



# CUSTOMER- FOCUS, ORIENTATION, SATISFACTION, COMPLAINTS AND RETENTION,

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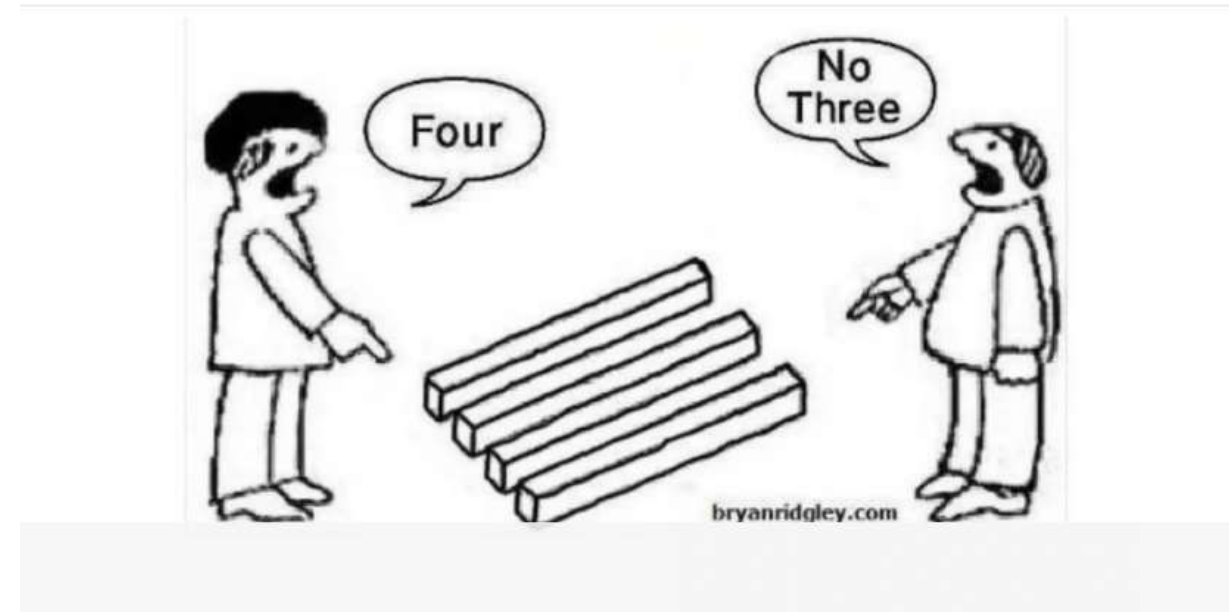
Course : Total Quality Management

**19ME514**  
**Unit -1 Introduction**  
**III Year /V Semester**  
**Mechanical Engineering**

# TOPIC OF THE DAY



# 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.



# WHAT IS CUSTOMER SATISFACTION?

Is it due to Product quality?

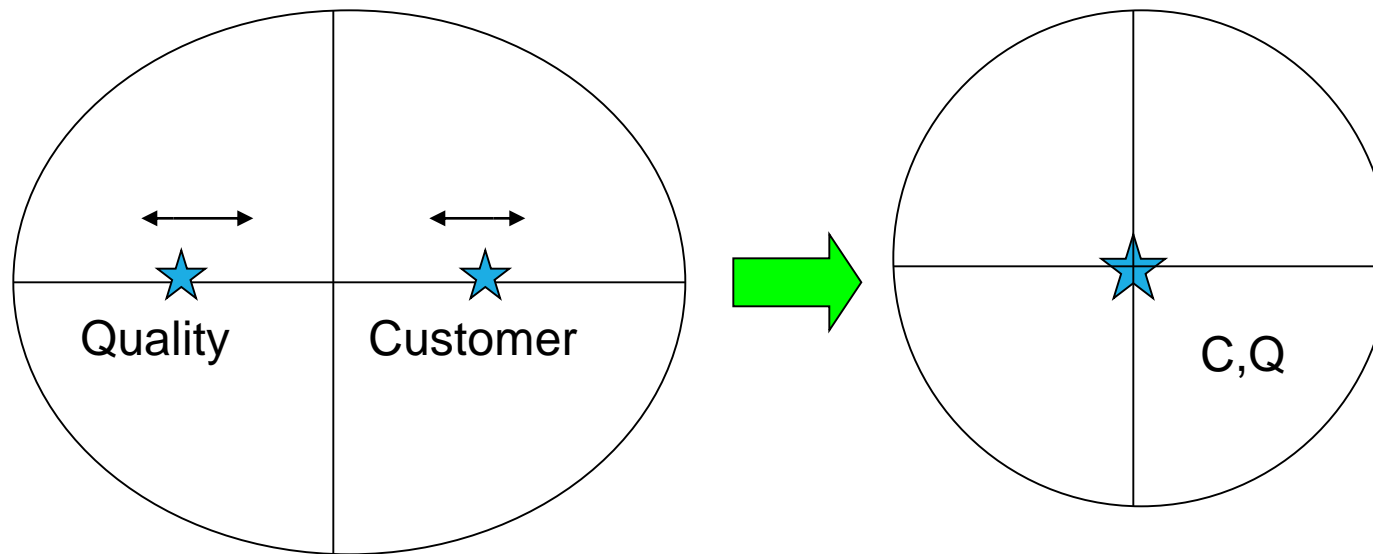
Is it due to pricing?

Is it due to good customer service ?

Is it due to company reputation?

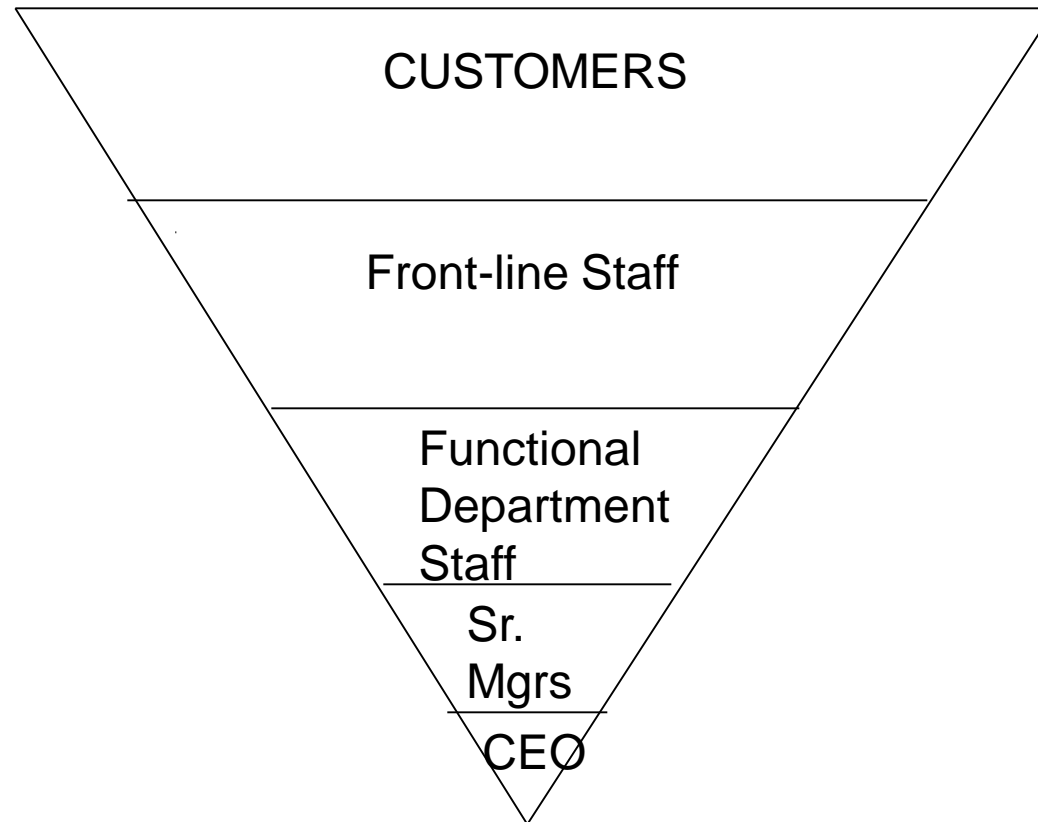
Is it something more?

# NORMAN'S CUSTOMER SATISFACTION MODEL

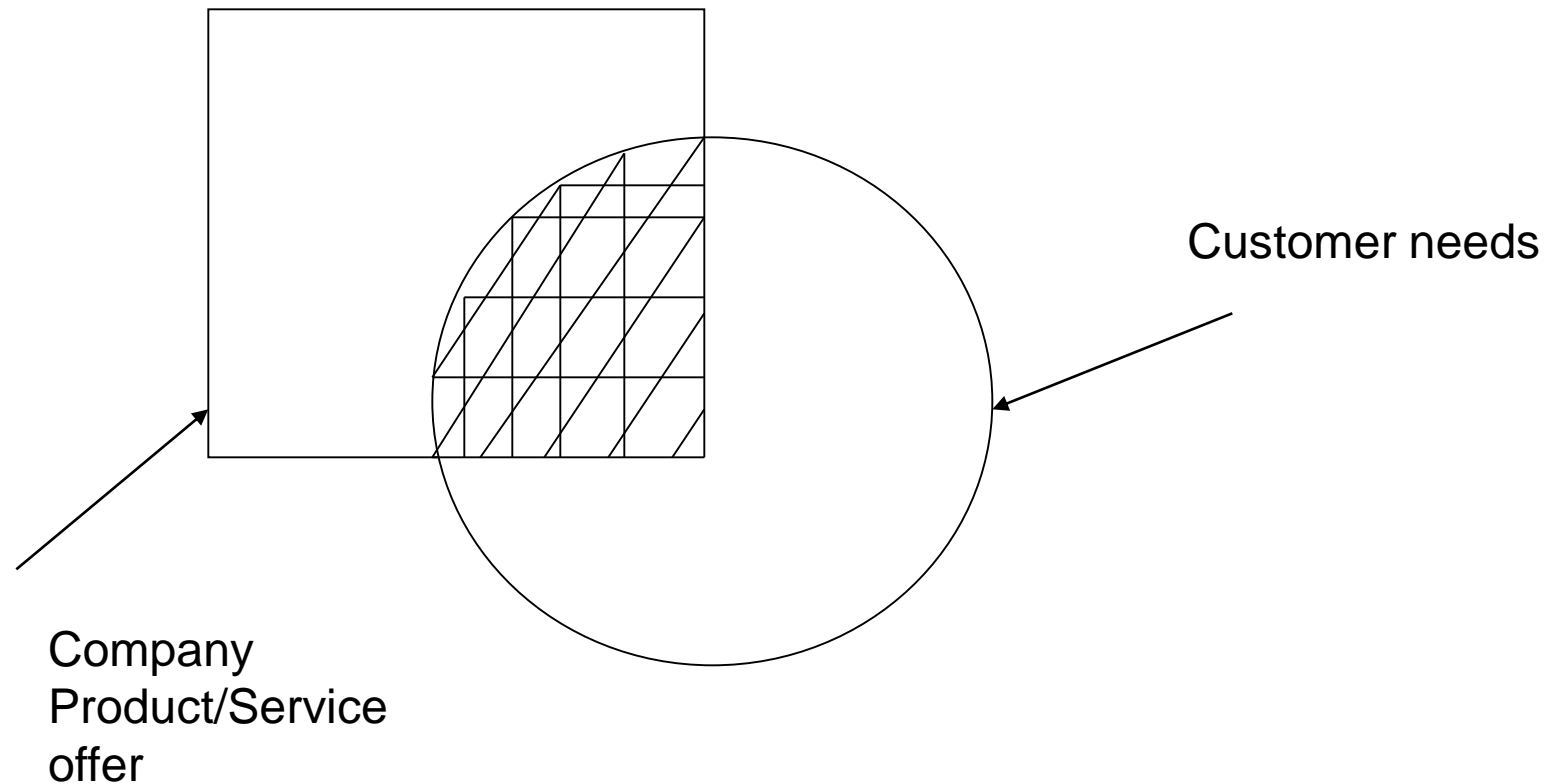




# CUSTOMER SATISFACTION ORGANIZATIONAL DIAGRAM



# TEBOUL MODEL OF CUSTOMER SATISFACTION



# KANO MODEL







# CUSTOMER TYPES

1. External and Internal customers
2. External – current, prospective and lost customers
3. 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 ]
4. TQM is commitment to customer-focus - internal and external customers.



# Customer focus

- **Key benefits**
  - Increased customer value
  - Increased customer satisfaction
  - Improved customer loyalty
  - Enhanced repeat business
  - Enhanced reputation of the organization
  - Expanded customer base
  - Increased revenue and market share



# CUSTOMER SATISFACTION

Customer satisfaction is defined as **a measurement that determines how happy customers are with a company's products, services, and capabilities.** Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or changes its products and services.

Source: <https://asq.org/quality-resources/customer-satisfaction>





# Dissatisfied, Satisfied and Delighted Customers

- If the expectations are high and the performance of the product or service is not up to the mark, **dissatisfaction** is the result.
- If the performance matches the expectation, the customer is **satisfied**.
- If the product or service performance exceeds the expectations of the customer, he is pleasantly surprised or **delighted**.

### Operations-Focused Versus Customer-Focused



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"Just doing my job...  
by the book!"

"Just doing my job...  
by the 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 customer's needs
  - Determine opportunities for improvement

Customer feedback is the **information, insights, issues, and input shared by your community** about their experiences with your company, product, or services. This feedback **guides improvements of the customer experience and can empower positive change in any business** — even (and especially) when it's negative.



# Tools for Listening to the voice of the customer

- Comment cards
- Questionnaires
- Focus groups
- Too-free telephone lines
- Customer visits
- Report cards
- The Internet
- Employee feedback
- Mass customization and
- Customer Satisfaction Index



# Comment Card

- A low-cost method of obtaining feedback from customers involves a comment card 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, and what influenced the customer's decision to buy the product





# COMMENT CARD

**BUSINESS:**

**SERVICE PROVIDER:**

**SERVICE PERFORMED:**

**DATE:**

**TIME:**

|                     | EXCELLENT             | GOOD                  | AVERAGE               | POOR                  | N/A                   |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Professionalism:    | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Attitude:           | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Attentiveness:      | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Efficiency:         | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Environment:        | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Overall Experience: | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

**AND FURTHERMORE:**

## ACTIONS STEP(S)

- |                                            |                                         |                                        |
|--------------------------------------------|-----------------------------------------|----------------------------------------|
| <input type="checkbox"/> Return soon       | <input type="checkbox"/> Never return   | <input type="checkbox"/> Stage boycott |
| <input type="checkbox"/> Big tip           | <input type="checkbox"/> Low/no tip     | <input type="checkbox"/> File charges  |
| <input type="checkbox"/> Praise to manager | <input type="checkbox"/> Inform manager | <input type="checkbox"/> _____         |



# Customer Questionnaire

- Used for obtaining opinions and perceptions about an organization and its products and services
- Costly and time consuming
- Surveys may be administered by mail or telephone
- In the form of questionnaires, the customer is asked to furnish answers relating to the quality of products and services - customer to grade the question on one-to-five scale or a one-to-ten scale



Thank you for your participation in this survey. Answers will be kept anonymous and will not have any bearing on teacher reviews.

Please indicate your level of agreement with the following statements:

|                                                                          | Strongly Disagree     | Disagree              | Neutral               | Agree                 | Strongly Agree        |
|--------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Expectations from the school for my performance are clear and reasonable | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| I feel engaged in school-wide initiatives and objectives                 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |



# Points to make surveys more useful <sup>E</sup>

- Clients (are the people for whom you are doing the survey) and customers (are the ones who use the product or service) are not the same
- Survey raise customers' expectations
- How you ask a question will determine how the question is answered
- The more specific the question, the better the answer
- The more time you spend in survey development, the less time you will spend in data analysis and interpretation
- Who you ask is as important as what you ask
- Before the data are collected, you should know how you want to analyze and use the data



# Focus Groups

- Surveying a focus group is a research method used to find out what customers are really thinking
- 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.
- Participants have same profile.
- Suitable tool for examine internal issues
- Imprint analysis used as a tool for understanding intrinsic feelings associated with a product or service



# Toll-Free Telephone Numbers

- It is an effective technique for receiving complaint feedback
- Organizations can respond faster and more cheaply to the complaint





# Customer Visits

- An organization can proactively monitor its product's performance while it is in use and thereby identify any specific or recurring problems.
- Senior managers should be involved in these visits and not delegate them to someone else
- Brain storming sessions with the customers about future products and services should be held at least annually





# Report Card

## WATER QUALITY REPORT CARD

| Parameters                        |           |           |                           |                   |                                   | Section grade |
|-----------------------------------|-----------|-----------|---------------------------|-------------------|-----------------------------------|---------------|
| <b>MARYLAND ANACOSTIA</b>         |           |           |                           |                   |                                   |               |
| % Score                           | 52        | 54        | 33                        | 25                |                                   | 48            |
| Grade for each parameter          |           |           |                           |                   |                                   |               |
| Trend                             | Improving | Improving | Degrading in recent years | Improving         |                                   |               |
| Estimated years to meet criterion | 8         | 87        | n/a                       | 43                |                                   |               |
| <b>UPPER DC ANACOSTIA</b>         |           |           |                           |                   |                                   |               |
| % Score                           | 61        | 33        | 26                        | 48                |                                   | 45            |
| Grade for each parameter          |           |           |                           |                   |                                   |               |
| Trend                             | Improving | Improving | Degrading in recent years | Steady improving  |                                   |               |
| Estimated years to meet criterion | 28        | 39        | n/a                       | Insufficient data |                                   |               |
| <b>LOWER DC ANACOSTIA</b>         |           |           |                           |                   |                                   |               |
| % Score                           | 56        | 55        | 39                        | 39                |                                   | 52            |
| Grade for each parameter          |           |           |                           |                   |                                   |               |
| Trend                             | Improving | Improving | Degrading in recent years | Improving         |                                   |               |
| Estimated years to meet criterion | 54        | 25        | n/a                       | 39                |                                   |               |
|                                   |           |           |                           |                   | ENTIRE ANACOSTIA:                 |               |
|                                   |           |           |                           |                   | % Score                           | 48            |
|                                   |           |           |                           |                   | Grade                             |               |
|                                   |           |           |                           |                   | Trend                             | Degraded      |
|                                   |           |           |                           |                   | Estimated years to meet criterion | n/a           |

**Overall Grade:**

This assessment is based on 2010 water quality data.  
The higher the score indicates better water quality.  
\*Assessment of Silt is available only for the entire Anacostia River.

# The Internet and Computers

- Newsgroups, electronic bulletin boards, and mailing lists
- Messages that compare a company's products with those of its competitors can be uncovered.
- Monitoring Interest conversations is timely, the cost is minimal, and it can be a source of creative ideas

The screenshot shows a feedback form for 'YourCompany'. The form is titled 'We value your feedback' and asks the user to 'Please complete the following form and help us improve our customer experience'. The form contains a table with five columns: 'Very Dissatisfied', 'Dissatisfied', 'Neutral', 'Satisfied', and 'Very Satisfied'. There are three rows of questions, each with a radio button in the 'Dissatisfied' column. Below the table is a text input field for 'Additional comments or suggestions'. At the bottom, there is a question 'Would you like a representative to contact you?' with radio buttons for 'Yes' and 'No'.

|                                         | Very Dissatisfied                | Dissatisfied                     | Neutral               | Satisfied                        | Very Satisfied        |
|-----------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| How satisfied are you with our product? | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| How satisfied are you with our service? | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| How satisfied are you with our staff?   | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

Additional comments or suggestions

Would you like a representative to contact you?  
 Yes  No



# Employee Feedback

- Employee groups can brainstorm ideas to come up with solutions to problems that customers have identified
- Customer research reveals what is happening, employee research reveals why it is happening



# Employee Feedback

## Types of Employee Feedback Survey

### 360-Degree Feedback



### Continuous feedback mechanism



### Employee performance evaluation



### Business process feedback survey



QuestionPro



# Customer Retention

- **Customer retention** refers to the activities and actions companies and organizations take to reduce the number of **customer** defections. The goal of **customer retention** programs is to help companies retain as many **customers** as possible, often through **customer** loyalty and brand loyalty initiatives



## Customer Retention Formula

**Customer  
Retention  
Rate** =

(Total # of Customers at the  
End of the Period - New  
Customers Acquired)

÷

Customers at the  
Start of the Period



# Customer Satisfaction Index

- Quantifies quality and customer satisfaction and relates them to firms' financial performance
- Customer complaint should be accepted, analyzed, and acted upon, for it represents the tip of the iceberg



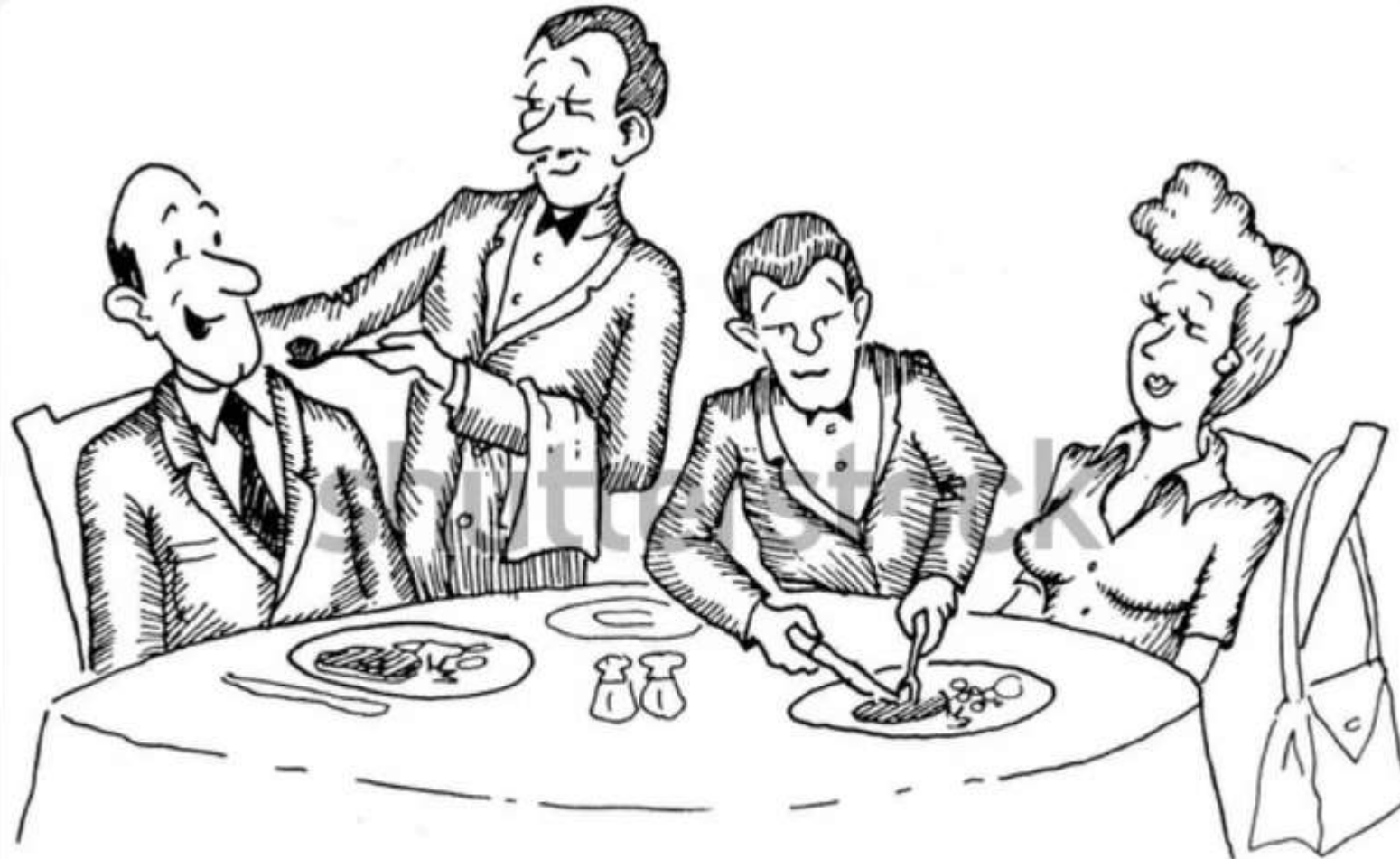


# To handle **customer complaints**

- 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
- 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



“Our Customer Support has everything but the human touch.”



“Great service!”



