

**AN EXPLORATORY INVESTIGATION OF THE  
RELATIONSHIP BETWEEN THE ACHIEVEMENT OF ISO  
9000 QUALITY STANDARDS AND THE LEVEL OF  
CUSTOMER SERVICE PROVIDED BY MANUFACTURING  
COMPANIES IN THE DURBAN AREA.**

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Submitted on 7 February, 2002, Durban, South Africa.

## DECLARATION

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I hereby declare that, except where noted, this dissertation represents my own work, and that all the references, to the best of my knowledge, are accurately reported.

LUCIE GANACHAUD

## DEDICATION

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To my family:

my mother, Brigitte Bertolotti, my grandparents, Louis and Marguerite-Marie Bertolotti, my  
aunt Annick Bertolotti, and my brother, Xavier Ganachaud,

For their patience and support.

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## ABSTRACT

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During the past 20 years, marketing in industrialized countries has evolved towards Relationship Marketing placing more attention on customer loyalty. To achieve this new objective, increased interest has been placed on delivering quality customer service. In parallel, the notion of quality has evolved toward total quality, now considering every aspect in the company. Following this evolution, new quality tools have been developed, such as the ISO 9000 standards.

This study aimed at investigating a possible positive link between ISO 9000 and customer service. In other words, the following question was researched: 'does the ISO 9000 certification improve the level of customer service provided?' The main implication of this study was to determine if the ISO 9000 certification could be used as a tool to improve the allegedly low level of customer service provided by South African firms.

A qualitative methodology was chosen to conduct the study, using a triangulation method to get reliable and valid results. The research's principle was to compare the level of customer service provided by companies with the ISO 9000 certification with the level of customer service provided by companies without the ISO 9000 certification. Six companies (three with the certification, three without it) were selected in three different industries. Three different sources were used to determine the levels of customer service in each company: an interview with a manager, the observation of the sales representatives' behaviour, and an interview with one or two of the company's customers.

The results showed that the levels of customer service provided by the ISO 9000 certified companies were not necessarily better than the levels provided by the companies without the certification, as some companies without the certification were delivering a better quality customer service than some companies with the certification. Therefore, the study found no positive link between ISO 9000 and customer service.

However, the study revealed that ISO 9000 was not fully understood as a total quality tool by some of the certified companies interviewed, leading them to only partially implement the certification. Therefore, it is suggested that the way ISO 9000 is understood and implemented can have an impact on the quality of customer service. If ISO 9000 is well understood as a global quality tool by managers, and if it is implemented accordingly, with good leadership that involves all the employees, then it can have a positive impact on customer service.

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## CHAPTER 1 - INTRODUCTION

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### 1.1. CONTEXT OF THE STUDY

In recent years, the business environment has changed bringing a dramatic increase in global competition. Companies need, therefore, to concentrate their efforts on the customer to increase their loyalty (Griffin *et al.*, 1995: 87). Customer service has become a key element of marketing, as it is relevant to the success or failure of a firm. Some writers (Christopher *et al.*, 1991) even consider it as another element of the marketing mix. Blem (1995: 6) suggests the following definition: "customer service refers to all the activities which create a bond between organisations and their clients". Christopher (1992: 5) developed a definition saying that "customer service is concerned with the building of bonds with customers and other markets or groups to ensure long-term relationships of mutual advantage." This is the concept of relationship marketing, which places emphasis more on customer retention and loyalty than on customer acquisition (Christopher and Peck, 1998). In addition, marketing is now going toward 'one-to-one' strategies, and the notion of quality has been extended to adapt to this evolution.

Quality is now "seen as a source of competitive advantage" (Christopher, 1992). Quality was previously considered from the company point of view, as a way to get a perfect product or service, but now, "quality, from a relationship marketing perspective, must be perceived from the viewpoint of the customer" (Christopher, 1991: 7). "Customers do not buy products, they seek benefits. In doing so, they evaluate competing offers in terms of the

totality of product and service as well as the 'relationship' that currently exists, or potentially could exist, between themselves and the supplier and/or the brand" (Christopher 1992: 65). This is part of the notion of 'Total Quality'.

As part of this trend, standards for quality assurance have emerged throughout the world, like the ISO 9000 qualification, which ensures the quality of products and services. "ISO 9000 was established during the 1980s by the International Organization for Standardization to establish basic, uniform requirements for Quality Assurance systems" (Johnson & Chvala, 1996: 246). It applies to a wide range of industries, both in manufacturing and services. ISO 9000 is supposed to be "an effective marketing tool", which:

- improves performance, co-ordination and productivity
- puts greater focus on business objectives and customers' expectations
- leads to the achievement and maintenance of the quality of products to meet the customers' stated and implied needs (International Organization for Standardization, 1996: 9).

According to a 1993 survey among ISO 9000 registered companies, it was found that "higher perceived quality" and "improved customer satisfaction" were the most important benefits of ISO registration (Johnson & Chvala, 1996: 248). Customer Service is therefore expected to be better and more efficient in ISO 9000 certified companies. However, the literature review doesn't provide any clear statement about what the derived benefits of ISO 9000 for a company are.

## **1.2. STATEMENT OF THE RESEARCH PROBLEM**

As the concept of quality underlying the ISO 9000 standard is to meet customer requirements, the ISO 9000 qualified companies should achieve an improved level of customer service. To confirm this statement, the study investigated the relationship between

the achievement of ISO 9000 quality standards and the level of customer service provided by the companies. The research involved manufacturing companies in Durban, South Africa.

### **1.3 STATEMENT OF OBJECTIVES**

#### **1.3.1. Statement of overall objective**

The overall objective of the study was to assess the impact of the ISO 9000 standard on the performance of the customer service as perceived by customers.

#### **1.3.2. Statement of sub-objectives**

##### **1.3.2.1. Sub-objective 1**

The first sub-objective was to establish, from the customers' point of view, the relative importance of various customer service components, from the pre-transaction stage to the post-transaction stage (stock availability, quality of sales representation, ordering convenience, reliability of delivery, credit terms offered, after-sale service, etc), in order to determine their expectations and needs concerning customer service.

##### **1.3.2.2. Sub-objective 2**

The second sub-objective was to determine the perceived performance of the services provided from the pre-transaction stage to the post-transaction stage by the supplying company.

#### **1.3.2.3. Sub-objective 3**

The third sub-objective was to compare service levels of companies with ISO 9000 with the service levels of those companies without it, in order to identify the impact of ISO 9000 on customer service.

#### **1.3.2.4. Sub-objective 4**

The fourth sub-objective was to identify the aspects of ISO 9000 that contribute to improved customer service.

### **1.4. PROPOSITIONS**

In order to achieve the sub-objectives the following propositions were assessed:

P1: It was proposed that the quality of sales representation, the flexibility of the customer service system, the ordering convenience, the reliability of delivery, and the after-sales service are perceived as the most important components of quality service, and that stock availability and credit terms offered are less important (relates to sub-objective 1)

P2: It was proposed that the performance of ISO 9000 certified companies, concerning the most important elements of quality service, is better than for the companies that do not have the qualification. On the contrary, it was proposed that the performance of ISO 9000 certified companies concerning the less important elements of quality service is inferior to that of the companies that do not have the qualification (relates to sub-objective3).

Sub-objectives 2 and 4 are related to descriptive research, and do not warrant propositions.

## **1.5. DELIMITATIONS AND LIMITATIONS**

### **1.5.1. Delimitations**

Firstly, the study was limited to the Durban Metropolitan Area. The reason for this was to respect time constraints and to limit the size of the budget.

Secondly, the ISO 9000 certified companies taking part in the study were chosen from ISO 9001, ISO 9002 and ISO 9003 certified companies, as every company that has one of these qualifications is considered to have the ISO 9000 qualification.

Thirdly, the target population of customers was constituted of only industrial customers. Consumers were thus excluded, since the majority of ISO 9000 certified companies (in the Durban area) are essentially working in the field of Business to Business marketing. However, an exception was made for one company, who's customers were composed of both industrials and consumers.

Fourthly, the companies taking part in the study were selected from companies selling a tangible product (service companies were not taken into account), as the population of ISO 9000 companies working in the service sector in the Durban Metropolitan area is too limited.

### **1.5.1. Limitations**

The exploratory nature of the study implies that the results cannot be generalized to the entire population of industries and companies



## 1.6. ASSUMPTIONS

It was assumed that customer service is composed of pre-transaction elements, transaction elements and post-transaction elements. "The pre-transaction element of service refers to the systems, structures and environment which we seek to create before the sale takes place. The transaction components are those which the customer experiences during the sales process and the post-transaction refers to the after-sales context" (Christopher, 1992: 8). Thus, no attempt was made to test whether the customer service components could in fact be separated into these three categories.

It was assumed that customers are capable of assessing a supplier's customer service performance. Consumers' perceptions are often used to assess various elements of a firm, such as in the study by Turner *et al.* (1999), who used customers' perceptions as a measure in a quality audit. Customers' perceptions are also used in the study of Berry, Zeithaml and Parasuraman (Lovelock, 1992), as a base to evaluate service quality.

Finally, it was assumed that the perceived performance is more important than the actual performance. Lovelock (1992: 224) highlights that the customer is "the sole judge of service quality", by comparing the service they receive (perceptions) with the service they desire (expectations). Therefore, no attempt was made to test if the real performance of customer service could be defined by the perceived performance (Christopher, Payne and Ballantyne, 1991: 89).

## 1.7. IMPLICATIONS OF THE STUDY

A growing number of companies all over the world, including South Africa, are attempting to qualify for the International Standards Organization's ISO 9000 certification in order to achieve quality goals (Tricker, 1997). The ISO 9000 certification is achieving significant growth throughout the world, including South Africa. A survey conducted in 1997 by Mobil revealed that 200 000 companies were holders of the certificate in 90 countries (SABS, 1999). Two years before there were 128 000 holders (in 86 countries), which represents an increase of more than 55 %.

In addition, the concept of customer service is taking on more and more importance in the marketing decisions of managers world-wide, and it is almost considered as another element of the marketing mix (Christopher, 1991: 13). South Africa has been slow in committing to this process, as can be seen by the fact that the customer service provided by South African companies is not as developed as in the United States and Europe (Blem, 1995).

If the proposed relationship between ISO 9000 and customer service does exist, the ISO 9000 certification could then be used as a tool to improve the level of customer service for South African companies.

The study moreover contributes to increased academic knowledge about customer service quality within companies by identifying a possible relationship between the achievement of ISO 9000 and the level of customer service provided. It does not appear as if any similar study has been carried out in South Africa to investigate this relationship.

## **1.8. DEFINITIONS OF TERMS**

### **1.8.1. Quality**

Tricker (1997: 3) defines quality as “the totality of features or characteristics of a product or service that bear on its ability to satisfy a given need”. The concept of quality has expanded, from considering only the tangible product features (production) to a broader approach allowing companies to create or sustain their competitive advantage. Quality has become the “customers’ perceived value” (Christopher, Payne and Ballantyne, 1991: 68), therefore involving every part and element of the firm that contributes to the perceived value.

### **1.8.2. ISO 9000 series**

As stated by Tricker (1997: 10), the ISO 9000 series is a set of standards, that “identify the basic disciplines of a quality management system that can be used by manufacturers, suppliers, distributors and end users, large or small. The series specifies the nationally, regionally and internationally accepted procedures and criteria that are required to ensure that products and services meet the customer’s requirements”. ISO 9000 is thus focused on ensuring consistent quality of the company’s management of quality (South African Bureau of Standards, 1999).

- ISO 9001 sets out the requirements to be met where a business is involved in design and development, production, installation and servicing.
- ISO 9002 gives the equivalent requirements where a business doesn’t undertake design and development.
- ISO 9003 is the equivalent model where design control, process control, purchasing or

servicing are not required, and basically inspection and testing are used to ensure that final products and services meet specified requirements (International Organization for Standardization, 1996).

### **1.8.3. Customer service**

For Christopher, Payne and Ballantyne (1991: 5), customer service is concerned with “the building of bonds with customers and other markets or groups to ensure long-term relationships of mutual advantage”. Customer service can be seen as a process which involves pre-transaction, transaction and post-transaction considerations in relation to the exchange process with the customer.

### **1.8.4. Service quality measurement:**

A simple way to measure service quality is the ratio of ‘Performance’ (as perceived by customers) divided by ‘Expectations’ (as defined by those customers) (Christopher, 1992).

## **1.9. STRUCTURE OF THE REPORT**

This report provides a comprehensive overview of the realization of the study. The next chapter presents a review of the literature gathered on the various topics related to the study: notions and concepts regarding customer service, quality, and ISO 9000 are developed. Chapter 3 develops the qualitative methodology adopted for the realization of the study, and discusses reliability and validity. Chapter 4 presents the findings in detail. A summary of the results is provided at the end of this chapter. In Chapter 5, the findings are discussed, and an

answer to the question raised by the study is given. Chapter 6 provides an overall conclusion and recommendations for industries and academia.

## CHAPTER 2 – REVIEW OF LITERATURE RELATED TO QUALITY, SERVICE, AND ISO 9000.

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### 2.1. INTRODUCTION

Over the past twenty years, environmental conditions have changed dramatically for many organizations because of increased foreign and domestic competition and the increased quality awareness of customers (Wisner and Stanley, 1999). Following this evolution, new marketing concepts and tools have been identified to adapt to this changing environment. Traditional marketing has been refocused toward Relationship Marketing, with a greater emphasis being placed on the creation of 'customer value' (Payne *et al.*, 1995).

The concept of customer service is therefore taking more and more importance in the marketing decisions of managers world-wide (Christopher *et al.*, 1991:13). In parallel, the scope of quality has widened, from a simple inspection of the final product to a much broader view involving the organisation as a whole and has become a major means of value creation (Christopher *et al.*, 1991). The growing importance of service quality derives from this. Service quality increasingly becomes a strategic force used by managers as a way to enhance financial performance and to achieve competitive advantage (Rapert and Wren, 1998).

A variety of quality tools have been developed. Among them, standards for quality

assurance have emerged throughout the world, like the ISO 9000 qualification, which attracts more and more followers (Tricker, 1997). Basically, the ISO 9000 standards emphasize "achievement of process control through quality planning and goal setting, clear assignment of task, authority and responsibility, adequate skills and systems for documenting process performance and responding to process failures" (Anderson *et al.*, 1999: 30).

In the first section of the literature review, the concept of Relationship Marketing and its related principles, as a background to the study, will be presented. The second section will be devoted more specifically to the notions of customer service and quality, which are at the heart of the Relationship Marketing concept. This section will also help clarify the elements involved in sub-objective 1, by defining the customer service components. The third section will emphasize the importance of delivering quality customer service in today's environment. Sub-objective 2 will be addressed in this section, which will establish the link between service quality, customer expectations and perceived performance. The way to measure service levels will also be addressed (sub-objective 3). In the last section, the ISO 9000 standards will be introduced. The expected benefits they provide to companies will be presented, as well as the criticisms they face. This section will provide a partial answer to sub-objective 4 -it will identify the aspects of ISO9000 that contribute to good customer service.

## **2.2. RELATIONSHIP MARKETING**

### **2.2.1. The emergence of Relationship Marketing**

Until recently the field of marketing has focussed on the core concept of a market-based transaction, founded on the practices developed for selling mass produced goods to broad, homogeneous markets (McKenna, 1991). Marketing was more preoccupied with campaigns and other short-term activities to gain new customers than focussing on keeping existing customers.

In recent years, evolution in the business environment has made it harder for firms to maintain long-term sales growth and profitability levels. Global competition has increased dramatically. A larger choice of products and services is available to the same range of customers, with little growth in overall markets (Griffin *et al.*, 1995).

According to Kandampully and Duddy (1999: 51), what establishes a firm's competitive advantage in today's environment is its ability to serve customers' present and future needs; "It is the firm's awareness and fulfilment of customers' evolving needs that nurture and validate ongoing relationships with customers". Realizing the full profit potential of each customer relationship should be the fundamental goal of every business.

Thus, a new way of perceiving marketing has emerged: from transaction marketing, which is focussed on product, and where quality is primarily a concern of production, business moved, in the 1990's, to Relationship Marketing, which focuses now on customer retention, with emphasis on high customer service and where quality is now the concern of all (Christopher *et al.*, 1991). Relationship Marketing is actually a refocusing of traditional



marketing with a greater emphasis being placed upon the creation of 'customer value' (Payne *et al.*, 1995 : vii). The major contrasts between the traditional approach of marketing and the new concept of Relationship Marketing are presented in Table 1:

**Table 1: The shift to Relationship Marketing**

Transaction Marketing	Relationship Marketing
Orientation to single sale	Orientation to customer retention
Discontinuous customer contact	Continuous customer contact
Focus on product features	Focus on customer value
Short time scale	Long time scale
Little emphasis on customer service	High customer service emphasis
Limited commitment to meeting customer expectations	High commitment to meeting customer expectations
Quality is the concern of production staff	Quality is the concern of all staff

(Source: Payne *et al.*, 1995: viii)

Relationships are becoming the new solution for organizations to succeed in this newly complex and fast changing environment, as "enduring relationships with customers cannot be duplicated by competitors, and therefore provide for a unique and sustained competitive advantage" (Buttle, 1996: 1).

## **2.2.2. Principles of Relationship Marketing**

### **2.2.2.1. Definition**

Robert and Shelby (1994: 22) propose a definition that is meant to cover all fields (services as well as industrial markets) and all forms of relational exchange: "Relationship Marketing refers to all marketing activities directed toward establishing, developing and maintaining successful relational exchanges". Gordon (1998: 9) defines Relationship Marketing more precisely by saying that "Relationship Marketing is the ongoing process of identifying and creating new value with individual customers and then sharing the benefits from this over a lifetime of association". Relationship Marketing thus:

- seeks to create new value for customers,
- recognizes the role of the individual customer not only as purchaser, but in defining the value they want. In Relationship Marketing, the customer helps the company to provide the benefit package that the customer values,
- seeks to build a chain of relationships within the organization to create the value customers want, and between the organization and its main stakeholders, including suppliers, distribution channel intermediaries, and shareholders.

(Gordon, 1998 : 9 - 10).

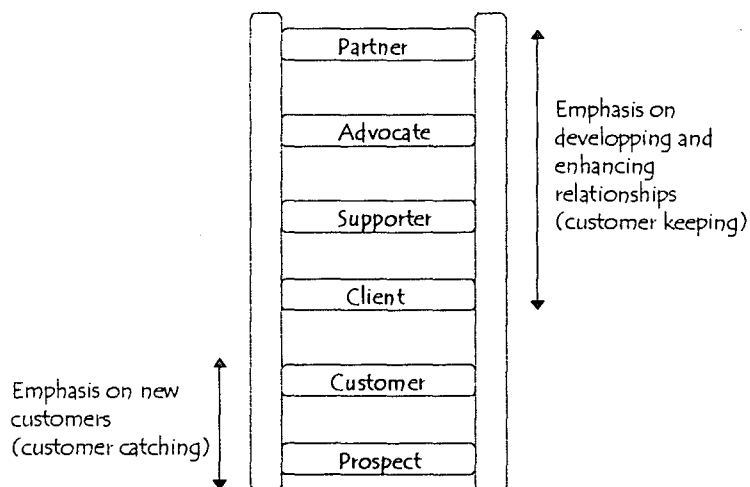
Berry (1995) identifies four strategy elements for practicing Relationship Marketing:

- focussing on developing a core service around which to build a customer relationship
- customizing the core service with extra benefits
- pricing services to encourage customer loyalty
- marketing to employees so that they, in turn, will perform well for customers.

#### 2.2.2.2. The Relationship Marketing ladder of customer loyalty

Relationship building is, by definition, a long-term process, in which six stages can be identified (Figure 1):

**Figure 1: The Relationship Marketing ladder of customer loyalty**



(Source: Payne et al., 1995: viii)

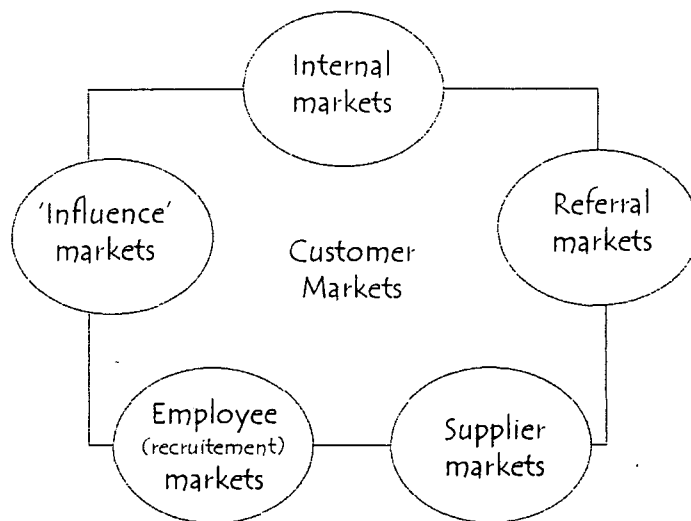
At the foot of the ladder is the target market (prospect), who is then converted into a 'customer', someone who has only done business with the company once or occasionally. The next step is the client (repeat purchases, but may be neutral or even negative about the company, like banks, for example, which can have clients with very negative views, but they remain with the bank out of inertia rather than loyalty). It is only when the client is converted into a 'supporter' that the relationship becomes strong, as supporters like being associated with the company and can be persuaded to become 'advocates', people who actively recommend the company to others. The final step is where the customer is a 'partner', with

whom the company “seeks to identify ways in which mutual advantage can be gained from the relationship” (Payne *et al.*, 1995: ix). Achieving customer loyalty is therefore at the core of the Relationship Marketing concept.

#### **2.2.2.3. A broader, ‘six markets’ view of Relationship Marketing**

Traditionally, marketing has been seen from the perspective of managing relationships with customer groups. Berry (1995: 242) stresses that “companies must establish relationships with non-customer groups (the means) to successfully establish relationships with customers (the end). Relationship Marketing has a much broader viewpoint: in order to provide the best value proposition in terms of both the product and customer service, Relationship Marketing is concerned with serving six markets. In addition to the traditional customer market, the referral market, the supplier market, the employee market, the influence market, and the internal market need to be considered, and companies need to develop a specific strategy to address each of these markets (Christopher *et al.*, 1991: 20). The six markets are illustrated in Figure 2 below.

**Figure 2: The six markets model : a broadened view of marketing.**



*(Source: Christopher et al., 1991)*

A brief description of each of the six markets is given below:

> Customer markets:

They represent all the people or organizations that buy goods and services from companies (end users, consumers, or intermediaries). The critical element for managing the relationships within this market is customer service, as far as, in more and more markets today, it provides the only effective means to differentiate the offer from that of competitors (Payne *et al.*, 1995)

> Referral markets:

"It has been said that the best form of marketing is to get your customers to do the marketing for you". This suggests the importance of developing the referral sources (word-of-mouth recommendations). Referral markets can be intermediaries, connectors, multipliers, third-

party markets, agencies, networks and existing satisfied customers (Christopher *et al.*, 1991: 23).

> Supplier markets:

The vision of the supplier/customer relationship is changing: from the traditional adversarial relationship, it is moving to a long-term, very close relationship based on co-operation. "The principle of co-marketing is based on the concept of both parties agreeing and, as a result, creating better futures for each of them" (Christopher *et al.*, 1991: 24). Building closer and mutually beneficial relationships with suppliers is of critical importance because suppliers provide the materials, products, and services allowing the marketing company to add further customer value (Payne *et al.*, 1995).

> Employee markets:

These markets form a focal point for Relationship Marketing, since people are key to any relationship (Gordon, 1998). Moreover, many firms are learning today that the reason limiting their success can be attributed to people. From this point of view, companies need to put special emphasis on hiring adequate employees with the right qualifications. Moreover, motivation is also a crucial factor that needs to be taken into account. Gordon (1998: 274) summarizes this point, giving a tip for new marketers : "train, develop and grow people into owners of a process which seeks to build customer bonding and purchase favorability." Long-term employees make long-term customers (Berry, 1995).

> Internal markets:

The term 'internal marketing' has emerged in the 1990s to describe the application of marketing internally within the firm. There are two key aspects underlying this concept: the first is the notion of internal customer, where every person working within an organization has a supplier and a customer. The second aspect is concerned with making all employees work together and in the same direction, towards the company's mission, strategy and goals. "Internal marketing [...] was recognized as an important activity in developing a customer-focussed organization" (Christopher *et al.*, 1991: 30). It has been shown that there is a clear link between employee retention (especially front-line employees) and customer retention (Peck *et al.*, 1999).

> Influence markets:

Christopher *et al.* (1991) apply the term 'influencer' to a range of third parties who exercise influence over the organization and its potential customers. These influencers may be governments and their agencies, press and other media, professional bodies, investors, and pressure groups. In fact, 'influence markets' include all of the groups that have traditionally fallen within the domain of Public Relations. "While relationships with these parties may not directly add value to a product or service, they can directly influence the likelihood of purchase or prevent an offer from even reaching the market" (Peck *et al.*, 1999: 9).

Thus, the concept of Relationship Marketing is concerned with both a consideration of the six market areas and the creation of a bond with each of these markets. This bond results from the quality of the ongoing relationships, as well as the quality of products and services produced. "It is this notion of Total Quality, in the sense of providing customer perceived value, that creates an opportunity to turn transaction-based marketing into relationship-based marketing" (Christopher *et al.*, 1991: 31).

### 2.2.3. Loyalty as the basis of business performance

The concept of loyalty that marketers have developed for brands also applies equally to stores, service suppliers, and other vendors. To refer to all these targets of loyalty, the general term customer loyalty can be used, which can be defined as "customer's commitment to a brand or a store or a supplier, based on a strong favourable attitude and manifested in consistent repatronage" (Sheth *et al.*, 1999: 701). In other words, loyalty is a commitment to repurchase.

The concept of Relationship Marketing, described in section 2.2., is based on the creation of lasting and ongoing relationships with the customers and the other related markets. Therefore, more attention is being placed on customer retention than on customer acquisition, and loyalty is meant to be the final goal (Christopher *et al.*, 1991). As Reichheld (1996: 1 - 2) says, loyalty is not dead, as proclaimed by some experts, but rather remains "one of the great engines of business success". He notices that businesses that concentrate on finding and keeping good customers continue to generate superior results. "Consistently high retention can create tremendous competitive advantage, boost employee morale, produce unexpected bonuses in productivity and growth, even reduce the cost of capital" (Reichheld, 1996: 1 - 2). Loyalty is therefore the basis of business performance, which is not only associated with profit itself but also with the value created by the firm for its customers.

Indeed, loyalty is a truer mean of corporate performance than profits. Profits alone are unreliable because it is possible to raise short-term earnings by liquidating human capital. For instance, pay cuts and price increases can boost earnings, but they have a negative effect on



employee and customer loyalty. The only way to gain loyalty is providing superior value. This long-term approach leads to what has been called virtuous profits, 'healthy' and lasting profits, resulting directly from that value creation, as opposed to destructive profits, coming from exploiting assets (Reichheld, 1996).

Another point is that, economically, it is well known that the cost of gaining new customers is higher than the cost of keeping customers (Zeithaml *et al.*, 1996; Payne *et al.*, 1995; Loomis, 1999; Reichheld and Sasser, 1990). The search for additional profit through customer acquisition can be self-defeating. "The cost of gaining even an extra percentage point can be prohibitive and it is not so much the absolute market share that counts but the quality of that share" (Christopher and Peck, 1998). Furthermore, as shown by Zeithaml *et al.* (1996), customer retention generates positive financial impacts, while customer defection leads to negative financial consequences.

Reichheld (1996: 19 - 21) summarizes the impact of loyalty on business performance as follows:

- Revenues and market share grow when the best customers are considered in the company's business, building repeat sales and referrals.
- Consistent delivery of superior value to customers increases employees' loyalty by giving them pride and satisfaction in their work. Moreover, as long-term employees get to know long-term customers, they learn how to provide still more value, which further reinforces both customer and employee loyalty.
- Loyal long-term employees get to reduce costs and improve quality, which further improves the value delivered to the customer and leads to superior productivity.
- Higher productivity and increased efficiency of dealing with loyal customers generates a sustainable cost advantage leading to higher profits.

The main determinant of loyalty is the delivery of a quality customer service. "Excellent service companies perform better on the bottom line because they perform better for their customers. Customers respond to these firms because they perceive more value in their offers than in competitive offerings" (Zeithaml *et al.*, 1990: 11)

## **2.3. CUSTOMER SERVICE AND QUALITY IN RELATIONSHIP MARKETING**

### **2.3.1. Customer service**

#### **2.3.1.1. Customer service as the heart of Relationship Marketing**

“More than any other, the role of customer service is seen as a potential source of differentiation and competitive advantage in the market place” (Morris and Davis, 1992: 343). The increasing importance of customer service is obvious from both an observation of what’s happening in the business environment and a study of the interests of current academic research. Customer service has emerged as having an important place in the Relationship Marketing concept (Christopher *et al.*, 1991).

There are many definitions of customer service. To many, it means being friendly, delivering on time, and answering the customer’s needs quickly (Blem, 1995). While this behaviour is indeed part of the notion of service, there is more to take into account. In the wider context of Relationship Marketing, customer service refers to all the activities, which create a bond between organizations and their clients or customers to ensure long-term relationships of mutual advantage. Some writers like Kotler even consider customer service as another element of the marketing mix (Christopher *et al.*, 1991).

Christopher (1992: 8) proposes a more specific definition. Customer service is “a system organized to provide a continuing link between the time that the order is placed and the goods are received with the objective of satisfying customer needs on a long-term basis”. This last definition suggests that customer service needs to be seen in the context of the

supply / marketing channel (from suppliers' suppliers, to suppliers, to the company itself, to its customers, to its customers' customers). This approach suggests that customer service should not just be seen in the context of the company and its relationship with its customers, "but also in its downstream relationship with its ultimate customers, as well as its upstream relationships with suppliers, and perhaps even the supplier's supplier" (Christopher *et al.*, 1991: 15).

### **2.3.1.2. Customer service components**

Finally, customer service can be seen as a process which provides time and place utilities for the customer and which involves pre-transaction, transaction and post-transaction considerations relating to the exchange process with the customer (Christopher, 1992). Very simply, the pre-transaction elements of service refer to the systems, structures and environment which a company seeks to create before the sale takes place. The transaction elements are those that the customer experiences during the sales process, and the post-transaction elements refer to the after-sales context (Christopher, 1992). Figure 3 presents, in more detail, these three components.

#### **Figure 3: Customer service components**

##### **Pre-transaction elements**

- Written policy (printed customer policy, which is displayed publically)
- Flexibility (to last minute order modifications, for example)
- Product knowledge of employees
- Technical information
- Employees' willingness to build and maintain good relationships

- Consistent lead times
- Formal production schedules
- Accuracy of quotes
- Ability to meet the desired product requirements

#### Transaction elements

- Employees appearance to customers
- Facilities appearance to customers
- Employees willingness to build and maintain good relationships
- Order convenience
- Providing order status information
- Accuracy of billing
- Accuracy of shipping

#### Post-transaction elements

- Preventing stockouts
- Product training to customers
- Employees willingness to build and maintain good relationships
- On-time delivery
- Ability to trace a product for recalls
- Ability to handle complaints
- Follow-up for customer satisfaction
- Product development

*(Source: Christopher, 1992: 8; Morris and Davis, 1992: 348)*

The above list doesn't pretend to be fully comprehensive nor static, as some elements could be added, removed, or moved from one category to another, to adapt the characteristics of different industries or even at a smaller scale, of different companies. However, the list covers a maximum of customer service elements.

In compliance with the Relationship Marketing concept, the willingness from employees to build and maintain good relationships with the customer is an important element of customer service, occurring during the three stages of the sale.

#### **2.3.1.3. The importance of personal selling in customer service delivery**

“Personal selling involves person-to-person communication with a prospect. It is a process of developing customer relationships, discovering customer needs, matching the appropriate products with these needs, and communicating benefits through informing, reminding, and / or persuading” (Manning and Reece, 1995: 6).

In today's environment, where the quality of the service delivered is a major determinant of sales, the front-line employees - often the sales representatives - are crucial. Increasingly, personal selling is viewed as an important form of customer service. Indeed, the behaviour of the front-line employee toward the customer on a consistent basis will be what influences the customer's decisions to do business with any organization. From the customers' point of view, the employee with whom they deal is the company. If this employee is helpful, courteous, and knows what he's talking about, the company will be perceived as a company that looks after the customer. On the other hand, if the employee is rude, inattentive, and doesn't have the adequate knowledge, the organization will be perceived as being uncaring about the customer. “What is of paramount importance is how much customers of today value and look for intangible aspects of the customer/supplier relationship. Every customer wants to be important and he wants to be treated in a way that makes him feel important” (Moreo, 1996: 2).

The sales representative has therefore a major role to play from the pre-transaction stage to the post-transaction stage. Futrell (1997) decomposes the sales representative's work into ten steps, presented in Figure 4 below:

**Figure 4: The selling process has ten important steps**

Pre-transaction	1- Prospecting
	2- Pre-approach
Sales presentation (transaction)	3- Approach
	4- Presentation
	5- Trial close
	6- Determine objections
	7- Meet objections
	8- Trial close
	9- Close
Post-transaction	10- Follow-up

(Source: Futrell, 1997 : 170)

These steps must be operated professionally - with quality - by the sales representative to allow the next step to happen. For example, if the prospecting and pre-approach are not implemented properly, the transaction (sale) may never happen. The 'Follow-up' is of greatest importance because it determines whether the customer will buy again from the company or will switch to a competitor (Futrell, 1997).

Cook (1997) identifies five main skills needed by sales representatives, and front-line employees in general, to ensure the best customer service (Table 2).

**Table 2: Front-line employees' required skills**

	<b>Skill</b>	<b>Content</b>
1	Maintain reliable customer service	Maintain records relating to customer service, organize own work pattern to respond to the needs of customers, make use of networks
2	Communicate with customers	Select information for communication to customer, facilitate flow of information between organization and customer, adapt methods of communication to the customer
3	Develop positive working relationships with customers	Respond to the needs and feelings expressed by the customer, present positive personal image to customer, balance the needs of customers and organization
4	Solve problems on behalf of customers	Identify and interpret problems affecting customers, generate solutions on behalf of customers, take action to deliver solutions
5	Initiate and evaluate change to improve service to customers	Obtain and use feedback from customer, communicate patterns and trends in customer service within the organization, contribute to the evaluation of changes designed to improve service to customers, initiate changes in response to customer requirements

(Source: Cook, 1997: 154)

#### **2.3.1.4. Customer service in South Africa**

"Customer service in South Africa is awful" (Cheales, 1995: 5).

As has been shown, customer service is taking more and more importance at both the



macroeconomic and microeconomic level. However, South Africa has been slow in committing to this process, as can be seen by the fact that the customer service provided by South-African companies is not as developed as in the United States or Europe (Blem, 1995). Cheales (1994: x) stresses that though "the hottest buzzwords in South Africa today are 'quality service' and 'customer care', usually qualified by the adjective 'excellent'", this is rarely put into application. Companies take those words into account in rewriting their mission statements to incorporate the new references of the worldwide trend, but little change actually occurs at 'the moment of truth', when the customer is in relation to the company. Indeed, customer service in South Africa remains poor. The country was rated 23rd in a survey of customer service in 24 countries according to Campbell (2000). He criticizes Durban's customer service in the columns of the Sunday Tribune by saying that it is appalling and adding that companies seem to consider that customers are a necessary irritation they have to endure.

According to Blem (1995: 10), several reasons explain the poor South African customer service:

- The bureaucratic nature of government departments where service is provided under duress and which have "made South African customers helpless, dependant, and accustomed to being told what to do",
- The history of racial intolerance - service is considered as a form of servitude,
- Ignorance of the employees.

But South African managers also have a tendency to forget that the customers are the foundations of business and keep the company in existence, and that customers alone give employment. Cheales (1994: x) recalls that "there is only one valid definition of business purpose: to create a customer. It is a customer who determines what a business is. It is the

customer alone whose willingness to pay for goods or services converts economic resources into wealth, things into goods." Moreover, today's customers want more than a product, more than quality, more than product performance - they insist on added value, they demand service. South Africa must react to reach a level of world class customer service. Companies that fail to meet customer service expectations "will be driven to the wall" (Cheales, 1994: xi). Many businesses, including old, established companies, have already succumbed. Browning (1998) also warns that as South Africa enters the global economy, it becomes important that the issues of service are addressed as a matter of priority if the country wants to be able to compete in the international arena. South African companies should understand that there is a tremendous opportunity for them to enhance their bottom line by providing excellent customer service (McGraw, 1999).

The present study will establish if ISO 9000 has a positive impact on customer service. If this is the case, the ISO 9000 certification process could then be used as a tool to improve the level of customer service for South African companies.

### **2.3.2. Quality**

#### **2.3.2.1. Evolution of the quality concept**

"The quality world has changed" (Bice, 1999: 28). He noticed that "the focus on quality has moved from an inward look at company requirements to an outward view of the needs, desires, and expectations of the customer". Perceptions of quality and its role in a firm's competitiveness have changed dramatically over the last three decades. Consumerism, the global marketplace, and e-commerce have played a major role in these shifts. Consumers

and businesses are demanding increased quality products and now, with the Internet, they can 'shop the world' to find them. Thus, the role of quality has evolved into a strategic one and therefore quality has become an imperative that no firm can ignore (Withers and Ebrahimpour, 2000).

From one of final inspection, the quality approach is now moving to one of assessing whether critical processes are in control and giving guidance to others in the techniques involved. This change in focus, from inspecting production outputs to controlling the processes, has considerable importance as far as all the company processes are now involved (Christopher *et al.*, 1991).

From this globalisation of quality within the firm, many new quality philosophies and initiatives, now considering quality throughout every process of the firm, have appeared (Withers and Ebrahimpour, 2000). Total Quality Management (TQM), developed by Deming and Juran, and the quality certification scheme ISO 9000, are two of these new initiatives.

#### **2.3.2.2. Definition of Quality**

The term 'quality' actually covers a large range of concepts. Quality is, first and foremost, conformity to specifications. However, in the new wider scope of quality, specifications have to be linked to the global offer of the firm (products, but also services) and are no longer determined by the company, but are to be related to customer requirements (Teboul, 1991: 24-25). "While the substance and determinants of quality may be undefined, its importance to firms and consumers is unequivocal" (Parasuraman *et al.*, 1985: 44). For the International Organization of Standards (ISO), "quality is the totality of features and characteristics of a product, process, or service that bear on its ability to satisfy stated or

implied needs" (Teboul, 1991: 43).

From a Relationship Marketing perspective, quality is also perceived from the viewpoint of the customer, and must be understood as a way to create a competitive advantage (Christopher *et al.*, 1991). Quality is indeed how the offer becomes unique and gets value in the eyes of the customer. Relationship Marketing and its association with quality as a competitive strategy seeks always to create enough value in the sale in order to bring customers back for more (Christopher *et al.*, 1991). In this context, quality has to be understood in the sense of customer perceived value.

"Quality is a customer determination, not an engineer determination, not a marketing determination, or a general management determination. It is based upon a customer's actual experience with the product or service, measured against his or her requirements - stated or unstated, conscious or merely sensed, technically operational or entirely subjective - and always representing a moving target in a competitive market" (Feigenbaum, 1991: 7).

## 2.4. QUALITY AND CUSTOMER SERVICE

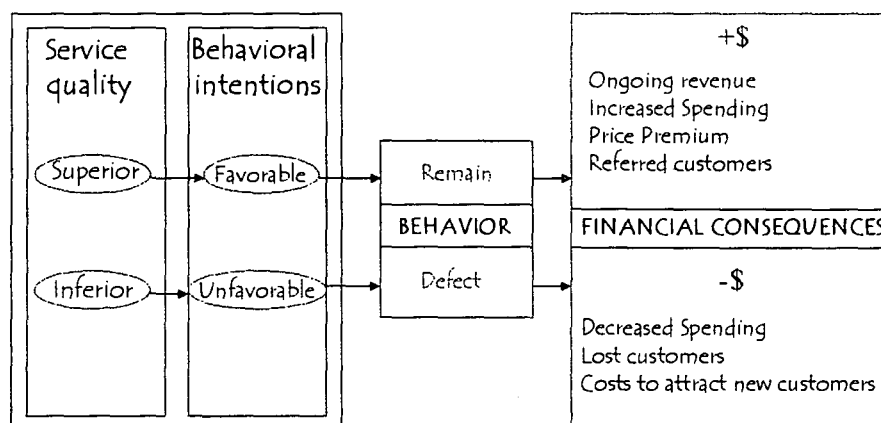
### 2.4.1. The need to deliver quality service

"Service quality has emerged as an irrepressible, globally pervasive strategic force as well as a key strategic issue on management's agenda" (Rapert and Wren, 1998: 223).

Delivering quality service is indeed considered an essential strategy for success and survival in today's competitive environment (Zeithaml *et al.*, 1996). Service quality influences profits by increasing market share and achieving a price premium. It has been observed that businesses in the top quintile of relative service quality, on average, realise 8% higher prices than their competitors (Zeithaml *et al.*, 1996).

Figure 5 shows that delivering a superior quality service leads to customer loyalty, which has positive financial impacts on the firm. On the other hand, bad financial consequences result from bad customer service.

**Figure 5: The behavioural and financial consequences of service quality**



(Source: Zeithaml *et al.*, 1996: 33)

Service quality is thus a determinant of whether a customer eventually remains with, or defects from, a company. When service quality is high, the customer's behavioural intentions are favourable, which strengthens his relationship with the company. On the contrary, when service quality is low, the relationship is more likely to be weakened (Zeithaml *et al.*, 1996).

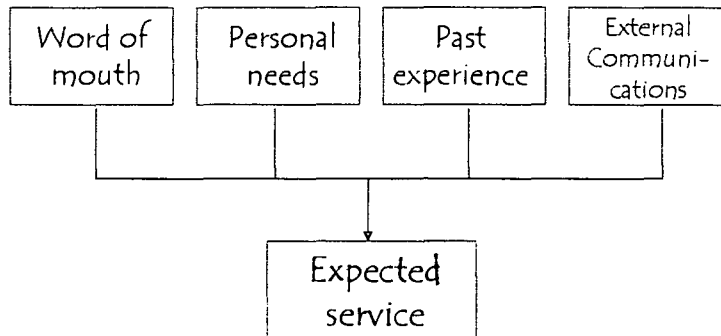
This chain of impact of service quality on satisfaction, and satisfaction on customer retention (customer loyalty), and further, customer retention on profitability, has been shown in the literature (Storbacka *et al.*, 1994).

Excellent service creates true customers - customers who are glad they selected a firm after the service experiences, customers who will use the firm again and praise the firm to others (Zeithaml *et al.*, 1990).

#### **2.4.2. Customers' expectations as the determinant of service quality**

Research has shown that customer expectations are determinants of service quality (Parasuraman *et al.*, 1988). Many factors may influence customers' expectations. Parasuraman *et al.* (1985) have researched these factors for the development of the Servqual model. The following figure (Figure 6) presents the four main factors that determine the expectations for the service.

**Figure 6: Customer assessment of quality**



(Source: Zeithaml *et al.*, 1990: 23).

First of all, word of mouth communications - what customers hear from other customers - is a potential determinant of expectations. For instance, the high quality of service customers expect from chosen product-repair firms often stem from the recommendations of their friends or neighbours. Second, it seems that customers' expectations appear to vary depending on their individual characteristics and circumstances. Personal needs of customers might indeed influence their expectations. For example, as far as credit-cards are concerned, some customers expect credit-card companies to provide them with the maximum possible credit limits, while others wish that their credit-card companies were more stringent than they are. Third, the past experience of using a service also influences customers' expectations. Fourth, external communications from service providers play a role in shaping customers' expectations. External communications consist in a variety of direct and indirect messages conveyed by the firm to customers (advertisements, for instance, or even price, are included in external communications) (Zeithaml *et al.*, 1990).

Besides, the research by Parasuraman *et al.* (1985) has suggested that there are a number of basic dimensions of service quality that can be generalized across markets. These ten criteria are presented in Table 3.

**Table 3: Ten dimensions of service quality.**

Dimensions	Definition of the dimension	Example
Tangibles	Appearance of physical facilities, equipment, personnel and communication materials	ex: Is my credit card statement easy to understand?
Reliability	Ability to perform the promised service dependably and accurately	ex: Is my credit card statement free of errors?
Responsiveness	Willingness to help customers and provide prompt service	ex: Are charges for returned merchandise credited to my account promptly?
Competence	Possession of the required skills and knowledge to perform the service	ex: When I call my credit card company, is the person at the other end able to answer my questions?
Courtesy	Politeness, respect, consideration and friendliness of contact personnel	ex: Are the telephone operators in the credit card company consistently polite when answering my call?
Credibility	Trustworthiness, believability, honesty of the service provider	ex: Are the interest rates/fees charged by my credit card company consistent with the services provided?
Security	Freedom from danger, risk or doubt	ex: Is my credit card safe from unauthorized use?
Access	Approachability and ease of contact	ex: Does the credit card company have a 24-hour, toll-free telephone number?
Communication	Keeping customers informed in a language they can understand, and listening to them	ex: When I call my credit card company, are they willing to listen to me?
Understanding the customer	Making the effort to know customers and their needs	ex: Is the credit limit set by my credit card company consistent with what I can afford (i.e. neither too high nor too low)?

(Source: Zeithaml *et al.*, 1990: 21-22).



An interesting study by Carman (1990) suggests that these ten dimensions are generic and may be reshaped (some may be removed and some others developed) to adapt to the type of service provided.

#### **2.4.3. Measuring service levels**

Quality was previously only concerned with products, i.e. tangible goods, and was defined in terms of conformance to manufacturer's specifications. Services, basically, are intangibles. Thus they are performances and experiences rather than objects. For that reason, precise manufacturing specifications concerning uniform quality can rarely be set. Moreover, when what is being sold is purely performance, the criteria customers use to evaluate it is complex and difficult to capture precisely (Zeithaml et al., 1990). Services are also heterogeneous: their performance often varies from producer to producer, from customer to customer, and from day to day. Finally, production and consumption of many services are inseparable. Service quality is thus "an elusive and abstract construct that is difficult to define and measure" (Cronin and Taylor, 1992: 55).

Several conceptual models have been developed to try to assess and measure service quality as precisely as possible. Although having been questioned by some authors (Cronin and Taylor, 1992; Brown et al., 1993), the most acknowledged system to assess service quality remains the Servqual model, developed by Parasuraman et al. in 1985. This model has been widely cited in the marketing literature and is also extensively used in industry (Brown et al., 1993).

Parasuraman *et al.* (1990) suggest following six broad guidelines to perform service quality research:

- a- measure performance against customers' expectations
- b- measure performance against competition
- c- measure the relative import of service dimensions and attributes
- d- perform qualitative research, too
- e- conduct employee research
- f- conduct ongoing research

These points are more precisely describe below:

a- measure performance against customers' expectations

As has been said before, service quality is determined by customers' expectations. Parasuraman *et al.* (1988: 16) noted that "service quality, as perceived by customers, stems from a comparison of what they feel service firms should offer (i.e., from their expectation) with their perceptions of the performance of firms providing the service". In effect, customers' service expectations provide a base for their assessment of the service. When service performance falls short of expectations, a service quality gap results.

One approach to measure the service gap is the Servqual model concept developed by Parasuraman, Berry and Zeithaml. Servqual consists of about 20 paired questions split between 2 sections - an 'expectations' section and a 'perceptions' section, the first one to capture customers 'expectations' of firms in general within a service category, and the second to measure customers' 'evaluations' of a particular firm's service. Servqual identifies several service categories (tangibles, reliability, responsiveness, etc., as shown by Table 3) and uses 7-point scales. With data generated by using the Servqual instrument, a company can quantify the gap between customer expectation and perception and follow its evolution (Zeithaml *et al.*, 1990).

#### b- measure performance against competition

"Competitor service performance is another essential context for service quality measurements (Zeithaml *et al.*, 1990: 37). Managers get a better idea of what should be service improvement priorities for their company if they measure the firm's service strengths and weaknesses against those of competitors. This concept is called benchmarking, where customers' perceptions of the company's performance is measured against other suppliers. Christopher (1992: 58) identifies 4 steps to conduct effective benchmarking:

- 1- Determine customer-based definitions of service
- 2- Utilize Trade-Off analysis to identify key service factors (like Pareto analysis or 80/20 rule)
- 3- Benchmark performance against key competitors
- 4- Develop service profile and service performance matrix

Christopher (1992: 64) underlines that it is essential to also benchmark the process, not just the outputs of customer service, because "the value of process benchmarking is that it enables the organization to break away from the established mould within the industry in which they compete and instead to identify best practice, wherever it may be found, with a view to incorporating it in an innovative way in their own systems".

#### c- measure the relative importance of service dimensions and attributes

Research has shown that the various service dimensions and their attributes are not uniformly important to customers (Zeithaml *et al.*, 1990). Therefore, managers need to gather data on the relative importance of these service factors to target markets and thus avoid spending money on the wrong initiatives. Several methods are available to measure the relative importance of customer service elements. One of them is to rank order service

dimensions or attributes, or to rate them on a scale from "not at all important" to "extremely important" (Zeithaml *et al.*, 1990).

d- Perform qualitative research, too

Zeithaml *et al.* (1990) think that it is essential to couple quantitative and qualitative service quality research. One form of research without the other is insufficient. While quantitative research can quantify the extent of service quality gaps, it can not capture certain critical attributes that influence customers' service perceptions - for example, a contact person's mannerisms and 'tone' of service - that can only be assessed through qualitative research.

Qualitative research methods include customer focus groups, informal conversations with individual customers, and depth interviews. "Qualitative research gives managers the perspective and sensitivity so critical in interpreting the data and initiative improvements efforts" (Zeithaml *et al.*, 1990: 40).

e- conduct employee research

Employees who perform the service have the best possible viewpoint for observing the service and identifying elements that cause bad quality in the service. Furthermore, employees who perform services are themselves customers of internal services on which they depend heavily to do their jobs well. Hence the only way to measure internal service quality is through employee research (Zeithaml *et al.*, 1990). Zeithaml *et al.* (1990: 42) suggest that 2 broad categories of questions be used:

- what is the biggest problem you face day in and day out while trying to deliver high quality service to your customers ?
- If you were president of this company for one day and could make only one decision to improve the quality of service, what decision would you make?

#### f- conduct ongoing research

Companies have to implement a service quality research process, not just a study, which only provides an image at a moment in time. It is suggested often in the literature that 'service is a journey, not a destination'. The same can be said for service quality research, "which supports the continuous improvement objective that characterizes all great service organizations" (Zeithaml *et al.*, 1990: 40).

#### **2.4.4. Elements needed within the organization to ensure quality customer service**

##### **2.4.4.1. Listening to customers**

As mentioned above, service quality is dependent upon customers' expectations. Therefore, to ensure service quality, companies have first to know and understand those expectations. Listening to customers is of vital importance. "The more direct feedback an organization receives from its customers, the better it can develop its relationship with them" (Cook, 1997: 105). Market research is the first step to establish the customers' needs. In addition, monitoring satisfaction regularly is also important to maintain a customer-focused organization.

The literature also suggests that the internal customer is in direct relation with the external customer and should therefore be taken into account. "Successful internal service encounters are considered to have a direct link to external customer satisfaction" (Wisner and Stanley, 1999: 26). Hence, the internal customer must be heard and their needs must be met so that a firm can successfully address the external customer' needs.

#### **2.4.4.2. Empowerment and ownership**

Organizations where employees are empowered and take ownership of service quality are more likely to deliver excellent service to their customers. Empowerment can be reached firstly through the creation of the right environment, where co-operation and support are key words throughout all levels of the firm. Teamwork should also be developed, as it "is often an integral element of empowered customer service and is a proven means of encouraging the acceptance of greater responsibility" (Cook, 1997: 124). Besides, empowerment plays an important role in service recovery and many organizations are delegating responsibility and decision-making powers to front-line staff who are in charge of dealing with customer complaints (Cook, 1997). Moreover, encouraging employees to solve customer problems and eliminate the source of complaints allows them to be 'nice', and customers treat them better in return. The overall exchange is more rewarding, and not just customers but also employees will want to continue their relationship with the company (Reichheld and Sasser, 1990).

#### **2.4.4.3. Training and development for customer service**

Training and development has become essential to achieve quality customer service. It helps companies "to be more flexible, pro-active and customer focused in the face of fierce competition, but it is also a prime motivational tool" (Cook, 1997: 146). Though of first importance, the customer service training should not be restricted to front-line employees. Everyone should take part in it. Typical skills that need to be transmitted through training include: listening and questioning skills, oral communication, dealing with difficult customers, written communication skills, teamwork, complaint handling, managing pressure and stress,

and problem-solving in teams. Whatever topic it is, the training should be based on customer feedback (Cook, 1997).

#### **2.4.4.4. Effective internal communication**

Service quality can not happen without communication. It should become part of the culture of the organization through constant and consistent communication. "The development of communication media to convey the service philosophy is a vital means of creating an awareness of the investment that an organization is making in service" (Cook, 1997: 164). A service message should be disseminated into all organizational activities in both external and internal communications. Companies need to develop a communication plan to ensure that the most adequate medium is chosen to convey the message to the target audience (Cook, 1997).

## **2.5. ISO 9000 AND QUALITY.**

### **2.5.1. Definition and historical background of ISO 9000**

The ISO standards emanate from the International Organization for Standardization (ISO), a worldwide, Geneva-based federation of 130 countries, each represented by its own regulatory body. Their international agreements are published as International Standards ISO 9000, providing a consistent universal measure of quality (Browne, 1999). These standards were introduced in 1987 to facilitate global trade by harmonizing quality terms and systems (Withers and Ebrahimpour, 2000). In fact, the ISO 9000 standards were primarily adopted as the means of harmonizing the technical norms of the twelve member states. However, the ISO's aim was to develop "generic quality management standards for worldwide application" that would give "mutual benefit to producers and users alike" (Anderson *et al.*, 1999: 29). By 1989, ISO compliance had become part of hundreds of product safety laws all over Europe, and covers everything from medicine to telecommunications. ISO certification became compulsory for any company selling into the European market from 1993 (Shepard, 1994).

The ISO 9001-9003 is a series of documents on quality assurance that governs the overall management of a business entity (Giguere and Smith, 1999). It establishes the documentation and procedural standards that must be met (Anderson *et al.*, 1999). Under these standards, controls must be established for every aspect of the production process and all operational procedures and managerial actions must be documented (Zhu and Scheuermann, 1999). Thus ISO 9000 certification does not regulate or control product quality in itself, but the high documentation requirements serve to identify deficiencies in processes or quality controls leading to the implementation of improvements (Withers and Ebrahimpour,



2000). ISO 9000 emphasizes achievement of process control through quality planning and goal setting, clear assignment of task authority and responsibility, adequate skills, and systems for documenting process performance and responding to process failures (Anderson *et al.*, 1999). The achievement of the certification is based on third party assessment and periodic audits to confirm that the system meets and adheres to the ISO 9000 Standard (Anderson *et al.*, 1999).

The ISO 9000 standards consist of the following standards, covering three major areas of certification:

- > ISO 9001: covers all the processes of a company from design and development to procurement, production, testing, installation, and service.

- > ISO 9002: covers everything except design and development.

- > ISO 9003: covers only inspection and testing.

(Cortada and Woods, 1995; International Organization for Standardization, 1996).

To get certified, companies start with a 100-page, five-part guidebook that directs them to document how workers perform every function that affects quality, and to set up mechanisms to ensure that they follow the stated routine. Internal teams verify that procedures are being followed in twenty domains, from purchasing to design to training. Once the company feels ready, independent auditors inspect the company to award a certificate of compliance (Shepard, 1994). Outside auditing occurs every six months to ensure compliance of real practices with the documentation (Zhu and Scheuermann, 1999). The ISO 9000 Standards are not supposed to impose a standardized bureaucratic system on organizations. In fact, it is not a single system at all, but is unique to each organization. "It helps to define those elements of business practice that should be addressed by the organizational system" (SABS, 1999: 12).

### 2.5.2. Expected benefits of ISO 9000

Before addressing the benefits of ISO 9000, it is important to understand a firm's motivation for ISO 9000 certification. Anderson *et al.* (1999: 40) conducted a comprehensive study of North American companies that reveals that "contrary to the view held by many critics of the ISO 9000 quality assurance standards, certification is not sought primarily in response to regulatory requirements" (i.e. complying with government or customer demands), but is actually adopted as one tool in a larger strategy of quality management. Managers thus seek registration because they hold ISO 9000 as part of their quality management effort toward competitive advantage (TQM, for example) and not because the market asks them to.

However, one of the first benefits of ISO 9000 described in the literature remains the confidence it gives customers. Customers have increased confidence in certified companies. In other words, ISO 9000 satisfies the need for external quality assurance, or the need "to streamline and enhance the process of assuring a customer that a business will deliver its service or product" (Giguere and Smith, 1999: 13). According to the ISO, other benefits can also be derived from the ISO 9000 certification:

- > Improvement of performance, coordination and productivity
- > Greater focus on business objectives and customers' expectations
- > Achievement and maintenance of the quality of the product to meet the customers' stated or implied needs
- > Management confidence that the intended quality is being achieved and maintained
- > Evidence to customers and potential customers of the organization's capabilities

>Opening up new market opportunities or to maintain market share (International Organization for Standardization, 1996).

According to a Dun & Bradstreet survey, 72.3% of organizations with ISO 9000 certification have a major competitive advantage in winning business. "Having a documented quality procedure gives us a strong advantage over competitors. It provides us with internal benchmarks so that we can monitor the amount of preventive maintenance vs corrective maintenance" says Ron Miller, Executive Vice President of Omni's MainTech Corporation (Browne, 1999: 42).

Quality World Magazine published another study in 1995, showing that certified firms significantly outperformed their competitors across all major business measurements. Table 4 reflects some of these results:

**Table 4: Advantages of an ISO 9000 listing**

Improvement of product/service quality	76.08 %
Decrease in products that do not adhere to standards	57.86 %
Improvement of esteem in the market place	71.30 %
Increase in competitive edge	56.95 %
Improvement in internal communications	53.08 %
Improvement in quality awareness	84.05 %
Cultivation of a quality culture	69.70 %
Improvement in record-keeping	85.19 %
Improvement of management efficiency	56.04 %
Improvement of customer service / client service / customer care	72.44 %
Decrease in faulty product returns	58.31 %

(Source: South African Bureau of Standards, 1999: 5)

A study conducted in Colorado in 1995 examined ISO 9000 companies to identify what managers think of the ISO 9000 registration process. Table 5 shows what managers perceive the benefits of ISO 9000 to be:

**Table 5: Benefits of ISO 9000 Registration**

Benefit	Frequency
Establishes a formal system (ISO 9000 as a framework)	45.0 %
Establishes a consistent documentation method	45.0 %
Provides a competitive advantage or helps meet customers' expectations	35.0 %
Establishes a quality system where none previously existed	17.5 %
Better understanding of processes and responsibilities	15.0 %
Better understanding of total quality management	10.0 %
Promotes teamwork	7.5 %
Other	7.5 %
<i>Note : respondents could give more than one response</i>	

(Source: Weston, 1995: 71)

Table 6 shows the perceived benefits at the shop-floor level, where the customer is in direct contact with the company.

**Table 6: Perceived positive benefits of ISO 9000 registration at the shop-floor level**

Benefit	Frequency
Better understanding of what is expected	55.0 %
Clarifies roles and responsibilities	40.0 %
Happy to have documented procedures	40.0 %
Improves communication	12.5 %
Better link to other functions	7.5 %
Better response to problems	7.5 %
<i>Note : respondents could give more than one response</i>	

(Source: Weston, 1995: 71)

Although many articles about ISO 9000 and its benefits exist in the literature today, in general these publications are speculative, anecdotal and usually based on the experiences of a single company. For this reason, all the benefits identified from the literature and cited above should be considered as trends rather than as precise and fixed benefits of the ISO 9000 certification process.

### **2.5.3. Importance of ISO 9000**

The contribution of ISO 9000 standards to global quality system conformity is evidenced by the number of firms worldwide that have achieved certification: from fewer than 30 000 in 1992 to over a million in 1998 (International Organization for Standardization, 1999). In parallel, the standards are becoming even more important as they are being emphasized by the United Nations, the Organization for Economic Co-operation and Development, and the World Trade Organization (Cascio, 1999). ISO 9000 registration has been encouraged all around the world, including by governments in countries such as Hong-Kong, Malaysia, Singapore and China (Ho, 1995).

In recent years, there has also been a discernible rise in ISO 9000 registration in the service sphere. Today, both large and small service companies appreciate that ISO 9000 is a management tool that can maintain their market focus and improve their competitive position (Giguere and Smith, 1999). "All of the small, privately held service firms, as well as the large, multi-site production companies surveyed used ISO 9000 as an agent for productive change to help them manage their competitive environment today and plan their future leadership in expanding American and global markets" (Struebing, 1996: 23).

#### 2.5.4. Criticism of ISO 9000

“Standards. To a few, they’re as intriguing and controversial as Madonna” (Daniels, 1999: 27). Since their creation, standards have received much criticism. Some of the most common criticisms of ISO 9000 are discussed below.

In general, the message from the literature concerning the value of ISO 9000 is divided into two points of view: while some think that ISO 9000 can be a great tool (often associated with TQM efforts) to build a customer-led company, others reject this idea and think that ISO 9000 certification is a ‘fad that will go away’. For them, ISO 9000 can result in a short-term improvement of quality, but competitive advantage doesn’t necessarily result (Terziovski *et al.*, 1995). These critics consider ISO 9000 as fundamentally incompatible with quality management. ISO 9000 is often said to be “subverted by political forces” (Anderson *et al.*, 1999: 29) or “inefficient and thoroughly politicised” (Daniels, 1999: 27).

The most common criticism is that the high cost of certification may act as a barrier for small companies, though it is supposed to encourage open commerce. ISO 9000 certification is indeed not risk-free. The cost of certification can be very high ranging from \$10,000 to \$300,000 per company (Withers and Ebrahimpour, 2000). This cost also varies with the manufacturing operation as well as with the state of quality control practices. A 1993 survey highlights a negative relationship between estimates of ISO 9000 certification costs per unit of sales and total firm sales. This relationship reveals economies of scale in certification. Large firms have lower costs of certification per unit of output and therefore a greater motivation to pursue certification (Anderson *et al.*, 1999). The long implementation time needed to get

registered is also a common problem experienced by firms undertaking the certification effort (Daniels, 1999).

Some critics also claim that the process of achieving ISO 9000 is little more than a paper exercise that adds to bureaucratic waste (Anderson *et al.*, 1999). Moreover, many firms complained about the difficulty of interpreting the ISO 9000 standards. This problem comes from the fact that the standards are written in general terms so as to be applicable by any industry. Unfortunately, the guidelines for the ISO 9000 standards don't specify how to adapt the standards to a specific industry (Withers and Ebrahimpour, 2000).

The standards have also been criticized in a sense that some critical areas are not covered. For instance, the ISO standards make virtually no provision for quality leadership, though quality leaders are involved in key processes. They enlarge the business plan to include strategic quality goals, they personally follow progress against those goals, and they train the entire hierarchy in how to manage quality (Juran, 1999).

While much of the literature reports that companies are getting benefits from their ISO 9000 certification efforts, very few of these benefits (improved efficiencies, reduction in operating costs, fewer defects) may be transferred to the customer (Withers and Ebrahimpour, 2000). In other words the ISO 9000 standards are not customer-focussed enough. There is, indeed, nothing in the standards that address customer focus, planning, internal communication, human resources, identification of customers' requirements, customer communication, customer satisfaction, and improvement (Pearch and Kitka, 2000b). Terziovski *et al.* (1995) found no positive relationship between customers' satisfaction and ISO 9000 certification.

These criticisms emanate from a misunderstanding of the ISO 9000 registration process and its scope. ISO 9000 and the positive repercussions it can have on the company are underestimated, for example, its' leading to competitive advantage. The certification must be well understood by managers - as a global quality tool - to fully benefit the company. It seems that a partial understanding of ISO 9000 leads to medium results in the company. Managers should understand that the paperwork - what they call 'bureaucracy' - is in fact a good exercise to enable all in the company to question their way of working and a basis to continuously improve the quality of the work which is done. The price of the certification should rather be considered as an investment with great input to the company, than a cost or a loss.

#### **2.5.5. A revised version of the standards, ISO 9000: 2000**

In late 1999, the International Organization for Standardization (ISO) published a revised version of the ISO 9000 standards (West *et al.*, 2000). The content, style and structure are meant to have been improved (Lamprecht, 1999). The standards are more user friendly and focus more on continuous improvement and customer satisfaction (Zuckerman, 2000). ISO 9000: 2000 covers three major gaps:

- voice of the customer : the firm will need to design methods to describe and monitor the needs and expectations of each customer for each order and will need processes and procedures in place to measure and analyse customer satisfaction.
- continual improvement : under ISO 9000: 2000, it won't be enough for a company to measure customer satisfaction, it will need to improve the level of satisfaction, and also to measure and improve internal processes.
- management responsibility : executive management plays a far more central role with the



new standard. "In ISO 9000: 2000, management responsibility is expanded so that management presides over a multi step version of the 'Plan-Do-Check-Act' process. This process includes, to establish a policy, to set objectives, to plan, to establish a QMS (Quality Management System), and to plan resource management (Pearch and Kitka, 2000a).

## 2.6 CONCLUSION

Because of an increasingly complex and competitive environment, marketing has been refocused, giving birth to the new marketing concept of Relationship Marketing. This concept, based primarily on customer loyalty, involves a broader view of the firm (addressing not only the customer markets but also five other related markets) and emphasizes the need to manage marketing, quality and service together in order to create more customer value, and therefore strengthen customer relationships. Delivering service quality is the condition and the means to create this value.

Nowadays, service quality is said to help support a firm's competitive position in much the same way as cost synergies, organisational expertise, and brand equity do. In today's highly competitive environment, companies can no longer differentiate themselves from their competitors through products, but the different levels of service quality they deliver will make the difference.

Many different methods exist to measure service quality and define service levels, but they all have in common to consider customers' expectations as a base and to decompose customer service in several components. An accepted method of segmentation of customer service is to divide the process into three stages (pre-transaction, transaction and post-transaction stages), which include concrete elements making up customer service (sub-objective 1). The relative importance of these elements must be first determined using customers' expectations (sub-objective 1). Then these elements must be assessed by the customer's perceived performance (sub-objective 2). Service levels can then be deduced (sub-objective 3).

The well-known ISO 9000 quality assurance standard encourages process control through quality planning, objectives setting, a genuine partition of tasks, responsibilities and skills, and an ability to respond to system failures. ISO 9000 has been criticized - too much 'bureaucracy', too high a cost, the competitive advantage doesn't necessarily occur - but generally the literature has shown that ISO 9000 has positive impacts on the company. ISO 9000 must be fully understood as a total quality tool, related to TQM, to manage quality throughout all levels of the company, in order to be fully effective and to provide the best results in terms of competitiveness.

Sub-objective 4, which aimed at identifying the aspects of ISO 9000 that contribute to improved customer service, has been partially answered by the literature review. Indeed, it was stated that achieving the ISO 9000 qualification can lead an organization to improve its internal communication network, enhance management efficiencies, promote teamwork, clarify roles and responsibilities, and cultivate a quality culture. ISO 9000 also generates a better understanding of processes and responsibilities by the establishment of a consistent documentation method to allow a better response to problems. All these possible benefits are linked to the delivery of a quality customer service. This means that ISO 9000 should be a tool to enhance the performance of customer service.

However, no consistent research has been found, in the literature, investigating a possible link between ISO 9000 and customer service. This point requires empirical research. The methodology designed for conducting this research will be explained in the next chapter.

## CHAPTER 3 - METHODOLOGY

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### 3.1. INTRODUCTION

The aim of the study was to determine if ISO 9000 qualified companies provide better customer service than companies that do not have the qualification, and if so, how the qualification impacts on their customer service levels. The study thus looked more at understanding, in depth, a relationship (between ISO 9000 and customer service) and at developing and providing hypotheses for future testing, rather than precisely measuring statistics. Therefore, the study was mainly qualitative, as "qualitative research answers questions such as 'What', 'Why' or 'How', but it cannot answer the question 'How many?'" (Gordon & Langmaid, 1988: 1).

"The purpose of exploratory data collection is to understand enough about what is happening in the program and what outcomes may be important to then identify key variables that may be operationalized quantitatively" (Patton, 1987: 37). This kind of study, based on interviews (individually or in focus groups), appeared to be suitable to the global aim of the study, as exploratory research is appropriate in situations of problem recognition and definition (Kinnear and Taylor, 1991).

### **3.2. DATA COLLECTION METHOD**

The primary data collection was divided into three parts:

- (1) One-to-one in-depth interviews with managers
- (2) Personal interviews, using semi-structured questionnaires, with customers
- (3) Observation, of customer service provided by sales representatives

The study thus allowed the data, collected by these three methods, to be compared and analysed so as to generate hypotheses on the customer service provided in relation to ISO 9000.

#### **3.2.1. Managers' in-depth Interviews**

"The in-depth interview may be defined as an unstructured personal interview which uses extensive probing to get a single respondent to talk freely and to express detailed beliefs and feelings on a topic" (Kinnear and Taylor, 1991: 315).

##### **3.2.1.1. Design**

The first source of primary data was one-to-one in-depth interviews with the managers from ISO 9000 certified companies and managers from companies without the qualification. "Interviews are a method of collecting data in which selected participants are asked questions in order to find out what they do, think or feel" (Hussey and Hussey, 1997: 156). The objective of these interviews was to:

- obtain an initial point of view of the level of customer service provided. Even if, for the companies' benefit, performance of customer service should be assessed from the

customer's point of view, managers should also be interviewed, as they play a major decisional role in the level of customer service provided by their company.

- identify a potential gap between the manager's view of a quality customer service and his customers' expectations in terms of customer service (comparison with the customer questionnaire).

#### **3.2.1.2. Recruitment**

The study involved six companies, selected in the Durban area, half from ISO 9000 certified companies and the other half from companies without the qualification in corresponding industries or activity fields.

The selection of four companies each was based on a judgmental sampling technique from:

- The SABS Register of Organizations adhering to SABS ISO 9000 Quality Management Certification Scheme 1999 for the selection of the three ISO 9000 companies.
- For the selection of the four companies without the qualification, the Yellow Pages directory entries for the industries or fields of activity chosen above for the ISO 9000 companies was used to select three similar companies.

The selected companies were contacted firstly by telephone, to get the name and fax number of the manager who met the needs of the study. The criteria for selection of these managers was for them to be in charge of, or in direct relation with, customer service. For the companies where such a person could not be found, the manager or the person in charge of quality control was selected. From there, a personalized fax was sent for their attention, explaining the objective of the study and asking for their participation (See Appendix A).

Another telephone call to the selected manager, a few days after he received the fax, allowed the researcher to know if the manager was willing to get involved in the study.

Eventually, six companies agreed to participate in the study. To respect the confidentiality, names of companies and persons have been changed into fictitious names.

**Table 7: The companies participating in the study.**

Field of activity	ISO 9000 company	Company without ISO
Paper Bag manufacturers	<b>COMPANY A1</b> ISO 9002 Mr. Smith (Operations Director)	<b>COMPANY A2</b> Mr. McDonald (Manager)
Security gates	<b>COMPANY B1</b> ISO 9002 Mrs Shirley (Quality assurance co-ordinator)	<b>COMPANY B2</b> Mrs Guy (Manager)
Footwear manufacturers	<b>COMPANY C1</b> ISO 9002 Mrs Naidoo (Sales Public Relations Officer) and Mrs Tune (Quality assurance co-ordinator)	<b>COMPANY C2</b> Mr. John (Sales and Marketing Manager)

All interviews were tape recorded, and were then transcribed for later analysis.

### 3.2.1.3. Interview guide

For the one-to-one in depth interviews with the managers, an interview guide was designed (see Appendix B). The various questions were gathered under four main topics: first, the interviewee was asked to make a brief presentation on his company, which allowed the researcher to gain knowledge about the company's environment. Part two of the guide was designed to collect basic information about ISO 9000 in the selected company, such as the date of the certification and the initial motivation to start the certification process. The objective of the third part was to obtain the manager's viewpoint on the performance of the customer service provided by their company. Part four was intended to link ISO 9000 and customer service and tried to identify a possible impact of ISO 9000 on customer service, as perceived by the managers.

Most of the questions were open-ended questions, that "allow respondents considerable freedom to express their opinions" (Johns and Lee-Ross, 1998: 82). However, because the notion of customer service includes a large range of various, often intangible, elements and can be understood in several different ways, some questions were asked in two different ways: an open-ended question was asked first, allowing the respondent's view of customer service to be identified, and then the same question was asked a second time, but in the form of a guided multiple-choice question to refocus on the definition of customer service as used for the study.

The interview guide was pre-tested with Mr. Borcy, Owner of Company T, a company designing and manufacturing electronic systems. Mr. Borcy had to indicate any questions that he considered as not clear enough or as not simple enough. Following this test, the interview



guide was corrected (notably, a question related to complaint handling was added), and the final guide obtained was used for the interviews.

At the beginning of each interview, managers were advised of the confidentiality of the study, which allowed them to speak freely. At the end of the interview, the managers were asked for company brochures and leaflets, and, where possible, an appointment was set with a sales representative.

### **3.2.2. Observation**

#### **3.2.2.1. Design**

The second source of primary data was the researcher's observation of the level of customer service provided by the sales representative to their customers. Non-participant observation was used, where the researcher, without being involved, "observes and records what people do in terms of their actions and their behaviour" (Hussey and Hussey, 1997: 159).

Following the manager interviews, appointments were set up for the researcher to accompany sales representatives from each company on visits to customers. The objective was to accompany two different sales representatives of each company on visits to two different customers. However, it was not possible in the case of companies where only one sales representative was operating in the Durban Area. In such cases only the one sales representative was accompanied. Due to a lack of co-operation, it was not possible to complete the observation sequence for Company C2. This will be discussed further in section

#### 3.4.4 regarding the validity and reliability of the study.

The observation took place when meeting the customers with the sales representatives. An observation guide was developed, in advance, to assess:

- the relationship between the sales representative and the customer (courtesy, friendly behaviour)
- the listening and understanding skills of the sales representative toward the customer
- the professionalism of the sales representative
- the way the sales representative answered the customer's complaints (if applicable).

The overall satisfaction of the customer was also assessed through observation of the customer's general behaviour.

To maintain the spontaneity of both the sales representative and the customer, and to avoid problems of observer bias, the exact purpose of the research was not stated clearly before the meeting. Instead, the sales representative was encouraged, before the meeting, not to modify his every day normal behaviour and to forget the researcher's presence.

#### 3.2.2.2. Observation guide

An observation guide was designed to collect data during the observation phase. The guide was divided into two columns, one for the observation of the sales representative's behaviour and one for the observation of the customer's behaviour (see Appendix C). Each column followed the course of a typical professional meeting: greetings, negotiations and end of the meeting. With regard to the sales representative, his appearance, his attitude, his body language, his way of communicating, and his way of answering complaints were assessed to

judge his performance in terms of customer service. Regarding the customer, his body language was observed to reveal his satisfaction or dissatisfaction toward the service delivered by the sales representative. For each topic in the observation guide, a list of possible behaviours was suggested, and organized from negative behaviour to positive behaviour, thus allowing quick conclusions to be made. Large blank spaces were left throughout the guide, for the situation to be more precisely described.

The observation guide was pre-tested with Mr Tony, a sales representative from Company T, in visits to two of his customers: Company TT1 (weavers of synthetic fibres) and Company TT2 (manufacturer of electronic components). This testing showed the observation guide to be acceptable, with the exception that the field 'purpose of visit' was added at the top of the guide, allowing a comprehensive understanding of the meeting to be obtained. This field was filled in before the meeting, by asking the sales representative what the purpose of the visit was.

### **3.2.3. Customer interviews**

#### **3.2.3.1. Design**

The third source of primary data was interviews conducted with customers from the previously selected companies. The objective was to assess the customer service provided by the various companies from the customers' perspectives. A semi-structured questionnaire was designed for this purpose (see Appendix D).

#### **3.2.3.2. Recruitment**

Where possible, two customers from each company were interviewed. For companies where only one sales representative was operating in the Durban area, only one interview was done. Due to a lack of co-operation, it was not possible to interview any customers from Company C2. This will be discussed further in section 3.4.4 as regards to the validity and reliability of the study.

The interviews took place after the meeting between the sales representative and the customer was completed, and in the absence of the sales representative, thus avoiding any bias that could have occurred if the interview was conducted in the presence of the sales representative.

#### **3.2.3.3. Questionnaire**

The customer's interview guide was designed in three parts: the objective of the first part was to determine the relative importance of elements constituting customer service, as perceived by the customer, while the second part was aiming at obtaining, from the customer, an assessment of the customer service delivered by the selected supplier. In the last part, the customer was asked to give his point of view about ISO 9000. The first two parts were in the form of a semi-structured questionnaire, using closed-ended questions and Likert rating scales, and the third part was an open discussion, tape recorded when necessary. (see Appendix D). The list of customer service elements, used in the first two sections of the questionnaire, was based on the findings of the literature review (see Figure 3: Customer service components). Some of these elements were not taken into account in the analysis if they were said not to apply to the company by the interviewed customer.

When all the interviews were completed, a letter was sent to the managers of the six companies to thank them for participating in the study (see Appendix J).

The following table presents an overview of the managers, sales representatives, and customers involved in the study (under their factious names).

**Table 8: Interviewed companies: managers, sales representatives, and customers**

Industry	Company	Interviewed manager	Sales representatives	Company customer	Interviewed person
A (paper bags)	A1 (ISO)	Mr Smith	Mr Don Mr Aldo	D E	Mr Post Mr Cane
	A2	Mr McDonald	Mr Santos	F	Mr Trick
B (Security gates)	B1 (ISO)	Mrs Shirley	Mr Dlamini Mrs Jack	G GG	Mrs Sweet Mr Pink
	B2	Mrs Guy	Mr Ronald	H	Mrs Rest
C (footwear)	C1 (ISO)	Mrs Naidoo & Mrs Tune	Mr Dear	I	Mr Tie
	C2	Mr John	-	-	-

### **3.3. DATA ANALYSIS**

As Tesch says (1990: 95), “the analysis process is systematic and comprehensive, but not rigid”. The researcher has to ‘segment’ data according to relevant and meaningful groups in order to get a clear and correct synthesis of all the data.

The analysis was divided into three parts corresponding to the managers’ interviews, the customers’ interviews, and the researcher’s observations. Microsoft- Excel was used for these three parts.

#### **3.3.1. Managers’ interviews: analysis**

To facilitate the analysis, the in-depth interviews were audio recorded, and the tapes were then transcribed on computer (Microsoft- Word document).

The data collected during these interviews were classified in a double entry table: the columns were allocated to the six companies (the three ISO 9000 certified companies and then the three non-certified companies), while the rows presented a list of topics related to the interview discussion. These topics were divided into four sections: ‘presentation of the company’, ‘certification’ (not applying to the companies without the certification), ‘customer service’, and ‘ISO 9000 and customer service’. The elements constituting these four sections were based on the interview guide’s questions. Some other elements were also added, if the relevant topic was discussed in the interviews and if it was judged meaningful for the results of the study (see Appendix E). For each topic (related to a question), a general answer was extracted from the interview for each company, thus allowing the two groups of companies (ISO 9000 and non-ISO 9000 companies) to be qualitatively compared concerning the

following points:

- the environment of the companies and their specific characteristics, as perceived by the managers
- the customer service environment within the companies, as perceived by the managers
- the managers' points of view of the level of customer service provided by their companies
- the managers' points of view on a possible link between ISO 9000 and customer service.

### 3.3.2. Customers' interviews: analysis

Concerning the customers' interviews, whose objective was to determine customer service levels, the answers to questions were transcribed, in an Excel document (see Appendix G), into five tables, corresponding to the five customers' interviews where the questionnaire was used. These tables were built according to the findings in the literature review, whereby customer service levels should be determined by comparing the customers' expectations of customer service with their perception of performance of the supplying company. Thus, these tables were built as follows: in rows, the elements of customer service were listed under the three sections 'pre-transaction stage', 'transaction stage' and 'post-transaction stage' (corresponding to the sections 'before the sale', 'during the sale', and 'after the sale' in the questionnaire). In the case where an element was declared by the interviewed customer as not applying to the assessed company, it was removed from the table, and mentioned at the bottom of the related section. Three columns were created to report and analyse the questionnaires' answers. The first, named 'average weight' (column ①), reports the answers to the first section of the questionnaire, which intended to assess the importance of different elements constituting customer service from the customer's viewpoint. The scale 'very important', 'important', 'not very important' and 'totally unimportant' has been

transformed into weighted scores ranging from 4 ('very important') to 1 ('totally unimportant'). The second column, named 'average mark' (column ②), reports the answers to the second section of the questionnaire, which intended to assess the customer service provided by the supplying company from the customer's viewpoint. The scale 'excellent', 'good', 'poor', and 'very poor' has been associated with the respective scores 4, 3, 2 and 1. A third column, named 'weighted mark' (column ③), was obtained from the multiplication of the first column (customer service expectations) with the second one (actual perceived performance of the customer service), thus reflecting the perceived level of performance for each element of customer service provided by the supplying company. Totals for the first and third columns were also presented for each stage of the transaction.

From each table, an overall percentage mark reflecting the level of customer service provided by the supplying company was calculated, as perceived by the customers, and normalised marks for the three stages of the transaction were calculated, allowing comparisons of performance between the three stages: 'pre-transaction', 'transaction', and 'post-transaction' stages. These calculations are presented below.

#### **3.3.2.1. Overall mark calculation**

Firstly, sub-totals for column ① and ③ were determined for the three categories 'pre-transaction stage', 'transaction stage' and 'post-transaction stage', by adding the respective weights and marks attributed to the elements of the corresponding category.

Then, from column ①, a best mark was inferred, by multiplying '4' (the best possible mark for an element of customer service) to the total of weights for the three stages, and then adding the results:



$$((\text{sub-total column ① 'pre-transaction stage'} * 4) + ((\text{sub-total column ① 'transaction stage'} * 4) + ((\text{sub-total column ① 'post-transaction stage'} * 4) =$$

XXX points.

The total mark, assessing the customer service provided by the supplying company, was calculated from column ③, by adding the total of scores for the three stages:

$$(\text{sub-total column ③ 'pre-transaction stage'} + (\text{sub-total column ③ 'transaction stage'} + (\text{sub-total column ③ 'post-transaction stage'}) =$$

YYY points.

From these two calculations, an overall mark in percentage was deduced, which reflects the level of customer service provided by the supplying company, as perceived by the customer:

$$(YYY / XXX) * 100 = ZZ \%$$

### 3.3.2.2. Relative importance of the three stages of a sale: comparison of expectations/perceived performance.

#### (a) Calculation of an average weight for each stage (customer's expectations):

From the weights allocated to the different elements of customer service occurring during the pre-transaction stage, the transaction stage, and the post-transaction stage, and the number of elements listed in each of these categories, an average weight was calculated for each of these three categories:

- *Average weight 'pre-transaction stage'* = (sub-total column ① 'pre-transaction stage') / (number of elements listed in the 'pre-transaction stage' category)
- *Average weight 'transaction stage'* = (sub-total column ① 'transaction stage') / (number of elements listed in the 'transaction stage' category)
- *Average weight 'post-transaction stage'* = (sub-total column ① 'post-transaction stage') / (number of elements listed in the 'post-transaction stage' category)

These three weights reflect the relative importance, for the customer, of the three stages of the sale, in the customer service delivery process (expectations).

(b) Calculation of normalised marks for each stage (customer's perception of performance)

To allow a comparison of performance between the three categories 'pre-transaction stage', 'transaction stage', and 'post-transaction stage', a normalisation of marks had to be established, which required two successive steps:

- Calculation of an average mark for each stage

The same principle was used as in the calculation of average weights for each stage, but this time, the marks were used instead of the weights (column ③, instead of column ①).

- *Average mark 'pre-transaction stage'* = (sub-total column ③ 'pre-transaction stage') / (number of elements listed in the 'pre-transaction stage' category)
- *Average mark 'transaction stage'* = (sub-total column ③ 'transaction stage') / (number of elements listed in the 'transaction stage' category)
- *Average mark 'post-transaction stage'* = (sub-total column ③ 'post-transaction stage') / (number of elements listed in the 'post-transaction stage' category)

- Normalisation of the average marks

For the calculation of the normalised marks, it is supposed that the stages 'pre-transaction', 'transaction', and 'post-transaction' are weighted equally 4. From these new weights, normalised marks were calculated from the average marks:

- *Normalised mark 'pre-transaction stage'* = ((Average mark 'pre-transaction stage') \* 4) / (Average weight 'pre-transaction stage')
- *Normalised mark 'transaction stage'* = ((Average mark 'transaction stage') \* 4) / (Average weight 'transaction stage')
- *Normalised mark 'post-transaction stage'* = ((Average mark 'post-transaction stage') \* 4) / (Average weight 'post-transaction stage')

These normalised marks show the perceived performance of the supplying company in the three stages of a sale, in absolute terms.

### 3.3.2.3. Review of the elements used in the customers' interview analysis

The customers' interview analysis made use of the following elements:

- ↳ the table presenting the details of the results. From this table, a comparison between the customers' expectations and the perceived performance of the firm can be made for each element of customer service listed in the table.
- ↳ The overall mark assessing the level of customer service. From this mark, a comparison of customer service levels can be made with other companies.
- ↳ The relative weights attributed to the 'pre-transaction', 'transaction', and 'post-transaction' stages. From these figures, the relative importance given by the customer to the different stages of a sale can be highlighted.
- ↳ The normalised marks for the 'pre-transaction', 'transaction', and 'post-transaction' stages. From these marks, the relative performance of the supplying company for the three different stages of a sale, as perceived by the customer, can be inferred (absolute terms).
- ↳ When comparing the last two elements (the relative weights of the three transaction stages and the perceived performance in all those stages), the following point can be answered: does the company meet its customers' expectations in terms of what stage should get more attention than the others among the 'pre-transaction', 'transaction', and 'post-transaction' stages (as perceived by the interviewed customer).

Concerning the last part of the questionnaire, whereby the customer was asked questions about ISO 9000 and customer service, the answers were classified in another Excel table, allowing qualitative comparisons for each question between the two groups of companies (ISO 9000 and non-ISO 9000 companies).

### 3.3.3. Researcher's observations: analysis

As for the managers' interviews, the data collected during the observation stage were classified in a table: the columns were allocated to the six companies (the three ISO 9000 certified companies and then the three non-certified companies), while the rows presented a list of topics related to the researcher's observation during the meetings between sales representatives and their customers. These topics were divided into three main sections: 'meeting's environment' (stating participants and purpose of visit), 'sales representative's behaviour' (appearance, way of greeting, attitude and body, way of communicating, way of answering complaints, way of ending the meeting), and 'customer's behaviour' (body language, way of ending the meeting). The elements constituting these three sections were based on the observation guide's questions. (See Appendix F). For each element of these sections, the answer 'yes' or 'no' was applied for each observation session (one or two per company). When the answer 'yes' or 'no' was judged very positive by the researcher, as regard to the customer service, it was written in blue. When it was judged negative, it was put in red. Thus quick conclusions could be extracted from the table concerning the level of customer service provided by the sales representative in each meeting. It also allowed comparisons between the two groups of companies (ISO 9000 and non-ISO 9000 companies) concerning the following points:

- the relationship between the sales representative and the customer (courtesy, friendly behaviour)
- the listening and understanding skills of the sales representative toward the customer
- the professionalism of the sales representative
- the way the sales representative answered the customer's complaints (if applicable).

### 3.4. RELIABILITY AND VALIDITY OF THE STUDY

#### 3.4.1. Reliability and validity in qualitative research

Qualitative research has often been questioned, since subjectivity is involved and this can possibly affect the quality and the reliability of the results (Patton, 1987). Qualitative researchers have to deal with validity threats (Maxwell, 1996). There are several threats that may affect the credibility and trustworthiness of qualitative studies, the most important being the reactivity, the researcher's biases, and the respondents' biases. "*Reactivity* refers to the potentially distorting effects of the qualitative researcher's presence in the field" (Padgett, 1998: 92). In other words, the presence of the researcher may result in interference that could bias the results. *Researcher's bias* refers to the subjectivity of the researcher himself, who can for example interpret data according to his own preconceptions and opinions, or ask leading questions during interviews to get the answers he wants. Finally, *respondents' bias* refers to the fact that "respondents may withhold information and even lie to protect their privacy or to avoid revealing some unpleasant truths" (Padgett, 1998: 92).

All these potential threats require the qualitative researcher to pay great attention to their study's rigor. "Rigor refers to the degree to which a qualitative study's findings are authentic and its interpretations credible" (Padgett, 1998: 88). Rigor is necessary to carry out a study fairly and ethically in order to obtain findings that represent as closely as possible the experiences of the respondents. Assessing rigor is different in qualitative studies and in quantitative studies. Different notions of objectivity are concerned, as shown by Table 9.

**Table 9: Quantitative and qualitative notions of objectivity**

Quantitative	Qualitative
Internal validity	Credibility
External validity	Transferability
Reliability	Dependability
Objectivity	Confirmability

(Source: Babbie and Mouton, 1998: 276)

*Credibility* refers to the “compatibility between the constructed realities that exist in the minds of the respondents and those attributed to them” *Transferability* refers to the extent to which the findings can be generalized in other contexts with other respondents. However, external validity (or generalizability) may not be seen as desirable by qualitative researchers, as their first aim is not to generalize, but rather to provide an understanding of the meaning a group or a few people attribute to a certain event (Padgett, 1998: 94). *Dependability* refers to the proof that if the study were to be repeated with the same or similar respondents in the same context, its findings would be similar. *Confirmability* “is the degree to which the findings are the product of the focus of the inquiry and not of the biases of the researcher” (Babbie and Mouton, 1998: 278).

#### **3.4.2. The use of triangulation to enhance credibility and dependability**

One of the strategies to be used by researchers to enhance credibility and dependability is triangulation. According to Padgett (1998: 96), “triangulation is widely practised as a valuable means of enhancing rigor in qualitative studies”. Patton (1987: 161)

also says that "triangulated evaluation designs are aimed at increasing the strength and rigor of an evaluation". The term *triangulation* "refers to using two or more sources to achieve a comprehensive picture of a fixed point of reference" (Padgett, 1998: 96). In this study, data triangulation was used to enhance the validity and reliability of the research. Data triangulation refers to "the use of different types of data sources as a means of corroboration. When data from fieldnotes, interviews, and archival materials are convergent and support each other, we can be more confident of our observations and study conclusions" (Padgett, 1998: 97).

In this study, five sources of data were used as part of the triangulation method:

- ✓ In-depth interviews with the managers,
- ✓ Customers' interviews,
- ✓ The researcher's observation of the sales representatives,
- ✓ The researcher's observation of the companies' facilities, brochures, websites and fieldnotes,
- ✓ Findings from the literature review.

Data from these different sources were compared with each other in order to confirm the results. This helped reduce the threats of reactivity, researcher's bias and respondent bias, thus enhancing the credibility and dependability of the study.

#### **3.4.3. Attention to confirmability**

Confirmability (defined in section 3.4.1.) can be enhanced by setting up an audit trail, "i.e. an adequate trail should be left to enable the auditor to determine if the conclusions, interpretations, and recommendations can be traced to their sources and if they are



supported by the inquiry” (Babbie and Mouton, 1998: 278). In this study, the trail is composed of:

- ✓ The final report, where the findings (presented in the ‘Discussion’ section) are related to the ‘Results’ section, where a detailed analysis of the results is presented. The ‘Methodology’ section details and justifies the methods chosen to realise the study,
- ✓ Documents elaborated for analysing the results from the raw data collected during the interviews (Excel tables presented in Appendices E, F, and G of the report),
- ✓ The recorded audio tapes from the managers’ interviews, as well as their transcription on paper and disk. Concerning the customers’ interviews and the observation sequences, the completed questionnaires are also kept available,
- ✓ The proposal of the study.

This trail would allow an auditor to determine that the findings are related to the data collected

Confirmability is also concerned with the sampling and selection of data during the study. In this study, to avoid selection errors, the recruitment of the managers (in-depth interviews) on the one hand, was based on personal screening interviews (visit or phone). On the other hand, customer selection was based on informal interviews with managers and sales representatives within the providing firm. Thus, the selection was not done by the researcher and any researcher’s bias could not have occurred at that stage.

#### **3.4.4. Company C2 - missing interviews: a threat to the validity of the study?**

The findings of the study were based on interviews within six companies in three different industries, three of them having the ISO 9000 certification. Due to a lack of co-operation from one of the companies, all the planned interviews could not be completed within this company. The following table (Table 10) shows the overall collected data, which

were used to elaborate the findings.

**Table 10: Interviews and observation sequences realized**

	Industry 1: Packaging	Industry 2: Security gates	Industry 3: Footwear
<b>With ISO 9000</b>	<u>Company A1 :</u> <ul style="list-style-type: none"> <li>➤ 1 manager interview</li> <li>➤ 2 customers' interviews</li> <li>➤ 2 observation sequences</li> </ul>	<u>Company B1:</u> <ul style="list-style-type: none"> <li>➤ 1 manager interview</li> <li>➤ 1 customer interview</li> <li>➤ 2 observation sequences</li> </ul>	<u>Company C1:</u> <ul style="list-style-type: none"> <li>➤ 1 manager interview</li> <li>➤ 1 customer interview</li> <li>➤ 1 observation sequence</li> </ul>
<b>Without ISO 9000</b>	<u>Company A2:</u> <ul style="list-style-type: none"> <li>➤ 1 manager interview</li> <li>➤ 1 customer interview</li> <li>➤ 1 observation sequence</li> </ul>	<u>Company B2:</u> <ul style="list-style-type: none"> <li>➤ 1 manager interview</li> <li>➤ 1 customer interview</li> <li>➤ 2 observation sequences</li> </ul>	<u>Company C2:</u> <ul style="list-style-type: none"> <li>➤ 1 manager interview</li> </ul> <i>No customer interview, no observation sequence.</i>

Despite the lack of data concerning Company C2, it was decided to maintain Industry 3 as part of the study, because the elements collected for Company C1 were found to be different from those collected for the companies with ISO 9000 in industries 1 and 2. It was therefore interesting to keep this company, and therefore the whole industry, in the study. Besides, the data collected during the manager interview at Company C2 were similar to the data collected during the managers' interviews at the two other non-certified companies (revealing a good customer service). Therefore, it can be assumed that the data that would have been collected in the two missing interviews at Company C2 would have been similar to the data collected in the corresponding interviews in the two other non-certified companies. Thus, it can be assumed that these missing interviews do not have a big impact on the validity of the study.

#### **3.4.5. Conclusion on the reliability and validity of the study**

The data triangulation method used in this study, including five different data sources, enhanced the credibility and dependability of the research. Concerning the confirmability, special attention was placed on the sampling method and a confirmability audit trail was left. Thus, the bias of reactivity, the researcher's and respondents' biases were avoided and rigor and trustworthiness were respected. The notion of transferability doesn't apply to this study, as it is exploratory research, which aims for an in-depth understanding of an issue but not to generalize. Therefore, the knowledge gained from the context of these six companies can not be generalized to the population of all the South Africa companies.

Finally, it was assumed that the validity of the study is not affected by the missing data from one of the company.

#### **3.4.5. Conclusion on the reliability and validity of the study**

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Finally, it was assumed that the validity of the study is not affected by the missing data from one of the company.

### 3.5 CONCLUSION

To investigate a possible relationship between ISO 9000 and customer service, which is the aim of this study, it was stated that a qualitative approach was the most appropriate method. The study consisted of a comparison of customer service levels between three ISO 9000 certified companies and three other non-certified companies in corresponding industries or fields of activity.

In order to get reliable and valid results, the chosen methodology was based on a triangulation approach, using different sources for data collection that mutually confirmed the results obtained. The three main sources were the following:

- ↳ In-depth interviews with one manager from each of the six selected companies. The objective of these interviews was to assess the performance of the customer service provided by the companies, from the managers' viewpoints, and to get the managers' points of view on ISO 9000 and a possible link between ISO 9000 and customer service. These interviews were directly linked to sub-objective 2 of the study, which was to determine the perceived performance of the services provided by the supplying company, as well as to sub-objective 4, which was to identify the aspects of ISO 9000 that contribute to improved customer service.
- ↳ Interviews with one or two customers from each of the six selected companies. The objective of these interviews was to assess the performance of the supplying company in terms of customer service, from the customers' points of view. These interviews were directly linked to sub-objective 1 of the study, which was to establish, from the customers' points of view, the relative importance of various customer service components in order to determine their expectations and needs concerning customer service.

↳ Observation by the researcher of one or two sales representatives from the selected companies, during meetings with one or two customers. The objective was to assess the performance of the sales representatives in terms of customer service, from the researcher's point of view.

The results obtained from these three sources allowed a comparison of service levels of companies with ISO 9000 to be made with the service levels of those companies without it (sub-objective 3).

The next chapter presents the results of the study, which were analysed following the methods explained in section 3.4 - 'Data analysis' - of this present chapter.

## CHAPTER 4: RESULTS

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### 4.1 INTRODUCTION

The study aimed at assessing the impact of the ISO 9000 standards on the performance of customer service. In order to answer this issue, four sub-objectives were identified. Methods were developed in the previous chapter to reach these objectives. The first sub-objective was to establish, from the customers' point of view, the relative importance of various customer service components, from the pre-transaction stage to the post-transaction stage, in order to determine their expectations and needs concerning customer service. In relation to this sub-objective, it was proposed that the quality of sales representation, the flexibility of the customer service system, the ordering convenience, the reliability of delivery, and the after-sales service are perceived as the most important components of quality service, and that stock availability and credit terms offered are less important. Sub-objective 2 was to determine the perceived performance of the services provided from the pre-transaction stage to the post-transaction stage by the supplying company. Sub-objective 3 was to compare service levels of companies with ISO 9000 with the service levels of those companies without it, in order to identify the impact of ISO 9000 on customer service. In relation to this sub-objective, it was proposed that the performance of ISO 9000 certified companies, concerning the most important elements of quality service, would be better than for companies that do not have the qualification. On the contrary, it was proposed that the performance of ISO 9000 certified companies concerning the less important elements of quality service would be inferior to that of the companies that do not

have the qualification. Finally, sub-objective 4 was to identify the aspects of ISO 9000 that contribute to improved customer service.

This section will be presented as follows: first, the companies that have taken part in the study will be described, as well as their environments. This will allow a better understanding of the results, as the answers given to the questions may be linked to the type of industry or even related to the characteristics of the company itself. A second section will present the managers' and customers' points of view on ISO 9000, for each of the six companies (with and without ISO 9000). In this section, information concerning the certification process for the three ISO 9000 certified companies is also presented (section related to sub-objective 4). A third section will assess the customer service levels for the 6 companies (section related to sub-objectives 1 and 2). The levels of customer service will be presented according to three different points of views, as stated in the methodology: the customer, the manager, and the researcher's observation. A fourth section will present tables summarizing the results from the second and third sections, allowing a comparison of service levels of companies with ISO 9000 with the service levels of those companies without it (section related to sub-objective 3). Achievement of the research sub-objectives and acceptance or rejection of the propositions will be discussed as a conclusion.



## **4.2. PRESENTATION OF THE SIX COMPANIES AND THEIR ENVIRONMENT**

### **4.2.1. The Footwear industry**

The environment is quite competitive with a lot of competitors like United, Fram and Bagshaw Footwear. A large part of the competition in the South African market comes from the Far East, mostly from China and Indonesia. A lot of competition is also derived from the more informal sector.

#### **4.2.1.1. Company C1**

Company C1 is a division of the Company C1 Group, a family company founded in 1929. The group manufactures, besides footwear products, plastic, wool and other textiles (Company C1, 1979). Company C1 sells two sorts of shoes: bio-footwear and safety footwear. It employs about 150 people.

Company C1 works with five agents in South Africa (KZN, Eastern Cape, Cape Town, Johannesburg and Durban). The agents have two kinds of customers: industrials (distributors like basic shops, security companies and other kind of companies), and individuals.

The company's mission statement is "the customer is the most important person in the company".

The company was certified ISO in 1996.

#### **4.2.1.2. Company C2**

The company was founded twenty years ago and manufactures a large range of footwear products from slippers to ladies fashion shoes.

The company uses shops or bigger retailers as their distributors to reach the individual.

Almost all of their products are targeted at women. Their advantage over the competition is that the company produces on a daily basis and is more efficient in the speed of manufacturing.

#### **4.2.2. The Security industry**

The industry is very segmented with a few big companies (like Maxidor or Xpanda) and a lot of small companies.

##### **4.2.2.1. Company B1**

This big company was founded in 1987. It produces security doors designed to fit doors, windows, passages, shop-fronts and other architectural openings. The company sells its products via around fifty associated distributors (franchises) in Southern Africa and also exports. They are market leaders. Their customers are individuals but also include companies.

The mission statement of the company is "to provide our customers with high quality products and professional service through the pursuit of excellence with a total commitment to product, people and progress". The company's slogan is "Company B1, The Original Crime Barrier". Their advantage over the competition is the quality of the product (structurally strong products, which don't break easily).

The company was certified ISO 9000 in 1988.

#### **4.2.2.2. Company B2**

This small family company was created in 1994 and sells security gates, burglar bars, sliding doors, and fencing to both individuals and companies. It employs about ten employees.

The advantage over the competition concerns the designs of the gates, which are original. In the company's statement, the company is committed to ensuring a high quality of workmanship in fabrication and installation, to providing the clients with the service that they (Company B2) would expect and to supplying a product which is of a high standard.

#### **4.2.3. The packaging industry**

##### **4.2.3.1. Company A1**

Company A1 belongs to A1 Group, the dominant packaging manufacturer in Africa. Company A1's origins date back to 1944 (formerly Amalgamated Packaging Industries). The division makes about R400 million of sales a year, and employs around 650 people. It manufactures multi-wall paper and self-opening bags. They sell to manufacturing companies in various segments of industry: The petfood market (Frisky, Epol, etc.), the cement market (like Alpha Cement), the sugar industry (Company D), the milling industry, and the charcoal industry. The company exports 10 to 15% of its products to about 15 to 20 different countries. The company makes 60 to 70% of its turnover with 'gold customers', who are worth over a million Rand a month.

Company A1's mission is to maintain the group's position as the leading Southern African manufacturer of packaging products and to sustain its culture of world-class

manufacturing and service, designed to deliver superior packaging solutions to customers and to provide sustainable returns to shareholders.

The company was certified ISO in 1996.

#### **4.2.3.2. Company A2**

Company A2 is a small company and was founded 25 years ago by its owner. It manufactures and distributes various packaging products like packaging tapes, plastic strapping, brown paper, corrugated boxes, plastic bags, tubing, refuse bags, etc. Their customers are other manufacturers mostly from the automotive industry and the clothing industry.

### **4.3. MANAGERS' AND CUSTOMERS' VIEWPOINTS ON ISO 9000**

In this section, the managers' and customers' viewpoints on ISO 9000, collected from the managers' and customers' interviews is presented for each company. Concerning the three ISO 9000 certified companies, information related to the certification process collected during the managers' interviews, is also displayed.

#### **4.3.1. COMPANY A1 (company with ISO 9000)**

##### **4.3.1.1. Information collected from the manager**

- ✓ **Initial motivation to start the certification process:** According to Mr Smith, the company needed to get ISO 9000 certified to give national and international customers (the company exports) proof that the company is meeting world-class standards. Besides, the objective was also to get an outside view on the internal systems.
- ✓ **Negative aspects in the certification process:** According to Mr Smith, the certification process requires too much work. The documentation process also takes too much time. Moreover, it is difficult to make the people keep the documentation updated when the processes are changing.
- ✓ **Positive aspects in the certification process:** The certification process was facilitated because almost all the existing systems were already consistent with the ISO 9000 requirements. Therefore, the work to be done concerned only the documentation of the

processes. Another positive aspect is that the company had few problems involving people in the certification process.

- ✓ **Positive changes in the company following the certification:** Globally, the certification was positive for the company. It was necessary to get the ISO 9000 certification in order to keep big customer accounts, which require certification from their suppliers. Therefore, Company A1 used the ISO 9000 certification as a marketing tool, to maintain their market share. Besides, Mr Smith also considers that maintaining a documentation system of the company's processes is a good business practice. From the list in the questionnaire, Mr Smith selected 'increase in competitive edge', 'opening up of new market opportunities', 'improvement of internal communication', 'improvement of quality awareness', 'improvement in record-keeping', 'improvement of management efficiency', 'improvement of customer care', 'better understanding of processes and responsibilities', and 'improvement of teamwork'. In addition, he noticed clearer procedures and in general an improved organization.
- ✓ **Negative changes in the company following the certification:** It added paperwork and bureaucracy in the company. Moreover, it happens that, sometimes, documents are right, but action does not follow.
- ✓ **Future of ISO 9000 in the company:** Company A1 will keep and adapt the standards.

#### **4.3.1.2. Information collected from the customer(s)**

The following table presents the information collected from Company A1's customers, Company D and Company E, concerning ISO 9000.

**Table 11: Company D and Company E's perception of ISO 9000**

	<b>Company D, Mr Post</b>	<b>Company E, Mr Cane</b>
<b>Benefits from ISO 9000</b>	- Consistent product - Improves the internal communication	- Consistent product - Traceability of faults
<b>Criticism about ISO 9000</b>	ISO formalizes the procedures, but doesn't set the specifications. Therefore, a company can have ISO and produce a low quality product.	-
<b>Impact of ISO 9000 on customer service</b>	Yes, it helps following up and rectifying customer complaints.	Yes, because we can track the faults better => it helps rectify customer complaints.
<b>Does your company give preference to companies with ISO 9000?</b>	Not really. But lots of our suppliers are actually certified.	Yes (between two companies with same product, same services)
<b>Did your company required ISO from Company A1?</b>	No. Company A1 got certified from their own initiative, which shows they are proactive.	No. Company A1 and Company E are in a long-term relationship (they also have common shareholders).

The two customers have approximately the same view about ISO 9000. Globally, they think it's a good system to introduce in a company to get a consistent product. They think the standards can improve the customer service, by providing a better way of answering customer complaints. ISO 9000 is not the first criteria both customers will look at in the choice of a supplier, but it does count.

#### **4.3.2. COMPANY C1 (company with ISO 9000)**

##### **4.3.2.1. Information collected from the manager**

- ✓ **Initial motivation to start the certification process:** Mrs Tune didn't give any clear answer herself. When she was asked to select an answer from the list in the questionnaire, she picked 'customer demand', explaining that customers give preference to ISO 9000 companies.
- ✓ **Negative aspects in the certification process:** During the certification process, the company had problems with a production unit that was not conforming to the ISO 9000 requirements. Besides this, Mrs Tune considers that the certification required too much paper work to implement the documentation system, which is difficult to maintain. The company also had problems to make people in the company accept the required changes, especially production workers.
- ✓ **Positive aspects in the certification process:** The management was fully involved in the certification process.
- ✓ **Positive changes in the company following the certification:** Globally, the certification was positive for the company. The main benefit, according to Mrs Tune, was that it allowed the sales representatives to market their product more easily. From the list in the questionnaire, Mrs Tune selected 'improvement of esteem in the market place', 'increased competitive edge', 'opening of new market opportunities', 'higher perceived quality', 'improvement of management efficiency', and 'improvement in record keeping'. She also noticed an improvement in teamwork, a better understanding of rules and tasks from the



shop-level employees, and increased quality awareness amongst employees.

- ✓ **Negative changes in the company following the certification:** None
- ✓ **Future of ISO 9000 in the company:** Company C1 will keep and adapt the standards.  
According to Mrs Tune, it is a very nice system if people follow it.

#### **4.3.2.2. Information collected from the customer(s)**

The interviewed customer was Mr Tie from Company I. His understanding of ISO 9000 was not accurate, as he didn't know the certification very well. According to him, it is a process adopted by companies to maintain a good level of service or quality throughout the value chain (suppliers to manufacturer to distributors). He considers that his company doesn't need to get ISO 9000 certified, as that is not what their customers require. Rather, the company has to focus on offering competitive pricing and delivering good service. According to him, the ISO 9000 certification is useful for big companies, or the companies willing to work with governments. The supplier Company C1 was not chosen because it was ISO 9000 certified, but because it offered original products.

#### **4.3.3. COMPANY B1 (company with ISO 9000)**

##### **4.3.3.1. Information collected from the manager**

- ✓ **Initial motivation to start the certification process:** According to Mrs Shirley, the main motivation to start the certification process was to assure the customer of the quality of

the products. From the list in the questionnaire, she selected 'customer or marketing demand', 'desire for global deployment of products', 'open up new market opportunities or maintain market share', and 'reduce costs and improve product quality'.

- ✓ **Negative aspects in the certification process:** According to Mrs Shirley, the certification process requires too much work. In addition, it is difficult to involve the workforce, as it brings supplementary control and constraints.
- ✓ **Positive aspects in the certification process:** The management was fully involved in the certification process and proud of it.
- ✓ **Positive changes in the company following the certification:** Overall, the certification was positive for the company. It makes it easier to market the product, as it is an additional argument that sales representatives can use. From the list in the questionnaire, Mrs Shirley selected 'improvement of esteem in the market place', 'increase in competitive edge', 'opening up of new market opportunities', 'higher perceived quality', 'improvement of product quality', 'decrease in faulty products', 'improvement of internal communication', 'improvement of quality awareness', 'cultivation of a quality culture', 'improvement in record-keeping', 'improvement of management efficiency', 'improvement of customer care', 'decrease in product returns', 'better understanding of processes and responsibilities', 'improvement of teamwork', 'improvement of operational efficiency', and 'greater focus on business objectives and customer expectations'. She also noticed a better understanding of roles and tasks from shop-level employees, clearer procedures, and an improved organization.

- ✓ **Negative changes in the company following the certification:** The division between management and workforce is increased, as the workforce people feel as if they are watched permanently by management. In addition, she noticed a lack of flexibility and responsiveness, as well as a loss of focus.
- ✓ **Future of ISO 9000 in the company:** Company B1 will keep and adapt the standards, as it is a very nice marketing tool.

#### **4.3.3.2. Information collected from the customer(s)**

The interviewed customer was Mrs Sweet from Mr. Price. She was not able to answer the questions, because she didn't know what ISO 9000 is. Therefore, the choice of the Company B1 company as a supplier was not related to the fact that it is ISO 9000 certified. According to Mrs Sweet, they selected Company B1 because that company is the leader in the market for security gates. Company B1 is seen as the best, and Mr. Price was ready to pay the price, which, according to Mrs Sweet, is quite high.

#### **4.3.4. COMPANY A2 (company without ISO 9000)**

##### **4.3.4.1. Information collected from the manager**

- ✓ **General point of view on ISO 9000:** According to Mr McDonald, the ISO 9000 certification is a good thing for corporate companies. The certification process requires that the entire structure of a company changes. Mr McDonald plans to start the certification process in the future, but estimates that his company is not ready yet.

#### **4.3.4.2. Information collected from the customer**

The interviewed customer was Mr Trick from Company F. He was not able to answer the questions, because he didn't know what ISO 9000 is.

#### **4.3.5. COMPANY C2 (company without ISO 9000)**

##### **4.3.5.1. Information collected from the manager**

- ✓ **General point of view on ISO 9000:** According to Mr John, ISO 9000 helps to run a business successfully, to fine tune it. However, he thinks that Company C2 doesn't need to get certified as they already have a continual improvement system under Total Quality Management.

##### **4.3.5.2. Information collected from the customer**

No interview could be completed.

#### **4.3.6. COMPANY B2 (company without ISO 9000)**

##### **4.3.6.1. Information collected from the manager**

- ✓ **General point of view on ISO 9000:** According to Mrs Guy, ISO 9000 is useful for exporting companies. She doesn't see the need for her company to get certified, as she considers it is not useful in their industry (rather, pricing is the determinant of success). Moreover, it is too expensive.

#### **4.3.6.2. Information collected from the customer**

The interviewed customer was Mrs Rest from Company H. For the reasons cited above, the questionnaire didn't apply and was therefore not administered.

#### **4.4 ASSESSMENT OF THE CUSTOMER SERVICE LEVELS FOR THE SIX COMPANIES**

The level of customer service provided by each of the six companies is determined, in this study, by three viewpoints (triangulation method): the manager's point of view, the customer's point of view and finally, the researcher's point of view. Thus, for each company, three sections will be presented: firstly, the results related to the manager's interview, then those related to the customer's interview, and finally, the results related to the observation.

In the first sections (sections 4.4.1.1., 4.4.2.1., 4.4.3.1., 4.4.4.1., 4.4.5.1. and 4.4.6.1.), which aim to assess the level of customer service from the managers' points of view, a list of the main points concerning customer service discussed in the interviews is established to summarize the managers' points of view and allow comparisons between the different companies. A comment from the researcher ends these sections, which summarizes the managers' perceptions on the level of customer service provided by their companies, and also presents the researcher's general view acquired during the managers' interviews. It also mentions facts that might potentially have biased the results.

In the second sections (sections 4.4.1.2., 4.4.2.2., 4.4.3.2., 4.4.4.2., 4.4.5.2. and 4.4.6.2.), which aim to assess the level of the customer service from the customers' points of view, the following elements are presented, according to what was stated in the 'Methodology' chapter:

- ✓ the table presenting the details of the results
- ✓ the overall mark assessing the level of customer service (example of calculation given for the first company on pages 103)
- ✓ a table presenting the relative weights, and normalised marks attributed to the 'pre-

transaction', 'transaction', and 'post-transaction' stages (example of calculation given for the first company on pages 103-105), followed by a comment

- ✓ a comparison between the customers' expectations and the perceived performance of the company for the various individual elements of customer service listed in the table
- ✓ a qualitative summary by the researcher.

In the third sections (sections 4.4.1.3., 4.4.2.3., 4.4.3.3., 4.4.4.3., 4.4.5.3. and 4.4.6.3.), which aim to assess the level of the customer service from the researcher's point of view, the following elements are presented:

- ✓ a table highlighting the positive and negative behaviours of the sales representative(s) in relation to the service he (they) deliver(s) to the client(s), as well as the positive and negative behaviours of the customer(s) in relation to his (their) satisfaction / dissatisfaction. In the case of companies where two sales representatives were observed during meetings with two different customers, the table must be read as follows: *Italic characters are used to describe the behaviour adopted by a single sales representative (his name is mentioned between brackets)*, while regular characters are used to describe the behaviour adopted by both sales representatives, thus allowing individual behaviours, that may not reflect the company as a whole, to be distinguished.
- ✓ a commentary on the table
- ✓ a section entitled 'other observed information', where the researcher mentions all other information collected during the study process and that is felt to be relevant to understand the results of the study (such as brochures or websites).

#### 4.4.1. COMPANY A1

##### 4.4.1.1. Manager's assessment of Company A1 customer service

- ✓ **Interviewed person:** The interviewee was Mr Smith, Operations Director.
- ✓ **Customer description:** Company A1's customers are big industrial companies in the pet food, cement, sugar, milling and charcoal industries, in South Africa and abroad.
- ✓ **Description of the sale process:** The first step in the sale process is the call from an existing customer to initiate an order. From this call, an appointment takes place between the customer and the corresponding product manager at Company A1 (milling, petfood, sugar, etc) to define and quote for the order. Afterwards, accounts executives place the order in the planning system. In the case of new customers, a special meeting is then organized to define precisely the specifications of the product. The order is then produced and either held in stock or directly delivered, according to the customer's requirements.
- ✓ **Elements of customer service:** To the question 'what are the main elements that constitute the customer service delivered by your company?', Mr Smith answered the quality of the product, its large range, and the service the company offers in terms of lead times, on-time deliveries and flexibility. From the rest of the interview, it also appears that some more elements can be added to the list: Company A1 presents its products on industrial shows and has a printed customer policy statement which is displayed publicly. The company is also flexible and knows how to adapt to different customers' requirements. Finally, it pays great attention to product development.



- ✓ **Customer relationships:** The product manager is the customer's main contact. It can also happen that a customer sometimes deals with a sales representative, but this sales representative would have to report to the product manager.
- ✓ **The way to handle complaints:** After a complaint is received from a customer, a meeting is organized between the customer and the person in charge at Company A1 to discuss the matter and take decisions to rectify the problem.
- ✓ **Assessment of the customer service:** According to Mr Smith, the elements needed to deliver high quality customer service are the quality of the product, on-time deliveries, good pricing, flexibility, and a good relationship with the customers. The following table shows Mr Smith's assessment of the customer service provided by his company.

**Table 12: Company A1 customer service, strengths and weaknesses**

<i>Strengths</i>	<i>Weaknesses</i>
On-going relationships with customers	On-time deliveries (problem due to the fusion of 3 factories into 1, which leads to longer lead-times)

- ✓ **Researcher's comment:** As a big and established company, Company A1 doesn't really need to prospect for new customers. The company works with its long-time portfolio of customers, and maintains good and lasting relationships with them. Company A1's customers are considered as partners.

#### 4.4.1.2. Customer's assessment of Company A1 customer service

Two of Company A1's customers were interviewed. The results are presented separately for each customer, and a qualitative summary makes a synthesis of the results.

##### A) CUSTOMER 1: COMPANY D (Sugar Manufacturers)

✓ Interviewed person: Mr Post, Production Manager – Specialities

✓ Questionnaire results:

**Table 13: Assessment of Company A1 customer service by Company D**

<b>Elements of customer service: 'before the sale' / pre-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b> ①	<b>Mark (2<sup>nd</sup> section)</b> ②	<b>Weighted Mark</b> ③ = ① * ②
Written policy	3	3	9
Flexibility	4	4	16
Employees' product knowledge	3	3	9
Technical information	4	3	12
Employee relationship with customer	4	4	16
Production schedules	3	3	9
Quotes	3	4	12
Product requirements	4	4	16
Lead times	4	3	12
	32		111

*Excluded elements:* None

<b>Elements of customer service: 'during the sale' / transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b> ①	<b>Mark (2<sup>nd</sup> section)</b> ②	<b>Weighted Mark</b> ③ = ① * ②
Employees' appearance	2	3	6
Facilities' appearance	3	3	9
Employee relationship with customer	3	4	12
Order convenience	3	3	9
Status information	3	3	9
Accuracy of shipping	4	4	16
	18		61

*Excluded elements :* Billing (weighted 4, but doesn't apply for the supplying company)

<b>Elements of customer service: 'after the sale' / post-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
On-time delivery	4	3	12
Complaints handling	3	3	9
Follow-up	3	3	9
Preventing stockouts	3	3	9
Training of customer	3	3	9
Product tracing for recalls	4	4	16
Employee relationship with customer	3	4	12
Product development	3	3	9
	26		85

*Excluded elements :*

*Product tracing for recalls (doesn't apply)*

*Note: at the end of each category ('before the sale', during the sale', and 'after the sale'), the line 'excluded elements' specifies the elements of customer service that were removed from the initial list and states the reason why.*

✓ **Overall mark assessing the level of customer service:**

From column ①, a best mark can be inferred:  $(32 * 4) + (18 * 4) + (26 * 4) = 304$  points.

The total mark assessing the customer service provided by Company A1 is calculated from column ③, as follow:  $111 + 61 + 85 = 257$  points.

⇒ In percentage terms, the customer has attributed a mark of **85%** ( $257/304$ ) to the customer service provided by Company A1.

✓ **Comparison of customer's expectations/ perceived performance on the three stages of a sale (relative importance between the 'pre-transaction', 'transaction', and 'post-transaction' stages):**

a) **Calculation of an average weight for each stage (customer's expectations):**

From the weights attributed to the different elements of customer service occurring during the pre-transaction stage, the transaction stage, and the post-transaction stage, and the number of elements listed in each of these categories, an average weight can be calculated for each of these three categories:

➤ Average weight 'pre-transaction stage':  $32 / 9 = 3.55$

➤ Average weight 'transaction stage':  $18 / 6 = 3.00$

➤ Average weight 'post-transaction stage':  $26 / 8 = 3.25$

b) Calculation of normalised marks for each stage (customer's perceived relative importance)

To allow a comparison of performance between the three categories, 'pre-transaction stage', 'transaction stage', and 'post-transaction stage', a normalisation of marks has to be established, which requires two successive steps:

▪ Calculation of an average mark for each stage

The same principle is used as in the calculation of average weights for each stage, but this time, the marks are used instead of the weights (column ③, instead of column ①).

➤ Average mark 'pre-transaction stage':  $111 / 9 = 12.33$

➤ Average mark 'transaction stage':  $61 / 6 = 10.17$

➤ Average mark 'post-transaction stage':  $85 / 8 = 10.63$

▪ Normalisation of the average marks

For the calculation of the normalised marks, the stages 'pre-transaction', 'transaction', and 'post-transaction' are weighted equally - 4. From these new weights, normalised marks can be calculated from the average marks:

- Normalised mark 'pre-transaction stage':  $(12.33 * 4) / 3.55 = 13.89$
- Normalised mark 'transaction stage':  $(10.17 * 4) / 3.00 = 13.56$
- Normalised mark 'post-transaction stage':  $(10.63 * 4) / 3.25 = 13.08$

The following table summarizes these results:

**Table 14: Relative importance of the sale's 3 stages: expectations and perceptions**

	Average weight / customer's expectations	Mark normalisation / perceived performance
'Before the sale' / pre-transaction stage	3.55	13.89
'During the sale' / transaction stage	3.00	13.56
'After the sale' / post-transaction stage	3.25	13.08

From the results of the first column (Table 14), it can be deduced that the customer expects Company A1 to perform better on the elements of customer service occurring in the pre-transaction and post-transaction stages than on the elements occurring in the transaction stage. From the results in the second column, it can be inferred that Company A1 is perceived by the customer to perform better in the pre-transaction and transaction stages than in the post-transaction stage. When comparing these two columns, it can be inferred that, according to the customer, Company A1 doesn't totally fulfil the customer's expectations: the company should put more emphasis on the post-transaction stage, as the customer considers that elements of customer service occurring after the sale are more important than elements occurring during the sale. However, Company A1 is perceived to fulfil the customer's expectations by putting great effort on performing very well in the pre-transaction stage.

✓ Comparison of customer's expectations / perceived performance on individual elements of customer service (see Table 13):

When comparing the results of the two columns (Table 13), some gaps can be highlighted between what the customer expects (column ①), and what he perceives he gets (column ②), concerning some elements belonging either to the pre-transaction stage, the transaction, or the post-transaction stage. Six elements (out of 23) reflect such gaps:

The elements 'Technical information' and 'lead times' in the pre-transaction stage, and 'on-time deliveries' in the post-transaction stage, are weighted '4', meaning they are considered as really important by the customer, but the perceived performance of the firm on those elements is only rated '3' by the customer. This means, that the customer is not entirely satisfied with these elements.

On the contrary, some elements are perceived to get more attention than they should. This is the case for the elements 'quotes' in the pre-transaction elements and 'employee's relationship with the customer' in both the transaction and post-transaction stage. This means that the firm is perceived to put unnecessary effort on these elements. This does not really affect the customer's satisfaction, as it is not a 'lack' from the firm, but rather a 'surplus'.

**B) CUSTOMER 2: COMPANY E (Cement Manufacturers)**

✓ **Interviewed person:** Mr Cane, Resident Engineer

✓ **Questionnaire results:**

**Table 15: Assessment of Company A1 customer service by Company E**

<b>Elements of customer service: 'before the sale' / pre-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
Flexibility	4	3	12
Employees' product knowledge	4	3	12
Technical information	3	3	9
Employee relationship with customer	3	4	12
Quotes	4	4	16
Product requirements	4	3	12
Lead times	4	3	12
	26		85

*Excluded elements :*

*Written policy (weighted 3, but doesn't know about a policy in Company A1)*

*Production schedules (weighted 2, but doesn't take note of them)*

<b>Elements of customer service: 'during the sale' / transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
Employees' appearance	3	3	9
Billing	4	3	12
Employee relationship with customer	3	3	9
Order convenience	3	3	9
Status information	3	3	9
Accuracy of shipping	4	3	12
	20		60

*Excluded elements :*

*Facilities' appearance (doesn't apply)*

Elements of customer service: 'after the sale' / post-transaction elements			
	Weight (1 <sup>st</sup> section) ①	Mark (2 <sup>nd</sup> section) ②	Weighted Mark ③ = ① * ②
On-time delivery	4	2	8
Complaints handling	3	3	9
Follow-up	2	3	6
Preventing stockouts	4	3	12
Product tracing for recalls	3	3	9
Employee relationship with customer	3	3	9
Product development	3	3	9
	22		62

Excluded elements :

Training of customer (weighted 2, doesn't apply)

✓ Overall mark assessing the level of customer service:

In percentage terms, the customer has attributed a mark of **76%** to the customer service provided by Company A1.

✓ Comparison of customer's expectations / perceived performance on the three stages of a sale (relative importance between the 'pre-transaction', 'transaction', and 'post-transaction' stages):

**Table 16: Relative importance of the sale's 3 stages: expectations and perceptions**

	Average weight / customer's expectations	Mark normalisation / perceived performance
'Before the sale' / pre-transaction stage	3.71	13.08
'During the sale' / transaction stage	3.33	12.00
'After the sale' / post-transaction stage	3.14	11.27

From the results of the first column (Table 16), it can be deduced that the customer expects Company A1 to perform better on the elements of customer service occurring in the pre-transaction and transaction stages than on the elements occurring in the post-transaction stage. From the results in the second column, it can be inferred that Company



A1 is perceived to perform better in the pre-transaction and transaction stages than in the post-transaction stage. Thus, it can be concluded that, according to this customer, Company A1 fulfils their expectations in terms of relative performance between the three stages of the sale.

✓ **Comparison of customer's expectations / perceived performance on individual elements of customer service (see Table 15):**

When comparing the results of the two columns (Table 15), some gaps can be highlighted between what the customer expects (column ①), and what he perceives he gets (column ②), concerning some elements belonging either to the pre-transaction stage, the transaction, or the post-transaction stage. Ten elements (out of 20) reflect such gaps:

The elements 'flexibility', 'employees' product knowledge', 'product requirements' and 'lead times' in the pre-transaction stage, the elements 'billing' and 'accuracy of shipping' in the transaction stage, and the elements 'on-time deliveries' and 'preventing stockouts' in the post-transaction stage, are weighted '4', meaning they are considered as really important by the customer, but the perceived performance of the firm on those elements is only rated '3' (or even '2' concerning the element 'on-time deliveries') by the customer. This means, that the customer is not entirely satisfied with these elements.

On the contrary, some elements are perceived to get more attention than they should. This is the case for the element 'employee's relationship with the customer' in the pre-transaction stage, and 'follow-up for customer satisfaction' in the post-transaction stage. This means that the firm is perceived to put unnecessary effort into these elements. This does not really affect the customer's satisfaction, as it is not a 'lack' from the firm, but rather a 'surplus'.

## **CUSTOMERS 1 & 2: QUALITATIVE SUMMARY:**

### **a) Average overall mark:**

In order to obtain one mark which will reflect the level of customer service provided by Company A1, as perceived by customers, an average was calculated, using the two percentage marks obtained from the two customers. It is considered that these two customers judge the Company A1 company on the same basis, as they are approximately the same size and both work the same way with Company A1 (same kind of contract, same kind of relationships). Thus, the final mark is:

$$(85\% + 76\%) / 2 = 80.5\%$$

<b><i>Average overall mark: 80.5%</i></b>
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### **b) Relative importance of the three stages of a sale: customers' expectations / perceived importance.**

Both customers consider the pre-transaction stage as very important. Company A1 seems to have understood the need to achieve high performance at that stage as both customers agree that the company performs better at that stage than in the two following stages. While the two customers disagree on what is the next most important stage (transaction or post-transaction), they agree that, after the pre-transaction stage, Company A1 is performing better in the transaction stage than in the post-transaction stage.

**c) Customer's expectations / perceived performance on individual elements of customer service**

The two customers were generally satisfied with the various customer service elements, though the second customer was a bit more severe than the first (the perceived performance of several elements did not match totally with their expectations). Two elements are considered important by both customers but the perceived performance is lower than expected: 'lead-times', and 'on-time deliveries'.

**4.4.1.3. Researcher's assessment of Company A1 customer service**

**(a) Observation guide's results**

**✓ Involved people:**

Two observation guides were completed at two different meetings:

**Table 17: Company A1, Company D and Company E, meeting participants**

	Meeting 1	Meeting 2
Company A1 sales representative	Mr Don	Mr Aldo
Customer	Mr Post, Company D + other participants	Mr Cane, Company E
Purpose of visit	Weekly visit	Monthly meeting (monthly agenda : delivery, ordering system, any problems)

✓ Results:

**Table 18: Company A1, observation results**

How to read the table:

*In Italics: Behaviour adopted by a single sales representative,*

Regular characters: Behaviour adopted by both sales representative.

	Behaviour reflecting <b>GOOD</b> customer service	Behaviour reflecting <b>BAD</b> customer service
<b>SALES REPRESENTATIVES' BEHAVIOUR</b>		
Appearance	Good. Adequate dress code.	-
Way of greeting the customer	They both knew the customer very well, therefore the greetings were very warm and friendly, using the customer's first name.	<i>Mr Don did not shake hands.</i>
Attitude and body language	Their physical appearance showed that they were open confident persons. Their facial expression and gestures reflected the interest they had in the customer (appropriate smile, they looked pleasant and interested, direct eye contact showing respect).	-
Way of communicating	They were both courteous and polite, choosing their words carefully, avoiding non-appropriate discussion topics; they had the necessary documents with them; they listened to the customer and showed desire to understand what he was saying; <i>Mr Don took notes</i> . They both gave appropriate answers. They paid great personal attention to the customer (making him feel important and special, strengthening the one-to-one relationship and the friendship).	<i>Mr Don repeated several times that he had another appointment after the meeting, appearing impatient and busy. However, it didn't seem to annoy the customer. Mr Don interrupted the conversation several times by receiving phone calls. Mr Aldo didn't allow a pause after the customer had finished speaking.</i>
Way of answering complaints	<i>Mr Aldo answered a complaint the right way: he didn't argue, get involved in a struggle or try to justify himself. Rather, he listened to the customer without interrupting, tried to clarify the problem and set up a plan of action with the customer and took note of it. He also promised to give feedback to the customer.</i>	-
Way of ending the meeting	<i>Mr Aldo ended the meeting correctly (handshaking, etc). He also talked non-business-related topics with the customer.</i>	<i>Mr Don looked in a hurry, he left without shaking hands.</i>
<b>CUSTOMERS' BEHAVIOUR</b>		
Body language	In general, both customers adopted an assertive body language (relaxed, open, interested, pleasant, direct eye contact).	They were 'too relaxed' (no straight position on their seats, hunched shoulders)
End of the meeting	They looked satisfied	-

**✓ Commentary:**

Both sales representatives showed very professional behaviour in their work. The overall impression was very positive. They treated their customers as partners, they developed a one-to-one relationship, are friends (Mr Aldo met this customer a long time ago, because he was working in the industry before he went to the cement industry at COMPANY E), and they knew how to listen to the customers and answer their requests. The 'bad behaviours' were actually individual behaviours from one or the other sales representative. They are therefore not related to the company's way of functioning. Moreover, if they can be seen as bad behaviours in absolute terms (not shaking hands with a customer is inappropriate for a sales representative), they have to be seen relative to these cases, because they can be attributed to the fact that the relationship between Company A1 and these customers is very strong, and therefore employees from both sides know each other very well: if one of them does not shake hands, it is not considered as disrespectful by the other. The same applies when one of them announces that he's in a hurry because of another subsequent appointment.

**(b) Other collected information**

Since January 2001, an internal newspaper has been available to the group's employees in South Africa, providing them with information concerning the group's activities all over the world, and concerning the introduction or development of new products and processes. "The objective [of the newspaper] is to create a better understanding of goals and projects on the go with the Marketing Department – and to keep you [the employees] informed about Group Marketing initiatives" (Company A1

Marketing Department, 2001). This newspaper helps to improve the communication within the group, and is also a tool to maintain or boost employees' motivation. The content of the newspaper also shows the group's will to develop positive relationships with his employees. For example, it publishes the pictures of the group's Christmas Party (January 2001 edition). Some personal information about employees is also provided, like births, promotions, or new appointments.

Some articles in the newspaper demonstrate the company's will to develop positive relationships with their customers: For example, in the section 'Marketing Brief' of the first edition of the newspaper (January 2001), the project 'MACI' (Market and Customer Intelligence) is described. This project, launched across all Company A1 Divisions, aims to get a better understanding of the customers, their needs, and their expectations. One of the key business drivers of that project is to enhance customer relationships. Another example is in the 'Headlines' (January 2001 edition), where it can be read that the performance of the group had to be improved by focussing on several key areas. Two of these key areas are 'customer service' and 'quality'.

Company A1's brochure is very neat and professional. The contents are adapted to their customers' needs and expectations. The first page presents pictures of the various products, and the names of their customers. Inside the brochure, technical information is given on the fabrication processes, and finally, the back page delivers general information about the company, including the company's mission and objectives, and contact numbers.

The Website of Company A1 is also very professional. It is a well developed and built site, providing financial information on the Group, but also information on all the

products and divisions of the Group, as well as a detailed list of contacts. It is easy to navigate, thanks to the site map that stays on the left side.

#### **4.4.2. COMPANY C1**

##### **4.4.2.1. Manager's assessment of Company C1 customer service**

- ✓ **Interviewed person:** Two persons were interviewed in this company: Mrs Naidoo, Sales Public Relations Officer, who answered the questions concerning customer service (which will be discussed in that section), and Mrs Tune, Quality Assurance Co-ordinator, who answered the questions related to ISO 9000 (for next section).
- ✓ **Customer description:** Company C1 sells via five agents to distributors (shops, industrial companies). Those distributors sell to companies (such as construction companies) and individuals. According to Mrs Naidoo, the company considers the agents as their customers.
- ✓ **Description of the sale process:** The company markets its products (shoes) to the agents through advertising. The agents place their order with Company C1 via a computer system. At this stage, either the ordered products are already available in stock, or they must be produced. In the first case, the order is assembled and immediately delivered to the agent. In the second case, the order goes through production planning and is produced before it is delivered (3 weeks lead time). The agents are independent. Therefore, each of them is responsible for dealing with its own customers (companies and individuals), which means they all have to implement their own marketing strategy to

assess customers' needs and assess the supply needed from Company C1. The agents get incentives from Company C1 through commissions and rebates.

- ✓ **Elements of customer service:** To the question 'what are the main elements that constitute customer service delivered by your company?', Mrs Naidoo didn't give any clear answer, but it can be stated that 'efficiency' and 'immediate deliveries when stock available' were the main elements in her answer. From the rest of the interview, it appears that all the marketing actions undertaken by Company C1 toward the agents are also part of the customer service they deliver. From the list of elements of customer service suggested in the questionnaire, she said the following elements applied to the company: 'advertising', 'technical information', 'system flexibility', 'production schedules', 'physical inventory control', 'quotes', 'employees' and facilities' appearance to customers', 'demonstrations', 'invoicing', 'order assembly', 'transportation', 'product support', 'product training', and 'follow-up for customer satisfaction'.
- ✓ **Customer relationships:** The General Manager himself and Mrs Naidoo are the five agents main contacts.
- ✓ **The way to handle complaints:** Most complaints come from incorrect order deliveries. Mrs Naidoo is responsible for complaints handling. She sends an e-mail to apologize to the agent, records the complaint, and investigates within the company to find the source. Action is then taken. The General Manager intervenes when necessary.
- ✓ **Assessment of the customer service:**  
According to Mrs Naidoo, the elements to deliver a high quality customer service are 'the employee appearance to customers', as well as 'product development'.



**Table 19: Company C1 customer service, strengths and weaknesses**

<i>Strengths</i>	<i>Weaknesses</i>
Product quality, diversity of the range	Mrs Naidoo didn't raise any specific point on this topic, but it seems from the rest of the interview that the company's delivery management system is not efficient enough.

- ✓ **Researcher's comment:** Mrs Naidoo had difficulty to present an overall view of her company and she was not able to analyse and critically look at the company's activities, even concerning activities she was deeply involved in. Maybe the General Manager should have been the person to interview, but it is also interesting to see that in an ISO 9000 certified company, some people still don't have an overall view of the company and are ignorant about the certification process. Mrs Naidoo, as the Sales PRO Officer, was supposed to be able to answer the questions.

Company C1 is an old company, and doesn't seem to look for continuous improvement, but rather relies on its existing awareness and image. The communication between the different sections of the company seems quite low, the allocation of tasks didn't seem clear, and it appears, according to Mrs Naidoo's interview, that the notion of customer service remains centred on the product quality, and that there are no clear strategies for the different kinds of customers they deal with (agents, industrials, individuals).

#### 4.4.2.2. Customer's assessment of Company C1 customer service

**CUSTOMER:** COMPANY I (Safety Footwear distributor)

✓ **Interviewed person:** Mr Tie, Sales Manager

✓ **Questionnaire results:**

**Table 20: Assessment of Company C1 customer service by Company I**

<b>Elements of customer service: 'before the sale' / pre-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
Flexibility	4	3.5	14
Employee's product knowledge	4	3	12
Technical information	3	3	9
Employee relationship with customer	4	4	16
Product requirements	4	4	16
Lead times	3	3	9
	22		76

*Excluded elements :*

*Written policy (weighted 1, but doesn't know about any policy in Company C1)*

*Quotes (doesn't apply)*

*Production schedules (weighted 3, but doesn't know about that in Company C1)*

<b>Elements of customer service: 'during the sale' / transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
Employee's appearance	2	3.5	7
Facilities' appearance	2.5	3	7.5
Employee relationship with customer	3	4	12
Order convenience	3	4	12
Status information	3	4	12
Billing	3	4	12
Accuracy of shipping	4	4	16
	20.5		78.5

<b>Elements of customer service: 'after the sale' / post-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
On-time delivery	3	4	12
Complaints handling	3	4	12
Follow-up	3	4	12
Preventing Stockouts	4	3	12
Training to customer	2	3	6
Employee relationship with customer	4	4	16
Product development	3	3	9
	22		79

*Excluded elements :*

*Product tracing for recalls (doesn't apply)*

✓ **Overall mark assessing the level of customer service:**

In percentage terms, the customer has attributed a mark of **91%** to the customer service provided by Company C1.

✓ **Comparison of customer's expectations / perceived performance on the three stages of a sale (relative importance between the 'pre-transaction', 'transaction', and 'post-transaction' stages):**

**Table 21: Relative importance of the sale's 3 stages: expectations and perceptions.**

	<b>Average weight / customer's expectations</b>	<b>Mark normalisation / perceived performance</b>
'Before the sale' / pre-transaction stage	3.67	13.82
'During the sale' / transaction stage	2.93	15.32
'After the sale' / post-transaction stage	3.14	14.36

From the results of the first column (Table 21), it can be deduced that the customer expects Company C1 to perform better on the elements of customer service occurring in the pre-transaction and post-transaction stages than on the elements occurring in the transaction stage. From the results in the second column, it can be inferred that Company

C1 is perceived to perform better in the transaction than in the pre-transaction and post-transaction stages. When comparing these two columns, it can be inferred that, according to the customer, Company C1 doesn't fulfil the customer's expectations: the company should put more emphasis on the pre-transaction and post-transaction stages, as he considers that elements of customer service occurring before and after the sale are more important than elements occurring during the sale.

✓ Comparison customer's expectations / perceived performance on individual elements of customer service:

When comparing the results of the two columns (Table 20), some gaps can be highlighted between what the customer expects (column ①), and what he perceives he gets (column ②), concerning some elements belonging either to the pre-transaction stage, the transaction or the post-transaction stage. 10 elements (out of 20) are concerned with such gaps:

The element, 'employees' product knowledge' in the pre-transaction stage and the element 'preventing stockouts' in the post-transaction stage, are weighted '4', meaning they are considered as really important by the customer, but the perceived performance of the firm on those elements is only rated '3' by the customer. This means, that the customer is not entirely satisfied with those elements.

On the contrary, several elements are perceived to get more attention than they should. This is the case for the elements 'employee's appearance to customers', 'employee's relationship to the customer', 'order convenience', 'order status information' and 'billing' in the transaction stage, and the elements 'on-time deliveries', 'complaints handling', and 'follow-up for customer satisfaction' in the post-transaction stage. This means that the firm is perceived to put unnecessary effort into these elements. This does

not really affect the customer satisfaction, as it is not a 'lack' from the firm, but rather a 'surplus'.

✓ **Researcher's comment:**

The relationship between the customer, who belongs to a small company (Company C1 is one of their twelve suppliers), and the sales representative from Company C1 was very good, as they have known each other and worked together for a long time. This might have influenced the customer to attribute good marks all through the questionnaire.

**4.4.2.3. Researcher's assessment of Company C1 customer service**

**(a) Observation guide's results**

✓ **Involved people:**

**Table 22: Company C1/ Company I, meeting participants**

	Meeting: participants
Company C1 sales representative	Mr Dear
Customer	Mr Tie, Company I
Purpose of visit	Routine visit

✓ Results:

Table 23: Company C1, observation results

	Behaviour reflecting <b>GOOD</b> customer service	Behaviour reflecting <b>BAD</b> customer service
<b>SALES REPRESENTATIVE'S BEHAVIOUR</b>		
Appearance	Good. He was wearing Company C1 shoes.	-
Way of greeting the customer	He greeted the customer in a warm and friendly manner, using the customer's name (they know each other for a long time). Frank handshaking.	He didn't confirm the time of the appointment: the customer seemed to be hindered.
Attitude and body language	His physical appearance showed that he was open and self-confident. His facial expression and gestures reflected the interest he had in the customer (appropriate smile, he looked pleasant and interested, direct eye contact showing respect).	-
Way of communicating	He was courteous and polite, and avoided non-appropriate discussion topics; He listened to the customer and really showed desire to understand what he was saying; He gave appropriate answers. He put a great personal attention to the customer (making him feel important and special, strengthening the one-to-one relationship and the friendship).	He maybe used a bit too much jargon. He also didn't allow a pause after the customer had finished speaking. He didn't take notes, though he had to memorize quite a lot of data given by the customer.
Way of ending the meeting	He shook hands frankly with the customer and even asked to shake hands with his father as well (family company), which again strengthened the one-to-one relationship.	-
<b>CUSTOMER'S BEHAVIOUR</b>		
Body language	In general, the customer adopted an assertive body language (relaxed, open, interested, pleasant, direct eye contact)	He was 'too relaxed' (no straight position on his seat, hunched shoulders), which indicated that he was sometimes bored.
End of the meeting	The customer looked very satisfied and talked about non-work related topics with the sales representative.	-

✓ Commentary:

The customer service delivered by Mr. Dear to his customer was of a good standard. The fact that he wore shoes from his company showed that he personally supported his company's product and that he was proud to wear and sell them. The meeting was very informal, as he maintained a very close relationship with his

customer, based on friendship. However, Mr. Dear tended to rely too much on this friendship and 'forgot' the elementary bases for the professional behaviour required between a supplier and his customer, like confirming an appointment. However, he put lots of effort into maintaining and developing a good relationship with every member of the company, which is a good point in a small family company like Company I.

**(b) Other collected information**

The human resources policy adopted by the company seems to be positive in terms of employee care. It is considered as 'a keystone' in the company's success, and attempts to 'maintain an equitable balance between the personal needs, aspirations and interests of the employees on the one hand, and the business needs of the company on the other. The policy's main objectives are staff loyalty and staff equality, and provides the employee with training and recreation facilities. This information was taken from a 1979 Company C1 publication, and should be viewed with care since it is a very old document.

Their brochure is a small leaflet, that doesn't provide much information. Very specific technical information is presented at the back, while a picture of one pair of shoes is displayed inside. The pictures used for the background are not really appropriate. No contact numbers are given.

The website of Company C1 doesn't provide much information either. Too many different pages are used for such little information. A brief presentation of the company is displayed (highlighting the fact that the company had the ISO 9000 certification), and the range of products is available in pictures. The colours used for the background are quite fancy (dark green and black).

#### 4.4.3. COMPANY B1

##### 4.4.3.1. Manager's assessment of Company B1 customer service

- ✓ **Interviewed person:** The interviewed person was Mrs Shirley, Quality Assurance Co-ordinator.
- ✓ **Customer description:** Company B1 sells to all types of companies and individuals, via branches and franchisees.
- ✓ **Description of the sale process:** From advertising and a lot of referrals, the company receives calls from new customers who desire to equip themselves or their company with a security gate or system. The contact is directed to the relevant sales representative in the branch. The sales representative then meets the customer to precisely define his needs, and then sends a quotation to the customer. Once the customer agrees, the order is sent to the planning system (computerized) to be produced. Freight companies perform the delivery.
- ✓ **Elements of customer service:** To the question 'what are the main elements that constitute the customer service delivered by your company?', Mrs Shirley spontaneously answered 'advertising and referrals', as well as the 'promotions' they offer to customers (though she didn't know the promotions' content). From the list of elements of customer service suggested in the questionnaire, she said all the elements applied to her company except the element 'facilities' appearance to customers', as customers don't come to the company itself.



- ✓ **Customer relationships:** The sales representative is the customer's main contact.
  
- ✓ **The way to handle complaints:** The head office provides all the branches with a standard 'non-performance report' (see Appendix H). For each customer complaint, the branches have to fill in one form and send it back to the head office, where it is distributed among the persons and departments related to the complaint. Complaints are then discussed in a quality assurance meeting. From there on, action is taken to solve the problem and feedback is given to the franchisees (via a 'Corrective action report', see Appendix H). The company also works on the basis of preventive actions.
  
- ✓ **Assessment of the customer service:** According to Mrs Shirley, the necessary elements to deliver a high quality customer service, quoted from the questionnaire list, are the 'technical information' released to the customer, 'written policy', 'lead times', 'employee's appearance to customer', the 'sales call', the 'order placement', the 'transportation', 'receiving', 'product training' (but for sales representatives) and 'product development'.

**Table 24: Company B1 customer service, strengths and weaknesses**

<i>Strengths</i>	<i>Weaknesses</i>
The product : wide range of colours and flexibility: possibility of special units and ability to conform to various customers requirements	None

- ✓ **Researcher's comment:** Mrs Shirley, as a quality assurance co-ordinator, was able to give an overall view of her company. However, her view remained maybe too much product-oriented for the purpose of the study, which required an analysis in terms of service. It seems that the marketing department's activities weren't included in Mrs Shirley's quality approach. To obtain comprehensive answers on the customer service provided by the company, a person from the marketing department should have been interviewed, but it is also interesting to note the product orientation of the ISO 9000 leader in the company.

Company B1 is a big established company and benefits from a consistent awareness and a good brand image, based on the good quality of its product. Thanks to good internal organization and adequate staff training, the company has a professional, systematic way of working with their customers, which makes the customer service they provide irreproachable.

#### **4.4.3.2. Customer's assessment of Company B1 customer service**

**CUSTOMER: COMPANY G GROUP (retailer)**

- ✓ **Interviewed person:** Mrs Sweet, Deputy Store Development Manager

✓ **Questionnaire results:**

**Table 25: Assessment of Company B1 customer service by Company G**

<b>Elements of customer service: 'before the sale' / pre-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
Flexibility	4	4	16
Employee's product knowledge	4	4	16
Technical information	4	4	16
Employee relationship with customer	4	4	16
Quotes	4	4	16
Product requirements	4	4	16
Lead times	4	4	16
			<b>112</b>

*Excluded elements :*

*Written policy (weighted 4, but doesn't know about any policy in Company B1)*

*Production schedule (weighted 1, doesn't apply to Company B1)*

<b>Elements of customer service: 'during the sale' / transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
Employee's appearance	3	4	12
Employee relationship with customer	4	4	16
Order convenience	4	4	16
Status information	4	4	16
Billing	4	4	16
			<b>76</b>

*Excluded elements :*

*Facilities' appearance : doesn't apply*

*Accuracy of shipping : doesn't apply*

<b>Elements of customer service: 'after the sale' / post-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
On-time delivery	4	4	16
Product tracing for recalls	4	4	16
Complaints handling	4	4	16
Follow-up	4	4	16
Employee relationship with customer	4	4	16
			<b>80</b>

*Excluded elements :*

*Stockouts prevention (weighted 4, but doesn't apply to Company B1)*

*Training of customer (weighted 2, but doesn't apply to Company B1)*

*Product development (weighted 4, but doesn't apply to Company B1)*

✓ Overall mark assessing the level of customer service:

In percentage terms, the customer has attributed a mark of 100% to the customer service provided by Company B1.

✓ Comparison of customer's expectations / perceived performance on the three stages of a sale (relative importance between the 'pre-transaction', 'transaction', and 'post-transaction' stages):

**Table 26: Relative importance of the sale's 3 stages: expectations and perceptions**

	Average weight / customer's expectations	Mark normalisation / perceived performance
'Before the sale' / pre-transaction stage	4	16
'During the sale' / transaction stage	3.8	16
'After the sale' / post-transaction stage	4	16

From the results of the first column (Table 26), it can be deduced that the customer expects Company B1 to perform better on the elements of customer service occurring in the pre-transaction and post-transaction stages than on the elements occurring in the transaction stage. From the results in the second column, it can be inferred that Company C1 is perceived to perform equally in the three stages of the sale.

✓ Comparison customer's expectations / perceived performance on individual elements of customer service:

When comparing the results of the two columns (Table 25), what the customer expects (column ①), and what he perceives he gets (column ②), it seems that the

customer is almost entirely satisfied on every element of customer service. Only one element, "employee's appearance to customers' in the transaction stage seems to get more attention than it should (weighted 3, but rated 4). However, this does not really affect the customer' satisfaction, as it is not a 'lack' from the firm, but rather a 'surplus'.

✓ **Researcher's comment:**

There is an obvious bias in the results as the mark is 100%. This is attributed to the fact that the questionnaire was not really suited to a company like Company B1, which provides a product to other companies which is not a product that these customers will use to produce their own product. For that reason, to deal with big security companies is considered as a necessity but also as a kind of 'waste of time' for companies (especially for big busy companies, like Company G). Therefore, their expectations toward Company B1 or other security companies are very short and simple: they want few, short, efficient meetings to explain their needs and they expect the company to be very professional (flexibility, perfect and quick understanding of their needs, punctuality, and on-time delivery), and they are not interested in the functioning of the company as it won't affect their own functioning. Therefore, to assess Company B1 customer service, the customer could only rely on a few elements that she knew about. Therefore, for all the elements of the questionnaire that she could not really assess, because she had not experienced them, she relied on her good experience concerning those few elements and attributed the other elements a good mark as well. So it can be inferred that the 100% satisfaction in the customer service comes from a lack of knowledge of the Company B1 Company. However, it can also be inferred that an 'unbiased result' wouldn't be far from 100%, as the customer seemed really satisfied. It is not surprising considering that Company G is Company B1's biggest account. Moreover, despite this need not to make them 'lose time',

the sales representative from Company B1 had managed to build a very good relationship with them. The questionnaire was filled in during an informal meeting, where the sales representative took the opportunity to talk non-work related topics with different employees at different levels in the company.

To get another picture of Company B1 customer service and another customer's assessment, an observation took place with another Company B1 sales representative at a meeting with an individual, private customer. At the end of the interview, a few questions were posed to the customer to assess his level of satisfaction with Company B1. These questions were: 'why did you choose Company B1?' and 'what do you think of the customer service they have provided so far?'. The customer chose Company B1 because the company appeared to offer the cheapest price. According to him, Company B1 is 'top in its range' and provides good customer service, which he could appreciate through phone calls and a visit from a sales representative. From this short interview and from the observation of the customer's behaviour, it can be inferred that this customer was satisfied with the customer service provided by Company B1.

#### **4.4.3.3. Researcher's assessment of Company B1 customer service**

##### **(a) Observation guide's results**

Unlike the other companies studied, the observation sequence didn't take place at the same meeting as the customer interview. The observation sequence was processed during two customer visits, but these customers, either by their nature or their behaviour, didn't allow the customer interview to be done (Meeting 1: the customer was too busy and meeting 2: the customer was an individual). For that reason, a third customer visit to Company G (see above) was necessary to complete the customer interview.

✓ Involved people:

Two observation guides were completed at two different meetings:

**Table 27: Company B1 / Company GG and an individual, meeting participants**

	Meeting 1	Meeting 2
Company B1 sales representative	Mr Dlamini	Mrs Jack
Customer	Mr Pink, Company GG	Mr Castle, individual
Purpose of visit	First visit to define needs	First visit to define needs

✓ Results:

**Table 28: Company B1, observation results**

How to read the table:

*In Italics: Behaviour adopted by a single sales representative,*

Regular characters: Behaviour adopted by both sales representatives.

	Behaviour reflecting <b>GOOD</b> customer service	Behaviour reflecting <b>BAD</b> customer service
<b>SALES REPRESENTATIVES' BEHAVIOUR</b>		
Appearance	Both had a conservative dress code. They looked professional.	-
Way of greeting the customer	Appropriate greetings with frank handshaking.	<i>Mr Dlamini didn't use the customer's name.</i>
Attitude and body language	Their physical appearance showed that they were open confident persons. Their facial expression and gestures reflected the interest they had in the customer (appropriate smile, they looked pleasant, direct eye contact, showing respect).	-
Way of communicating	They were both courteous and polite, choosing their words carefully, avoiding non-appropriate discussion topics; they listened to the customer and showed desire to understand what he was saying (trying to clarify what the customer said and asking open questions); They both took notes (measurements). They both gave appropriate answers.	They were not trying to develop a one-to-one relationship or a friendship: <i>Mr Dlamini's customer was too busy in managing his butchery's enlargement and didn't talk to him more than 2 minutes (Mr Dlamini had to take the measurements by himself).</i>
Way of ending the meeting	<i>Didn't apply to Mr Dlamini</i> <i>Mrs Jack thanked the customer for doing business with her company.</i>	<i>Mrs Jack didn't shake hands.</i>
<b>CUSTOMERS' BEHAVIOUR</b>		
Body language	<i>Mrs Jack's customer adopted an assertive body language (relaxed, open, pleasant, direct eye contact).</i>	<i>Mr Dlamini's customer was obviously not interested in spending time with him.</i>
End of the meeting	<i>Didn't apply to Mr Dlamini's customer</i> <i>Mrs Jack's customer looked satisfied (smiles)</i>	<i>Didn't apply to Mr Dlamini's customer</i>



✓ Commentary:

The behaviour of both sales representatives was very professional. Both knew how to adapt to the customer. The behaviour of Mr Dlamini's customer (too busy to talk with him) illustrates well what kind of expectations companies have toward security companies: do their job well without disturbing the normal course of the company. Both sales representatives didn't try to develop a long-lasting relationship with their customers, as the security gates industry sells one product (which is supposed to last a long time) to one customer, especially when the customer is a small company or an individual like these ones. (Concerning Company G, it is different, and a relationship can be created, as it is a group, which requires all their shops to be equipped with security systems. More time and meetings are therefore necessary).

**(b) Other observed information**

The brochure provided by Company B1 is professional, displaying information on the various products, and pictures of the gates. The back page gives technical information on the security systems used for the fabrication of the gates and informs about the guarantee conditions, as well as about the quality (mention of ISO 9000).

Their website is also professional. It provides information about the company, its products and gives a list of contacts. The site map remains on the left side, which makes it easy to navigate throughout the site. However, it is a pity that most of the pages come from a scan of the brochure's pages. Moreover, two different points of the menu, 'Domestic products' and 'international products', contain exactly the same elements.

#### 4.4.4. COMPANY A2

##### 4.4.4.1. Manager's assessment of Company A2 customer service

- ✓ Interviewed person: The interviewed person was Mr McDonald, Managing Director
- ✓ Customer description: Company A2 sells its products (plastics bags, tubing, Kraft brown paper, etc.) to manufacturers in the automotive and clothing industries.
- ✓ Description of the sale process: From calls on customers, orders are produced and then delivered. At some stage in this process, a sales representative goes to the customers' place of business to take note of all the products (and their prices) supplied by competitors and that Company A2 could be able to supply as well. The sales representative then makes a detailed report, which allows Company A2 to offer a new quote for the customer for those products.
- ✓ Elements of customer service: To the question 'what are the main elements that constitute the customer service delivered by your company?', Mr McDonald spontaneously answered 'the relationship we build with our customers, who we consider as partners'. He also mentioned elements like the 'free visit to the factory 24 hours a day' available to their customers, the 'delivery in 24 hours, maximum 48 hours', as well as all their Public Relations actions such as 'invitation to restaurants or casinos' of customers. From the list of elements of customer service suggested in the questionnaire, he said the following elements applied to his company: 'marketing', 'technical information', 'quotes', 'flexibility', 'formal production schedule', 'demonstrations', 'order placement', 'order status

information' (he stressed that it is computerized), 'order assembly', 'transportation', 'product support', 'product training' and 'follow up for customer satisfaction'.

- ✓ **Customer relationships:** The Managing Director (Mr McDonald himself) and the sales representative are the customers' main contacts. However, he said that every employee in the company is charged with establishing good relationships with the customers.
- ✓ **The way to handle complaints:** Mr McDonald is in charge of handling the customers' complaints. When a complaint is received, he goes to the customer's place of business, apologies, identifies the problem, and takes action.
- ✓ **Assessment of the customer service:** According to Mr McDonald, the necessary element to deliver a high quality customer service, quoted from the questionnaire list, is the 'follow up for customer satisfaction'. From the rest of the interview, it also appears that 'product quality', 'pricing', and 'on-time deliveries' are also necessary elements to deliver a high quality customer service.

**Table 29: Company A2 customer service, strengths and weaknesses**

<i>Strengths</i>	<i>Weaknesses</i>
Top quality materials	Some faulty products
Good relationships with customers	Some delivery problems

- ✓ **Researcher's comment:** Mr McDonald created Company A2 25 years ago and he still owns the business himself. Contrary to big companies, where everything is managed in a formalised way, and where the practises are necessarily following theory, Company A2 is

a typical example of a small company, where everything is managed more or less according to the manager's feelings. Mr McDonald has a very clear view of his company and its environment. He knows where he wants to take his company and how he's going to do it. He also has a good idea of the strengths and weaknesses of his business. Above all, he measures the benefits of providing good service to customers and he instinctively does it well by involving all his employees in the process of developing good relationships with every customer.

#### 4.4.4.2. Customer's assessment of Company A2 customer service

CUSTOMER: COMPANY F (Clothing industry)

✓ Interviewed person: Mr Trick, Dispatch Manager

✓ Questionnaire results:

Table 30: Assessment of Company A2 customer service by Company F

<b>Elements of customer service: 'before the sale' / pre-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b>	<b>Mark (2<sup>nd</sup> section)</b>	<b>Weighted Mark</b>
	①	②	③ = ① * ②
Written policy	4	4	16
Employee's product knowledge	4	4	16
Technical information	3	4	12
Employee relationship with customer	4	4	16
Quotes	4	4	16
Product requirements	4	3	12
Lead times	4	4	16
	27		104

*Excluded elements :*

*Flexibility (weighted 4, but doesn't know about Company A2)  
Production schedule (weighted 4, doesn't know about Company A2)*

<b>Elements of customer service: 'during the sale' / transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b> ①	<b>Mark (2<sup>nd</sup> section)</b> ②	<b>Weighted Mark</b> ③ = ① * ②
Employee's appearance	4	3	12
Facilities' appearance	4	3	12
Employee relationship with customer	4	4	16
Order convenience	4	4	16
Status information	4	4	16
Billing	4	4	16
Accuracy of shipping	4	4	16
	28		104

<b>Elements of customer service: 'after the sale' / post-transaction elements</b>			
	<b>Weight (1<sup>st</sup> section)</b> ①	<b>Mark (2<sup>nd</sup> section)</b> ②	<b>Weighted Mark</b> ③ = ① * ②
On-time delivery	4	4	16
Product tracing for recalls	4	4	16
Complaints handling	4	4	16
Follow-up	4	4	16
Preventing Stockouts	3	4	12
Employee relationship with customer	4	4	16
Product development	4	4	16
	27		108

Excluded elements :

Training of customer (weighted 3, but doesn't apply to Company A2)

✓ **Overall mark assessing the level of customer service:**

In percentage terms, the customer has attributed a mark of **96%** (268/268) to the customer service provided by Company A2.

- ✓ Comparison of customer's expectations / perceived performance on the three stages of a sale (relative importance of the 'pre-transaction', 'transaction', and 'post-transaction' stages):

**Table 31: Relative importance of the sale's 3 stages: expectations and perceptions**

	Average weight / customer's expectations	Mark normalisation / perceived performance
'Before the sale' / pre-transaction stage	3.86	15.41
'During the sale' / transaction stage	4.00	14.86
'After the sale' / post-transaction stage	3.86	16.00

From the results of the first column (Table 31), it can be deduced that the customer expects Company A2 to perform better on the elements of customer service occurring in the transaction stage than on the elements occurring in the pre- and post-transaction stages. From the results in the second column, it can be inferred that Company A2 is perceived to perform better in the post-transaction and pre-transaction stages than in the transaction stage. When comparing these two columns, it can be inferred that, according to the customer, Company A2 doesn't fulfil the customer's expectations: the company should put more emphasis on the transaction stage, as he considers that elements of customer service occurring during the sale are more important than elements occurring before and after the sale.

✓ **Comparison customer's expectations / perceived performance on individual elements of customer service:**

When comparing the results of the two columns (Table 30), some gaps can be highlighted between what the customer expects (column ①), and what he perceives he gets (column ②), concerning some elements belonging either to the pre-transaction stage, the transaction, or the post-transaction stage. Five elements (out of 21) are concerned with such gaps:

The element 'product requirements' in the pre-transaction stage, and the elements 'employees' appearance to customer' and 'facilities' appearance to customer' in the transaction stage, are weighted '4', meaning they are considered as really important by the customer, but the perceived performance of the firm on those elements is only rated '3' by the customer. This means that the customer is not entirely satisfied with those elements.

On the contrary, some elements are perceived to get more attention than they should. This is the case for the element 'technical information' in the pre-transaction stage, and the element 'preventing stockouts' in the post-transaction stage. This means that the firm is perceived to put unnecessary effort into these elements. This does not really affect the customer' satisfaction, as it is not a 'lack' from the firm, but rather a 'surplus'.

✓ **Researcher's comment:**

The position of the interviewed person may have biased the results of the questionnaire: Mr Trick is an employee responsible for dispatch within the factory. Therefore, he was not aware of the whole transaction process taking place between his

company and Company A2. He was therefore unable to understand or measure the extent of some elements of customer service listed in the questionnaire, but didn't admit that he was unable to answer and therefore gave dubious answers. These results must therefore be viewed relative to these limitations.

4.4.4.3. Researcher's assessment of Company A2 customer service

(a) Observation guide's results

✓ Involved people:

Table 32: Company A2 / Lucy Clothing, meeting participants

	Meeting: participants
Company A2 sales representative	Mr Santos
Customer	Mr Trick, Company F
Purpose of visit	Present new products



✓ Results:

Table 33: Company A2, observation results

	Behaviour reflecting <u>GOOD</u> customer service	Behaviour reflecting <u>BAD</u> customer service
<b>SALES REPRESENTATIVE'S BEHAVIOUR</b>		
Appearance	Good. Adequate dress code.	-
Way of greeting the customer	Appropriate greetings, using the customer's name. Frank handshaking.	-
Attitude and body language	His physical appearance showed that he was open and a confident person. His facial expression and gestures reflected the interest he had in the customer (appropriate smile, he looked pleasant and interested, direct eye contact showing respect).	-
Way of communicating	He was courteous and polite, choosing his words carefully and avoiding non-appropriate discussion topics. He showed desire to understand what the customer was saying and gave appropriate answers. He made the customer feel important and special. At the end of the meeting with Mr Trick, another informal meeting took place between Mr Santos and Company F' Managing Director, to discuss non-work related topics over tea. That strengthened the one-to-one relationship and the friendship.	-
Way of ending the meeting	He thanked the customer (Managing Director) and shook hands. He didn't look in a hurry though he had another appointment.	-
<b>CUSTOMER'S BEHAVIOUR</b>		
Body language	The customers (Mr Trick and the Managing Director) adopted an assertive body language (relaxed, open, interested, pleasant, direct eye contact).	-
End of the meeting	They looked very satisfied	-

✓ Commentary:

The customer service delivered by Mr Santos to Lucy Clothing was of a very good standard. He was very professional and showed a desire to maintain the already excellent relationship between the two companies. He had consideration for, and good relationships with, every person in the company (receptionist, dispatch manager, managing director).

#### ➤ Other observed information

Company A2's facilities were not of a high standard: only two or three rooms, obviously too small, were used for the administration. These rooms were messy and not very clean.

Company A2's brochure consists of an A4 sheet, which presents in a professional way, the various products the company offers, as well as contact numbers. The manager's business card comes with the sheet.

This small company even made the effort to build a website. The website is very small (one page), but it is clear and looks professional. The content is the same as for the brochure, except that a slogan is added ("With us you are in safe hands"). It is possible to contact the company directly through the site via e-mail.

#### 4.4.5. COMPANY C2

##### 4.4.5.1. Manager's assessment of Company C2 customer service

- ✓ Interviewed person: The interviewed person was Mr John, Sales and Marketing Manager.
- ✓ Customer description: Company C2 sells shoes to small and big retailers.
- ✓ Description of the sale process: Company C2 organizes face-to-face meetings with the retailers to present their range, and conduct negotiations. Then the retailers' orders are

planned in a meeting between the technical planning and the purchasing department. Before the order is processed, a sample is sent to the customer for confirmation. Then the order is processed and delivered. The delivery is followed up by the sales and marketing department. Then a follow-up of the customer takes place to track the shoes' sales, through computerized links for big customers or via feedback from the merchandising people.

- ✓ **Elements of customer service:** From the list of elements of customer service suggested in the questionnaire, Mr John said the following elements applied to his company: 'marketing', 'technical information', 'written policy', 'system flexibility', 'consistent lead times', 'formal production schedules', 'inventory control', 'order forecast', 'quotes', 'employees' appearance to customers', 'facilities' appearance to customers', 'sales call', 'presentation / demonstration', 'order placement', 'order status information' (he stressed it's up to the minute), 'billing', 'order assembly', 'transportation', 'receiving', 'product tracing for recalls', 'product support', 'product training', 'follow-up for customer satisfaction', and 'product development' (which he emphasised is continual and ongoing).
- ✓ **Customer relationships:** The Sales and Marketing Department is responsible for dealing with customers. For big customers, a liaison person is appointed.
- ✓ **The way to handle complaints:** Most of the complaints come from end users, and are directed to the retailer. From there, the retailer takes the complaint to the Sales and Marketing Department of Company C2, who analyse it with the technical personnel.
- ✓ **Assessment of the customer service:**  
According to Mr John, the necessary elements to deliver a high quality customer service,

quoted from the questionnaire list, is 'written policy', 'quotes', 'employees' appearance to customers', 'sales call', and 'follow up for customer satisfaction'. He emphasised that good pricing is also a necessary element to deliver high quality customer service.

**Table 34: Company C2's customer service, strengths and weaknesses**

<i>Strengths</i>	<i>Weaknesses</i>
Availability to customers  Up-to-date representation	Limited number of variations of shoes

- ✓ **Researcher's comment:** Company C2 is a growing medium sized company, which remains close to its customers, providing them with adequate service.

**4.4.5.2. Customer's assessment of Company C2 customer service**

No customer interview could be completed.

**4.4.5.3. Researcher's assessment of Company C2 customer service**

No observation sequence could be completed.

**➤ Other observed information**

For confidentiality reasons, no brochure was available for the study. No website registered.

#### 4.4.6. COMPANY B2

##### 4.4.6.1. Manager's assessment of Company B2 customer service

- ✓ **Interviewed person:** The interviewed person was Mrs Guy, Associate Director.
- ✓ **Customer description:** Company B2 sells security gates to small companies and individuals.
- ✓ **Description of the sale process:** From advertising and prospecting, Company B2 receives calls from customers. The calls are directed to the sales representative, who goes to see the customer to assess his needs, and to take the necessary measurements. From this meeting, the sales representative develops a quote that he faxes to the customer. When the customer agrees on the quote, the order is processed in three weeks and is then delivered. At reception, the customer is asked to complete a customer satisfaction form.
- ✓ **Elements of customer service:** To the question 'what are the main elements that constitute the customer service delivered by your company?', Mrs Guy spontaneously quoted the 'guarantee on the galvanising' the company offers and the 'availability' of the company to solve customers' problems. From the list of elements of customer service suggested in the questionnaire, Mrs Guy said the following elements applied to her company: 'advertising', 'technical information', 'written policy', 'system flexibility', 'inventory control', 'quotes', 'employees' appearance to customers', 'facilities' appearance to customers', 'sales call', 'presentation / demonstration', 'order placement', 'order status information', 'billing', 'transportation', 'receiving', 'product support', and 'follow-up for

customer satisfaction'.

- ✓ **Customer relationships:** the sales representative and the Manager (her husband) are the customers' main contacts with customers.
- ✓ **The way they handle complaints:** The company doesn't have a formal system to deal with complaints, but the person who receives the complaint listens to the customer and tries to correct the problem.
- ✓ **Assessment of the customer service:** According to Mrs Guy, the necessary elements to deliver a high quality customer service, quoted from the list, are 'advertising', 'sales call', and 'consistent lead times'. She stressed that a high quality customer service also depends on the sales representative's efficiency.

**Table 35: Company B2 customer service, strengths and weaknesses**

<i>Strengths</i>	<i>Weaknesses</i>
Conformity of product to customer's requirements	Inconsistent lead times
Good relationships with customers	Some non-communication problems with customers

- ✓ **Researcher's comment:** Company B2 is a small, recently established, family owned company, which remains very humble in a field of fierce competition, dealing with individuals and a few small companies. They try to get close to their customers and to have good relationships with them. They deliver quite good quality service, which, however, needs to be systematized and maybe improved on some points.

#### 4.4.6.2. Customer's assessment of Company B2 customer service

CUSTOMER: COMPANY H (Crisis telephone service)

✓ Interviewed person: Mrs Rest, Assistant Director.

✓ Questionnaire results:

With regard to the very small size and the nature of the customer's company visited, the questionnaire couldn't be administered, as it was not suitable for such a small company, especially one operating in the service sector. Therefore a few open-ended questions were posed to the customer at the end of the meeting to assess her satisfaction towards the customer service delivered by Company B2.

These questions were

Why did you need Security Gates?

Why did you choose Company B2?

What do you think of the customer service they have provided so far?

The customer was very satisfied with the customer service provided by Company B2, mentioning the company's efficiency and flexibility, as well as the listening skills of its employees.

Mrs Rest had previously used Company B2 on a personal basis and she called the company back for business purposes, which shows an attitude of trust and loyalty, and confirms a good level of satisfaction toward the company.

From these results and taking into account the marks obtained by the other companies, a mark assessing Company B2 customer service can be estimated to be about 85-95%.

#### 4.4.6.3. Researcher's assessment of Company B2 customer service

##### (a) Observation guide's results

✓ Involved people:

**Table 36: Company B2 / Company H, meeting participants**

	Meeting: participants
Company B2 sales representative	Mr Ronald
Customer	Mrs Rest, Company H
Purpose of visit	First visit to define needs



✓ Results:

Table 37: Company B2, observation results

	Behaviour reflecting <b>GOOD</b> customer service	Behaviour reflecting <b>BAD</b> customer service
<b>SALES REPRESENTATIVE'S BEHAVIOUR</b>		
Appearance	Good. Adequate dress code.	-
Way of greeting the customer	Appropriate greetings, with adequate use of humour.	-
Attitude and body language	He was open and relaxed. His facial expression and gestures reflected consideration toward the customer (appropriate smile, he looked pleasant and interested, direct eye contact showing respect).	He didn't look too confident
Way of communicating	He was very courteous and polite, choosing his words carefully, avoiding non-appropriate discussion topics, and using light adequate humour; he listened to the customer and showed desire to understand what she was saying. He took notes (measurements). He gave appropriate answers. He put a personal attention to the customer (trying to build a friendship).	Volume of voice a bit low (linked to the lack of confidence)
Way of ending the meeting	He ended the meeting correctly and thanked the customer for doing business with his company.	He didn't shake hands
<b>CUSTOMER'S BEHAVIOUR</b>		
Body language	The customer adopted an assertive body language (relaxed, open, interested, pleasant, direct eye contact).	-
End of the meeting	She looked satisfied. She talks about non-business related topics with Mr Ronald and offered him tea.	-

The sales representative's behaviour was also observed during a meeting with an individual customer. The customer was a Chinese woman, barely able to speak English. Mr Ronald adapted his behaviour without any anger or making fun of her. Rather, he tried to calmly discover what she wanted, repeating what she had said to be sure to identify her need. He also knew how to adapt the product to the requirements of the customer.

✓ Commentary:

At the time of the interview, Mr Ronald had only been with the company for three months. He had been selling garage doors for the past ten years. Therefore, he was still learning and was not fully confident. However, he delivered a good service to the customer. Mr Ronald was really polite and kind. He knew how to adapt his behaviour to the different kinds of customers and treated them as his equals. When he was not sure about his products' specifications, he made sure he had documents available to get the information. He looked very conscientious, trying to build, when possible, nice relationships with the customers.

(b) Other observed information

The facilities are very nice, clean, and well organized. Some 'certificates', guaranteeing the product and management quality, were displayed on the wall, close to the reception counter, from where customers can see them. Among them, an SABS document showing that they have applied for the ISO 9000 certification, as well as a diploma from 'How To Run Your Own Business'.

Their brochure is simple, but well built, with information on the various gates they produce, and contact numbers. The two companies are presented: Company B2 Manufacturing and Company B2 Security.

No web site was available.

#### 4.5. SUMMARY OF RESULTS AND ASSESSMENTS OF PROPOSITIONS

In this section, three tables summarizing the results will be presented. The first one will present a review of the companies' environment. The second section will present the information collected about the certification process concerning the three companies with ISO 9000. The third section presents a comparison of service levels for the six studied companies. Finally, the sub-objectives and research propositions will be assessed.

##### 4.5.1. The six companies' environments

Table 38 presents an overall view of the environments of the studied companies.

**Table 38: Overview of the six companies**

	With ISO			Without ISO		
	COMPANY A1	COMPANY C1	COMPANY B1	COMPANY A2	COMPANY C2	COMPANY B2
Does the company export?	Yes	Yes	Yes	No	No	No
Does it belong to a Group?	Yes	Yes	-	-	-	-
Date of foundation	1944	1929	1972	1976	1980	1994
Size	Big	Middle	Big	Small	Middle	Small
Product	Multi-wall paper and self opening bags	Bio-footwear and safety footwear	Security doors and gates	Plastics, bags, tubing, kraft brown paper	Footwear products	Security gates, burglar bars, fencing
Customers (users)	Pet food industries, cement, sugar, milling, charcoal industries	Industrials (construction companies) and individuals	Individuals and companies	Automotive and clothing industries	Individuals	Individuals and companies

#### 4.5.2. The certification process in the three ISO 9000 certified companies

Table 39 presents a summary of the information collected during the managers' interviews on the certification process for the three companies with ISO 9000.

**Table 39: The certification process for Company A1, Company C1, and Company B1**

	COMPANY A1	COMPANY C1	COMPANY B1
Date of certification	1996	1996	1988
Initial motivation to start the process	<ul style="list-style-type: none"> <li>♦ Give proof to national and international customers of the company's world-class standards</li> <li>♦ Improve internal systems</li> </ul>	<ul style="list-style-type: none"> <li>♦ No clear motivation</li> <li>♦ Customer demand?</li> </ul>	<ul style="list-style-type: none"> <li>♦ Assure the customer of product quality</li> </ul>
Positive aspects of the process	<ul style="list-style-type: none"> <li>♦ Few processes to update</li> <li>♦ Few problems to involve people</li> </ul>	<ul style="list-style-type: none"> <li>♦ Management was fully involved</li> </ul>	<ul style="list-style-type: none"> <li>♦ Management was fully involved</li> </ul>
Negative aspects of the process	<ul style="list-style-type: none"> <li>♦ Too much work to implement and maintain the documentation</li> </ul>	<ul style="list-style-type: none"> <li>♦ Production processes to review</li> <li>♦ Too much work to implement and maintain the documentation</li> <li>♦ Workforce reluctant to change</li> </ul>	<ul style="list-style-type: none"> <li>♦ Too much work</li> <li>♦ Workforce reluctant to change</li> </ul>
Positive changes in the company	<ul style="list-style-type: none"> <li>♦ Market share maintained</li> <li>♦ Documentation is a good business practice</li> </ul>	<ul style="list-style-type: none"> <li>♦ External marketing benefits (image, competitiveness)</li> <li>♦ Internal organizational benefits</li> </ul>	<ul style="list-style-type: none"> <li>♦ External marketing benefits (image, competitiveness)</li> <li>♦ Internal organizational benefits</li> </ul>
Negative changes in the company	<ul style="list-style-type: none"> <li>♦ Paper work and bureaucracy</li> </ul>	<ul style="list-style-type: none"> <li>♦ None</li> </ul>	<ul style="list-style-type: none"> <li>♦ Increased the division between management and workforce</li> <li>♦ Lack of flexibility</li> <li>♦ Loss of focus</li> </ul>
Future of ISO 9000 in the company	<ul style="list-style-type: none"> <li>♦ Keep the standards</li> </ul>	<ul style="list-style-type: none"> <li>♦ Keep the standards</li> </ul>	<ul style="list-style-type: none"> <li>♦ Keep the standards</li> </ul>

#### **4.5.3. Comparison of service levels for the six companies**

Table 40 presents the service levels, determined in section 4-4, and allows a comparison between companies with ISO 9000 and companies without.

Table 40: Comparison of service levels

COMPANIES with ISO 9000			COMPANIES without ISO 9000		
COMPANY A1	COMPANY C1	COMPANY B1	COMPANY A2	COMPANY C2	COMPANY B2
Manager's viewpoint					
'Company A1 delivers a good quality customer service based on the on-going relationships developed with the customers'	'Company C1 delivers a good quality customer service to the 5 agents (customers), thanks to the quality of the product'	'Company B1 delivers a good quality customer service based on the product quality and the systematic professional way we serve our customers'	'Company A2 delivers a good quality customer service based on on-going relationships developed with the customers and the quality of our products'	'Company C2 delivers a good quality customer service based on professional relationships with customers, and an up-to-date representation of our products'	'Company B2 delivers a good quality customer service based on the conformity of our products to the customers' expectations, and the good relationship we have with them'
Customer's viewpoint					
<ul style="list-style-type: none"> <li>♦ Mark: 80,5%</li> <li>♦ The perceived performance of Company A1 in the pre-transaction stage compared to the 2 other stages conforms to the customers' expectations</li> <li>♦ Globally, the perceived performance of the majority of customer service elements conforms to the customers' expectations, except for the elements 'lead-times' and 'on-time deliveries' (perceived performance lower than expected)</li> </ul>	<ul style="list-style-type: none"> <li>♦ Mark: 91%</li> <li>♦ The perceived performance - best in the transaction stage- doesn't answer the customer's expectations (the best performance is expected in the pre- and post-transaction stages)</li> <li>♦ The perceived performance for many elements of customer service is higher than the expectations, while the performance for 'employee's product knowledge' (pre-transaction stage) and 'preventing stockouts' (post-transaction stage) is lower than expected</li> </ul>	<ul style="list-style-type: none"> <li>♦ Mark: 100% (biased)</li> <li>♦ No consistent results can be inferred concerning the expectations and perceived performance for the 3 stages of a sale (biased)</li> <li>♦ The perceived performance for almost all the customer service elements meet the customer's expectations (biased).</li> </ul>	<ul style="list-style-type: none"> <li>♦ Mark: 96%</li> <li>♦ The perceived performance - best in the pre- and post transaction stages- doesn't answer the customer's expectations (the best performance is expected in the transaction stages) (biased)</li> <li>♦ Overall, the perceived performance of the majority of customer service elements conforms to the customers' expectations, except for the elements 'product requirements', 'employees' appearance' (perceived performance lower than expected) (biased)</li> </ul>	No interview completed.	<ul style="list-style-type: none"> <li>♦ Estimated mark: 85-95%</li> <li>The customer was very satisfied with the customer service provided by Company B2, mentioning the company's efficiency and flexibility, as well as the listening skills of its employees.</li> <li>Mrs Rest had previously used Company B2 on a personal basis and she called the company back for business purposes, which shows an attitude of trust and loyalty, and confirms a good level of satisfaction toward the company</li> </ul>

COMPANIES with ISO 9000			COMPANIES without ISO 9000		
COMPANY A1	COMPANY C1	COMPANY B1	COMPANY A2	COMPANY C2	COMPANY B2
Researcher's viewpoint on personal selling (observation)					
<p>The sales representatives:</p> <ul style="list-style-type: none"> <li>Behave professionally</li> <li>Develop a one-to-one relationship, the customer is a partner</li> </ul>	<p>The sales representative:</p> <ul style="list-style-type: none"> <li>Develops a one-to-one relationship, the customer is a friend</li> <li>Relies too much on that friendship and sometimes 'forgets' to adopt professional behaviour</li> </ul>	<p>The sales representatives:</p> <ul style="list-style-type: none"> <li>Behaves professionally</li> <li>Know how to adapt to different customers</li> </ul>	<p>The sales representative:</p> <ul style="list-style-type: none"> <li>Behaves professionally</li> <li>Develops a one-to-one relationship with every employee within the customer's company</li> </ul>	<p>No observation sequence completed.</p>	<p>The sales representative:</p> <ul style="list-style-type: none"> <li>Behaves professionally</li> <li>Knows how to adapt to different customers</li> <li>Has good relationships with them during the meetings, the customers are his equals</li> </ul>
Other collected information					
<ul style="list-style-type: none"> <li>- Edition of an internal newspaper</li> <li>- Development of marketing projects for a better understanding of customers' needs and expectations</li> </ul>	<ul style="list-style-type: none"> <li>- Group policy puts emphasis on human resources</li> </ul>		<ul style="list-style-type: none"> <li>- Employees' work environment (administration offices) not very nice</li> </ul>	<p>No information available</p>	<ul style="list-style-type: none"> <li>- 'Certificates' at the reception convincing the customer of the product and management quality</li> </ul>
Researcher's overall opinion					
<p><u>Manager</u>: good analyse of the company's internal and external environment, clear vision of what customer service is</p> <p><u>Customers</u>: satisfied with customer service</p> <p><u>Sales' rep</u>: good customer service</p>	<p><u>Manager</u>: No clear vision of the customer, bad internal communication, no clear vision of what customer service is</p> <p><u>Customers</u>: satisfied but can do better</p> <p><u>Sales' rep</u>: customer service can be improved</p>	<p><u>Manager</u>: good analyse of the company's internal and external environment, clear vision of what customer service is</p> <p><u>Customers</u>: satisfied with customer service</p> <p><u>Sales' rep</u>: good customer service</p>	<p><u>Manager</u>: good analyse of the company's internal and external environment, manage customer service by TQM approach.</p> <p><u>Customers</u>: none</p> <p><u>Sales' rep</u>: none</p>	<p><u>Manager</u>: vision of the company's internal and external environment not perfectly clear, intuitive vision of what customer service is</p> <p><u>Customers</u>: satisfied with customer service</p> <p><u>Sales' rep</u>: good customer service</p>	
Researcher's estimated mark on customer service					
9/10	6/10	9/10	8/10	8/10	7/10

#### 4.5.4. Discussion about sub-objectives and propositions

The first sub-objective was to establish, from the customers' point of view, the relative importance of various customer service components, from the pre-transaction stage to the post-transaction stage, in order to determine their expectations and needs concerning customer service. This objective has been reached through the analysis of the first section of the questionnaire administered with customers (Tables 13, 15, 20, 25, and 30 columns ①). From these tables, it can be inferred the following (detailed in Appendix I):

- ◆ in the pre-transaction stage, it seems that the elements 'employee relationship to customer', 'lead times', 'employee's product knowledge', 'product requirements', and 'flexibility' are perceived as the most important elements of quality service, and that 'technical information' is less important.
- ◆ In the transaction stage, it seems that 'accuracy of shipping' is perceived as the most important element of quality service, and that 'employee appearance to customer' is less important.
- ◆ In the post-transaction stage, it seems that 'on-time deliveries' is the most important element of quality service.

In relation sub-objective 1, it was proposed that the quality of sales representation, the flexibility of the customer service system, ordering convenience, the reliability of delivery, and the after-sales service would be perceived as the most important components of quality service, and that stock availability and credit terms offered would be less important. As a result of the above findings, this proposition cannot be accepted.



**Sub-objective 2** was set to determine the perceived performance quality of the services provided from the pre-transaction stage to the post-transaction stage by the supplying company. This objective has been reached through the analysis of the first section of the questionnaire administered with customers (Tables 13, 15, 20, 25, and 30 columns ②).

**Sub-objective 3** was set to compare service levels of companies with ISO 9000 with the service levels of those companies without it, in order to identify the impact of ISO 9000 on customer service. The whole of section four of this chapter was dedicated to determining service levels for the six companies. Table 40 allows an easy comparison between the different service levels and reaches this objective.

In relation to this sub-objective, it was proposed that the performance of ISO 9000 certified companies, concerning the most important elements of quality service, would be better than for companies that do not have the qualification. As a corollary, it was proposed that the performance of ISO 9000 certified companies concerning the less important elements of quality service would be inferior to that of the companies that do not have the qualification. From the results in Section 4.5.3., it can be seen that this proposition cannot be accepted.

**Sub-objective 4** was set to identify the aspects of ISO 9000 that contribute to improved customer service. This sub-objective was linked to the previous sub-objective. The results reached for sub-objective 3 revealed that no link could be established between ISO 9000 and the level of customer service. Therefore, sub-objective 4, which aimed at understanding the possible link between ISO 9000 and customer service, didn't apply anymore.

In this chapter, the results have been analysed, in relation to the four objectives of the study. The main finding is that there is no immediate link between ISO 9000 and customer service, as the studied ISO 9000 companies did not provide a better customer service than the companies without ISO 9000. In the next chapter, these findings will be discussed and interpreted. Comments will be provided on the levels of service provided by the six studied companies, on the managers' perceptions of ISO 9000, and on the missing link between ISO 9000 and customer service.

## CHAPTER 5: DISCUSSION

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### 5.1. INTRODUCTION

Sections 2.5.2 and 2.6 of the literature review suggested that ISO 9000 could improve the level of customer service provided by a firm. Indeed, it was stated that the ISO 9000 qualification could lead an organization to improve its internal communication network, enhance management efficiencies, promote teamwork, clarify roles and responsibilities, and cultivate a quality culture. ISO 9000 was also said to generate a better understanding of processes and responsibilities by the implementation of a consistent documentation method to allow a better response to problems. All these possible benefits lead to the delivery of a quality customer service. However, this study has not confirmed a positive link between ISO 9000 and customer service, as the levels of customer service provided by the ISO 9000 certified companies weren't superior to the levels of customer service provided by the non-certified companies (section 4.5.3).

This chapter will develop an understanding of the disagreement of the results with the findings of the literature review. First, the levels of customer service, for the six companies, determined by the study will be commented on. Then, a discussion about the managers' perception of ISO 9000 and the way ISO 9000 was implemented in each company will be presented.

## **5.2. GOOD LEVELS OF CUSTOMER SERVICE FOR THE SIX COMPANIES**

As stated in the literature review (sections 2.4.2. and 2.4.3.), the level of customer service should be determined according to the customer's needs, by comparing his expectations to the perceived performance of the firm. The customers' interviews were designed for this purpose. Besides the customers, the levels of customer service provided by the six firms were also assessed by the managers and the researcher, thus allowing the three perceived levels to be compared, and a general service level to be confirmed for each of the companies.

Table 40 (section 4-5), summarizing the levels of customer service from the three viewpoints, revealed generally good service levels for the six companies. A discussion on the service levels for the six companies is presented below.

### **5.2.1. Company A1 and Company B1 deliver the best service levels (9/10)**

The best scores were achieved by Company A1 and Company B1, with an overall mark of 9/10 for both of them. These high scores can be explained by several reasons.

First, Company A1 and Company B1 were the two biggest companies studied, and were leaders in their respective markets. As they have to maintain this position, they have to 'be the best' all the time. Therefore, they have to keep themselves informed on the latest developments in products and processes, as well as in marketing ideas and concepts. Both interviewed managers had a good perception of their companies' internal and external environments, they placed the customer as the central point of their strategies, and they understood that keeping the customer happy is the way to success. Having the managers

understanding the need of delivering quality customer service is the first step for a company to effectively deliver quality customer service.

In addition, the two companies seem to understand their customers' expectations in terms of customer service, and act appropriately, as shown by the high scores attributed by the customers (over 80%).

Finally, as big companies, all the procedures are formalised and they have a systematic way of functioning. That's also the case for the way they deal with customers, which is determined according to customers' expectations, and followed by the sales representatives. Customers from Company A1 are considered as partners, and the sales representatives are the key to developing one-to-one relationships with each customer. Sales representatives at Company B1 have to adopt very professional behaviour (as regards to the short relationship they usually have with customers: they have to do it right the first time) and show a great capacity for adaptation (because of the diversity of their customers). That also helps in the delivery of quality customer service.

#### **5.2.2. Company C2 and Company A2 deliver a good standard of customer service (8/10)**

Company C2 and Company A2 were both awarded an overall mark of 8/10.

Company C2 is a middle-sized company, sharing the market with a lot of companies and they also have to face a lot of competition from the Far East, entering the market with low prices. Therefore, the company has to put great effort into maintaining its market share. The Total Quality Management strategy they have implemented is part of that effort, and gets the

company to offer their customer a good standard of customer service. Indeed, centred on the customer, Total Quality Management's main objective is to reach a competitive advantage through the continuous improvement of all the aspects of the company. This method, according to Bernard (2000), has the following principles: adopt a global integrated coherent approach involving all the levels of the company, involve totally all the managers in this TQM approach, implement a continuous improvement process involving all the staff, implement in a systematic manner the best methods in the whole company, involve all the staff, focus the company on its customers, and create added value. All these principles are a good basis towards the delivery of a high quality standard of customer service.

Company A2, a small-sized company, delivers good quality customer service because of its manager's good vision. As noticed in section 4.4.4.1., this company is a typical example of a small company, where everything is managed more or less according to the manager's feelings. Mr. McDonald, Company A2's manager, has a clear view of his business and its environment. He measures the benefits of providing good service to customers and he instinctively does it well by involving all his employees in the process of developing good relationships with every customer. He puts great effort into understanding his customers' expectations and meeting them, which, as a result, leads to customer satisfaction and delight (the interviewed customer rated Company A2's customer service with the very high score of 96%). Mr. McDonald makes sure that his customer care policies are followed by his employees and expects them to be devoted to their company.

#### **5.2.3. Company B2 delivers an adequate customer service (7/10)**

Company B2 was awarded an overall mark of 7/10.

Company B2 was the most recently created business from the interviewed companies. It entered the highly competitive security market in 1994. It was therefore necessary for them to find a niche market in which to operate and to distinguish themselves from the competitive companies by providing an original offering and a professional service to the customers. Company B2 Security is coupled with Company B2 Manufacturing, which fabricates and supplies iron products to furniture manufacturers and DIY stores. Company B2 is an example of a small humble company, but nevertheless able to compete strongly in this competitive market, thanks to a manager with good, original ideas, and his theoretical and practical knowledge of how to manage a business. Customer satisfaction (towards loyalty) through the product first, and then the service, is the main focus (the interviewed customer was satisfied with an estimated mark of 85-95%). He employed an adequate sales representative with experience in a similar field, and with a character and state of mind that suited the company: not aggressive, but kind and flexible to the type of customer.

#### **5.2.4. Company C1 delivers a good customer service, but could perform better (6/10)**

Company C1 was awarded an overall mark of 6/10.

Company C1, created in 1929, was the oldest interviewed company. It benefits from good brand awareness, and has an image of providing good quality shoes. However, it seems that the company has been maintaining its way of functioning for decades, relying on the good brand awareness and image without developing new coherent strategies to

continuously adapt to the changing environment. It has kept an old system, whereby all the company departments are working separately from each other, and where the quality of the product is the main and sole objective. The notion of customer service seems not to be well understood by the management and is not formalised into clear strategies, but rather depends on each employee's good will. Thankfully, Company C1 's management seems to pay attention to its employees, in a way that makes them feel proud to belong to the company and willing to carry a good image over to the customers.

The observed sales representative showed a willingness to develop good relationships with the customer for the benefit of Company C1, but he was not a top professional as regards to customer service, revealing maybe a lack of training from his company. That could also simply reveal a lack of acknowledgement of the importance of customer service from the company.

Nevertheless, the customer seemed satisfied (overall mark 91%), but this high rating can be linked to the friendship developed between the customer and the sales representative (the customer wouldn't criticize his friend, and would have therefore granted good marks even if he was not entirely satisfied). Besides, when analysing the answers in detail, it was found that Company C1 doesn't seem to meet their customer's expectations exactly: For example, the perceived performance for most elements of customer service is higher than expected, while the performance for two elements: the employee's product knowledge and stockouts prevention (which seem relatively important) is lower than expected. This illustrates the fact that it is not Company C1's priority to understand and meet its customers' expectations in terms of service.



The mark of 6/10 – just above the average - was given because the observed customer service was acceptable, but as regards to the kind of company, it was expected to be better.

#### **5.2.5. Conclusions about the levels of customer service**

In general, all the companies were delivering a good quality customer service. This observation goes against the findings of the literature review, that stated that South African companies deliver a relatively bad customer service (section 2.3.1.4). Several reasons can explain this contradiction:

- ✓ The study involved manufacturing companies mainly working in a Business to Business environment. Companies dealing with industrial customers might provide a better customer service than the companies dealing with individuals, as the individual usually has less means of pressuring a supplier than a company does.
- ✓ There may be a link between the level of customer service and the fact that the company was willing to participate in the study. The fact that the topic of the study ('about ISO 9000 and customer service') was presented on the phone to the companies to know if they were willing or not to get involved in the study might have attracted companies delivering good customer service rather than companies delivering bad customer service. It might have indeed repelled companies whose managers knew they were not delivering really good service to their customers. Besides, if reference is made to the six markets theory developed in the literature review, it might also be concluded that companies that are willing to participate in research studies in general are companies that deliver good

customer service. Indeed, participating in such academic studies may mean that the companies show an interest in their external environment in the widest sense, considering that students might become their customers one day or be their advocates.

- ✓ There may also have been some respondent bias, as managers want to present their companies in a positive way and tend to 'forget' mentioning the weaknesses and mistakes, as sales representatives also want to show the best of themselves on the interview day, and as customers don't want to criticize their suppliers. Besides, managers might have selected their 'good' customers to be interviewed, i.e. customers to whom they knew they deliver good customer service.

### **5.3. PERCEPTION AND IMPLEMENTATION OF ISO 9000 IN COMPANY A1, COMPANY C1 AND COMPANY B1**

This section looks into the managers' perception of ISO 9000 at Company A1, Company C1 and Company B1, as well as the way the standards were implemented in their companies. The findings are compared with those of the literature review.

#### **5.3.1. Initial motivation to undertake the certification process**

The literature review (section 2.5.2) stated that most companies adopt the ISO 9000 standards as a part of a larger strategy of quality management. However, in the three companies, that was not the case, as ISO 9000 was firstly adopted in response to, or in anticipation of, customer demand (section 4.5.2). The main reason for this inconsistency appears to be that the findings of the literature review were based on a study conducted on North American Companies. Presumably, as South Africa is newly industrialized, South African companies don't have a comprehensive understanding of the standards yet, which leads them to underestimate and misuse the certification process.

Company A1 adopted ISO 9000 firstly for export reasons, to give international customers proof of the company's world class standards (as ISO 9000 standards are recognized internationally) and to penetrate new markets, while maintaining market share in the national market. Company C1's reasons to adopt the standards were not clear, even though the interviewed person was the one who implemented the certification in the company. The motivation may have been to strengthen its position in the market by giving additional proof to its customers of the quality of their products. Company B1 – the most recent company (created in 1972) with the oldest implementation of ISO 9000 (1988) -

adopted the standards to assure customers of the quality of the product in order to maintain a leadership position in the security doors market, which became more and more competitive with a lot of new companies joining it as the crime rate increased.

However, though it was not their main motivation to undertake the certification process, Company A1 and Company B1 also used ISO 9000 to improve the quality of all their internal systems. (Improving internal systems was Company A1's second motivation to undertake the certification process.) At Company B1, although not clearly stated in the objectives, it was clear that they also used ISO 9000 to improve the internal processes. Only Company C1 obviously didn't take this opportunity (though one of the benefits quoted by the manager was internal organizational benefits), as it was found that the company's internal systems were not really efficient. In parallel, good levels of customer service were observed at Company A1 and Company B1, while a lower level of customer service was observed at Company C1 (section 4.5.3).

This might give an initial explanation of the inconsistency between the findings in the literature review and the empirical study's results concerning the link between ISO 9000 and customer service. Indeed, it seems that the perception of managers of ISO 9000 is determinant: a comprehensive perception of ISO 9000 as a global quality tool leads the company to use ISO 9000 as a way to improve the internal systems, which also leads to the improvement of customer service. On the contrary, when managers have a narrow view of ISO 9000, the internal systems of the company won't benefit from the implementation of the standards, and therefore the customer service won't be improved. This idea fits in with what the literature review revealed (section 2.5.4) concerning ISO 9000. It highlighted two different points of view about ISO 9000: while some think ISO 9000 can be a great tool to build a customer-led company, others think that ISO 9000 can result in short-term improvements of

quality, but competitive advantage doesn't necessarily result.

### **5.3.2. Implementation of ISO 9000: positive and negative comments**

#### **5.3.2.1. Involvement of employees in the certification process**

All three companies said they met no problems in involving the management level. Nevertheless, the majority of the companies did have difficulties in involving the rest of the employees, especially the workforce (section 4.5.2). Company A1 was the only one not to have experienced problems in involving all levels of staff. Maybe this was because Company A1 didn't need to implement much change, as very few processes needed to be reviewed. The workforce was reluctant to change at both Company C1 and Company B1 (the manager at Company B1 even mentioned an increased division between the workforce and the management level following the certification). This can be linked to a point raised in the literature review (section 2.5.4): as the changes required by the implementation of ISO 9000 can be important within a company, leadership is necessary to make all employees accept and follow the changes. However, the 1994 version of the ISO 9000 standards makes no provision for quality of leadership. This task was left to the companies, without guidance. That could explain the difficulties met by companies to involve the workforce in the quality project.

#### **5.3.2.2. Work Load**

In agreement with the findings of the literature review concerning the criticisms of ISO 9000 (section 2.5.4), all three companies criticized the ISO 9000 certification process on the heavy work it requires to implement the documentation system and the difficulty in

maintaining it. Only the manager at Company A1 considered the documentation system as a good and useful business practice. This can also be linked to the two different ways of considering ISO 9000: a narrow view of the standards will lead to considering the heavy work required by ISO 9000 as an unnecessary paper exercise that adds to bureaucratic waste, while a broader view will lead to it being considered as a way to continuously improve the quality of the work which is done by all.

### **5.3.3. Benefits and negative impacts of ISO 9000**

Most of the benefits highlighted in the literature review (section 2.5.2) were found in the companies studied. First, ISO 9000 strengthened the customers' confidence and helped the companies to achieve their goals in terms of market strategy. The three companies said it opened up new market opportunities. Besides, many internal benefits were observed at Company A1 and Company B1. 'Improvement of management efficiency', 'improvement in record keeping', 'improvement in quality awareness', 'better understanding of processes and responsibilities', 'improved teamwork', and 'improvement of organization' seemed to be the major benefits from ISO 9000. Fewer benefits were observed at Company C1 (sections 4.3.1.1, 4.3.2.1 and 4.3.3.1). In parallel, good levels of customer service can be observed at Company A1 and Company B1, while a lower level of customer service is observed at Company C1 (section 4.5.3). It seems therefore that the more benefits a company perceives it can get from the implementation of ISO 9000, the more it will be efficient in delivering a quality customer service.

The manager at Company B1 was the only one to mention serious negative impacts from the ISO 9000 certification, namely a lack of flexibility and responsiveness, as well as a loss of focus (section 4.5.2). These negative aspects may be in relation to a criticism of the

standard highlighted in the literature review (section 2.5.4), saying that while the certification brings benefits within the company, few of these benefits may be transferred to the customer, meaning that the ISO 9000 standards are not customer-focussed enough. Indeed, in the 1994 version of the ISO 9000 standards, nothing addresses customer focus, planning, identification of customers' requirements, and customer satisfaction. That might be the origin of this 'loss of focus' mentioned by Company B1's manager.

However, all three companies are satisfied with the results they got from ISO 9000, for they all intend to keep and adapt the standards.

#### 5.4. CONCLUSION

The study did not find a positive link between ISO 9000 and customer service, as the levels of customer service provided by the ISO 9000 certified companies were not superior to the levels of customer service provided by the non-certified companies. These results were inconsistent with the findings of the literature review.

From the discussion above, this inconsistency comes mostly from the fact that most findings of the literature review were based on companies which have a global way of perceiving and implementing ISO 9000. The first motivation to undertake the ISO 9000 certification process showed that the standards weren't considered as an overall quality tool in the three South African companies interviewed. Nevertheless, two of the three companies, the same ones which deliver greater customer service levels, took the opportunity of the implementation of ISO 9000 to improve the quality of their internal organization. Therefore, it can be inferred that ISO 9000 can actually lead to an improvement in customer service if, and only if, ISO 9000 is fully understood as an overall quality tool and is implemented following this idea. When this is the case, the company will gain maximum benefits from the certification, not only external, but above all, internal benefits, which will lead to an improved quality customer service.

The study also confirmed that some elements were missing in the 1994 version of the ISO 9000 standards to allow the companies to deliver the best quality customer service: first, nothing which has a direct impact on customer service addresses customer focus and customer satisfaction in the standards.. Second, nothing addresses leadership, a necessary element to implement all the changes required by ISO 9000 among all the members of the company, who are a key in the delivery of quality customer service.



Finally, as highlighted by the study, while ISO 9000 can be used as a way to improve customer service (Company A1 and Company B1), it is not the only way to achieve quality customer service (the three companies without ISO 9000 provided a good customer service level). Here again, the right objectives and an adequate implementation are necessary to achieve good customer service. Besides, it is interesting to note that the three certified companies were big companies. That fits in with a finding of the literature review (section 2.5.4) saying that, although ISO 9000 was supposed to encourage open commerce, its cost acts as a barrier to small companies. Small companies have therefore to find other solutions to improve their customer service.

## CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

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As shown in the previous chapter, any link between ISO 9000 and customer service could not be found from the study, as levels of customer service in companies with ISO 9000 were not necessarily higher than in companies without the certification. Levels of customer service were revealed to be good for all the companies, the lowest being observed at Company C1, a company with ISO 9000.

However, the way ISO 9000 is implemented within a company can have an influence on some internal elements of the company, which are directly related to customer service. Correct implementation of the standards can lead to an improvement in customer service. In this chapter, final conclusions will be made about the study, and recommendations will be proposed for academics and South African industries.

### 6.1. CONCLUSION ABOUT THE RESEARCH PROBLEM

The study concluded that there is no link between ISO 9000 and customer service. In other words it stated that, for a company, obtaining the ISO 9000 certification doesn't have any direct positive impact on the level of customer service it provides. In fact, the study revealed that a company which doesn't have the certification can actually provide a better customer service than a certified company (it was the case in the study whereby all three non-certified companies were assessed to provide a better customer service than Company

C1, which was ISO 9000 certified). However, as was described in the literature review (section 2.5.1), the ISO 9000 standards consist of a generic text that has to be interpreted by each company willing to get certified, in order to implement the certification in the company. Therefore, the implementation of ISO 9000 differs from one company to another. Thus, it is necessary to reconsider a possible link between ISO 9000 and customer service, taking into consideration the fact that the way ISO 9000 is understood and implemented can have an impact on the internal systems of the company and thus on customer service. This chapter will explain why the study couldn't find a link between ISO 9000 and customer service and will explore the elements of a possible relationship between the two.

## **6.2. IMPLICATIONS FOR THEORY**

### **6.2.1. ISO 9000 as an overall quality tool to improve customer service of South African companies**

It seems that the companies involved in the study didn't make proper use of the standards, by not using them to their full capacity. This could explain why the study didn't detect any link between the certification and customer service. Therefore, the main conclusion of the study is that ISO 9000 can actually lead to improving the quality of customer service if it is understood and implemented the right way.

ISO 9000 is supposed to be a tool for Total Quality. Total Quality refers to the evolution of the quality concept, whereby quality involves the company as a whole, to create value for the customer. The aim of Total Quality is a competitive advantage through the creation of value, which allows the company's offering to become unique in the eyes of the customer. Therefore, South African companies undertaking the project of certification must understand that ISO 9000 is first and foremost a tool to improve the quality of all aspects of the company to gain competitive advantage.

The results of the study have shown that this was not the case for the three ISO 9000 certified companies. The first objective of all three certified companies in getting the certification was not to improve internally, but to get a 'quality stamp' to associate with their name, in order to improve their image as projected towards the customers. Only Company A1 really took the opportunity to use the certification to improve its internal systems (it was stated as its second motivation to get the certification). Company B1 did so as well, though it was not part of their initial motivations. The example of Company C1, which was shown to

have poor internal organization and communication, proves that a company can get the ISO 9000 certification without using it as a tool to improve internally.

As stated in the literature review, four main elements are needed within a company to ensure quality customer service: listening to customers, empowerment and ownership, training and development for customer service, and effective internal communication. All these internal elements can be supported and developed via ISO 9000, only if the company understands ISO 9000 as a total quality tool and therefore has the correct objectives for the certification process. Sections 6.2.1.1, 6.2.1.2 and 6.2.1.3 explain how companies can use ISO 9000 effectively to improve their internal quality and thus the customer service they provide.

#### **6.2.1.1. ISO 9000 can have a positive impact on customer service if it is started with the correct objectives**

The study conducted by Weston (1995) concerning the perception of managers about ISO 9000 shows clearly that there are two distinct viewpoints on quality. Some managers have a restrictive short-term vision. Their interest is only in existing processes and procedures to ensure a quality product. Other managers seem to have a much broader vision of quality. These managers are interested in the continuous improvement of their company, in always satisfying their customers more and more, and in implementing long-term improvements in their processes and procedures. Managers wanting to implement ISO 9000 must consider this vision.

In addition, the quality policy driven by ISO 9000 must be established in accordance with the general objectives of the company, and, above all, according to the customers' needs

and expectations. This point has been neglected in the 1994 version of the standards, which led many companies to implement ISO 9000 without taking the customer into account, and therefore to misuse the standards (Company C1 is one of these companies). To use ISO 9000 fully, it must be managed as part of a broader quality strategy and be considered as a comprehensive tool to reach competitive advantage. The customers, their needs, and their expectations must be central to ISO 9000 management.

Another necessity when implementing ISO 9000 is to keep in mind that satisfying the employees is as important as satisfying the customer as employees, if satisfied, are going to satisfy the customer in return. Employees' satisfaction must therefore be taken into consideration when implementing ISO 9000. In addition, managers must be aware that getting started on a quality process like ISO 9000 means that they accept evolution, or even revolution, of some of the management methods in the company.

#### **6.2.1.2. ISO 9000 can have a positive impact on customer service if it is implemented with leadership**

Leadership is essential when implementing ISO 9000, so as to make employees accept the changes and get them motivated for the quality project. The radical changes of attitudes, behaviours, and work methods cannot be imposed; rather they require the voluntary commitment of all. That is why the full involvement of the management level and their capacity of leadership are essential for the success of a quality project. Each manager and employee must feel that he is bringing a bit of added value to the collective challenge, which will enhance the feeling of ownership and pride in the service. Leadership should come with

training. As an example, the interview at Company C1 revealed that leadership was missing in the implementation of ISO 9000, as one of the managers was not able to answer simple questions about the certification process. If the project had been conducted under good leadership, every manager or employee in the company would have known what ISO 9000 was all about in their company. It seems that, at Company C1, the implementation of ISO 9000 was left to the quality department, and didn't involve the other departments. That also affects internal communication in the company and doesn't put in place the right basis for the delivery of a good quality customer service.

#### **6.2.1.3. ISO 9000 can have a positive impact on customer service if processes are managed according to the right objectives**

Process management is a central part of the development of ISO 9000. Process management is essential, as a process allows value to be created for the customer. A process is an operational unit, which gathers a logical group of tasks for value creation. A process crosses several departments of the company, and therefore several responsibility centres. For that reason, processes are often badly defined and badly co-ordinated. Often, the communication between the different functions of a company (for example, production, sales management, finance) is insufficient and it breaks the flow of value creation. The solution is to give one man the responsibility for one process. Usually, when processes are well managed, it helps to improve the internal communication between the various departments of a company. At Company C1, the processes weren't treated adequately, as the internal communication was not well developed within the company.

The improvement of a process should always be thought of in relation to customer satisfaction. In addition, the improvement should be implemented on a continuous basis and should concern production processes, as well as management processes. Processes in direct relation to customer service delivery should be identified and receive special attention.

#### **6.2.1.4. Conclusions about the link between ISO 9000 and customer service**

ISO 9000 can have a positive impact on the quality of customer service if it is implemented adequately. To implement ISO 9000 in the right way, it must first be well understood as a tool for Total Quality. Total Quality is a policy, involving all members of a company, to improve:

- ⇒ the quality of products and services
- ⇒ the quality of its functioning
- ⇒ the quality of its objectives

Management and a coherent leadership are the basis of making this policy successful.

The objectives are:

- ⇒ customers' satisfaction and loyalty
- ⇒ the development of the company as well as its members' development
- ⇒ its profitability

As regards to the members of the company, their importance must be acknowledged, while a continual improvement must be implemented through training.



If ISO 9000 is implemented following these directions, internal communication will become more effective, the company will be more open to the voice of its customers, and will be directed toward the customer, employees will be motivated and empowered, and employees will demand training. All these elements have a positive impact on customer service.

#### **6.2.2. ISO 9000: 2000 should give more positive results concerning customer service.**

The study confirmed that the 1994 version of the ISO 9000 standards needed to be revised. Two main elements that were found missing in the standards are related directly or indirectly to the delivery of customer service: voice of the customer and leadership.

In order to provide help for companies to deliver good customer service, the standards must be clearly stated as customer focussed, meaning that the voice of the customer must act as a guideline to implement the standards. Processes and procedures to measure and analyse customer expectations and needs, as well as their satisfaction, needed to be included in the standards.

Leadership is also a necessary element to implement ISO 9000 correctly in the whole company. As has been shown, if ISO 9000 is implemented correctly, an improvement in customer service can be observed.

These two elements have now been addressed in the 2000 version of the standards (section 2.5.5).

### **6.2.3. The right objectives and good implementation for quality customer service**

The study has also shown that, in small companies, quality customer service is dependent of several elements:

- ✓ The manager's vision: the manager must focus the company on its customers, and must understand that a high quality customer service leads to customer loyalty, the key to success. He must accordingly set the right objectives for his company. Usually, customers expect from small companies a close relationship (but depending on the type of industry), and flexibility. This must be taken into account when defining the objectives.
- ✓ Leadership: the manager must follow the changes with leadership. He must employ the right people and make sure that all his employees adopt and implement his vision in the field.

## **6.3 IMPLICATIONS FOR POLICY AND PRACTICE**

### **6.3.1. Practical implications for South African private sector managers**

#### **6.3.1.1. Choice of ISO 9000: where and why?**

Quality is necessary in a company only if the environment in which it operates is very competitive and thus requires a differentiation through quality. Therefore, ISO 9000 as well as other quality programmes such as TQM (Total Quality Management) can be really useful for companies in the industries of consumer goods or intermediary goods, which are the most competitive markets, and where international competition is important. The decision to

implement a quality program such as ISO 9000 requires looking into the type of industry and the relative productivity of the company.

While ISO 9000 has largely been used in manufacturing companies, it may also be useful in service companies. Since the beginning of the 90s, the quality revolution has also occurred in the service industry. While in the manufacturing industry, value creation is mostly linked to the organization and the internal processes' performance, in the service industry, this value is built through the interrelationship between the company and its customers. In this way, the 2000 version of the ISO 9000 standards is better adapted to the service companies' characteristics.

#### **6.3.1.2. How to implement ISO 9000 efficiently (for an improved customer service)**

Firstly, the choice to implement ISO 9000 must be coherent with the situation of the company, with its objectives, with its culture, its traditions, and its organization. Managers must also understand that ISO 9000 is a continuous quality effort, which means that it's a long-term, never-ending effort. Obviously, quick results can be obtained, but the most important objective is the long-term improvement of labour.

Managers must also have a good understanding of the ISO 9000 standards. The standards' benefits are easily underestimated, like the competitive advantage that can result. Managers must understand that ISO 9000 is a tool for total quality if they want to gain the maximum benefits it can offer. That's when customer service can be improved. A partial understanding of the standards only gives poor results.

Thus, the first condition for a successful implementation is to have the right objectives:

- Anticipating and meeting the customers' needs and expectations, as well as for other groups of stakeholders (such as employees)
- Continuous long-term improvement of all the company's operations (including aspects of customer service)

In addition, the quality effort must be:

- Integrated with the overall strategy of the firm and with its existing culture
- Be total and not partial

Leadership is the second condition for a successful implementation of ISO 9000, as the success of ISO 9000 will depend on the acceptance of, and adherence to, the changes (sometimes revolutions) required in the organization, by everyone in the company.

#### **6.3.1.3. Small companies**

It seems that, in South Africa, ISO 9000 is only implemented by big companies (as regards to the SABS Register of Organizations adhering to ISO 9000 in 1999). The high cost of certification can explain this reluctance of small companies, but it also seems that it comes from a lack of information concerning ISO 9000. In fact, ISO 9000 is also adapted to small companies. One of the first objectives when the standards were created was to provide small and middle companies with a simple and accessible approach to help them find solutions to

face competitiveness (Turner, 1996). Small South African companies can therefore also benefit from ISO 9000.

However, small and middle-sized companies can also improve their customer service without implementing ISO 9000. The manager is a key in the process, as he must manage and lead. He must have a clear vision of his company's environment and measure the importance of customer loyalty that can be reached through the delivery of a quality customer service. From there, the right objectives will be set and, with the use of good leadership, the implementation will follow naturally.

Other, less costly, total quality programmes can also be implemented and lead to an improved customer service. TQM is one of them.

### **6.3.2. Implications for public organizations**

#### **6.3.2.1. Advice for the International Organization for Standardization (ISO) and the South African Bureau of Standards (SABS)**

An awareness campaign about ISO 9000, directed to small and middle-sized companies, needs to take place in South Africa. ISO 9000 can be a good tool for these companies to manage quality internally and to improve the customer service they provide. In addition, a solution must be found to make the certification more affordable for small companies.

Attention must also be placed on the way companies understand the ISO 9000 certification. Training needs to be implemented for companies wanting to undertake the

certification process to make sure they understand ISO 9000 as a total, and not a partial, quality tool, and that they start with the right objectives. Quality management and the voice of the customer must be central to this training.

If more and more small and bigger companies implement ISO 9000 (and if they do it the correct way), it means that ISO 9000 can be used as a tool to improve the general level of customer service in South Africa. It will benefit the country in a broad way, as customer service has an impact on industries such as Tourism (a fast growing industry in South Africa). It will also benefit international business relationships, and improve the general quality of the national consumption market.

#### **6.3.2.2. Advice for South African government**

South African government needs to initiate an awareness campaign on quality in companies and on the benefits it provides. Customer service must be a central point of such a campaign.

#### **6.4. IMPLICATIONS FOR FURTHER RESEARCH**

In order to generalize the results, the study needs to be extended to a bigger group of companies, involving more industries in different areas of South Africa. A quantitative research study needs to be conducted.

Conclusive research is also needed to develop an understanding of the link between the level of customer service, and the way ISO 9000 is implemented to confirm the points raised in the conclusion to this study.

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## APPENDICES

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### A- INTRODUCTORY LETTER TO COMPANIES

104 Currie Rd  
Berea  
4001 Durban

lucieganachaud@voila.fr  
083 39 27 011

5 June 2001

Mr O'Coenn  
Company YY

Dear Mr O'Coenn,

As a French student at the Technikon Natal, I am currently conducting a research study for my masters in Technology: Marketing. The aim of my research is to develop an understanding of the impact of ISO 9000 on a company's customer service.

The study will compare companies having the qualification with those without it. I would like to include your company, which has not the ISO 9000 qualification in the research. This involvement would consist of:

- ½ hour interview
- accompanying two of your sales reps on visits to two of your customers.

At the end of the research, I will give you feedback that will provide you with a comprehensive assessment of the customer service provided by your company.

Your collaboration in this research will be of great support. I will contact you again by phone to see if you are able to participate and to discuss it with you.

Yours Sincerely,

Lucie Ganachaud

**B- MANAGER'S INTERVIEW GUIDE**

## MANAGERS INTERVIEW GUIDE (ISO 9000 company)

COMPANY : A1  
NAME : Mr Smith  
POSITION : Operations director  
DATE : 22/03/01

### Agenda :

1. Presentation of the company
2. ISO 9000 certification information
2. Customer service assessment
3. ISO 9000 and customer service

### CONFIDENTIALITY

#### Part one : Presentation of the company

- products
- customers
- competitors
- mission

#### Part two : information about ISO 9000

- ISO 9002 to be confirmed
- Date of certification
- What problems did you experience during the certification process?

##### ***Possible problems / obstacles met during the registration process***

*Understanding requirements of standard*

*Buy-in from other functions*

*Cultural change or change in existing systems*

*Time required*

*Selling ISO 9000 to top management*

*Resistance or bad attitude from...*

*False start (due to worker shortage or lack of commitment)*

- How do you see the future of ISO 9000 in your company? (ISO 9000: 2000, in 5, 10 years?)

- What was your initial motivation to start the certification process?

**Possible reasons for seeking registration**

*Part of a quality management strategy like TQM*

*Customer or marketing suggested or demanded*

*Needed improvement in processes or systems*

*Desire for global deployment of products*

*Company not focussed*

*Open up new market opportunities or maintain market share*

*Reduce costs and improve product quality*

- What positive / negative changes occurred in your company following the certification process (internal and external changes)?

**Possible benefits / negative changes from ISO 9000**

<u><b>Benefits</b></u>	
<i>External</i>	<i>Improvement of esteem in the market place Increased in competitive edge Opening up of new markets opportunities Higher perceived quality Promoted long-term partnership and strategic alliances with suppliers</i>
<i>Internal</i>	<i>Improvement of product/service quality Decrease in products that do not adhere to the standards Improvement in internal communication - better sharing of information Improvement of quality awareness Cultivation of a Quality culture Improvement in record-keeping Improvement of management efficiency Improvement of customer care Decrease in faulty product return Better understanding of processes and responsibilities Improvement of teamwork Improvement of performance, coordination, productivity, improvement of operational efficiency Greater focus on business objectives and customer expectations</i>

<u><b>Negative changes</b></u>	
<i>External</i>	<i>No change of image/esteem in the market place No competitive advantage (premature technology lock-in rapidly changing environment) Hinders continuous improvement</i>
<i>Internal</i>	<i>Internal conflicts No change in quality product Stops/hinders flexibility and reactivity No improvement of productivity Excessive bureaucracy paperwork</i>

### **Part three : information on customer service**

- Customer service delivery process: Can you describe the main elements that constitute the customer service in your company from the first meeting with a prospect to the after-sale service. (*How do you take the first contact with your new customers? What information do you provide? How can they order? How do you follow-up the customers? What after-sales service conditions do you have?*)
- Do you think this process is the approximately the same in the industry in general? What is particular in your company?
- Tell me for each of these of customer service, which ones you think apply to your company. Mention any differences from your company to the industry in general.

#### ***Elements of customer service***

##### ***Pre-transaction elements - Advertising***

- *Technical information*
- *Written policy*
- *System flexibility*
- *consistent lead times*
- *Formal production schedules*
- *Physical Inventory control*
- *Order forecast*
- *Quotes*

##### ***Transaction elements***

- *Employee appearance to customers*
- *Facilities appearance to customers*
- *Sales call*
- *Presentation / demonstration*
- *Order placement*
- *Order status information*
- *Billing*
- *Order assembly*
- *Transportation, shipping*

##### ***Post-transaction elements- Receiving / installation***

- *Product tracing for recalls*
- *Product support*
- *Product training*
- *Follow-up for customer satisfaction*
- *product development*

- In your opinion, which of the elements cited above are of greatest importance to deliver a high quality customer service? Tell me when it's only applicable to your company and not to the industry in general.

- In your opinion, what are the strengths of the customer service provided by your company? Where do they come from? How can you explain them?

- According to you, what are the weaknesses of the customer service provided by your company? Where do these weaknesses come from?

#### **Part four : ISO 9000 and customer service**

- Can you relate whether your ISO 9000 certification has had an impact on the level of customer service provided by your company?

- What elements of the certification contributed to improve/damage your customer service? In other words, what strengths/weaknesses of your customer service stem from ISO 9000?

##### ***Elements of ISO that may contribute to improve/damage the customer service***

*ISO may improve customers service through:*

- *An improved teamwork*
- *A better understanding of roles and tasks from shop-level employees*
- *More clear procedures, documented processes*
- *An increased quality awareness among employees*
- *An improved organization*

*ISO may damage customer service because of*

- *a lack of flexibility / responsiveness*
- *A loss of focus*

*Brochures, leaflets, organization chart  
Sales rep' appointment*

**Thank you for your cooperation !**

## MANAGERS INTERVIEW GUIDE (companies without ISO 9000)

COMPANY : B2

NAME : M. John

POSITION : Sales and Marketing manager

DATE : 24/05/01

### Agenda :

1. Presentation of the company
2. Customer service assessment
3. ISO 9000 and customer service

### CONFIDENTIALITY

#### **Part one : Presentation of the company**

- products
- customers
- competitors
- mission

#### **Part two : information on customer service**

- Customer service delivery process: Can you describe the main elements that constitute the customer service in your company from the first meeting with a prospect to the after-sale service. (*How do you take the first contact with your new customers? What information do you provide? How can they order? How do you follow-up the customers? What after-sales service conditions do you have?*)
- Do you think this process is the approximately the same in the industry in general? What is particular in your company?



- Tell me for each of these of customer service, which ones you think apply to your company. Mention any differences from your company to the industry in general.

**Elements of customer service**

*Pre-transaction elements* - Advertising

- Technical information
- Written policy
- System flexibility
- consistent lead times
- Formal production schedules
- Physical Inventory control
- Order forecast
- Quotes

*Transaction elements*

- Employee appearance to customers
- Facilities appearance to customers
- Sales call
- Presentation / demonstration
- Order placement
- Order status information
- Billing
- Order assembly
- Transportation, shipping

*Post-transaction elements* - Receiving / installation

- Product tracing for recalls
- Product support
- Product training
- Follow-up for customer satisfaction
- product development

- In your opinion, which of the elements cited above are of greatest importance to deliver a high quality customer service? Tell me when it's only applicable to your company and not to the industry in general.

- In your opinion, what are the strengths of the customer service provided by your company? Where do they come from? How can you explain them?

- According to you, what are the weaknesses of the customer service provided by your company? Where do these weaknesses come from?

**Part three : ISO 9000 and customer service**

- your point of view on ISO 9000
- What are the benefits one can expect from ISO 9000?
- Why did you choose not to have it?
- Do you think ISO 9000 can have an impact - direct or indirect - on the level of customer service provided by a company?

*Brochures, leaflets, organization chart  
Sales rep' appointment*

Thank you for your cooperation !

## C- OBSERVATION GUIDE

## OBSERVATION GUIDE

COMPANY :

NAME :

POSITION : Representative

DATE : -05-01

Global structure :

1. Observation of the sales rep's behavior (to estimate his professionalism in customer service)
2. Observation of the customer's behavior (to estimate his level of satisfaction in regard to the provided customer service)

<u>1. Observation of the sales rep's behavior</u>	<u>2. Observation of the customer's behavior</u>
<p><b>1.1. Sales rep's appearance</b></p> <p>What is he wearing (conservative or casual?) Is he neat and clean (clothes, hair, shaved, body odor...)?</p>	<p><b>2.1. customer's body language</b></p> <p><u>Aggressive body language</u></p> <ul style="list-style-type: none"> <li>- Physical appearance (appears rigid, hands on the hips, fast pacing around,...)</li> <li>- Facial expressions (lowered eyebrows, eyes rolling upward to show displeasure, mouth turned down at corners, head turns quickly for emphasis)</li> <li>- Gestures (index finger points in the air at people, a pen is used to direct people, fingers are together when using the hand for emphasis)</li> <li>- Eye contact (staring, looking at clock or watch all the time)</li> </ul>
<p><b>1.2. Sales rep's way of greeting</b></p> <p>Speaks first Greeting sentence used (hello, how may I help you...) Looks at the customer and acknowledges his presence with a smile Greets him in a warm, friendly manner If seated, stands up to greet Hand shaking (shy, frank...) Uses the customer's name (use of surname with a title such as Mr, Mrs or Miss)</p>	<p><u>Passive body language</u></p> <ul style="list-style-type: none"> <li>- Physical appearance (shoulders hunched, often leans against objects or walls, slumps while sitting on chairs)</li> <li>- Facial expression (blank, eyes downcast, pouting, inappropriate smiling)</li> <li>- Gestures (constant handling of objects like coins, pens..., often chews on pens and pencils, hands are at or over the mouth, nodding in agreement)</li> <li>- Eye contact (none, excessive blinking)</li> </ul>

<p><b>1.3. Sales rep's attitude and body language</b></p> <p>Physical appearance (too rigid, stands tall as a confident person, open, relaxed)</p> <p>Facial expression (appropriate smile, looks interested, pleasant)</p> <p>Gestures (chew gum? Smoke, appropriate use of hands for emphasis)</p> <p>Eye contact (shows respect, direct</p>	<p><u>Assertive body language</u></p> <ul style="list-style-type: none"> <li>- Physical appearance (relaxed, shoulders and back are straight, open)</li> <li>- Facial expressions (interested, reflect the appropriate tone of the conversation, pleasant)</li> <li>- Gestures (when hands are used for emphasis, fingers are slightly apart, arms and hands invite closeness, index finger is directed at self)</li> <li>- Eye contact (periodically looks away, direct)</li> </ul>
<p><b>1.4. Sales rep's way of communicating</b></p> <ul style="list-style-type: none"> <li>- Courteous and polite</li> <li>- Chooses his words carefully (uses too much jargon, sticks to the point)</li> <li>- Appropriate discussion topics (jokes, religion, sex life or other personal opinions...)</li> <li>- Listening (easily distracted?, often interrupts or tries to finish the customer's sentences?, acts impatient or busy? Looks away?, inappropriate answers?, stays calm, maintains objectivity, good eye contact, takes notes, allow a pause after the customer has finished speaking, shows desire to understand what the customer is saying)</li> <li>- Answering (shows signs of negative opinion he may have formed, claims to have knowledge he doesn't have, tries to clarify what the customer said, reformulate before answering, ask open questions, gives appropriate, comprehensive and objective answers, answers to customer's needs and expectations, delight the customer)</li> <li>- Personal attention to the customer (makes the customer feels special and important, strengthens the one to one relationship, develops the friendship)</li> <li>- Voice tone (irritation, annoyance, volume of voice, emphasis)</li> <li>- Timing (respect of timing)</li> </ul>	

<p><b>1.5. Sales rep's way of answering complaints</b></p> <ul style="list-style-type: none"> <li>- Loses his temper, makes excuses, gets involved in a struggle, argues, blames other departments or employees, tells the customer what should have been done, mentions that other customers are complaining about the same thing)</li> <li>- Listens to the customer without interrupting, apologize for his experience, shows he cares for the customer, tries to clarify what the problem is, show interest in the complaint, take immediate action if told so, set up a plan of action with the customer, do not state the obvious, thanks the customer for bringing it to his attention)</li> </ul>	
<p><b>1.6. Sales rep's way of ending the meeting</b></p> <p>Thanks the customer for doing business with his company Handshaking Uses the customer's name with title (miss, mr...) Looks in a hurry (has another appointment)</p>	<p><b>2.2. End of the meeting</b></p> <p>The customer looks satisfied (smile, handshaking, talks about topics non work related,...) The customer doesn't look satisfied (looks angry, disappointed, annoyed,...)</p>

**D- CUSTOMER QUESTIONNAIRE**

## CUSTOMER INTERVIEW GUIDE

### Global structure :

1. Perceived importance of elements constituting customer service
2. Customers' perception of performance
3. Discussion about ISO 9000

### CONFIDENTIAL

#### **1. Perceived importance of elements constituting customer service**

*The whole customer service process can be divided into three stages : before the sale, during the sale and after the sale.*

**1.1. Here is a list of elements that constitute the customer service before the. Tell me for each one if you consider it as very important, important, not very important or totally unimportant as regard to your industry.**

Elements of customer service occurring BEFORE the sale	Very important	Important	not very important	Totally unimportant
- The company has a written policy				
- The company is flexible (to order modifications for i.e.)				
- The employees have an adequate product knowledge				
- You get easily clear and reliable technical information				
- Employees show their willingness to build / maintain a good relationship				
- Accuracy of quotes				
- Ability to meet the desired product requirements				
- Consistent lead times				
- Formal production schedules				



### 1.2 Same question for elements of customer service occurring during the sale

Elements of customer service occurring DURING the sale	Very important	Important	not very important	Totally unimportant
- Employees have a professional appearance				
- Facilities have a professional appearance				
- Employees show their willingness to build / maintain a good relationship				
- Order convenience				
- The company provides easily order status information				
- Accuracy billing				
- Accuracy shipping (right order)				

### 1.3 Same question for elements of customer service occurring after the sale

Elements of customer service occurring AFTER the sale	Very important	Important	not very important	Totally unimportant
- on-time delivery				
- Ability to trace a product for recalls				
- Ability to handle complaints				
- Follow-up for customer satisfaction				
- The company prevents stockouts				
- The company organizes training for customer				
- Employees show their willingness to build / maintain a good relationship				
- Product development				

## 2. Customers' perception of performance of the company

2.1. Now, I would like you to assess the customer service provided by Company A. From the same list of elements constituting the customer service, tell me for each one if you think Company A is excellent, good, poor or fair.

Elements of customer service occurring BEFORE the sale	Excellent	Good	Poor	Very Poor
- The company has a written policy				
- The company is flexible (to order modifications for i.e.)				
- The employees have an adequate product knowledge				
- You get easily clear and reliable technical information				
- Employees maintain good relationships				
- Accuracy of quotes				
- Ability to meet the desired product requirements				
- Consistent lead times				
- Formal production schedules				

## 2.2 Same question for elements of customer service occurring during the sale

Elements of customer service occurring DURING the sale	Excellent	Good	Poor	Very Poor
- Employees have a professional appearance				
- Facilities have a professional appearance				
- Employees show their willingness to build / maintain a good relationship				
- Order convenience				
- The company provides easily order status information				
- Accuracy billing				
- Accuracy shipping (right order)				

### 2.3 Same question for elements of customer service occurring after the sale

Elements of customer service occurring AFTER the sale	Excellent	Good	Poor	Very Poor
- on-time delivery				
- Ability to trace a product for recalls				
- Ability to handle complaints				
- Follow-up for customer satisfaction				
- The company prevents stockouts				
- The company organizes training for customer				
- Employees show their willingness to build / maintain a good relationship				
- Product development				

**E- MANAGER INTERVIEWS ANALYSIS**

Without ISO				
With ISO		COMPANY B1	COMPANY A2	COMPANY C2
COMPANY A1	COMPANY C1			
Product manager or sales rep who report to the pduct manager	Customers followed by General manager and the interviewee . Files are kept for each agency	The sales reps follows the order for the customer	Boss + sales rep (+ every employee in the cie)	Sales and mkg dpt : For big customers, a customer liaison person is appointed
Meeting => decision taken with the customer tow action	(1 person + general manager when needed) Recording of the complaints => investigation => action	fabric provides the franchises with a non-performance report to be filled => go back to the fabric (head office, faulty department, etc...) => quality assurance meeting to analyse complaints => action taken => feedback to franchises . Preventive actions	The boss is going to see the customer and sort out the pb with him (apologies, action to rectify the pb)	end user complaint => to retailer =>retailer takes the complaint to the cie, sales and mkg dpt => see with technical personal to see how it happened (pduct testing)
<b>Customer service assessment</b>				
Elements of a quality customer service	product quality, on-time deliveries, price, flexibility (more important to small customers), relationship (more important to big customers)	From the list : technical information, written policy, lead times, employee appearance, sales call, order placement, transportation, receiving, product training (for reps), product development	From the list : follow up for customer satisfaction ; pduct quality, price, on-time delivery	pricing, written policy, representation with the customer, sales call, follow up for customer satisfaction
Strengths	Ongoing relationships	product : wide range of colours and possibility of special units (and to conform various customers requirements)	Top quality materials, good relationship with customers	provide a pdutic conform to the customer's requirements : good relationship with the customer
Weaknesses	On-time deliveries (pb due to the fusion of 3 factories in 1 => longer leadtimes)	doesn't know : deliveries management	Some faulty products ; some delivery problems	budget constraints => restrictions in the variety of products
<b>ISO and CUSTOMER SERVICE</b>				
Impact of ISO on Customer service	The documentation gave a good structure	ISO makes it easier to advertise the cie , give proof of the quality of the product to the customer	Good thing for corporate cies : ISO changes the entire structure of a cie ; Plans to get certified but estimates that his cie is not ready yet	ISO helps to run a business successfully to a fine tune ; crown don't need to get certified as they have already a continual improvement system under Total Quality Management
Elements of ISO in that Improved / damage customer service	More clear procedures : assurance quality manager	From the list : improved teamwork, better understanding of rules and tasks from shop level employees; increased quality awareness amongst employees	Yes, bec. Cies are more and more looking for ISO certified suppliers	Yes. It makes the cie become more professional
				Don't think about getting ISO bec. Too expensive and really useful for export. Not useful in their industry , but pricing is determinant.

Without ISO			
COMPANY A1	COMPANY C1	COMPANY B1	COMPANY C2
<p><b>Positive changes</b></p> <p>maintained documentation system = good business practice ; maintain market share (ISO is necessary to keep big accounts that require quality certification) =&gt; marketing tool</p>	<p>From the list : improvement of esteem in the market place, increased competitive edge, opening of new market opportunities, higher perceived quality, improvement of management efficiency and improvement in record keeping</p>	<p>ISO =&gt; easier to market the product (sale argument for sales reps) ; from the list : improvement of esteem in the market place, increased in competitive edge, open up of new market opportunities, higher perceived quality, improvement of product quality, decrease in faulty products, improv. of internal comm., improv. of quality awareness, cultivation of a quality culture, improv. in record-keeping, improv. of management efficiency, improv. of customer care, decrease in product returns, better understanding of processes and responsibilities, improv. of teamwork, improv. of operational efficiency, greater focus on business obj. and cust. expect.</p>	COMPANY B2
<p><b>Negative changes</b></p> <p>Paperwork, bureaucracy ; documents are right, but action do not follow</p>	Nothing	Problems with the workforce (ISO is badly perceived => as if they were watched permanently by management)	

#### CUSTOMER SERVICE

##### Customer service description

Customer(s) description	Big industrial companies	5 agents	Individuals and franchises	manufacturers in clothing and automotive industries	small to big retailers	small companies and individuals
<b>Sale process</b>	<p>Calls from customers (well established cie) =&gt; meeting with product manager (quotes, ...) =&gt; accounts executives place the order in the planning system. Special meeting with new customers to define precisely the specifications =&gt; production, stock, delivery.</p>	<p>Marketing to 5 agents =&gt; orders from agents via computer =&gt; or immediate delivery when stock ok, or production planning =&gt; reception at agents =&gt; marketing from agents to consumers =&gt; sales</p>	<p>calls from customer (advertising and referrals) =&gt; Sales rep in branches and franchises =&gt; meeting with customer =&gt; quotations back to customer =&gt; order to planning system (computerized) =&gt; production =&gt; delivery by freight cics</p>	<p>Calls from customers =&gt; order =&gt; delivery =&gt; sales rep goes to customer to see if he can supply other products =&gt; detailed report about products used by customer + prices =&gt; quote for customer on new products (permanent)</p>	<p>face et face meeting with customer in showrooms to present a range of products, negotiations =&gt; technical planning in factory meets purchasing dept to plan the order =&gt; confirmation to customers with sample =&gt; order processing =&gt; delivery (followed by sales and mktg dept) =&gt; follow up thanks to computerized links with big customers or merchandising people to get a precise feedback on the sales</p>	<p>advertising + prospecting =&gt; calls from customers directed to the sales rep =&gt; sales rep go to the customer to take measurements =&gt; fax the quote to customer =&gt; if Ok, processing (3 weeks), keeps contact with the customer =&gt; delivery =&gt; satisfaction form to be filled by customer</p>
<b>Elements of customer service</b>	<p>Industrial shows, written policy, Quality of the product and wide range, lead and delivery times, flexibility, product development</p>	<p>Marketing ; Immediate delivery when possible; commission and rebate granted to agents acc. To sales. ; other promotions like weekends.</p>	<p>Advertising, referrals, promotions (not known by the interviewee), from the list : everything except 'facilities appearance to customers'</p>	<p>Relationship cie/customer =&gt; partners ; free visit of the fabric for customer 24h a day ; delivery in 24h, max 48h ; PR =&gt; invite customers to restaurants or Casinos ; from the list : advertising, technical information (technical data sheet), quotes, flexibility, formal pduction schedule, demonstrations, order placement, order status info (computerized), order assembly, transportation, product support, product training, follow up)</p>	<p>From the list : advertising, technical info, written policy, system flexibility, consistent lead times, formal pduction schedules, inventory control, order forecast, quotes, employee and facility appearance, sales call, presentation, order placement, order assembly, transportation, receiving, pduct support, pduct training</p>	<p>guarantee on the gavinising ; available to solve customers' pbs; from the list : advertising, technical info, written policy, system flexibility, physical inventory control, quotes, employee and facility appearance, sales call, presentation, order placement, order status info, billing, transportation, receiving, product support, follow-up for customer satisfaction</p>

Without ISO		
COMPANY A1	COMPANY C1	COMPANY B1
COMPANY A2	COMPANY C2	COMPANY B2

Interviewee  
Function

Mr Smith  
Operations Director

Mrs Naidoo and Ture  
Customer service & Quality Assurance Coordinator

Mrs Shirley  
Quality Assurance Coordinator

Mr McDonald  
Managing Director

Mr John  
Sales and Marketing Manager

Mrs Guy  
Associate Director

#### PRESENTATION of the cie Export ?

Group	Yes	Yes	Yes	No	No
Date of foundation	Yes	Yes	1929	1972	1980
Size	Big	Middle (150 employees + 20 admin)	Big	Small	Small
Product	Multi-wall paper sacks and self opening bags	biofootwear and safety footwear	Security doors and gates	Plastics, bags, tubing, kraft brown paper	Security gates, burglar bars, fencing
Final customer	petfood industries, cement, sugar, milling, charcoal industries	industrials (construction companies) and individuals	individuals and companies	automotive and clothing industries	individuals and companies
Mission statement	to maintain the group's position as leading Southern African manufacturer of packaging products and to sustain its culture of world-class manufacturing and service designed to deliver superior packaging solutions to customers and to provide sustainable returns to shareholders	the customer is the most important person in the company	our mission is to provide our customers with high quality products and professional service through the pursuit of excellence with a total commitment to product, people and progress	?	The company is committing to ensure high quality of workmanship in fabrication and installation, to provide the clients with the service that we ourselves would expect in return and to supply a product which is of high standard
Advantage against competition	World-class manufacturing and service		quality of the product (top breaking quality)	diversity of products and production of uncommon products	production on a daily basis and speed of manufacturing

#### CERTIFICATION

Nature	ISO 9002	ISO 9002	ISO 9002
Date of certification	?	1996	1988
Overall appreciation on the certification process and the standards themselves	No big problem	ISO = good system if people follow	Very nice marketing tool
Problems	Too much work, too much time to do the documentation; difficult to maintain the documentation when processes are changing	problems with a production unit that was not conforme to ISO ; too much paper work ; difficult to maintain the documentation ; to make people (mostly workers) accept change	too much work, difficult to make it accepted by the workforce (ISO= supplementary constraint and control)
Easy	Systems already there => just the documentation to revise, few problems to involve people.	No problem with management	management all proud of it
Future of ISO	Keep and adapt the standards	Keep the standards	Keep and adapt the standards
Initial motivations for ISO	To give customers (some export) proof that the cie is meeting world class standards ; To get an outside view on the internal systems	No clear motivation, from the list : customer demand (bec. ISO cles get preference)	To assure the customer of the quality of our products ; from the list : customer or marketing demanded, desire for global deployment of products, open up new market opportunities or maintain market share, reduce costs and improve product quality.
Positive > Negative consequences	yes	yes	yes

**F- OBSERVATION SEQUENCE ANALYSIS**



MEETING'S ENVIRONMENT							
Name of contact	Mr Don	Mr Aldo	Mr Dear	Mr Diamini	Mrs Jack	Mr Santos	Mr Ronald
Function	Sales rep	Sales rep	Sales rep	Sales rep	Sales rep	Sales rep	Sales rep
Name of the visited company	Company D	Company E	Company I	Company GG	Mr castle	Company F	Company H
Field of activity	Sugar	Cement	Safety Footwear distributor	Butchery		Clothing industry	Crisis telephone
Other notes on the company			Small familial company				
Name of the customer	Mr Post	Mr Cane	Mr Tie	Mr Pink	Mr Castle	Mr trick	Mrs Rest
Function of the customer	Production Manager - Specialties	Resident Engineer	Sales manager	Branch Manager		Dispatch manager	Assistant Director
Purpose of visit	Weekly visit	Monthly meeting (Agenda : delivery, ordering system, meeting next month, any pbs)	Routine visit	First visit to define needs	First visit to define needs	show new products	First visit to define needs
SALES REP BEHAVIOR							
Appearance							
What does he wear?		Brown Shirt, light brown jersey, brown classical pant, Donald ruck socks, classical brown shoes	shirt with a small check, black pant, Beier shoes	Blue shirt, bleu pant, black shoes, Ray Ban glasses	leopard shirt, black pant, black shoes (+ made up, golden bracelets)	sports shirt, classical punt, belt	light shirt, dark pant-jean, black classical shoes, cellphone hanged to belt
Conservative or casual?	casual	conservative	both	conservative	conservative	conservative and casual	casual
Way of greeting	yes	yes	yes	yes	yes	yes	yes
Speaks first	yes	doesn't apply	yes	yes	doesn't apply	yes	yes
greeting sentence	yes	yes	yes	yes	yes	yes	yes
looks at the customer and acknowledges his presence with a smile	yes	yes	yes	yes	yes	yes	yes (humor on Bruno/Bruna)
greet in a warm, friendly manner	yes	yes	yes	yes	ok	yes	yes
if seated, stands up	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
hand shaking (shy or frank)	no	frank	frank	frank	ok	frank	no
Uses the customer's name	yes (use of first names)	yes	yes	no	yes	yes	no
Uses a title such as Mr, mrs,...	no	no	no	no	yes	no	no
Attitude and body							
Physical appearance							
stands tall as a confident person	no	doesn't apply	no	no	no	no	no
open	yes	yes (very confident)	yes	yes	yes (confident)	yes	yes (but not so confident)
relaxed	yes	yes	yes (maybe too much with a foot on knee)	yes	no	yes	yes
Facial expression							
appropriate smile	yes	yes	yes	yes	yes	yes	yes
looks interested	yes	yes	yes	yes	yes	yes	yes
pleasant	yes	yes	yes	yes	yes	yes	yes
Gestures							
Chew gum?	no	no	no comment	no	no	no	no
smoke?	no	no	no	no	no	no	no
appropriate use of hands for emphasis	yes	yes	doesn't apply	yes	yes	yes	doesn't apply
Eye contact							
shows respect	yes	yes	yes	doesn't apply	doesn't apply	yes	yes

	COMPANY A1	COMPANY A1	WITH ISO COMPANY C1	COMPANY B1	COMPANY B1	COMPANY A2	WITHOUT ISO COMPANY B2
	yes	yes	yes	yes	yes	yes	yes
<u>Way of communicating</u>							
direct	yes	yes	yes	yes	yes	yes	yes
courteous and polite	yes	yes	yes	yes	yes	yes	yes
chooses his words carefully	yes	yes	yes	yes	yes	yes	yes
uses too much jargon	no	no	no	doesn't apply	doesn't apply	no	no
sticks to the point	yes	yes	yes	yes	yes	doesn't apply	yes
<u>Appropriate discussion topics</u>	yes	doesn't apply	yes	doesn't apply	yes	yes	yes
jokes	yes	doesn't apply	no	doesn't apply	no	no	yes
religion, sex life or other personal opinions	no	doesn't apply	no	doesn't apply	no	no	no
Listening	yes	doesn't apply	yes	doesn't apply	doesn't apply	doesn't apply	doesn't apply
easily distracted	no	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	no
often interrupts or tries to finish the customer's sentence	no	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	no
acts impatient or busy	yes (another app after this meeting)	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	no
looks away	no	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	no
Inappropriate answers	no	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	no
stays calm	yes	yes	yes	yes	yes	yes	yes
maintains objectivity	yes	yes	yes	yes	yes	yes	yes
good eye contact	yes	yes	yes	yes	yes	yes	yes
takes notes	yes	doesn't apply	no (doesn't apply?)	yes (measurements)	no	doesn't apply	yes (measurements)
allow a pause after the customer has finished speaking	yes	no	no	doesn't apply	doesn't apply	yes	yes
shows desire to understand what the customer is saying	yes	yes	yes	yes	yes	yes	yes
<u>Answering</u>							
shows signs of negative opinion he may have formed	no	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
claims to have knowledge he doesn't have	no	no	no	doesn't apply	doesn't apply	doesn't apply	no
tries to clarify what the customer said	yes	yes	doesn't apply	yes	yes	doesn't apply	yes
reformulate before answering	yes	yes	doesn't apply	yes	yes	doesn't apply	yes
ask open questions	doesn't apply	yes	doesn't apply	yes	yes	doesn't apply	yes
give appropriate, comprehensive and objective answers	yes	yes	yes	yes	yes	yes	yes
answers to customer's needs and expectations	yes	yes	yes	yes	yes	yes	yes
delight the customer	yes	yes	doesn't apply	yes	yes	yes	yes
<u>Personal attention to customer</u>							

	COMPANY A1	COMPANY A1	COMPANY C1	COMPANY B1	COMPANY B1	COMPANY B1	COMPANY A2	COMPANY B2
			WITH ISO					WITHOUT ISO
			COMPANY C1					COMPANY B2
makes the customer feels special and important	yes	yes	yes	doesn't apply (no time enough with customer)	doesn't apply (the obj is not to build a relationship)	yes	yes	yes
strengthens the one to one relationship	yes	yes	yes	doesn't apply (no time enough with customer)	doesn't apply (the obj is not to build a relationship)	yes (with managing director)	yes	yes
develops the friendship	yes	yes	yes	doesn't apply (no time enough with customer)	doesn't apply (the obj is not to build a relationship)	yes (with managing director)	yes	yes
Voice long	no	no	no	no	no	no	no	no
intimation	no	no	no	no	no	no	no	no
annoyance	ok	ok	ok	ok	ok	ok	ok	ok (but a bit low, lack of confidence)
volume of voice	ok	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
emphasis	ok	ok	ok	ok	ok	ok	ok	ok
Timing	ok	ok	didn't confirm the time of the appointment => customer disturbed	ok (phoned just before to confirm)	ok (phoned to warn 6-7min late)	ok	ok	ok
Way of answering complaints		invoice p6						
loses his temper	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
makes excuses	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
gets involved in a struggle	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
argues	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
blames other departments or employees	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
tells the customer what should have been done	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
mentions that other customers are complaining about the same thing	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
listens to the customer without interrupting	doesn't apply	yes	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
apologize for his experience	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
shows he cares for the customer	doesn't apply	yes	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
tries to clarify what the problem is	doesn't apply	yes	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
show interest in the complaint	doesn't apply	yes	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
take immediate action if told so	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
set up a plan of action with the customer	doesn't apply	yes	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
do not state the obvious	doesn't apply	yes	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
thanks the customer for bringing it to his attention	doesn't apply	no	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply	doesn't apply
Way of ending the meeting								
Thanks the customer (for doing business with his company)	no	no	doesn't apply	doesn't apply	yes	yes	yes	yes
handshaking	no	yes	yes (with customer and his father)	no	no	yes	no	no
uses the customer's name with title (miss, mr...)	no	yes	no	no	no	doesn't apply	no	no
looks in a hurry (has another appointment)	yes	no (talk non-business related topics)	no	no	no	no (though has another app)	no	no

**CUSTOMER BEHAVIOR**

**Body language**

**Aggressive body language**

**Passive body language**

**Physical appearance**

**Shoulders hunched**

**often leans against objects or walls**

**slumps while sitting on chairs**

**Facial expression**

**blank**

**eyes downcast**

**pouting**

**inappropriate smiling**

**Gestures**

**constant handling of objects like coins**

**pens...**

**often chews on pens and pencils**

**hands are at or over the mouth**

**nodding in agreement**

**Eye contact**

**none**

**excessive blinking**

**physical appearance**

**relaxed**

**shoulders and back are straight**

**open**

**Facial expression**

**interested**

**reflect the appropriate tone of the**

**conversation**

**pleasant**

**Gestures**

**when hands are used for emphasis,**

**fingers are slightly apart**

**arms and hands invite closeness**

**index finger is directed at self**

**Eye contact**

**periodically looks away**

**direct**

**End of the meeting**

**The customer looks satisfied**

**smile**

**handshaking**

**talks about topics non work related**

**The customer doesn't look satisfied**

**looks angry**

**disappointed**

**annoyed**

no

no

yes

no

no

no

no

no

no

no

no

no

no

no

no

no

no

no

no

no

no

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

yes

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**G- CUSTOMER QUESTIONNAIRE ANALYSIS**

## Company A1

2 customers have been interviewed = a way to find to analyse

### CUSTOMER 1

#### Before the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
Written policy	3	3	9
Flexibility	4	4	16
Employee's product knowledge	3	3	9
Technical information	4	3	12
Employee relationship to customer	4	4	16
Production schedules	3	3	9
Quotes	3	4	12
Product requirements	4	4	16
Lead times	4	3	12
	32		111

Excluded elements :

#### During the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
Employee's appearance	2	3	6
Facilities' appearance	3	3	9
Employee relationship to customer	3	4	12
Order convenience	3	3	9
Status information	3	3	9
Accuracy of shipping	4	4	16
	18		61

Excluded elements : Billing (weighted 4, but doesn't apply)

#### After the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
On-time delivery	4	3	12
Complaints handling	3	3	9
Follow-up	3	3	9
Prevents Stockouts	3	3	9
Training to customer	3	3	9
Product tracing for recalls	4	4	16
Employee relationship to customer	3	4	12
Product development	3	3	9
	26		85

Excluded elements : Product tracing for recalls (doesn't apply)

<b>TOTAL MARK</b>	<b>257</b>	<b>85 %</b>
<b>MAX MARK</b>	<b>304</b>	

	<u>Average weight</u>	<u>Average weighted mark</u>	<u>Equalized mark</u>
Before the sale	3.56	12.33	13.88
During the sale	3.00	10.17	13.56
After the sale	3.25	10.63	13.08

**CUSTOMER 2**  
**Before the sale**

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
Flexibility	4	3	12
Employee's product knowledge	4	3	12
Technical information	3	3	9
Employee relationship to customer	3	4	12
Quotes	4	4	16
Product requirements	4	3	12
Lead times	4	3	12
	26		85
<i>Excluded elements :</i>			
	<i>Written policy (weighted 3, but doesn't know about a policy in Company A1)</i>		
	<i>Production schedules (weighted 2, but doesn't take note of them)</i>		

**During the sale**

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
Employee's appearance	3	3	9
Billing	4	3	12
Employee relationship to customer	3	3	9
Order convenience	3	3	9
Status information	3	3	9
Accuracy of shipping	4	3	12
	20		60
<i>Excluded elements :</i>			
	<i>Facilitie's appearance (doesn't apply)</i>		

**After the sale**

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
On-time delivery	4	2	8
Complaints handling	3	3	9
Follow-up	2	3	6
Prevents Stockouts	4	3	12
Product tracing for recalls	3	3	9
Employee relationship to customer	3	3	9
Product development	3	3	9
	22		62
<i>Excluded elements :</i>			
	<i>Training for customer (weighted 2, doesn't apply)</i>		

<b>TOTAL MARK</b>	<b>207</b>	<b>76 %</b>
<b>MAX MARK</b>	<b>272</b>	

	<i>Average weight</i>	<i>Average weighted mark</i>	<i>Equalized marks</i>
Before the sale	3.71	12.14	13.08
During the sale	3.33	10.00	12.00
After the sale	3.14	8.86	11.27

Company A2

Before the sale

	weight	Mark	Weighted Mark
Written policy	4	4	16
Employee's product knowledge	4	4	16
Technical information	3	4	12
Employee relationship to customer	4	4	16
Quotes	4	4	16
Product requirements	4	3	12
Lead times	4	4	16
	27		104

Excluded elements : Flexibility (weighted 4, but doesn't know about Company A2)  
Production schedule (weighted 4, doesn't know about Company A2)

During the sale

	weight	Mark	Weighted Mark
Employee's appearance	4	3	12
Facilities' appearance	4	3	12
Employee relationship to customer	4	4	16
Order convenience	4	4	16
Status information	4	4	16
Billing	4	4	16
Accuracy of shipping	4	4	16
	28		104

After the sale

	weight	Mark	Weighted Mark
On-time delivery	4	4	16
Product tracing for recalls	4	4	16
Complaints handling	4	4	16
Follow-up	4	4	16
Prevents Stockouts	3	4	12
Employee relationship to customer	4	4	16
Product development	4	4	16
	27		108

Excluded elements : Training for customer (weighted 3, but doesn't apply to Company A2)

TOTAL MARK	316	96 %
MAX MARK	328	

	Average weight	Average weighted mark	Equalized marks
Before the sale	3.86	14.86	15.41
During the sale	4.00	14.86	14.86
After the sale	3.86	15.43	16.00



## COMPANY B1

Company B1 sells security gates to companies. Therefore, Company B1 is a special supplier, as its product is not directly taking part in the production process.

### Before the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
Flexibility	4	4	16
Employee's product knowledge	4	4	16
Technical information	4	4	16
Employee relationship to customer	4	4	16
Quotes	4	4	16
Product requirements	4	4	16
Lead times	4	4	16
			<b>112</b>

Excluded elements : Written policy (weighted 4, but doesn't know about any policy in Company B1)  
Production schedule (weighted 1, doesn't apply to Company B1)

### During the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
Employee's appearance	3	4	12
Employee relationship to customer	4	4	16
Order convenience	4	4	16
Status information	4	4	16
Billing	4	4	16
			<b>76</b>

Excluded elements : Facilities' appearance : doesn't apply  
Accuracy of shipping : doesn't apply

### After the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
On-time delivery	4	4	16
Product tracing for recalls	4	4	16
Complaints handling	4	4	16
Follow-up	4	4	16
Employee relationship to customer	4	4	16
			<b>80</b>

Excluded elements : Stockouts preventing (weighted 4, but doesn't apply to Company B1)  
Training for customer (weighted 2, but doesn't apply to Company B1)  
Product development (weighted 4, but doesn't apply to Company B1)

<b>TOTAL MARK</b>	<b>268</b>	<b>100 %</b>
<b>MAX MARK</b>	<b>268</b>	

	<u>Average weight</u>	<u>Average weighted mark</u>	<u>Equalized marks</u>
Before the sale	4	16	16
During the sale	3.8	15.2	16
After the sale	4	16	16

## Company C1

### Before the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
Flexibility	4	3.5	14
Employee's product knowledge	4	3	12
Technical information	3	3	9
Employee relationship to customer	4	4	16
Product requirements	4	4	16
Lead times	3	3	9
	22		76

Excluded elements :

Written policy (weighted 1, but doesn't know about any policy in Company 1)

Quotes (doesn't apply)

Production schedules (weighted 3, but doesn't know about that in Company 1)

### During the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
Employee's appearance	2	3.5	7
Facilities' appearance	2.5	3	7.5
Employee relationship to customer	3	4	12
Order convenience	3	4	12
Status information	3	4	12
Billing	3	4	12
Accuracy of shipping	4	4	16
	20.5		78.5

### After the sale

	<u>weight</u>	<u>Mark</u>	<u>Weighted Mark</u>
On-time delivery	3	4	12
Complaints handling	3	4	12
Follow-up	3	4	12
Prevents Stockouts	4	3	12
Training to customer	2	3	6
Employee relationship to customer	4	4	16
Product development	3	3	9
	22		79

Excluded elements :

Product tracing for recalls (doesn't apply)

<b>TOTAL MARK</b>	<b>233.5</b>	<b>91 %</b>
<b>MAX MARK</b>	<b>258</b>	

	<u>Average weight</u>	<u>Average weighted mark</u>	<u>Equalized marks</u>
Before the sale	3.67	12.67	13.82
During the sale	2.93	11.21	15.32
After the sale	3.14	11.29	14.36

**H- COMPANY B1 NON-PERFORMANCE REPORT**

ATTN

FAX:

**NON CONFORMANCE REPORT (NCR)**

In order to improve customer satisfaction it is imperative to be on top of problems regarding the supply of to such customers.

1

Quality of product (including components/accessories/finishes etc.)

State problem:

2

Non supply of product/components.

State problem:

3

Late supply (workdays only)

Promised/Expected Despatch Date

Despatch Date

Receipt Date

Promised Date of installation

Date(s)			Delays
DD	MM	YY	

Customer Result:

Customer Name:

Tel. No.

Customer Address:

Manufacturers Fast Lane No. Manufacturers Job No.

Quote No. Invoice No:

Person Raising NCR : Signature Date

**QP14 - APPENDIX A**

**CORRECTIVE ACTION REPORT**

C.A.R. No. ....

AGREED PLANNED DATE : .....

**1. Details and Description of non-conformance (completed by Initiator)**


Name of initiator		Signed:		Date:	
2. Receipt by HOD		Signed:		Date:	
3. Receipt by Invest.		Signed:		Date:	

**4. Immediate corrective action taken (Investigator):**


Name of		Signed		Date:	
---------	--	--------	--	-------	--

**5. Cause of non-conformance (Investigator)**


	Signed:		Date:	
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**6. Preventative action to remove cause of non-conformance (Investigator)**


	Signed:		Date:	
7. Review by H.O.D	Signed:		Date:	

**8. Follow up (completed by Initiator):**


	Signed:		Date:	
--	---------	--	-------	--

**9. If C.A.R's cannot be closed out within the agreed planned date, please state reason and indicate date planned for completion.**


Planned Date: \_\_\_\_\_

**I- RELATIVE IMPORTANCE OF CUSTOMER SERVICE COMPONENTS**

**APPENDIX I: relative importance of customer service components.**

The following table presents the relative importance of the customer service components presented in the customer questionnaire, as perceived by customers. This table was built from the results of the five customer questionnaires administered. For each questionnaire, each service component was classified according to the weight attributed to the customer. Customer service components with attributed weight '4' were classified in the left hand column, while customer service components weighted '3' or less were classified in the right hand column. The frequency for each element weighted '4' and those weighted '3' or less is indicated to determine an overall relative importance of these elements.

**Table A: Relative importance of customer service components.**

	Customer service component	Frequency with weight '4'	Customer service component	Frequency with weight '3' or less
Pre-transaction stage	Written policy	1	Written policy	1
	Technical information	2	Technical information	3
	Employee relationship to customer	4	Employee relationship to customer	1
	Quotes	3	Quotes	1
	Lead times	4	Lead times	1
	Employee's product knowledge	4	Employee's product knowledge	1
	Product requirements	5	Production schedules	1
	Flexibility	4		
Transaction stage	Billing	3	Billing	1
	Employee relationship to customer	2	Employee relationship to customer	3
	Order convenience	2	Order convenience	3
	Status information	2	Status information	3
	Employee appearance	1	Employee appearance	4
	Facility appearance	1	Facility appearance	2
	Accuracy of shipping	4		

Post-transaction stage	Product tracing for recalls	3	Product tracing for recalls	1
	Preventing stockouts	2	Preventing stockouts	2
	Employee relationship to customer	3	Employee relationship to customer	2
	Complaint handling	2	Complaint handling	2
	Follow-up	2	Follow-up	2
	Product development	1	Product development	2
	On-time deliveries	4	Training of customer	1

Though the relative importance of customer service elements is strongly related to the type of industry and to the type of company itself, a general trend can be inferred from the table above:

- ◆ in the pre-transaction stage, it seems that the elements 'employee relationship to customer', 'lead times', 'Employee's product knowledge', 'product requirements', and 'flexibility' are perceived as the most important elements of quality service, and that 'technical information' is less important.
- ◆ In the transaction stage, it seems that 'accuracy of shipping' is perceived as the most important element of quality service, and that 'employee appearance to customer' is less important.
- ◆ In the post-transaction stage, it seems that 'on-time deliveries' is the most important element of quality service.



**J- 'THANK YOU' LETTER TO PARTICIPATING COMPANIES**

104 Currie Rd

Berea

4001 Durban

lucieganachaud@voila.fr

083 39 27 011

5 June 2001

TO : Mrs Naidoo and Tune  
COMPANY C1

The participation of your company in my study has been a great help. I would like to thank all of you for the time you've granted me and also for your flexibility and understanding.

My research will be completed in August, and I then will be able to provide you with a summary of the results concerning your company.

Thanks again and best wishes,

Lucie Ganachaud.