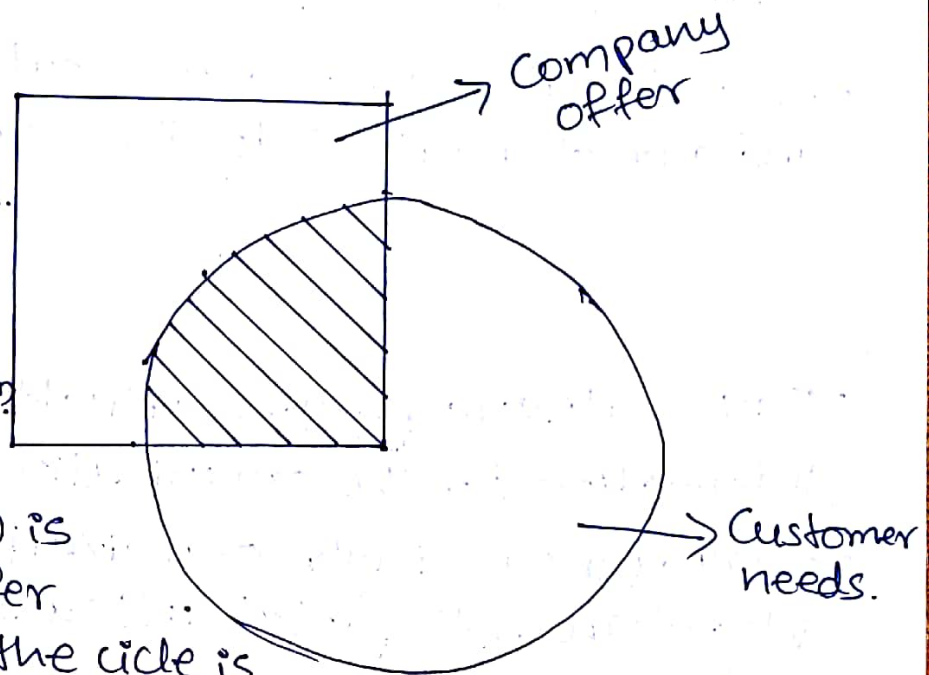


Unit - II

Customer Satisfaction :- customer satisfaction is illustrated by the Teboul model, which is shown in below Fig.

- The customers needs are represented by circle. and square depicts the product or service offered by the organisation.
- The total satisfaction is achieved when the offer matches the need, or the circle is superimposed on the square.
- Customer satisfaction :- is defined as a measurement that determines how happy customers are with a company's products, services and capabilities.



Types of customers.

1] Internal customer :-

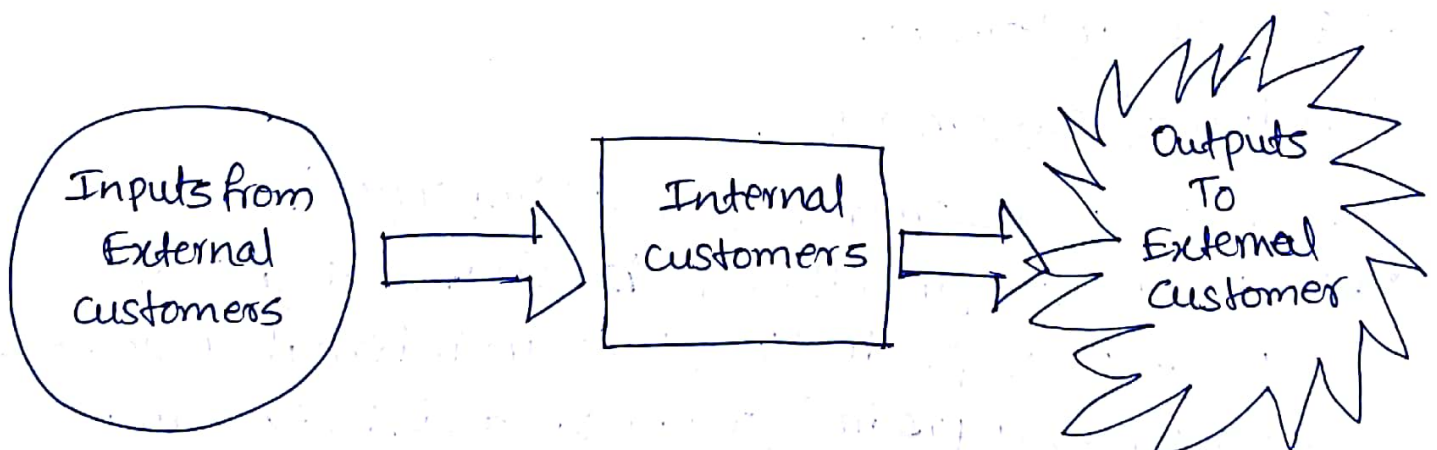
- An internal customer is just as important.
- Every function, whether it be engineering order processing, or production, has an internal customer - each receives a product or service and, in exchange, provides a product or service.
- Every person in a process is considered a customer of the preceding operation.
- Each work'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.

2] External Customer:-

- An external customer exists outside the organization and generally falls into three categories:
 - 1] Current
 - 2] Prospective
 - 3] Lost customers
- Each category provides valuable customer satisfaction information for the organization.
- Every employee in the organization must know how their job enhances the total satisfaction of the external customer.
- Performance must be continually improved in order to retain existing customers and gain new ones.

Customer/Supplier Chain



Feedback

- Customer feedback must be continually solicited and monitored.
- Customers continually change.
- They change their minds, their expectations and their suppliers.
- Customer feedback is not a one-time effort; it is an ongoing and active probing of the 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.

• Information-collecting Tools.

- 1) Comment card.
- 2) Questionnaires
- 3) Focus Groups.
- 4) Toll-Free telephone lines.
- 5) Customer visits.
- 6) Report cards.
- 7) The Internet
- 8) Employee feedback
- 9) Mass customization
- 10) American Customer Satisfaction Index.

Customer Perception of Quality

- 1) Performance :- Performance involves "fitness for use" - a phrase that indicates that the product and service is ready for the customer's use at the time of sale.
 - Other considerations are, ~~are~~ 1) availability
 - 2) reliability
 - 3) maintainability.
- 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.
- 4) warranty :- The product warranty represents an organization's public promise of quality product backed up by a guarantee of customer satisfaction.
- 5) Price :- Today's customer is willing to pay a higher price to obtain value.
- 6) Reputation :- Total customer satisfaction is based on the entire experience with the organization, not just the product.
 - Customers are willing to pay a premium for a known or trusted brand name and often become customers for life.

Customer Complaints.

- Some actions organizations can take to handle complaints are as follows.

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

Define and explain the following.

- 1] Performance appraisal:- The purpose of performance appraisals is to let employees know how they are doing, and provide a basis for promotions, salary increases, counseling, and other purposes related to an employee's future.
- 2] Reward:- Reward is something tangible such as ~~to~~ theater tickets, dinner for two, or a cash award to promote desirable behavior.
- 3] Recognition:- Recognition is a form of employee motivation in which the organization publicly acknowledges the positive contributions an individual or team has made to the success of the organization.
- 4] Empowerment:- Empowerment is an environment in which people have the ability, the confidence, and the commitment to take the responsibility and ownership to improve the process and initiate the necessary steps to ~~sto~~ satisfy customer requirements within well-defined boundaries in order to achieve organizational values and goals.
- 5] Gainsharing:- Gainsharing is a financial reward and recognition system that results from improved organizational performance.

Benefits of Employee Involvement.

- 1] Employees make better decisions using their expert knowledge of the process.
- 2] Employees are more likely to implement and support decisions they had a part in making.
- 3] Employees are better able to spot and pinpoint areas for improvement.
- 4] Employees are better able to take immediate corrective action.
- 5] Employees are better able to accept change because they control the work environment.
- 6] Employee involvement reduces labor / management friction by encouraging more effective communication and cooperation.
- 7] Employee involvement increases morale by creating a feeling of belonging to the organization.
- 8] Employees have an increased commitment to unit goals because they are involved.