

CHAPTER 1

Customer Service and Satisfaction

We must cultivate our garden.

—*Voltaire*

When we talk about customer service and/or satisfaction, we talk about creativity. Creativity allows us to handle or diffuse problems at hand or later on in the process of conducting the everyday business. We talk about how, or rather what, does the organization have to do to gain not only the sale but also the loyalty of the customer. We want to know the payoff of the transaction both in the short and long term. We want to know what our customers want.¹ We want to know if our customers are satisfied. Satisfaction, of course, means that what we delivered to a customer met the customer's approval. We want to know if customers are delighted and willing to come back, and so on. Fleiss² and Feldman³ present examples of that delightfulness in their writings. Fleiss has written about Ben and Jerry's ice cream and Feldman has discussed excellence in a cab ride.

As important as delightfulness is, some of us minimize it, or even totally disregard it. At this point, we fail. Some of the issues that will guarantee failure in sales, satisfaction, and loyalty are:

- Employees must adhere to a rigid chain of command
- Employees are closely supervised
- Conflict—in whatever form—is not allowed
- Rewards are based on carrot-and-stick principles
- Wrong objectives are measured

However, we increase our chance of success if we allow employees to take personal responsibility for their actions in the areas of communication, performance, and customer satisfaction. How can we sensitize our employees to these issues? First, we must identify how we define the customer.

Second, we must understand customer expectation levels concerning quality. Third, we must understand the strategy for customer service quality, and fourth, we must understand the measurement and feedback cycles of customer satisfaction.

The customer is the person or unit receiving the output of a process on the system. In fact, it is worth emphasizing that a customer can be the immediate, intermediate, or ultimate customer. Also, a customer may be a person or persons, or a process or processes.

Customer satisfaction, however, is when the customer is satisfied with a product/service that meets the customer's needs, wants, and expectations. To further understand customer satisfaction, we must take a deeper look at the levels of specific satisfaction. We must also recognize that there are levels of customer satisfaction that, in a sense, define the basic ingredients of quality. There are at least three levels of customer expectations about quality:

Level 1. Expectations are very simple and take the form of *assumptions, must have, or take it for granted*. For example, I expect the airline to be able to take off, fly to my destination, and land safely. I expect to get the correct blood for my blood transfusion. And I expect the bank to deposit my money to my account and to keep a correct tally for me.

Level 2. Expectations are a step higher than that of level 1 and they require some form of *satisfaction* through meeting the *requirements* and/or *specifications*. For example, I expect to be treated courteously by all airline personnel. I went to the hospital expecting to have my hernia repaired, to be in some pain after it was done, to be out on the same day, and to receive a correct bill. And I went to the bank expecting the bank teller to be friendly, informative, and helpful with my transactions.

Level 3. Expectations are much higher than for levels 1 and 2. Level 3 requires some kind of *delightfulness* or a *service* that is so good that it *attracts me to it*. For example, an airline gives passengers traveling coach class the same superior food service that other airlines provide only for first-class passengers. In fact, I once took a flight where the flight attendants actually baked cookies for us right there on the plane. When I went to the hospital, I expected staff to treat me with respect and they carefully explained things to me. But I was surprised when they called me at home the next day to find out how I was doing. And at my house closing, the bank officer, representing the bank holding my mortgage, not only treated me with respect and answered all my questions about my new mortgage, but just before we shook hands to close the deal, he gave me a housewarming gift.

The strategy issue is also a very important element of customer satisfaction, primarily because it sets the tone for the appropriate training, behavior, and delivery of the specific service. There are four items that the strategy for service quality ought to address:

1. *Customer service attributes.* The delivery of the service must be timely, accurate, with concern, and with courtesy. One may ask why are these elements important? The answer is that all services are intangible and are a function of perception. As such, they depend on interpretation. In addition and perhaps more importantly, service by definition is perishable and if left unattended, it can spoil on the organization.

The acronym *COMFORT*⁴ can be used to signify the importance of service. *COMFORT* is *caring, observant, mindful, friendly, obliging, responsible, and tactful.* These characteristics are the most basic attributes of customer service and without them, there cannot be a true service of any kind. They all depend on interpersonal skills, communication, empowerment, knowledge, sensitivity, understanding, and some kind of external behavior.

For example, *caring* will show that, indeed, you are interested in what the customer will have to say. You may spend time with a customer to find out the customer's real needs, wants, and expectations. It is not unusual to tell a customer that you may not be able to help, even at the expense of losing the sale. Furthermore, you may go as far as suggesting the services of someone else or some other company.

You must be *observant.* In most cases when dealing with service-related items, observations may contribute more to satisfying the customer than direct communication. Pay attention to body language and mannerisms and, if necessary, listen between the lines. Always try to be a step ahead of the customer. Anticipate the customer's action. Actively listen for what the customer is communicating, but also—and, perhaps, more importantly—listen for what the customer is *not* communicating.

You must be *mindful.* Remember that you and your organization exist to satisfy the customer. Without the customer's need, you do not have a job and the organization does not have a service to provide. The customer has a choice and, as such, if you or the organization does not recognize the urgency, sensitivity, uniqueness, expectations, and influence that the customer has, you will not be successful in satisfying the customer.

You must be *friendly.* Friendliness does not mean being a pest. Offer guidance and information, and let the customer know you are there to help. If necessary, provide feedback to assist the customer in making a decision. If you do provide feedback, be truthful. For example, in a retail clothing store, someone walks into your store, walks around, picks

up some clothing, and tries it on. As a salesperson, you may advise the customer about fit and answer any questions that the customer may have.

You must be *obliging*. Patience is the key word to customer satisfaction. Sometimes customers do not know what they want. They are making up their minds as they go along. You are serving as the guinea pig for their decision. As such, accommodating them may make the difference between a satisfied and an unsatisfied customer, or the difference between a sale and a walkout. When obliging the customer, do not hesitate to educate the customer as well.

You must be *responsible*. You are the expert. The customer is looking to you to provide the appropriate information in a clear, concise, and easy-to-understand manner. Don't try to make the sale at all costs. This may backfire. What you are trying to accomplish is to develop a relationship where your expertise can indeed help the customer.

You must be *tactful*. In any service organization, and in any service delivery, there are going to be problems between you and the customer. Do not panic. Tactfulness is the process by which the conflict may be resolved. Your focus is to satisfy the customer and, as such, you should try to identify the problem, analyze it, and then resolve it in the most expedient way.

Being tactful does not mean that you have to give in to the customer all the time. What it does mean is that you act in a composed, professional manner and communicate to the customer in a way that is not threatening or demeaning. Being tactful means you are willing to listen and exchange information with the intention of resolving the conflict. It means you have a way of presenting the facts and information in a nice and nonintimidating way. It means listening patiently, thinking before speaking, and listening to what the customer says without interruptions.

Notice that cost is not an attribute that will make or break service and/or satisfaction. In service especially, cost is equated with value. That is not to suggest that high cost is prerequisite to good service or vice versa. We simply suggest that one must continue to generate more value for the customer but not give away the house. It is indeed a very delicate balance.

2. *Approach for service quality improvement.* The basic question one must be able to answer is *why bother with service quality?* The answer is in a three-prong approach. The first is cost, the second is time to implement the program, and the third is the customer service impact. Together, they present a nucleus for understanding and implementing the system that

is responsive to both customers and organization for optimum satisfaction. For example, the Japanese are working on the notion of sensuous cars. Basically, the car itself gives you a kind of delight and surprise just opening the door, hearing the sound, pressing the accelerator. Everything is being thought through *now*, almost emotionally.

3. *Develop feedback systems for customer service quality.* The feedback system one chooses will make or break the organization. Make sure not to mix the focus of customer satisfaction and marketing. They are not the same. The focus of customer service and satisfaction is to build loyalty, and the focus of marketing is to meet the needs of the customer profitably. Another way of saying it is that marketing's function is to generate customer value profitably, whereas the purpose of customer service and satisfaction is to generate repeatability, recognition, and overall satisfaction of the transaction.

The concern here is to make sure that a goal exists (a reporting system for measurement is appropriate and useful for the particular service) and to reach the reward of service quality. The question then becomes how to develop a system that is responsive to the customer's needs, wants, and expectations. To answer these concerns, look to the customer for answers. The value of the information must be focused in at least the following areas:

- To know what customers are thinking about you, your service, and your competitors
- To measure and improve your performance
- To turn your strongest areas into market differentiators
- To turn weaknesses into developmental opportunities—before someone else does
- To develop internal communications tools to let everyone know how they are doing
- To demonstrate your commitment to quality and your customers

In essence your measurement for the feedback must be of two distinct kinds:

1. Customer satisfaction, which is dependent upon the transaction
 2. Service quality, which is dependent upon the actual relationship
4. *Implementation.* Perhaps the most important strategy is that of implementation. As part of the implementation process, management must define the scope of the service quality as well as the level of customer service as part of the organization's policy. Furthermore, they must also define the plan of implementation. The plan should include the time schedule, task assignment, and reporting cycle.

CASE STUDY**Practical Approach to Satisfying the Customer**

A typical approach to satisfying the immediate customer may utilize the following steps. These steps, with modifications, may also be used for all customer levels

1. Welcome and Review the Agreement	1. When we last met you decided to focus on...
2. Exchange Perceptions	2. Ask for associate's perception of his/her performance (b) Give your perception
3. Explore Options/Approaches	3. (a) Would you do anything differently? (b) May I suggest...
4. Determine Next Goals	4. What would be helpful to focus on now?
5. Agree on Next Steps	5. I'll listen to some additional inputs and we'll meet again with this goal in mind.

TYPICAL TOOLS AND METHODOLOGIES

Classical tools and methodologies to identify and focus on customer satisfaction include:

- Kano model
- Quality function deployment
- Benchmarking
- Systems approach
- Focus groups
- Survey instruments
- Interviews
- Internal auditing

Perhaps one of the most difficult issues in nonmanufacturing organizations in identifying customer concerns is not so much what the customer needs, wants, and expects, but rather understanding what the organization's core processes and enabling functions are and how they work together to deliver what the customer needs, wants, and expects. To appreciate the six sigma methodology in any organization and to receive the most out of the methodology, the main processes and the enabling functions should be identified and simplified to subprocesses. The cascading of the simplification should continue until all the processes have been identified and their own unique contribution to the organization is understood.

CASE STUDY**Typical Core Processes and Enabling Functions
in Service and Production Industries**

A typical comparison of core processes and enabling functions between production and service industries shows the development of specific tasks between specific phases of development and responsibilities of departments.

<i>Conceive</i>	<i>Market</i>	<i>Deliver</i>	<i>Support</i>	<i>Retain</i>
<i>Product/service development</i>	<i>Marketing and sales</i>	<i>Production and delivery</i>	<i>Customer service</i>	<i>Renewal and retention</i>
Manufacture				
Product development Prototyping research	Marketing Sales Retail support	Material goods and buying Manufacture shipping	Technical support Sales support Backup service Spare parts	Research and development Product trials and assessments Trade associations
Service Industry				
Service conception Customer trials	Marketing Sales Supplier partnerships	Origination Service delivery	Billing Credit control Customer support Sales support	Renewal Loyalty schemes
Enabling Functions				
Finance: Credit risk Funding Invoice/cash Legal: Legislation Contracts Litigation	HR/IT: Staffing Training Assessment Hardware Software Technology	Services: Buildings Plant support	Management: Strategy Policy operations	Corporate Citizenship: Statutory Monetary Trade

Especially in transactional processes, the detailed core processes mapping is the beginning and the basis for performance measurements and improvement. Therefore, the mapping step should be accurate and present all the organization's activities.

NOTES

1. S. Hutchens, "What Customers Want: Results of ASQC/Gallup Survey," *Quality Progress*, February 1989, pp. 29–35.

2. R. Fleiss, "Here Is the Scoop on Ben and Jerry's," *Office Systems* 89, February 1989, pp. 15–18; S. Hutchens, "What Customers Want: Results of ASQC/Gallup Survey," *Quality Progress*, February 1989, pp. 29–35.
3. P.D. Feldman, "I Searched for Excellence and Finally Found It in a Cab," *Marketing News*, August 19, 1991, p. 9.
4. D.H. Stamatis, *Total Quality Service*, Delray Beach, FL: St. Lucie Press, 1996.

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