

CUSTOMER SATISFACTION



Quality - Definitions

- Quality is *excellence that is better than a minimum standard.*
*It is **conformance to standards** and **'fitness of purpose'***
- ISO 9000:2000 definition of quality-
*It is **the degree to which a set of inherent characteristics fulfills requirements.***
- Quality is *' **fitness for use** ' of the product – Joseph Juran.*

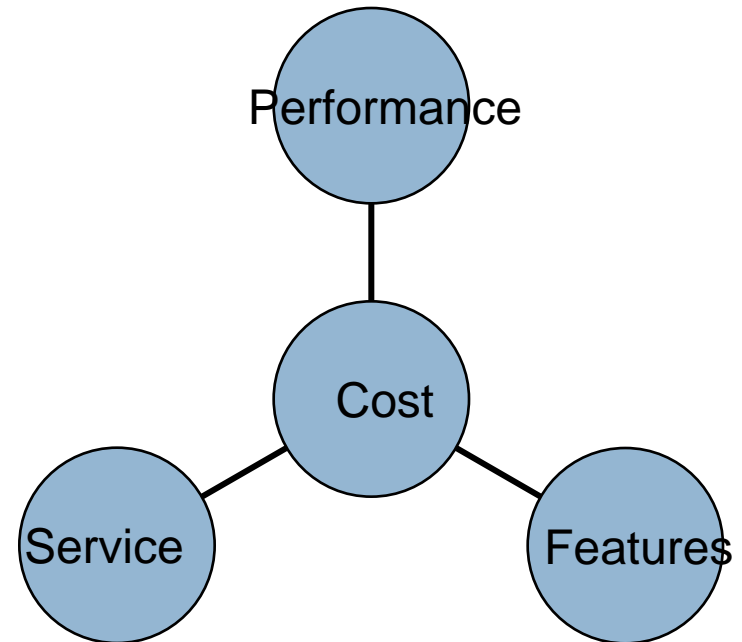
Quality and customer expectations

- Quality is also defined as **excellence** in the product or service that **fulfills or exceeds the expectations of the customer.**
- There are **9 dimensions of quality** that may be found in products that produce customer-satisfaction.
- Though quality is an abstract perception, it has a quantitative measure- $Q = (P / E)$, where **Q=quality**, **P= performance(as measured by the Mfgr.)**, and **E = expectations(of the customer).**

- Quality is **not fine-tuning your product at the final stage** of manufacturing, before packaging and shipping .
- **Quality is in-built into the product at every stage** from conceiving –specification & design stages to prototyping –testing and manufacturing stages.
- **TQM philosophy and guiding principles** continuously improve the Organisation processes and result in customer satisfaction.

The 9 Dimensions of Quality

- **Performance**
- **Features**
- **Conformance**
- -----
- **Reliability**
- **Durability**
- **Service**
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- **Response- of Dealer/ Mfgr. to Customer**
- **Aesthetics – of product**
- **Reputation- of Mfgr./Dealer**



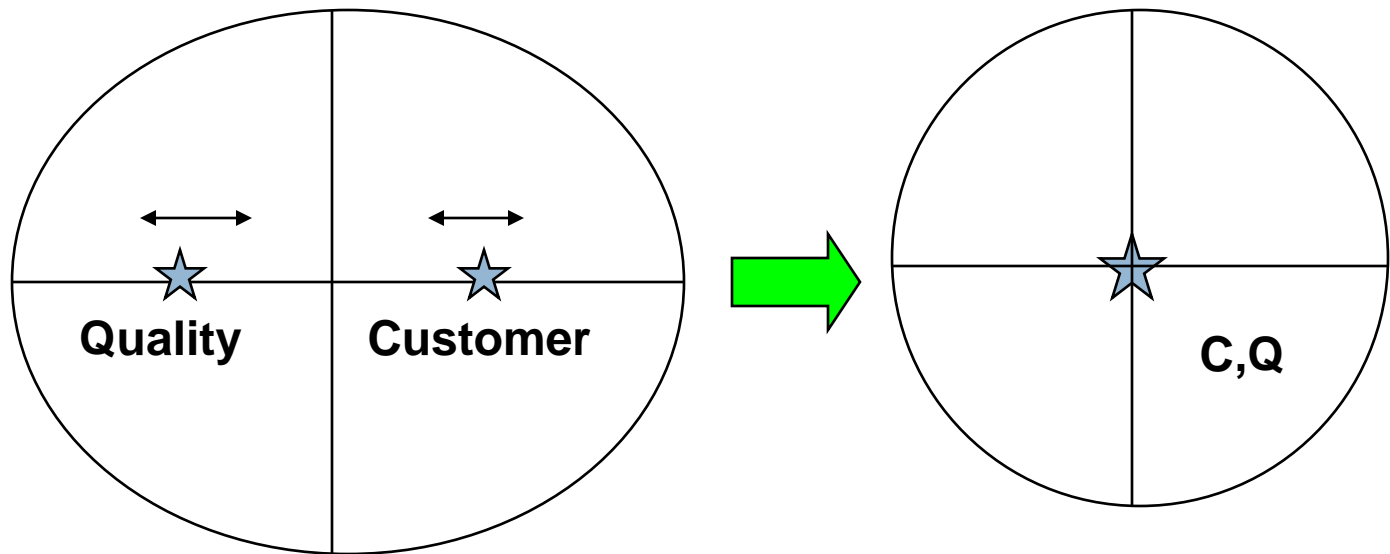
Market Changes

- **MONOPOLIST** markets **Seller's** market
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- **GLOBAL** markets **Buyer's** market
- ↓
- Market more competitive **Customer-oriented** market
Demand is defined by Users.
- ↓
- **Quality management** is a necessity for survival and growth of the organization in a global environment.

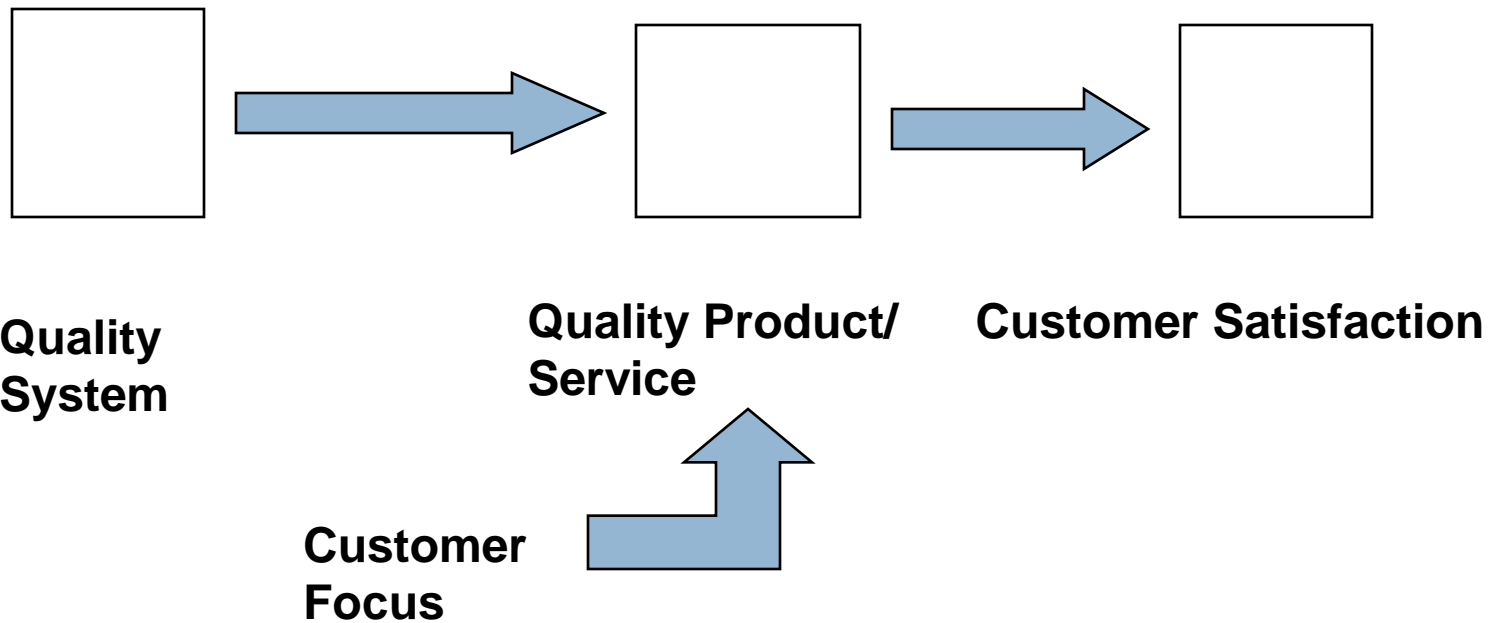
Customer satisfaction

- **Customer is the Boss or 'King'**
- **Customer dictates the market trends and direction**
- **Customer not only has needs to be supplied(basic performance functions)**
- **Also he 'wants what he wants!'(additional features satisfy him and influence his purchase decision)**
- **Hence the Suppliers and Manufacturers have to closely follow at the heel of the customer.**

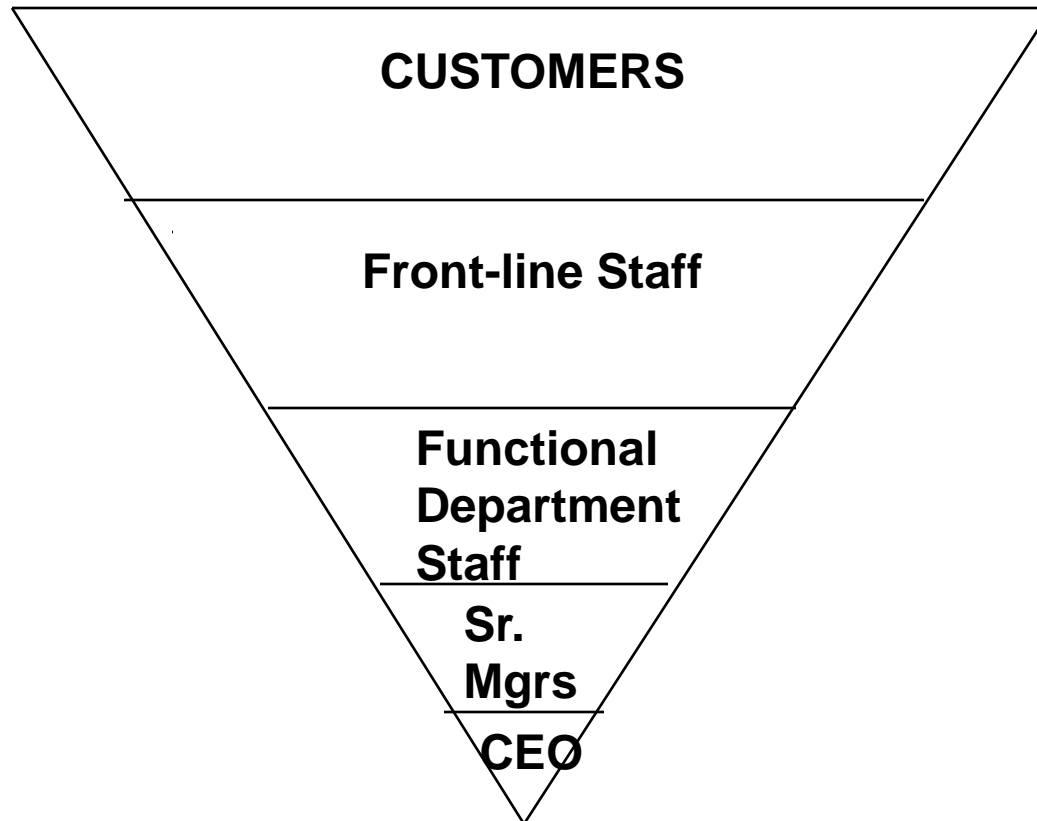
Norman's Customer satisfaction model



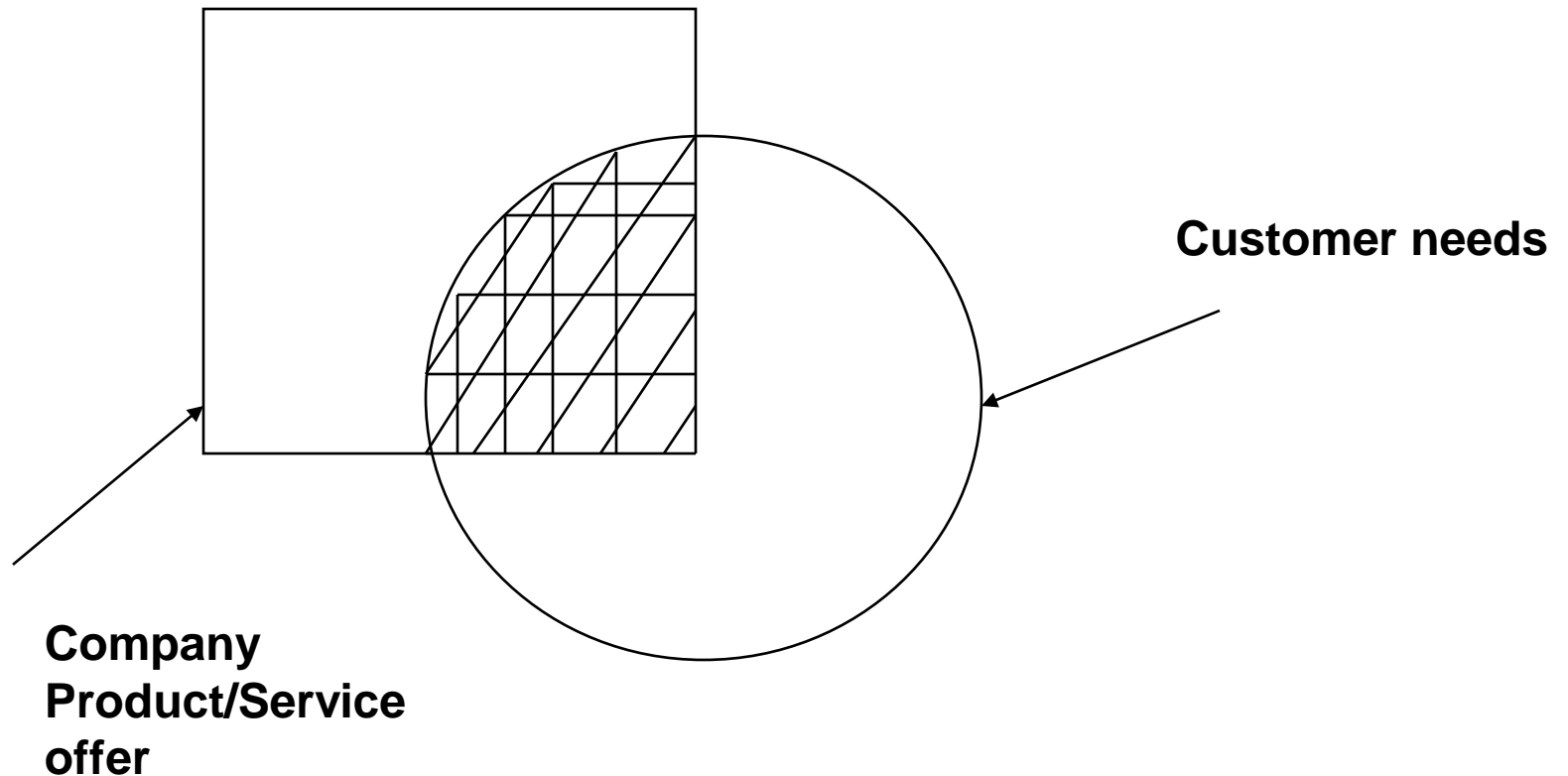
Customer Satisfaction



Customer Satisfaction Organisational Diagram



Teboul Model of Customer Satisfaction



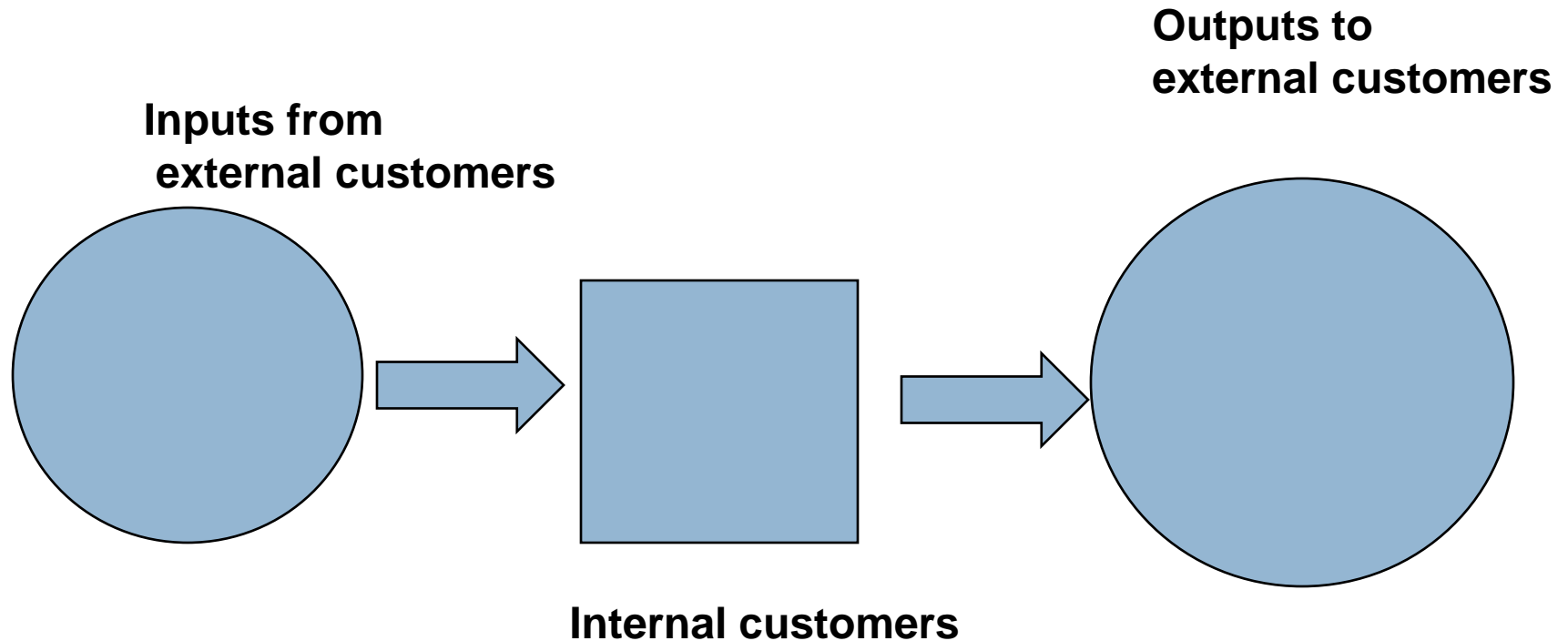
What is customer satisfaction?

- Is it due to Product quality?
- Is it due to pricing?
- Is it due to good customer service ?
- Is it due to company reputation?
- Is it something more?

Customer types

- **External and Internal** customers
- **External – current, prospective and lost customers**
- **Internal** – Every person in a process is a customer of the previous operation.(applies to design,manufacturing,sales,supplies etc.) [Each worker should see that the quality meets expectations of the next person in the supplier-to-customer chain]
- **TQM** is commitment to **customer-focus** - internal and external customers.

Customer/supplier chain



Internal customer/Supplier relationships

- ❑ **Questions asked by people to their internal customers**
- ❑ **What do you need from me?**
- ❑ **What do you do with my output?**
- ❑ **Are there any gaps between what you need and what you get?**
- ❑ **Good team-work and inter-Departmental harmony is required. Also the leaders role in supervising the internal customer-supplier chain.**

TQM and customer quality percepts

- ❑ **TQM is quality management and management of quality – there is no full stop and no break in the chain!**
- ❑ **Continuous process (quality) improvement is all its about.**
- ❑ **Why? One important reason is the customer quality level is not static and his expectations keep changing and his demands too!**
- ❑ **Also plant process dynamics- how to achieve maximum efficiency , optimizing cost and performance in the process operations, minimizing waste etc.**

User purchase perceptions- from survey

- **Performance**
- **Features**
- **Service**
- **Warranty**
- **Price**
- **Reputation**
(refer pgs.72 and 73, Besterfield)

Customer satisfaction/ dissatisfaction feedback

- ❑ **Customer feedback has to be continuously sought and monitored - not one-time only! (Pro-active! Complaints are a reactive method of finding out there is a problem)**
- ❑ **Customer feedback can be relayed to Mfgr.**
- ❑ **Performance comparison with competitors can be known**
- ❑ **Customers needs can be identified**
- ❑ **Relative priorities of quality can be obtained from the horses' mouth!**
- ❑ **Areas for improvement can be noted.**

Customer feedback methods

- ❑ **Comment cards enclosed with warranty card when product is purchased.**
- ❑ **Customer survey and questionnaire**
- ❑ **Customer visits**
- ❑ **Customer focus groups**
- ❑ **Quarterly reports**
- ❑ **Toll-free phones**
- ❑ **e-mail, Internet newsgroups, discussion forums**
- ❑ **Employee feedback**
- ❑ **Mass customization.**

Customers- Handle with care!

- Employers don't pay wages but it is the **customer who pays the wages!**
- So take **good care** of your customers.
- Customer-care centres not just profit-centres!
- The entire organization must in effect revolve around the customer – whether the customer is being well served and if he is really pleased, contented and satisfied with the service you have to offer.

Service Quality

- **(i)Organisation**
- Identify each market segment
- Write down the requirements
- Communicate the requirements
- Organise processes
- Organise physical spaces

Service Quality

- **(ii) Customer Care**
- Meet the customer's expectations
- Get the customer's point of view
- Deliver what is promised
- Make the customer feel valued
- Respond to all complaints
- Over-respond to the customer
- Provide a clean and comfortable customer reception area.

Service Quality

- **(iii) Communication**
- Optimize the trade-off between time and personal attention
- Minimize the number of contact points
- Provide pleasant, knowledgeable and enthusiastic employees
- Write documents in customer-friendly language.

Service Quality

- **(iv) Front-line people**
- Hire people who like people
- Challenge them to develop better methods
- Give them the authority to solve problems
- Serve them as internal customers
- Be sure they are adequately trained
- Recognise and reward performance

Service quality

- **(v)Leadership**
- Lead by example
- Listen to the front-line people
- Strive for continuous process improvement
(Pgs. 88-93 Besterfield)

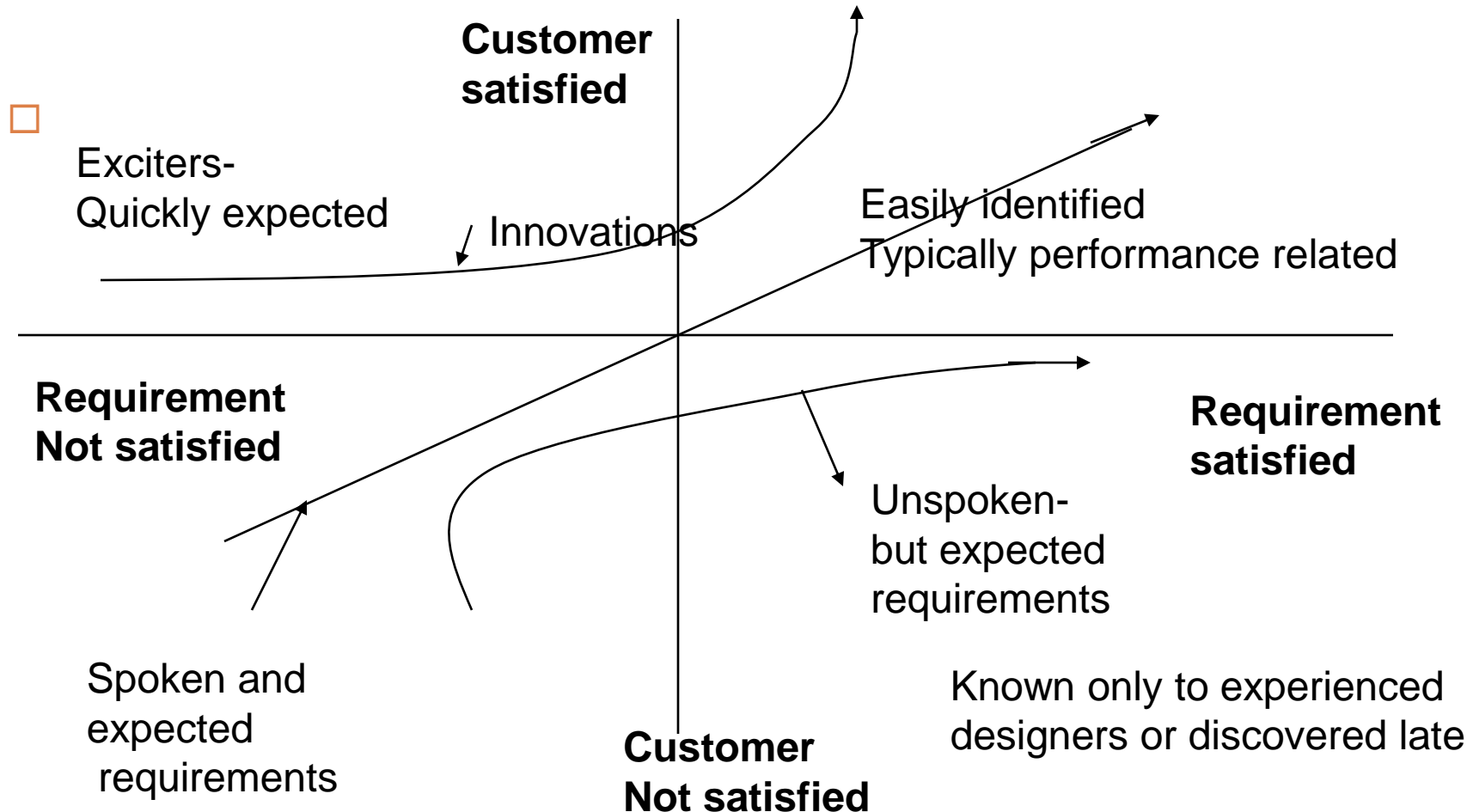
Customer Care

- ❑ **Keep promises to customers**
- ❑ **Return customer calls promptly**
- ❑ **Allot staff to handle customer problems**
- ❑ **Treat customers with courtesy, respect and professionalism always**
- ❑ **Evaluate customer satisfaction regularly**
- ❑ **Search for customer-related improvements continuously**
- ❑ **Deliver Products/Service promptly and efficiently**
- ❑ **Give every customer complete and personal attention.**

Customer Care

- **Maintain a neat and clean appearance of self and work-place,at all times**
- **Review and implement customer feedback and suggestions into current procedures when needed**
- **Training and education to enhance job performance and commitment to customer care**
- **Treat every customer as we would treat ourselves. (Pg. 90, Besterfield)**

Kano Model-conceptualises customer requirements



Customer Retention

- **Customer satisfaction should lead to customer loyalty and customer retention.**
- **This is the acid test and bottom line- when the customer repeatedly comes back to you for repeat orders and to purchase new products mfgd. by you. (In spite of stiff competition and multiple Suppliers/Sources!)**
- **Firm orders received or cash payments registered , market share, customer referrals and customer retention are an indication of your customer success and penetration .**

THE END

□ Any Questions?