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STUDY ON CUSTOMER SATISFACTION WITH FACILITIES MANAGEMENT SERVICES IN LITHUANIA

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ABSTRACT

The article introduces the concept and content of facilities management (FM) services. The paper presents the concept of customer satisfaction and discusses the key factors which influence the opinions of customers and their satisfaction or dissatisfaction with the services provided. The article presents two studies: a brief survey of several FM service providers and a survey of customer satisfaction with FM services in Lithuania. The conclusions are given at the end of the article.

INTRODUCTION

Being customer focused nowadays has to be accepted as a bare necessity to conduct business. Globalisation and value-driven business imperatives would therefore mean that mistakes are not going to be tolerated; substandard products and services will ensure that the weak are not going to continue competing; and fragile practices and poorly defined and managed processes will not get accepted. Apart from anything else, true competitive advantage will only be established through excellence in customer value and the ensuing relentless care and attention provided (Zairi, 2000).

Customer satisfaction (CS) is a very often misused and abused expression. Many organisations use it casually in order to state that their customers are happy and satisfied with the levels of service rendered and the products and services purchased, but they actually have never tried to measure that satisfaction (Zairi, 2000). But if a company takes its customers seriously, it should not behave like this because the results of customer satisfaction measurements provide significant information for modern management processes and a warning signal about future business results. This enables an understanding of how customers perceive the organisation, i.e.,

whether its performance meets their expectations, identifies priorities for improvement, benchmarks the performance of the organisation against other organisations and increases profits through improved customer loyalty. Through the process of creating a customer-supplier chain at all levels, a better focus can be achieved and ultimately all the work carried out will be of value. This customer-supplier communication will help to ensure quality and thus the customer's satisfaction (Fečikova, 2004; Zairi, 2000).

This article aims to define the concept of customer satisfaction and discuss ways to determine the level of satisfaction, describe the main factors affecting satisfaction (or dissatisfaction), and survey customer satisfaction with the facilities management services in Lithuania.

1. FACILITIES MANAGEMENT

1.1 Facilities management services

FM is a relatively new discipline. It has developed around 1978, when the Herman Miller Corporation, the world's leading furniture manufacturer, staged a conference on "Facilities Impact on

KEY WORDS

- Customer satisfaction,
- Facilities management services,
- FM service provider.

Productivity” (*facilities* are understood as plots, buildings, mechanisms, equipment, technical supporting devices and infrastructure). This might be seen as the beginning of FM. In Northern Europe the field of facilities management has evolved as a new profession and academic subject over the last 15-20 years; the growth of this sector represents the increased awareness of importance of the physical surroundings for the development of organisations (Yusoff, 2008; Lepkova, Vilutiene, 2008; Pitt, Tucker, 2008).

As a discipline FM emerged out of practice, just as the great established professions did. It emerged with the integration of three main strands of activity: property management, property operations and maintenance and office administration (Pitt, Tucker, 2008). According to a common definition, FM is the “integrated management of the workplace to enhance the performance of the organization” (Mudrak, et al., 2004). More specifically, FM can be defined as the management of premises and services required to accommodate and support the core business activities of a client organization, while constantly adding value to the stakeholders (Mudrak, et al., 2004). FM is therefore a key function in managing facility resources, support services and the working environment to support the core business of an organisation in both the long and short term or, as the International Facility Management Association (IFMA) says, FM is “a profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating people, place, process and technology” (International Facility Management Association, 2011). In other words it is the practise of coordinating the physical workplace with the people and work of an organisation: it integrates the principles of business administration, architecture, behaviour and engineering science (Pitt, Tucker, 2008).

Facility maintenance is often seen as an annoyance or as a “necessary evil.” This is partially due to the assumption that facility maintenance generates costs but does not give much in return. What is not understood is that high-quality maintenance has many positive, mostly indirect, effects on the business performance of all the parties involved: building owners, user organizations and companies providing facility maintenance services (Rasila, Gelsberg, 2007).

1.2 Generic and specific issues in FM practice

It is commonly agreed that the primary function of FM is to handle and manage support services to meet the needs of an organisation, its core operations and employees (Chotipanich, 2004).

FM began with the integration of three core practices, but its functions and roles subsequently broadened. It has embraced a wider range of services beyond building operations and maintenance. FM encompasses workplace, facility, support services, property, corporate real estate, and infrastructure (Chotipanich, 2004):

- Real estate and property management (e.g., leasing, sub-letting, space renting, retail);
- Facility project management (e.g., relocation, new buildings, extensions, demolition);
- Maintenance and repairs (e.g., facility refurbishment, maintenance, landscape management, cleaning);
- Building services and operations (e.g., energy distribution, health and safety, waste disposal, pest control);
- Office services (e.g., telephones, post and mail distribution, storage, business hospitality, public relations, car fleet control);
- Planning and programming (e.g., resource planning, development planning, work programming);
- Space planning and management (e.g., space planning, configuration and allocation, space use audit, facility planning);
- Operations administration, management (e.g., budget and cost control, contract control and negotiation, office furniture provision);
- Employee supports and services (e.g., child nursery provision, restrooms, recreation, catering, community affairs).

Lithuanian sources take a narrower perspective of facilities management – they regard FM as an integrated complex created to minimise the time and costs of handling issues related to buildings and grounds and to prolong the period of the comfortable exploitation of a building’s structures and engineering systems. FM is understood and analysed as the integer of four elements (space management, administrative management, technical management and the management of other services) (Lepkova, Vilutiene, 2008; Zavadskas, et al., 2002).

2. CUSTOMER SATISFACTION

Companies win or lose based on what percentage of their customers they can keep. Success is largely about the retention of customers, which again depends on the CS level. It would be a great help to be able to comprehensively measure the quality of products and services by relating the measures of quality to real customer behaviour. Some companies get feedback about CS through the percentage of complaints and some through non-systematic surveys, but some do not measure CS at all, because “the system would not add anything useful and is very time-consuming” (Chotipanich, 2004).

Customer satisfaction measurement (CSM) has become one of the commonest prescriptions to managers and organizations and comes from a wide variety of sources. These prescriptions centre on the notion that since customer satisfaction is a key issue in market performance, then it follows that it should be measured and used by management in decision making (Piercy, 1996). Besides, customer satisfaction measurements enable the establishment of the key

factors that affect satisfaction or dissatisfaction with services. Once they are defined, one can make appropriate efforts to eliminate the negative factors. In other words, an organization can then manage its resources more efficiently.

Most markets are very competitive, and in order to survive, organisations need to produce products and services of a very good quality that yield highly satisfied and loyal customers. Many practitioners and researchers have investigated a range of different customer attitudes that influence both intentions and behaviours relate to loyalty. Customer attitudes have included customer satisfaction, customer value, price perceptions, the quality of the relationship and service quality. Many studies have found strong links between customer attitudes and customer loyalty behaviour. For example, it has commonly been found that higher levels of customer satisfaction lead to higher levels of behavioural intentions, which in turn lead to stronger customer loyalty behaviour, which can be measured through repeat purchases, increased share of wallet, positive word of mouth recommendations, and reduced customer acquisition cost. In fact, customer satisfaction has been empirically shown to be the predominant attitudinal metric used to detect and manage customers' likelihoods of staying or defecting. In other words, there is a very clear and strong relationship between the quality of a product, customer satisfaction and profitability (Figure 1) (Fečíkova, 2004; Williams, et al., 2011).

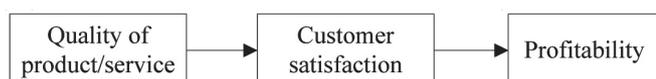


Fig. 1 Dependence between quality, satisfaction and profitability (Fečíkova, 2004).

Since the quality of services is one of the central factors to influence customer satisfaction, we have to pay more attention for determination and evaluation methods of customer satisfaction. Even though quality is the key indicator, there are more elements (e.g., “word of mouth”, emotions or the communication style adopted by a service provider) that affect a customer’s attitude towards a service and a service organization.

2.1 Factors influencing customer satisfaction

Both the quality of services and customer satisfaction have many definitions: quality is often understood as an attitude, while a customer’s evaluation of a service and his satisfaction is considered to be the measure of a transaction. Either way, quality is the main construct forming satisfaction and making the background of customer’s perceived value; therefore, it is useful to take an in-depth look at the nature of quality.

2.1.1 Service quality

In the growing service sector there is still the most problematic challenge of how to deal with service quality. Quality is one of the most expected aspects by customers of almost all service products (Urban, 2009). Before quality can be managed it must be defined (Rondeau, et al., 2006).

Coming up with a precise definition of the quality of services is complicated because quality can be understood and evaluated both objectively and subjectively. Quality is objective when it is related to external tangible features which can be measured factually. Subjective quality is rated when a customer’s imagination, personal experiences, emotions, expectations and attitudes are taken into account (Bagdoniene, Hopeniene, 2004; Langviniene, Vengriene, 2005). The most common reason for dissatisfaction is the difference between an objective and the subjective evaluation of quality (Bagdoniene, Hopeniene, 2004).

2.1.2 Quality dimensions of FM services

Facilities management is geared towards providing a service, hence, its contribution to an organization may be difficult to identify in concrete terms; there is no end product that can be held up and shown up to the customer. The implications of this intangibility can be far reaching, especially in terms of the client’s assessment of the facilities department’s performance. The assessment of facilities services is likely to revolve around the client’s perception of the service received compared with the client’s expectation of the service. Thus the facilities group can make efforts in two distinctly different areas – namely, managing the client’s initial expectation and managing the client’s perception of the service rendered as shown in Figure 2 (Barrett, Baldry, 2007).

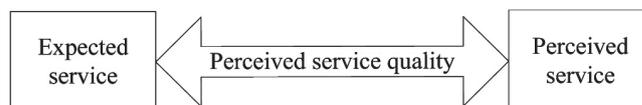


Fig. 2 Expectation-perception gap (Barrett, Baldry, 2007).

Whereas service quality is known to be based on multiple dimensions, there is no general agreement as to the nature or content of the dimensions (Kang, James, 2004). Considerable research has focused on identifying the dimensions or components of service quality, i.e., those aspects that consumers evaluate to form overall judgements about a service. However, a review of various service quality studies shows that European scholars have defined service quality in terms of physical quality, interactive quality and corporate (image) quality. Physical quality relates to the tangible aspects of a service. Interactive quality involves the

interactive nature of services and refers to the two-way flow that occurs between the customer and the service provider and/or his representative. Corporate quality refers to the image attributed to a service provider by its current and potential customers, as well as other publics (Kang, James, 2004). Although this distribution is still discussed a lot, empirical arguments show that there are two service quality dimensions (Barrett, Baldry, 2007; Kang, James, 2004; Langviniene, Vengriene, 2005):

1. Technical (external) quality is what the customer gains during the service's delivery process. Technical quality is concerned with "what" is done and includes how well the problems were solved and the systems and techniques used. This is the area that facilities managers would normally be mostly concerned with.
2. Functional (process) quality is the service delivery method. The functional factors revolve around "how" the service was rendered. This includes items such as the appearance of the staff, their attitude towards clients and how accessible and responsive the facilities department was to the client (Barrett, Baldry, 2007).

There is a growing body of research which indicates that when clients judge the quality of a service, they give unexpectedly high weight to the functional factors as well as the technical factors. A customer's opinion about the quality is formed by the service's delivery method, the supplier's behaviour and other aspects which influence the way the service achieves its goal. It is worth mentioning that positive and negative influence can be made by other customers using the same or similar services. For some services the "what" (or technical quality) might be difficult to evaluate. Lacking an ability to assess technical quality, consumers rely on other measures of quality attributes associated with the process (the "how") of, for example, health care delivery. It is therefore important for facility managers to think through how they deal with the core business as an important, and quite separate, issue from what they do to solve the technical problems that they are faced with (Barrett, Baldry, 2007; Kang, James, 2004; Langviniene, Vengriene, 2005).

FM is often timed so that customer organization employees hardly ever meet the maintenance staff. In this situation, the end users are just barely or not at all aware of the service processes. The end users become active actors only when a service failure occurs. At that point the end-user becomes active in the service process. The end-user wants to initiate a recovery process. When a service failure occurs, the literature uses the term "service recovery" to indicate the service process. The term can be determined as follows: "Service recovery refers to the actions a service provider takes in response to service failure". The user is actually evaluating a service recovery process instead of the regular service. Thus, functional quality does not build up from "normal" service encounters but from service failure recovery processes. Referring to this, we speak of service

recovery quality (functional quality) (Rasila, Gelsberg, 2007).

It is important to distinguish between recovery processes and "normal" service processes, as it seems that a customer perceives these two processes differently. Usually, when service recovery is taking place, there is some inconvenience, and if the service recovery does not take place quickly, effectively and in a sensitive manner, the customer's (end user) reactions are bound to be stronger than in a normal service situation. On the other hand, if a recovery process is carried out well, the customer may become even more loyal and satisfied than in a "normal" service process, and the customer relationship may become stronger (Rasila, Gelsberg, 2007).

Most maintenance activities are conducted outside the end users' perception. And even if they are aware of the service processes, they may not have the skills and knowledge to assess the technical quality. The essence here is that the end users are not active players in the service process and cannot evaluate the process as an entity. Nonetheless, they may have clues as to what is happening: they may see service personnel performing their duties or they may notice that something has been done. They perceive some clues of either technical quality or functional quality and make judgements based on these. We refer to these clues by using the term "observed maintenance quality" (technical quality) (Rasila, Gelsberg, 2007).

It may be concluded that perceived FM quality of the end user is composed of two dimensions – observed maintenance quality and service recovery quality and that both of them need to be evaluated when talking about an end user's degree of satisfaction (Rasila, Gelsberg, 2007).

A customer's perception of functional and technical quality is shown in Figure 3.

Two of the mentioned quality aspects – what is delivered and how it is delivered – are the quality dimensions which a customer experiences. One more factor needs to be added to the perceived quality of services – the customer's expectations of a service. If the

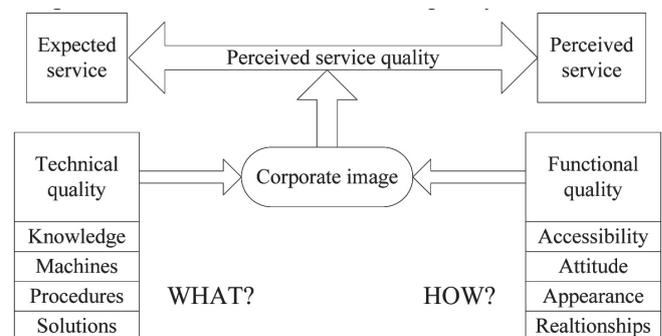


Fig. 3 Technical and functional quality (Barrett, Baldry, 2007).



expectations of a customer are unrealistic, the perceived corporate quality will be considered low even though its objective evaluation proves it to be sufficient (Langviniene, Vengriene, 2005). The client's expectation of any service will be conditioned to a great extent by his past experience but also by the initial message concerning the service. Thus, the facility manager should be careful not to overstate what the facilities department is capable of delivering. If this occurs, it is obvious that the client is unlikely to be satisfied with the service provided. However it is important to portray a positive, rather than a negative, image (Barrett, Baldry, 2007).

The expected quality is formed as a function of a few factors: it is influenced by marketing communication (promotional and sales campaigns), verbal communication (between clients and employees directly, client-to-client), future image (formed while a customer is interacting with a firm) and customer needs (the problems a client expects to resolve using this service). Customer expectations can even be influenced by demographics (Bagdoniene, Hopeniene, 2004; Langviniene, Vengriene, 2005).

2.1.3 Communication style and emotions

The nature of customer-service employee interactions constitutes the heart of the customers' evaluation of the service experience; thus, the service provider's role in shaping a customer's satisfaction cannot be overlooked. A service employee's or provider's communication style is likely to affect the quality of the service encounter by influencing the customer's impression of the provider and the service firm. To enhance service delivery, employees are supposed to be approachable, warm, friendly, and helpful and display a positive attitude. Customers "catch" the displayed emotions of employees. This process is known as "emotional contagion." Most of the validation of emotional contagion theory has focused on the transference of positive attitudes such as smiling and friendliness – those with high job satisfaction have positive moods and emotions at work. These positive attitudes will spill over to customers. Similarly, negative attitudes are equally transferable (William,s et al., 2011b; Webster, Sundaram, 2009).

There is a growing body of literature that suggests that positive and negative emotions associated with a service encounter play an important role in defining satisfaction and predicting future behavioural intentions. It is now widely accepted that customer satisfaction levels and longer-term behavioural intentions are influenced by emotions during the pre, actual and post-consumption stages of a service encounter. It has also been suggested that consumers' emotional bonding with a service provider is more strongly linked to their future purchase intentions than the more cognitive component of the satisfaction construct. The satisfaction construct cannot be fully understood or explained without accounting for affect in the form of consumer emotion. Perceived

service quality and satisfaction are distinct concepts, and perceived service quality precedes satisfaction, which is closely related to the customer's behavioural responses. While the debate continues regarding the precise nature of any relationship between emotion and satisfaction, it is now widely accepted that emotions may be one of the core components of the consumer satisfaction construct; therefore, any measurement of satisfaction should pay attention to the emotional aspect as well (Martin, et al., 2008).

2.2 Customer satisfaction measurement

Customer satisfaction is the key factor determining how successful an organisation will be in customer relationships; therefore, it is very important to measure it (Fečikova, 2004).

It is also important to note that (Zairi, 2000):

- satisfied customers are more likely to share their experiences with other people, even up to five or six people. In the same vein, dissatisfied customers are more likely to tell ten other people of their unfortunate experience.
- Furthermore, it is important to realise that many customers do not complain, and this will differ from one industry sector to another.
- Lastly, if people believe that dealing with customer satisfaction/complaints is costly, they need to realise that it costs as much as 25 per cent more to recruit new customers.

Satisfied customers are more likely to return to those who have helped them, and dissatisfied customers are more likely to go elsewhere next time. The key to organisational survival is the retention of satisfied customers. Loyalty of customers is a function of satisfaction, and loyal customers spend more on your products and services, encourage others to buy from you and believe that what they buy from you is worth what they pay for it (Fečikova, 2004).

2.2.1 Satisfaction measurement approach

If companies want to achieve customer satisfaction, they must measure it, because "you cannot manage what you cannot measure" (Fečikova, 2004).

A customer satisfaction survey is a useful performance measurement format that should help an organization and its staff to understand a customer's viewpoint of a firm's performance on a completed project (Rondeau, et al., 2006).

The starting points for effectively measuring a customer satisfaction are the following steps (Fečikova, 2004):

1. customer identification;
2. understanding what customer satisfaction includes and what it means;
3. defining what needs to be measured;
4. choosing the measurement method.

These steps will be discussed further.

1. *Customers.* Customers are the purpose of organizations activities, instead of their depending on a firm, organizations very much depend on them. Accurate information about customers enables companies to provide products or services which match their needs. There are two kinds of customers for processes within an organisation: external and internal. External customers are the customers in a marketplace, whereas internal customers are the customers within the corporation, the employees of the corporation. The satisfaction of internal customers (below, the term “employee” is used) and external customers is seen as a cause-and-effect relationship. Employee satisfaction is the source of excellent quality, because if the organisation satisfies the needs of its internal customers, it is also enabling its internal customers to perform their tasks, and the network of organisational units are more adept at working effectively together to achieve customer satisfaction. Problems with employee satisfaction (turnover of employees, etc.) lead to problems with customer satisfaction (Figure 4) (Fečíkova, 2004; Zairi, 2000).

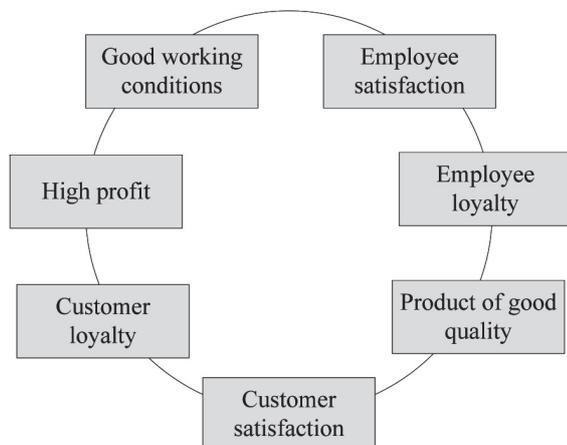


Fig. 4 The circle of satisfaction (Fečíkova, 2004).

Firms can apply their employee management practice to customers. They can enhance the clarity of customer’s role (customers knowing what is expected of them), motivation (being motivated to engage in desired behaviours), and ability (to fulfil their responsibilities). Managers should carefully select, train and socialize customers, just the same as the firm would do with respect to its employees. Managers should also provide customers with empowerment and resources to serve employees or other customers successfully. Furthermore, firms need to develop and establish effective mechanisms for controlling customer behaviours. Communication with customers

might be helpful in this respect. Indeed, effective communication between customers and employees can yield successful customer behaviour management, because managers can recognize customer needs and expectations better (Yi et al, 2011).

2. *Satisfaction.* Organisations have to know how satisfied customers feel. The word “satisfaction” is central to many definitions and in a marketing context it has many meanings (Fečíkova, 2004):

- satisfaction is merely the result of “things not going wrong”;
- satisfying the needs and desires of the consumer;
- satisfaction-as-pleasure;
- satisfaction-as-delight;
- customer evaluations of the quality of goods and services.

The most common interpretations reflect the notion that satisfaction is a feeling which results from a process of evaluating what was received against that expected, the purchase decision itself and/or the fulfilment of needs/want.

The perception of the word “satisfaction” influences the activities which we conduct to achieve it.

3. *Things to measure.* Many organisations identify the level of customer satisfaction through:

- the number of product support problem calls;
- the number of direct complaints by phone, e-mail, etc.;
- the number of returned products and the reason for their return, etc.

This is a measurement of customer dissatisfaction (no satisfaction) and offers a possibility for the elimination of mistakes, not a possibility for product development and product innovation.

Organisations can collect and analyze appropriate data, which will provide relevant information relating to real customer satisfaction. It is important to measure the right things, i.e., what is really important to customers. There is the possibility of wrong specifications or misinterpretations of what a customer actually wants (the gap between what companies think customers probably want and what customers really want). The criteria for the measurement of customer satisfaction must be defined by the customer (Fečíkova, 2004).

4. *Method for measurement.* Any method that gathers customer feedback is good, but for effective measurement, appropriate methodology (description processes and measurement scales) needs to be found. The alternative methods to use include questionnaires (by post, by e-mail), direct interviews, telephone interviews, marketing research, comparison with competitors (benchmarking) and so on. The validity and relevance of the data gathered through these methods also varies.

The most commonly used method is satisfaction surveys using prepared questionnaires. Usually, in these questionnaires customers are given some service-related questions asking them to evaluate their satisfaction using scales from 1 to 5 or from 1 to 7. Questionnaires

looking into customer satisfaction with FM services might include questions related to service availability, responsiveness, timeliness, customer priorities (how likely they are to choose one or another service; how likely they are to recommend the firm to others), staff professionalism and service-specific questions.

The main problems related to this method are (Fečíkova, 2004):

- ensuring the questionnaire will be filled in by a person who is competent to respond;
- ensuring the answers are truthful;
- how to practically conduct professional customer satisfaction and loyalty surveys that can provide valid and reliable data for making decisions to effect improvements.

2.3 Impact of customer satisfaction measurements and possible ways to use the results

One source of insight into what happens in companies that do, or do not, measure customer satisfaction comes from exploratory workshop discussions with managers. These discussions have been held over several years and cannot claim any general representativeness. However, simply looking at the themes emerging from what managers say about customer satisfaction measurement (CSM) raises some very serious concerns about what effects are achieved. The themes emerging from those discussions are as follows (Piercy, 1996):

Companies which do not measure customer satisfaction. Many executives explain that their companies do not measure customer satisfaction because there are problems in: identifying and communicating with customers, defining what aspect of satisfaction to measure is problematic, and collecting the data was too difficult. Others have suggested a lack of their belief that measuring customer satisfaction would add anything useful and might even reduce customer satisfaction by stimulating customer complaints where there were none before. Some have suggested that measuring customer satisfaction was simply “not how things are run in this company.”

Companies which trivialize CSM. Many say that in practice CSM becomes a superficial and trivial activity, which is significant only at the customer service level. They suggest that CSM is not related to market strategies and strategic change in their companies, but rather is about monitoring customer service operations, and responding to customer complaints (sometimes quite disproportionately and inappropriately to boot).

CSM and interdepartmental power struggles. Some executives describe CSM as little more than a weapon used in power struggles between functional areas in attempts to “prove” to management that other departments are responsible for losing market share and declining customer satisfaction.

The politics of CSM. Others describe CSM as characterized by gaming behaviour by company personnel to “beat” the system and to avoid being “blamed” for customer complaints. This often results in behaviour not anticipated by management and not supportive of customer satisfaction policies and marketing strategies. For example, sales and distribution personnel give price and service concessions to customers, simply to win “brownie” points in the CSM system. Others describe CSM as a “popularity poll” for the salesforce, where “popularity” is rewarded and “unpopularity” is penalized.

CSM as management control. Some see the implementation of CSM in a negative way, as a crude control device used by management to police the lower levels of the organization and allocate “blame” for customer complaints. Others describe CSM systems as wholly negative and focused on criticism, with no balance of positive feedback or praise for what is good. In some cases the data are seen only by management, and only “conclusions” are communicated to employees – often in a negative and critical way. Others see CSM as a crude attempt by management to coerce employees to change their behaviour in the ways desired by customers (or at least the desires of those customers who have complained most recently and most vociferously).

The isolation of CSM. Many executives talk about situations where CS data are collected and stored but not disseminated in the organization. For example, in some cases CSM information is collected by the marketing department but not shared with the production or even the quality departments.

In short, the barriers to the effectiveness of customer satisfaction measurement come not only from operational and resource problems but also from managerial and/or political issues and cultural or structural barriers. An organization needs to find ways to eliminate these barriers because appropriate customer satisfaction data can be used to design new products or services, as well as to improve the existing processes. Listening to the customer enables an in-depth understanding of what the customer wants, and using root cause analysis techniques enables solutions to be found and implemented to avoid reoccurrence. Managers can use CS data in a number of decision-making areas as follows (Piercy, 1996; Zairi, 2000):

- quality/operations management, which link the use of CS data to monitor and manage quality, to guide R & D, and to manage production;
- staff pay and promotions, linking pay and promotion decisions for operational and management staff;
- staff training and evaluation, linking the training and evaluation of both operational and managerial staff;
- strategic management control, linking the development of company-wide strategy, control of the business, and the management of customer service and marketing programmes.

3. SURVEY OF FACILITIES MANAGEMENT COMPANIES AND THEIR CUSTOMERS

3.1. Survey of facilities management companies

As part of the analysis of the barriers to efficient customer satisfaction surveys discussed in Subchapter 2.3, it was decided to look into the perceptions of Lithuanian facilities management companies about customer satisfaction, CS measurement and customer complaints in general. A questionnaire was compiled, and a sample of five leading private-equity companies offering FM services was surveyed.

The first two questions were aimed at learning a few facts about the companies, such as the number of employees (Figure 5) and their tenure in the market (Figure 6). The questions also attempted to verify whether or not the company's size and operating experience had any impact on its attitude toward customer satisfaction, complaints, etc.

Figure 5 shows that all the selected companies are of a similar size: three indicated over 500 employees, one has between 301

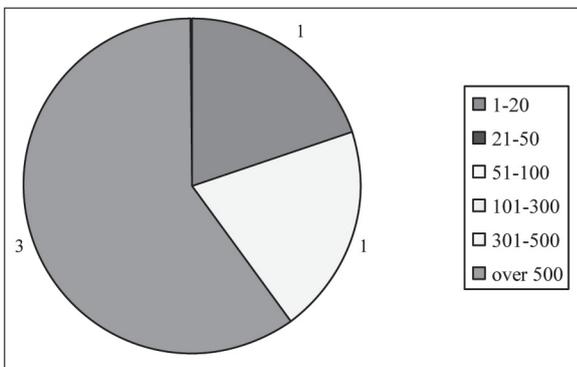


Fig. 5 Size of the surveyed companies (by employees).

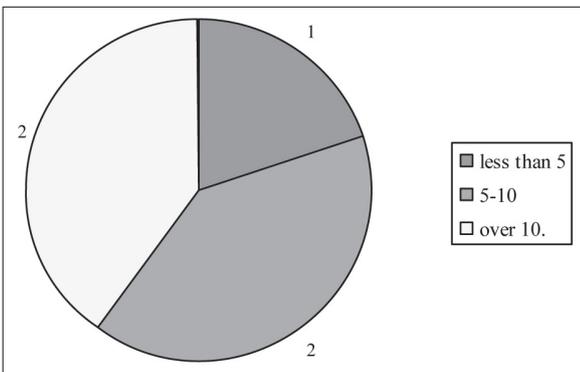


Fig. 6 Company's age (years).

and 500 employees, and only the last one is smaller, with up to 20 employees.

Figure 6 shows that two of the surveyed companies have offered FM services for over a decade; two have been involved in this industry for 5 to 10 years, and one stated it worked in this business for less than five years.

The third question aimed at determining the performance goals of the companies; they had a list of five options (with space available for their own variant, though none used this option) and were asked to assess their importance (Figure 7).

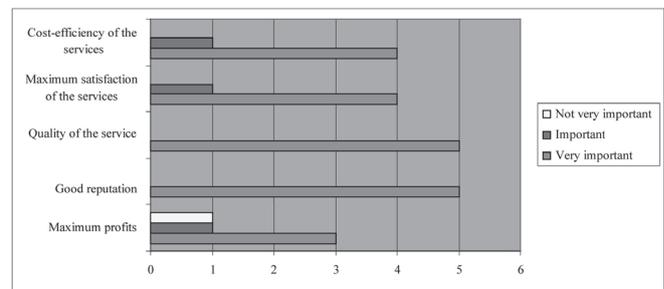


Fig. 7 Performance goals of companies.

The results summarised in Figure 7 show that all five companies considered the quality of services and a good reputation as very important. Four of the surveyed companies were very interested in cost efficiency, while one saw it as important, but not the main goal. The respondents were of the same opinion about the maximum satisfaction of customer needs: four companies considered it a very important goal and one deemed it just important. Three companies were very interested in maximum profits, while the other two deemed this objective to be less important and not the main goal.

Then the companies were asked about the number and type of

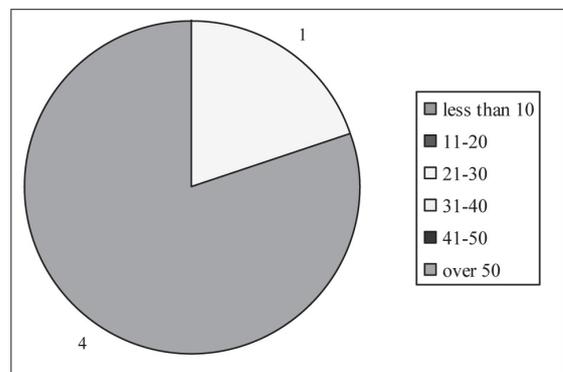


Fig. 8 Number of managed buildings.



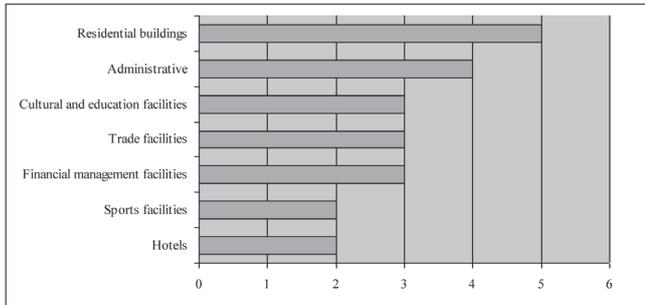


Fig. 9 Types of managed buildings.

buildings managed (Figures 8 and 9) to verify the assumption that a company's load and concentration on the management of one specific type of building affect the satisfaction of its customers. Figure 8 shows that the majority of companies (4) manage over 50 buildings, and only one manages between 21 and 30 buildings, while the types of buildings cover a broad array (Figure 9). All the companies manage some residential buildings; four manage administrative buildings; three are in charge of cultural, educational, trade and financial management facilities, while two also manage sports facilities and hotels.

The sixth question aimed at finding out the opinion of the companies about the satisfaction of their customers. One of the companies was sure its customers were fully satisfied with the services and facilities management; the other four thought their customers were satisfied, although occasional complaints did come. None answered "no" (Figure 10).

The next step was to determine whether the companies were aware of customer satisfaction surveys (measurement, analyses). All answered positively and, in turn, were asked if they had ever surveyed customer satisfaction with the services rendered. All the surveyed

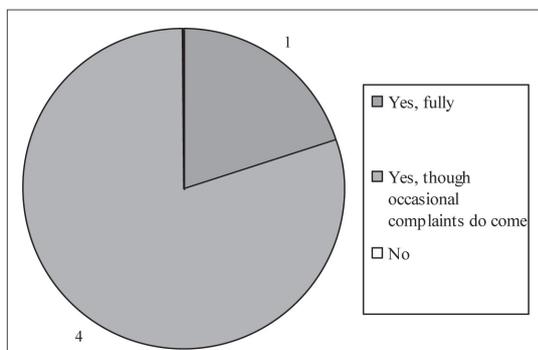


Figure 10. Do you believe your customers are satisfied with your services?

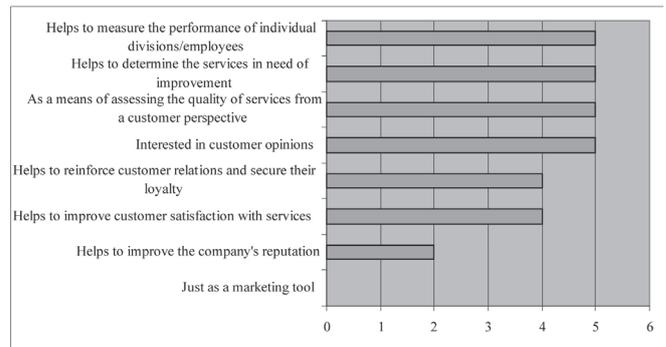


Fig. 11 Reasons for customer satisfaction surveys.

companies again answered "yes"; therefore, the ninth question was asked to learn the reasons that had prompted the companies to survey the opinions of their customers (the companies had a list of several options or could write down their own variant; Figure 11).

Figure 11 shows that all five companies, as they stated, conducted surveys of customer satisfaction to learn their customers' opinions; they also believed it to be a good tool for assessing the quality of their services from a customer perspective and a good opportunity for determining the services in need of improvement and measuring the performance of individual divisions/employees. Four companies were certain that surveys of customer satisfaction helped to improve customer satisfaction with services, reinforce customer relations and secure customer loyalty. Two companies thought such surveys helped to improve their reputation. None admitted that such customer surveys were only a marketing tool.

The companies were also asked to specify their customer feedback methods (here, the companies also had a list of several methods or could specify their own). The preferred survey methods are shown in Figure 12.

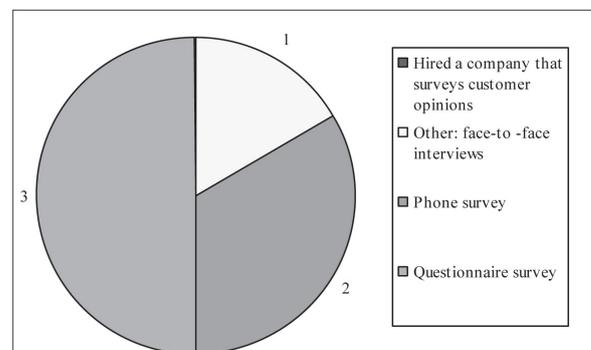


Fig. 12 Methods used.

Three of the surveyed companies had been distributing questionnaires to their customers; one had also been surveying its customers by phone. One company had been surveying only by phone and another had been asking its customers to share their opinions during face-to-face meetings. All the surveyed companies compiled their questionnaires themselves and did not use other companies which do surveys for others.

The eleventh question sought to ascertain the parties involved in discussing the results of such customer surveys. Two companies stated that only top managers had been made aware of the data, while the remaining three asserted the results had been discussed with all the employees of the company (one of the companies also had discussed the information collected with its customers).

The next question asked the companies about their provisions for unsatisfied customers to voice their complaints (the companies marked several answers, and the frequency distribution is shown in Fig. 13).

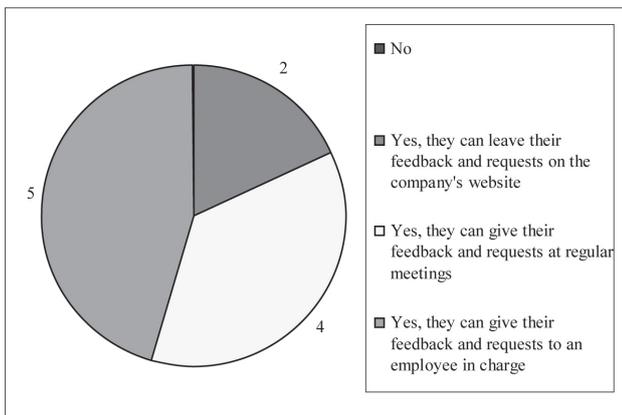


Fig. 13 Do customers have an opportunity to submit complaints?

All five of the surveyed companies stated that their customers could submit their feedback and requests to a relevant employee; four added that their customers were also heard during regular meetings, and customers of two of the companies could also leave their opinions on the company's website.

The next question attempted to learn about the speed of the response to customer complaints. Four companies stated that they responded immediately upon receipt of a complaint, and one admitted its response came only after a verification as to whether the complaint was well-founded. No company stated that it ignored all complaints. The last question asked the companies to express their opinions about their customer complaints (the companies could choose several variants from a list or write in their own; their choices are shown in Fig. 14).

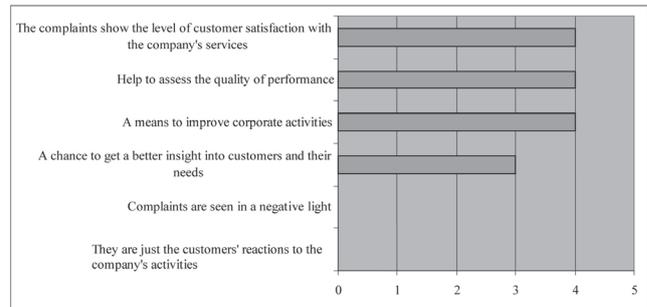


Fig. 14 The company's approach to customer complaints.

Four companies stated that the complaints reflected the level of customer satisfaction with the company's services and were a good way to assess the quality of their operations and improve them. Three of the surveyed companies thought the complaints helped them to get better insight into their customers and their needs. None admitted they had a negative attitude toward complaining customers. The results of this survey reveal that the opinions of companies about customer satisfaction and complaints depend only on their attitudes and goals – neither the size, the experience or the number and variety of the facilities supervised are factors that shape their opinions. Since all the companies stated that their reputation and the quality of their services were paramount, one can conclude that they realise the importance of pleasing their customers to successfully compete in the market place. Another proof is the fact that all that companies made attempts to find out their customers' opinions (through surveys) and were willing to hear their suggestions or reproofs in order to use them as a means to assess their activities and improve their services.

3.2 A survey of satisfaction among FM customers

To learn the opinions about FM services in Lithuania, a questionnaire was distributed to the customers of one FM company, but, for the sake of confidentiality, neither the company nor its customers will be disclosed. Nineteen organisations of different sizes and from different industries were surveyed during face-to-face meetings and by e-mail. The results will be discussed below.

The first thing to determine was the way customers of the FM company inform the latter about failures, emergencies and required services. The customers have several options: a general phone number, faxing or e-mailing, or direct communication with the company's contact person. The frequency distribution of each method is shown in Figure 15 (the respondents were allowed to choose several options).

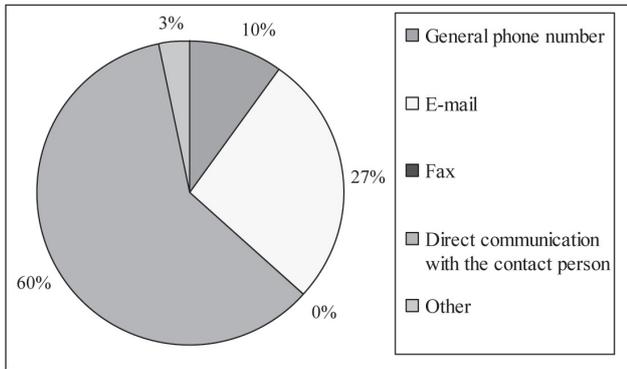


Fig. 15 How do you inform the company about the required services (additional services, failures, emergencies)?

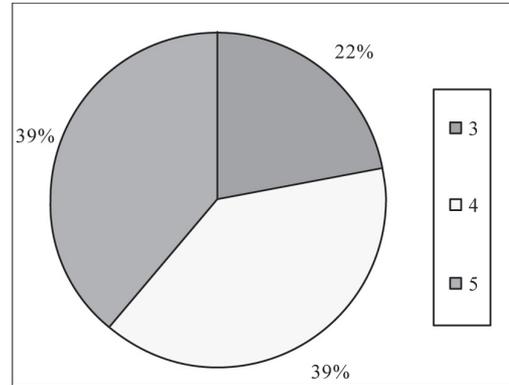


Fig. 17 Assess your accessibility to information about the services, as well as about the current repairs, the response to accidents and other work underway in the building.

The majority of the respondents prefer direct communication with the contact person and e-mails; only three respondents use the general phone number, and none of them reports about the required services or failures by fax. A company representative works for one of the surveyed organisations; the representative is responsible for the quality of the services and current operations.

Since the majority of the customers most often communicate with the contact person directly, they were asked to assess on a five-point scale (1 the lowest or the worst score, and 5 the highest or the best score) their ability to get through to their contact person. The scores are shown in Figure 16.

The results in Figure 16 show that the majority of respondents (13) scored the ability to reach their contact person as the best – these customers stated that their contact person was always available

when needed. Four customers sometimes had trouble reaching that person (on holidays or when he/she was busy), and only one customer gave 3 points. None gave the lowest scores (1 and 2), so they are not in the diagram.

The customers were then asked to assess (on a five-point scale) the degree of accessibility to information about the services, as well as about the current repairs, the response to accidents and other work underway in the building. Figure 17 shows the customer opinions.

Equal portions of customers (seven in each) gave 4 and 5 points to information accessibility and four gave 3 points; the lowest scores (1 and 2) were given by none. Some customers noted they needed at times to make additional inquiries and missed more detailed descriptions of problems, while one customer desired a better

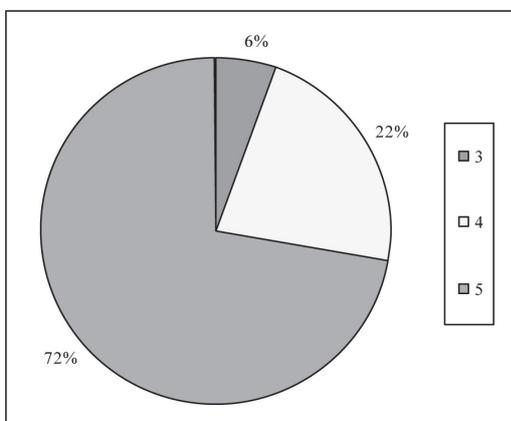


Fig. 16 Score the ability to get through to your contact person when needed

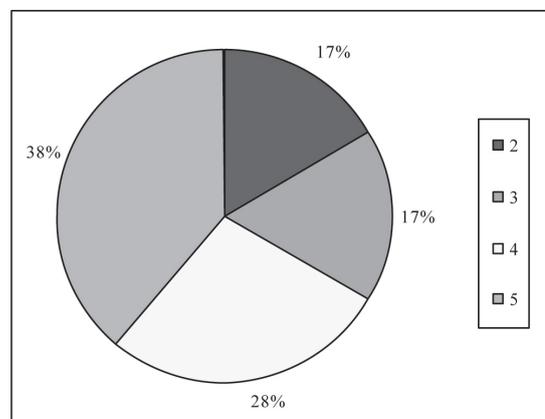


Fig. 18 Assess the comprehensiveness and clarity of reports about the work completed.

adjustment to its needs because the arrivals to the site or operations happened without any prior warning and arrangement. The customers were also asked to assess the comprehensiveness and clarity of reports about the work completed (also on a five-point scale; Fig. 18). Figure 18 shows that many customers (7) find the information sufficient, but others have some remarks: five gave 4 points for the comprehensiveness of the reports; four scored the comprehensiveness with 3 and four with 2 points; the lowest score was given by none. The customers commented that they often receive the certificates of additional work done, which simply state the fact but lack any conclusions as to the causes of failures, possible solutions, warnings and post-inspection tips, more detailed comments and explanations, suggestions of action on different occasions, and ways to improve the quality and performance of equipment.

The fifth question attempted to ascertain whether or not the customers would like to meet their contact person more frequently (Fig. 19).

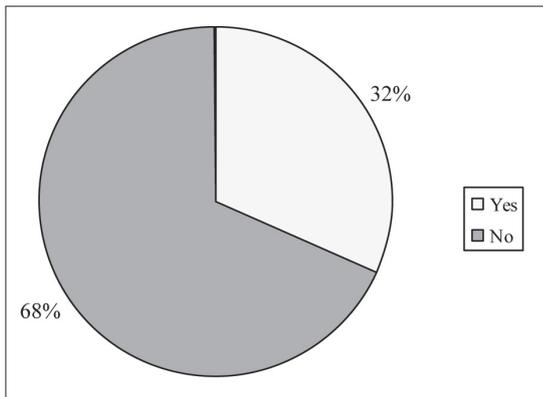


Fig. 19 Would you like to have regular meetings with your contact person (to discuss scheduled and completed work, the results, etc.)?

The majority of respondents (13) were satisfied with meeting their contact person if needed and did not want regular meetings; six customers, however, noted they saw a need for such meetings. One customer, who answered this question with “no”, already had regular meetings. Each meeting had been recorded, thus improving his satisfaction with the quality of the services and operations completed, as well as with the cooperation with the company.

Customers were also asked to assess the service culture, expertise and knowledge of the employees of the FM company. They were asked to score (on a five-point scale) the administration, the contact person and the technical staff separately. The scoring of the service culture is shown in Figure 20, while that of the expertise and knowledge is in Figure 21.

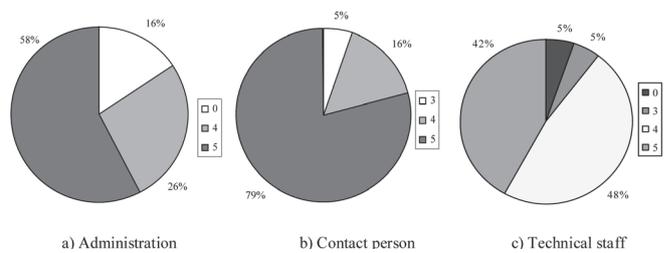


Fig. 20 Assess the service culture of the employees.

Figure 20 shows that the majority of the respondents (11) gave the highest points to the service culture of the administration; four customers gave 4 points; and three customers did not assess it, claiming their rare communications with the administration barred them from any assessment (their opinion in the diagrams is shown as 0 points). The lowest points (1, 2 and 3) were given by none of them.

Fifteen customers scored the contact person’s service culture with the maximum number of points, three scored with 4 points, and only one gave 3 points; the lowest points were given by none of them.

The largest portion of the remarks from the customers were made about the technical staff (some complained about unnecessary comments from workers or were dissatisfied with their behaviour). The overall opinions about the service culture, however, were positive: eight customers gave 5 points; nine customers gave 4 points; only one gave 3 points; and one customer declined to assess on the grounds it had had no personal contacts with the technical staff.

Twelve customers assessed the administration’s expertise positively: seven with 5 points and five with 4 points. Seven customers stated they could not assess the expertise because of rare meetings (their opinion is shown as 0 points in the diagrams) (Figure 21).

Eleven customers were fully satisfied with the knowledge of their contact person, seven respondents gave 4 points, and only one gave 3 points. The lowest scores (1 and 2) were given by none of them (Figure 21).

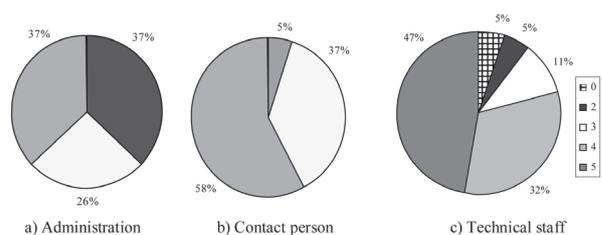


Fig. 21 Assess the expertise and knowledge of the employees.



The scores given concerning the knowledge of the technical staff vary even more: nine customers gave the highest score; six gave 4 points; two gave 3 points; one gave 2 points; and one customer did not assess it. The customer who gave 2 points concerning the expertise of the technical staff expressed the wish that the staff would try to find out the specific requirements applicable to operations in its organisation because the work often failed to meet certain norms and needed redoing (Figure 21).

The survey also attempted to ascertain the customer opinions about the quality of services (Question 8). All the services offered by the company were listed, and the customers were asked to assess on a five-point scale the specific services they receive. The results are summarised in Table 1.

Table 1. *The assessment of the quality of services.*

	1	2	3	4	5
Facilities management			1	2	3
PVS (remote facilities management system)	1		1		2
Microclimate laboratory				1	6
Energy-saving	2	1	1	1	1
Technical support for engineering facilities			4	6	9
Maintenance of oil and fat traps		2	1	2	1
Maintenance of lifts					1
Maintenance of car parks				2	
Cleaning of grounds				1	
Cleaning of indoor premises				1	
Waste disposal				2	
Replacement of entrance mats				2	
Woodwork				3	2
Other: maintenance of electric facilities				1	
Other: minor repairs					1

Table 1 shows that the customers are not dissatisfied with the services rendered: most of them gave the best scores (4 or 5 points), with exceptional praise for the microclimate laboratory. Six respondents gave the lowest scores (1 and 2 points) to the PVS, energy-saving services and the maintenance of oil and fat traps without giving any particular reasons for such an assessment; thus it is difficult to understand whether the services are indeed of a poor quality or just at variance with the customer's needs and expectations (this is all the more so when the other respondents scored the same services higher).

When asked to name specific services, the quality of which in their opinion most needed improving, customers often noted that they

expected to see the company as an initiator of energy-saving and to get more tips about it; they also expected general suggestions about ways to improve the weaknesses of their buildings and optimise the performance of the equipment. Instead of asking for services and solutions, the customers wanted the company to be proactive and offer them. Some also criticised the services rendered through subcontractors – customers wanted to control them better to ensure the fulfilment of all the contractual obligations.

As a part of considering customer needs, they were also asked whether they wanted any new services. Only a few respondents replied positively and named very specific services:

- maintenance of low voltages;
- configuration of the HVAC control and monitoring system, controllers and frequency transducers; inspection and calibration of the HVAC sensors;
- maintenance of the tenants' cars (insurance, repair shops).

In terms of future perspectives, each company needs to know what to expect from its customers; thus the survey ended with several questions that might help them assess the possible actions of their customers and the future of additional cooperation.

First, they were asked to assess the cooperation with the company on a five-point scale (Fig. 22).

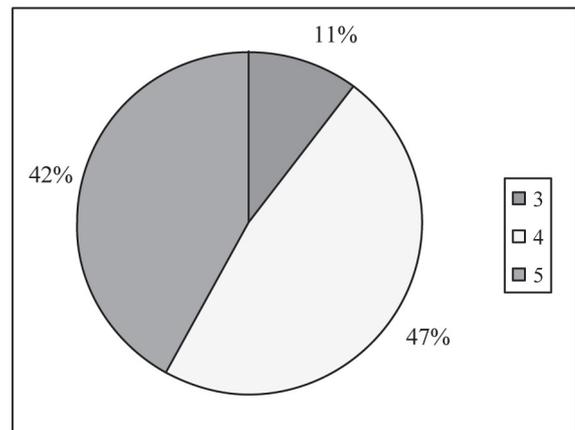


Fig. 22 *Please assess the cooperation with the company.*

Figure 22 shows that the majority of the customers were fully satisfied: eight gave 5 points, nine gave 4 points; and only a couple scored the cooperation with 3 points (none of them scored with 1 and 2 points; thus they are not in the diagram). The lower scores were given for the aforesaid lack of the company's pro-activeness.

The customers were then asked whether they were willing to recommend this company to others (Fig. 23). Eight respondents were

absolutely sure that they would (5 points for the likelihood); six gave 4 points; three gave 3 points; and two gave 1 point. One of the customers who scored the likelihood with the lowest score was not sure whether it would recommend this particular company, and the other thought it more sensible at the moment (when quite a few organisations are short of money) to employ a person in charge of the facilities management rather than to hire a company. One of the customers that gave 3 points noted its inclination to recommend the company depended on the services seen as important to the inquiring party.

Question 10 asked the customers to state the degree they believe that facilities management services contribute to their success (Fig. 24). The majority of the respondents realised that facilities management is an important contributor to their operating success and is part and parcel of their activities: the same number of respondents (8 in each case) gave the highest points (4 and 5). Two customers gave 3 points

and one gave 2 points. None of them claimed that such services did not have anything in common with their daily activities.

Finally, the customers were asked whether or not they intend to reject any of the services in the nearest future. Only two respondents admitted such intentions and said that they were keen to reject the full set of services in favour of a more alluring offer from another company (none of the customers said they constantly received offers from other facilities management companies) and with a desire to save money; several other customers that speculated on things that could force them to terminate their cooperation with the company also gave the same possible reasons to reject the services.

The results of this survey suggest that the customers of this particular company are satisfied with the services and their quality – the best scores (4 and 5 points) predominate. Those customers who gave lower scores also stated their reasons. Notably, customer satisfaction improves with regular meetings and also with chances to provide feedback and get answers and explanations. It can be employed to serve customers better and enhance their loyalty. The company's response and follow-up actions are also very important: it ought to consider customer feedback and requests and take steps to eliminate the causes of poor quality. It is equally important to make sure that this survey is not a one-off event and to survey customer opinions on a regular basis in order to monitor the company's progress and adjust to changing customer needs.

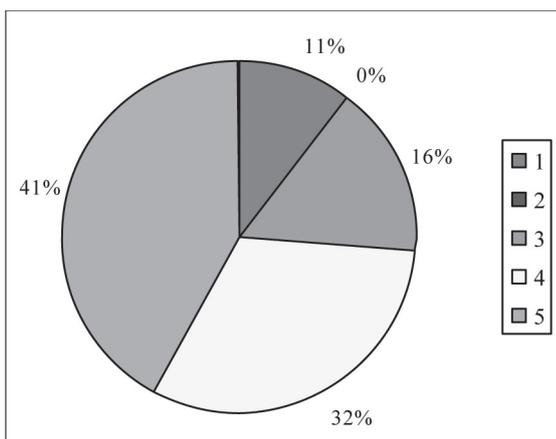


Figure 23. *Would you recommend the company to others?*

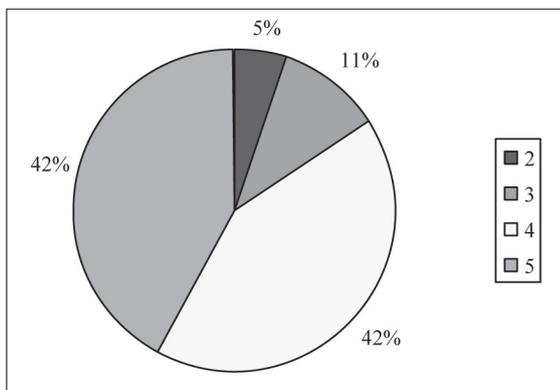


Fig. 24 *How much, in your opinion, are facilities management services important to your company (activities)?*

CONCLUSIONS

The article introduces the concept of customer satisfaction and the importance of measuring it. It also proves that focusing on customers is a correct action and, in fact, can be the most important action. What is important to a business is good performance, profitability and growth. What is important to employees at all levels, on the other hand, is first and foremost, job security, good pay, good job prospects, promotion and a bright future. These are all heavily dependent on an organisation's ability to fulfil all of its customers' needs to their full satisfaction (Zairi, 2000).

To compete with each other, facility management companies must seek to improve the quality of their services and customer satisfaction to ensure customer loyalty and financial gain. It is one of the reasons that explain the importance and benefit of understanding the factors that affect customer opinions. The most direct way to measure customer satisfaction is to ask them what makes them satisfied with a service. It is usually a two-part procedure: first, the satisfaction with the service must be assessed and then the customers must be asked to assess the company. A successful survey must:

- identify the customer (knowledge about both internal and external customers is important).

- initiate a tentative survey to determine the key features of a service and avoid inconsequential information (it also helps to verify the company's hypotheses about customer needs);
- compile an efficient questionnaire for the gathering of necessary information;
- choose and develop the most fitting method for monitoring customer satisfaction (i.e. different questionnaires for different respondents);
- make additional statistical assessments of the survey data;
- ensure feedback (i.e., listening to the customer opinions and periodic surveying).

The survey of service providers suggests that Lithuanian companies realise the importance of customer satisfaction as a key to successful operations, too. They ask customers for their opinions and do not ignore the complaints, because they believe customer satisfaction surveys are an important tool that helps to determine

possible improvements and the potential of services to analyse the performance and assess the corporate activities from the customer's perspective – all leading to the achievement of the main operating goals of the company. Notably, a customer survey is not enough: a broader dissemination of the survey data is required, because more often than not, only do the top managers discuss the results, but also each employee must be in the know about customer opinions and seek to achieve their satisfaction.

The surveyed customers of facility management services stated their satisfaction with the services, and although they might have a few remarks on the quality of some work, they have an overall positive opinion about their cooperation with the company. The main suggestion to the company is to consider the customer remarks and carry out regular surveys of their opinions in order to accommodate customer needs, determine customer expectations, and thus improve their loyalty.

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