of the various research approaches).

The level of measurement required in a firm depends on its objectives. Objectives can typically be categorised into two main groups. The first is about performance assessment and benchmarking. This includes learning about how satisfied customers are (i.e. how good service quality is), how we performed in comparison with our main competitor(s), or in comparison with last year, and where we want to be next year. This objective is about understanding where we stand on our journey to quality, and it is typically needed for rallying the entire organisation towards a service quality culture. The second group of objectives is to give inputs to continuous learning and improvement, where more specific information is needed. More detailed process or product-specific measures help to guide a firm's service improvement efforts (i.e. why our customers are unhappy, and where we need to improve), and pinpoint areas with potentially high returns for quality investment and those which need to be "cemented" or internalised (things we do well and make customers happy). This objective is common to almost all Customer feedback systems.
Second, actionability refers to whether the information gathered either leads to continuous improvement (of individuals, branches, departments and/or processes), or can help in identifying areas that need to be addressed in major process redesign exercises. This criterion addresses the question "How can we improve?" It is, of course, closely related to the earlier point on the level of measurement - usually the more detailed the question or feedback collected.

Third, representativeness and reliability are required mainly for two reasons. One is for assessing where the company, a process, branch or individual is on its road to quality (i.e. changes in quality are not due to sample biases and/or random errors). The other is to support staff, branch and/or process evaluation, especially when incentive schemes are linked to such measures. If the objective of the Customer Feedback System is merely to get feedback on what to improve (rather than for benchmarking and/or assessing staff), then more qualitative tools such as complaints/compliments or focus groups generally suffice.

Fourth, potential for service recovery is important and should, if possible, be designed into feedback cards, surveys, etc. In many surveys, satisfaction data as well as qualitative feedback, such as "liked best" or "suggested improvements", are gathered. However, the majority of surveys do not capture the names of customers who are clearly unhappy, and where service recovery and retention management should be carried out. Process specific feedback cards, unsolicited feedback (e.g. complaint letters or calls), focus group discussions and service reviews usually allow service recovery, while most other tools do not without changing the general practice of anonymous feedback or voluntary disclosure of the customer's name, should there be a desire for company follow-up.

Fifth, first-hand learning refers to process and branch managers, top management and frontline staff listening to customers first hand. Listening directly to customers is much more powerful for shaping the thinking and customer orientation of service staff than "clinical" statistics and reports. As Berry (1997) put it, "directly hearing the voices of customers ... adds richness, meaning, and perspective to the interpretation of quantitative data"

Finally, cost-effectiveness has to be considered. Some measures are inherently more cost-effective than others, and in general, the larger the firm, the greater the number of tools that can be used. However, this does not mean that a full battery of tools is required for every customer service process. Rather, depending on the importance of the process in terms of frequency of interaction and improvement need, a sub-set may be all that is required.
Figure 1: A selection of Feedback Collection tools

This figure below provides a selection of feedback collection tools designed by Arthur D. Little. The figure is adapted from Wirtz and Tomlin (2002), Institutionalising customer-driven learning through fully integrated customer feedback systems, Managing Service Quality, Vol.10, No.4, pp205-215.

<table>
<thead>
<tr>
<th>Collection Tools</th>
<th>Multi-level Measurement</th>
<th>Actionable</th>
<th>Representativeness</th>
<th>Potential for Service Recovery</th>
<th>Firsthand Learning</th>
<th>Cost-Effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Survey (incl. competitors)</td>
<td>•</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Annual Survey on overall satisfaction</td>
<td>•</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transactional Survey (process specific)</td>
<td>•</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Service Feedback Cards (process specific)</td>
<td>0</td>
<td>•</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mystery Shopping (service testing)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Unsolicited Feedback Record (Online customer feedback syst)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Focus Group Discussions</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Service Reviews</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Meets Requirements: • Fully, 0 Moderate, 0 Not at all

Source: Adapted from Wirtz and Tomlin (2002), Institutionalising customer-driven learning through fully integrated customer feedback systems, Managing Service Quality, Vol.10, No.4, pp205-215.

2.1.3 Designing an effective Reporting System

Wirtz and Tomlin (2002) noted that, to drive continuous improvement and learning, a reporting system should be designed to facilitate feedback to front-line staff, process owners, branch or department managers and top management. The feedback loop to the front line should be immediate for complaints and compliments, as is practised in a number of top quality hotels such as Ritz Carlton and Westin Hotels where, every morning, complaints, compliments and suggestions are discussed with staff during the morning briefing. In addition, three types of service performance reports are recommended to provide the information necessary for service management and team learning. A monthly service performance update provides process owners with timely feedback on customer comments and operational process performance. Here, the verbatim feedback is provided to the process manager, who can in turn discuss them with his service staff. A quarterly service performance review provides process owners and branch or department managers with trends in process performance and service quality. Finally, an annual service performance report gives top management a representative assessment of the status and long-term trends in the satisfaction of customers with the firm’s services.

The reports should be short and reader-friendly, focusing on the key indicators and providing easy-to-absorb commentary on trends to be focused on (rather than just dry statistics).

---

7 Arthur D. Little is the world's first management consulting firm, founded 1886 in Cambridge, Massachusetts, US. They are deemed to be leading-edge innovators, combining industry knowledge, functional experience and technology skills to help their clients grow and create extraordinary value (www.adl.com)
The Customer Feedback System can also be used to showcase success stories, set examples, as well as celebrate and motivate good staff. One of the clients puts a number of brief success stories on their Customer Feedback System Intranet location, with a photo and name of the staff involved. This has become so successful that department heads ask for their excellent staff to be featured there. Finally, displaying feedback received, and the resulting service improvements, can communicate customer responsiveness and service orientation to customers.

**Figure 2: Integrated IT Customer Feedback System**

This figure also shows a sample of IT system concept designed by Arthur D. Little for a firm that integrated service recovery routing and monitoring into a customer feedback system.

Source: Adapted from Wirtz and Tomlin (2002), Institutionalising customer-driven learning through fully integrated customer feedback systems, Managing Service Quality, Vol.10, No.4, pp205-215

### 2.1.4 Uses of Feedback

Sampson (1998) put forward two most important uses of feedback. He noted that some uses may be based on ulterior motives such as getting names for a mailing list or for other altruistic purposes (i.e., customer serving purposes). He did focus his attention on feedback uses which improve quality or serve specific customers. He further hinted that feedback can also be used to track customer perception of current operations (i.e., issues relating to speed and efficiency of service delivery) and also provide an opportunity for dialogue with the customer.

### 2.1.5 Prospects for Collecting Feedback in Electronic form

Sampson (1998) further noted that collecting feedback in electronic forms opens up great advantages in data collection and use. These were identified in the following ways.
Response acknowledgement: With other feedback gathering mechanisms like comment cards, companies are often not quick to respond to feedback though 80 percent of the cards asked for the customer’s address. As most of HTML forms asked of customer e-mail addresses, surely the form designers considered the potential of responding. The case study by Marelli (1995) cited that most companies gathering feedback online immediately send a generic acknowledgement which thanks the customer for the feedback.

Follow-up systems: Gathering feedback in an electronic form makes it easy to construct a database of feedback requiring follow up. The reviewer of feedback within the company can then forward it to the appropriate employee for redress. Proper records can then be kept on when and how the feedback was taken care of. In addition, the customer feedback database might also contain information indicating a date to respond back to the customer about the outcome of the complaints or suggestions. “Such database can act as a “tickler file” to assure that no important feedback falls through the cracks”.

Q/A database development: The database can further be developed to find answers to questions from customer feedback. Such a database can be used by people inside and outside the company. The database can be queried by employees who handle questions and complaints to see if a specific customer question has been responded before. Additionally, customers can also query the database to find answers to their queries.

Customer tracking: In situations where customer perceptions of quality are volatile, web-based feedback tracking is evolving to find a solution to this. Automatic storing and tabulation of evaluations and other opinions gathered from customer feedback can also be generated into histograms and time series charts and can further be produced upon demand. Companies can then immediately know if shifts in service quality are occurring (Schmenner, 1986). With the automatic opinion tracking, data are collected and analysed in real-time, and a customer’s opinion feedback is immediately included in the analysis. This allows the opinion on data and analysis to be much more current, thus allowing the company to respond faster to shifting opinions.

2.1.6 Potential problems and limitations on gathering Web-based customer feedback

A discussion of the prospects of Web-based customer feedback would not be complete without some discussion on the possible limitations. One of them is bias (Sampson1998). Non response bias is expected with any passively solicited feedback. The fact that present day Web users tend to be 25-44 year old male college graduates also contributes substantially to bias (Cleland 1995).

Again the proliferation of web access can be compared to the adoption of the television and the telephone. Researchers in developed nations are seldom concerned about the bias in telephone surveys due to the sub-population that does not have telephones. If the growth of Web access continues at present rates, it will not be many years before “Web appliances” become as common as telephone (Sampson, 1998)
Daft and Lengal (1986) also noted that another potential problem with Web–based feedback is the inherent impersonal nature of electronic communication. They argued that face to face communication tends to be more personal than telephone communication (lacking the visual element), which tends to be more personal than e-mail (lacking the sound and verbal intonation elements).

Sampson (1998) further stated that HTML form-based communication is even less personal than e-mail since the customer is communicating with a computer, not an individual. However, this may provide benefits in anonymity but will incur cost by making the customer feel like the human element has been removed and customers are nothing more than feedback information providers.

### 2.2 Small and Medium sized Enterprises and Customer Feedback

The writers made various attempts to gather literature on SMEs and customer feedback on the Internet but were not successful. However, we deem it interesting to discuss in general terms Small businesses and Internet communication.

Poon and Swatman (1997) have maintained that the Internet has brought in its wake the possibility for small business to gain access to an information infrastructure larger than that owned by any major corporation. They added that Internet allows small businesses to communicate as widely with individuals or trading partners as any large corporation can, nowadays.

Poon and Swatman (1997) further stressed that the importance of the Internet to small business is culminated in the increasing number of research efforts focusing on this topic worldwide. Among them include those undertaken by Abell and Lim (1996); Barker (1994); Fuller and Jenkins (1995); Hamill and Gregory (1997); Lymer et al. (1997); Poon and Jevons (1997); Poon and Swatman (1995, 1996, 1997); and Sieber (1996a, 1996b). Though there are variations in topics and approaches, all these researchers ended up that the Internet is different from other IT systems in terms of the way it transforms business operations and practices.

Internet has also been identified by Walters & Lancaster (1999) to offer links with customers, suppliers and distribution and facilitates transactions, processes and information transfer. It also enables companies to develop new products and services.

According to Kolakota & Whinston (1997), the web can be used by SMEs for three important tasks: marketing and advertising to attract new customers, service and support of existing customers and new market and distribution channel creation for existing products. Almost the same issues were identified by Poon & Swatman (1995) who came out with some categories of proposal below on Internet uses for business purposes in SMEs.

- Consumer prospecting and advertising
- Involvement in specialized groups for knowledge and intelligence exchange
- Research and development ideas/opportunities.
- Efficient communications
• Preparation for global marketplace
• On demand linkage with customers and suppliers
• Geographical reach/general accessibility

Soh, Mah, Gan, Chew & Reid, (1997) found that companies (including small businesses) use the internet to perform four major functions:

• Market themselves both locally and globally;
• Gather requisite information by searching other websites or gather consumers feedback
• Provide customer service and support and
• Conduct electronic transactions.

Almost all the firms surveyed in their research were using or intending to use the Internet for marketing and advertising and for gathering information. They further went on to summarize by industry, the different patterns of use within the four categories.

2.2.1 Specific Uses of the Internet in different industries

Table 2: Uses of Internet for specific business

This table depicts the various uses of Internet for business in some industries by early adopters of the net in Singapore.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Marketing and advertising</th>
<th>Information gathering</th>
<th>Customer Service and support</th>
<th>Electronic transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer and information technology</td>
<td>Products and services</td>
<td>Feedback</td>
<td>Press releases</td>
<td>Sales order, Software delivery, Subscription to ISPs, Customers correspondence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New products</td>
<td>Useful hypertext links</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Information sourcing</td>
<td>Assessing FAQs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Competitive tracking</td>
<td>Down-loading drivers</td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>Sales promotion</td>
<td>Feedback</td>
<td>Press releases</td>
<td>Room reservations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Market research</td>
<td>Useful hypertext links</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Products and services information</td>
<td>Feedback</td>
<td>Press releases</td>
<td>Sales order</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Technical information</td>
<td>Useful hypertext links,</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Allowing customers to access database</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>Electronic catalogs</td>
<td>Feedback</td>
<td>Press releases</td>
<td>Sales order</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Market research</td>
<td>Useful hypertext links</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Competitive tracking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publishing</td>
<td>Trial products</td>
<td>Feedback</td>
<td>Press releases</td>
<td>Subscription to the magazines or newspaper</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Opinion soliciting</td>
<td>Useful hypertext links</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Online information</td>
<td></td>
</tr>
<tr>
<td>Banking/Finance</td>
<td>Financial products and services information</td>
<td>Feedback</td>
<td>Press releases</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improving Websites</td>
<td>Useful hypertext links</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>Tour packages promotion</td>
<td>Feedback</td>
<td>Press releases</td>
<td>Tour packages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Latest updates</td>
<td>Useful hypertext links</td>
<td>Reservations</td>
</tr>
</tbody>
</table>

Generally, in Hamill (1997), Sterne (1995) listed the following potential advantages of effective Internet marketing; improved corporate image; improved customer and investor relations; finding new prospects (customers); increased visibility; cost reduction; market expansion; and improved internal communications.

In more of a summary, Ellsworth and Ellsworth(1995;1996) listed ten main business uses of the internet, namely; communication(internal and external) using the e-mail; corporate logistics where tools such as MUDS (Multi-User dialog) and MOOS(MUD Object Oriented, IRC(Internet Relay Chart) etc, are used to achieve "real time” communications across distances; globalization and a levelling of the corporate playing field with the SMEs using the Internet to achieve competitive advantage, for example, by creating new product opportunities, erecting barriers to entry; cost saving, from the use of online communications support of inter-firm collaboration, especially in R&D; the use of the Internet as an information search and retrieval tool; the establishment of company Websites for marketing and sales promotion; and the transmission of any type of data including manuscripts, financial information, CAD/CAM files.

These general use of the Net can translate into specific improvements in business performance (Hamill1997).Cronin (1996a), interestingly presented a strategic positioning matrix for identifying the forces that influence and shape the type of Internet applications most likely to add value and lead to competitive advantage at the different stages of a company’s development. The internet’s connectivity value for a particular organization will reflect the interaction of customer connectivity and external competitive forces with internal network access and core applications.

In Hamill (1997), Cronin (1996a) identified four main competitive advantages that are available from Internet connectivity. These include;

- cost/efficiency savings achieved through substituting the Internet for other communications channels with vendors, information providers and business partners;

- performance improvements from the widespread internal use of the Internet to integrate information resources, support virtual teams and facilitate distributed decision making and organizational flexibility;

- market penetration which can be achieved from high external connectivity with customers, including public Web sites and online customer support;

- product transformation including the development of Internet-based products and services that redefine the company’s strategic position.

In their study of business transformation on the Internet, Dutta and Segev (1999) identified a range of different uses of the Internet within the dimensions of customer service, product, price, place and promotion. The customer relationship aspects are listed Table 3.
Table 3: Classification of Internet marketing functions in relation to customer service

Dutta and Segev’s (1999) Classification of Internet marketing functions in relation to customer service:

<table>
<thead>
<tr>
<th>Customer Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feedback from Customers</td>
</tr>
<tr>
<td>Online customer service</td>
</tr>
<tr>
<td>Customer Identification</td>
</tr>
<tr>
<td>Customer communities</td>
</tr>
<tr>
<td>Communication to customers</td>
</tr>
</tbody>
</table>

Dutta and Segev (1999) used this list among others to indicate the extent to which marketers were using the Internet. However, if the ideas of Quelch and Klein (1996) are combined with the variables of Dutta and Segev (1999), it could be identified that some of the latter’s variables are simple, one-way, informational marketing activities. Other variables are two-way, that is relationship facilitating marketing activities and a third category involve complex, two way, transaction enabling interactions with customers (e.g. customer participation in pricing or product design). Note that the term financial does not necessarily mean financial transactions but encompasses all the two-way, customized, request/response exchanges (Arnott and Bridgewater, 2002).

On the basis of this, Arnott and Bridgewater (2002) subdivided into three the marketing activities on the internet. They use, but build on the Dutta and Segev (1999) variables and classify them according to their primary function (informational, relationship facilitating or transaction enabling). These activities are summarized in Table 4:
Table 4: Informational, relational facilitating or transactional marketing activities on the Internet

<table>
<thead>
<tr>
<th>Marketing Activity</th>
<th>Informational (information only)</th>
<th>Facilitating (relationship building)</th>
<th>Transactional (online exchange)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer service</td>
<td>Search facility</td>
<td>Personal identification</td>
<td>Customer feedback</td>
</tr>
<tr>
<td></td>
<td>Browse facility</td>
<td>One-to-one/direct communication</td>
<td>Online communities</td>
</tr>
<tr>
<td></td>
<td>FAQs</td>
<td>Online help services</td>
<td>Online application or subscription</td>
</tr>
<tr>
<td></td>
<td>Company history</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>P&amp;L/Balance sheet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>Product catalogue</td>
<td>Value added information</td>
<td>Customization</td>
</tr>
<tr>
<td></td>
<td>Company brochure</td>
<td>Help with selection</td>
<td>Participation in design</td>
</tr>
<tr>
<td>Place</td>
<td>Location information</td>
<td>Real-time order processing</td>
<td>Online ordering</td>
</tr>
<tr>
<td></td>
<td>Contact details</td>
<td>Involvement of trusted fulfilment partners</td>
<td>Online payment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Online distribution</td>
</tr>
<tr>
<td>Price</td>
<td>Price information</td>
<td>Cost calculators</td>
<td>Dynamic pricing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Metered pricing</td>
<td>Customer participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online quotes</td>
<td>Online auctions</td>
</tr>
<tr>
<td>Promotion</td>
<td>Web address in off-line communications</td>
<td>Hot links within site</td>
<td>Customer participation(e.g. interactive ads)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Online promotions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Links with other firms</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customized promotion</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from David C. Arnott and Susan Bridgewater, Internet, interactions and Implications for marketing, Marketing Intelligence & Planning, 2002.

After their research, Arnott & Bridgewater (2002) also had these findings to reveal among others:

- Affirm Dutta & Segev’s (1999) contention that a majority of firms are using the Internet for information provision rather than utilizing its interactive potential.
- The most frequently used function is of the internet is that of an on-line brochure
- Smaller firms are using the significantly fewer Internet tools of any type than their larger counterparts.
- The geographical origin of firms has been proposed as an explanation of different levels of internet interactions(Dutta and Segev, 1999)

2.2.2 Benefits from SMEs’ usage of Internet

Against the backdrop of the diverse meaning of benefit in the context of Internet use and the lack of universally-agreed business model, benefits gained through the use of Internet is qualified as “perceived benefits”. Again, the value of these benefits gained can still be very subjective, owing to the complex causal relationship (Poon & Swatman 1997).

Poon & Swatman (1997) in their study on the small business use of Internet in Australia attempted to classify perceived benefits into direct and indirect categories; direct benefits, according to the examples used by Iacavou et al. (1995) into those which could be readily quantifiable; indirect benefits, on the other hand, and those not easily quantifiable and often might not be predictable. They further classified both direct and indirect benefits into short and long term benefits. According to them, the rate of business development on the Internet, short- term benefits should be realized within a few months, whereas long-term benefits may
take longer and can evolve into different forms. The relationships between direct, indirect, short-term and long-term perceived benefits are illustrated:

**Table 5: A framework of perceived benefits related to Internet use**

<table>
<thead>
<tr>
<th>Direct Benefits</th>
<th>Examples:</th>
<th>Examples:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- save in communication costs</td>
<td>- Secure returning customers</td>
</tr>
<tr>
<td></td>
<td>- Generate short term revenues</td>
<td>- Long term products or service delivery</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indirect benefits</th>
<th>Examples:</th>
<th>Examples:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Potential business opportunities</td>
<td>- Ongoing business transformation</td>
</tr>
<tr>
<td></td>
<td>- Advertising and marketing</td>
<td>- New business formation delivery</td>
</tr>
</tbody>
</table>


**2.2.3 Challenges of SMEs usage of Internet**

Small and medium sized enterprises (SMEs) often suffer disappointment regarding their expectations due to frequent mistakes that occur when developing and managing their adopted strategies, and implementing the operational actions of Internet communications (Vescovi, 2000).

According to Vescovi (2000), an Italian University business school (CUOA) is collaborating with a group of ten SMEs, to develop the Internet communication strategies, facing together the difficulties and problems which are connected to this challenge. This work in common outlined some typical problems affecting SMEs in their approach to Internet communication.

Vescovi (2000) further stressed that these problems are not present at the same time in all companies, but they identify what the research group called the “six natural troubles” in introducing e –communication. They are the following:

- unclear communication strategy;
- new communication paradigms;
- non-integrated marketing communication;
- company involvement in the internet challenge;
- people for Internet communication; and
- organizational change.

He added that, the six problems representing the causes of difficult and slow introduction of Internet communication into the company’s marketing strategy, sometimes lead to failure but
these problems can be overcome, especially if the company reaches a sufficient degree of awareness about them.

Avlonitis & Karayanmi (2002) also argued that though it is widely accepted that the Internet offers companies a wide range of application opportunities, there is a lack of any established criteria for measuring the use of the Internet.

Sadowski et al (2002) claimed that the widespread recognition of Internet use in other corporate environments cannot be seen with small firms because the latter is not adopting the Internet with the same speed as their large counterparts. There are mixed views regarding the Internet adoption levels of SMEs. Dutta & Ervard (1999) argued that unlike the general view from the outside that all businesses have grasped and understood the implications of new technologies on an ongoing basis, the actuality of the situation is somewhat different with discrepancies in terms of utilisation rates of the various new capabilities available.

To Rovere (1998) firms are encouraged to adopt information technology due to the positive impacts on competitiveness, in practice there are obstacles to IT diffusion, especially in the case of SMEs. He added that SMEs innovate only when they clearly perceive business opportunities involved with the organisation, or because they are under pressure from suppliers and clients. To him, this is because search and selection of information are important for SMEs but extremely focused on time and human resources constraints. Besides, SMEs have fewer resources than large firms, which lead to weaknesses in planning, training, financing and organisation of internal information.

Despite these limitations, it is estimated however that small business share of e-commerce in the world will rise from 17 percent in 1997 to 30 percent by the end of 2003 (Goldman Sachs,1999). This is attributable to the cheapness of Internet access through the use of Internet applications which is within the reach of most organisations regardless of size (Mcbride, 1997).

## 2.3 Summary and Conclusion of the Literature Review

In this part, we have briefly tried to discuss some of the major studies addressing the issue of customer feedback online. It has come out from the literature review that information about SMEs and customer feedback is scanty and if not difficult to come by. It is even more difficult with regards to information on SMEs and customer feedback online. However, these studies have added important knowledge to this under this area. There has been some work on customer feedback but all have been geared towards large companies. Though, the role of SMEs cannot be over emphasized in all economies, how they use Internet to together customer feedback in order to create product and service quality improvement has been under researched.

Though it has also been established from the literature search that there exist some perceived benefit of Internet usage by SMEs, the actual usage of this technology is not very clear. It also came to light that SMEs face some challenges in their attempt in developing and managing their adopted strategies, and implementing the operational actions of Internet communications. This has further made it worthwhile to study this area.
3.0 RESEARCH PROBLEM, RESEARCH QUESTIONS AND THE FRAME OF REFERENCE

Under this chapter, we will discuss and develop the research problem and research questions for this study. We will further go on to delimit the research problem and the research questions and finally develop and discuss the frame of reference for this study.

3.1 Problem Area

Referring to chapter one, we concluded that how SMEs gather and handle customer feedback on the Internet would be interesting and important area to be studied. This then results in a problem area to be formulated as:

*SMEs and customer feedback on the Internet in Sweden*

3.2 Research Problem and Research Questions

Taking the literature review in Chapter two into consideration, we will further discuss and formulate our research questions.

According to Sampson (1998), much research in the area of active solicitation of customer feedback has been published. To add to this, all the few studies (for instance, Sampson 1996 and Sampson 1998) conducted on feedback solicitation have also been geared towards large companies and hardly could one find literature on customer feedback on SMEs. Again, research about customer feedback on the web is relatively scarce.

It is then proposed that the research problem of this study is:

*How can Swedish SMEs customer feedback over the Internet be characterised?*

In order to accomplish the aim of this study, some research questions need to be formulated and discussed.

**Research Question One**

In Wirtz and Tomlin (2000), they put forward that email and web site feedback mechanism are some of the feedback collection tools put forward by Arthur D. Little. To this end; we deem it expedient to look some of the prevalent tools used by SMEs in Sweden. Then our first research question can be formulated as:
How can the online feedback collection tools used by SMEs in Sweden be described?

Research Question Two:

In the literature review, Wirtz and Tomlin (2000) claimed that, the key objective of a good customer feedback system (CFS), is to learn from customer feedback in an institutionalised, continuous manner. They went further to identify seven components of an effective Customer Feedback System in chapter two. We deem it worthwhile and interesting to look at customer feedback systems of SMEs and to identify whether these components exist or not. This then leads to the next research question as:

How can the components of an Internet-based customer feedback system in Swedish SMEs be described?

Research Question Three

According to Wirtz and Tomlin (2000), firms need to pick a “cocktail of feedback collection tools” that together meet the requirements of an effective feedback collection system. They went further to propose some criteria which can be used to measure an effective customer feedback collection tools. To this end, it may be interesting also to look at the feedback collection tools over the internet and attempt to measure them with the criteria set up by Wirtz and Tomlin (2000). This then leads to the third research question to be formulated as:

“How can the criteria for assessing customer feedback tools on the Internet in Swedish SMEs be described?”

3.3 Delimitation

As discussed in chapter one, definitions of SMEs are multi-varied. However we have decided to follow the Commission of the European Communities (EC) (1996) numeric definition of SMEs based solely upon number of employees (Bäckström 2002). Unfortunately this definition encompasses enterprises with up to 249 employees. This means a lot of firms will come under this umbrella. Hence, narrowing down to a less “heterogeneous” group of SMEs will be important to this our study. For the purpose of our study and taken into consideration the area to be studied, it may be beneficial to limit our study to SMEs with 10 to 100 employees.
In addition, findings of the study will be drawn from case studies in Norrbotten Region engage in manufacturing and provision of service so a generalization cannot be made in all business sectors of the area.

It needs to be recognised that we focused our attention on the organisational perspective other than the online customers. There is no way findings of the research can be related to the online customer.

Again, the study deals with SMEs in Sweden and to this extent; reliability of the findings will be subjected to only SMEs in this country and will not call for generalization.

Lastly, as much as possible we tried to present this thesis as a forward-looking one but we do agree that within a few years of publication, it will become a historical document. This is not only due to the rapid technological change but also the dramatic rate of change. We also admit that the society is at the cutting-edge of Internet revolution and this will continue to influence the way customers and firms communicate with one another. Hence, feedback gathering is no exception.

### 3.4 Frame of Reference

A conceptual frame work explains either graphically or in narrative form, the main things to be studied-the key factors, constructs or variables-and the presumed relationship among them” (Miles and Huberman, 1994). This also help the researcher to define who and what, will or will not be studied and this may precede the formulation of research questions(ibid).

### 3.4.1 Operationalization of Variables

The Table 6 presents the research variables used in the research questions, theoretical definitions and the chosen operational definitions.
### Table 6: Research variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Theoretical definition</th>
<th>Operational definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feedback Collection tools</td>
<td>These are verbal forms, letter, fax, e-mail, feedback boxes, web sites, service reviews, focus groups, service feedback cards and annual survey used to gather comments, suggestions and complaints from the customer.</td>
<td>The respondent’s description of feedback collection tools online will be compared to the theoretical definitions of the six theories. If and when the respondents description matches anyone of the theories a criteria have been found.</td>
</tr>
<tr>
<td>Feedback process</td>
<td>Ways of receiving and responding to feedback from customers.</td>
<td>Ways of receiving and responding to customer feedback on line.</td>
</tr>
<tr>
<td>Components of a feedback system</td>
<td>(1) service indicators, standards and performance targets; (2) feedback collection tools and feedback process management; (3) a reporting system; (4) a service recovery system; (5) an IT system; (6) a team learning system; and (7) The organisational positioning of a Customer Feedback System. (Wirtz and Tomlin 2000)</td>
<td>The respondent’s description of components of an online feedback system will be compared to the theoretical definitions of the seven components. If and when the respondents description matches anyone of the definitions a component have been found</td>
</tr>
<tr>
<td>Criteria for measuring customer feedback</td>
<td>1. Multi-level measurement; 2. Actionability 3. Representativeness 4. Service recovery potential 5. First-hand learning; and 6. Cost effectiveness (Wirtz and Tomlin 2000)</td>
<td>The respondent’s description of criteria for measuring online customer feedback system will be compared to the theoretical definitions of the six theories. If and when the respondents description matches anyone of the theories a criteria have been found.</td>
</tr>
</tbody>
</table>
4.0 METHODOLOGY

This chapter focuses on how those research questions discussed under chapter three will be answered. In this wise, we will further present, discuss and motivate the methodology that will be used in terms of the research approach, research methods and the quality criteria.

4.1 Introduction

Eldabi et al (2002) postulated that conducting any type of research should be governed by a well-defined research methodology based on scientific principles. Nachamias et al (1996) also argued that methodologies are considered to be systems of explicit rules and procedures, upon which research is based, and against which claims for knowledge are evaluated. Lee (1989) lamented that so far there is no “perfect” research methodology, as there is no universally agreed methodology. This is because there is still great debate about the meaning of science. The rules and procedures for research constantly change as scientists look for new methods and techniques of observation, inference, generalisation and analysis. To this end, Kaplan (1973) suggested that a well-developed research methodology can provide an understanding of the products and processes of scientific enquiry.

4.2 Research Purpose

Scientific research, according to Wiedersheim-Paul & Eriksson (1991) in Andersson & Svensson (1999) can have three basic purposes: to explore, describe and explain. Exploratory studies aim at exploring something and are appropriate when the research problem is difficult to delimit. Further, exploratory studies should be used when the researcher is uncertain about which model to use and which characteristics and relations that are the most appropriate. Exploratory studies also focus on finding interesting research questions, reach a more specific research problem and /or develop a system of definitions.

Descriptive studies are mainly focused on describing a phenomenon and are recommended when the problem is clearly structured and when the intention is not to examine the causal relationships. The researcher knows what he or she wants to investigate, but he/she does not know the answers (ibid).

In Andersson and Svensson (1999), Johansson and Lindfors (1993) argued that causal or explanatory studies aim at describing the relationship between and the cause to different phenomena.

Marshall and Rossman (1999) advanced that “exploratory and descriptive research is suitable strategy that builds rich and descriptions when the phenomena under the study are not well understood.” According to Wiedersheim-Paul & Eriksson (1991) in Andersson & Svensson (1999), it is also quite usual that research starts with an exploratory phase to assess what the
This study sought to explore and describe how SMEs in Sweden gather and handles customer feedback over the Internet. In this vein, it can be classified as both descriptive and exploratory. Based on the purpose, our study is descriptive but however it can be deemed exploratory in the sense that the study was preceded by an exploratory phase. This served as a pre-study to the descriptive study in our bid to define our research questions.

4.3 Research Approach

Denzin & Lincoln (1994a) put forward that there are two approaches available for researchers: quantitative approach and qualitative approach.

Eldabi et al (2002) identified quantitative research typically has a “logical and linear structure”, in which hypothesis take the form of expectations about likely causal links between the constituent concepts identified in the hypotheses. Thus, the determination of the causal links specified by the hypotheses will result in the acceptance, or rejection of the theoretical proposition. Hence, quantitative research places emphasis on methodology, procedure and statistical measures of validity. Quantitative research methods also rely on the measurement and analysis of statistical data, to determine relationships between one set of data to another. The measurement of these variables may produce quantifiable conclusions.

Bryman (1993) criticised quantitative research methods for their apparent orderliness and linearity, and their lack of concern over the influence of resource constraints. Gable (1994) suggested that for quantitative research to succeed in elucidating causal relationships, or in providing descriptive statistics, the instrument must ask the right questions, in the right way. Gable (1994) considers quantitative research to be relatively weak when used with the objective of discovery and during data collection. This is because once the research is underway there is little an investigator can do upon realising that a crucial item has been omitted from the questionnaire, or discovering that a question is ambiguous, or is being misinterpreted. Gable (1994) therefore suggests that the researcher should have a good idea of the answers sought before starting the research like a survey. Hence, traditional quantitative survey research would appear to serve as a methodology of verification rather than discovery.

According to Creswell(1994), quantitative approach is defined as “ an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting.”

Qualitative researchers consider that it is not possible to assign meaning to a phenomenon (or behaviour) without describing the context and understanding the position of the people who affect, or are affected by the phenomenon. Consequently, a qualitative investigation is interested in distilling meaning and understanding phenomenon. However, qualitative
research is not concerned with the measurement and quantification of the phenomenon but acquiring an understanding of the natural setting of the phenomenon through observation (Weick, 1984; Irani et al., 1999).

Marshall and Rossman (1989) have identified the premises that form the underlying rationale for qualitative research. First, human behaviour is significantly influenced by the setting in which it occurs, therefore, it is necessary to study this behaviour in these settings. The physical setting and inter-normalised norms, roles and values are crucial and the researcher must operate in a setting where these variables exist. Qualitative research therefore provides a systematic, empirical strategy for answering questions about people in their own bounded social context, with the researcher interfering as little as "humanly" possible during the enquiry. In this circumstance, people make sense of their own experiences and create their "own" reality (Locke et al., 1993). Second, some techniques associated with experimental or quantitative research often influence the findings of the study. This is often the case because the subject may not be able to articulate it through the research condition, i.e. that of feelings, interaction and behaviour. Finally, a researcher cannot understand human behaviour without understanding the framework in which subjects interpret thoughts, feelings and actions (Eldabi et al 2002).

Bryman (1993) described qualitative research as an “approach that studies the social world, and seeks to describe and analyse the culture and behaviour of humans and their groups, from the point of view of those being studied.”

In spite of the strengths of qualitative research, such methods do have inherent weaknesses (Miles and Huberman, 1984). The collection and analysis of data are time-consuming because many types of data are collected. Hence, the sheer volume of data obtained may overwhelm the researcher and thus inhibit data analysis. Qualitative data analysis techniques are also considered "not easy", as such methods are considered not well established (Cavaye, 1996). Bryman (1993) has identified a number of contentious issues regarding the use of qualitative research approaches. First, the inability of the researcher to interpret events from the subject's point of view is questioned without biases. Thus, a multi-method approach to data gathering can address this issue to a certain degree (Lin, 1976). Second, the relationship between theory and research can be weak, as qualitative research approaches are criticised for not instilling theoretical elements. Finally, the extent to which qualitative research can be generalised beyond the confines of a particular case is questioned, i.e. limited external validity (Eldabi et al 2002). Bell (1996) and Cohen and Manion (1994) suggested that researchers can address this issue through demonstrating that the study was conducted within a structured methodology, which is guided by theoretical concepts and models and the use of a number of data gathering methods and processes. Qualitative research however does not offer the pretence of replication, as controlling the research setting destroys the interaction of variables and therefore affects the underlying philosophy of this research method.

From the above discussions, the research approach to this study is qualitative. Given that the study of small firms is a relatively new branch of social science research (Churchill et al, 1998; Brockhaus (1987); Bygrave (1989) and the relative lack of understanding of small firms, it is argued that emphasis should be place on empirical research of a phenomenological nature. This point to the qualitative approach where the aim is to explain rather than to predict phenomena (Leavy 1994) and to understand things rather than to measure them (Gordon and Langmaid 1988)
Furthermore, qualitative methods are considered to be particularly suitable for gaining an understanding of decision making in small and medium-sized firms (Carson et al, 1998)

### 4.4 Research Strategy

There are several strategies available for doing social science research. These include case study, experiments, surveys, histories and the analysis of archival information (Yin, 1994). Yin (1994) argued further that adopting a qualitative research approach does not necessarily mean that the researcher should go for a case study approach. However the researchers opted for a case study approach.

De Weerd-Nederhof (2001) defined qualitative case study research as a research strategy using case studies, involving qualitative data collection and analysis. Yin (1989) gives a strict and more "technical" definition:

A case study is an empirical inquiry that

- investigates a contemporary phenomenon within its real-life context; when
- the boundaries between phenomenon and context are not clearly evident; and in which
- multiple sources of evidence are used.

Yin (1994) distinguished three conditions in determining a choice of research strategy: (type of research question posed; the extent of control an investigator has over actual behavioural events; and the degree of focus on contemporary as opposed to historical events)

Yin (1994) and Eisenhardt (1989) agreed that case studies can be used to accomplish various aims: to provide description, test theory or generate theory; exploratory and explanatory. Benbasat et al (1987), summarizes the views of several researchers in the field of information systems, provide additional support for the use of the case study approach to investigate “certain types of problems: those in which research and theory are at their formative stages; and sticky, practice-based problems where the experiences of the actors are important and the context of action is critical”. This fits into the objective of studying an under-researched area such as SMEs and Customer feedback over the Internet.

Yin (1994) also made it clear that a case study research strategy is considered to have a distinct advantage when a "how" or "why" (or exploratory "what") question is being asked about a contemporary set of events over which the investigator has little or no control. Case studies have often been considered as a useful tool for the preliminary, exploratory stage of a research project (Rowley, 2002). From these, this study may not be far from right to be classified as a case study taken into consideration the definition put forward by Yin (1994).

It is noted that a multiple case study strategy and approach will capture larger samples, attitudes and activities ((Poon and Swatman, 1997), a deeper insight into the dynamics of Internet use would help us to understand current and future activities within the SME business sector. To understand the implications of SMEs Internet use for their marketing activities,
some more focused methodology in terms of strategy is clearly needed. A Multiple case study strategy was chosen for this study.

Majority of researchers undertaking analyses of inter-organizational systems (see for example, Barrett and Konnynski (1982); Cash, (1985), Cash and Konnynski (1985); Malone et al. (1987), Venkatraman and Zaheer, 1990, Swatman, 1993) have made use of single or multiple case studies, to gather data.

A single case design is “akin” to a single experiment; they are appropriate when the case is special (in relation to established theory) for some reason and are also used as a preliminary or pilot in multiple case studies. Multiply case designs are preferred on the basis of the replication logic and are regarded as equivalent to multiple experiments. That is to say, “the more cases that can be marshalled to establish or refute a theory, the more robust are the research outcomes” (Rowley 2002).

Yin (1994), in discussing the relative merits of single and multi-case approaches, suggested that multiple case designs should be treated in the same way as multiple experiments—to produce a “replication logic” rather than the “sampling logic” obtained from the survey data. Benbasat et al. (1987) provide a further rationale for the use of this approach: multiple-case designs are desirable when the intent of the research is descriptive, theory building or theory testing……. and ended it that multiple case yield more general results.

As this study had the intent to be descriptive and also a theory building exercise, we opted for the multiple case study design.

### 4.5 Research Methods

*This part of the methodology looks into the tools we have used in order to provide answers to our research questions.*

#### 4.5.1 Literature study

According to Bäckström (2002), Marshall and Rossman (1999) have revealed that a thoughtful and insightful literature review can help the researcher to build a logical framework for the research, in the context of related studies. The literature review we have conducted in this study is primarily based on customer feedback, Internet and SMEs. This careful search took us through a number of known databases made available by the University Library such as *EBSCO* and *EMERALD* and this was done by combining different terms and phrases in different ways in order for it to generate different results. Our literature search however revealed a relatively lack of knowledge on customer feedback and SMEs. It was upon this review that we shaped our research questions.
4.5.2 Sample selection

Selecting the unit of analysis, or the case is crucial. Case selection must be determined by the research purpose, questions, propositions and theoretical context, but there will also be other constraints that impact on case selection. These include accessibility (whether the data can collected from the case individual or organisation), resources (whether resources are available to support travel and other data collection and analysis cost), and time available (Rowley 2002).

Perry (1998) further argued that a researcher can use one case study only if one or more of the three justifications in Yin (1994) apply, and the appropriateness of two or more theories can be tested in each case but several case studies should usually be used in postgraduate research because they allow cross-case analysis to be used for rich theory building.

The researchers found themselves in the constraints put forward by Rowley (2002) hence the focus of the study is limited to the Norrbotten region of Sweden which also formed our sample space. For the purpose of our study and the population of the area concerned, we did choose to look into the SMEs engaged in the manufacturing industry and with 10 to 100 employees.

Romano (1989) maintained that there are no precise guides to the number of cases to be included and the literature recommending the use of case studies hardly specify how many cases to be developed. This decision is up to the researcher.

In selecting cases, Stake (1994) revealed that representative is not the criteria for case selection rather the guarded choice of each should be made such that it either predicts similar results for predictable reasons or produces contrary results for predictable reasons. Eisenhardt (1989) argues that “the random selection of cases is neither necessary, nor even preferable.” Patton (1990) listed 15 strategies of “purposeful sampling” (in contrast to “random sampling”) which can be used to select cases.

To these, our sample consisting of three SMEs engaged in manufacturing and its related services were purposefully sampled. Again, additional criteria which were applied when selecting the cases included the following:

- Conforming to the definition of Commission of European Communities.
- Had been in operation for more than five years. This criterion was included so as to eliminate those firms which can experience growth volatility that is associated with start-up phase especially in the first four years of doing business(Storey and Johnston (1986); Storey,1998)
- The companies should have an independent web site or a web shop offering products and services to customers and potential users.
- The company should manufacture, and/or market consumer or industrial products. Manufacturing firms were selected for the sampling frame in order to ensure the consistency of the sample.
• The company should have an English version of the web site in order for the researchers to make a critical assessment. The corporate respondent should also be functionally literate in English. This is because; the researchers were handicapped in the Swedish language both written and verbal.

According to Gemensamma Fonden (1998) in Andersson & Svensson (1999), Swedish companies are considered to be interesting to study because Sweden is one of the foremost countries in the world in terms of the development, usage and shopping on the Internet.

InternetBay\(^8\) was the main portal used to get access to the contacts of the SMEs in Norrbotten region of Sweden. It was here that companies in this study were selected. We initially selected 10 companies that suited the purpose of our study and also fall within the criteria set. Companies were asked if they were willing and prepared to participate in this study. Out of these 10 companies, 4 were further chosen for this study. After interviewing the third company it became very difficult to get the fourth one. Upon further discussions with faculty members and looking at the adequacy of the data collected from the three which were predicting similar results, we settled on the three.

4.5.3 Data collection

According to Yin (1994) there are six sources of evidence useful in case studies namely documentation, archival records, interviews, direct observations, participant observations and physical artefacts. Rowley (2002) argued that each of these different sources requires different approaches to their interrogation, and is likely to yield different kinds of insights. Each source has its strength and weaknesses, and the richness of the case study evidence base derives largely from this multi-facetted perspective yielded by using different sources of evidence.

However Rowley (2002) cautioned that data collection and in general the execution of a good case study depend crucially upon the competence of the researcher.

The multiple case studies were designed as a series of interviews and Web site visits (to physically see the feedback collection tools). The web site visits helped the researchers to see and examine the sites of these samples, to gather data on them and also how Internet is used to collect customer feedback online by these SMEs. This helped in the verification of study participants for accuracy with regards to the response from the interview. In Andersson & Svensson (1999), Holme and Solvang (1991) argued that the choice to conduct interview is motivated by its flexibility and closeness to the respondent which is important in qualitative studies; that the interviewer is in control during the conversation and the whole conversation is an exchange of knowledge and experience. Interviews are also an important source of case study evidence according to Yin (1994).

\(^8\) Internet Bay was created by the IT industry (started in Luleå) and is a very important component in their growth strategy. It covers the region from Umeå to Vaasa. It is tasked with the gathering and utilising of power from all IT/Telecom, Healthcare and Process Industry companies and to act as a bridge between industry, university and authorities in a market driven projects.
The interview was formulated by using a set of open-ended and close-ended questions. Perry (1998) argued that probe questions about research issues must be prepared in case the interviewee does not raise them in the first, unstructured parts of the interview. The probe questions usually start with How........? As this can definitely not be answered with a yes or a no (Easton 1994b). The probe questions form the major part of a prepared interview protocol (Yin, 1994) which is used to provide a reliable framework for cross-case analysis of data (Perry, 1998).

Essentially each interview sought was on the basis of the interview guide which included among the following:

- Initially gather information on the background of each SME, its IT and marketing staff and the role they play in collecting customer feedback online.

- Ask participants to indicate which type of feedback their firms have collected over the internet.

- How the Internet is used as a feedback collection tools of these SMEs.

- How do they describe the components of a feedback collection

- How they evaluate these feedback collection tools over the Internet

A faulty member examined the interview guide to make sure that all the issues corresponded to and addressed our research questions. Necessary adjustments were however made.

We decided to conduct a focused, half-structured respondent interview. According to Andersson & Svensson (1999), a focus interview will preserve the flexibility needed in qualitative studies and this can help to slightly steer the interview to certain areas that the interviewer consider important and want the respondent to talk about. We went for a half-structure interview as a result of the limited time the respondents were willing to contribute to the interview.

Face to face interviews were feasible in the framework of this study since all the companies were all in Luleå and all of them except Abelko Innovation AB9 were closely situated in the technology park called Aurorum10 (which is also invariably close to the University). This made it possible for the researchers to visit all the respondents and had face to face interviews with them. The three interviews were conducted face to face and a tape recorder was used to accurately record and register the conversation. According to Rowley (2002), training and participation in research design are important in ensuring that a team has an appropriate level of familiarity with the case study investigation. We therefore made efforts to familiarise ourselves with the usage of the tape recorder and respondents were initially notified of the recordings. This was done according to the

---

9 The official headquarters and factory is located at Industrivagen 17, Luleå
10 Aurorum Science Park which is close to Luleå University of Technology is a member of Swedepark (an umbrella organisation for all science parks in Sweden). It has first class office room in a creative environment, support new companies and those who plan to start their own and participates in projects that deal with businesses and regional development.
recommendations put forward by Yin (1994). Additional notes were taken together with the recordings to facilitate cross-checking of information. Each interview covered a period of 30 minutes.

4.5.4 Presentation and Analysis of Data.

To Rowley (2002), analysing case study evidence is not easy as a typical case study database include a multitude of different evidence from different sources. In general there are no “cookbook” procedures that have been agreed for analysis of case study results, but a good case study analysis adhere to the following principles:

- The analysis makes use of all the relevant evidence
- The analysis considers all the major rival interpretations, and explores each of them in turn
- The analysis should address the most significant aspect of the case study
- The analysis should draw on the researchers’ prior expert knowledge in the area of the case study, but in an unbiased and objective manner.

The collected raw data was first divided into categories or problem areas that emerged during the data registration and analysis process. The categories were further arranged into themes that corresponded to the research questions and the areas of literature covered in chapter two. This procedure is described by Miles & Huberman (1994) as “data reduction.” Taking into consideration the respondents, it was our conviction that it was worthwhile and sufficient to do a cross-case analysis to highlight variations and similarities between and among different samples and thus present the results in an aggregate form.

Writing the case study report is argued to be a daunting task because at this point the researcher needs to discriminate between what is to be included and the wealth of evidence that will not appear in the report, but stays in the case study database (Rowley 2002). When presenting data in this study, attempt was made to write down ideas about analysis and conclusions coming out from during the early phase. Drafts of literature review and methodology sections were refined, re-written and sometimes changed to order in parallel with data collection. The results of the cross-case analysis and the within-case analysis formed the basis of presenting the findings and conclusions of this study.

Rowley (2002) further pointed out that a key factor in determining the coverage and presentation of the case study report is the intended audience as different audience have different needs. The study sought to contribute to existing knowledge and will therefore address the academia, policy makers, academic colleagues and financiers of research.

4.5.5 Quality of research design

According to Rowley (2002), three concepts namely generalisation, validity and reliability establish the basis on which other researchers should regard a research study as knowledge that can be assimilated into the knowledge base of any field of study. However, to Yin (1994) four tests have been used widely to establish the quality of “empirical social research”- construct validity, internal validity, external validity and reliability.
a. Construct validity deals with about the establishment of correct operational measures for the concepts being studied (Yin 1994). This is concerned with exposing and reducing subjectivity by linking data collection and measures to research questions and propositions (Rowley, 2002). In this study data collection methods were complemented with different kinds of materials and web pages whilst personal interviews were conducted by the researchers on responsible officers/respondents in the selected sample companies in order to get the first hand information. The choice to conduct a multiple case studies on three companies increased the validity of our research since it has provided us with a lot of information about the problem area. Our supervisor was very instrumental in shaping our interview guide in order for it to correspond with our intended research purpose.

b. Internal validity. This is just for explanatory or causal studies only and not for descriptive or exploratory studies. The focus of this is to establish the causal relationship whereby certain conditions are shown to lead to other conditions (Yin 1994). Unfortunately, the focus of our research is not in this direction hence will not be discussed.

c. External Validity establishes the domain to which a study’s findings can be generalised (Yin 1994). Though, we used a multiple case study approach, the rationale behind our study is not to generalise our findings to all Swedish SMEs. However, we have thoroughly followed the case study approach.

d. Reliability demonstrates that the operations of a study-such as the data collection produced can be repeated with the same results. This is achieved through thorough documentation of procedures and appropriate record keeping in order to minimizing errors and biases (Yin 1994).

We have tried to improve the reliability of this study by describing and documenting all the steps that we have followed. We have in advance read about the companies in our sample and as two researchers taped all the interviews and recorded the proceedings in order to reduce biases and errors. Three companies were also involved in this study and we also went back for a review of the data collected when we thought a point needs to be clarified and for further explanations.

Following recommendations by Yin (1994), we have made use of the case study protocol that invariably has helped to increase the reliability as we have established a database of research materials, tapes from interviews and referred articles that can be made available to those who may be interested.
5.0 EMPIRICAL DATA PRESENTATION

This chapter focuses on the presentation of data collected from our interviews and documentations on three selected case studies. The Companies involved were Abelko Innovation AB, Marratech AB and Propac AB. All these companies are SMEs and are more or less manufacturers of High technology products. The data presented follow the structure of our frame of Reference and our interview Guide used during the personal Interview we conducted.

5.1 Case 1: Abelko Innovation AB

5.1.1 Background Information

Abelko Innovation AB is an electronics company that was established in Luleå in 1970. Swedish Fund for Investment owns 24% of the shares. A private investor residing in Stockholm owns 19% whilst the rest (57%) is owned by 5 persons who are also employees of the company. This company markets solutions in the form of total concepts including hardware, software and service commitments. Currently, it has twenty-two employees. In terms of turnover, the company made 15.7 million Swedish krones\(^1\) in the 2000/2001 financial year, 20.3 million Swedish krones in 2001/2002 and 19.0 million Swedish krones in 2002/2003.

The core competence areas are Internet technologies, measurement and monitoring systems, control and automation, communication and control via radio or wireline, and medico-technical equipment.

The company claims to have built long-term relationships with its customers and partners in co-operation. Abelko Innovation AB assumes responsibility for development, manufacturing and support. The company’s strategy is to market their own products via their own sales organization and that of our co-operative partners, and to find products that complement their own through joint ventures with other companies. It has also a solid experience of training, sales support and technical support in many countries. The respondent at the company was Mr. Anders Lindgren, the Deputy Managing Director.

Products

The company manufactures its own products and other advanced products on a sub-contract basis. Some of the products they manufacture ranges from measuring to energy control systems. They include Medico-technical, Multicall, KomfortEI and IMSE WebMaster.

With energy control systems, Abelko has more than 25 years of experience behind it. KomfortEI is offering the best alternative on the market in the controlling of direct electrical

---

\(^{11}\) Swedish Krones denotes the official currency of Sweden
heating in small homes, multifamily dwellings, public buildings and industrial premises. This business area includes many customs and especially OEM-products for control and automation, for example, control systems for air conditioning units, heat exchangers, and heated railway switches.

Abelko, in developing the medico-technical has been collaborating closely with Ljunberg & Kögel for the marketing and exporting of these products such as blood mixers used in blood collection, and high frequency sealers for sealing blood tubing and bags.

For Communication and control, the Multicall is serving as a perfect product for municipal property managers, public utilities providers, and those who need effective remote control, for example of lighting, heating and security systems.

The company has many years of experience in designing advanced measurement and monitoring systems, for repetitive, continuous or occasional measurements. IMSE Webmaster, the latest system is Internet-based and has embedded web pages. It is claimed to be easy to use and has a wide range of applications.

**Geographical Area of Operation and Market**

The company mainly operates and sells its products in Sweden but some customers do take the products across the borders of Sweden to neighbouring Norway. 95% of the products especially the medico-technical equipments are exported.

**Customers**

The company deals with big organisations - industrial users and state corporations and are interested in big volumes or orders. The Company has known some of these customers for many years. Orders are placed in volumes as the year begins and are further picked in small quantities based on the agreement between the company and the customer. Orders are normally placed by fax and seldom done through e-mails and letters.

**Motivation for going on Internet**

The company decided to put up a web site in 1992. This offered users to access information about the company and its products as there was no possibility to buy on the net. This move was motivated by the idea that some customers have started to buy on the net and it was conceived to be a good advertising forum and a platform to provide user manuals to clients very easy. The site was later improved to make it possible for private clients to buy the energy control equipment on the net.
5.1.2 Data regarding the Research Questions

Description of customer feedback collection tools of Abelko

However, there is one person who is directly responsible for all e-mails that comes into the organisation in terms product or service feedback and these are then forwarded to the respective person responsible for that particular client.

There is also a hyperlink of all the names of staff of the company which is found at the contact us page of the website. A click on this opens up an e-mail window on the user’s screen so that a feedback may be sent to a pre-specified e-mail address at the company.

Mr. Lindgren added that there is also a simple Java applet demo on how to read and write in IMSE WebMaster. With this customers can visualise the demonstration of the product on the web and there is also a function where you can ask the product some questions and it will automatically be answered.

There is also a FAQ part of the Web which has been developed as a result of persistent comments and feedback received form users and clients. This is normally updated from time to time.

To Mr. Lindgren, Abelko meets its clients every year to discuss what the clients think about improvement in terms of product quality, delivery time and other support systems. For instance the Medico-technical support team goes to the extend of Hong Kong to gather feedback and to provide support for clients. Again, a small questionnaire is developed and sent out to clients to respond to basically how to improve the products and the quality of delivery. This is rated on a 1 to 5 point scale. 3 is always the minimum acceptance of the company whilst 1 is considered to be very bad.

More so, many other clients use the phone calls for product enquiries, suggestions and comments. If the problem seems to be very severe, letters are used. This normally happens at Abelko.

On the other hand, during product launch, fairs, technical fairs, there is the possibility for Abelko to invite some selected customers and introduce to them new products. Feedback is then elicited from these clients.

Mr. Lindgren states that staff responsible marketing and support services of each product do handle customer feedback as they come. The sale personnel then deals directly with their respective clients. To him, “it at times pays to use the online customer feedback system and the other means like telephone together so that you can get the best out of them.”

Description of the components of the Internet-based customer feedback system at Abelko

According to Mr. Lindgren, there has not been a clear attempt to measure service quality and customer satisfaction with the Internet based feedback system. A casual attempt to this effect
is done by the 5 scale ratings which are always distributed to customers to elicit their response or reaction. There has not been a clearly established service quality model which has been discussed with staff and operationalised to that effect. Service standards based on customer wants and needs, moderated by policy decisions have not been set by the Internet based feedback system. There have not been clearly defined performance target too that can hold staff to be accountable. He admits that the system can be improved.

The respondents argues that for now they have tried to put in feedback collection tools that have produce feedback which are further processed to give management some valuable insights. However, there is the need for improvement. To the respondent, this Internet feedback is working fairly well as it is serving as a reporting system for Abelko. The company strives very hard to satisfy all its customers so that the issue of service recovery does not come in.

The customer feedback mechanism is built of Windows NT and Internet Explorer. Java applet demo is also used in the demonstration of IMSE WebMaster. However, there is possibility for change to be made to provide functionality and better results.

There have been instances where this internet based feedback has provided valuable insights into the most occurring problems and the need for the company to solve them. Some customer feedback has also contributed to product improvement.

The respondent’s postulates that the organisation embraces this Internet based feedback system as a support to the telephone which is sometimes used.

**Assessing the criteria for measuring customer feedback collection tools on the Internet by Abelko**

According to the respondent, the idea of putting up this online customer feedback system is to make it easier for their clients to get the needed support as early as possible, to recognise new products and how they function within a short period of time. This is to ensure a continuous service improvement and to make our customers happy. Here, the multi-level measurement was considered as a criterion in choosing online customer feedback.

This online feedback collection tools have also according to the respondent considered to lead to continuous improvement. He also pinpointed product improvement as an area customer feedback has brought to bear on improvements in order to satisfy their customers.

The objective for choosing the Internet feedback collection tools is to help improve the service delivery and support of the clients of the company. To Mr Anders, it is yet to be developed to evaluate staff and to assess a department on their performance.

The online feedback collection tools have not been designed to capture the service recovery potential of customers. To the respondent, Abelko AB as a company does well to satisfy its clients in order to minimise service recovery.

The respondent also highlighted the need of online feedback collection tools to provide information which is serving as learning platform. Getting information directly from
customers is perceived to be a source of direct information for product and service development for Abelko.

The cost effectiveness of these feedback collection tools were assessed before the system as implemented. To the respondent, it is worth it to operate this system as it was taking a lot of the time of the staff to get in touch with clients by telephone.

5.2 Case 2: Marratech AB

5.2.1 Background Information

Marratech AB, a communication tool company that was established in June 1998 develops and markets solutions for e-meetings, i.e. software that enables web based meetings and conferences. Marratech solutions are based on earlier research that started in 1995 at CDT (the Centre for Distance-Spanning Technology) at Luleå University of Technology, Sweden. Marratech is owned by Swedish Mutual Fund as well as the employees and founders who developed the prototypes for the company. Currently, the company has 15 employees whilst about 4 to 5 people are also engaged on freelance basis. Marratech is struggling to break-even. This is due to the fact that during the year of its establishment (1998), Marratech was far ahead of its potential customers in terms of technology. Customers at that time did not have the requisite information technology infrastructure to run the products Marratech offers and the economy too was nothing to write home about. In all these, the company hopes to rake in between 20 to 25 Million Swedish Krones within the 2003 financial year.

Finding itself entangled in this challenge, Marratech held the "2001 European IST Prize" for Marratech Pro, awarded by the European Council of Applied Sciences and Engineering (Euro-CASE) with support from the EU’s Information Society Technologies Programme.

The company's business idea is “to help people meet and work together regardless of geographical location”, primarily to increase efficiency in daily work and also to save valuable travel time and costs as well as work time. Marratech launched its first products for e-meetings in 1998. The respondent at this company was Mr. Rikard Stenberg, the Vice President in charge of Customer Support and Education.

Products

i. Marratech Pro

Marratech Pro- their award winning client software is an entrance to the Marratech Work Environment and is a freely available software client that is easily installed on client’s computer. The European IST (Information Society Technologies) Prize is the most distinguished prize for innovative products and services in the field of Information Society Technologies. The prize is open to companies or organisations that present an innovative IT product with a promising market potential. It is organised by Euro-CASE. (www.ist-prize.org)
computer. This product gives the client access to a secure group work environment with crystal clear Voice Over IP, an interactive Whiteboard with support for MS Office documents, the ability to talk and chat in groups and in private and, if desired, the opportunity to see each other by using video.

**ii. The Marratech E-meeting Portal**

This also connects the client’s team in a Marratech Work Environment. The Marratech E-meeting Portal hosts e-meetings, collaboration and information sessions for clients and makes them available through a simple click on a web page. With support for high-grade security, NAT (Network Address Translation) firewalls and expandability, the Marratech E-meeting Portal is a very flexible solution.

**iii. Others**

There is the possibility for Marratech to provide video conferencing facility to clients on a standardised Personal Computer. Marratech do sells some hardwares, desk camera but on a small scale. All these products can be run on the clients’ machine or on Server software provided by Marratech.

**Geographical area of Operation and Market**

Locally, it has two offices in Sweden: one in Luleå and the other located at the Science Park in Kista, Stockholm where the company has its official seat currently. At the International level, it has an office in the United State of America.

The company mainly deals with resellers, which are located across Europe and other parts of the world namely, Germany, United Kingdom, Spain, France, Italy, Portugal, Romania, U.S.A, Canada, Luxembourg, Hong Kong and some South American countries.

**Customers**

The company deals with a wide variety of customers. These include schools which are into online distance education, companies that have more offices around Sweden or Scandinavia; organisations interested in communicating, supporting and training their customers online and companies or organisations who want to communicate and train their staff on line. Others use their products for tele-medical purposes (for example, the white Board) and other means of communicating in the Armed Forces and Meteorology. Most of these customers run the products on their own, whilst others rent and Marratech runs it for them.
Motivation for going on Internet

Going Internet immediately preceded the incorporation of the company. This is due to the fact that all the potential customers were users of Internet and the product was also built around Internet. It also presumed to be the easiest way to support their clients and to provide a lot of useful information to users at that particular point in time.

5.2.2 Data Regarding Research Questions

Description of the Online Customer feedback collection tools of Marratech

According to Mr. Stenberg, the company uses Internet to make contacts, work with customers directly and with resellers. This is done effectively via e-mail. Usually, emails entailing questions on feedback are answered the same day when possible.

There is a log book where all emails are entered against the respective customer. This includes date, the details of the sender, the type of question (whether open ended or close) and the type of problem or issue raised. This is done by a schedule officer who has been appointed to handle all incoming emails.

The schedule officer or the Support Manager (the logger) then forwards the mail to the respective officer who handles that particular customer or the officer who handles that particular problem/ issue. The respondent then forwards it back to the schedule officer for onward submission to the sender. According to Mr Stenberg, this helps to erode the personal nature supports are handled. To the respondent, there is always a schedule officer to control this feedback system.

The email to Mr. Stenberg is a good tool because it helps to record all the feedback sent by customers which may be very difficult if not impossible to do with the telephone. This also helps to answer similar questions with ease as staff can easily refer to an answer given to a similar query. This consequently helps to save time also.

To the respondent, the company can also communicate with customer via the e-meeting software. E-meeting are organised with customers and feedback relating to product and support issues can be discussed online.

All these to the respondent, is a basic software and the company is planning to get a more advanced support system which can attach special identification numbers which customers, can quote and refer to in customers´ subsequent mails and a facility to indicated that the issue is being attended to.

There is also a customer Discussion Forum where customers can share information about products and to give support to each other. To Mr Stenberg, this system is working very well.
as a lot of comments and problems are handled at that forum level. This spares the staff of attending to such issues. The Marratech Work Environment helps groups of people to communicate, collaborate and manage information from their computers. It gives users a secure e-meeting environment where members can talk with high quality audio, share information, pictures, MS Office documents and see each other.

More so, there is Frequently Asked Questions (FAQ) Base (section) on the net. The ideal situation, according to the respondent is that customers would have looked at this section before sending e-mails to the company. This base is built up taking into consideration, the frequency of that question or issue raised earlier.

**Description of the components of the Internet based customer feedback system at Marratech AB**

As mentioned by the respondent, the system has not been designed to indicate the service level and performance and no standard have been set to this effect. Currently, there are no indicators or standards that can be operationalised. Mr Stenberg comments “there should be a system to add up to what we now.”

For now the system is not fully integrated into the Internet mainstream as some activities concerning feedback gathering are done manually. To some extend the system is working well for Marratech but more needs to be done according to the respondent.

To the respondent, the system has been designed to serve as a reporting mechanism for the company to receive comment, suggestions and queries from customers by the easiest way.

Mr Stenberg added that the IT system is running smoothly for now and this is run on or based on a basic Windows NT and other supporting software. An advanced form needs to be looked at critically so that informed statistics can be available for management decisions.

The respondent explained that the system is designed to serve as a learning one in order for the company to know the type of questions, complaints, contributions which can be looked at in the management decision making process next time.

Management according to the respondent looked at the importance on how this system can helped the company to respond to customers quickly and this was duly factored into the design of the system.

**Assessing the criteria for measuring customer feedback collection tools on the Internet by Marratech AB**

To the respondent, the prime objective of this system is to look at how to respond to customers easily at a particular point in time. This system in any way does not measure the level of customer satisfaction. The system does not cater for this at the moment. Mr Stenberg
said that the company attempts in its one way to retrieve some data manually and try to analyse it.

On the part of staff evaluation, the Marratech feedback collection tools have eliminated the possibility of many staff handling feedback but rather passing all responds through the Support Manager. This has made it very difficult to evaluate staff individually.

The company has some form of a questionnaire, which is sent out to customers to elicit their feedback on products and services and measure their satisfaction level. This helps the company to get to users who did not buy from them but rather their resellers.

The information gathered, to the respondent leads to continuous improvement in the service and product delivery. This online customer feedback system is serving as a learning system for the company as all the insights gathered are used to improve upon the service and product delivery of the company.

In choosing the customer feedback collection tools on the Internet, the company looked at how information gathered will represent the view of the customers. To some extent this has been achieved but this is also supported with questionnaire in order to cover all customers or resellers who do not deal directly with the company.

Mr Stenberg added that the company does very well not to disappoint a customer so that they will not be bothered with the issue of service recovery. However, the system has been designed to come out with customers who were not truly satisfied so that they can trace easily them. “That is why all emails are logged and registered” comments Stenberg.

One of the criteria used in choosing the online customer feedback collection tools by Marratech is that, the tool should be in the position to provide first-hand information to management and staff. This helps the company to listen directly from customers and to inculcate their demands in our next product and service delivery.

According to the respondent, the issue of cost did not surface when choosing the feedback collection tools. This is attributable to the background of the company. The company is an off-shoot of Luleå University of Technology. “Though very simple, all the IT systems in the customer feedback system are basically free” says Stenberg.
5.3 Case 3: Propac AB

5.3.1 Background Information

Propac AB was established in 1971 and has its headquarters in Luleå. The ownership is made up of Propac Holdings. 50% of the company is owned by Per Forsberg whilst the other half is owned by Peder Björkman, the Production Manager. As at 2003, the total number of employees was 17. The company has more than 20 years of experience in the computer industry, which has given it an in-depth knowledge of the factors that influence operating assurance and reliability. Throughout the world, Propac’s products are operating in environments and situations that place extremely tough demands on PC hardware. Propac has registered a steady growth in sales turnover. It did 24 million Swedish krones in 2000, 24 million in 2001, 36 million Swedish Krones in 2002 and 40 million Swedish krones in 2003.

Products

Propac develops and customizes reliable PC hardware for industrial, mobile and military applications. Propac computers are available in numerous formats and are built to serve many different functions. A Propac computer can be stationary or mobile and can be used as a server, a navigation, and presentation or communication unit.

One unique thing about Propac AB’s products is that: they are built to withstand conditions in demanding environments. The products of Propac operate reliably in submarines, tracked vehicles, ships and aircraft. Propac products are also used in mines, power stations, dairies, harbour cranes, buses, trains, forest harvesters, and other types of vehicles.

Since their clients work in widely differing fields, each solution is unique. Often, however, the company is able to base these individual solutions on existing technology, making them cost-effective and customised products. Sometimes, their work may involve only minor changes, for example, in terms of connectors, power supply, or colour. But more often than not, they develop an entirely new system for integration into the client's application.

Geographical area of Operation and Market

The main area of operation is the development and manufacturing of computers for rugged environment in areas such as aeroplanes, submarines, ships, open places and extremely vibrated areas. These can be found in the industry, mobile and military environments.

About 90% of the products are sold mainly in Sweden whilst the 10% is exported to Norway, Italy and U.S.A.

Customers

Propac’s customer base consist of industrially big customers. Some of them include ABB, Atlas Copco, Ericsson, Microwave (Military wing of Ericsson), Tetrapak and Partech. F&B and other government financed military undertakings do patronise the products of Propac. Mr. per Forsberg, the President of the company was the respondent to the interview.
Motivation of Going on Internet

The respondent imagined that the motivation could be attributable to the Internet being the appropriate channel for displaying these hi-tech products. The company went online possibly between 1993 and 1994.

The buying process of Propac AB

The three Sales engineers travel across the length and breadth of Sweden and to visit prospective companies or customers. Sometimes quotations are sent out to these prospective buyers too. All these are done with the hope of getting an order or clinching a business deal. Many of the companies after buying initially do repeat purchase. The order may be placed to be supplied quarterly or be made to spread throughout the year.

5.3.2 Data regarding the Research questions

Description of the feedback collection system

Normally the customer calls by telephone to one of the sales engineers who handles the territory and makes comments (which may be good or bad) about the product. On the other hand, when a delivery is made, the sales engineer responsible asked the customer about the quality of otherwise of the product. These responses are then rated on a 1 to 5 point scale.

To the respondent, facsimile and letters as feedback collection tools are somehow dead right now in the company but however, serious matters concerning complaints about products and service delivery are sometimes written and mailed by customers.

The most common medium has been the e-mail. To this, the company has software called MICS\(^{13}\). This is a sales and customer support system which handles are in coming and out-going e-mails. All information or data about the customer who sent the e-mail, the visits and discussions made with him/her, the type of quotation sent to that customer, comments and suggestions received from him/her are entered in this system. Issues are then graded under their respective headings.

Usually the sales engineers who have access to the MICS run this system. They are supposed to visit this system anytime because that is the heart of their job. It is up to the sales engineer to handle their customer complaints and suggestions and to answer to their respective emails. If the issue put forward by the customer is above the control of the sales engineer he/she pushes it forward to the technical department or the President.

Asked whether somebody keeps track of the replies to customers, the respondent answered in the negative. To him, the rationale behind this is that, the sales engineer is supposed to do a

\(^{13}\) MICS means Market Integrated Computer System developed by AGILE IT Sverige AB since 1990. This is customer relations tool which offers unlimited reporting and analytical opportunities.
good job and to earn adequate commission. Again, the sales engineers normally fulfil their part but the problem may lie with the technical division.

Customers can also get into the website of the company where they can put in their complaints, comments and suggestions. This is not often patronised. Propac too has a contact us link which opens up to the customers e-mail so that he/she can get to the sales support department.

The respondent commented that IT development with regards to customer feedback gathering is in its infancy and needs to be improved. Plans are far advanced to improve the web page to handle customers in this regard.

**Description of the components of the Internet based customer feedback system at Propac AB**

To Forsberg, the development of Internet as feedback collection tool is in its infantile stage and it is not been used to set any standards and to measure any performance targets but there are some internal arrangements that all emails should be answered within 24 hours. We do track how a customer’s complaint is ratified or solved.

Propac is trying to integrate the internet feedback collection tools into the mainstream of its feedback collection activities. This is because to the respondents a lot of the customers still prefer using the telephone. There is also a whole lot to gain from the MICS, which needs to be worked on.

To Propac, emails gathered through the MICS are serving as an avenue to receive complaints, suggestions and other critical information from clients. This is affecting product improvement tremendously. Most complaint products are taken off. This is assessed by the number of complaints a product received through the MICS. A small group of staff then assess and if there is the need, it is taken away or if an improvement needs to be done it is then implemented.

Most have not been achieved in this regard. However, there has not been any conscious efforts to ascertain how many services have been recovered but the respondent hope the quick response in dealing with the emails are helping a lot.

The respondent indicated that the MICS has been a platform to gather a lot of data about customers and to respond to their needs on time. However, there is a lot to be done especially to the web site as a source of data gathering from customers.

To the respondent, there is a lot to share especially the sales engineers as they have access to the MICS database. This helps them to know the comments and suggestions posed by other clients and this gives them the experience to deal with their respective ones.

To Forsberg, the company attaches great importance to the customer feedback and the developments in this regard can be seen from going beyond the ordinary and introducing other software into this process.
Assessing the criteria for measuring customer feedback collection tools on the Internet by Propac AB

To the respondent, the objective of choosing this feedback system is not to generally seek customers’ contribution to product improvement but to seek individual customer’s attention. This is because the company does not have standardised products. All products are customised. This then makes it difficult for the company to rely on all customers. Complaints are customer-specific and each customer is treated differently and that is why the MICS handles the customers individually.

Customer feedback does not affect staff evaluation in a formal way. However, as a small company, Propac AB does care about how a customer is treated. In terms of promotion, commission, staff salary or progress, customer feedback has no direct impact. It normally surface sometimes if a staff needs salary improvement but has nothing to do with commission.

Forsberg identified further that the information gathered however are used to develop the better ways of serving their clients but the focus is not on this. The focus of the company is to develop an up to date website with the right information about the products and also how best to make it navigable.

Once again, the respondent reiterated that they are not dealing with standardised products and hence the feedback information gathered from clients cannot be representative of the entire customer population.

There has not been attempt to measure the service recovery potentiality of this Internet feedback collection tools but the company is of the conviction that the rate at which it deals with customer complaints is helping a lot in this regard.

To the respondent, this platform is giving the company the opportunity to learn from their customers, as it has been very easy and a faster way to get in touch with the customers. This also helps in rating our customer satisfaction level. The company has a system called Customer Balance Score Card which measure customer satisfaction every month on a five point scale. Much information is gathered through the MICS in order to conduct this exercise.

To the respondent, this investment has been worthwhile. This is because a lot of time is being saved; everybody in the organisation knows how to find customer complaints and customer answers to quotations easily. This is helping to deliver quality service to the customer. This was considered when they opted for this feedback collection tool.
6.0 ANALYSIS

In this chapter, we summarise the results of the individual cases. As indicated in the methodology chapter, this analysis is limited to within and cross-case analyses. The three companies are compared to the frame of reference and also to each other to detect and examine if possible differences and/or similarities in collection tools, components of their feedback systems and how these tools are measured. It needs to be noted however that all the three companies are engaged in manufacturing and marketing of consumer and industrial products.

6.1 Within Case Analysis

In this section, we will first undertake a within case analysis of sub units by comparing the results with the frame of reference in order to detect and examine if possible anomalies and similarities and with respect to the research questions.

6.1.1 Abelko Innovation AB

Description of customer feedback collection tools on the Internet used by Abelko AB

Email was identified to be one of the major means by which Abelko gathers feedback from its clients. It was identified that one person is directly responsible for all e-mails that comes into the organisation in terms product or service feedback and this is then forwarded to the respective person responsible for that particular client. This goes to stress the point by Arthur D. Little that e-mail is one of the most unsolicited medium of receiving feedback over the Internet (Wirtz and Tomlin, 2000). More over; Abelko AB collects feedback from customers online by the following means:

A hyperlink of all the names of staff of this company are found at the contact us page of the website and this opens up to a mailto link where customers or users can easily send feedback. Sol et al (1997) has indicated that hypertext links has been one of the medium used by customers of manufacturing companies to reach their customers to send feedback and receive enquiries.

There exists a simple Java applet demo on how to read and write in IMSE WebMaster. With this, customers can visualise how the product functions on the web and there is also the possibility where customers can query the database and it will automatically be answered. FAQ also exist as part of the Web. This has been developed as a result of persistent comments and feedback received from users and clients. This is normally updated from time to time.
Abelko meets its clients every year to discuss improvement in terms of product quality, delivery time and other support systems. Also, during product launch, trade fairs, and technical fairs, there is the possibility for Abelko to invite some selected customers and introduce to them new products.

A small questionnaire is developed and sent out to clients to respond to basically on how to improve the products and the quality of delivery. This is rated on a 1 to 5 point scale. 3 is always the minimum acceptance of the company whilst 1 is considered to be very bad. This also attests to the findings of Arthur D. Little in Wirtz and Tomlin (2000).

Clients sometimes use the phone calls for product enquiries, suggestions and comments. If the problem seems to be very severe, letters are used at Abelko. This has been revealed by Arthur D. Little in Wirtz and Tomlin (2000) that letter; telephone and faxes are feedback collection tools and are also used alongside others.

From the above analysis, it can be identified that the Internet is a major feedback collection tool used by Abelko AB. This supports what was put forward by Wirtz and Tomlin (2000). However, these tools are augmented by offline tools like questionnaire, customer forum and telephones. It can further be revealed that among the three companies studied, though Abelko AB is the oldest company, it is however the least company in terms of the usage of the Internet to gather customer feedback online. This supports Dutta & Ervard (1999) argument that unlike the general view from the outside that all businesses have grasped and understood the implications of new technologies on an ongoing basis, the actuality of the situation is somewhat different with discrepancies in terms of utilisation rates of the various new capabilities available.

**Description of the components of the Internet-based customer feedback system at Abelko**

There has not been a substantial attempt to measure service quality and customer satisfaction with the Internet based feedback system. An attempt to this effect is done by the 5 scale ratings distribute to customers to respond. There exists not a clearly established service quality model which has been discussed with staff and operationalised. There have not been clearly defined performance target too that can hold staff to be accountable. However, Wirtz and Tomlin (2000) have discussed that standards and performance targets set are deemed to be one of the components of any feedback system.

Feedback collected by Abelko AB is further processed to give management some valuable insights though there has been a clarion call for improvement. This Internet feedback system is deemed to be working fairly well as it is serving as a sound reporting system for Abelko AB. The company strives very hard to satisfy all its customers so that the issue of recovering does not come in.

There have been instances where this Internet based feedback system has provided valuable insights into the most occurring problems and the need for the company to solve them. Some customer feedback has also contributed to product improvement.
It can clearly be identified from the above that, these go to confirm the description put forward by Wirth and Tomlin (2002) that every Internet-based customer feedback collection system should have collection tools and process management, a reporting system, a service recovery system, an IT system and a team learning system.

Assessing the criteria for measuring customer feedback collection tools on the Internet by Abelko

In Abelko, online customer feedback system is to make it easier for their clients to get the needed support as early as possible and to recognise new products and how they function within a short period of time. This is to ensure a continuous service improvement and to make their customer happy. To this end, the multi-level measurement was considered as a criterion in choosing online customer feedback.

This online feedback collection tools is helping to provide leads to continuous improvement and also pinpoints areas that need improvement in order to satisfy their customers. This supports the assertion put forward by Wisney & Corney (2001) that considerable research has found advantages of receiving customer feedback for service and product improvement. This has also been supported by Fundin & Bergman (2003) that, it is of value to have a systematic process for obtaining feedback from the customer, not only as a basis for corrective action relating to products, but also a vital input to the new product development process.

The rationale for chosen these online feedback collection tools by Abelko AB is to help improve the service delivery and support of the clients of the company. It is therefore imperative that it is extremely important to determine as quickly as possible what customers want so as to capture new customers as well as to keep existing ones. Obtaining customer feedback has been identified to be an essential key to finding this information (Wisney and Corney, 2001)

The online feedback collection tools have not been designed to capture the service recovery potential of customers. Abelko AB as a company does well to satisfy its clients in order to minimise service recovery.

Abelko AB also highlighted the need of feedback collection tools which are helping to provide information and to serve as learning platform for the future. This was identified by Wisner & Corney (2001) that information squeezed out from customer, suggestions and complaints can also be used for benchmarking purposes, to form the basis for long term planning and to allow firms to direct their continued improvement efforts in a more efficient and effective manner.

Getting information directly from customers is perceived to be a source of direct information for product and service development for Abelko AB. Slater & Narver (1995) also added that feedback to the supplier, would serve as one important pillar of the “learning organization” and may affect both costs and revenues as information from customers is used for the development of new products, improving existing products, etc. In other words, learning is likely to facilitate behaviour change in the supplier which in turn leads to improved performance.
The cost effectiveness of these feedback collection tools were assessed before the system was implemented. This indicates that companies consider the cost effectiveness in selecting online customer feedback tools as put forward by Wirtz and Tomlin (2000).

6.1.2 Marratech AB

Description of customer feedback collection tools on the Internet used by Marratech AB

The company uses Internet to make contacts; works with customers directly and with resellers and all these are done effectively via e-mail. Usually, emails entailing questions on feedback are answered the same day when possible. There is a log book where all emails are entered against the respective customer by a schedule officer. This includes date, the details of the sender, the type of question (whether open ended or close) and the type of problem or issue brought up. The schedule officer or the Support Manager (the logger) then forwards the mail to the respective officer who handles that particular customer or the officer who handles that particular problem/issue. The respondent then forwards it back to the schedule officer for onward submission to the sender. This has been identified to help erode the personal nature supports and feedbacks are handled. There is always a schedule officer to facilitate this feedback system.

The e-mail has been recognised as a good tool because it helps to record all the feedback sent by customers and it is also relatively cheaper. This may have been very difficult if not impossible to do with the telephone. To Churchill (1995), the cost of gathering feedback is low with Internet whilst active solicitation is accomplished at moderate cost (e.g. mail surveys) to high cost (e.g. personal interviews)”. This also helps to answer similar questions with ease as staff can easily refer to an answer given to a similar query sent via email and consequently helps to save time also. On the other hand, the company has no control over the sample frame and non-response bias of the passive solicitation like e-mail (Sampson, 1998). Sampson (1996) has advanced this argument that another advantage of passive solicitation of feedback is in the use of the data. Since the data is inherently biased, it is not useful as market research in estimating general consensus on the target market. However, the nature of the bias can be exploited. One might assume that customers with exceptionally positive or negative views about a company are more likely to respond than the customer population in general. This would result in an extreme response bias that would be more likely to identify current quality problems than a controlled survey of equal sample size. However, Sampson (1998) concluded that “passive data collection is particularly useful in monitoring and controlling quality in the day- to- day operations of the business and in identifying ideas for quality improvement.”

The company also communicate with customer via the e-meeting software. E-meetings are organised with customers and feedback relating to product and support issues are also discussed online. There is also a Customer Discussion Forum where customers can share information about products and to give support to each other. This system seems to be working very well as a lot of comments and problems are handled at that forum level. This spares the staff of attending to such issues. The Marratech Work Environment helps groups of people to communicate, collaborate and manage information from their computers. It gives
users a secure e-meeting environment where members can talk with high quality audio, share information, pictures, MS Office documents and see each other. This supports the assertion made by Berners-Lee et al (1994) that the introduction of the World Wide Web (WWW) or simply the “Web” in 1993-1994 will serve as a breakthrough for electronic passive solicitation.

There is a Frequently Asked Questions (FAQ) column/section on the web site of Marratech AB. The ideal situation would have been that customers would have looked at this section before sending e-mails to the company. This base is built up by taking into consideration, the frequency of those questions or issues raised earlier by customers. This is a modest beginning because this database can further be developed to find answers to questions from customer’s feedback and can also be used by people inside and outside the company. The database can be queried by employees who handle questions and complaints to see if a specific customer question has been responded before. Additionally, this can help customers to query the database to find answers to their queries (Sampson 1998).

The company admits that these online feedback collection methods are made possible by basic software and the company is planning to get a more advanced support system which can attach special identification numbers to individual customers, can quote and refer to in customers’ subsequent mails and a facility to indicate that the issue is being attended to. This is a good business strategy because collecting feedback in electronic forms opens up great advantages in data collection and use (Sampson 1998).

**Description of the components of the Internet based customer feedback system at Marratech AB**

The online customer feedback collection system of Marratech AB has not been designed to indicate the service level and performance and no standards have been set to this effect. Currently, there are no indicators or standards that can be operationalised by Marratech AB. Though, the company admits the flaws in such a system, it is pertinent to note that the system is designed to cater for such a component. These standards and performance targets as discussed by Wirtz and Tomlin (2000) are deemed to be some of the key components of any feedback system.

For now, the system is not fully integrated into the Internet mainstream as some activities concerning feedback gathering are done manually. Though, the IT system is running smoothly on a basic Windows NT, a more advanced and supporting software is needed so that informed statistical data can be made available for management decision making. A fully integrated IT system has been identified as one of the key components of any effective customer feedback system by Wirtz and Tomlin (2000).

To the respondent, the system has been designed to serve as a reporting mechanism for the company to receive comment, suggestions and queries from customers by the easiest way. This adds to the point made by Sampson (1998) that feedback can also be used to track customer perception of current operations (i.e. issues relating to speed and efficiency of service delivery) and also provide an opportunity for dialogue with the customer.
The Internet based customer feedback system of Marratech AB has been designed to serve as a learning one in order for the company to know the type of questions, complaints, contributions which can be further be considered in the management decision making process. This has also been supported by Fundin & Bergman (2003) that, it is of value to have a systematic process for obtaining feedback from the customer, not only as a basis for corrective action relating to products, but also a vital input to the new product development process.

**Assessing the criteria for measuring customer feedback collection tools on the Internet by Marratech AB**

The prime objective of Marratech AB online feedback system is to look at how to respond to customers easily at a particular point in time. This is one of the criteria in selecting the Internet as a feedback collection tool. However, measuring customer satisfaction levels were not considered to be a critical factor in choosing this medium as postulated by Wirtz and Tomlin (2000).

The issue of using the Internet as an online feedback collection tool to evaluate staff performance was not considered. The Marratech feedback collection tools have eliminated the possibility of many staff handling feedback but rather passing all responses through the Support Manager. This makes it very difficult to evaluate staff individually.

The information gathered by Marratech AB leads to continuous improvement in the service and product delivery. This online customer feedback system is serving as a learning system for the company because all the insights gathered are used to improve the delivery of the company. In choosing the customer feedback collection tools on the Internet, the company looked at how information gathered will represent the view of the customers. One of the criteria used in choosing the online customer feedback collection tools by Marratech is that it has been designed to provide first-hand information to management and staff. This has helped the company to listen directly from customers and to inculcate their demands in their next product and service delivery. The company does very well not to disappoint a customer in order not to recover a service. However, the system has been designed to come out with customers who were not truly satisfied so that they can trace them. It is to this effect that all emails are logged and registered. All these were considered by Marratech in selecting the online feedback collection tool and this confirms the criteria put forward by Wirtz and Tomlin (2000).

On the contrary, the issue of cost did not surface when choosing the feedback collection tools. As an off-shoot of Luleå University of Technology, the IT infrastructure was already there to easily aid the company to gather customer feedback online. This defeats the idea put forward by Wirtz and Tomlin (2000) that cost effectiveness of collection tools are evaluated before they are chosen. In this case, the background of the company played a paramount role in selecting the tools.
6.1.3 Propac AB

Description of the feedback collection system

IT development with regards to customer feedback gathering is in its infancy and needs to be improved in Propac AB. Plans are far advanced to improve the web page to handle customers in this regard. Though letters are sometimes used by customers to make a serious complaint, the most common and prevalent medium has been the e-mail. The MICS software, a sales and customer support system and run by the respective territorial sales engineers has been developed to handle in-coming and out-going e-mails. This also contains information or data about the customers and their dealings with the company. The e-mail has been recognised to be a good tool and its advantage has been enumerated by Churchill (1995) and Sampson (1998).

Customers can also get into the website of the company where they can put in their complaints, comments and suggestions. However, this is not often patronised. Propac too has a contact us link which opens up to the customers e-mail so that he/she can get to the sales support department. HTML which includes provision for forms and “mail to” links can be used to gather feedback (Hoffman et al 1995). This further adds up to the assertion put forward by Sampson (1998) that, greater feedback potential can be found in the provisions for forms.

Description of the components of the Internet based customer feedback system at Propac AB

Internet based customer feedback system is currently not used to set any standards and to measure any performance targets in Propac AB. However, there are some internal arrangements that all emails should be answered within 24 hours. There have not been clearly defined performance targets as postulated by Wirtz and Tomlin (2000) to be one of the components of any feedback system. Also, Propac is making strenuous efforts to integrate the internet feedback collection tools into the mainstream of its feedback collection activities. This is because a lot of the customers still prefer using the telephone though there is a whole lot to gain from the MICS. These need to be worked on by Propac.

As a conduit, complaints, suggestions and other critical information are received from clients through the MICS. This is positively affecting product improvement tremendously. This supports Fundin & Bergman (2003) that it is of value to have a systematic process for obtaining feedback from the customer, not only as a basis for corrective action relating to products, but also a vital input to the new product development process.

Though a lot has not been achieved in service recovery, it is recognised by Propac AB as a key component in an internet based customer feedback system. However, there have not been any conscious efforts to ascertain how many services have been recovered. Attempt should be made to assess this through the MICS which has the potential to do that.

The MICS has been identified as a platform to gather a lot of data about customers and to respond to their needs on time whilst the sales engineers have a lot to share from this database. This helps them to know the comments and suggestions posed by other clients and offer them the needed experience to deal with them. The company attaches great importance
to the customer feedback and the developments in this regard can be seen from going beyond the ordinary and introducing other software into this process.

Assessing the criteria for measuring customer feedback collection tools on the Internet by Propac AB

The objective of choosing online feedback system by Propac AB is not to generally seek customers’ contribution to product improvement as postulated by Wirtz and Tomlin (2000) but to seek individual customer’s attention. This can be attributed to the customisation of its products to suit specific customers. This then makes if difficult if not impossible for the company to rely on all customers for feedback on product and service improvement.

Customer feedback does not affect staff evaluation in a formal way though the company cares about how customers are treated. Promotion, commission, staff salary or progress is not linked to how staff relate to customer feedback issues online. This also does not fully support the idea that staff evaluation is one of the criteria for selecting a customer feedback collection tool by Wirtz and Tomlin (2000).

It was further identified that the information gathered by Propac AB is not necessarily to be used to develop the better ways of serving their clients for now. The focus is not on this but rather on how to develop an up-to-date website with the right information about the products and also to enhance navigability. This indicates that companies consider the short and long term objectives in selecting the appropriate online feedback collection tools.

Again, there has not been a conscious attempt to measure the service recovery potentiality of this internet feedback collection tools but the company is of the conviction that the rate at which it deals with customer complaints is helping a lot in this regard. This shows that the service recovery element in choosing an online feedback collection tool though latent was considered. However, as the company is not dealing with standardised products we will not be far from right to conclude that the feedback information gathered from clients cannot be representative of the entire customer population.

To Propac AB, this platform has offered the company the opportunity to learn from their customers. It has been identified as an easier and faster way to get in touch with the customers. This supports the assertion put forward by Wirtz and Tomlin (2000) that one of the criteria used in selecting a feedback collection tool is its ability to serve as a first-hand learning system. Propac AB has also even gone further to employ the Customer Score Card to measure customer satisfaction levels every month.

Propac AB sees the investment to be worthwhile as the cost and benefit analysis was taking in consideration in selecting the appropriate online feedback collection tool. This attests to what was put forward by Wirtz and Tomlin (2000) that cost effectiveness is one of the major criteria used in selecting feedback collection tools.
6.2 Cross Case Analysis

6.2.1 The Motivation behind the choosing of Internet as a customer feedback collection medium

All the companies were motivated to go on Internet in the 1990’s because of one of the following benefits Internet offers- an appropriate avenue to display products and product information to potential customers, customer and prospects or to interact with customers. However, Abelko’s move was a reactive one because the customers have then started to buy on the net and it was conceived to be a good advertising forum and a platform to provide user manuals to clients easily. As an old company, this new strategy would then require the company to reorganise to match the new situation. With regards to Marratech; the move was a proactive one because the company perceived the Internet as an advanced means to get to prospective customers as all the potential customers were users of Internet and also the products were built around Internet. On the contrary, Propac AB only deem it as an appropriate channel for displaying their much customised hi-tech products.

The above motivational factors go on to confirm what were postulated by Walters and Lancaster (1999): Internet as a means to link customers; facilitates transaction process and information transfer. It also supports the assertion put forward by Kolakota and Whinston (1992) that the Internet can be used by SMEs for three important tasks: marketing and advertising to attract new customers, service and support of existing customers and new market and distribution channel creation for existing products.

6.2.2 Description of customer feedback collection tools on the Internet used by SMEs

All the three companies covered under the study uses the Internet to make contact, provide answers or solutions and work with customers and the means are as follows:

i) E-mail

Marratech uses Internet to make contact, work with customers directly and with resellers. This is done effectively via e-mail. All e-mails and their details (date, particulars of sender, the type of questions asked and the type of problem raised) are logged against the respective customers. All e-mails passed through a responsible schedule officer who receives and forward mails from all respondents in the company. The responsible marketing and support services staff of each product in Abelko AB does handle customer feedback online individually as they come via e-mail by dealing directly with their respective clients. The most common medium for gathering customer feedback by Propac has been the e-mail through their MICS system. Issues, feedback and enquiries are put under different headings and all sales engineers have access to the database but are only responsible for the e-mails from their respective territories.
Whilst Marratech and Propac have a database or a system to monitor all feedback received via e-mail, Abelko has not. More so, whereas all e-mails passed through one schedule officer in Marratech before it is forwarded to the respective staff for solutions or answers, the sales engineers in Propac AB have access to the database and do answer mails accruing from their respective area of jurisdiction. To Marratech AB, this system tries to de-personalise complaints; helps in the effective monitoring and control of e-mails into the company and further helps in answering similar questions raised earlier easily. On the other hand, the system developed by Propac helps all the staff to get the feel about the type and nature of comments and suggestions raised by the customers as each one has access to other complaints raised in another territory. E-mail has been indicated by Arthur D.Little in Wirtz and Tomlin (2000) as one of the most unsolicited medium of receiving feedback over the Internet.

However, Daft and Lengal (1986) have argued that one of the potential problems with Web-based feedback is the inherent impersonal nature of electronic communication. They went further to indicate that face to face communication tends to be more personal than telephone communication (lacking the visual element), which tends to be more personal than e-mail (lacking the sound and verbal intonation elements).

ii) Hyperlink

All the companies have a hyperlink which opens up in windows outlook for customers or enquirers to send e-mails. Abelko has displayed the pictures and e-mail address of those who matter in the feedback process. Propac too has done same by displaying all the pictures of all territorial sales engineers and their e-mail addresses. However, Marratech did not display any picture or any personalised e-mail addresses but rather the e-mail address of the sales and support divisions. This goes on to strengthen the idea that they do want to receive personalised e-mails. However, this also agrees to theory put forward by Sol et al(1997) that hypertext links has been one of the medium used by customers of manufacturing companies to reach their customers to send feedback and receive enquiries.

iv) Q/A database development

All the companies have developed this database and have made them available to customers. This is developed based on the frequency of the question posed by customers. In Abelko AB and Marratech AB, customers are sometimes referred to this database. Employees in the company therefore use it to answer future customer questions and can also query the database to see if a specific customer’s question has been responded to earlier.

v) Other online forums

Marratech AB also communicates with customer via the e-meeting software. E-meetings are organised with customers and feedback relating to product and support issues are discussed online. Again, Marratech AB has a forum where customers can share information about products and to give support to each other. This is then monitored by the company. This is relatively unique media being used by Marratech. This has been very useful in the sense that customers can share experiences and can discuss issues which they think cannot be conveyed to the company. Marratech as a company then make use of the platform by monitoring the discussions going on. This can be an unbiased way of gathering customer feedback on line.
vi) Other collection tools

a) Questionnaire survey

All the three companies more or less use a certain type of questionnaire to rate their customer service performance, quality of products and services within the buying process on a 5-point scale. Abelko AB meets its clients every year to discuss what the clients think about improvement in terms of product quality, delivery time and other support systems. With regards to Propac, this is normally done when a delivery is made. The sales engineer responsible for that sale further asks the customer about the quality or otherwise of the product. Marratech AB does have such a system in place but do extend it to clients of its freelance suppliers. This then makes them fully cover and contact a whole lot of users in order to collect their feedback on the products. This also conforms to the findings of Arthur D.Little in Wirtz and Tomlin (2000) that questionnaire is also a supporting tool in feedback collection.

b) Focus Group

During product launch, fairs, technical fairs, all the three companies invite some selected customers and introduce to them new products. Feedback is then elicited from these clients and further used to improve upon product and service delivery. Arthur D.Little talks about focus group in Wirtz and Tomlin (2000) as one of the collection tools that can be used by companies in gathering feedback.

c) Letters, Telephone and fax

Telephone and faxes are sometimes used to make product enquiries, suggestions and comments in all the three companies but the amount of their usage is dwindling. However, letters are also used in Abelko when the problem seems to be very severe. This also conforms to the revelations of Arthur D.Little in Wirtz and Tomlin (2000) that letter, telephone and faxes are feedback collection tools.

All the respondents commented that IT development with regards to customer feedback gathering is in its infancy and needs to be improved in their respective companies. Plans were far advanced to improve the web page to handle customers in Abelko AB and Propac AB.

6.2.3 Description of the components of the Internet based customer feedback system in the three companies

Some forms of customer feedback gathering is going on in all the companies studied but there has not been a clear attempt to measure service quality and customer satisfaction with the help of the Internet based feedback system. A seemingly attempt to this effect is done by the use of the 5 point scale ratings by Abelko AB and Marratech AB. A manually developed questionnaire is distributed to customers to elicit their response from time to time. There have not been clearly established service quality models which have been discussed with staff and operationalised. As mentioned by Zeithaml et al (1998), service standards based on customer wants and needs, moderated by policy decisions needs to be developed in any feedback system but unfortunately these have not been catered for by the Internet based feedback
system in these organisations. These standards and performance targets as discussed by Wirtz and Tomlin (2000) are deemed to one of the components of any feedback system. There have not been clearly defined performance targets too that can help staff to be accountable. They all admitted that the system can be improved. As mentioned by all the respondents, their systems have not been designed to indicate the service levels and performance and no standards have been set to these effects. Currently, there are no indicators or standards and performance targets that can be operationalised in all the organisations studied.

All the respondents argued that for now they have tried to put in feedback collection tools that are being processed to give management some valuable insights but there is the need for improvement. To Marratech AB and Propac AB, their systems are working very well for now. However, their systems are not fully integrated into the mainstream of their management activities. Marratech AB even analyse some of their customer feedback online inputs manually.

The companies have also benefited from the effective reporting component of any feedback collection mechanism as stated by Wirtz and Tomlin (2000). The Internet feedback collection mechanism is working fairly well as it is serving as a reporting system for Abelko AB. Though a lot of information is gathered from customers concerning feedback online, Propac is trying to integrate the internet feedback collection tools into the mainstream of its feedback collection activities. However, their customers still prefer to use telephones, but on the contrary, Marratech AB has also designed its system to serve as a reporting mechanism for the company by receiving comments, suggestions and queries from customers by the easiest way, that is through the Internet.

All the companies have not made any conscious efforts to ascertain how many services have been recovered. Service recovery has been described by Wirtz and Tomlin (2000) as one of the components of any effective feedback system. There have been instances in some of the companies like Marratech and Propac to quickly respond to all enquiries in order not to loose any customer and to further register all emails as they come. To Abelko AB, they are doing their possible best not to disappoint the customer so that there will not be any need to recover the customer. However, it has not been a key component of all the companies in their customer feedback system design.

All the companies in this study have their customer feedback mechanisms online built on Windows NT and Internet explorer. They all indicated that the system is running smoothly for now but there is possibility for change to be made for the mechanisms to provide functionality and better results. This also goes on to support the theory posed by Wirtz and Tomlin (2000) that an effective customer feedback system has Information technology as one of the components.

In all the companies, there have been instances where this internet based feedback has provided valuable insights into the most occurring problems and the need for the company to solve them. The customer feedback system has also contributed to product improvement. All the respondents explained that their systems have designed to serve as a learning one in order for the company to know the type of questions, complaints, contributions which can further be considered in the management decision making process from time to time. To Propac AB, there has been a lot to share especially the sales engineers because of their accessibility to the MICS database. This is helping them to know the comments and suggestions posed by other clients with ease. This opportunity also gives them the requisite experience to deal with their
respective clients. This also goes on to support the findings put forward by Wirtz and Tomlin (2000) that an effective customer feedback system should be a team learning one.

The organisational positioning of customer feedback system has been proposed by Wirtz and Tomlin (2000) to be one of the key components of an effective customer feedback system. In all the companies studied, the management and staff take key interest in the design and implementation of these customer feedback systems. All of them have gone beyond the ordinary and introducing different software (like MICS in Propac AB and e-meeting in Marratech AB) into their online customer feedback systems.

6.2.4 Assessing the criteria for measuring customer feedback collection tools on the Internet by these companies

Abelko AB put up their online customer feedback system with the view to making it easier for their clients to get the needed support and answers to their enquiries as early as possible and to recognise new products and how they function within a short period of time. To Marratech AB, the prime objective of their system is to look at how to respond to customers easily at a particular point in time and this sometimes come along with suggestions on product improvements. Currently, the objective of the systems of Marratech AB and Abelko AB is not to assess performance and to benchmark as indicated in Wirtz and Tomlin (2000) but to give inputs to continuous learning and improvement.

On the contrary, the objective of establishing this feedback system by Propac AB is not to generally seek customers’ contribution to product improvement but to seek individual customer’s attention due to the unstandardised nature of their products.

All the companies indicated that the feedback system is not used to evaluate their staff in any way. Marratech AB even has tried to depersonalise this system. Customer feedback does not affect staff evaluation in a formal way in Propac AB but normally surface if a staff needs salary improvement. Abelko AB is yet to develop their system to cater for this.

Wirtz and Tomlin (2000) also suggested that one of the criteria for assessing a feedback collection tool is how the information gathered from that system leads to continuous improvement. The online feedback systems of the companies studied considered their tools as helping them to continuously improve their service delivery and products.

In picking up collection tools for gathering customer feedback on the Internet, Wirtz and Tomlin (2000) argued that its representativeness is a criterion. All the companies consider that relying solely on the Internet will bring about some biases. They have therefore added manually developed periodical questionnaire and also organise focus group discussions to augment the online activities. However, to these companies, the objective of gathering customer feedback online is to get feedback on what to improve rather than to evaluate staff or to assess where the company is now, its processes, how a branch is performing or an individual staff.

The online feedback collection tools of these companies have not been consciously designed to capture the service recovery potential of customers especially in Abelko AB. To Abelko AB, it does well to satisfy its clients in order to minimise service recovery. However, Marratech and Propac AB have systems designed to keep records of all correspondence with customer which can help in service recovery. This supports the theory put forward by Wirtz
and Tomlin 2000) that feedback collection tool should have an element of service recovery potential.

One of the criteria for using emails to collect customer feedback online by all companies in this study is to provide first-hand information to management and staff. Getting information directly from customers is perceived to be a source of direct information for product and service development for Abelko AB, Propac AB and Marratech AB. This has helped these companies to listen directly from customers and to inculcate their demands in the companies’ next product and service delivery. This also support the theory put forward by Wirtz and Tomlin (2000).

To the respondent, this platform is giving the company the opportunity to learn from their customers, as it has been very easy and a faster way to get in touch with the customers. This also helps in rating their customer satisfaction level. Propac AB has a system called Customer Balance Score Card which measure customer satisfaction every month on a five point scale. Much information is gathered through the MICS by Propac AB in order to conduct this exercise.

To Abelko AB and Propac AB, the idea of using e-mail and other IT platform such as MICS were influenced by their cost effectiveness. The cost effectiveness of this online customer tools were assessed before their implementation. To all the companies, it is worthwhile to operate these online tools because they are time saving and easier. On the other hand, the issue of cost was not considered by Marratech AB in choosing the feedback collection tools. This is because; the company is an off-shoot of Luleå University of Technology which had the required IT platforms. The company was also established to follow the potential clients which were already online hence there was no way Marratech AB would have neglected online customer feedback collection tools. This indicates that companies do not only consider the cost effectiveness as argued by Wirtz and Tomlin (2000) but also consider their background and nature of their businesses.
7.0 CONCLUSIONS AND IMPLICATIONS

This Chapter serves as a summary of the results gained in the analysis in reference to the threefold objective as a base. The conclusion aims to examine if the frame of reference provided in chapter three are consistent with what were gathered on the ground e.g. the collected data in our empirical study. Again, this chapter will attempt to provide implications for companies, theory, and future research.

7.1 Conclusions

In a narrow sense, the key objective of this study was to describe the components of an internet –based customer feedback system, describe online feedback collection tools and to assess the criteria used in selecting an Internet-based feedback collection tools used by these SMEs. Generally, all the companies investigated have quite the same motivation or objective to go onto the Internet-to mainly provide support, gather customer feedback and to display their products in a better way to their clients. All these companies have Swedish and English versions of their web sites in order to for them to get to their clients both locally and internationally.

The online feedback collection tools identified in this study are e-mail, hyperlink (contact us link), customer discussions forum and e-meeting. Basically, the most widely used and reliable online collection tool is the e-mail. All the companies have been relying on e-mail to gather customer feedback online. Feedback gathered is stored in support systems for future analysis. Hyperlink (contact us link) is also a feedback solicitation medium. These links were found on all the websites of the companies investigated. However, two of the companies provided the names and sometimes pictures of their supporting staff whilst one of them has tried to depersonalise their support and feedback system. On the other hand, one of the companies have moved a step further to develop e-meeting software where clients and customer representatives can interact with each other and also an “e-discussion forum” where customers can interact, share experiences and support each other online.

Apart from the above, other off-line tools are also used to supplement the online tools. Questionnaire sent to customers are used to gather feedback from their clients. This is sent to customers intermittently whilst others accompany product upon delivery. Another collection tool is the focus group discussion. This is normally undertaken during product launch, trade fairs and exhibitions. Other tools that are outliving their usefulness and gradually getting out of place are letters and faxes. However, telephones are used to augment e-mails and other collection tools. Letters, though seldom used, are the preferred option when the customer wants to establish or register a more official protest or when the problem is more serious.

It is also interesting to reveal that all the companies investigated admitted in principle that more need to be done and other collection tools added to the “cocktail of others” so that much can be gathered from clients for the ultimate benefit of their respective companies.

These seven components were identified to underline the internet based customer feedback systems of these SMEs. These are:
• Service indicators
• Provide feedback on process management
• A reporting system
• An IT system
• A team learning system
• The organisational positioning of the customer feedback system.

There has not been any vigorous attempt in all the companies to develop and manage service indicators, standards and targets. Feedback gathered are not analysed scientifically to measure service standards, evaluate staff, branch or department. The feedback systems in these companies do not support the development of customer driven standards. All the companies rely on the Windows NT- a basic Information technology platform and this is providing a good reporting base and learning grounds for both management and staff for now. However, all the companies see their customer feedback system as a core to their operations.

The criteria used by these SMEs in assessing an Internet-based customer feedback collection tools were identified as follows:

• Multi-level measurement
• Actionability
• Service recovery potential
• First-hand learning
• Cost effectiveness
• Background and nature of business

The level of measurement was ascertained to have a direct impact on the objective of the companies. The measurements identified in this study do not assess performance with regards to customer satisfaction but to give inputs to continuous learning and product improvement. The information gathered was identified to lead to continuous improvement (Actionability). However, two of the companies indicated that they try to keep information of all e-mails received in their customer support systems in order to aid them in service recovery. Other tools like questionnaire is added in this regard to help recover services lost. The online feedback collection tools are also used alongside with other tools like focus group discussion, e-meeting and telephones. These are used to supplement the first- hand learning experience. Cost effectiveness was also identified as a critical factor in choosing a feedback collection tool. However, it was gathered that companies do not only look at cost but also consider their background and nature of their business.

Another revealing issue that became evident is the blur distinction between active and passive solicitation of feedback. This distinction has been championed by Churchill (1995) Sampson (1996), Sampson (1998). Though they have interestingly advanced various arguments to support their distinction, it came to light after the end of this study that there is no such clear-cut distinction. It became clear that SMEs under this study blend these two types of feedback solicitations to achieve their objectives on gathering feedback online. This can be seen when the companies blend e-mail with questionnaire in order to reach “known” and “unknown” customers. These point to fact that companies learn about the nature and habits of their customers and from this, develop the effective feedback solicitation mechanism to reach them.
7.2 Implications to Management

It has been identified by many researchers (like Verscovi, 2000) that small and medium sized enterprises (SMEs) often suffer disappointment regarding their expectations in establishing themselves on the web due to frequent mistakes that occur when developing and managing their adopted strategies, and implementing the operational actions of Internet communications. Some of the problems they faced are unclear communication strategy; new communication paradigms; online-integrated marketing communication; company involvement in the internet challenge; people for Internet communication; and organizational change. Successful managing the Internet to gather feedback from customers online requires the companies to learn much about the nature and habits of their customers and the best medium to reach out to them - be it Internet based, offline or the combination of the two.

We also recommend that the companies develop a customer feedback collection strategy with clearly stated objectives. As at now there is no clear customer feedback collection strategy in terms of their objective towards performance assessment and benchmarking. This may include learning about how satisfied customers are, in their quest to providing a good service quality and how the company is performing in comparison with their main competitors or in comparison with last year. This will help the company to know where the company is now and where they stand in their “journey” to quality. This is really needed when the company wants to rally the whole organisation towards product and service quality culture.

Again, first-learning is very critical in the success of any customer feedback collection strategy. Though, most of the feedback is being collected via e-mail, companies can go extra mile to employ some cost effective feedback collection tools like e-meetings, online – discussion forums. This can also be supplemented with focus group discussion. This can serve as an eye-opener to all who matter in feedback collection. This is because listening directly to customers is much more powerful for shaping the thinking and customer orientation of service staff than clinical statistics and reports (Wirtz and Tomlin 2000). As Berry (1997) rightly put it “directly hearing from the voices of customers….adds richness, meaning and perspective to the interpretations of quantitative data. Companies can also use the one-to one typed dialogue with customer representative, the use of voice over Internet and streaming video over the Internet. These online typed dialogues with customers’ representative are effective but they require customer service representatives to be available 24 hours a day and seven days a week, especially if the company markets its products globally.

It has also been argued that “what is not measure is not managed” (Wirtz and Tomlin 2000). To this end, measuring service quality and customer satisfaction is very crucial for service and product improvement. Established service and product quality models together with discussions with customers and other staff determine the service quality attributes that are important to the customer. Key service and product quality indicators can be operationalised in these companies. Service and products standards can be set and formalised (e.g. when an e-mail is to be replied) and adhered to strictly. Performance targets can also be set to evaluate staff and departments. These need to be constantly reviewed due to the changing customer expectations and the advancement in technology.
Companies can also develop their feedback collection system to make it easy to construct a database of feedback requiring follow-up. This database to Sampson (1998) can be part of “group-ware” which would allow various people within the company to check and update the status of specific customer feedback like the one operated by Propac called MICS. In addition to this, the customer feedback database can contain information indicating a date to respond back to the customer about the outcome of the customer’s complaints or suggestions. Further, these ordinal or nominal data can also automatically be recorded in databases and be presented in histograms and time series chart can also be produced out of them. All these will aid management in their decision making.

7.3 Implications for Theory

This thesis offers a description of a phenomenon in a specific setting which is presumed to serve as a base for further research. Past research provided us with theories upon which we have formulated our research purpose. Our purpose then served as a foundation in our bid to explore and describe the online feedback collection tools, the components of an effective online feedback system and the criteria for assessing an Internet-based feedback collection tool.

Our contribution to theory is therefore based on the real life situation that we observed and opinion formed in this field of study especially with regards to SMEs and customer feedback online. This can then be added to what has been examined and described by previous research and to form as the basis for further research on SMEs and customer feedback online. We therefore think that this basis would serve as a spring board for other interested researchers to leapfrog into other areas of this new phenomenon which is under researched. Our conclusion could also form the basis of hypothesis formulation for future research.

However, since this area of study is in its rudimentary stages and also changes quickly, there are still a lot of issues in the reality that needs to be explored, described and examined. This then leads us to implications for further research in the next paragraph.

7.4 Implications for future research

It would be reiterated that this and other theses pertaining to the Internet are written as forward looking ones, they will presumably be regarded as a historic document within some few months and years. This is not due only to technological changes which are rapid but the rate of change which is dramatic. The way companies communicate and gather feedback online from their customers is being affected and will continue to be affected by the information technology revolution. To this end, it may be interesting to look these future research areas:

- Conduct the same study on the same companies in a year’s time to find out how their experiences have changed with time.
• On the other hand, it could have been interesting to have gotten other companies outside Luleå and to ascertain their experiences in this area. This could have cross-fertilized the study.

• Investigate the use of e-mail(only) as an online feedback collection mechanism

• An in-depth study on the feedback gathering process of SMEs.

• Conducting the same study and also assessing and observing the collection tools on the web. The researchers wanted to do, but were constrained by time.

• How are feedback gathered online utilised to create a customer driven organisation?

• How can customer feedback online be utilised to recover a lost sale or service?
References


Barker, N, (1994),”The Internet as a reach generator for small business” Masters thesis, Business School, University of Durham


Cleland.K. “Study: typical Web users is college-educated male” Advertising Age’s Business Marketing, Vol. 80, No.12, 1995, pp.22


Cole R.E., “From continuous improvement to continuous innovation” Quality Management Journal, Vol.8, No. 4, 2001

Commission of the European Communities (1996), Commission Recommendation 3 of April 1996 concerning the definition of small and medium-sized enterprises (96) 261 final, Brussels, Available


Kaplan, A., (1973), The Conduct of Enquiry, Intertext Books


Miles, M.B., Huberman, A.M., (1984), Analysing Qualitative Data: A Source Book for New Methods, Sage, Beverly Hills, CA

Miles, M.B. and Huberman, A.M. (1994), Qualitative Data Analysis-An expanded Sourcebook, Sage, Newbury Park, CA

Mitzberg, I.Y., James, R.M., Prentice-Hall, Englewood Cliffs, NJ


O’Connor P.D.T (2002), Practical Reliability Engineering, John Wiley and Sons, Chichester, England


Patton, M, Q, (1990), Qualitative Evaluation and Research Methods, Sage, Newbury Park, CA


Quartey, P., (2001),” Regulation, competition and Small and Medium enterprises in Developing Countries”, IDPM Working Papers, University of Manchester, No.10


Stake, R.E, (1994),”Case Studies” in Denzin, N.K and Lincoln, Y.S. (Eds), Handbook of Qualitative Research, Sage, Thousand Oaks, CA


Stuart, A (1994). “In the beginning…” CIO, Vol.8, No.5, p.80


Yin, K., (1989), Case Study Research, Design and Methods, Sage, Newbury Park, CA


**Personal Interviews**

**Lindgren Anders**, Vice President, Abelko Innovation AB, 2003, December 18, 2003, 9.00

**Stenberg Rikard**, Vice President, Customer Relations, Marratech AB, December 18, 2003, 15.00

**Forsberg Per**, President, Propac AB, December 22, 2003, 14.00
APPENDICES

APPENDIX A: Word List

Customer is someone who pays for goods and services (Webster Revised Unabridged Dictionary, 1998)

Client is synonymous to customer (Webster Revised Unabridged Dictionary, 1998)

E-mail or electronic mail is the exchange of electronic messages on the Internet.

FAQ: A compiled list over the user most frequently asked questions (Jakobsson, 1995)

Hyper Link enables the user to move from one web site by clicking on an underlined word or a picture (Jakobsson, 1995)

HyperText Mark- up Language (HTML) is the language that information on the web pages are made (Jakobsson, 1995)

Web sites consists of electronic pages called web pages (Novak & Hoffman, 1996)

World Wide Web (WWW) or the Web is a distributed information-structure consisting documents or Web sites that are hypertext linked (Rune, 1995)
APPENDIX B: Interview Guide

Date of Interview:

**a. Corporate Information**

1. Full name of company:
2. Name of respondent:
3. Position/Title:
4. How long have you (respondent) been working with the company?
5. Location Address/Head office:
6. Telephone:
7. E-mail address:
8. Home page:

**b. General Questions**

1. When was the company established?
2. Could you please describe the ownership system of the company?
3. How many people were employed in the company in 2003?
4. What has/have been the main area/areas of operation?
5. What are the products/services of the company?
6. What has been the geographical area of operation of the company?
7. Could you describe the type(s) of customers you deal with?
8. Could you please describe how your customers buy from you?
9. Which year did the company went online/Internet?
10. What prompted this decision?
11. What has been the turnover of the company for the last three years (in SEK)?
   
c. Questions to address the Research Questions

12. Would you please tell me about customer feedback and how this is handled in your organisation?

13. More specifically, how does your organisation handle customer feedback over the Internet?

14. What tools are you using to collect customer feedback, both online and offline?

15. What do you think are the requirements of an effective customer feedback collection system?

16. What IT system are you running this customer feedback on?

17. What components have you put into this customer feedback system?

18. What are your objectives of establishing this customer feedback over the Internet?

19. How do you like the system to function?

20. How does your organisation see a customer feedback system in terms of benefits?

21. Do you measure service levels in your organisation and if so, what indicators are you using to measure these levels?

22. Would you please describe your reporting system for customer feedback? (Who is responsible for reporting and who are the receivers of that information?)

23. How do you use this customer feedback system to know the satisfaction levels of your customers?

24. How does your customer feedback affect your decision on product/service improvement or staff evaluation?

25. How do you use the collected customer feedback over the Internet to improve your services?

26. In terms of cost-benefit analysis, how do you evaluate your customer feedback system?
APPENDIX C: WEBSITES OF CORPORATE RESPONDENTS

(The snapshots of all websites were taken on February 13, 2004)

ABELKO INNOVATION AB
PROPAC AB