

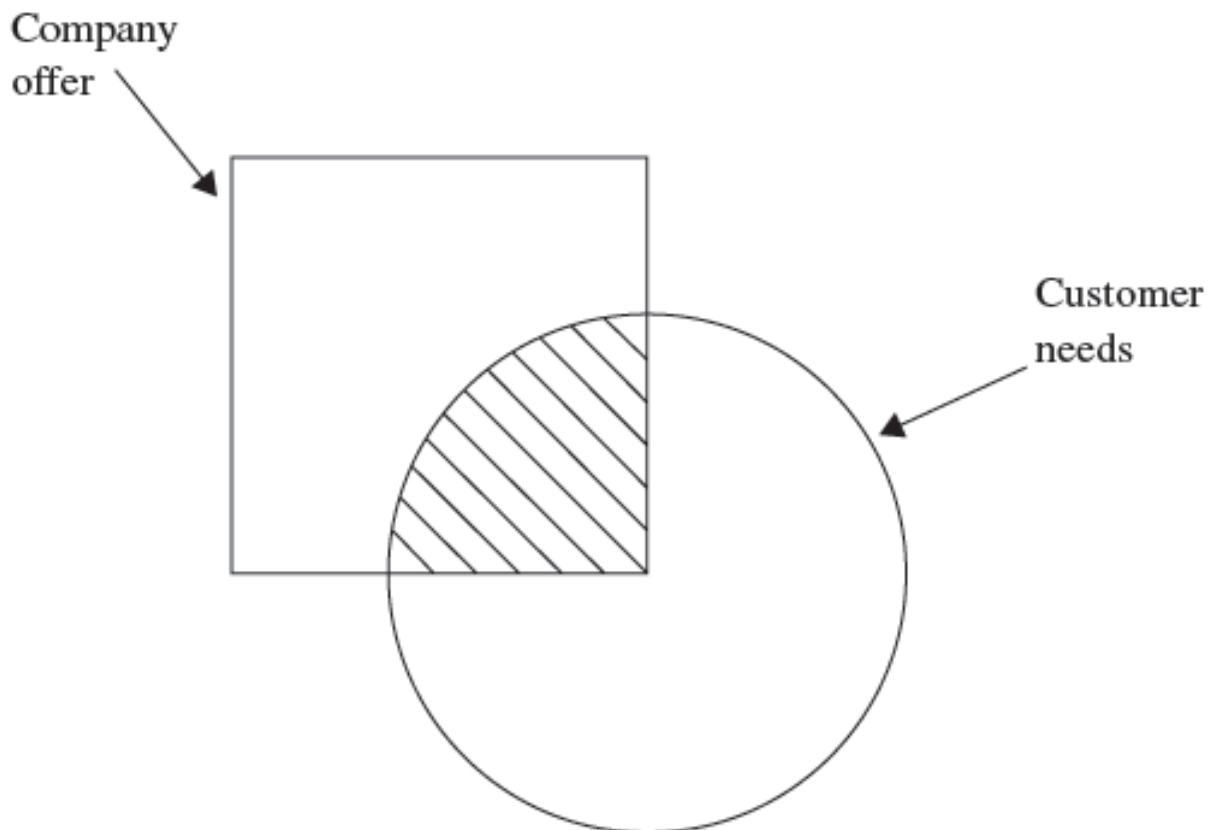
Total Quality Management
Mechanical Technology Chapter 5 Notes
By
Mansoor Ali Zaheer
Assistant Professor
University of Sargodha, Sargodha

Chapter 5

Customer Satisfaction

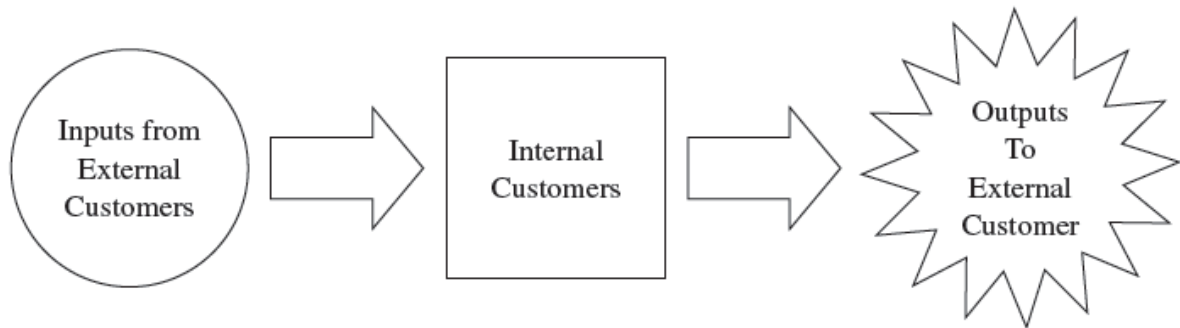
- The most successful TQM programs begin by defining quality from the customer's perspective
- Quality means meeting or exceeding the customer's expectations

1. Teboul model



Customer Satisfaction Model

2. Customer/Supplier Chain



3. Who is the Customer?

- **An external customer**
 - one who uses the product or service, the one who purchases the product or service, or the one who influences the sale of the product or service
 - current, prospective, and lost
- **An internal customer**
 - Each worker's goal is to make sure that the quality meets the expectations of the next person. When that happens throughout the manufacturing, sales, and distribution chain, the satisfaction of the external customer should be assured

4. Customer Perception of Quality

- There is no acceptable quality level because the customer's needs, values, and expectations are constantly changing and becoming more demanding
- ASQ Survey on end user perceptions of important factors that influenced purchases showed the following ranking
 1. Performance
 2. Features
 3. Service
 4. Warranty
 5. Price
 6. Reputation

5. Customer Feedback

- Customer feedback must be continually solicited and monitored
- Feedback enables the organization to:
 - Discover customer dissatisfaction.
 - Discover relative priorities of quality.
 - Compare performance with the competition.
 - Identify customers' needs.
 - Determine opportunities for improvement

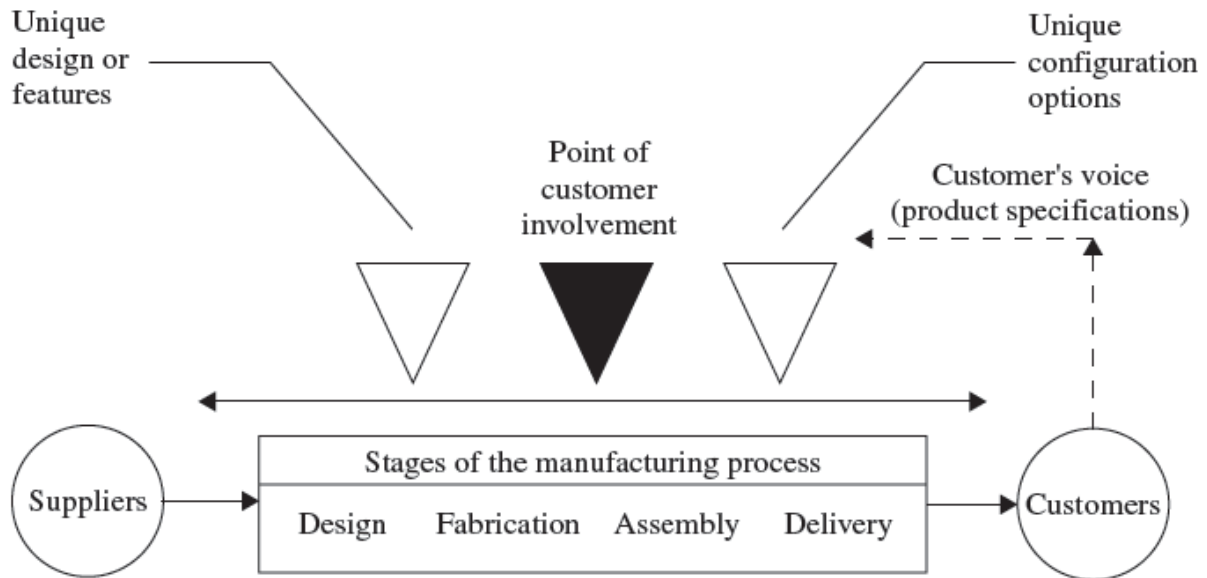
6. Tools for Listening to Voice of Customer

- Comment cards,
- Questionnaires,
- Focus groups,
- Toll-free telephone lines,
- Customer visits, report cards,
- The Internet,
- Employee feedback,
- Mass customization and
- American Customer Satisfaction Index

7. Mass Customization

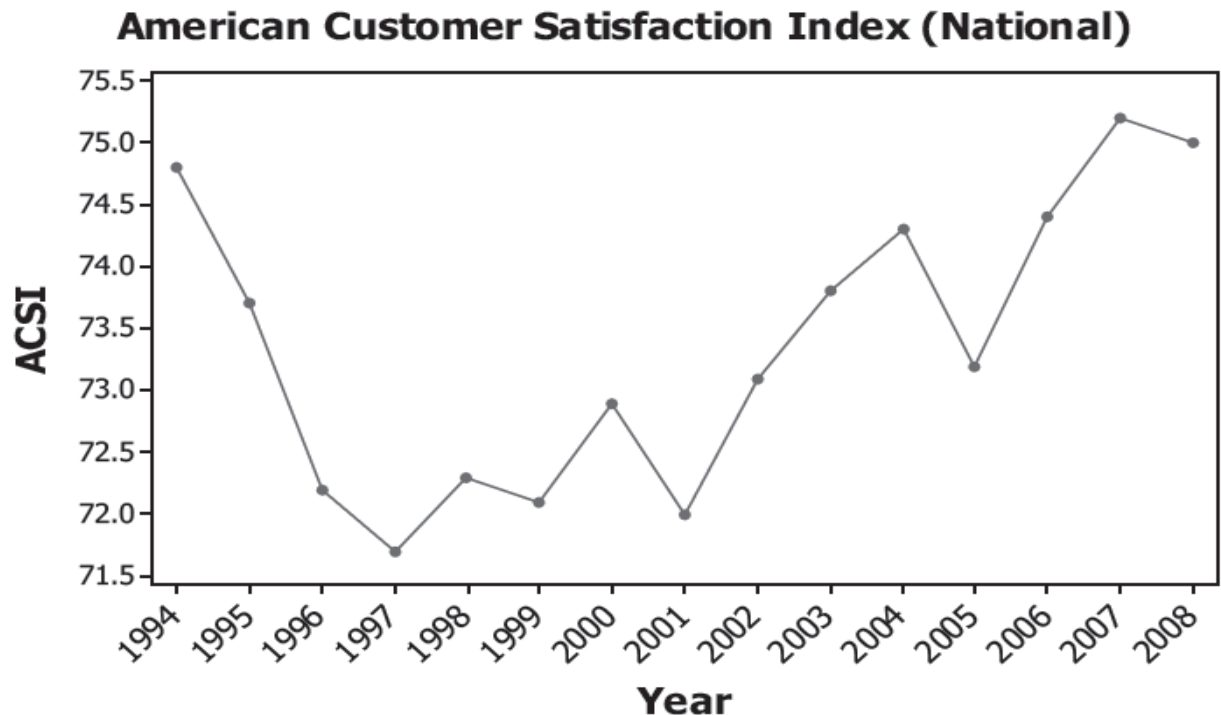
- Mass customization is a way to provide variety at an affordable cost
- Mass customization is a direct result of advances made in manufacturing, such as flexible manufacturing technologies, just-in-time systems, and cycle time reduction
- It has been done in the car industry for years.
 - Customers determine what type of seat coverings, colour, and stereo system they want.
- Mass customization is now being used in many other industries

8. Point of Customer Involvement



9. The American Customer Satisfaction Index (ACSI)

- ACSI reports scores on a 0–100 scale at the national level. The measured companies, industries and sectors are broadly representative of the U.S. economy serving American households
- The ten sectors of the economy are:
 1. Transportation and warehousing
 2. Manufacturing (nondurable)
 3. Manufacturing (durables)
 4. Healthcare and social assistance
 5. Accommodation and food services
 6. Information
 7. Public administration/government
 8. Retail trade
 9. Finance and insurance
 10. E-commerce



10. Using Customer Complaints

- Complaints are vital in gathering data on customer perceptions
- A dissatisfied customer can easily become a lost customer.
- Frequently, dissatisfied customers switch to a competitor and don't say anything
- Many organizations use customer dissatisfaction as the primary measure to assess their process improvement efforts
- Following table shows results of survey conducted by ASQ. Observe that most customers do not complain to anyone!
- Results of another study indicated that more than half of dissatisfied customers will buy again if they believe their complaint has been heard and resolved. Only 20% will buy again if their complaint is heard but not resolved. Fewer than 10% will be repeat buyers when a complaint is not heard.

TABLE 3-2

Survey of Dissatisfied Customers

<i>Product</i>	<i>COMPLAIN TO</i>		
	<i>Management</i>	<i>Front-line</i>	<i>No One</i>
Auto	2%	21%	77%
Mail order	1%	22%	77%
Groceries	1%	15%	84%
Clothing	0%	13%	87%
Home repair	4%	21%	74%
Appliances	0%	12%	88%
Auto repair	1%	28%	71%

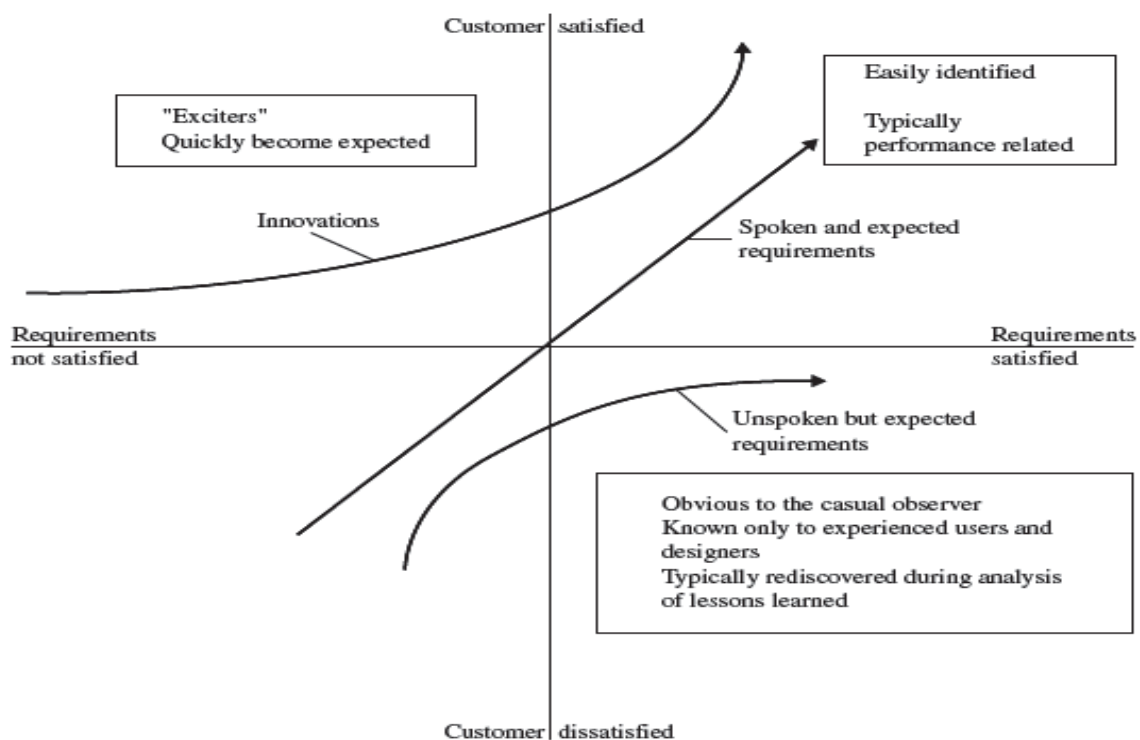
11. Handling complaints

- Investigate customers' experiences by actively soliciting feedback, both positive and negative, and then acting on it promptly.
- Develop procedures for complaint resolution that include empowering front-line personnel.
- Analyze complaints, but understand that complaints do not always fit into neat categories.
- Work to identify process and material variations and then eliminate the root cause. "More inspection" is not corrective action.
- When a survey response is received, a senior manager should contact the customer and strive to resolve the concern.
- Establish customer satisfaction measures and constantly monitor them.
- Communicate complaint information, as well as the results of all investigations and solutions, to all people in the organization.
- Provide a monthly complaint report to the quality council for their evaluation and, if needed, the assignment of process improvement teams.
- Identify customers' expectations beforehand rather than afterward through complaint analysis.

12. Service Quality

- Customer service is the set of activities an organization uses to win and retain customers' satisfaction.
- It can be provided before, during, or after the sale of the product or exist on its own.
Elements of customer service are:
 - *Organization:*
 - *Customer Care*
 - *Communication*
 - *Front-line people*
 - *Leadership*

13. Translating Needs into Requirements



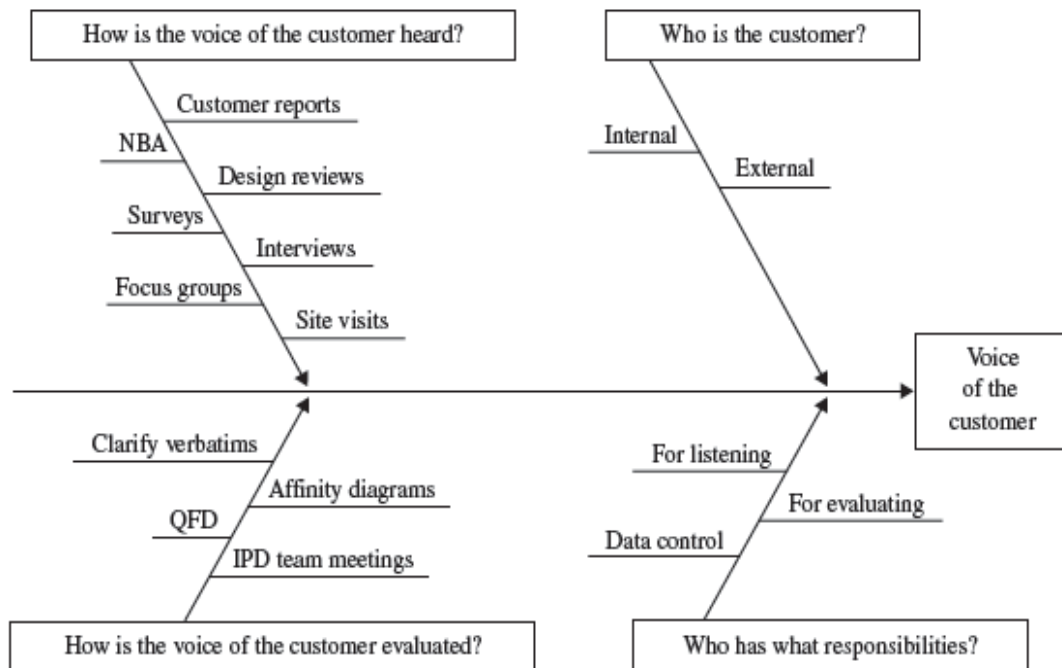


Figure 3-9 Voice of the Customer