| P a g e Product and service quality: Consumer satisfaction benefit

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ABSTRACT

The real benefit of product and service quality is known through consumer feedback. This paper identifies three knowledge domains: (1) product's knowledge such as emotional or cognitive, (2) consumption experience and (3) the response after consumption and examined customer feedback within these three domains of knowledge. Since consumer feedback on satisfaction is known to be variable in each knowledge domain: based on product and service quality. This paper argues that benefit – the knowledge on satisfaction and quality relativism is important for consumers but, its usability for competitiveness is important for both consumer satisfaction and quality management. Although, this argument comes with mixed reaction – the different perception of consumers, academics and practitioners contrived understanding of the feedback efforts. The paper anchors its argument of satisfaction benefit on qualitative survey data collected from 110 randomly selected respondents: snowballed from small to large numbers of respondents within the manufacturing companies in Cape Town.

The paper found that although respondents' perception of satisfaction benefits and quality are mixed and perceptual: they are useful in understanding consumers' satisfaction benefit and quality management.

Keyword: Customer satisfaction, Marketing, Quality management, Customer Relationship Management

INTRODUCTION

The appraisal of customer satisfaction and quality product and service benefit is viewed differently by different academics, This paper argues that the difference between actual and respondents' perceptual of benefit would be understood better through the appraisal of customer satisfaction within the Knowledge Domain (KD): (1) consumer satisfaction as a response to emotional or cognitive; (2) the response to expectations of product consumption experience and (3) the response to after consumption (Giese & Cote, 2002). It is noted further that although, the customer satisfaction benefit appraisal done within the KD departs from market expectation that show how companies could produce and market quality product and service to fulfill customer expected benefit to a production and marketing strategy that monitors and/or appraisal actual product and service during and after consumption- a strategy not applied 2 decades ago. In today's market situation, companies would have to develop and apply both customer satisfaction and competitiveness strategy in their production and marketing efforts. This practice is consistent with new forward-looking business strategy that departs from the practice of production and marketing of uniform quality in product and service offering (Yang & Peterson, 2004:800). It can be argued that different product and service quality is good for customer satisfaction and business competitiveness – despite the mixed and differences in perceptions. This type of production and marketing strategy is competitive, responsive and innovative for consumers and businesses. As the demand for quality products and services grow, so is the increase production and marketing cost. At the same time, the need to balance the increased cost with different product and service quality is customer centric and good for competiveness. The appraisal satisfaction benefit appraisal (is an aspect of market intelligent) that utilize accurate customer information for responsive and innovative production and marketing to satisfy different customer benefit expectation. Innovative production of products and services is in response to increased customers' demand for quality and satisfaction. With increased competition, the response to increase customer demand becomes a marketing and production imperative for business competitiveness. While marketing is concerned with satisfaction benefit appraisal, production seeks to review, adopt and implement the quality management systems (Heizer, & Render, 2011).

This paper is not about the implantation of quality management system, it is about the customer satisfaction benefit appraisal and respondents' perception of the contributory effect of quality management system implementation. Through this appraisal, envisaged benefit such as, customer satisfaction; cost saving and continuous process improvement were identified. Although the identified envisaged benefits are innovation essentials, quality management system implementation and satisfaction benefit appraisal were based on customer satisfaction and competitive response relativism. These focused areas were identified and examined in tandem with the quality management systems theories and implementation framework. Theories that related to the use of quality management system as a strategy for the appraisal of customer satisfaction benefits for sustained competitiveness could be seen as a necessary tool for innovative and responsive production and marketing.

While the management of quality looks at the essential property or distinctive attribute that differentiate a company's product and service from competitors, the understanding of satisfaction benefit is essential for competitiveness (Choi, Dale, & Jody, 2009). The property and attribute are the measured outcome of the business process and products and services performance: understood within the functional term, quality management. This management function is specifically important for customer satisfaction benefit appraisal, innovative and responsive production and marketing. While the implementation of a quality management system is seen to be innovative and responsive, the appraisal of satisfaction benefit is necessary to determine its contribution to products and services quality (Embretson, et al. 2000). Quality management in product and market oriented business is the application of the concept of customer and product supplier working together for mutual benefit (Churchill, et al. 2005).

The benefit of working together for customer is satisfaction derived from the purchase, consumption and after sales; business, enjoys the benefit of completion, loyalty, attraction and retention of customers. To sustain this relationship a business needs to conduct customer satisfaction benefit appraisal for process improvement, cost saving to maintain desired level of customer satisfaction. The sustainability of customer relationship activities extends beyond innovation and responsiveness to the appraisal of benefit derived from a product or service purchase, consumption after sales experience (Williams, Larry, Hartman, & Cavazotte 2010). Although, no empirical evidence supports quality management system implementation benefit: the growing usage of quality management systems like the ISO (in response to increased customer demand for quality) has been widely reported in the literature (Heizer, & Render, 2011). Some academic assumed that the quality management system implementation is in response to growing sophistication amongst customers and competitive activities – management decision to implement new management systems is both responsive and proactive. This strategy ensures that new management tool is used to support cost reduction policy enhance business process for success. Success is important for organization that seeks to overcome loss in market share and profit and provides sufficient motivation for the implementation of the ISO 9001(Dagger, et al. 2009).

LITERATURE REVIEW

With the goal of the business being to make money, every action taken and implemented as part of an organization drive to achieve and exceed customer satisfaction will have to be link or directed at improving the company financial position (Reh, 2010). This is why Lim, (1999), believe that by creating an integrated customer management system with focus on quality and customer satisfaction: companies will ultimately be able to see an improvement in their financial performance.

Financial performance is directly link to quality improvement and identification of process inefficiencies. The root cause of process inefficiency detection and elimination achieved through the implementation of system based corrective actions (Raab, et al. 2008). Quality management is known to be effective when: (a) Collect customer information about the product and service requirements, (b) Deal with each customer complaint effectively and (c) Ensure all employees are aware of customer complaints. Heizer, Render, (2011) noted that the best designed customer oriented process, weakens and take down the organization unless adequate measure are taken to sustain profitability and competitiveness. Profitability and competitiveness requires systematic adoption and implementation of new system as well as the benchmarking of competitors products, the availability of skills within the organization, the training needs of employees within the organization and the use of customer feedback as part of process improvement mechanism (Reichheld, 1996).

According to Newton (2006), one of the most important pillar to be considered while evaluating customer satisfaction, is the relationship that exist between the consumer, the product and the service provider. This relationship is based on product quality and benefit satisfaction, taking into consideration the possibility of repeat purchase by satisfied a consumer and by extension, referrals to new customer with shared experiences (Resteloy, 2010). It can be argued that a company offering quality product is able to attract new customers and retain older once (Feig, 1993). This argument relates to previous consumption experience – a direct link between satisfaction benefit, increase profit, competitiveness: Schaaf, (1995), stated that although, customer satisfaction comes with improved product and service quality as well as, organizational ability to manage quality process: this can be undermined by a corresponding increase in the numbers of customer complaints and increased cost (Lovelock, 1995:250).

PRODUCT QUALITY AND CUSTOMER SATISFACTION

Hattingh (2007) states that although customer satisfaction cannot be very difficult to achieve but, the understanding of satisfaction benefit is based on product and service quality – mixed and variable within knowledge domain. At the same time, academic and practitioners have different perception about satisfaction and dissatisfaction. One of such difference is that satisfaction can also come from consumer lifestyle that has nothing to do with quality. It was noted at the beginning of this paragraph that feedback from product and service experience relates to knowledge domain: perceived to be mixed and variable. (Upton, 1995; Cronin, Brady & Hult, 2000). Understanding of these mixed and variable perceptions is good for improved quality management, product quality and competitiveness. Hence, feedback on satisfaction benefit is a solution for quality management improvement and should be used to constantly receive, review and resolve dissatisfaction with consumption experience.

The reviews of quality and satisfaction benefit for consumers have mostly been operational and conceptual discourse with little attention to the knowledge domain construct. This paper provides a platform to narrate the disparate between satisfaction with product and service quality and satisfaction with consumption experience: to understand their relationship with satisfaction benefit. With changing lifestyle, income and the level of education, consumers' interaction with information, the knowledge domain becomes more complex: strategic to analyse, situate and use to improve quality management, feedback process and competitive activities. By spending money, a consumer expects satisfaction/benefit that comes with product and service consumption (Harvey, & Green, 1994).

While some analyst relates product and service quality to employee performance measures, other has begun to link quality with institutional strategy for competitiveness: noting that quality and satisfaction for consumers should drive competitive strategy (Capioppo, 2010). In the case of quality policy:

…" continually deliver safe, effective, high-quality products and services, on time, to our customers and internal operations. Quality, customer satisfaction, continual improvement, maintaining the effectiveness of our quality management system, and compliance with customer and regulatory requirements, are the personal responsibility of every employee."

To dream is innovative but, live your dream is entrepreneurial. This policy is articulate and clear and, I hoped it is able to keep TE alive. Undoubtedly employee have a role to play in the realization of this policy if 1) (satisfaction is static with constant quality) but: 2), *not* if (satisfaction is dynamic with varied quality). Quality management in the first instance is for specific consumption experience which a company could work to maintain or use the kaleidoscope of customer expectations and differences. In the second instance, the acceptance of ignorance about satisfaction and quality may well hamper company's ability to realize quality policy statement and dream. A customer satisfaction for statement like:

…"success depends on customer satisfaction and strives for extraordinary performance in every area to satisfy customers when we understand their needs, requirements and preferences, and when our performance in every area is aligned to meet or exceed these expectations."

It is difficult to understand customer requirement because their dynamic with varied quality due to human error by employee. The different expectation of quality and satisfaction feedback discussed in, Buttle (2004) showed similarity in expected quality and satisfaction feedback. The different customers' expectation achieved then, aligned with feedback objectives and feedback process that were closely linked to customer requirements. Another author finds this as unsustainable as it fails to identify disagreeable expectations to fully understand customers' satisfaction requirement. Without appropriate understanding of the motive behind different expectation: a shift from sentimental kaleidoscope to monetary value of product and service offering is inevitable. A necessary precursor to (on the one hand) preserve profit potential and competitiveness (on the other hand) shift some responsibility and commercial accountability to customers in the spirit of *uberrima fides,* utmost good faith (Newton, 2006).

Other authors Buttle (2004), and Meleki, (1991) argue that customer satisfaction is fulfillment of customers' expectation that comes with product/service consumption. Maleki, (1991) is of the opinion that customer satisfaction is the customer's fulfillment response to a consumption experience, or some part of it. Dissatisfaction is an unpleasurable fulfillment response. The experience or some part of it component of the above definition allows the satisfaction evaluation to be directed at any or all elements of the customer's experience. This includes the product, service, process and any other components of the experience (Capioppo, 2010).

An effective way to maximize customer satisfaction is the organization's ability to develop and implement a process that will ensure a constant, consistent and timely delivery of quality products/services (Heizer, & Render, 2011**).** Consequently, Deming (1986) in his assessment of customer satisfaction observed that there a System of Profound Knowledge (SPK) should be used to encourage business appreciation of quality management system in tandem with customer satisfaction requirements.

RESEACH PROBLEM

Variation in the quality of a product and service has led to variation in consumer satisfaction benefit. This variation supports the need for quality management. With changing market and increased consumer awareness, variation in quality and satisfaction benefit continues to increase with limited understanding the usability of quality and satisfaction measurement data – hence the need for quality management to improve consumer satisfaction.

RESEARCH METHODS

To illuminate the discourse of quality management and consumer satisfaction, this paper uses the survey to collect quantitative data to understand respondent's perception of quality management in their respective companies. The mixed and variable perception of consumers, academic complicates the nature, scope and objective of the study but, the chosen method is appropriate to measure respondent's perception. This choice of method when compared to qualitative research that uses case study or grounded theory provides data that should be used to describe quality management and consumer satisfaction benefit. Unlike the case study or grounded that collect qualitative data, the survey method collects quantitative data to understand the variability of quality management and satisfaction benefit.

The application quantitative data collection instrument like the questionnaire was designed with quality management and satisfaction content relativism.

This instrument was designed and administered using two sample selection methods: (1) snowballing with known contact and (2) random selection of known contact to ensure that only respondent working in quality unit of their companies are selected. This mixed sample selection method identifies respondent to be selected for participation in the survey based on the size and type of a company they work for in Cape Town.

The questionnaires were tested with few respondents and the input from the test survey was used to re-design the questions to ensure reliability, generalisability. Remenyi et al. (2002:290) noted that a survey is suitable for quantitative data collection but, care should be taken to ensure reliability and generalisability of such data. The reliability of data presentation in this paper is important to intended understanding of quality management in the manufacturing of products and provision of services to satisfy consumption expectation.

RESEARCH APPROACH AND DESIGN

There are different designs and approaches (qualitative and quantitative). Depending on selected approach, research may be conducted using one or the two approaches. This study used the quantitative research approach as its considered most suitable to the research question and objective (Stuart & Wayne, 1995:3; Collis & Hussey, 2003:10). This paper applied the quantitative approach to describe responses and to understand the customers' satisfaction phenomenon under investigation (Aaker, & Keller, 1990). The quantitative research was suitable in understanding customers' satisfaction and quality management system implementation determinism.

SAMPLING METHOD

The sampling method involved the use of random sampling and snowballing that allowed contact list obtained from professional and business contact (Remler, & Van Ryzin, 2011). This sampling method started with an established network that relies on few individuals having enough knowledge around the research problem. This network of knowledgeable contacts are expected to give responses are randomly selected so that only the most useful and reliable ones where used. The sampling methodology described here progressed to snowball allowing existing contact leads to more individual contact being added (Burns, & Grove, 1997). This type of sampling uses recommendations to find potential respondents. With the snowball sampling, more relationships are built through mutual association and more connections are being made through those new relationships and a plethora of information can be shared and collected. The snowball sampling is a useful tool used to increase the number of respondents to 110 (Remler, et al. 2011). However, the success of this technique is attributed to the initial contacts.

Customer satisfaction is amongst other implementation benefit envisaged

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	27	29.7	29.7	29.7
	agree	58	63.7	63.7	93.4
	undecided	2	2.2	2.2	95.6
	disagree	4	4.4	4.4	100
	Total	91	100	100	

The data output reveals that 64% and 30% agree and strongly agree respectively. Only 30 percent of respondents are convinced that, their organization has indeed identified customer satisfaction, amongst other implementation benefit envisaged. This open the door, to the possibility of having organization implementing the ISO 9001 quality management system without identifying customer satisfaction amongst envisaged benefits.

Customer satisfaction as a benefit is understood as a management intervention and action

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	20	22	22	22
	agree	57	62.6	62.6	84.6
	undecided	11	12.1	12.1	96.7
	disagree	3	3.3	3.3	100
	Total	91	100	100	

Response from this question reveals that, 22% and 63% of respondents strongly agree and agree respectively. This shows that most organizations used for the purposed of this study. Only 22 percent of respondents are convinced that, their organization has indeed identified customer satisfaction as a benefit understood as management intervention and action, amongst other implementation benefit envisaged.

Intervention such as investigation of customer complaints applied

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	36	39.6	39.6	39.6
	agree	48	52.7	52.7	92.3
	undecided	1	1.1	1.1	93.4
	disagree	6	6.6	6.6	100
	Total	91	100	100	

In this question, 39% and 53% of respondents strongly agree to agree respectively. With only 39 percent of respondents, being convinced that, their organization has indeed identified corrective action as implementation measure to address customer complaints; amongst other implementation benefit envisaged. This open the door, to the possibility of having organization implementing the ISO 9001 quality management system, without having a corrective action mechanism to document, and investigate customer complaints.

Corrective action such as the implementation of measures to address customer complaints undertaken

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	15	16.5	16.5	16.5

	agree	54	59.3	59.3	75.8
	undecided	19	20.9	20.9	96.7
	strongly disagree	3	3.3	3.3	100
	Total	91	100	100	

For this question, 17% and 59% of respondents strongly agree to agree respectively. With only 17 percent of respondents convinced that, their organization has indeed identified corrective action as implementation measure to address customer complaints; amongst other implementation benefit envisaged. This open the door, to the possibility of having organization implementing the ISO 9001 quality management system, without having a corrective action mechanism to document, and investigate customer complaints.

Meeting customer requirements is top priority for all employee

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	14	15.4	15.4	15.4
	agree	65	71.4	71.4	86.8
	disagree	7	7.7	7.7	94.5
	strongly disagree	5	5.5	5.5	100
	Total	91	100	100	

The responses received from this question indicate that 15% and 71% of respondents strongly agree and agree respectively. With only 15 percent of respondents being convinced that, their organization has indeed identified customer requirements satisfaction as top priority, amongst other implementation benefit envisaged. This open the door, to the possibility of having organization implementing the ISO 9001 quality management system, with problems such as lack of training needed to improve employee awareness of customer requirements.

I'm aware of the customer complaints

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	14	15.4	15.4	15.4
	Agree	61	67	67	82.4
	Undecided	5	5.5	5.5	87.9
	Disagree	6	6.6	6.6	94.5
	strongly disagree	5	5.5	5.5	100
	Total	91	100	100	

This question reveals that employees are aware of customer's complaints in the most the participating companies that have implemented ISO 9001 QMS. A total number of 67% of respondents agreed, while 15% strongly agree. This means that though majority of companies implemented the QMS only 15% of companies are actually sure of QMS implementation. Therefore, the 67% agree is an indication of management challenges (such as poor communication) that may prevail in most the companies. While other companies have fails to implement the QMS to take advantage of the implementation benefits. These companies represent only 5% strongly disagree and 7% disagree.

Our customer concerns are always given a first priority

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	22	24.2	24.2	24.2
	Agree	55	60.4	60.4	84.6
	Undecided	1	1.1	1.1	85.7
	Disagree	8	8.8	8.8	94.5
	strongly disagree	5	5.5	5.5	100

Total	91	100	100	

In this question, 24% and 60% of respondents strongly agree to agree respectively. With only 24 percent of respondents were convinced that their organization has indeed given top priority to customer satisfaction amongst other envisaged implementation benefit. This open the door, to the possibility of having organization implementing the ISO 9001 quality management system, without having a corrective action mechanism to document and investigate customer complaints.

Customer satisfaction among employees is high in our organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	13	14.3	14.3	14.3
	Agree	58	63.7	63.7	78
	Undecided	6	6.6	6.6	84.6
	Disagree	10	11	11	95.6
	strongly disagree	4	4.4	4.4	100
	Total	91	100	100	

The response received from this question reveals that 14% and 64% of respondents strongly agree and agree respectively. This means that though majority of companies implemented the QMS only 14% of companies are actually convinced customer satisfaction being high among employee in their organization. With 64%, agree is an indication of implementation challenges (such as poor communication) that may prevail in most the companies. While other companies have fails to implement the QMS to take advantage of the implementation benefits. These companies represent only 4% strongly disagree and 11% disagree.

DISCUSSION OF FINDINGS

The results of this survey are discussed here. The findings show customer satisfaction and process improvement as the main reason for ISO 9001 implementation. These reasons speak directly to issues of production and administrative process improvement and their contribution to customers' satisfaction. This requires that the staff involved in production and administration should properly document and process customers' feedback for improved business process. This includes customers' feedback communication mechanism that seeks to address customers' complaints as part of organizational objectives of customer service provision. Also, the feedback mechanism provides synergy to maximize the benefits of ISO 9001 quality management system implementation. Other benefits such as employee trainee on new process improvement requirement enhances organization's understanding of customer requirements for enhanced customer service. While the ISO 9001 quality management system is found to contribute to business process improvement in organization, it also contribute to mechanism for corrective action needed to address the causes of process inefficiencies, increase their market share and boost employee morale.

CONCLUSION

Customer satisfaction and process improvement have been found to be the main reason for quality management by most participating companies. While customer satisfaction relates directly to production and administrative process outcome, business process is the strategic management of the improvement needed for sustained customers' satisfaction and competitiveness. Some of the strategic management improvement requirement includes employee training and development, implementation of quality management and customers' satisfaction orientation. These management requirement aims to get more employee involvement through (internal marketing) to achieve desired production and administrative processes. Desired production should be seen to prioritise product/service quality while administration should properly receive, review and resolve customers' feedback. This includes customers' feedback communication mechanism that seeks to address customers' complaints as part of organizational objectives of customer satisfaction oriented organisation. Also, the feedback mechanism should provide synergy to maximize the benefits of quality management. Other benefits such as employee trainee on new process improvement requirement enhances organization's understanding of customer requirements for enhanced customer service. While the ISO 9001 quality management system is found to contribute to business process improvement in organization, it also contribute to mechanism for corrective action needed to address the causes of process inefficiencies, increase market share and boost employee morale.

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