



IE407 Total Quality Management

Lecture 11



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Reminder: SA grade

- ▶ SA grade will be determined by the attendance system
- ▶ More than 8 absents will automatically lead to SA grade
- ▶ Please be careful about your attendance in lectures





Besterfield Chapter 3: Customer Satisfaction



Feedback

Feedback

- ▶ Customer feedback is not a one time effort. It is an ongoing and active probing of customers' mind
- ▶ 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



Feedback (2)

- ▶ In service industries feedback drives new product development
 - ▶ Effective organizations listen to “the voice of the customer” and feed that back to the idea stage
- ▶ Read Internal Revenue Service example (p. 59)



Feedback (3)

- ▶ Numerous information collection tools can be used to listen to the voice of the customer
 - ▶ Comment cards
 - ▶ Questionnaires
 - ▶ Focus groups
 - ▶ Toll-free telephone lines
 - ▶ Customer visits
 - ▶ Report cards
 - ▶ The internet
 - ▶ Employee Feedback
 - ▶ Mass customization



Comment Card

- ▶ Comment card can be attached to warranty card to obtain simple information about customer
- ▶ However, there is very little incentive for the buyers to respond
 - ▶ Generally people respond only if something very good or very bad has happened
- ▶ Comment cards are also used in the hospitality industry
 - ▶ Restaurants, hotels



Customer Questionnaires

- ▶ A popular tool for obtaining opinions and perceptions about an organization and its products and services
 - ▶ Can be costly and time consuming
- ▶ Surveys may be administered by mail or telephone
- ▶ Read spouse satisfaction survey example
(p. 61)
- ▶ The results of mail survey may be biased because everyone who is sent a questionnaire does not respond
 - ▶ Only those who feel very strongly about a subject will take time to fill the questionnaire



Eight Points To Make Surveys More Useful

- ▶ Clients and customers are not the same
- ▶ Surveys raise customers' expectations
- ▶ How you ask a question will determine how the question is answered
- ▶ The more specific the question, the better the answer
- ▶ You have only one chance and only 15 minutes
- ▶ 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

Read more about them (p. 61 – 62)



Survey By Telephone

- ▶ Survey by telephone is more convenient for the client to respond
- ▶ An automated voice gathering polling service has been developed by Gallup organization. It is called Gallup 800 Survey
- ▶ Organizations can now reach large populations, analyze results quickly, and determine what their customers are thinking on a near real-time basis



Focus Groups

- ▶ Popular way to obtain feedback, but they too can be very expensive
- ▶ Very effective for gathering information on customer expectations and requirements
- ▶ Group of customers are assembled in a meeting room and asked carefully structured questions by a skilled moderator
- ▶ Meetings are focused on current, proposed, and future products and services



Imprint Analysis

- ▶ An emerging technique used in focus groups
- ▶ A good way to obtain the intrinsic feelings associated with a given product or service
 - ▶ Which is more difficult to obtain from customer questionnaires
- ▶ Word association, discussions, and relaxation techniques can identify a customer's emerging needs
- ▶ Helps in understanding the human emotions involved in a purchase decision
- ▶ Read ice cream company example (p. 64)



Toll-Free Telephone Numbers

- ▶ Effective technique for receiving complaint feedback
- ▶ Organizations can respond faster and more cheaply to the complaint



Customer Visits

- ▶ Visit to customer's place to obtain firsthand information about a product's performance while it is in use
 - ▶ It can identify any specific or recurring problems
- ▶ Senior managers should be involved in these visits
 - ▶ It is good idea to take along operating personnel on customer visits
- ▶ Read L-S Electro Galvanizing Company example (p. 64)
- ▶ Developments in customer's industry should be monitored by reading journals and attending conferences
- ▶ Brainstorming sessions with the customers about future products and services should be held at least annually

Report Card

- ▶ Another very effective information gathering tool
- ▶ Usually sent to each customer on a quarterly basis
- ▶ Data are analyzed to determine areas for improvement



The Internet and Computers

- ▶ With suitable tools it is possible to monitor discussions that take place on the internet
 - ▶ This can be used to find out what customers are saying about a product
- ▶ Newsgroups, electronic bulletin boards and mailing lists can be scanned using keyword searches
- ▶ It is best not to intervene in a discussion that goes on in a newsgroup because intervening will most likely end the discussion



The Internet and Computers (2)

- ▶ Some sites provide feedback of customers to companies
 - ▶ For example, www.planetfeedback.com
- ▶ Computers can be used to detect patterns from input data
 - ▶ Example of diapers and wine



Employee Feedback

- ▶ Employees can provide valuable insight into conditions that inhibit service quality
 - ▶ Employee feedback should be proactively solicited
- ▶ Employee groups can brainstorm ideas to come up with solutions to problems identified by customers
- ▶ Read Chrysler example (p. 66)



Mass Customization

- ▶ Mass customization is a way to provide variety at an affordable cost
 - ▶ It has been made possible due to advances in manufacturing
- ▶ Mass customization has been employed
 - ▶ In car industry
 - ▶ Measured jeans from Levi Strauss
 - ▶ Computers from Dell
 - ▶ Modular furniture is customized at delivery stage



References

- ▶ Besterfield, Dale H. and others. 2019. *Total Quality Management*, 5th edition. Pearson India

