

Customer Satisfaction; A Pillar of Total Quality Management

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Abstract

The existence of a firm is because of its customers. Customer satisfaction is an evidence of successful Total Quality Management implementation and hence finds elevated significance in the Malcolm Baldrige National Quality Award criteria and Quality System Certification Standards. Quality is defined from form the perspective of customer. Total Quality Management requires focus on external as well as internal customers both.

Perception of quality of customer depends on numerous factors, such as performance, service, warranty price and reputation. Firms require setting up a feedback mechanism for measuring level of satisfaction of customer. This might be carried using comment cards, questionnaires, focus group surveys, customer visits, report cards and internet reviews or comments. An additional necessary mechanism is employee feedback. American Customer Satisfaction Index quantifies customer satisfaction level in the U.S. and relates it to the financial performance of firms. Most discontented customers do not complain to the producer. Several customers are probable to purchase the goods or service again if their complaint is taken care of and then resolved. Therefore, firms ought to listen to every compliant, analyze source causes and take remedial and preventive steps to resolve the problem.

To ensure service quality needs communication across the firm. At times, whole process change may be needed to cater the customers well. It is also necessary that the front line staff are cautiously chosen and rightly trained as they stand for the firm to the customers. To conceptualize the customer needs into dissatisfiers, satisfiers and delighters, the Kano model is useful.

Keywords: Customer satisfaction, Total Quality Management, Kano model

1. Introduction

Customers are the most significant asset of any organization. Success of a firm depends on the number of customers it has, their purchase of goods or services, and the frequency of buying. Satisfied customers will raise, purchase more and more often. Payment by satisfied customers will be made happily and promptly, hence cash flow will be improved which is very necessary for of any business.

Customer satisfaction is a measure of quality. The significance of customer satisfaction is due to national competition as well as due to global competition. In Malcolm Baldrige National Quality Award customer satisfaction has high significance in the criteria. Likewise, customer satisfaction standards are considered throughout ISO 9000: 2005. Major component of quality management system is customer satisfaction.[1]

Total Quality Management (TQM) involves an organizational passion with exceeding client expectations, so that clientele are happy. To comprehend the client's needs and expectations is vital to captivating new business and keeping on hand business. An organization ought to provide its customers quality goods or service that fulfils their requirements at a sound price, which comprises on-time delivery and excellent service. To accomplish this level, the organization needs to constantly observe their quality system to make out if it is receptive to fast-changing customer needs and expectations.

Nearly all successful TQM programs start by explaining quality from the perspective of customer. Quality implies meeting or exceeding the client's prospects. According to Dr. Deming quality also means foreseeing the future requirements of the clients. Client satisfaction ought to be the main goal of the organization in spite of increasing profits since contented customers will lead to greater than before profits.

Customer satisfaction is a feeling or attitude. People's opinions and attitudes are subjective by nature. Since client satisfaction is subjective, it is difficult to measure. There are many factors to a client's experience with goods or service that require to be measured independently to get a precise entire image of client contentment. Since client satisfaction is difficult to measure, the measurement is seldom precise. Normally, due to the difficulty of measuring feelings, client

contentment strategies are developed around clearly stated, logical customer opinions, and the emotional issues of a purchase are disregarded. This can be a costly mistake.

Two different types of customers are external and internal. An external customer can be defined as the one who uses the goods or service, the one who buys the goods or service, or the one who influences the sale of the product or service. An external customer be present outside the organization and generally categorized into three groups: current, prospective, and lost customers. Each group provides important information about customer satisfaction for the organization. All members of staff in the organization must know how their job improves the full satisfaction of the external customer. Performance ought to be constantly enhanced in order to maintain previous clients and to add new clients.

An internal customer is also very 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. Each person in a process is considered a customer of the previous operation. Objective of each worker is to ensure that the quality meets the expectations of the next person. When it occurs in the whole manufacturing, sales, and distribution chain, the satisfaction of the external customer ought to be certain. Every process has outputs, which are used by internal or external customers, and inputs, which are made available by internal or external suppliers. Each person does work that renders some product or service which is used by next customer.

Fundamental concept of TQM is a firm focus on clients, both internal and external. Nearly all employees be acquainted with the external customer but may not think of other workers as internal customers of their output.

In the ideal organization, each worker would have direct contact with customers and be effectual at meeting their requirements. Yet actually most employees are protected from customers by organizational layers. For instance, the first-line supervisor in a computer company could never speak with the person who purchases and depends on the firm's product. Yet, that supervisor and numerous other workers who do not have direct contact have to still contribute to the businessperson's contentment.

The rule for successful internal customer/supplier relationships differs. It forever starts with people putting their internal customers three basic questions:[2]

1. What do you need from me?
2. What do you do with my output?
3. Are there any gaps between what you need and what you get?

The head's role is to get work through the internal customer-supplier chain by helping workers guarantee that the last product or service completely convinces the end client. In place to strive for individual objectives, each individual or group ought to recognize and convince the internal customer(s) while developing a team effort where every people help the firm. Every section has to determine what activities are significant to external and internal customers both and control quality at every step. It is the basic need of all quality management systems to ensure that the external customer's requirements are sufficiently documented. Likewise, the firm have to document clearly what each internal customer be expecting.

2. Customer's view of Quality

The fundamental perception of the TQM thinking is incessant process improvement. This concept entails that there is no acceptable quality level since the client's requirements, values, and hopes are constantly changing and getting more demanding.

Prior to buying a product or service, a number of people check he rating in consumer magazines. All through the period 1980 to 1988, the quality of the product and its performance ranked first, second was price , and third was service. During the period 1989 to 1992, goods quality was he most important factor, but service ranked above price in importance.

Following ranking were shown by American Society for Quality (ASQ) survey on end user views of significant factors that influenced purchases.

1. Goods and service Performance
2. Product or Service Features
3. Customer Service
4. Product Warranty
5. Product Price
6. Company/product Reputation

The elements of performance, features, service, and warranty are ingredients of the product or service quality; hence, it is obvious that goods quality and service are more significant than price. Yet this information is s per the retail customer, it is found, to some degree, to be right for the business customer too.

2.1 Goods and Service Performance

Performance means “fitness for use” which indicates that the goods and service is prepared for the client’s use at the time of sale. Further considerations are (1) availability, which is the likelihood that a product will function when needed; (2) reliability, which is freedom from failure with time; and (3) maintainability, which is the easiness of keeping the product operational.

2.2 Product or Service Features

Particular features or attributes of a product or service are psychological, time-oriented, contractual, ethical, and technological. Features are less important characteristics of the product or service. For instance, the main function of an automobile is carrying, whereas a car stereo system is a feature of vehicle.

2.3 Customer Service

Stress on customer service is rising as a technique for organizations to provide the customer-added value. Though, customer service is an intangible it is made up of many small things, all geared to changing the customer’s perception. Intangible characteristics contribute greatly to customer satisfaction. Excellent customer service is different from and more complicated to achieve than excellent product quality. Firms that stress service keep looking for the ways to serve their clients in a better way, even if their clients are not making complaints.

2.4 Product Warranty

The product warranty is a promise of a quality product backed up by a assurance of client contentment. It too stands for a public commitment to guarantee a level of service enough to please the client. A firm has to identify the characteristics of product and service quality and the importance the customer attaches to each of those characteristics. A warranty produces feedback by providing information on the product and service quality. It also forces the firm to build up a remedial action system. The warranty gives confidence to customers to buy a service by reducing the risk of the purchase conclusion, and it produces more sales from existing customers by improving loyalty.

2.5 Product Price

To obtain value customer is ready to pay a higher price. Customers are continually assessing one company’s products and services against those of its rivals to find who provides the better value. Each customer’s concept of value is continually changing in highly-competitive environment. Continuing efforts must be made by everyone having contact with clients to identify, verify, and update each customer’s perception of value in relation to each product and service.

2.6 Company/Product Reputation

Full customer satisfaction is dependent on, not just the product but the total experience with the company. Customers are ready to pay a premium for a recognized or trusted brand name and time and again become permanent customers. Customer retention is a significant economic strategy for any firm. Yet it is hard for a firm to quantify enhanced customer satisfaction, it is quite easy to quantify growth in retention of customer. Investment in customer retention may be added effectual bottom-line approach than focusing on lessening operational costs. An efficient marketing retention procedure is obtained by using feedback from information gathering tools.

3. Customer Feedback

Feedback of customer ought to be constantly begged and watched. Customers change constantly. They change their thoughts, their prospects, and their suppliers. Customer feedback is a continuing and dynamic inquiring of the minds of the customers. Feedback enables the organization to:

- Find out customer discontent.
- Find out comparative priorities of quality.
- Evaluate performance with the competition.
- Recognize customers’ needs.
- Decide opportunities for betterment.

In service industries, like insurance and banking, customer feedback has become very significant to drive novel product development. There are plans to recognize and examine errors, take remedial action, and make continuing improvements. Successful firms take the time to pay attention to the voice of the customer and provide for that information reverse to the idea phase. Consideration to the customer’s voice can be made by many information gathering tools. The most important ones are comment cards, questionnaires, focus groups, toll-free telephone lines, customer visits, report cards, the Internet, employee feedback, mass customization and the American Customer Satisfaction Index.

3.1 Customer Comment Card

It is an inexpensive method of receiving response from clients. It can be attached to the warranty card and incorporated with the product at the time of buying. The aim of the card is to obtain simple information, such as name, address, age, occupation, and what influenced the client's choice to purchase the product. Though, there is very little motivation for buyers to reply to this type of card, and the quality of the response may not give a correct gauge of client's feelings. Usually, clients respond only if something fantastic or terrible has happened. Restaurants and hotels provide them at the ends of tables and in hotel rooms. They can even be found on the bottom of restaurant sales receipts. Often, free meals or hotel stays are provided to rectify a poor experience noted on a comment card. Free meals and hotel stays can generate significant customer loyalty provided the organization also fixes the problem.

3.2 Customer Questionnaire

A questionnaire is a technique for getting views and perceptions about an organization and its goods and services. It can be expensive and lengthy. Surveys may be done by mail or telephone. By questionnaires, the client is asked to provide answers regarding the quality of products and services. Usually surveys ask the customer to grade the question on a one-to-five scale or a one-to-ten scale, where the highest number typically has a narrative like "highly satisfied." One of the cause the one-to-five or one-to-ten scale is used is because it effortlessly produces a metric. Yet the "1 to 5" scale is a usual way to surveys, it perhaps is not completely effective. Thorough and most useful information may be gathered from a mail survey, the results are normally not representative of a usual population. This result happens since the only person who will take the time to fill out a survey are those who feel very strongly about a subject and, therefore, may be biased. To further improve a mail survey, the survey may be followed up with a phone call to non responders. Prior to data are collection, one should know how to analyze and use the data.

Customer satisfaction surveys ought to be reactive to the management of customer relationships. "Customer satisfaction survey respondents are more than survey participants, they are cherished customers of an organization. Their relationship with the organization should be strengthened as a result of the survey, not taxed." [3]. Investigations ought to focus on what is within the client's abilities or desires to achieve since surveys do elevate customers' expectations. Raising hopes and then doing nothing only dissatisfy customers. There are different categories of questions that provide different types of information. For instance, a question that begins with "Do you like Chinese food?" provides information on a customer's feelings or attitudes, whereas a question that asks, "How often do you dine out?" provides information on a customer's behavior.

Information about a customer's acquaintance about the product can be acquired by a question that has only one correct answer. The kind of question raised will conclude the type of information expected. The more specific the question, will provide the right answer. A more customized question gives the customer a focus for the kind of information in which you are interested. Questions ought to be cautiously crafted so that the marketing people do not foul the questions with their own idea. In short, how the information is going to be used will decide how the questions will be raised. The customers in a sample ought to be selected to best correspond to the population so that conclusions can be made concerning the population. Customer surveys ought to measure also a customer's outlooks of the competitor's performance. Further step is to filter through all the information to obtain to the helpful information. The gathered information must be turned into actionable information. The survey analysis must also suggest the magnitude of the customer base at risk and the revenue implication of functioning. The concluding analysis should give way a precise course of action. Another method of managing a survey engages telephone to the customers.

3.3 Customer Focus Groups

A popular way to obtain feedback is focus groups, but they may be very costly. Focus groups are quite effective for getting information on customer expectations. A group of customers is gathered in a conference room to reply a series of questions. These carefully prepared questions are asked by an expert arbitrator, who investigates into the participants' thoughts, ideas, perceptions, or comments. Meetings are planned to concentrate on current, proposed, and future products and services. As an encouragement to participate, these people are reimbursed in some way. Imprint analysis is an up-and-coming method used in focus groups. It is a nice way to obtain the inherent feelings connected with a product or service. Imprint analysis aids in comprehending the human emotions concerned in a buying decision. From customer questionnaires feelings are not as easily acquired, since customers often suppress information on surveys. In understanding the people's emotions involved in a buying decision Imprint analysis is helpful. For illustration, a big ice cream company found through customer satisfaction surveys that their customers sought to eat healthier. Prior to implementing a line of low fat ice cream, the firm determined to do an imprint analysis. The imprint analysis revealed that these customers would eat low fat ice cream and take away themselves of desserts throughout the week. But, on the weekends, these people hunted a super rich ice cream, having more fat than any ice cream existing in

the market. The ice cream company launched a new, full fat and extra creamy ice cream and sold it at a more cost. Their market share increased significantly, creating many loyal customers due to the extra insight that the imprint analysis provided.[4]

3.4 Feedback by Toll-Free Telephone Numbers

Toll-free telephone numbers are a useful technique for getting complaint feedback. Firms can react faster and more inexpensively to the complaint. Toll-free numbers are in use by at least 50% of all organizations with considerable sales. Execution of toll-free numbers has improved extremely in India and many other developing countries. Nowadays mobile networks are broadly used for marketing and mass communication.

3.5 Visit to Customers

Another way to gather information is to visits to a customer's place of business. A firm can proactively watch its product's performance while it is in use and hence identify any particular or frequent problems. Top managers ought to be involved in such visits and not hand over them to other person. It is a nice initiative to take operating personnel along with them so they observe directly how the product is performing. The firm ought to constantly keep informed about latest developments in the customer's industry by reading their journals and attending their conventions. Brainstorming sessions with the customers about future products and services ought to be done at the regular interval.

3.6 Customer Report Card

Report card is one more very effective information-gathering tool. It is regularly sent to customers on a quarterly basis. The data are analyzed to find out areas for upgrading. For illustration, the University of California uses a report card to grade the quality of campus business services, such as the payroll department and the bookstore.[5]

3.7 The Computers and Internet

Managers can also watch discussions taking place on the Internet to find out customers point of view about their products. Internet users often ask for advice concerning their day to day activities or activities linked to definite interests, hobbies, or sports. Messages that put side by side a company's products with those of its rivals can be explored. Observing Internet conversations is timely, the cost is negligible, and it can be a basis of innovative ideas. Also there are internet sites that receive consumer complaints and compliments about businesses and give organizations grades depending on their percentage of complaints to compliments. The organization's web page also provides an easy method for clients to e-mail the company with their opinion on the firm's goods and services. Monitoring Internet conversations is timely, the cost is minimal, and it can be a source of creative ideas. One of the drawbacks of monitoring Internet conversations, however, is that the conversations can be unfocused.[6]

Computers can be employed to find patterns in seemingly disordered data. For example, the sales data from a general store chain showed that the peak hours for selling diapers and beer were the same. The diapers were put next to the beer and sales increased for both.[7]

3.8 Feedback of employees

Employees are time and again an unexploited information source. Firms are listening to the external customer but not listening to employees. Employees can present insight into setting that inhibits service quality in the firm. Worker groups can suggest ideas to give solutions to problems that are identified by customers. Customer research reveals what is occurring while employee research discloses why it is occurring.

Employee feedback should be proactively solicited, instead of checking the wooden suggestion box once a year.[8] . For instance, Chrysler regularly surveys employees for issues, because workforce surveys are timely evaluated in regard to customer surveys. When employees have low morale, then they cannot offer superior service. Chrysler needs that management share the survey results with employees and uses the findings to make considerable alterations.

3.9 Product Mass Customization[20]

Mass customization is a method to offer variety at a reasonable cost. Mass customization is a straight consequence of improvements made in production, such as flexible manufacturing technologies, just-in-time systems, and cycle time reduction. Customers decide which type of seat coverings, color, and stereo system they desire. Mass customization is now also employed in many other industries. Modular furniture is a customized product at the delivery stage. Diverse customers can adapt modular furniture to meet up their varying requirements long after the original purchase. In mass customized products the voice of the customer can be captured by means of the hard data of what the customer purchased instead of what the customer was thinking about purchasing. The information concerning to customer

satisfaction is acquired from mass customization can be employed to offer more standardized products. However, the voice of the customer provides no information about the non-buying customer.

3.10 The American Customer Satisfaction Index[21]

Established in 1994; The American Customer Satisfaction Index (ACSI), is a joint project between the University of Michigan and the American Society for Quality, quantifies quality and customer satisfaction and relates them to companies' monetary performance. Companies can currently measure the value that improved customer satisfaction adds to the bottom line. ACSI looks at goods sold in the United States and not just those manufactured in the United States. In this mode, the quality of goods of United States is compared to international quality of goods.

4. Customer Satisfaction Surveys of Indian Companies

In automotive customer satisfaction Maruti has been ranking highest with authorized dealer service in India for nine successive years. This survey gives satisfaction among vehicle owners who visited their authorized dealership service station for maintenance or repair work for the duration of the first 12 to 18 months of ownership, which in general corresponds to the warranty period. Generally, satisfaction is determined by probing seven measures: problems experienced; service quality; user-friendly service; service advisor; service initiation; service delivery; and service experience. Ford models rank highest in the entry midsize and SUV segments and Toyota models rank highest in the premium midsize and MUV/MPV segments according to 2009 J. D. Power Asia Pacific India Vehicle Dependability Study. Honda and Maruti models also got highest-ranking attainments in other sectors. The study, which measures the dependability of three-year-old vehicles, ranks vehicles in 10 segments and examines more than 150 problem symptoms across nine categories: vehicle exterior; driving experience; features, controls and displays; audio and entertainment; seats; heating, ventilation and cooling (HVAC); vehicle interior; engine; and transmission. Overall, dependability is based on the number of problems reported per 100 vehicles, with lower scores indicating a lower rate of problem incidence and higher long-term vehicle quality. According to the J. D. Power Asia Pacific 2009 India Original Equipment Tire Customer Satisfaction Index (TCSI), J. K Tyre ranks highest in customer satisfaction with original equipment tires in India. According to the J. D. Power Asia Pacific 2009 India Auto Insurance Customer Satisfaction Index (AIS), ICICI Lombard ranked highest in customer satisfaction with auto insurance providers. The inaugural study measures auto insurance policy holder experiences with their primary insurers. Customer satisfaction is measured across six factors: interaction; claims; product/policy offerings; renewal/purchase of policy; billing and payment process; and premium/price for coverage offered. The Oriental Insurance follows closely in the rankings with 772. Overall, satisfaction across the industry averages 761.[9]

5. By means of Customer Complaints

Yet complaints are reactive, they are very imperative in getting data on customer observations. A displeased customer can simply turn out to be a gone customer. Many firms use customer unhappiness as the main measure to evaluate their process upgrading efforts. Normally, displeased customers change to a competitor and don't comment. Hence, the customers who don't complain be supposed to worry a firm the most. The usual firm takes its client base for granted, thinking that no complaints is satisfactory. Every complaint should be acknowledged, analyzed, and worked upon. In small organizations the top ranking officer is often in personal contact with key customers hence it beneficial. Therefore, information on client discontent is received into the firm at the top level, hence providing a quick response. Complaints can be taken as an opportunity to attain information and offer a better service to the client. Actually, the client is giving the firm second chance. Ninety percent of all client information comes through firm's front-line staff. A minor complaint to a front-line staff habitually becomes a major complaint when it reaches to the top level. By preparing front-line staff to resolve problems straight with customers a firm can save both clients and money. Customers would like problems to be solved rapidly and efficiently; hence, staff should be acquainted with how to take care of a wide range of problems that occur in the customer relationship. Reward should be linked to service quality performance and the ability to satisfy customers. Front-line staff ought to have the liability and authority to give the services needed to please the customer. Management should give confidence to employees to take risks, make few decisions, and not be scared of doing a mistake. The better the service at the point of sale, the lesser the complaints and the better will be the sales amount.

6. Quality of service

Tactics that have made noteworthy results in manufacturing are usually difficult to put into practice in a service sector. The similar results have been sluggish in service firms or service activities in production. Customer service is the group of activities a firm employs to retain clients' satisfaction. Service sector now accounts for about 54% of India's GDP.

Some of the industries which have been growing rapidly include mobile communication, software, hotels, insurance, call centers, healthcare and retails. Importance of service sector has therefore, increased significantly in the Indian industry.[10]

6.1 Service Organization

To make sure the equal level of quality for every customer, the firm must communicate to its employees the instructions for all tasks. A service quality handbook ought to be made with the explanation of all standards of service quality. From time to time, the whole process used by a company ought to be changed to provide better service. For instance, Indian Railways have totally improved their reservation structure during the last few years. Train seats/births from any station to any other station can be reserved from home and print their own ticket. The banking system revolution also has been extraordinary and made the dealing much easier. Belmont University reorganized its physical space to better serve its customers, the students. After many years of student complaints, Belmont created a one-stop Belmont Central where students can add or drop classes, get transcripts, file financial forms, cash checks, and do a myriad of other administrative tasks. Previously, students had to visit several buildings located at opposite ends of the campus to accomplish simple administrative tasks.[11]

6.2 Customer Care

Responses to customer complaints ought to be quick. If customers are treated with esteem they will just let off errors and definitely promote the firm. It is the customer who pays the wages.” Staff must please customers, not superiors or management.

6.3 Communication with customers

A firm’s contact to its customers must be constant with its level of quality of service. A customer will turn out to be displeased if there is a disparity between what has been advertised and what has been received. Customer relations are based on communication. A company ought to listen to its customers and set up a level of trust. Often, the primary impression a customer has of a company’s website. If the firm’s website is not customer-friendly, he will have a bad first impression. Iomega, the manufacturer of zip drives, improved both the content and the navigation and support tools on the organization’s website. Within one year, customer satisfaction increased 40%, problem resolution rate was up 320%, and the cost per solution fell from \$10.00 to \$0.69.[12]

6.4 Front-Line staff

It is paramount to keep in mind three things about front-line staff:

1. Employ the best.
2. Build up the top employees into professionals.
3. Inspire the professionals to continue and excel.

To acquire that “best employee” on the front line, somebody with a pleasing personality should be employed. If staff is not happy, this will be reflected to the external customers. Front-line staff need to care, smile, possess a pleasant voice, and thank the customer often. Front-line employees must also be trained. Of course, front-line staff ought to have good communication and problem solving skills, and they ought to be authorized to resolve complaints. Customers realize when someone empathizes with their feelings and is actually trying to help. The ultimate is being too fair with your customers, keeping customers before costs. Ritz Carlton hotel employees may spend up to \$2000 to correct a deficiency or rectify a customer complaint.[13] Sales people at Nordstrom are so obsessed with the customer that when a customer left her airline ticket at the counter of the Nordstrom’s women’s apparel department, the sales associate took a cab to the airport to locate the customer and deliver the ticket to her.[14] For example, on a commuter flight one passenger wanted to board with a huge elk rack that wouldn’t fit through the doorway much less in the carry on luggage compartment. The passenger was irate when the flight attendant, pilot, and baggage handler calmly explained why the elk rack wouldn’t fit, as if it needed explaining. Finally, the baggage handler firmly stated that the passenger was either to take her seat or leave the aircraft. The passenger quickly left and the remaining fifteen passengers gave a round of applause. Despite one unhappy customer, the airline was left with fifteen very happy customers.[15]

6.5 Leadership by Example

No quality improvement can be successful without management’s participation and, more prominently, commitment. Managers can best show their commitment to service quality by example. For instance, the CEO of Harley Davidson rides his bike to work.

He commented that if you build motorcycles for a living, you shouldn’t ride to work in a Rolls-Royce.[16]

7. Translating Needs into Requirements

The Kano mode

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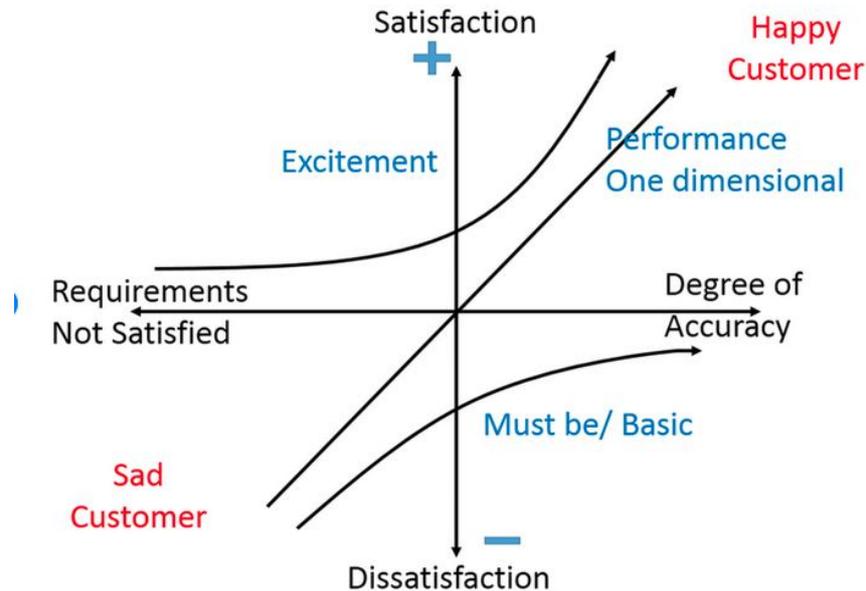


Figure represents customer requirements. The Kano model represents three main areas of customer satisfaction. The first area of customer satisfaction, shown by the diagonal line, symbolizes explicit requirements. These comprise written or verbal requirements and are easily recognized, anticipated to be met, and usually related to performance. Satisfying the customer would be comparatively simple if these were the only requirements.

The second part of customer pleasure represents innovations, as represented by the curved line in the figure at upper left corner. A customer's written information is normally purposefully vague to avoid stifling new ideas during conceptualization and product definition. Since they are unanticipated, these creative ideas often enthuse and please the customer. These ideas become expected quickly.

The third and most important part of customer contentment represents implicit requirements, as represented by the curve in the lower right corner of the figure. The customer may really be ignorant of these requirements, or they may presume that such needs will be routinely supplied. Basic specifications often fail to take real-world manufacturing requirements into account; many are based on just industry standards or earlier. These implied needs are the most difficult to define but comes out to be very costly if overlooked.

Practically, the customer doesn't buy a specification; he buys the product or service to fulfill a need. Customers are keen to whatever best facilitates them get their desired outcome. Only matching a customer's needs is not sufficient; the firm has to exceed the customer's requirements.

8. Customer Retention

Customer retention is very necessary for a long term business goal. Customer retention stands for the acts that generate the needed customer satisfaction that generates customer loyalty, which in fact perks up the bottom line. What customers think of a service or a product can be obtained by customer satisfaction surveys, focus groups, interviews, and observations. Yet, what customer communicate believe is often different from what he does. Customer contentment ought to be measured also by using the hard measures of cash register receipts, market share, the degree of customer retention, and the number of referrals from customers. The superior firms have established a connection between customer satisfaction and the bottom line. The analysis identifies the number of customers and the revenue at risk. Customer retention takes customer contentment to the further by finding what is really essential to the customers and ensuring that the customer satisfaction organism focuses valuable resources on things that in reality matter to the customer.

Similarly, high staff retention has a noteworthy impact on high customer retention. One approach firms can administer customer retention is to give attention to their existing employees and to who they are employing. The better companies have established a link between customer satisfaction and the bottom line. The analysis identifies the number of customers and the revenue at risk.[17]

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