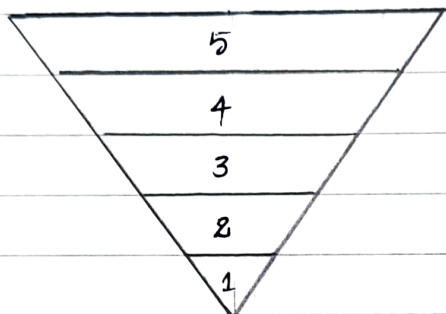


MODULE - 3CUSTOMER SATISFACTION AND INVOLVEMENT

The most important asset of any organization is its customers. An organization's success depends on how many customers it has, how much they buy and how often they buy. Satisfied customers also pay their bills promptly, which greatly improves cash flow - The life blood of any organization.



1. CEO
2. Senior Manager.
3. Functional operational areas
4. Frontline Representatives
5. Customers.

Fig 1. Customer Satisfaction organizational diagram

The above figure shows the importance of customer for the organization. Increasingly, manufacturing and service organizations are using customer satisfaction as the measure of Quality. Understanding Customer's needs and expectations is essential for winning new business and keeping existing business. The most TQM programs begin by defining Quality from the customer's perspective.

Customer satisfaction and increasing profits, must be the primary goal of the organization.

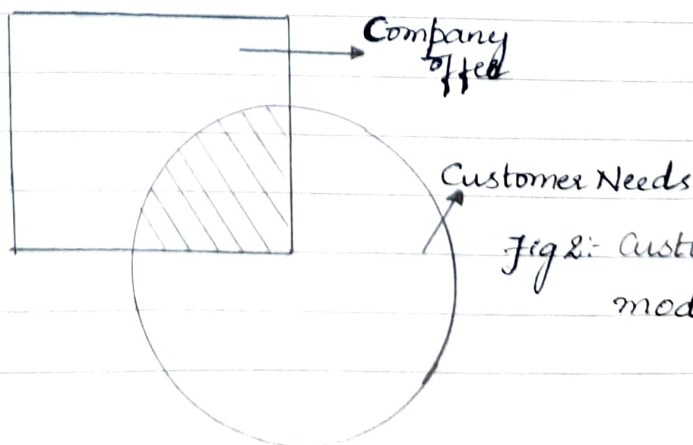


Fig 2: Customer Satisfaction model (Teboul Model)

Figure (2) indicates the simplistic definition of Customer satisfaction.

The Customer's needs are represented by the circle and square depicts the product/service offered by the organization. Total satisfaction is achieved when the offers matches the need. That part of the square that lies within the circle is Perceived by the customer as satisfying, and the part of the square outside the circle is perceived as unnecessary.

It is Important that the organization listen to the "voice of Customer" and ensure that its marketing, design, Production and distribution processes truly meet the expectations of the Customers.

## CUSTOMER

There are 2 Types of Customers. They are :-

- (1) Internal Customers.
- (2) External Customers.

### EXTERNAL CUSTOMERS :-

An external customers can be defined in many ways, such as

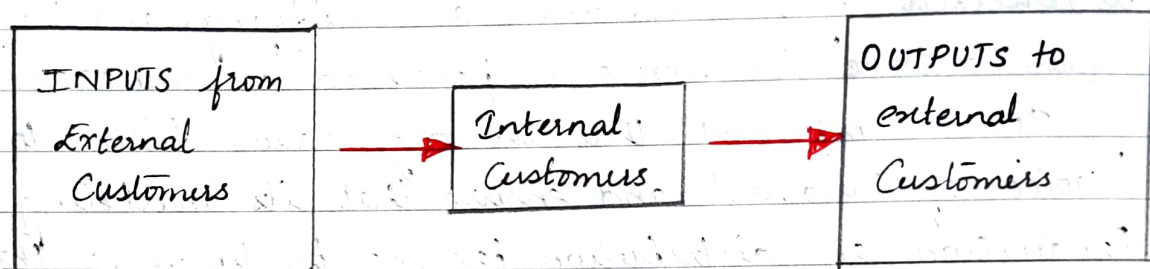
- 1) The one who uses the product or services.
- 2) The one who purchases the product or services.
- 3) The one who influences the sales of the product.

An external customer exists outside the organization. The Performance must be continually improved in order to retain existing customers and to gain new ones.



## INTERNAL CUSTOMERS

Every function, whether it be Engineering, order processing or production, has an internal customer - each receives a product / services and in exchange, provides a product or services. Every person in a process is considered as customer of the preceding operation.



Fig(3) : Customer / Supplier chain.

The figure (3) shows a link in the customer chain, where every chain ends with an external customer and starts with an external supplier. Every employee throughout the organization is a part of the chain of Internal Customers and suppliers.

## CUSTOMER PERCEPTION OF QUALITY

One of the basic Concepts of TQM Philosophy is continuous process Involvement.

An American Society for Quality Survey and on end users' perceptions of important factors.

- 1) Performance
- 2) Features
- 3) Service
- 4) Warranty
- 5) Price
- 6) Reputation.

### 1) Performance :-

Performance involves "fitness of use" - a phrase that indicates that the product and service is ready for the Customer's use at the time of sale.

### 2) Features :-

Identifiable features or attributes of a product or service are psychological, time oriented, contractual, ethical and technological.

### 3) Service :-

An Emphasis on customer service is emerging as a method for organizations to give the customer - added value. However, customer service is an intangible - It is made up of many small things, all geared to changing the customer perception warrantly.

### 4) Warranty :-

The product warranty represents an organization's Public promise of a quality product backed up by a guarantee of customer satisfaction. A warranty forces the organization to focus on the Customer's definition of product and service quality.

### 5) Price :- Today's Customer is willing to pay a higher price to obtain value. Customers are constantly evaluating one organization's product and services against those of its competitors to determine who provides the greatest value.

### 6) Reputation :- Total customer satisfaction is based on the entire experience with the organization, not just the product. Good experiences are repeated to six people and bad experiences are repeated to 15 people; Therefore, it is more difficult to create a favorable reputation.



## FEED BACK

Customer feedback must be continually solicited and monitored. Customers continually change. They change their minds, their expectations and their suppliers.

The feedback enables the organization to,

- 1) Discover customer dissatisfaction.
- 2) Identify customer needs.
- 3) Determine opportunities for improvements.
- 4) Compare performance with the competition.

Listening to the voice of the customer can be accomplished by numerous information collecting tools. They are

- \* Comment Cards
- \* Questionnaires
- \* Focus Groups
- \* Toll free telephone lines
- \* Customer visits
- \* Report Cards
- \* The Internet etc. Internet and Computers

### \* Comment Cards:

A low cost method of obtaining feedback from customers involves a comment cards, which can be attached to the warranty card and included with the product at the time of purchase. The intent of the card is to get simple information such as name, address, age, occupation etc. The quality of response may not provide a true measure of customer feelings. Comment cards are used in hospitals, restaurants and hotels provide them at the end of the tables and in the hotel rooms.



### \* Customer Questionnaire :

The Customer Questionnaire is a popular tool for obtaining opinions and perceptions about an organization and its product and services. However, they can be costly and time consuming. Surveys may be administered by mail or telephone. In the form of Questionnaires. Most surveys ask the customer to grade the question on a one-to-five scale or one to ten scale. Such techniques are adopted before launching a product/service and commonly observed during elections. This is also not an effective technique since the response will be poor and is a simple survey.

### \* Toll Free Telephone Numbers

Toll Free (1800/1600) telephone numbers are an effective technique for receiving complaint feedback. Organizations can respond faster and more cheaply to the complaint. Such a number does not, however, reach those who decided not to buy the product or those who discovered some likeable feature on a competitor's product. Toll Free numbers are in use by at least 50% of all organizations.

### \* Focus Groups

Customer focus groups are a popular way to obtain feedback but they can be very expensive. A group of customers is assembled in a meeting room to answer a series of questions. These carefully structured questions are asked by a skilled moderator, who probes into the participants' thoughts, ideas, perceptions or comments. Meetings are designed to focus on current, proposed and future products and services.

## Customer Visits

Visits to a customer's place of business provides another way to gather information. Senior managers should be involved in these visits and not delegate them to someone else. However it is good idea to take along operating personnel so they can see firsthand how the product is performing.

## Report Cards :-

Another way very effective information-gathering tool is the report card. It is usually sent to each customer on a quarterly basis. The data are analyzed to determine areas for improvement. Below figure shows a typical report card in terms of quarterly basis.

Report card contains customer's assessment on product quality, time taken for delivery & service after sales and overall assessment about the organization.

Fig (A) Sample Report Card.

To our customers,	
We are continually striving to improve, we need your feedback. Would you please grade our performance in each category? The grading scale is -	
A - Excellent	
B - Very Good	
C - Average	
D - Poor	
F - Failing	
1) Product Quality	Grade
Comments	
2) On-Time Delivery	Grade
Comments	
3) Service	Grade
Comments :-	
Sign	Date
title	Organization



## \* The Internet and Computers

Some managers are beginning to monitor discussions that take place on the Internet to find out what customers are saying about their products. Internet users frequently seek advice regarding their everyday activities or activities related to specific interests, hobbies or sports. Newsgroups, electronic bulletin boards and mailing lists can be scanned using keyword searches if one knows that a company's product is of interest to participants in certain activity, hobbies or professions. Ideally messages that compare a company's product with those of its competitors can be uncovered. In the newsgroup it is best to read the views and discussions of others and not intervene in the discussion with organization's perspective on the product or service. Intervening will most likely end in the discussion. Monitoring Internet conversations is timely, the cost is minimal and it can be a source of creative ideas. One of the drawbacks of monitoring Internet conversations, however, is that the conversations can be unfocused.

## \* Employee Feedback:-

Employees can offer insight into conditions that inhibit service quality in the organization. Employee groups can brainstorm ideas to come up with solutions to problems that customers have identified.

Although customer research reveals what is happening, employee feedback should be proactively solicited.



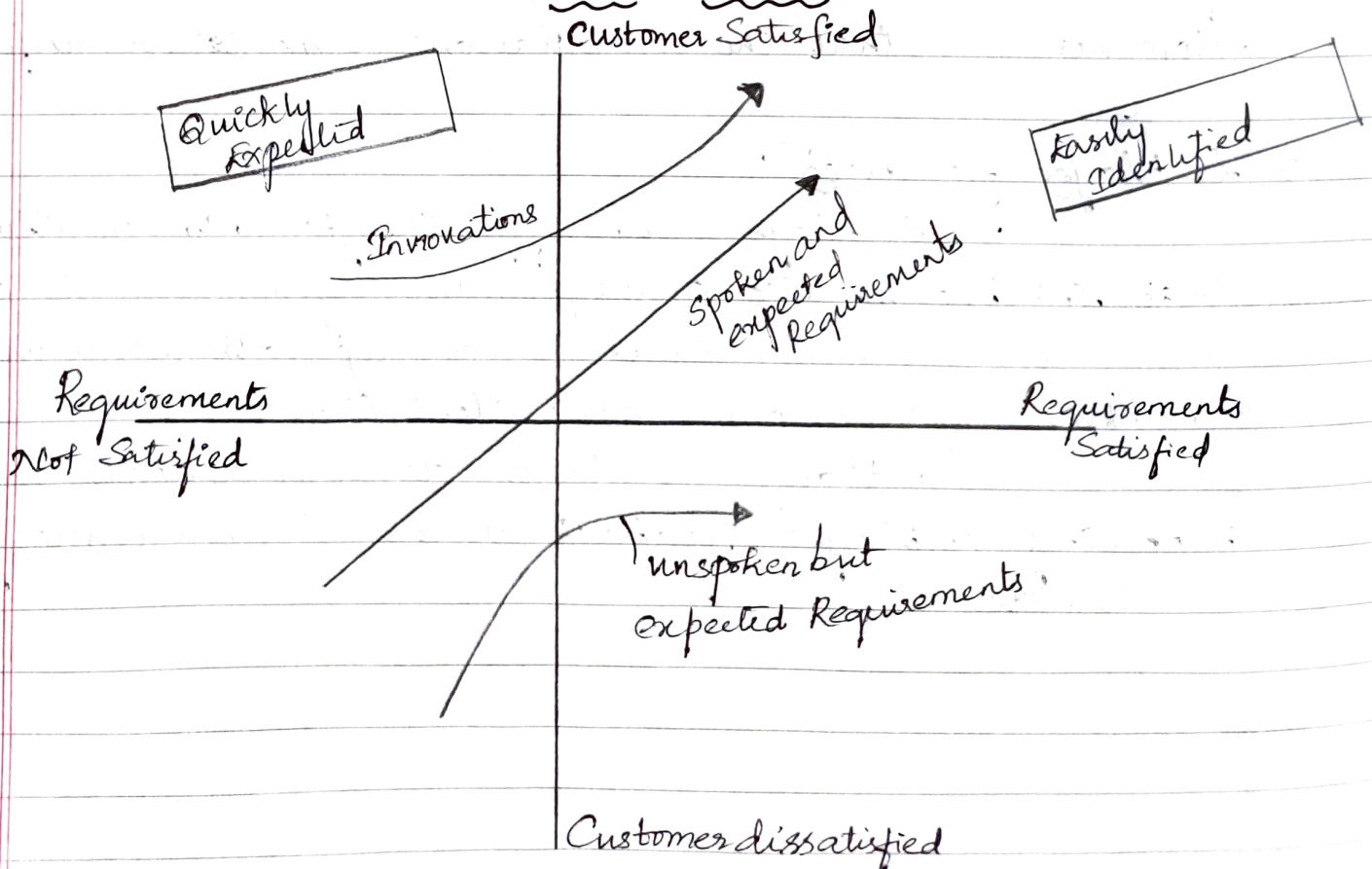
## Using Customer Complaints

The information on feedback given in the previous section is proactive. Although complaints are reactive. A dissatisfied customer can easily become a lost customer. Many organizations use customer dissatisfaction as the primary measure to their process improvement efforts.

Some Actions organizations can take to handle complaints are as follows.

- 1) Develop procedures for complaint resolution.
- 2) Analyze the complaints.
- 3) Establish Customer Satisfaction measures and constantly monitor them.
- 4) Provide a monthly complaint Report to the Quality Council.

## TRANSLATING NEEDS TO REQUIREMENTS [KANO MODEL]



The Kano Model, which is shown in figure, conceptualizes customer requirements. The model represents three major areas of customer satisfaction.

The first area of customer satisfaction, represented by the diagonal line, represents explicit requirements. These include written or verbal requirements and are easily identified, expected to be met, and typically performance related. Satisfying the customer would be relatively simple if these were the only requirements.

The second area of customer satisfaction represents innovations, as shown by the curved line in the upper left corner of the figure. The creative ideas often excite and delight the customer. These ideas quickly become expected.

The third and most significant area of customer satisfaction represents unstated or unspoken requirements as shown by the curve in the lower right corner of the figure. The customer may indeed be unaware of these requirements, or they may assume that such requirements will be automatically supplied.

### CUSTOMER RETENTION:-

Customer Retention is more powerful and effective than customer satisfaction. The customer satisfaction surveys, focus groups, interviews and observations can help to determine what customers think of a service/product.

The Customer retention is the customer connection between customer satisfaction and the bottom line.

The following steps are important for Customer Retention.



- 1) Top management commitment to the customer satisfaction.
- 2) Identify and understand the customers what they like and dislike about the organization.
- 3) Develops standard of quality service and Performance.
- 4) Recruit, train and reward good staff.
- 5) Always stay in touch with Customer.
- 6) Work towards continuous improvement of customer service and customer retention.
- 7) Reward service accomplishments by the frontline staff.
- 8) Customer Retention moves customer satisfaction to the next level by determining what is truly important to the customers.

## SERVICE QUALITY

According to Edwardson and Thomasson, "Quality is fulfilling expectations and needs from the staff and the owners. Customer expectations are based on their needs their earlier experiences of the service in question and the reputation the service has in the market"

\* Reliability :- Is the ability to provide what was promised, dependably and accurately. Never over promise and always keep your promises.

\* Responsiveness :- Is the willingness to help customers and provide prompt service, always get the definition of the prompt from the customer.

\* Assurance :- Is the knowledge and courtesy of employees and their ability to convey trust and confidence.

\* Empathy

\* Empathy is the degree of caring and individual attention provided to customers.

\* Tangible is the Physical facilities and equipment and the appearance of personnel.

\* Competition - is the ability to assess what the competitor is doing. When evaluating or researching the competition is important to know the service that they are providing the cost of that service their opportunities and their customers.

\* Management Leadership is the art of influencing people to progress with co-operation and enthusiasm to accomplish a mission.

There has been a significant focus on Service Quality during the past few decades. Researchers interest in service quality is based on its contribution in reducing costs, increasing customer loyalty and profitability. Customer and not the provider decide the quality of service.

The customer feelings about the quality are the determinant of customer satisfaction. Service quality is an attitude that results from comparison of expected service level from perceived performance.



## GAP MODEL OF SERVICE QUALITY

