Department of Business Administration and Economics

Improving Customer Perceived Value at the Liberty Program, Naples Italy

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ABSTRACT

Aim: This study is based upon the premise that creating value is the basis for all businesses (Grant, 2002; Day, 1990; Porter, 1996; Woodruff, 1997). The research problem and ultimate purpose of the study is to determine how customer perceived value can be improved at the Liberty Program, Naples Italy. The objective is thus to identify specific value and non-value contributing factors, identify commonalities within the target audience and thereby make suggestions for short, medium and long-term improvements. The long term goals of this study are to find and implement ways to boost program participation as well as satisfaction levels.

Method: The literature review examines the concepts of customer perceived value and satisfaction, communication, relationship marketing and segmentation, thus laying the grounds for a basic understanding of the subject matter. The empirical study is based on an extensive data collection process with data collected from over 200 customers in both qualitative and quantitative form, achieved by a survey and customer interviews. The goals and objectives of the study are accomplished by analyzing collected data and thereby identifying key customer characteristics and key drivers of value perception. A service improvement plan is thereby constructed consisting of suggestions for implementing a continuous improvement plan with short, medium and long term goals.

Result & Conclusions: The literature review concludes that customer value perceptions are based upon a variety of factors and takes place both pre, during and post the transaction. Including the customer in the integrated value-creating process is found to be a critical element to success and in maintaining customer satisfaction and should thus be the basis for marketing communication. Empirical research establishes that product related issues have the highest impact on customer satisfaction at the Liberty Program, Naples Italy, arguably because they are the core and thus expected service. A number of short term (quick) fixes are suggested to quickly respond to customer comments and thus increase trust and establish a sense of co-creation of value with the customers. Having established the main demographics of the target audience, steps to develop more effective communications are also presented.

Suggestions for future research: Future research should focus on exploring new channels of communication to reach a young and increasingly technologically savvy target audience. Cross-examination of other Liberty Programs could also present some useful programming as well as marketing communications ideas.

Contribution of the thesis: Other military installations could benefit from this study as various locations share the same (constantly rotating) customer base.

Key words: Customer satisfaction, perceived value, communication, customer relationships, segmentation.
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I would like to thank my husband for being by my side and holding my hand through this crazy rollercoaster ride called life. We have been through some tough turns, but I am in for the full ride…

I would also like to thank my beautiful daughter; your smile could cease wars and melt the polar ice – you are my best accomplishment ever.

I would like to thank my mom and dad for being the best parents anyone could wish for. I am lucky if I can be half as good of a parent as you have been to me… Being apart from you leaves a permanent hole in my soul – but makes me treasure each and every moment we do spend together.

I would like to thank my faithful dog for keeping my feet warm while typing for hours and hours… You are the best feet-warmer!

I am truly blessed for having you all in my life.

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Last, but not least, I would like to express my gratitude to the staff at the University of Gävle.
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<tr>
<td>MWR</td>
<td>Morale Welfare and Recreation</td>
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<tr>
<td>F&amp;FR</td>
<td>Fleet and Family Readiness</td>
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<tr>
<td>SIP</td>
<td>Service Improvement Plan</td>
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<tr>
<td>SS ID</td>
<td>Single Service member Identification Card</td>
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<tr>
<td>NSA</td>
<td>Naval Support Activity</td>
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<td>AFN</td>
<td>Armed Forces Network</td>
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<td>AO</td>
<td>Area Orientation</td>
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<td>ST</td>
<td>Sponsorship Training</td>
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<td>BH</td>
<td>Bachelor Housing</td>
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<tr>
<td>DOD</td>
<td>Department of Defense</td>
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<tr>
<td>PA</td>
<td>Public Affairs</td>
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<td>POD</td>
<td>Plan of the Day</td>
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<td>STP</td>
<td>Segmentation, Targeting and Positioning</td>
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1. INTRODUCTION

This section provides a brief introduction to the organization and presents the research questions. It also explains the motivation for undertaking this study.

1.1 Background and Motivation of the Study

There are over 100 US Naval bases worldwide (LookSmart, 2005). MWR (Morale, Welfare and Recreation) includes numerous activities designed to improve the quality of life for service members and their dependants and thereby aid in the retention of fleet and family readiness. Activities include fitness centers, movie theatres, bowling centers, child care facilities, libraries and much more. MWR is available at each US naval installation as well as on board each navy ship. This study focuses on one of these divisions; the Liberty Program at NSA (Naval Support Activity) Naples, Italy.

The Liberty Program is designed for (but not limited to) junior enlisted service members. By providing various recreational activities the Liberty Program helps promote a healthy and positive use of service member’s leisure time. The Liberty Center offers service members an on-base facility where they can use the Internet, watch movies, play video games, do homework, and play pool and various other games. The Liberty Program additionally offers programs such as financial education and language classes, activities such as tournaments and barbeques and trips and tours to St. Patrick’s Day in Ireland and Oktoberfest in Germany, just to name a few.

Over 10,000 US service members are stationed at NSA Naples, Italy and as there is no specific “chief’s or officer’s club” on foreign bases, the customer base is more diverse than in the continental US. During foreign deployments the Liberty Program is particularly valuable to customers as they are far away from friends and family and may not have the resources and abilities to venture out outside the base too often. Due to language barriers it is also difficult for service members to make their own travel and transportation arrangements.

Although the Liberty Program offers many services and programs, awareness and participation is relatively low in certain programs and activities; the basic premise of this study is thus to find the reasons and solutions to this problem and also to identify specific value contributing factors.

1.2. Defining the Research Problem

Successfully communicating with your customers is crucial and has a direct impact on customer satisfaction, loyalty, and overall revenue (Grönroos, 2000; Heinonen & Strandvik, 2005). When your customer market is diverse this can be an immense task. The Liberty Program in Naples, Italy wishes to boost overall customer satisfaction and perceived value by learning more about their customers and by increasing customer awareness and interest in the various programs, as well as boosting overall utilization of the facilities. By evaluating current methods of communication and by conducting a comprehensive customer survey and interviews, this study hopes to identify major customer segments, value and non-value contributing factors and preferred means of communication. This study will thus aim to identify the specific
needs and dynamics of the target market, and thereby suggest how programming and communications can be aligned in order to improve overall perceived value.

The core research problem is how to improve customer perceived value with the long term goal of boosting program awareness and improving communications at the Liberty Program in Naples, Italy. The study thus aims to answer the following questions:

- Who are our customers?
- What is customer perceived value; value and non-value contributing factors?
- How can customer value be improved upon?
- How can communication be improved upon and what are the preferred channels of communication?
- How can the Liberty Program increase awareness and enrollments in programs offered?

1.3. Research Objectives

The core purpose of this study is to identify how customer perceived value can be improved at the Liberty Program in Naples, Italy. The long term goal is to achieve not only increased customer satisfaction but also increased awareness and customer participation in programs and activities. This objective is achieved by analyzing and evaluating the customer market, from a customer perspective, and thereby establishing how marketing communication, program offerings and overall facilities can be improved upon.

The main objectives are:

- To improve the overall knowledge of the customer market (demographics)
- Identify the preferred means of communication (based upon demographic make-up)
- Identify specific customer needs; perceived value (and non-value) contributing factors
- Develop a Service Improvement Plan (SIP)

The desired post-study outcomes (long-term goals) are:

- Increased customer satisfaction
- Increased number of visitors and program participation
- Implement continuous improvement
1.4. Research Process

This project is divided into the following steps, based on Kotler & Keller’s (2006) marketing research process:

1. **Defining the Research Problem and Research Objectives**: This is done by identifying stakeholders and their interests to ensure that the research questions are valid.

2. **Developing the Research Plan**: The research plan is developed by following existing theoretical frameworks in order to achieve reliable and valid results. This step also includes theoretical research in order to establish an understanding of the subject areas chosen.

3. **Collect the information**: Quantitative data is collected through a survey while qualitative data is obtained through interviews.

4. **Analyze the Information**: By analyzing the information main drivers of customer perceived value and non-value contributing factors is determined as well as defining the demographics of the main customer segment.

5. **Present the findings**: By making suggestions for possible improvements through developing a Service Improvement Plan (SIP).

6. **Make the Decision**: Implement action plan.

Figure 1: The Marketing Research Process.
2. METHODOLOGY

This section outlines the research strategy and overall approach to the study and explains how the data is obtained. The validity and reliability of the research is also addressed.

2.1 Research Strategy and Approach

Lee (1989) suggests that field research may involve three levels of understanding: subjective, interpretive, and positivist. Striving for a comprehensive level of understanding, a mix of research strategies will be incorporated in this study.

Theoretical frameworks and theories in the areas of communication, customer value and segmentation will be presented and discussed in the theoretical part in order to build a basic understanding of the subject areas. Empirical research will thereafter be conducted in order to gain an in-depth understanding and to gather primary data for evaluation in terms of established frameworks.

2.1.1 Research Paradigms

“A paradigm is a very general conception of the nature of scientific endeavor within which a given enquiry is undertaken” (Mangan & Lalwani 2004, p. 2). Or in more simplistic terms, the word paradigm refers to “a thought pattern in any scientific discipline” (Wikipedia 2006). The paradigm concept was applied to the social sciences by Burrell and Morgan (1979), who developed a framework in which they illustrate four distinct paradigms; radical humanism, radical structuralism, interpretive sociology and functionalist sociology.

“R. Bogdan and S. J. Taylor (1975) identified the two major perspectives on methodology within the social sciences as positivism and phenomenology” (Brink, 1995, p. 462). “Quantitative and qualitative methodologies are generally associated, respectively, with [these] two principal research paradigms” (Mangan & Lalwani, 2004, p. 1). These two schools of philosophy are typically associated with the interpretivist and functionalist paradigms on the Burrell and Morgan framework.

2.1.2 Qualitative vs. Quantitative Research

There are two main approaches to research methodologies; qualitative and quantitative. Qualitative research utilizes small but focused sample sizes and aims to determine the “why and how” of decision making, while quantitative research requires a large sample size and addresses the “what, where, and when” (Wikipedia, 2006). “Qualitative research addresses a plurality of research paradigms (positivist, interpretative and critical); within which there are many research methods, research processes and techniques” (Cepeda & Martin, 2005, p. 856). Quantitative research can be separated into two different forms: the experiment and the correlational study (Brink, 1995, p. 467).

Quantitative research investigates measurable properties and is thus widely perceived as reliable and accurate. “It remains the case that quantitative methodology is the core of the evidence-based paradigm and the essential ingredient for meta-analysis and
overviews” (McPherson & Leydon, 2002, p. 228). However, Cepeda and Martin (2005) suggest that there is a general dissatisfaction with the type of research information provided by quantitative techniques and that there is a growing “acknowledgement of qualitative research as a valuable and valid research approach” (Cepeda & Martin, 2005, p. 2). Table 1 below, lists some of the common conceptions of the two approaches; quantitative data is known to provide hard, fixed and measurable data through the use of surveys while qualitative data provides soft, flexible (an often hard measure) data often collected through case studies.

<table>
<thead>
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<th>Qualitative</th>
<th>Quantitative</th>
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<tr>
<td>Soft</td>
<td>Hard</td>
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<tr>
<td>Flexible</td>
<td>Fixed</td>
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<tr>
<td>Political</td>
<td>Value-free</td>
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<tr>
<td>Case study</td>
<td>Survey</td>
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<td>Speculative</td>
<td>Hypothesis testing</td>
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<td>Grounded</td>
<td>Abstract</td>
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As both qualitative and quantitative research have their advantages and disadvantages, the benefit of combining the two approaches is acknowledged by several authors; Mangan, Lalwani and Gardner (2004) and Naslund (2002). “Qualitative research methods are essential to provide richness, but they are vulnerable to distortion of data by theory. The quantitative approach is necessary for the precision of hypothesis testing, but, by itself, this method is too critical to be creative” (Brink, 1995, p. 461).

As the quantitative approach can offer measurable results it will be an important part of this study. However, the qualitative approach will also be an integral part as it can provide a deeper insight into non-quantifiable data such as perception, beliefs and attitudes. In order to achieve a comprehensive research with precision and richness it will be assumed that both methods are essential and contribute equally to this study.

2.2 Data Collection

Yin (2003) suggests that the sources of evidence in data collection are documentation, archival records, interviews, direct observations, participation observations and physical artifacts. For the purpose of this study, the majority of data will be derived from conducting personal interviews as well as a customer survey.

The empirical study will collect both qualitative and quantitative data in order to gain the most comprehensive results. A survey (see appendix 2) will be conducted in order to collect quantitative data, hence responses to structured questions which thereby can be statistically analyzed. Qualitative data will thereafter be collected through customer discussions and interviews containing open-ended questions in order to gain more in-depth answers to particularly interesting areas (see section 4.2 for complete description of the interview process). The goal of the qualitative data is to provide actionable data that will be the basis for the Service Improvement Plan.
2.3 Validity and Reliability of the Research

Validity and reliability are naturally crucial aspects in any study; therefore researchers need to take measures to ensure that their results are credible. Reliability can simply be defined as “the consistency of a set of measurements” (Wikipedia, 2006). Researchers can take certain measures to improve reliability of their quantitative research by applying the test-retest method. This method is based on the premise that it should be possible to re-produce results when conducting the survey at different points of time, hence proving stability and reliability. In order to ensure the highest possible level of reliability, this survey is carried out based on this method, i.e. collecting data at various times, days and locations to ensure inclusion of all demographics. Data is thereafter compared statistically in order to compare results and thus ensure reliability.

While Katz (1982) suggested the four R’s of qualitative methodology as being: representativeness, reactivity, reliability, and replicability, it is typically suggested that replicability is not a viable measure of reliability for qualitative data. In fact in qualitative research reliability and validity are not treated as separate measures, but rather as “terminology that encompasses both, such as credibility, transferability, and trustworthiness is used” (Golafshani, 2003, p. 600). “Precision (Winter, 2000), credibility, and transferability (Hoepf, 1997) provide the lenses of evaluating the findings of a qualitative research” (Golafshani, 2003, p. 600). Stenbacka (2001, p. 551-2) suggests that the term reliability is in fact irrelevant when evaluating the quality of qualitative research.

Seale (1999) argues that trustworthiness is the primary measurement of reliability in qualitative research. As data are not directly measurable in qualitative research, but rather based upon in-depth interviews and open-end questions it is important that interviewers are non-bias. “It is necessary for qualitative researchers to have what has been called reflectiveness (Glaser and Strauss 1965), disciplined intuition (Bruyn 1966), objectiveness (Bittner 1973), and disciplined subjectivity” (Brink, 1995, p. 466), hence the ability to remain non-bias. Bias is however not solely a problem related to qualitative research, Brink (1995, p. 467) states that “the use of a quantifiable measure may lessen the observer’s bias, but it also disguises such bias and definitely does not eliminate it”. A valid measure is one which is measuring what it is supposed to measure (Wikipedia, 2006). In order to secure validity it is therefore important to ensure that questions are composed with the specific research objectives in mind. In order to accomplish reliability and validity it is suggested to take a triangulation approach, hence combining qualitative and quantitative research methods. Patton (2001, p. 247) argues that the use of “triangulation strengthens a study by combining methods. This can mean using several kinds of methods or data, including using both quantitative and qualitative approaches”. For the purpose of this study equal weight is placed upon qualitative as quantitative data.
3. THEORY AND LITERATURE REVIEW

This section presents theoretical frameworks and theories available in the areas of customer value, segmentation and communication. The chapter aims to build a fundamental understanding of these subject areas and thus lays the foundation for the empirical research.

3.1 Value

In 1969 Barbon described value as “the price of things; that is, what anything is worth to be sold…” (p. 2). The concept of value has since been redefined and is today generally viewed from the customer’s perspective and not solely measured in monetary terms. The value of a product or service (in the context of marketing) typically refers to a combination of real and perceived value;

“Total value = real value + perceived value” (Torok, 2006, p. 1)

Creating value is today recognized to be the basis for all businesses and crucial to organizational success (Grant, 2002; Day, 1990; Porter, 1996; Woodruff, 1997). Understanding and identifying customer perceived value therefore becomes crucial to businesses in order to maintain competitiveness. Until recent years value creation has been viewed as an efficiency-driven process. Organizations have typically aimed to increase value by simply producing goods and services in a cost-effective manner. But in today’s hypercompetitive global business environment customers have access to more information and a wider variety of choices than ever before and are thus informed, networked and global and have therefore gained an increasing amount of power in the value creating process (Prahalad & Ramaswamy, 2004).

“Price is what you pay - value is what you get”
Warren Buffett, Chairman of Berkshire Securities (in Torok, 2008)

The traditional company-centric view believed that the customer was outside the value chain and that value was created solely by the organization and then delivered to the customer. Prahalad & Ramaswamy (2004) suggest that we are moving away from a company and product-centric view of value creation towards an experience-centric view. The contemporary customer-centric view instead views the customer as “an integral part of the system for value creation [which]… can influence where, when, and how value is generated” (Prahalad & Ramaswamy, 2004, p. 5). Hence organizations should seek to “co-create” value with the customer.

Value includes both qualitative and quantitative measures as the total value is comprised of both monetary gains as well as emotional experiences. “Value reflects the perceived tangible and intangible benefits and costs to customers” (Kotler & Keller, 2006, p. 25). Value is therefore a combination of quality, service and price, often referred to as the customer value triad. In order to maximize value organizations should therefore examine their total market offering, including; “the reputation of the organization, staff representation, product benefits, and technological characteristics as compared to competitors’ market offerings and prices” (Wikipedia, 2006). “Value can thus be defined as the relationship of a firm’s market offerings to those of its competitors” (Wikipedia, 2006).
3.1.1 The Value Chain

Porter’s Value Chain is a commonly utilized tool in terms of analyzing organizational value creation. Figure 2 illustrates how the value chain divides activities into core activities (activities that transform inputs and interface with the customer) and support activities and examines them separately. By examining the value created in each activity and by benchmarking how that compares to the competition, organizations can improve individual processes and thus boost efficiency and reduce costs. “The purpose of analyzing the value chain is to identify areas that might provide competitive advantage” (Kippenberger, 1997, p. 8). By examining activities in an integrated way strategists can “diagnose and enhance competitive advantage” (Kippenberger, 1997, p. 7). By disaggregating activities to strategically relevant groups one can understand “the behavior of costs as well as identify existing or potential sources of differentiation” (Kippenberger, 1997, p.7).

Figure 2: Porter’s Generic Value Chain and Five Forces on Competition.

3.1.2 Customer Perceived Value

“The value concept is closely linked to the exchange theory of marketing” (Egert & Ulaga, 2002, p. 107) and perceived value is thus the core of marketing because “market exchange only takes place when all parties involved expect to be better off after the exchange” (Egert & Ulaga, 2002, p. 107). Zeithaml (1988) defines perceived value as “the consumer’s overall assessment of the utility of a product based on perceptions on what is received and what is given” (p. 14). Kotler & Keller (2006) similarly defines customer perceived value as “the difference between the prospective customer’s evaluation of all the benefits and all the costs of an offering and the perceived alternatives” (p. 133).
Customer perceived value is typically defined as the trade-off between benefits and sacrifices (Zeithaml, 1988; Monroe, 1990). Zeithaml (1988) identifies that perceived value is subjective and individual, and consequently varies among customers. Additionally, “a person might evaluate the same product differently on different occasions” (Ravald & Grönroos, 1996, p. 22). Value is thus difficult to determine as it varies, as do expectations. “Different customer segments perceive different values within the same product” (Eggert & Ulaga, p. 110). Perception of service delivery varies for the same reasons. In the case of this study the cultural aspect is particularly critical as we have Italian employees serving American customers in a dynamic military environment.

Porter (1985) suggests that the buyer’s value chain is the basis for understanding customer value. The buyer’s value chain is described by Christopher et al (1991) as “a series of actions a buyer [i.e. customer] takes in specific contexts with the aim of producing value for that customer…” (Ravald & Grönroos, 1996, p. 22). Kotler and Keller’s Service Quality Model (see below) looks similarly at this process; recognizing that the customer is indeed influenced by numerous factors such as past experience, personal needs, word-of-mouth as well as expected and perceived service, before deriving to the actual perceived value of the product or service. Marketing plays a vital part in managing (and shaping) these perceptions. Customer value perceptions needs to flow through the organization and influence the way the organization communicates and deliver value to its customers. Value perceptions also play a vital part in the R&D (research and development) of new products.

![Service-Quality Model](source: Kotler & Keller (2006, p. 383).)
In situations where a long-term relationship exists between the business and customer, value is derived not only from the product and supporting services, but also from the overall relationship. It is therefore necessary to consider the existing relationship when examining the perceived value of a specific incident (episode) and to understand the correlation and effect that single episodes have on the overall relationship. Ravald and Grönroos (1996, p. 24) suggest the following relationship between value and relationship:

\[
\text{Total Episode Value} = \frac{\text{Episode Benefits} + \text{Relationship Benefits}}{\text{Episode Sacrifice} + \text{Relationship Sacrifice}}
\]

This indicates that if a valued relationship exists customer satisfaction can still be achieved even though the specific episode was unsatisfactory, hence pointing out the importance of establishing and maintaining a good relationship with customers. Product quality, brand/image, supporting services, etc, certainly improve the customer’s value perception at the particular transaction (episode), but the deeper the relationship with the firm develops these components are valued less than the actual benefits from the relationship; safety, credibility, security, continuity are then more important.

A reduction in sacrifices is typically valued higher than an increase in benefits by the customer (Monroe, 1990). As sacrifices greatly impact the customers overall value perception, identifying and analyzing perceived sacrifices is therefore important to all businesses aiming to increase customer value. Figure 4 illustrate how safety, credibility and security contribute to a reduction of the sacrifice for the customer and thus leads to increased trust and loyalty which in turn results in a mutually profitable relationship for both supplier and customer.

Ravald & Grönroos (1996) stress the importance of stability in the customer relationship as customer perceived value is not based solely on product features but also on the overall perception of the relationship. When evaluating customer perceived value, organizations should thus look deeper than just individual episodes and consider customer expectations and how these expectations are being met by the organization. “Then the customer-perceived value can be increased on an episode level as well as on a relationship level” (Ravald & Grönroos, 1996, p. 25).

Figure 4: The Effect of Value Adding Strategies in a Long-Term Relationship.
3.1.2 How to Increase Customer Perceived Value

Value can be increased by providing more benefits or by reducing customer-perceived sacrifices (Monroe, 1990). By providing superior product features or additional supporting services (financing, warranties, customer support, delivery etc) customer perceived value is likely increased. There are two main problems with this approach; the added value must be seen as valuable by the customer and the added value can not be off-set by a higher cost (by adding features the price might have to be increased). Ravald & Grönroos (1996) therefore stress the importance of taking a customer perspective when attempting to reduce sacrifices or efforts may be placed in areas that are not perceived valuable to the actual customer. “In order to be able to reduce the customer-perceived sacrifice, the company needs a thorough understanding of the customer’s value chain” (Ravald & Grönroos, 1996, p. 26).

Grönroos (1992) suggest that extra, unexpected costs may arise, termed “indirect and psychological supplier relationship costs”. These costs include delayed deliveries, faulty goods, billing problems etc. resulting in psychological costs. By reducing these costs customer perceived value can be increased while at the same time improving operational efficiency, hence profitability. The organization should therefore aim to achieve “accuracy, flexibility, efficiency and [adopt] a zero-defection strategy in production, delivery and after-delivery routines” (Ravald & Grönroos, 1996, p. 26). Improving quality in all episodes will thereby “add value on an episode basis as well as on a total relationship basis” (Ravald & Grönroos, 1996, p. 26).

Similarly, Wikström and Normann (1994) suggest that organizations can add value in terms of cost efficiency (increasing efficiency by exploiting available resources) and market efficiency (develop offerings that add high value to the customers value chain). Levitt (1983) view the offer as core or generic product (physical product), expected product (core product and minimal purchase conditions), augmented product (differentiated by company in order to add value) and potential product (evolved product).

Kotler and Keller (2006) similarly suggest there are five product levels (see figure 5), but distinguish between the core benefit (what the buyer wants, e.g. the ability to access the Internet) and the basic product (the physical product, e.g. a computer).

Grönroos (1990) suggest that an augmented service offering further includes “accessibility of the service, customers’ interaction with the organization and customer participation in the production process” (Ravald & Grönroos, 1996, p. 29), thus leading back to the importance of a maintaining a working customer relationship.
“Value of a product within the context of marketing means the relationship between the customer’s expectations of product quality to the actual amount paid for it” (Wikipedia.com, 2008).

Value = Benefits / Price or  
Value = Quality received / Expectations  
(Wikipedia, 2006)

Torok (2006, p. 1) suggests a similar equation: 
Total value = real value + perceived value

Day (1990, p. 142) suggest customer perceived value is the difference between customer’s perceived benefits and customer’s perceived costs. Customer perceived value can thus be defined as “the difference between the prospective customer’s evaluation of all the benefits and all the costs of an offering and the perceived alternatives” (Kotler & Keller, 2006, p. 133).

Eggert and Ulaga (2002, p. 109) suggest that customer perceived value has three basic elements; multiple components of value (perceived sacrifices are weighed against perceived benefits), subjective value perceptions (value components and value perception varies) and the importance of competition (value is relative to competition).

Perceived value is thus derived from a customer’s overall assessment and evaluation of all value-contributing factors. Figure 6 illustrates how various factors impact the customer’s total value and total cost, the customer will then make the purchase decision based upon these evaluations, i.e. the highest perceived value. As the figure demonstrates; value can be added from the product itself, from support services such as warranties, from the personnel providing extraordinary service and by the image. Perceived costs are based upon the psychic cost, energy, the time spent and of course the monetary cost.

Figure 6: Determinants of Customer-Delivered Value.  
3.2 Customer Satisfaction

The previous section discussed value, particularly in terms of customer perceived value. This section will explore the concept of customer satisfaction. As it is often suggested that satisfaction is a predictor of customer loyalty and repurchasing (Egert & Ulaga, 2002; Ravald & Grönroos, 1996) it is important to understand the basis of customer satisfaction in order to successfully deliver value to the customer. It is also suggested that customer satisfaction leads to higher customer loyalty (Yi, 1991; Anderson and Sullivan, 1993; Boulding et al., 1993) which is a crucial aspect in maintaining profitability. We will now discuss theories and frameworks utilized to understand the components and process of customer satisfaction, mainly focusing on the disconfirmation theory, equity theory and the attribution theory.

3.2.1 The Disconfirmation Theory

Customer satisfaction research is mainly influenced by the disconfirmation paradigm, satisfaction should therefore be considered as “a post-purchase construct” (Egert & Ulaga, 2002, p. 110). This paradigm defines satisfaction as the customers’ feelings resulting from a (subjective) comparison between expectations and actual perception (Egert & Ulaga, 2002; Kotler & Keller, 2006; Walker, 1995). This means that our past experiences shape our expectations and thereby impact our ultimate level of satisfaction. The disconfirmation model (see figure 7) illustrates how customer satisfaction ensue when the product or service meet (confirmation) or exceed (positive disconfirmation) expectations. When the product or service does not meet expectations the customer is instead dissatisfied (negative disconfirmation).

![Figure 7: The Disconfirmation Model of Customer Satisfaction](source: Walker, J.L. (1995, p. 7)).
The disconfirmation paradigm is generally recognized, but what makes up satisfaction is however unclear. Comparing perceived performance against pre-established comparison standards is clearly a cognitive process, while “the feeling of satisfaction essentially represents an affective state of mind” (Eggert & Ulaga, 2002, p. 109). We will therefore assume that satisfaction is based upon both cognitive and affective factors.

3.2.2 The Attribution Theory

The attribution theory is a social psychology theory concerned with how people attribute behaviour of themselves or others (Wikipedia.com). The attribution theory is classified into two categories; intrapersonal and interpersonal (Martinko, 1995 in Schaffer, 2002, p. 103). Applying this theory to customer satisfaction means that the customer will provide either an internal attribution or an external attribution to the outcome of his/her purchase. “Attribution theory has become widely used by business researchers to enhance understanding of individual and organizational behavior” (Cort, Griffith and White, 2006, p. 10). In marketing research the attribution theory is mainly utilized to measure customer satisfaction (Tsiros et al., 2004) and sales force performance (Dixon et al., 2003).

3.2.3 Equity Theory

The equity theory focuses on the consequences of reward allocation within the social exchange process (Adams, 1963). It suggests that for the customer to be satisfied, he or she must feel that the outcome is relative to the input and proportionate to the input/output of others. The equity theory is important here as in culturally diverse markets, the sense of equality, equity and value are likely to differ.

\[
\frac{\text{individual's outcomes}}{\text{individual's own inputs}} = \frac{\text{comparable others' outcomes}}{\text{comparable others' inputs}}
\]

Wikipedia.com (2008)

3.2.4 Service Encounter Model

Advanced technology has made it difficult for organizations to establish competitive advantage based upon product differentiation. “Competitive pressures and the scale of product choices have elevated the importance of the service element, which has now become the value denominator of virtually all business transactions” (La & Kandampully, 2004, p. 390). Service quality is therefore becoming a critical element in customer satisfaction and value perception. Perceived service quality is the difference between expectations and actual performance (Parasuraman et al. (1988). Although it is generally believed that the evaluation process takes place prior to the purchase, some suggest that in terms of service evaluations multiple stages of evaluation take place. Fisk (1981) suggests the following three stages: pre-consumption, consumption and post-consumption. The service encounter satisfaction model utilizes three separate, but integrated, stages of disconfirmation. Just as Kotler and Keller’s Service Quality Model, it illustrates how overall value perception is based upon a variety of influences.
3.3 Customer Satisfaction versus Perceived Value

The literature review does not clearly distinguish between customer perceived value and customer satisfaction, nor does it describe how the two concepts interrelate. Even though literature on the subject(s) suggests that customer perceived value is synonymous to satisfaction, some differences exist (Woodruff & Gardial, 1996). “Customer perceived value is measured as a cognitive variable. Customer satisfaction, in turn, is measured as an affective variable” (Eggert & Ulaga, 2002, p. 116). A study conducted by Eggert and Ulaga (2002) suggest that “customer perceived value and customer satisfaction do not substitute but complement each other” (p. 115). “Customer satisfaction should be conceptualized and measured as an affective construct, while customer perceived value is best being conceptualized as a cognitive variable” (Eggert & Ulaga, 2002, p. 114). The differences, as suggested by Eggert and Ulaga (2002) can be seen in table 2.

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>Customer Perceived Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective construct</td>
<td>Cognitive construct</td>
</tr>
<tr>
<td>Post-purchase perspective</td>
<td>Pre/post purchase perspective</td>
</tr>
<tr>
<td>Tactial orientation</td>
<td>Strategic orientation</td>
</tr>
<tr>
<td>Present customers</td>
<td>Present and potential customers</td>
</tr>
<tr>
<td>Supplier’s offerings</td>
<td>Supplier’s and competitor’s offerings</td>
</tr>
</tbody>
</table>

Table 2: Conceptual Difference Between Satisfaction and Value

Most satisfaction frameworks are based on the disconfirmation paradigm (Eggert & Ulaga, 2002, p. 110), we will therefore consider satisfaction as built upon a post-purchase evaluation (as also suggested in table 2). Customer perceived value will be considered pre or post purchase based as the evaluation process is found to be independent of the time of purchase (Woodruff and Gardial, 1996). “Satisfaction depends on value. Perceived value is defined as the ratio of perceived benefits relative to perceived sacrifice” (Ravald and Grönroos, 1996, p. 20). Customer perceived value is therefore influenced by both supplier’s and competitor’s offerings (see table 2).

3.4 Customer Value Management

There is an increasing interest in managing customer satisfaction as customer acquisition costs are typically higher than retention costs. As customer satisfaction can (even though not proportionally) be linked with customer retention, organizations today spend more on customer service training than before. However, the level of customer satisfaction has not increased, mainly due to rising expectations amongst customers as well as mismatched training; hence organizations often focus on improving non-value increasing activities (Daniels, 2000).

Customer Value Management (CVM) is a concept that addresses this mismatch between customer perceived value and value provided. “CVM measures not just a customers’ satisfaction with every aspect of a product or service, i.e. the measure of “quality”, but measures this satisfaction relative to price paid. This is a measure of perceived value” (Daniels, 2000, p. 68). CVM also takes into account how this
perceived value measures up to competitors’ offerings and overall needs in the marketplace.

Value is more than providing a quality product or service and needs continuous improvement. Managing value needs commitment from the entire organization, as all aspects of the business ultimately affect value. Communication within the organization needs to flow with ease and efficiency, employees should be motivated and desire to create and enhance value and additionally the customers should be involved in this integrated value-creating process. Employees need to understand that they all have an impact upon customer satisfaction, even though they don’t interact face-to-face with the customers. Providing internal customer service and value impact the external value and service provided to our customers.

3.5 Communication

Traditionally, marketing communication literature was mainly concerned with media and advertising effectiveness (Harvey, 1997; Heinonen & Strandvik, 2005). These studies viewed customers as “passive targets for communication efforts where the aim is to sell products” (Heinonen & Strandvik, 2005, p. 188) and effectiveness measured in terms of sales generated from the communication. “Communication effectiveness is evaluated in terms of conversion of customer attention to purchase action” (Heinonen & Strandvik, 2005, p. 187).

Ducoffe (1995) viewed the customer as active in the communication process and studied the value of advertising to the customer. He grouped customer reactions to advertising into four factors: informativeness, decepetiveness, irritation, and entertainment (Heinonen & Strandvik, 2005, p. 188). Ducoffe’s (1995) studies suggest that “customers perceived informativeness and entertainment as two important value-increasing elements of communication” (Heinonen & Strandvik, 2005, p. 188) hence indicating that content and form of communication impacts communication effectiveness.

Building on the same concept, Heinonen & Strandvik (2005) suggest that “communication value may be created through four factors, content (what), presentation (how), place (where) and time (when)” (p. 188). This corresponds to Heinonen’s (2004) perceived service value model that consists of technical, functional, spatial and temporal value dimensions. Heinonen & Strandvik (2005, p. 187) combine the concept of communication value with service literature and further suggest that communication should be considered as part of a service and view communication value as an integrated part of service value. This therefore suggests that personal interactions as well as interaction facilitated by media communications all contribute to customer perceived value.

By viewing marketing communication as part of the overall service or product offering communication becomes an integral part in value creation as it can generate or demolish customer perceived value, marketing thus becomes everybody’s responsibility in the organization. Heinonen & Strandvik (2005, p. 187) argue that “marketing communication can be seen as an element of the service, rather than an instrument to sell a product or service”. This means that marketing communication is
not measured in terms of sales, but rather in terms of overall customer perceived value.

It is crucial that marketing communication is embedded in the organization’s culture, as marketing is not an isolated function only relevant to the marketing department. In today’s global business environment it is imperative that employees recognize cultural as well as social differences as they can all hinder the communications effectiveness. Figure 8 (below) illustrates the various elements in the communications process. A message is sent out by utilizing the chosen form of media, the message then gets decoded by the receiver who has a response (positive or negative). A level of noise is always present during this process affecting the receiver’s perception and reaction to the message (this can be advertising from competitors, traffic, phones ringing and anything else that might distract the receiver from properly decoding the message). The feedback can be sent to the sender in various ways; number of sales, number of coupons returned etc. The model emphasizes the importance of establishing whom you are communicating to, and thereafter choosing to form a message and format that would be most effective. Messages are thereby encoded in a way that the desired target audience will be able to decode them with the desired outcome. As discussed, a certain level of noise will always be present in all communication, which can detract from or even distort the message. Noise should thus be attempted to be eliminated as much as possible.

![Diagram of communications process](image)

Figure 8: Elements in the Communications Process. Source: Kotler & Keller (2006, p. 499).

### 3.6 Relationship Marketing

The significance and role of the relationship aspect and its impact upon customer perceived value has been explored by several scholars (Ravald & Grönroos, 1996; Lapierre, 1997; Collins, 1999; Wilson & Jantrania, 1994; Grönroos, 2004). Berry (1983) introduced the term relationship marketing, however studies on the subject already existed; Arndt, 1979; Levitt, 1983; Grönroos, 1980. Grönroos (2004) describes the relationship marketing perspective as “based on the notion that on top of the value of products and/or services that are exchanged, the existence of a relationship between two parties creates additional value for the customer and also for the supplier or service provider” (p. 99). Ravald and Grönroos (1996) suggest that “any value-adding strategy should take the objectives of relationship marketing” (p. 19). Even though customer relations have always been an aspect of business and
trade, “the importance of relationships with customers was given less attention following the industrial revolution, when the middleman was introduced in the distribution chain” (Grönroos, 2004, p. 99). As products are becoming increasingly homogenous, price competition and product differentiation is progressively more unlikely to lead to competitive advantage. Customer service then, becomes an increasingly important source of competitive advantage (Christopher et al., 1991).

As goods and services become increasingly homogenous, differentiation through value created through customer-company interactions become more important. The increased level of choice has shifted the focus from the product to the process as a whole (the product merely becomes part of the process). Services thus become increasingly important and are likely to improve customer retention and hence lead to increased profitability (Reichheld & Sasser, 1990; Reichheld, 1993; Storbacka, 1994).

The core product is thus seldom the cause for dissatisfaction (Grönroos, 2004; Webster, 1994; Levitt, 1983). With increasing competition customers have more choices, hence making service increasingly important. When the product is merely one element in the process, product uniqueness becomes less important while it becomes important for the organization to “manage the additional elements of the offering better than the competitors to create value for customers in their internal value-creating processes” (Grönroos, 2004, p. 102). Organizations should aim to understand the needs and the value perception of its customers but also understand how to successfully fulfill these needs, hence create value. Grönroos (2004) describes this process as the “customer’s value generating process” or customer value chain (p. 103).

As discussed, services are more and more important, as they are what truly separate organizations when products are becoming increasingly homogenous. “A service firm has no products, only interactive processes” (Grönroos, 2001, p. 150), thus making the communications process critical. In a relationship marketing context, marketing communication aims to create a two-way or even a multi-way communication process.

Table 3: Sources of Communication Messages in a Relationship. Source: Grönroos (2000).

<table>
<thead>
<tr>
<th>Sources of communication messages in a relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLANNED MESSAGES</td>
</tr>
<tr>
<td>Mass communication (e.g., advertising)</td>
</tr>
<tr>
<td>Brochures</td>
</tr>
<tr>
<td>Direct response</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>Sales pages</td>
</tr>
<tr>
<td>etc.</td>
</tr>
</tbody>
</table>

Table 3: Sources of Communication Messages in a Relationship. Source: Grönroos (2000).

3.7 Segmentation

“All marketing strategy is built on STP – Segmentation, Targeting and Positioning” (Kotler & Keller, 2006, p. 288). Knowing who our customers are thus becomes the foundation for creating our marketing strategies, thus making segmentation
imperative. “Customer Segmentation is the subdivision of a market into discrete
customer groups that share similar characteristics” (www.bain.com). Segmentation is
typically used in order to identify target markets, i.e. the customer segments with the
highest profitability potential or the segment with needs that best match product
and/or service offerings. Based upon the selected target market(s) the organization can
thereby create a product offering that aim to satisfy the needs of the selected target
market. The product/service is then positioned to appeal to those customers.
Segmentation may also benefit the organization by grouping the customers and
creating customized mailings and offers that gets sent out to specific segments.
Segmentation is also a good way of learning more about your customers and what
your main segments are, this can help guide managerial decisions such as the
allocation of resources to product development, marketing, and value adding
programs. Profiling and segmenting customers help reveal similarities or differences
that the organization can exploit which can aid in developing appropriate product and
service offerings and effective messaging in order to meet the needs of the customers.

Kotler (2003) suggest that the essence of marketing strategy is segmentation, targeting
and positioning. Lumsdon (1997) suggest that segmentation aims to identify groups of
people with similar characteristics within a population. This will thus aid in matching
these groups with matching products or services (Kotler, 2003).

Segmentation can be useful in many ways; prioritizing new product development,
develop customized marketing programs, choosing specific product features or
service offers or determining appropriate product pricing. Even in markets where
organizations attempt to serve all customer groups (full market coverage),
segmentation can be beneficial. Kotler and Keller (2006, p. 247) suggest that
organizations can cover a whole market in the following two ways; undifferentiated
marketing or differentiated marketing.

3.8 Conclusions from Theory and Literature Review

The theoretical research concluded that creating value is the basis for all businesses
and thus crucial to organizational success (Grant, 2002; Day, 1990; Porter, 1996;
Woodruff, 1997). Consequently, it is crucial to understand what our customer’s
perceived value is; which is believed to be subjective and is defined as the trade-off
between benefits and sacrifices (Zeithaml, 1988; Monroe, 1990). Although numerous
theories on the subject exist, it can be ascertained that customer perceived value is
based upon the following factors; the value of the product, services, personnel and
image compared to the physical and monetary cost combined with energy and time
spent (Kotler and Keller, 2006). Hence, value reflects the overall monetary as well as
emotional gains.

As suggested by Ravald & Grönroos (1996) customer value perceptions needs to be
studied on an episode level as well as on a relationship level. Each episode as well as
the overall value contributing aspects plays an important role in the overall value
perception. In a long-term relationship where trust is established, each episode might
influence overall value perception less. It is further argued that the overall customer-
organization relationship will contribute to the customer’s value perception of the
product or service, suggesting that if a relationship is established, perceived value can
persist although one “episode” is substandard. This indicates that in a long-term
relationship the service or product itself become less important than benefits derived from the relationship such as safety, credibility, security and continuity.

The research conducted suggest that we have moved away from a company and product-centric view of value creation towards an experience-centric view, thus making our customers part of the value creating process. In order to create value an organization must thus look from a customer’s point of view, as additional features or services do not increase customer perceived value unless those features are actually perceived as valuable by the customer. Similarly, marketing communication literature was traditionally viewing customers as “passive targets for communication efforts where the aim is to sell products” (Heinonen & Strandvik, 2005, p. 188).

Satisfaction is also discussed and research suggests that even though the cause of satisfaction is unclear, customer satisfaction tends to lead to higher customer loyalty (Yi, 1991; Anderson and Sullivan, 1993; Boulding et al., 1993). As satisfaction is mainly influenced by the disconfirmation paradigm, we emphasize the importance of post-purchase evaluations, where the customer compares expectations and actual perception, indicating that past experiences greatly impact our expectations as well as overall satisfaction. The literature review does not distinguish between customer perceived value and customer satisfaction, nor does it describe how the two concepts interrelate even though some differences are recognized. We therefore draw the conclusion that customer satisfaction is formed pre-consumption, during consumption as well as post-consumption (Fisk, 1981). It can also be summarized that perceived value is impacted by factors such as past experiences, comparisons, overall relationship with the organization and assessment of the transaction.

When it comes to marketing communication, it is suggested that several factors impact the effectiveness of the communication. Ducoffe (1995) suggest that customers react to the overall informativeness, deceptiveness, irritation, and entertainment, thus indicating that both content and form of communication impacts communication effectiveness. In order to create an effective message it is thus beneficial to carefully follow the specific steps to developing effective communications as suggested by Kotler and Keller (2006). Evaluating the various theories on the subject; it is proposed that personal interactions as well as interaction facilitated by media communications both contribute to customer perceived value, thus making perceived value the core of marketing. Viewing marketing communication as part of the overall service or product offering makes communication an integral part in value creation as it can generate or demolish customer perceived value. This suggests that marketing communication should not be measured in terms of sales, but rather in terms of overall customer perceived value.

The importance of relationship marketing has been advocated by several scholars (Berry, 1983; Arndt, 1979; Levitt, 1983; Grönroos, 1980; Ravald and Grönroos, 1996). Customer relations are suggested to play an increasingly important role as products are becoming more and more homogenous. Superior services are also likely to improve customer retention and hence lead to increased profitability (Reichheld & Sasser, 1990; Reichheld, 1993; Storbacka, 1994). Maintaining close customer relations and co-creating value with the customers might therefore be one of the most crucial factors in creating sustainable competitive advantage in the future.
4. EMPIRICAL RESEARCH

This section presents and discusses findings from two empirical studies conducted; a survey and a series of customer interviews. Research was focused on obtaining both quantitative as well as qualitative data to provide insight and answers to determine who our customers are, what they perceive as valuable and not, how perceived value can be increased and how we can better and more effectively communicate with our customers.

4.1 Quantitative Data

As quantitative data is widely recognized as providing measurable and accurate data, a survey consisting of a variety of questions was conducted (see appendix 2). One of the many benefits utilizing a survey is that it can be utilized to collect and measure customer satisfaction at a specific point in time and thereafter re-used after changes has been implemented to measure effectiveness of overall implementation. The survey was conducted over a two week period at various days and times in order to reach all segments of current as well as potential customers. A total number of 189 surveys were completed, which is a rather high percentage as it represents approximately 75% of our entire target audience. The questionnaire was designed with accuracy, ease of analysis and usefulness in mind. The survey was divided into six sections:

1. **Overall satisfaction** – Qualitative questions measured satisfaction level in terms of facilities, equipment, activities, staff, hours and location as well as what customers utilize the most, the frequency of their visits and how this particular Liberty Program compare to other programs. Open ended questions were then asked in order to determine what customers were the most/least satisfied with and why in order to get actionable data.

2. **Activities** – Questions in this section aimed to collect data measuring program awareness, participation and satisfaction as well as finding areas of interest not yet identified. The overall goal of this data was to provide indications of how/if programming needs to be realigned.

3. **Single Service Member Card** – The goal of the questions in this section was to learn how many of our frequent visitors that are current SS ID card holders as well as measure the overall awareness of the discount card program. Questions also probed to find what the most effective means of communication is for us to better align communications efforts.

4. **Day Trips** - This section measured awareness of Liberty’s free day trips, participation, satisfaction as well as interests in trip destinations in order to update the current day trip “menu” to better suit customer needs and interests.

5. **Extended Trips** – Just like the previous section, questions were designed to measure overall awareness, satisfaction and participation.

6. **About You** – This section collected quantitative data to be utilized for segmentation analysis; respondents’ gender, rank, age, martial status and ethnicity was thus recorded.
4.1.1 Survey Results

The survey provided a range of valuable data, and provided great insight in the areas listed above. Overall customer satisfaction proved to be high; 89.3% were very satisfied, 9.09% satisfied while only 1.6% was somewhat satisfied and no one dissatisfied. Additionally 86% of respondents stated that they thought this Liberty Program was indeed better in comparison to other Liberty Programs. However results identified various areas with potential for improvement; hours of operation, equipment and overall facility were the areas that could possibly be improved upon and thus have an impact on overall customer perceived value.

![Graph](image1.png)

Figure 9: Overall Customer Satisfaction. Source: Johnson (2008).

When it came to measuring the popularity of equipment provided, Internet/Email ranked highest on the list of priorities, closely followed by videogames, ping pong, pool and movies. This indicates that we should focus on improving in these specific areas as they are utilized by a large percentage of our customers; i.e. ensuring sufficient number of computers are available, having the latest and most popular videogames and movies available etc.

![Graph](image2.png)

Figure 10: Equipment Utilization. Source: Johnson (2008).
Although 83% of respondents stated that they visit the Liberty Center at least weekly, awareness of the various programs and activities amongst these customers were astonishingly low; 64% of the respondents stated that they were not aware of the various activities offered. Quality perception amongst those who did in fact know about the programs and had at some point partaken was however excellent; given the options of good/fair/poor, 97% stated the quality was good. Although program awareness was low, interest was comparatively high, see table below. This indicates that program offerings are in fact appealing to the target audience as there is a prevailing interest; however it is rather the marketing communication that is ineffective. Data collected also indicates that the customer base could be widened, as the majority of current customers are repeat customers, which frequent the Liberty Center daily or weekly.

![Event/Program Interest](image)

Equally, awareness of day trips offered was also low; only 29% of respondents stated that they were aware of the trips. Considering that 83% of respondents stated that they visit the Liberty Center at least weekly, this is astonishingly low, once again indicating that there is a problem with marketing communication. Again, satisfaction amongst those whom had participated was 100%, reiterating that it is not program quality that is the problem, but rather the communication. Awareness of extended trips was higher; 79% stated that they were aware of the extended trips offered and once again satisfaction amongst participants was 100%.

Awareness in regards to the Single Sailor ID Card (SSID) was relatively satisfactory; 68% stated that they were aware of the program and 79% of that awareness came from advertisements inside the facility, denoting the importance and effectiveness of in-house advertising. However only 11% of respondents had a SSID and 54% of respondents stated that they were unaware of the benefits of having a card, once again indicating a communication problem. Christopher et al. (1991) suggest that organizations should seek to identify how and what the customer is looking to use the offering for/to at that point in time. Thus, the approach when trying to promote the Single Service Member Card should be to look at adding more relevant benefits that apply and appeal to the target audience and thereby tailoring offerings to meet those
needs. Looking at the process like that can enable the organization to create value that matches the customer’s value chain.

The survey also told us about who our customers are; the table below gives an overview of the demographic makeup. Obviously the majority of respondents were US active duty (95%), predominantly male (85%), mainly between 18-25 years of age and single/unaccompanied. Having established the basic make-up of our customer base, we can better target our customers by customizing marketing communication that better suit the needs of this particular segment.

<table>
<thead>
<tr>
<th>Status</th>
<th>Active Duty</th>
<th>Reserves</th>
<th>Retiree</th>
<th>Spouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Under 20</td>
<td>20-25</td>
<td>26-30</td>
<td>31 and over</td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>55%</td>
<td>25%</td>
<td>9%</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>Female</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>85%</td>
<td>15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rank</td>
<td>E1-E3</td>
<td>E4-E5</td>
<td>E6 and Above</td>
<td></td>
</tr>
<tr>
<td></td>
<td>47%</td>
<td>41%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Nationality</td>
<td>US</td>
<td>European</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>89%</td>
<td>6%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Marital Status</td>
<td>Single</td>
<td>Married</td>
<td>GEO Bachelor(ette)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>80%</td>
<td>9%</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Demographic Makeup. Source: Johnson (2008).

Few comments and suggestions were made on the survey; the majority of comments were simply acknowledging the friendliness and helpfulness of the staff and the appreciation of the program as a whole. Suggestions for improvements included; selling alcoholic beverages, offering free phone calls and extending the opening hours.
4.2 Qualitative Data

In order to obtain actionable data, qualitative data naturally represent a large portion of the research. Although quantitative data is indeed useful, particularly in terms of reporting, it can often result in “our customers rank us as a 7 in customer service”. This may be great for statistical purposes as we can compare and track numbers over time, but it does not give us actionable data and suggestions of how to actually improve and thus exceed our customers’ expectations rather than just meeting them. Combining quantitative and qualitative data would also help increase reliability and validity of findings.

Fifty customer interviews were therefore conducted in order to find out what our customers really perceive as valuable. The following opening question was used:

- Would you say that the Liberty Program meet, exceed or fall below your expectations?

This provided an insight to the overall customer satisfaction in-line with the disconfirmation model, where meeting customer’s expectations results in confirmation, exceeding expectations results in positive disconfirmation and instances where the customer is dissatisfied leads to negative disconfirmation.

Several follow-up questions were thereafter asked in order to “drill down” to identify specific issues;

- What in particular was it that was positive/negative?
- What exactly was it that did/did not meet your expectations?
- Is there anything in particular that you feel is good/bad/could be improved upon?
- If you could change something, what would it be?
- How could we exceed your expectations?

The main challenge here was to take a customer perspective, which can be difficult to do when being familiar with the program. Stepping out of the box and entertaining all ideas and comments made by the customers was therefore crucial in order to avoid saying “oh, we already tried that – and it didn’t work”. Maintaining an unbiased and open mind was thus crucial during the data collection (as discussed in section 2.3) in order to ensure that data collected was indeed reliable and accurate.
Data from interviews conducted were entered into a spreadsheet and thereafter grouped into three categories; enhancers, detractors and positive comments. Thereafter all comments were compiled and grouped into the following categories:

- Product
- Marketing/Communication
- Facilities
- Value/Price
- Staff/Service

Grouping comments into these various categories provided us with percentages of the most frequent comments/suggestions, thus giving us an idea of what our customers’ perceived value is. A total of 208 suggestions for enhancements were made, the majority were product related (71%), followed by facilities (19%), marketing/communication (5%), value/price (3%) and staff/service (1%).

Fewer detractors were identified; a total of 94 comments of detracting issues were made, again mainly in regards to product related issues (90%), followed by a rather equal distribution between the remaining categories; marketing/communication (4%), facilities (3%), value/price (2%) and staff/service (2%). These results are displayed in figure 12.

Combining the two categories (enhancers and detractors) gives us a general idea of the most vital areas of improvements; product related issues has a large impact upon the overall value perception, which is reflected in the large percentage of comments made in that particular category (47%). Facility related comments also holds a large percentage of comments (32%), followed by staff/service (13%) and the last two categories marketing/communication and value/price, with 6 and 2 percent respectively which thus has a minor impact upon the general value perception.
A total of 56 positive (general) comments were also made, mainly about staff, overall facility and the free hotdogs, see table 5. While those comments don’t provide us with any actionable data, they are useful to let us know what we are doing right and by communicating them to the staff they can increase staff motivation.

From all the comments collected, areas of improvements can be identified, which are now categorized as either “quick fixes”, medium or long term goals of improvements. Additionally some suggestions cannot be acted upon due to infeasibility of the suggestion itself or due to general Navy policies that can not be changed, such as selling alcohol on in the facility, which would clearly violate the guidelines and standards of the Liberty Program. As comments are compiled we attain a percentage of the importance of each particular area of potential improvement identified. Table 6 displays the various comments and suggestions identified by the customers in a structured format.
## Customer Comments - Actionable Data

<table>
<thead>
<tr>
<th>Comment Categories</th>
<th>Total % of comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value/Price</td>
<td>3%</td>
</tr>
<tr>
<td>Product</td>
<td>76%</td>
</tr>
<tr>
<td>Staff/Service</td>
<td>2%</td>
</tr>
<tr>
<td>Facilities</td>
<td>14%</td>
</tr>
<tr>
<td>Marketing/Communication</td>
<td>5%</td>
</tr>
</tbody>
</table>

Total number of comments: 304
Total number of enhancers: 208
Total number of detractors: 96

<table>
<thead>
<tr>
<th>Enhancer/Detractor</th>
<th>Comment</th>
<th>Times Mentioned</th>
<th>Comment Category</th>
<th>Timeline</th>
<th>% of Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>Give more discounts on trips</td>
<td>7</td>
<td>Value/Price</td>
<td>N/A</td>
<td>2.3%</td>
</tr>
<tr>
<td>D</td>
<td>Extended trips are too expensive</td>
<td>2</td>
<td>Value/Price</td>
<td>N/A</td>
<td>0.7%</td>
</tr>
<tr>
<td>E</td>
<td>More movies</td>
<td>12</td>
<td>Product</td>
<td>MED</td>
<td>3.9%</td>
</tr>
<tr>
<td>E</td>
<td>More videogames</td>
<td>22</td>
<td>Product</td>
<td>QF</td>
<td>7.2%</td>
</tr>
<tr>
<td>E</td>
<td>Free phone</td>
<td>7</td>
<td>Product</td>
<td>MED</td>
<td>2.3%</td>
</tr>
<tr>
<td>E</td>
<td>Sell snacks/food</td>
<td>17</td>
<td>Product</td>
<td>LT</td>
<td>5.6%</td>
</tr>
<tr>
<td>E</td>
<td>Extend hours of operations</td>
<td>29</td>
<td>Product</td>
<td>MED</td>
<td>9.5%</td>
</tr>
<tr>
<td>E</td>
<td>Sell beer</td>
<td>7</td>
<td>Product</td>
<td>N/A</td>
<td>2.3%</td>
</tr>
<tr>
<td>E</td>
<td>Offer more trips</td>
<td>11</td>
<td>Product</td>
<td>MED</td>
<td>3.6%</td>
</tr>
<tr>
<td>E</td>
<td>Get more wireless videogame controllers</td>
<td>8</td>
<td>Product</td>
<td>QF</td>
<td>2.6%</td>
</tr>
<tr>
<td>E</td>
<td>Get better WiFi reach</td>
<td>6</td>
<td>Product</td>
<td>LT</td>
<td>2.0%</td>
</tr>
<tr>
<td>E</td>
<td>Have more BBQ's/food events</td>
<td>11</td>
<td>Product</td>
<td>QF</td>
<td>3.6%</td>
</tr>
<tr>
<td>E</td>
<td>Refelt/Realign pool tables</td>
<td>6</td>
<td>Product</td>
<td>QF</td>
<td>2.0%</td>
</tr>
<tr>
<td>E</td>
<td>Get beef hotdogs</td>
<td>5</td>
<td>Product</td>
<td>QF</td>
<td>1.6%</td>
</tr>
<tr>
<td>E</td>
<td>Get more magazine subscriptions</td>
<td>4</td>
<td>Product</td>
<td>QF</td>
<td>1.3%</td>
</tr>
<tr>
<td>E</td>
<td>Get more/better instrument</td>
<td>2</td>
<td>Product</td>
<td>MED</td>
<td>0.7%</td>
</tr>
<tr>
<td>D</td>
<td>The printer does not work</td>
<td>61</td>
<td>Product</td>
<td>QF</td>
<td>20.1%</td>
</tr>
<tr>
<td>D</td>
<td>Some of the computers do not work</td>
<td>11</td>
<td>Product</td>
<td>MED</td>
<td>3.6%</td>
</tr>
<tr>
<td>D</td>
<td>The air hockey table is not intended for adults</td>
<td>7</td>
<td>Product</td>
<td>MED</td>
<td>2.3%</td>
</tr>
<tr>
<td>D</td>
<td>Broken remotes for the video games</td>
<td>6</td>
<td>Product</td>
<td>QF</td>
<td>2.0%</td>
</tr>
<tr>
<td>E</td>
<td>Improve staff language skills</td>
<td>3</td>
<td>Staff/Service</td>
<td>LT</td>
<td>1.0%</td>
</tr>
<tr>
<td>D</td>
<td>Staff does not speak good English</td>
<td>2</td>
<td>Staff/Service</td>
<td>MED</td>
<td>0.7%</td>
</tr>
<tr>
<td>E</td>
<td>Larger theatre</td>
<td>5</td>
<td>Facilities</td>
<td>LT</td>
<td>1.6%</td>
</tr>
<tr>
<td>E</td>
<td>Add more color to the facility</td>
<td>3</td>
<td>Facilities</td>
<td>MED</td>
<td>1.0%</td>
</tr>
<tr>
<td>E</td>
<td>Get new seats for the theatre</td>
<td>32</td>
<td>Facilities</td>
<td>LT</td>
<td>10.5%</td>
</tr>
<tr>
<td>D</td>
<td>Sometimes it's messy, especially the floor</td>
<td>3</td>
<td>Facilities</td>
<td>QF</td>
<td>1.0%</td>
</tr>
<tr>
<td>E</td>
<td>Send info through chain of command (PAO)</td>
<td>6</td>
<td>Mktg/Comm</td>
<td>MED</td>
<td>2.0%</td>
</tr>
<tr>
<td>E</td>
<td>Have more info about activities and programs</td>
<td>5</td>
<td>Mktg/Comm</td>
<td>MED</td>
<td>1.6%</td>
</tr>
<tr>
<td>D</td>
<td>The calendar is boring</td>
<td>4</td>
<td>Mktg/Comm</td>
<td>QF</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Table 6: Customer Comments – Actionable Data. Source: Johnson (2008).
4.2.1 Qualitative Data Findings and Analysis

The next step in the data analysis is to go through each comment category and determine how these comments can be made into actionable items. The outcome from this analysis is a service improvement plan that will summarize the comments and the action suggested for each one of them.

4.2.1.1 Value and Price

All comments made in this category were related to the price of trips, as costs have gone up significantly due to the weakening dollar (see historical data in table 7). However, comments received only amounted to 3% of total comments collected, thus indicating that prices offered are still reasonable. As no profit is made from any of the trips and all transportation (except for airfare) is in fact subsidized, prices cannot be lowered. In order to improve customer perceived value in this category it is however suggested that additional trips to more affordable destinations be added. Extended weekend trips to domestic destinations allows for all transportation to be subsidized, hence lowering the cost significantly. Traveling off-season would also allow for hotel discounts, further lowering costs.

![Graph showing historical data of American Dollars to 1 EUR]

Table 7: American Dollars to 1 EUR History, Source: X-Rates.com (2008)

4.2.1.2 Product

This is the largest category and thus has the largest impact upon customer perceived value, accounting for 76% of the total number of comments received. It is therefore recommended that initial focus should be on this category, in particular upon the issues identified as “quick fixes” as that would allow for immediate impact on customer value. Focusing on some “quick fixes” would also establish trust amongst the customers as they would see the organization take immediate action on their comments.

- Purchase more videogames (over 7% of the total amount of comments) and additional videogame controllers (4.6%) are quick fixes and would have a great initial impact upon customer perceived value, especially since playing videogames was ranked as the second most popular activity amongst...
customers in the quantitative research conducted. In order to include the customers and make them feel part of the process a “wish list” system could be implemented, where the customers can choose which games that should be purchased.

- Offer more free food events and BBQ’s (3.6%) is also achievable within a short timeframe. These types of events are already budgeted for and can be carried out relatively effortless by the regular staff. In order to create additional value and increase awareness, working relationships should be established with the bachelor housing (BH) staff which has a kitchen as well as chefs on staff. Collaborative events can thus be planned for and in the medium/long term cooking classes can be added to the regular event schedule to add an educational element to these events. Some comments in regards to the “food-for-a-donation” stand at the Liberty Center were also made (1.6%), asking for beef rather than pork hotdogs. This is an obvious quick fix that should be implemented immediately.

- 2% of comments were made in regards to refelting and realigning the pool tables. As a vendor already exists, a cost estimate could be obtained quickly. Anticipating a relatively reasonable cost, a purchase request could be submitted and approved within a few weeks. As 112 out of the 189 customers surveyed stated that they utilize the pool tables, this should be a priority.

- Although only 1.3% of comments asked for more magazine subscriptions, this is such a quick and low cost fix that it should be done as soon as possible. Just as suggested for the videogames, a “wish list” system should be implemented in order to include the customers in the process and make them feel as if their opinion really does count. Magazine subscriptions should thereafter be reviewed and revised in collaboration with the Library.

- Over 20% of comments were made about the printer, making this a top priority. As Internet/Email is the number one activity at the Liberty Center it is crucial to get this issue resolved as soon as possible.

- The medium term fixes comes next, with wishes to extend the hours of operations as the largest category (9.5%). Classified as a “medium size installation” a total amount of 70 hours per week is required by the Navy Standards (paragraph 3.3.1), which is currently exceeded with 80 hours of operations per week. However, being an overseas installation, where no designated Chief’s or Officer’s Club exist it would be possible to justify additional hours of operation as long as the staffing requirements would not need to be changed. It is therefore suggested to temporarily extend hours and conduct customer counts to see if the demand is enough to justify a permanent extension of hours. A revision of the work schedule should thereafter be conducted, to see if it would be viable to extend hours of operations without increasing manpower hours.

- More movies (3.9%) are not as simple as it may seem, as the amount of movies received each month is based upon documented customer counts. However, with the base theatre due to decrease amount of movies shown it is
possible to increase the utilization of Liberty’s theatre and thus receive additional movies. As some improvement suggestions were made for the Liberty theatre, making these improvements may also help boost utilization and thus number of movies received.

- Due to advanced technology it would be possible to offer a free phone, amounting to 2.3% of the overall comments. Being an overseas location, it is important that service members have a means to stay in touch with their families. Several options of Internet based calling should be researched, as it would allow for an affordable option.

- Expanding the trip schedule and thus offering more trips (3.6%) is also achievable. The day trip schedule can be expanded with a one month’s turnaround, while the extended trip schedule must be budgeted for and planned for a year in advance. However, it is also possible that increasing marketing efforts would impact customer satisfaction in this category as trips are indeed offered frequently, but awareness and thus participation is low.

- 0.7% of comments asked for more and better instruments. Current instruments should be evaluated and a meeting could be set up with the bands that currently practice at the facility to understand their specific needs and requests better.

- 3.6% of comments stated dissatisfaction with computers that were not working in the computer lab. As the computers are utilized more than any of the other equipment in the facility, this is a clear priority. As this is a large project, several laptop computers have been purchased to compensate for the stationary computers that are down.

- 2.3% complained about the size of the air hockey table, pointing out that the table is too small for adults. As it is barely utilized, an interest survey could be conducted to establish if there is enough interest in a new full-size table to justify buying one.

- There were also some long term suggestions; selling food and snacks (5.6%) and to get better WiFi reach (2%). Selling food and snacks is difficult as a proposal with proper justifications must be submitted and approved by the chain of command. All staff members must thereafter go through a food-handler class and the facility must be added to the electronic ordering system. However, this is an important request, especially as the base galley has recently shut down, leaving very limited options of food/restaurants on the base. It should therefore be made a long-term project to sell food and snacks at the facility. In regards to the WiFi, the IT department is actively working with the local Internet provider to get increased bandwidth which will in time be resolved.
4.2.1.3 Staff and Service

Although no negative comments were made in regards to staff friendliness or service, 1.7% suggested that some staff members should improve their language skills. As DOD (Department of Defense) does reimburse employees for college study expenses, staff should be encouraged to attend classes. Staff should also be encouraged to role-play various common situations to immediate improve skills. Additionally, staff should purposely be scheduled mixing Italian and US staff members, as that would “force” the Italians to speak English and thus practice their language skills.

4.2.1.4 Facilities

This was the second largest category, with a total of 14% of the comments. 10.5% asked for new seating for the mini-theatre, which has been budgeted for and will thus be made for action within the next fiscal year. 1.6% asked for a larger theatre which is infeasible, as it would require a new facility. Adding more color to the facility and improving the cleanliness received 1% respectively, and are certainly achievable projects. Cleanliness can be rectified immediately by increasing the staff’s cleaning duties and monitoring cleanliness more closely. If results are still unsatisfactory the cleaning contract should be reviewed and if needed, a request for additional services should be submitted. Adding more color to the facility calls for a formal request to go through the chain of command, as all changes to a military facility must be approved. Acquiring various suggestions in terms for coloring schemes and possible costs should be taken for immediate action as a first step in this process.

4.2.1.5 Marketing/Communication

Some comments were made asking for more information about activities and events (1.6%); this was also reflected in the quantitative studies which revealed that only 29% of respondents were aware of day trips offered, versus 79% awareness in regards to extended trips. 2% asked to have information about activities and events sent through the chain of command by utilizing PA (Public Affair’s) and POD (Plan of the Day) notes. 2% stated that they did not like the format of the current monthly activity calendar. Having learnt more about our customers, it is clear that marketing materials (in particular the monthly calendar) is in a format that does not appeal to our target audience. As the target audience is young and technologically literate, new options should be explored and a new marketing plan should be created, specifically tailored to the target audience. The following steps are suggested by Kotler and Keller (2006, p. 501) in order to develop effective communications.
**Steps to Develop Effective Communications**

**Identify target audience** This is a crucial step as not knowing your target audience can result in a misaligning all marketing communications. In this case the empirical research identified that our target audience is 18-25, single, US active duty, male, frequent users of technology.

**Determine objectives** Objectives can vary; to establish category need, brand awareness, attitude or purchase intention. In this case, the goal is to increase awareness of potential benefits (free or discounted programs and activities) as awareness of the program itself does exist.

**Design communications** This entail establishing “what to say, how to say it and who should say it” (Kotler and Keller, 2006, p. 504). Considering the target audience it is important to keep the message youthful and choose a message source (who to say it) that they can relate to.

**Select channels** Communication channels can be personal or non-personal. In this case, an integration of the two is suggested. Outreach and networking is crucial for recruiting and retaining customers and getting them involved in various activities and as this method has been successful in the past it should be increasingly utilized. It is therefore suggested that a Liberty program representative should be present at all AO (Area Orientation) for newcomers, as well as attend ST (Sponsorship Training) at various base locations, allowing an opportunity to establish customer relationships while distributing program information. Collaborating with other departments and organizations for special events would also help increase internal as well as external awareness and spreading word-of-mouth.

By tailoring marketing materials that is suitable to the target audience non-personal communication can also be effective. Having identified that our main audience are frequent users of various technology, new options can be explored in order to improve communication. Wiki pages for trips and activities could make customers more involved and also increase networking and socialization throughout the community. Force protection is of course a concern when utilizing an unsecured network, so monitoring of page content would be necessary.

Each military department typically has an MWR military representative, which is intended to work as a liaison between the military and MWR by meeting regularly and distributing information about ongoing MWR activities throughout the chain of command. As NSA Naples does not currently have this program established it should be implemented and information should be compiled and distributed/publicized by utilizing PA (Public Affair’s) and POD (Plan of the Day) notes as well as advertisements in the base newspaper. In regards to the SS ID Card, more relevant and valuable incentives should be negotiated with the various MWR facilities. These efforts should be coordinated with the marketing department to get brochures, posters and flyers printed.

**Establish budget** As much marketing can be done by the MWR marketing department; costs can be kept relatively low.

**Decide on media mix** Being overseas advertising “noise” is somewhat limited, which in theory should make it easier to get the message across. As AFN (Armed Forces Network) is the only TV Network available, TV commercials should be consistently utilized. An in-house screen could also be utilized, to be used exclusively to run promotional messages of ongoing trips and events. Marketing materials should be utilized both in the facility, as mailings and during outreach. Promotional items could also be developed, such as T-shirts, duffel bags or key chains.

**Measure results** Results can be measured by tracking and comparing trip, event and program participation and also by the number of SS ID Cards issued.

**Manage integrated marketing communications** Marketing communication efforts needs to be coordinated in order to be as effective as possible. Trip and event promotion should be planned well in advance and in a coordinated fashion consisting of various campaign events with a well diversified media mix.

Table 8: Steps to Develop Effective Communications. Source: Johnson (2008).
4.2.3 Service Improvement Plan

As Kotler & Keller’s Determinants of Customer-Delivered Value model suggests; the total customer value is based upon the combined value of the product, services, personnel and image value. In this case, data was collected to not only learn more about our customers but also in order for us to understand the main value contributing factors. The value of the product or service influences the customer’s value perception, in this case the product or service provided can for example be the use of computers or going on a trip. The customer will thus evaluate the entire process; was the computer accessible, did I have to wait long, was the Internet working, could I print, was staff friendly and helpful, was the facility clean etc. All these perceptions are taken into account and compared to expectations of service/product, past experiences, word-of-mouth communication and together form the ultimate value perception.

The empirical section thoroughly described the data collection process step by step; how customer comments were collected, compiled, analyzed and categorized. The qualitative and quantitative data provided insight into our customer’s needs and overall value perception and identified numerous factors that impact customer value perception. Qualitative data collected provided actionable data that are now turned into a Service Improvement Plan (SIP) which aim to provide an overview of the suggested improvement process and thus function as a tool to facilitate continuous progression.

Comments are listed in the order of timeline, prioritizing quick fixes as that will provide immediate response to customer comments and thus improve customer perceived value as well as trust; showing our customers that their opinions do matter and are in fact taken for action. Conclusions and recommendations will be presented in the next section.
### Service Improvement Plan

<table>
<thead>
<tr>
<th>Enhancer/ Detractor</th>
<th>Comment</th>
<th>Timeline</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>More videogames</td>
<td>QF</td>
<td>Implement wish list; place purchase request.</td>
</tr>
<tr>
<td>E/D</td>
<td>Get wireless game controllers</td>
<td>QF</td>
<td>Place purchase request.</td>
</tr>
<tr>
<td>E</td>
<td>Have more BBQ's/food events</td>
<td>QF</td>
<td>Revise event/activity schedule.</td>
</tr>
<tr>
<td>E</td>
<td>Refelt/Realign pool tables</td>
<td>QF</td>
<td>Contact vendor for cost estimate, place purchase request.</td>
</tr>
<tr>
<td>E</td>
<td>Get beef hotdogs</td>
<td>QF</td>
<td>Purchase beef rather than pork hotdogs.</td>
</tr>
<tr>
<td>E</td>
<td>Get more magazine subscriptions</td>
<td>QF</td>
<td>Implement wish list; coordinate with Library to add/change subscriptions.</td>
</tr>
<tr>
<td>D</td>
<td>The printer does not work</td>
<td>QF</td>
<td>Place purchase request and follow up ASAP.</td>
</tr>
<tr>
<td>D</td>
<td>Sometimes it's messy, especially the floor</td>
<td>QF</td>
<td>Increase staff cleaning duties and monitor cleaning.</td>
</tr>
<tr>
<td>D</td>
<td>The calendar is boring</td>
<td>QF</td>
<td>Discuss options with marketing department.</td>
</tr>
<tr>
<td>E</td>
<td>More movies</td>
<td>MED</td>
<td>Boost utilization; discuss options with marketing department.</td>
</tr>
<tr>
<td>E</td>
<td>Free phone</td>
<td>MED</td>
<td>Contact VOIP to set up service.</td>
</tr>
<tr>
<td>E</td>
<td>Extend hours of operations</td>
<td>MED</td>
<td>Extend hours temporarily and track customer count. Calculate additional staff cost and submit proposal to management.</td>
</tr>
<tr>
<td>E</td>
<td>Offer more trips</td>
<td>MED</td>
<td>Work with trip coordinator to identify and visit potential new trip destinations. Conduct interest survey.</td>
</tr>
<tr>
<td>E</td>
<td>Get more/better instrument</td>
<td>MED</td>
<td>Evaluate current instruments, conduct interviews with bands, research costs and place purchase request.</td>
</tr>
<tr>
<td>D</td>
<td>Some of the computers does not work</td>
<td>MED</td>
<td>Place IT request to have computers repaired/replaced.</td>
</tr>
<tr>
<td>D</td>
<td>The air hockey table is not intended for adults</td>
<td>MED</td>
<td>Evaluate if it is being used, if there is an interest incorporate the cost of purchasing a new table in next year's budget.</td>
</tr>
<tr>
<td>D/E</td>
<td>Staff does not speak good English / Improve staff language skills</td>
<td>MED/LT</td>
<td>Encourage staff to take language classes, create incentives and conduct role play to practice language skills.</td>
</tr>
<tr>
<td>E</td>
<td>Add more color to the facility</td>
<td>MED</td>
<td>Prepare proposals and submit work request.</td>
</tr>
<tr>
<td>E</td>
<td>Send info through chain of command (PAO)</td>
<td>MED</td>
<td>Establish contacts with each department to create a mailing list. Submit PAO notes on a regular basis.</td>
</tr>
<tr>
<td>E</td>
<td>Have more info about activities and programs</td>
<td>MED</td>
<td>Coordinate with marketing to revise marketing plan; incorporate additional costs into next year's budget.</td>
</tr>
<tr>
<td>E</td>
<td>Sell snacks/food</td>
<td>LT</td>
<td>Prepare proposal and ask for management approval.</td>
</tr>
<tr>
<td>E</td>
<td>Get better WiFi reach</td>
<td>LT</td>
<td>Speak to IT to evaluate options.</td>
</tr>
<tr>
<td>E</td>
<td>Larger theatre</td>
<td>LT</td>
<td>As the facility is new, we cannot build a larger theatre.</td>
</tr>
<tr>
<td>E</td>
<td>Get new seats for the theatre</td>
<td>LT</td>
<td>Research options (min 3) obtain cost estimates and submit purchase request with next year's budget.</td>
</tr>
<tr>
<td>E/D</td>
<td>Give more discounts on trips / Extended trips are too expensive</td>
<td>N/A</td>
<td>Due to the dollar exchange rate, costs have gone up, thus impacting prices. Look in to adding &quot;cheaper&quot; destinations.</td>
</tr>
<tr>
<td>E</td>
<td>Sell beer</td>
<td>N/A</td>
<td>Not possible due to Navy Regulations.</td>
</tr>
</tbody>
</table>

5. CONCLUSIONS AND RECOMMENDATIONS

This section discusses empirical findings and theoretical concepts analyzed in the literature review. The research questions will thereafter be discussed and answered along with future recommendations.

The research aimed to answer how customer perceived value could be improved at the Liberty Program in Naples, Italy with the long term goal of achieving increased awareness and customer participation in various programs. As suggested by the empirical research; “all marketing strategy is built on STP – Segmentation, Targeting and Positioning” (Kotler & Keller, 2006, p. 288). Extensive qualitative and quantitative research helped us understand and learn more about our main segment, which enabled recommendations and suggestions for improving communications based upon the target audience (STP). Overcoming cultural barriers in today’s global business environment is one of the most challenging tasks for organizations today (Fadil et al, 2005).

In a military community on an overseas base this is a great challenge as there is not only vast cultural diversity amongst service members but also in terms of local nationals serving the US active duty troops on base. The more we know about our customers, the better we can serve them, thus making segmentation useful. We identified our main target audience and their demographics; US active duty military personnel, predominantly male, 18-25 years old, single and technologically savvy. Due to their vast knowledge and utilization of technology we learned that there might be new ways of reaching out to them such as wiki pages, email sign-ups etc. We also established a need for marketing materials to have a more youthful look to better appeal to the customers.

Liberty Programs in the US may share a lot of similarities in terms of customer needs and expectations. However, Liberty Programs overseas are facing a greater diversity and a wider variety of needs and expectations due to the demographically diverse market and the increased needs customers have when being overseas. As this base in particular does not have a separate chief’s or officer’s club, there is increased diversity. Although the focus is on the junior enlisted service members, higher ranked officials are also served at the facility. The more staff learns about these different segments and their specific needs, the better they can be served and consistent service quality can be ensured, which is an increasingly integral component of overall perceived value.

Research also helped provide an insight into our customers’ value perception and thereby laid the foundation for the development of the SIP. The importance of understanding and creating customer perceived value was emphasized in the theoretical section and our data helped identify main value contributing and detracting factors, many of which are short term fixes that will help us increase customer perceived value relatively quickly. It is important to show our customers immediate changes in order to demonstrate that we really do listen to their comments and suggestions. Heskett et al (1994) suggest that customer satisfaction is one of the most important criteria for customer loyalty and Liljander and Strandvik (1995) further suggest that customer satisfaction may predict intentions of repeat purchases better than overall service quality perception.
As customers are typically more sensitive to a loss than a gain (Monroe, 1991) perceived value can be increased by reducing customer perceived sacrifice. This is reflected in the SIP, where customer sacrifices (detractors) were identified and prioritized. Replacing broken computers, printer and videogame controllers were some of the detractors identified as high priority as they result in high customer perceived sacrifice and thus impact overall value perception.

As we are moving towards a service-industry, value perception is crucially important. “Service quality and customer satisfaction are commonly recognized as pivotal determinants of long-term business success” (Busacca & Padula, 2005, p. 543). Customer-perceived value is derived from a combination of the core product, supporting services, and the effects of maintaining a relationship (Ravald and Grönroos, 1996, p. 23). In this case, the impact of both past and current relationships must be considered, as the majority of the customers have a long standing relationship with not only this Liberty Program, but also with Liberty Programs at various other bases and locations that all impact overall value perception. “In a close relationship the customer probably shifts the focus from evaluating separate offerings to evaluating the relationship as a whole” (Ravald and Grönroos, 1996, p. 23). It is therefore the relationship and not the product or service that takes presidency. This emphasizes the importance of staff friendliness and willingness to provide extraordinary service and thus build long lasting and trusting relationships with the customers. It is crucial to understand that providing only the core service, such as working equipment in the facility, will not “wow” our customers, as it is expected. To make an impact on our customers value perception we must go that extra step; providing extraordinary service, establishing and maintaining great relationships with the customers and co-creating value with the customers by involving them in the value creating process. The next section will provide future recommendations and answer the research questions.

5.1 Recommendations

The core research problem that was the basis for this study was to establish how customer perceived value could be improved at the Liberty Program, Naples Italy. Research questions were established to help answer this problem; these are now discussed in detail, including future recommendations.

- **Who are our customers?**

The empirical study provided insight into the demographics of our customers, it is thus suggested that the main segment are active duty US military, predominantly male, 18-25 years old, single, technologically savvy. However, it was recognized that other segments are also present and thus result in some diversity. Focus should however remain on the target audience, as they are the purpose of the program. Communication and programming should therefore focus on them. One aspect that also needs to be considered is the fact that all of our customers are away from home, go on frequent deployments to high-risk war-zones and may therefore have additional needs. It is crucial to recognize these emotional needs in order to provide the best possible service.
• **What is customer perceived value; value and non-value contributing factors?**

As established in the literature review, customer perceived value is based upon a number of factors and is defined as the trade-off between benefits and sacrifices (Zeithaml, 1988; Monroe, 1990) where sacrifices are believed to impact customer perceived value the most. Focus should thus be on minimizing or eliminating perceived sacrifices. Based upon the disconfirmation paradigm, which suggest that customers form their opinions before, during and after their purchase, overall customer satisfaction was measured by asking if the customer’s expectations were met, fell below or exceeded. Results showed a high level of satisfaction in both qualitative and quantitative research.

Numerous contributing factors to customer perceived value were identified in the empirical research and were compiled into an SIP which revealed that product related issues (referred to as core products by Levitt, 1983) had the largest impact upon customer value perception, followed by facility related issues (expected product). In particularly customers valued computers, including; Internet, email and printing, as well as videogames, movies and pool/ping pong tables. As suggested by Levitt (1983) the perceived sacrifice is high if core or expected products are absent or not working. Minor detracting issues were identified in the areas of value/price, staff/service and marketing/communication. Following Kotler and Keller’s Service Quality Model (page 14) these aspects may impact the customer’s perceived value as greatly as the core product and in particular damage an established customer relationship. As suggested by Ravald & Grönroos (1996) the importance of stability in a customer relationship is crucial. The SIP outlined the identified areas for improvement, offering an overview of category importance and weight in terms of customer perceived value. Although survey and interview results indicated that customer satisfaction was mainly impacted by the above named categories, marketing appeared to cause some indirect dissatisfaction. This was revealed by looking at awareness levels, comparing current marketing materials to the needs and preferences of the target audience as well as by measuring interest levels in programs offered.

It was established in both theoretical and empirical research that establishing and maintaining customer relationships has a crucial impact upon customer perceived value, arguably more so than the actual core service or product.

• **How can customer value be improved upon?**

We understand from the literature review that value is co-created with our customers and based upon establishing lasting customer relationships. Prahalad & Ramaswamy (2004) suggest that value is created based upon the entire customer experience, and not on an isolated product or service. This again leads us back to Kotler and Keller’s Service Quality Model (see figure 3); *word of mouth* impact value perception as the beliefs of our family, peers and other groups greatly influence us and our ultimate value perception. In situations where the target audience is young, such as the case in this study (18-25), peers are typically very influential. Our *personal needs* also affect our value perception, as they are the basis for a purchase decision. *Past experience* is also of importance, in this case customers may not only be influenced by past experiences with this particular Liberty Program, but with the program overall, including facilities and programs at various bases. The *expected service* may therefore
vary, depending on overall service perception at this location and others. *Perceived service*, as suggested by Zeithaml (1988), is subjective and individual and may even vary on different occasions. Prior to or immediately after a deployment stress levels go up and may affect a service members attitude, tolerance and overall perception of value, even if the service provided is consistent. According to the Service Quality Model, the organization must consider the *service delivery* (including pre and post contacts), thus emphasizing the value of an ongoing relationship and *communication* to customers. In this case, empirical findings revealed a communications problem which has a negative effect on value perception and also leads to a lowered awareness and program participation. Management must therefore be aware of customer’s value perception and manage these expectations by tailoring services and offerings to meet these needs. As suggested by Ravald & Grönroos (1996) organizations must ensure that added value is relevant to the target audience, or no *perceived* value will be added.

In order to improve our customer’s value perception we must know who our customers are (STP). It all comes back to learning about our customers; their demographics, needs and value perceptions, co-creating value with the customers and thereby creating a product or service that provides *real* value, thus not only increasing value perception but also profitability (or in this case participation). The SIP identified, categorized and prioritized customer comments and suggestions for improvements in the identified areas were thereafter outlined. Major changes suggested include; change ways of communication, take immediate action to resolve all short term issues, implement continuous improvement with increased customer involvement.

- *How can communication be improved upon and what are the preferred channels of communication?*

As empirical findings revealed there is some dissatisfaction with the current format of the monthly calendar (which is the primary means of communication) combined with the established low awareness and participation in ongoing activities and events, implies that there is a prevailing problem with marketing communications. As suggested by Kotler & Keller (2006), all marketing strategy should be based upon STP; identifying your customers and their specific needs should always be the basis to any marketing plan. To communicate effectively you must know what you want to say, to whom, when and how. The steps to develop effective communications suggested by Kotler & Keller (see page 38) should therefore be followed.

- *How can the Liberty Program increase awareness and enrollments in programs offered?*

Awareness can only be boosted by “getting the word out there”. By re-vamping the marketing communication efforts and by increasing presence at various local events such as AO (Area Orientation), ST (Sponsorship Training), family fun days, sporting events and community and command events, awareness can be increased. Establishing contacts with the various commands is crucial and an effective way of spreading awareness. Programs and events should also be tailored to the specific needs of the target audience as value will not increase if you offer services/programs that are not seen as valuable to the customers. Performing continuous interest surveys
and establishing a single sailor interest board would help co-create relevant value with the customer as well as increase customer involvement and ownership of the process (co-creating value with the customer). Ongoing programs such as pool and ping pong tournaments should be approached as ongoing challenges; pictures of the top players could be posted in the facility to motivate customers to challenge them. Incentives should be revised for all activities and programs, keeping the target audience’s specific needs in mind.

To conclude; the basis for creating and maintaining customer perceived value is to create a continuous improvement process where the customer is part of the process and thus helps to co-create value. An important part of that process is to communicate with the customers, making them aware of their potential impact on this process. Very few organizations communicate back to the customers after conducting a survey to let them know how their input/comments are actually being implemented. Ensuring that customers see results is crucial in establishing trust and in building long-lasting relationships, which potentially has larger overall impact upon the perceived value that the actual product or service purchased (the core service). If a sense of ownership and trust can be instilled in the customer, not only satisfaction levels will increase but also involvement, interest and thus participation will grow.

5.2 Critical Reflection and Suggestions for Future Studies

Qualitative as well as quantitative data was incorporated in this study as it was crucial to obtain not only statistical numbers, but also actionable data that could be the basis for tangible improvements suggested by actual customers, thus incorporating the customers in the value-creating process as suggested by (Prahalad & Ramaswamy, 2004). As in any study, the sample size will impact not only the reliability and validity of the results but a larger sample size will also provide greater insight to the subject matter. The sample size is thus one of the limitations of the study as merely fifty customer interviews were conducted to collect qualitative data.

Empirical research revealed that the behavior pattern is changing amongst the target audience as the extent of their utilization of technology is higher than perhaps expected. As customers increasingly utilize various methods of technology as their primary means of communication, it appears to be a mismatch between the methods suggested by the Navy instructions that merely cover “traditional” marketing communication. One of the main challenges in this market is to effectively communicate with the customers, and by researching “new” methods such as SMS (Short Message Service), Wiki-pages etc. communication effectiveness could perhaps be improved upon. Future studies should thus focus on the various channels of communication that are available due to advancing technology and how they could be implemented in this dynamic market while avoiding compromising force protection.

This study could be useful to other Liberty Programs, as it identifies potential areas for improvements. As suggested by Wikström and Normann (1994) organizations can add value by increasing efficiency by exploiting available resources. By comparing Liberty Programs at various locations, common elements could be identified and programming and marketing communication ideas could be exchanged and perhaps standardized, thus resulting in potential savings.
REFERENCES

LITERATURE


ARTICLES


**WEB SOURCES**

**Electronic Journals**


Websites


## APPENDICES

### Appendix 1: Preliminary Thesis Timetable

<table>
<thead>
<tr>
<th>Phase</th>
<th>Number</th>
<th>Assignment/ Task</th>
<th>Target Date(s)</th>
<th>Actual Date Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulate Research Question</td>
<td>1</td>
<td><strong>INTRODUCTION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.1</td>
<td>Background and Motivation of the Study</td>
<td>12/15-06</td>
<td>12/15-06</td>
</tr>
<tr>
<td></td>
<td>1.2</td>
<td>Defining the Research Problem</td>
<td>12/15-06</td>
<td>12/15-06</td>
</tr>
<tr>
<td></td>
<td>1.3</td>
<td>Research Process</td>
<td>12/15-06</td>
<td>12/15-06</td>
</tr>
<tr>
<td></td>
<td>1.4</td>
<td>Research Objectives</td>
<td>12/15-06</td>
<td>12/15-06</td>
</tr>
<tr>
<td></td>
<td><strong>Present research subject and preliminary research questions</strong></td>
<td></td>
<td>12/15-06</td>
<td>12/16-06</td>
</tr>
<tr>
<td>Planning the Project</td>
<td>2</td>
<td><strong>METHODOLOGY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.1</td>
<td>Research Strategy and Approach</td>
<td>12/30-06</td>
<td>12/21-06</td>
</tr>
<tr>
<td></td>
<td>2.2</td>
<td>Data Collection</td>
<td>12/30-06</td>
<td>12/21-06</td>
</tr>
<tr>
<td></td>
<td>2.3</td>
<td>Validity and Reliability of the Research</td>
<td>12/30-06</td>
<td>12/21-06</td>
</tr>
<tr>
<td></td>
<td><strong>Present research plan &amp; approach (including timetable)</strong></td>
<td></td>
<td>01/01-07</td>
<td>12/21-06</td>
</tr>
<tr>
<td>Conduct Theoretical Research</td>
<td>3</td>
<td><strong>THEORY AND LITERATURE REVIEW</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.1</td>
<td>Customer Value</td>
<td>04/01-07</td>
<td>04/01-07</td>
</tr>
<tr>
<td></td>
<td>3.2</td>
<td>Customer Segmentation</td>
<td>04/01-07</td>
<td>04/01-07</td>
</tr>
<tr>
<td></td>
<td>3.3</td>
<td>Communication</td>
<td>04/01-07</td>
<td>04/01-07</td>
</tr>
<tr>
<td></td>
<td><strong>Present theoretical concept and frameworks</strong></td>
<td></td>
<td>04/01-07</td>
<td>05/12-08</td>
</tr>
<tr>
<td>Conduct Empirical Research</td>
<td>4</td>
<td><strong>EMPIRICAL RESEARCH</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4.1</td>
<td>Data Collection Process</td>
<td>08/01-07</td>
<td>05/12-08</td>
</tr>
<tr>
<td></td>
<td>4.2</td>
<td>Analysis</td>
<td>08/01-07</td>
<td>05/12-08</td>
</tr>
<tr>
<td></td>
<td>4.3</td>
<td>Recommendations</td>
<td>08/01-07</td>
<td>05/12-08</td>
</tr>
<tr>
<td></td>
<td><strong>Present draft of survey</strong></td>
<td></td>
<td>03/01-07</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td><strong>Conduct survey</strong></td>
<td></td>
<td>04/15-20-07</td>
<td>06/20-07</td>
</tr>
<tr>
<td></td>
<td><strong>Process and analyze data</strong></td>
<td></td>
<td>05/20-06/20-07</td>
<td>05/12-08</td>
</tr>
<tr>
<td>Reflect and Finalize</td>
<td>5</td>
<td><strong>CONCLUSIONS AND RECOMMENDATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.1</td>
<td>Analysis</td>
<td>05/25-08</td>
<td>06/06-08</td>
</tr>
<tr>
<td></td>
<td>5.2</td>
<td>Recommendations (SIP)</td>
<td>05/25-08</td>
<td>06/06-08</td>
</tr>
<tr>
<td></td>
<td>5.3</td>
<td>Conclusions</td>
<td>05/25-08</td>
<td>06/06-08</td>
</tr>
<tr>
<td></td>
<td><strong>Present 1st edition of report for assessment on Blackboard</strong></td>
<td></td>
<td>05/30-08</td>
<td>06/11-08</td>
</tr>
<tr>
<td></td>
<td><strong>PRESENT FINALIZED REPORT</strong></td>
<td></td>
<td>06/01-07</td>
<td>11/30-08</td>
</tr>
</tbody>
</table>
Appendix 2: Customer Satisfaction Survey

CUSTOMER SATISFACTION Survey
LIBERTY CENTER, NAPLES ITALY

Please take a moment to help us improve your experience at the Liberty Center, Naples Italy.

Overall Satisfaction with the LIBETY CENTER, Naples

<table>
<thead>
<tr>
<th></th>
<th>Poor</th>
<th>Good</th>
<th>Excellent</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Facilities</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. Items/Equipment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Available</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Activities/Events</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. Staff Knowledge</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. Staff Friendliness</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. Hours of Operation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7. Location</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

How often do you visit the Liberty Center, Naples?
☐ Daily
☐ Weekly (1-5 times per week)
☐ Monthly (1-3 times per month)
☐ Annually (1-10 times per year)
☐ Other:

How would you rate your overall satisfaction with the Liberty Center, Naples?
☐ Very satisfied
☐ Satisfied
☐ Somewhat Satisfied
☐ Not Satisfied

How does the Liberty Center, Naples compare to other Liberty Centers you have visited?
☐ Better
☐ The Same
☐ Worse
☐ Don't Know

Please check all equipment/activities that you utilize at the Liberty Center
☐ Check Emails
☐ Play Videogames
☐ Watch Movies
☐ Eat Lunch/Socialize
☐ Play Pool
☐ Play Ping-Pong
☐ Play Musical Instrument(s)
☐ Other (please specify):

What are you most dissatisfied with and why?

What are you most satisfied with and why?

How could we improve your next visit to the Liberty Center?

Comments:
Activities at Liberty

Did you know that the Liberty Center offer weekly **FREE** Italian language classes, pool, ping-pong and videogame tournaments?  
<table>
<thead>
<tr>
<th>Activities at Liberty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did you know that the Liberty Center offer weekly <strong>FREE</strong> Italian language classes, pool, ping-pong and videogame tournaments?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Please rate events that you have participated in</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>N/A</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberty U: Italian Class</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pool Tournament</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ping-Pong Tournament</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chess Tournament</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trivia Night</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBQ</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casino Night</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What events are you/would you be interested in?

- Liberty U: Italian Class
- Pool Tournament
- Ping-Pong Tournament
- Chess Tournament
- Trivia Night
- BBQ
- Casino Night
- Other (please specify):

If you have **NOT** participated in any Liberty Center events, please indicate why

- I was not aware of any events
- I had no interest in the events arranged
- Time did not suit my schedule
- Don’t Know
- Other (please specify):

Comments:

Single Service Member Card

Have you ever heard of the Single Service Member Card?  
<table>
<thead>
<tr>
<th>Single Service Member Card</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you ever heard of the Single Service Member Card?</td>
</tr>
</tbody>
</table>

If **YES**, how did you hear about it (please check all that apply)?

- Through newspaper advertisement
- Through advertisement in facility
- Through a friend/family member
- Don’t know
- Other (please specify):

Do you currently have or have you ever had a Single Service Member Card?  
<table>
<thead>
<tr>
<th>Single Service Member Card</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you currently have or have you ever had a Single Service Member Card?</td>
</tr>
</tbody>
</table>

If **YES**, what prompted you to get a Single Service Member Card?

- Incentive(s) and discounts
- Recommendation from friend/family
- Recommendation by the Liberty staff
- Don’t know
- Other (please specify):

If **NOT**, why did you decide not to get a Single Service Member Card?

- I do not qualify
- I don’t have use for it
- I don’t know how I could benefit from it
- Don’t Know
- Other (please specify):

Comments:
### Liberty Day Trips

Did you know that Liberty offer several **FREE** day trips each week?  

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Have you ever participated in any of Liberty’s Day Trips?  

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

If **YES**, please rate your experience  

<table>
<thead>
<tr>
<th>Great</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>N/A</th>
</tr>
</thead>
</table>

If **NOT**, please indicate why you have never taken advantage of Liberty’s day trips  

<table>
<thead>
<tr>
<th>Not aware of the events</th>
<th>Destinations did not interest me</th>
<th>Dates did not suit my schedule</th>
<th>Don’t know</th>
<th>Other (please specify):</th>
</tr>
</thead>
</table>

Comments:  

### Liberty Extended Trips

Did you know that Liberty offer several **Extended** trips each year at discounted prices?  

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

Have you ever participated in any of Liberty’s Extended Trips?  

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

If **YES**, please rate your experience  

<table>
<thead>
<tr>
<th>Great</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>N/A</th>
</tr>
</thead>
</table>

If **NOT**, please indicate why you have never taken advantage of Liberty’s extended trips  

<table>
<thead>
<tr>
<th>Not aware of the events</th>
<th>Destinations did not interest me</th>
<th>Dates did not suit my schedule</th>
<th>Could not afford it</th>
<th>Don’t know</th>
<th>Other (please specify):</th>
</tr>
</thead>
</table>

Comments:  

### About You

| Gender: | Male | | Female | |
| Status: | Active Duty | Reserves | Retiree | Spouse | DOD Employee | |
| Rank: | E1-E3 | E4-E5 | E6 or above | |
| Nationality: | American | European | Other | |
| Age: | Under 20 | 20-25 | 25-30 | 30-40 | Over 40 | |
| Marital Status: | Single | Married | GEO Bachelor(ette) | |

Additional Comments:  

### Thank you for your participation!