Chapter Seven

Key Problems of Customer Service in TCM

7.1 Introduction

The identification of problems in building service quality as the core competency of TCM involves flow-charting the service delivery process, identifying quality sensitive points in the processes, examining factors influencing the performance of these quality-sensitive points, and identifying contributing factors to the quality problems using Fishbones analysis.

In order to perform the above satisfactorily, an extensive literature review has been conducted and section 7.2 outlined the theories that we apply in the analysis of TCM’s service performance. On the other hand, to facilitate an in-depth understanding of the issues involved, empirical data like the internal-oriented information such as observations, company internal records and past critical incidents in services, and personal interviews, are incorporated into the analysis. In addition, inputs from external sources such as Customer Satisfaction Index (CSI) survey results, comments from the general public, newspapers, and magazines are also included to enhance the understanding.
7.2 Dimensions that are of Great Importance in Providing Quality Service.

7.2.1 Service delivery system and training.

Sales and after sales service activities may be thought as a system comprising service operations, in which the input resources such as manpower, facilities, skills and talents, are processed and the output is the delivery of service. The service delivery system is where the final “assembly” of service elements takes place. Part of this system, such as the display vehicles, are visible tangibles, while others are hidden and the customer may not know of their existence. Examples of these hidden attributes include sales training, vehicle maintenance, and documents processing. Of these hidden attributes, training is considered critical. Training is particularly important in situations where the customer service personnel has little time to refer decisions to a higher authority, where direct supervision is difficult, and where the front-liners are the company in the eyes of customers.

7.2.2 Customer Needs in Various Stages of Sales Transaction. Excellent service providers design their delivery system to match customers’ needs. Customers’ needs in relation to automobile purchase may be divided into pre-, peri- and post transactions phases as discussed below.

7.2.2.1 Pre – transaction and customer needs. Customer service strategies in this stage can be as simple as informing a customer about the existence of Nissan product – the vehicle and the accompanying services. This information is important in creating a bond of trust and respect between the company and the customer. Below are some of the pre-transaction needs of potential automobile buyers:
a.) The need for basic information about the product/the automobile they are buying or intend to buy. Salesman should take the initiatives to explain the basic features, accompanying accessories, services provided, and the total package, which comes with the vehicles.

b.) The need for technical information.
Probably the subject touches upon in this stage will be the function of items like brake system, technical specification of the engines, and the engineering aspect.

c.) The need for image and status.
An automobile company needs to communicate the image and status that is attached to the automobile the company sells. For example, Honda Civic is always associated with young, urban and sophisticated, middle income earners.

d.) The need for trust.
The automobile companies need to build their customers' trust in the product and services.

e.) The need for quality assurance.
Customers need to be assured of the quality of the automobile that they purchase. This can be achieved through quality certifications from the various international and local standards certification organizations.

f.) The need for human contact
Contact personnel must be trained and equipped with the necessary skills to earn the trust of the customers concerned. By promoting a favorable “first impression”. They must be trained on the arts and techniques of managing
the "encounter" to convince the customers on the superiority of the products (automobiles) and the organization, which sells them.

g) The need for situational information.
Different customers with different background will ask different questions and these must be answered well to be able to convince them. For example, an engineer might ask about the gear ratio while a house wife may not even be interested in finding out what a gear ratio is. Therefore, it is necessary for companies to train and equip their personnel to handle this kind of responsibilities.

Besides focusing on information, automobile companies must also consider the mode of delivering this information. Companies will need to concentrate on relishing the approaches, which treat the customers as unique, and extraordinary. This will depend very much on the personnel involved in that encounter and hence the importance of the company in providing training and motivation for the relevant personnel.

One of the mistakes often made by companies in the pre-transactional phase is fail to differentiate the target customers. Different types of customers need different types of information. Below is a broad classification of customers identified based on their information.

(a) Quick Starts – Customers just need to know a few pertinent facts before they make a buying decision.

(b) Technically-Oriented – Those require hard data, like product (automobile) specification before they even considering purchasing.

(c) Middle-of-the-Roads – Those require a moderate amount of info before they act.
(d) Influenced By Others – Those respond to peer pressure and trends. This is a group where word-of-mouth communications is very important. Hence, this group will need to be targeted in a different manner.

An automobile company must provide and equip its personnel with the capabilities to recognize the differences in customers' needs and address them accordingly. These knowledge should be communicated to the front-liners regularly through proper and coordinated programs of internal marketing and be incorporated into the company's strategic service vision.

7.2.2.2 Peri-Transaction and customer needs
Outstanding service balances promises with substance. If the advertisement or other customer communications made inflated promises, which are impossible for the representatives to fulfill, it will result in customers feeling dissatisfied. For example, a product brochure that painted a rosy picture of a company's service capabilities, which the delivery system could not possibly provide. A public relation may plant a story about a company's automobile making it seems like an innovative product, but the salespeople may be ignorant of the article and couldn't answer related question posed by customers. Whether the need is for speed, or for additional information, the customers will be shortchanged and will be dissatisfied with whatever they received during the transaction. Consequently, they will end up not buying the product or they will purchase the product but will not be a repeat buyer in the future – no BRAND LOYALTY. As quality is relative to expectation, an unrealistic expectation destroys not only the company's reputation for quality but also creates distrust and negative word-of-mouth feedback. Creating an expectation higher than what can be met is absolutely destructive.
This imply the need for an automobile company to fully integrate all the communication programs, whether external marketing in the form of advertising, public relations efforts, sales promotion or even personal selling with their internal marketing of services. This is to ensure the full coordination and cooperation of the various departments and programs in the company so as to produce a cohesive and unitary communication objective to the desired customers.

7.2.3 The determinants of service quality.
The five important determinants of service quality in the perception of the automobile buyers are as follow:

(a) Reliability.
The ability of service personnel to delivery the product and services as promised.

(b) Responsiveness.
The willingness of the service personnel to help customers and to provide them with prompt service.

(c) Assurance.
The knowledge and courtesy of employees and their ability to convey trust and confidence.

(d) Empathy
The provision of caring and individualized attention to customers.

(e) Tangibles.
The appearance of physical facilities, equipment, personnel, communication materials.
To be effective in managing service, the service strategies of an automotive company must take into consideration the above in measuring service quality, designing services delivery system, training the employees and formulating marketing plan.

7.2.4 The Human Contact in Service Encounters.
Customers appreciate personal attention and need to be treated as a human but not robots. In the banking sector for example, ATM is a perfect, rational and logical delivery system that should work but doesn't simply because of the absent of the human contact factor. Despite the benefits and convenience of ATM machine, banks are finding ways to encourage customers to utilize these machines to their full potential.

The critical role of human in automobile service environment is especially important when something goes wrong. When a product fails or breakdown, customers get unhappy and are more likely to focus their frustration on the product. However, when a service fails and needs redressing, consumers focus squarely on the service provider. The attitude becomes "Some one did this to me, this is a personal affront."

In relation to this, service quality evaluation of an automobile company should also include the processes where service is delivered and the attitude of the service providers. When a salesman fails to deliver a sales presentation confidently, the customer may begin to form a poor perception against the vehicle quality although the issue was presentation skill rather than product quality. Similarly, a salesman who does not look into the eyes of customers when communicating may irritate customers. Customers may lose interest in listening to his product presentation and may call him a poor service provider. All these aspects are important for an automobile company to create the very important ‘first impression’. The first impression created in the encounter
between service personnel and customers is important for the successful completion of the rest of the other transactions.

7.3 Flow - charting of Sales Service Delivery system.

In Scandinavia, in the early 1980s, a bright service executive figured out how to bring the fuzzy, intangible aspects of service into sharp focus so that they can be identified and managed on the customer’s behalf. From the Scandinavian Airline System (SAS), comes the concept of managing the customers’ “moments of truth” in the transaction the customer has with the company. In TCM, “the moment of truth” of sales service begins from the point of the first contact with the sales branches, probably through the phone inquiries, to the point of post purchase follow-up from the salesman. Each of these contact points is outlined in Figure 7.1.
Figure 7.1
Service Flow Chart - Before and At-The-Point Service Encounters

**ENCOUNTER**
- Non-Direct Control Information
  - words of mouth
- Direct Control Information
  - advertising media
  - salesman canvassing
  - direct mail

Phone Enquiries

Showroom Visit
Salesmen

Sales Presentation

Test Drive

Other Trading Terms/Information

Closing Sales

Delivery

**Operation Preparation**

Marketing Communication

* Phone facilities / accessibility
* Telephone manners
* Information - speed + accuracy

* Showroom Environment
  - showroom (cleanliness + arrangement)
  - vehicle on display

* Reception
* Vehicle Presentation
  - product knowledge
  - competitor's product, price & trade - in

* Availability
* Condition of Test Drive Vehicle
* Test Drive Route
* Salesman Explanation

* Insurance
* Hire Purchase
* Aftersales Service
* Spare Parts

* Condition of Vehicles
* Presentation of Information
* Documentation

**After sales communications**

EAS

Sales Follow-up

- Thank you card (branches)
- Personal calls
- Drive On Magazine - HQ

Customer Recovery

Repurchases/Referrals

Source: Authors' Illustration

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As illustrated in figure 7.1, the marketing communication efforts arouse customers' interest in buying Nissan vehicles, thus initiating product information search which draws customers to Nissan showrooms.

7.3.1 Phone Inquiries
The first moment of truth unveiled when customers make phone inquiries. A polite, confidence and reassuring voice at the other end of the line can create a favorable first impression that sets the mood and the tone for the subsequent transaction. Just imagine the cooperative spirit, warm feeling and the enthusiasm induced within us as a customer when the person on the other end of the phone has an impressive telephone manner.

7.3.2 Tangibility of Services
Following the telephone call, customers visit a Nissan showroom. Upon arrival at the showroom, perception of sales service quality heightens subconsciously within the customers, partly by observing the physical set up and the facilities. The branch facilities serve as the tangible clues for judging the service quality; researches have shown that service is highly intangible and that resulted in customer relying on the tangible element as clues to service quality. The major tangible clues in the branch are identified as below.

1. Showroom’s signage for image and quality
2. Parking facilities for convenience
3. Showroom layout
4. Showroom cleanliness
5. Condition/cleanliness of display vehicles
6. Equipment which customers might need to use, such as furniture, telephone, etc.
7.3.3 First Impression

In addition to the physical conditions, the appearance of salesmen, their attitude and mannerism, and their ability to present themselves can contribute to quality evaluation. *First impression* counts. It explains in part the heavy investment by the Toyota management in upgrading their showroom facilities and training their sales personnel. The first few minutes in the showroom set the stage and the tone of service that is going to be received by the customers. Once the tone has been established, it is difficult to change a customer’s impression of what follows. For example, Rusty Pelican Restaurant of U.S.A strives to create memorable first impression. Rusty Pelican Restaurant’s management formed what it calls the “90-second committee” to study the first and last seconds of customers’ experiences at their restaurant. Similarly, the Chinese restaurant of Dynasty Hotel in Kuala Lumpur has insisted to have a lady to play Ku Chen (a Chinese musical instruments) near to the restaurant’s entrance during peak hours to welcome the incoming guests.

7.3.4 Test Drive

Following the reception, the salesman engaged himself in serving customers in fulfilling their transaction needs, which include product presentation and test drive. Test-drive provides customers with real life experience and a credible source of product information on Nissan vehicles; no other source of information is as reliable as the personal experience of handling the vehicle itself. However, it is found that most customers failed to iterate the test-drive’s experience as an important component of customer service and that has resulted in most salesman in TCM mistakenly underestimating the importance of test-drive to customers. Nevertheless, in most cases, test-drive plays a crucial role in making purchase decision. In Nissan showroom, 80% of Cefiro customers expect test-drive session during their visit to the showroom.
Having test-driven the vehicles along with the salesman and feeling satisfied with product presentation by him, customer proceeds with finding out further details on trading terms, financial assistance and insurance coverage and other supplementary activities involved in vehicle purchases. At this point, the salesman is expected to provide the required information accurately and confidently.

7.3.5 Pre-Delivery Inspection
The purchase is complete when customers take possession of the vehicles during delivery. Delivery is important as last impression and last impression counts. The delivery, if conducted satisfactory, may cement the final impression of the sales service, which influences a customer's willingness to make a repeat purchase or provide positive “word-of-mouth” selling to another potential buyers. Furthermore, a favorable last impression sets the stage for the following transaction experience - post purchase transaction that involves EAS repair service.

7.3.6 Relationship Marketing
A transaction ends with vehicle delivery whereas a relationship approach finds opportunities to foster future relationship with customer. Strategic relationship building goes beyond contacts during transaction stages. It involves developing a close bond with customer from his first contact and to continue even in the post transaction phase. In fact, many customers were pleasantly enlightened that the salesmen are still concern with their purchase satisfaction even after sales has been concluded and invoiced. Salesman's initiative to follow-up with customer after delivery convinces them that the salesman is truly customer focus. From the company's point of view, follow-up contact is an effective means to check on customer's mood and experience during the consumption period, which has great impact on the overall evaluation of the product. The salesman has a role to ensure positive consumption experience is encountered to reinforces the possibility of repeat sales and referrals. In this aspect, relationship marketing
plays an important role to ensure customer satisfaction for the post purchase period.

7.3.7 Customers' Complaints
Customer recovery is another critical "moment of truth" to customer, nothing could be worst than a complaint handled poorly. In addition, customer recovery is also the "moment of truth" to the employees as to how committed is the management in providing the support needed to them when a customer complaints. Customer recovery is one of the most critical elements of service quality delivery that must be managed effectively.

Research has shown that most customers do not complaint officially; they just tell other prospective customers. A study by the Technical Assistance Research Programs Institute for the U.S. Office of Consumer Affair found that consumers who felt their complaints had not been satisfactorily resolved typically told nine or ten other people about their negative experience. Furthermore, the resulting negative impact of complaint is not limited to prospective customers, employees receiving the complaints may also feel it.

Therefore, it is of great importance that TCM realized the impact of dissatisfied customers and constantly improving the system to handle customers' complaints.
7.4 Analysis of CSI Survey and Fishbone Analysis of Sales Delivery System

The bulk of our analysis would be based on 1996 Customer Satisfaction Index survey result (CSI). CSI is an annual industrial survey jointly commissioned by Nissan, Toyota, Honda, Mitsubishi, Proton, Mazda, Daihatsu and Ford. The objectives of the survey are to measure the satisfaction level of the above-mentioned makes in the area of sales service as well as the after sales service. Respondents for the sales survey were new car owners who bought their vehicles in the same year. For the after sales service, the qualified respondents were those who sent their vehicles personally to the respective workshops for various types of maintenance or repair works at least once during the year when the survey was conducted. Interviews were conducted by an independent local survey company and data were sent to Tokyo Research Consultants Co. Ltd in Japan for analysis.

For the sales service, areas surveyed are:
1. Facilities in the sales showroom (Dealers facilities).
2. Evaluation on the sales staff.
3. Explanation on warranty, maintenance service and others during vehicle delivery.
4. Delivered on the promised date.
5. Cleanliness of vehicles during delivery
6. Follow-up contact after sales.

For the after sales service, areas surveyed are:
1. Service procedures.
2. Service facilities.
3. Follow-up contact.
4. Repair ability.
5. Pricing.
Details of each of the above items are found in the Figure 7.2 and 7.3. The Questionnaire is attached in the appendix.

Detailed scores for CSI 1996 of the sales service of TCM and the competitors are presented in figure 7.2 and 7.3. Figure 7.2 shows the scores of detailed items surveyed for the few major competitors in the local automotive industry. Figure 7.3 shows comparison of each of these items against the industrial average.

Figure 7.3 revealed that TCM's performance in sales service quality is considered acceptable although not absolutely superior. TCM scored above the industrial average in most areas except showroom facilities. In comparison to competitors, Nissan still trailed Toyota marginally, particularly in the area of showroom facilities and sales staff.

From Figure 7.2 and 7.3, we could see that the areas that TCM is perceived to be inferior to the competitors are:
(a) Appearance of showroom.
(b) Availability of sales brochures.
(c) Courtesy and friendliness

The Fishbone analysis presented in Figure 7.4 shows our findings of the contributing factors that has resulted in the less than favorable showroom system for TCM as evaluated by customers in the CSI survey.
## Figure 7.2

### CSI Survey Scores - Sales 1996

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<th>Category</th>
<th>Items</th>
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<th>Honda</th>
<th>Mitsubishi</th>
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<td>49.5</td>
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</tr>
<tr>
<td></td>
<td>Detailed explanation of total cost</td>
<td>52.4</td>
<td>2.3</td>
<td>3.1</td>
<td>3.9</td>
<td>-2.9</td>
<td>-7.9</td>
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<tr>
<td></td>
<td>Salesman's appearance</td>
<td>55.5</td>
<td>0.7</td>
<td>1.5</td>
<td>2.4</td>
<td>-2.6</td>
<td>-1.2</td>
</tr>
<tr>
<td></td>
<td>Explanation of finance and insurance</td>
<td>50.1</td>
<td>0</td>
<td>4.7</td>
<td>4.6</td>
<td>-4.6</td>
<td>-9.6</td>
</tr>
<tr>
<td>Delivery Explanation</td>
<td>Demonstration of vehicle's features/controls</td>
<td>45.3</td>
<td>3</td>
<td>0.5</td>
<td>1.4</td>
<td>-1</td>
<td>-2.1</td>
</tr>
<tr>
<td></td>
<td>Explanation of the vehicle maint. &amp; timing</td>
<td>46.9</td>
<td>3.8</td>
<td>4.4</td>
<td>1.6</td>
<td>-8.4</td>
<td>-7.8</td>
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<td>Explanation of after-sales</td>
<td>43.2</td>
<td>3.1</td>
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<td>0.6</td>
<td>-9.2</td>
<td>-2.5</td>
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<td>Explanation of vehicle warranty</td>
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<td>-2.8</td>
<td>-7.9</td>
<td>5.9</td>
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<td>Delivery On Time</td>
<td>Explanation of delivery</td>
<td>47.7</td>
<td>1.5</td>
<td>6.6</td>
<td>4.7</td>
<td>9.7</td>
<td>-6.7</td>
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<tr>
<td></td>
<td>Test drive</td>
<td>37.9</td>
<td>3.5</td>
<td>2.8</td>
<td>-4.7</td>
<td>9.4</td>
<td>-2.2</td>
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<td></td>
<td>Delivery as promised (%)</td>
<td>73.2</td>
<td>3.5</td>
<td>3.5</td>
<td>2.8</td>
<td>-4.7</td>
<td>-7.2</td>
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<td>Follow-up Contact</td>
<td>Evaluation of follow-up contact</td>
<td>34.3</td>
<td>0.7</td>
<td>3.2</td>
<td>-0.2</td>
<td>-9.2</td>
<td>-5.8</td>
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<td>Follow-up contact (%)</td>
<td>38.0</td>
<td>3.3</td>
<td>3</td>
<td>11.4</td>
<td>-9</td>
<td>-8.6</td>
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<tr>
<td>Cleanliness during delivery</td>
<td>Cleanliness of interior of vehicle</td>
<td>63.1</td>
<td>1.1</td>
<td>4.9</td>
<td>-0.6</td>
<td>-8.6</td>
<td>-9.3</td>
</tr>
<tr>
<td></td>
<td>Cleanliness of exterior of vehicle</td>
<td>62.8</td>
<td>0</td>
<td>0.5</td>
<td>0.5</td>
<td>-9</td>
<td>-9.3</td>
</tr>
</tbody>
</table>

Source: CSI Survey 1996
Source: Authors' illustration
7.4.1 Showroom Facilities – appearance of showroom.

Budget constraint was often quoted as the main reason for delaying investment in upgrading showrooms. Although official investment figures are not available, judging by the layout of Toyota showrooms as compared to Nissan's, it is estimated that the investment on showroom facilities of Toyota is twice as high as that for Nissan. This point is further supported by the vast difference in the scores of showroom related items between Nissan and Toyota as shown in the CSI 1996 results.

We can conclude that the delay in investment is caused by the lack of service vision on the part of TCM management. Without a service vision to leverage value over cost, it is likely that TCM did not see the need for investing in showroom facilities.

The unwillingness to invest in facilities does not only cause dissatisfaction among the customers, but also confuse the employees in terms of priority between cost and customer care. When the management does not demonstrate a sincere commitment to customer service quality by investing in the facility such as the showroom, the employees are often under the impression that Customer Care Excellence is nothing more than just a lip service from the top management.

Showroom appearance includes parking. Although there are designated customer parking lots, it is often disappointing to discover that vehicles belonging to employees occupy these parking lots. Parking is only one example of poor showroom maintenance. TCM's showrooms general are not well maintained. In some cases, vehicles displayed are found to be dirty and dusty. Branch managers are still having the typical mentality, which assumes that showroom presentation is a less critical aspect of business activities.
Test drive vehicles are often found dusty, not fully functioning and unappealing. The poor condition of the test drive vehicles created the negative image of Nissan's product quality.

Furthermore, salesmen often failed to demonstrate to the customers the strength of Nissan's product during the test drive session due to their poor product knowledge and their inability to handle test drive session satisfactorily.

7.4.2 Sales Staff – Courtesy and Friendliness

Employees without the right attitude and skills frustrate the efforts to achieve Customer Care Excellent. An effective selection procedure requires the development of a specially designed recruitment questionnaire that measures guest orientation (human skills), reliability, productivity, and loyalty, as well as possible enthusiasm for an incentive program. Sales profession is not a high profile and glamorous job.

In TCM, selection of salesman is decentralized and it is often the responsibility of branch managers. However, some TCM branch managers who conduct selection of salesmen failed to appreciate the significance of the recruitment exercise in finding suitable candidates. The salesman selection process is relatively simple with the HQ placing recruitment advertisement in the newspapers. Branch managers finalized the selection by conducting twenty minutes face-to-face interview with the prospective candidates. Some managers unknowingly recruited salesmen who were dismissed by their former employers on the ground of swindling customers' money or physically assaulting others. Old habits die hard and eventually their employment with TCM were terminated on the similar ground, often after receiving official complaints from customers. This group of salesmen not only disrupted the healthy working atmosphere in the office, they also destroyed the trust customers have with the company.
To join Toyota as a salesman, the candidate would have to attend two interviews one with the Human Resource manager, and one with the branch manager. The Human Resource Manager places great emphasis on the candidate's mental alertness, communication skills and basic mannerism. Furthermore, candidates are tested systematically on their basic knowledge on motoring. The HR manager of Toyota once said, "How much a candidate know about car reflects his/her aptitudes for motoring". Customers prefer a salesman who could go on talking enthusiastically about vehicles, enlighten them on motoring in general while communicating to them the benefits of buying Toyota's vehicles." Other competitors have even more stringent salesman selection criteria. Mercedes recruits only graduates, preferably with some mechanical knowledge.

A Nissan salesman earns a basic salary of RM300. For each unit sold, he would then earn an additional of RM600 to RM1,200 per unit, depending on the model. The sales incentive provides the correlation between quality customer service and compensation. The provision of excellent customer service may help in fostering good customer relationships which may induce repurchase and referral. Thus, effort in offering quality customer service is compensated and reinforced by better income. However, the sales managers are not explicitly compensated for effective Customer Service implementation.

It is the general opinion among managers that they are responsible for sales more than the effectiveness of Customer Care implementation. Compliments from customers might earn verbal praises from their bosses but are not reflected in their performance appraisal and compensation scheme. Sales figures do. This has great implication in terms of priority especially during good times. Instructing salesman to spend less time in explaining during delivery, discouraging customers from requesting for test drive, advising customers to tolerate with minor defects, and "accumulating" defects to be rectified only during first service are some common practices how quality service is compromised for sales figures. This is partly the result of not tying customer complaints with behavioral reinforcement.
On the contrary, Toyota penalizes salesmen and sales managers who failed to solve complaints by the customers satisfactorily by imposing penalty. For each complaint received and found to be the fault of the sales personnel, penalty points would be allocated depending on the severity of the case. This penalty point would then be incorporated into performance appraisal for both salesman and sales manager at the end of the year. To boost salesman’s performance in terms of sales and customer service achievement, Toyota implements the annual sales competition and the winning salesman will win overseas trips and money. The penalty point system discussed earlier is often incorporated into this formulation and evaluation for choosing the best salesman for this competition.

Training should always be emphasized in a service-oriented environment such as that of the automotive industry. A research has revealed the importance of mental attitudes, the technical skills (product knowledge) and customer handling skills as three critical skills for a successful automotive salesmanship as illustrated in Figure 7.5. Unfortunately, training is critically lacking in TCM. The Human Resource Department does not conduct any training for the sales people. However, the Sales Director has initiated within the sales division, The Nissan Way, to cater for the training needs of the front-liners. Nevertheless, each salesman is only required to attend on the average five hours of training in a year and this is deemed insufficient particularly for a new recruit who does not have automobile sales background.
In addition, there is no structured basic product training for new recruits. New salesmen learn of Nissan product from his sales managers, through trial and errors including complaints from customers, and listening to the stories and mistakes of the others as the mode of learning. When a new model is launched, salesmen will only then have the opportunity to attend formal product training, which is conducted by a senior manager on the product features and the selling points of the new model.

As mentioned in Chapter Six, TCM conducted TC3 training in 1989 and 1990. The impact of the training is felt even until today. For those who had attended the training, they could understand the concept of internal customers and were seen practicing these concepts in their interaction with fellow colleagues and customers. Although the training was terminated, the TC3 training experience
revealed some problem areas that must be taken as lesson learned to be avoided in the future. Problems identified are:

(a) Dissatisfaction over training schedule
   In order to avoid down time and operational hiccups resulting from employees being away for one or two days training, the training sessions were scheduled on weekends from 9.00am to 5.00pm. To the employees, this contradicted the preaching of internal customer care as their time off with their family during weekends was taken up by the training.

(b) Inadequate training facilities
   Most training sessions were held in sales branches without proper training facilities. In some cases, training was conducted in Manager’s room with frequent interruption from incoming telephone calls or walk-in customers’ inquiries. With the office setting, participants’ mind were still very much on their daily operation and find it difficult to take full advantage of the training. Proposals for better training facilities such as hotel conference rooms were often rejected on basis of no budget allocation.

(c) The quality of the trainers
   The few days train-the-trainer session failed to perform miracle by transforming the program leaders to be effective trainers. With limited real life exposure themselves, trainers were having a hard time trying to handle some sticky but practical questions posted by a participant. They were not able to relate interestingly the points for training and thus proved to be ineffective. As a result, the training become uninteresting and does not achieve the intended desired objectives.

In some cases, the behavior of the program leaders themselves is found to be contradicting to TC3 concept. Burdened with their daily operational duties, some trainers could not concentrate on training and were seen rushing
through the training without delivering the message effectively and appropriately to participants.

(d) Effective training reinforcement

Having learnt the new mindset and skills, employees might go back to their respective work place and noticed that their enthusiasm for serving internal and external customers was not in line with the work culture. Many supervisors or managers failed to recognize the need to reinforce the new behavioral change desired by TC3 training. There is often a failure to follow up on the performance of participants after the training. There is no proper measurement and monitoring system on the effectiveness of the training. Thus, the success or failure of the training is not known and further training will not be able to improve upon the weaknesses identified.

After the termination of TC3, no similar training sessions were run. In fact, the top management does not believe in investing in people by mean of training as the returns are not immediate. But this type of training is even more critical when the staff turnover is high.

The Customer Relation Department, the Regional Managers and the TNW teams often visit branches to highlight issues and conduct training on Customer Care. As pointed out earlier, Customer Care needs to be supported by all departments and training is equally important if the approach is to be a holistic one. Training the sales front alone would not be sufficient towards achieving customer care excellence.

Traditionally, sales managers are promoted from salesman who had shown outstanding sales performance. Promotion is based only on sales achievement and not on any criteria of customer service excellence or performance. Besides a few exceptional cases, most of the newly promoted managers lacked managerial skills. There is no managerial development program to develop a
pool of potential sales managers capable of performing superior customer
delivery and performance.

7.4.3 A shortage of sales brochures
The shortage of sales brochures primarily resulted from a lack of initiative on the
part of branch manager in replenishing the brochures stand when required.
There is hardly any restriction on brochure requisition and therefore the onus is
on the branch manager to request for them. As such, the availability of sales
brochures is not considered a serious management issue. Brochure stands are
left empty most of the time and this creates a bad impression in the eyes of the
customers. Therefore, most of these branch managers need to be trained and
communicated on this important aspects of customer service delivery and care.

7.4.4 Communicating the Service Vision.
In the case of TCM, the automotive market has not been segmented
appropriately to cater for differences in investment and emphasis. There is no
segmentation in terms of the usage of vehicles, owners' general psychographics,
needs and expectations. Besides, the sales division has only a service concept
that emphasis long term customer relationship but it does not outline the ways
and methods for implementation. In the sales operation manual, the service
concept is stated as:

"Good salesmanship goes beyond the technicality of sales transaction. It
implies mutually respectful and long lasting relationships that customer can trust.
The second fundamental of good salesmanship is to treat each customer as our
personal guest of honor. Appropriate gestures and language should be extended
to all customers."

The service vision requires the various branches to look into the needs of
customers and to fulfill them in an attempt to make the customers feel like guest
of honor. In section 7.2, we have also identified various important needs that
customers seek to fulfill and one of these needs is the need for image and status. However, the strategy to achieve the service concept was not clearly translated into specific action.

In the case of automotive purchase, image and status are being communicated and fulfilled through the image of the vehicles purchased as well as the physical environment where the transactions took place - the showroom. Status and image is highly perceptive and intangible, as such, customers often look for the tangible elements such as showroom setup in the service delivery system. Showroom set-up is therefore an important source of tangible clues to service quality.

Although not evaluated in the CSI survey but through observation, it was shown that the strategic service vision of the top management was not fully interpreted and communicated to the middle management level. Middle management failed to appreciate or share the same vision of the top management. Furthermore, the vision is also not communicated to the other personnel that delivers customers care excellence, down the organization hierarchy. The most important is the salesman, whom faces the customers.

Managing service is more than designing a service vision and organizing campaign that propagates the vision. The real message must be communicated to employees through signals sent by management attitudes, policies, rewards and supporting facilities. These elements have to be interpreted by the middle and lower management as reflecting the service vision desired. Conflicting signals negate a carefully designed service vision and employees would promptly label the service vision as just mere ‘lip service’. Research has suggested that one of the most frustrating experience of service providers is to work in an organization that stresses total customer satisfaction and then imposes controls and provides insufficient facilities that make it difficult or impossible to deliver it. In the case of TCM, one signal that confuses the employees, besides the poor
investment of facilities is the undesirable product quality control. Vehicle released from the assembling plant are to be transferred to PDI (Pre Delivery Inspection center) for inspection to ensure that they are free from damages and defects before releasing to branches. However, salesmen often found vehicles arrived at branches impaired with minor defects such as scratches and with various components malfunctioning. To PDI, these defects are minor and tolerable. However, the salesmen see them as totally unacceptable because they anticipated customers' complaints on these defects which are considered minor to the PDI.

Although the branches are empowered with the authority to rectify defects before delivery, the time and hassle involve in making arrangement for repairs have raised the question of the commitment of other departments in supporting the achievement of customer service. This again is the poor coordination among the various departments in helping to achieve the intended objectives of customer service care and excellence. All this is the result of a lack of strong customer service vision which is to encompass the whole company and various departments.

The service vision could be lost in the communication process to the successive levels of middle and lower managers. The branch managers are often found to be interpreting and communicating conflicting messages to the salesmen. For example, when the sales manager places no emphasis in showroom maintenance or does not take corrective measures on salesmen's actions that are in contradictory to the service vision, the manager has failed to communicate the service vision to his salesman. The salesmen are receiving contradicting signals. Further more, a good customer service action which is left unrecognized and unfriendly customer friendly attitude not reprimanded will result in further confusion of the service providers.
7.4.5 Measuring Service Performance

Ron Zemke (1990) in his book entitled "The Service Edge" reported that the most outstanding service companies constantly check themselves by finding out the answers to the following questions truthfully.

1. How well do we understand our customers and their expectations on us?
2. Have we defined our strategy - our mission or goal - in terms of customer expectation?
3. Are our delivery systems accessible and approachable? Are they designed to make us a "easy to do business with" or simply for our own operational convenience?
4. Are our people carefully selected, trained, empowered and rewarded for providing exceptional service to customer?

Notice that the focuses of these questions are on the customers. How else could a company find out the answers besides asking the right people - the customers. Understanding customers’ expectation is one key dimension that any excellent service provider could never afford to be slack in. Unfortunately, the implementation of customer service concept and strategies are never measured to its intended objectives. Without a proper mechanism to measure the program, the whole implementation may bound to fail.

The CSI survey has been conducted annually since 1989. It is a survey most automobile companies, including TCM, rely on in trying to understand their customers. TCM has so far relied on this survey to measure the performance of its customer service implementation. However, the survey as a tool of measurement has its limitations.
For easy reference, again, the areas measured by CSI survey are listed below:

- Facilities in the sales showroom (Dealers facilities).
- Evaluation on the sales staff.
- Explanation on warranty, maintenance service and others information during vehicle delivery.
- Delivered on the promised date.
- Cleanliness of vehicles during delivery
- Follow-up contact after sales.

Nevertheless, the survey is a useful tool for providing information on the relative position of each automobile companies in the critical service contact points listed above. But the survey has little value in terms of providing the participating companies with actionable information. What is relevant to TCM as well as other participating companies is not so much of the competition for the number one position per se, rather it is for them to determine what factors influence customers' perception of service provided and how could they improve further. For example, if a branch manager is eager to formulate measures to improve showroom appearance, he would have to either assume what the attributes of the showroom are and formulate action based on his own assumptions. Another manager might approach the problem by complementing the CSI with another survey, probably a qualitative survey such as focus group discussion with customers to identify further what are to expected of the showroom appearance.

With the intention to evaluate customers' satisfaction by branch, TCM conducts a quarterly sales survey with Nissan customers using the questionnaire attached. The questionnaires are mailed to customers within one month after customers have taken delivery of their vehicles. Past experience has shown that response rate of mail survey is relatively low. As such, the Customer Relation Officers will initiate calls to customers to interview them through the phone on the same set of questions. The responses from the return questionnaire and telephone interview are then combined to produce the quarterly report survey findings. The
Combination of telephone and mail survey gives rise to inconsistency. Customers found to behave differently when interviewer is involved, especially when the interviewer is a lady with sweet voice over the phone. Respondents tend to be giving more favorable answers in a telephone survey than in a mail survey.
7.5 Flow - Charting of After Sales Service Delivery system.

Figure 7.6 illustrates the flow of service delivery system of EAS workshop. Upon arriving at the workshop, customers begin to conceive their perception on Nissan's after sales service quality. Customers will start to evaluate the service provided by observing the physical set up and the facilities in EAS as the tangible clues in judging the quality of a service, which is largely intangible in nature.

Economist Philip Nelson (1981) has categorized products as possessing search quality and experience qualities. Search qualities are qualities that a consumer can determine prior to purchasing of a product. Examples of search qualities are size, color, features of a vehicle. Experience qualities are those that can be determined after the purchase, such as the comfort of driving a car, the ease of handling, etc. M.R. Darby and E. Karni (1981) subsequently added credence qualities; qualities that a customer can not determine even after the purchase and usage of the product. Sales and after sales service are associated largely with experience and credence qualities as shown in figure 7.7.

Credence qualities represent higher perceived risks. As the customers do not know how and what to expect, and they certainly may find it difficult in making judgment on the quality level of repair service. Hence, they may perceive auto repair as a high risk product. For example, the customer might have difficulty evaluating the quality of a repair job due to his lack of knowledge in automotive technology. Customers may rely on the tangible elements of the service delivery system as the indication of service quality. The tangible elements and communication components in the auto repairs service include:

(a) Service Personnel
Contacts with customers may be face to face, by telecommunications (telephone, fax, telegram, telex, and electronic mail) or by mail and express delivery services in TCM. These personnel may include telephone operators,
receptionists, service advisors, cashiers and others that have direct contact with customers

(b) Service Facilities and Equipment
Reception area, parking areas, landscaping, customers lounge, furniture, decorative, shop floor, equipment, vehicles in line for repairs, self-service equipment operated by customers such as coffee dispenser, etc.

(c) Non-personal Communication
Posters, form letters, brochures/catalogs/instruction manuals, signage, news stories/editorials in the mass media, etc.

(d) Other people
Fellow customers encountered during delivery service, Word of mouth comments from friends, acquaintances, or even strangers.
Figure 7.6

Process-Flow Diagram For EAS Repair Process

Product And Service Quality

Easy to evaluate — Most goods
High in search qualities
Good product design
Obvious features
Clear instruction in use
Large assortments
Convenient location
Attractive display

Most services
High in experience qualities
Pre-use shaping of expectations
Performance to claims
Good training of providers
Response to customer feedback during the delivery process
Provision of tangible evidence of quality during delivery

Difficult to evaluate
High in credence qualities
Presentation of tangible evidence
Efforts to make the result visible
Development of a large cadre of satisfied customers
Facilitation of the word-of-mouth referral process

The EAS service system requires the receptionist to receive and attend to each customer within the first 20 minutes upon his/her arrival in the workshops. As mentioned earlier, EAS needs to communicate visible signals of expertise and professionalism in order to reduce customers perceived risks. These signals include the way the receptionist carries himself, how he talks and dresses, his mannerism and responsiveness towards customers.

The role of receptionist in TCM is to conduct an initial diagnosis on the vehicles by listening to customers and conduct a quick test drive with customers if it is necessary to do so. Diagnosis is another critical service point where customer judges service quality. The receptionist is not only required to be accurate in his diagnosis, he is required to explain clearly the cause of the breakdown, communicate the recommendation clearly along with reasons why the recommendation is important. Unfortunately, in TCM, receptionists are never trained in this manner. Most of them do not have technical knowledge and experience in repairing vehicles. Therefore, proper recruitment and screening need to be established in choosing the right candidates for the job in TCM.

The diagnosis by the receptionist would be recorded and given to the control room to proceed with repair scheduling. If the customer wishes to wait for his vehicle, he could do so by spending his time in the waiting lounge watching TV or video, reading magazines or help himself to the coffee bar to make the waiting tolerable. Posters, brochures and many other materials are made available in the waiting areas not only to reduce the perceived waiting time, but also serves to educate customers on the general vehicle maintenance.

Once the vehicle is ready for collection, the receptionist reviews the repair work done and shows customer the physical evidences of work done by pointing out to the customers the new parts fixed to their vehicles. At the counter, cashier will then explain the billing and attend to any questions posted in an attempt to reduce the unwarranted insecurity of being over charged.
7.6 Analysis of CSI Survey and Fishbone Analysis of After Sales Delivery System

Detailed breakdown of CSI scores on service workshop is presented in Figure 7.8 and 7.9. Despite being a service firm operating in the local market for the past 40 years, the figures shown that TCM is very much behind Toyota in perceived service quality by the customers.

From Figure 7.9, it is apparent the problems facing EAS are practically in every areas except Follow-up and fairness of parts price.

Following 7.8 and 7.9 is the Fishbone analysis of workshop system (Figure 7.10)
<table>
<thead>
<tr>
<th>Items</th>
<th>Industrial Average</th>
<th>Toyota</th>
<th>Nissan</th>
<th>Honda</th>
<th>Mitsubishi</th>
<th>Proton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Procedure Clear explanation of the service to be performed</td>
<td>43.1</td>
<td>48.3</td>
<td>40.0</td>
<td>41.0</td>
<td>40.0</td>
<td>49.0</td>
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<tr>
<td>Promptness in handling service or repair work</td>
<td>42.8</td>
<td>45.8</td>
<td>39.8</td>
<td>42.8</td>
<td>38.5</td>
<td>43.5</td>
</tr>
<tr>
<td>Careful listening to your service needs</td>
<td>48.1</td>
<td>52.8</td>
<td>45.5</td>
<td>46.8</td>
<td>45.0</td>
<td>52.0</td>
</tr>
<tr>
<td>Clear explanation of the work done</td>
<td>40.6</td>
<td>44.5</td>
<td>39.8</td>
<td>38.8</td>
<td>35.0</td>
<td>49.0</td>
</tr>
<tr>
<td>Ease of making appointment for service/repair</td>
<td>47.0</td>
<td>50.5</td>
<td>47.5</td>
<td>45.3</td>
<td>43.0</td>
<td>47.0</td>
</tr>
<tr>
<td>Delivery of vehicle as promised</td>
<td>46.1</td>
<td>49.8</td>
<td>45.3</td>
<td>48.5</td>
<td>37.0</td>
<td>45.5</td>
</tr>
<tr>
<td>Promptness/smoothness of vehicle delivery</td>
<td>45.7</td>
<td>49.2</td>
<td>46.3</td>
<td>45.0</td>
<td>36.5</td>
<td>44.5</td>
</tr>
<tr>
<td>Courtesy and friendliness</td>
<td>49.9</td>
<td>52.8</td>
<td>48.0</td>
<td>49.3</td>
<td>46.5</td>
<td>51.0</td>
</tr>
<tr>
<td>Service advisor's appearance</td>
<td>48.6</td>
<td>51.2</td>
<td>46.7</td>
<td>50.3</td>
<td>43.5</td>
<td>47.0</td>
</tr>
<tr>
<td>Cleanliness of the car after service</td>
<td>46.9</td>
<td>51.0</td>
<td>46.0</td>
<td>47.8</td>
<td>43.0</td>
<td>43.0</td>
</tr>
<tr>
<td>Availability of spare parts</td>
<td>48.5</td>
<td>50.2</td>
<td>49.3</td>
<td>49.8</td>
<td>42.0</td>
<td>48.5</td>
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<td>Service Facilities Easy to find service reception</td>
<td>51.0</td>
<td>53.7</td>
<td>50.8</td>
<td>50.0</td>
<td>48.0</td>
<td>60.0</td>
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<td>Cleanliness of service facilities</td>
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<td>49.2</td>
<td>50.5</td>
<td>51.5</td>
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<tr>
<td>Comfort of waiting area</td>
<td>49.9</td>
<td>57.0</td>
<td>49.8</td>
<td>50.3</td>
<td>48.0</td>
<td>55.0</td>
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<tr>
<td>Convenience of open hour</td>
<td>45.7</td>
<td>47.0</td>
<td>45.0</td>
<td>42.0</td>
<td>42.0</td>
<td>61.5</td>
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Source: CSI 1996
### CSI Survey 1996 (Service) - Comparison with Industrial Average

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<tr>
<th>Items</th>
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<th>Toyota</th>
<th>Nissan</th>
<th>Honda</th>
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<td>Evaluation of follow-up contact</td>
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<td>Follow-up contact (%)</td>
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<td>4</td>
<td>2.6</td>
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<td>Repair ability</td>
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<tr>
<td>F1 (%)</td>
<td>72.1</td>
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<td>Fairness of the labor price</td>
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<tr>
<td>Fairness of the part price</td>
<td>31.3</td>
<td>2.8</td>
<td>3.1</td>
<td>1.6</td>
<td>-4.9</td>
<td>8.3</td>
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</tbody>
</table>

Source: CSI 1996
Figure 7.10

Fishbone Analysis of Workshop System

Repair ability
(Service Result)

Service Procedures
(Service delivery)

Receptionists' communication skills

Poor repair skills

Diagnosis skills

High turnover

Poor demand/supply management

Insufficient Investment in upgrading facilities

Lacking Customer Focus

Poor communication infrastructure

Explanation on actual repair done

Unfavorable Workshop

Follow-up after repair

Budget for upgrading

Parts availability

Budget for maintenance

No QC control

Source: Authors' illustration
7.6.1 Service Vision

As evident by many successful companies, corporate vision is important in propelling, inspiring and aligning the internal resources of a company towards achieving the future envisioned by the company. Similarly, to be a winner in service, a company needs to have a strategic service vision.

As discussed in the former chapter, EAS failed to have a strategic service vision. The employees see themselves as providing “repair service” and that does not provide any clear indications as to how EAS is differentiated from competitors. EAS is found to be operational-focus rather than market or customer focused. Service vision needs to be complemented with the appropriate service operating strategy and delivery system.

The problem of not having a clear strategic service vision is further compounded by the failure on the part of the management in positioning itself within each market segment. EAS is in the urgent need for the establishment of the followings:

(a) Carefully segment and sub-segment its market base on the needs of the customers.

(b) Develop a clear service vision and communicate the vision to the employees through policies, investments and design of the service delivery system.

(c) Strategize the operation / Human Resources, finance, marketing strategies, in accordance to the service concept.

Not only each of these service elements is not well developed in EAS, the integration among these elements also gives rise to various problems faced by the company. For example, the service delivery system of EAS relies heavily on
the skills of the mechanics, but, the training budget does not allow for extensive training of these mechanics. Furthermore, the compensation scheme for mechanics is found to be inferior to that of competitors and that has caused the high turnover among the mechanics in EAS. To provide excellent customer service, the people, policies and facilities should be carefully coordinated and they must complement one another to provide a “seamless” service for the customers.

7.6.2 Service Procedures
Service procedure covers the following areas of the service delivery system of a service center.

- The queue in which customers waited to be attended by the receptionists.
- Customers perception which include the appearance of the service center
- Explanation by the receptionist before proceeding with the repair.
- The time taken for keeping vehicles in the repair line.
- Explanation for work done upon collecting vehicles.
- Quality of repair work done.
- Cleanliness of vehicles after service.

The queuing system for customers waiting to be attended by the receptionist.
The EAS has the appointment system whereby customers could call in advance to make appointment for the vehicles to be repaired in the workshop. Calling in advance would ensure acceptance on the day of the appointment when customers send their vehicles to EAS. However, there is no precise appointment schedule as all call-in customers are advised to sent their vehicles either at about 9:00 am or 2:00pm in the afternoon. It is difficult for the workshop to estimate repair time of each vehicle particularly repair units, until the diagnosis is being conducted on the vehicles and defects identified. As the result, it is difficult to schedule appointments in advance with the high level of precision when the customers were at the other end of the phone line making appointment.
Furthermore, some customers might change their mind last minute even when appointments have already being made. The “no show” incidents where customers failed to show up despite making appointment earlier further compound the difficulties of appointment scheduling. Most customers fail to see these operational problems of EAS and it is being reflected in the low opinion about the survey item “ease of making appointment for the service/repair” for TCM.

7.6.2.1 Service Reception

The service advisors in TCM appeared unfriendly in receiving customers. Generally service advisors do not have a sense of pride in their jobs. They see themselves as the receiving ends of product quality problems. Product defects are originated by the TCMA and rightfully should be detected and rectified at PDI as the second line of QC.

However, the receptionist saw the ineffectiveness of these parties as the cause of customers’ unhappiness. These customers will complain and sometimes shouted at them out of frustration over product problems which are of no faults of theirs. The receptionist perception of his role is very much of an operational approach - they interpret their role from the operational point of view. They are only here as only to provide receptionist function, not as part of service delivery system, which contributes to customer satisfaction, and delivery system. This is a clear result of lack of service vision, lack of coordination as well as unclear definition of role of the receptionists.

Despite the obvious need for training in handling people, training on customer handling for receptionist is limited. Receptionists are scheduled to attend a few technical training annually but only one Customer Care session a year was provided. To make matter worse, this training session was conducted on a Sunday. The selection of date for the training is another confusing signal to
employees that customer service is of an ad-hoc basis, impromptu and lack of attention and seriousness. This is contradicting to what the management preaches to achieve in excellence customer service, care and excellence.

There is a dire necessity to train the receptionist not only on the technical knowledge but also stress management. Most customers walk into the workshop feeling unhappy if not furious, about the problems in their vehicles and often the unhappiness is reflected in their unfriendly communication with the receptionists. The receptionist often shows signs of stress after handling angry customers. If this level of pressure and stress is not handled accordingly, it will translate into poor service rendered to customers. As a result, the quality of customer service in TCM will be compromised.

7.6.2.2 Explanation by the receptionist before repair.
Receptionist attends to customers by gathering the basic information and recording of problems into Job Order forms. These documents are given to the mechanics to facilitate repairs requested by the customers. If the repair request is complicated and technical in nature, the receptionist would hand over the customers to a service advisor who is more technically sound for further diagnosis. The service advisor is typically poor in explaining the technical problem in a layman language that the customers could comprehend. Hence, again it will result in poor communication between the company and the customers. This is one of the major problems identified in TCM's service delivery system.

In certain cases, subsequent investigation on the vehicles may discover that earlier diagnosis by the receptionist or service advisor was totally inaccurate. For instance, the receptionist might advise the customers that the abnormal noise detected from under carriage was due to steering knocking which might cost few hundred ringgit to replace with a new one. However, the mechanics who repair the vehicle later found out that the real cause was only a loosened nuts. Although
the customer may feel relieved for not having to spend the few hundred ringgit, he/she would question the creditability of the diagnosis of the receptionist. Should the mechanics proceed with the replacement of the steering, the customers would then be paying for an unnecessary replacement. As far as the customers are concerned, they will evaluate this as a lack of quality of services rendered by TCM.

7.6.2.3 Quality of repair work done
Part of the reason for poor repair quality arises from the inability of the mechanics in performing service procedures efficiently to solve the customers' complaint right on the first time. Due to high turn over of staffs in the past, EAS is now having a pool of mechanics who need to be trained further. Intensive coaching and double checking on the work done is needed. The process not only disturbed the work flow but also affected the quality of repair done on the vehicles.

The poor service quality attributed not only to poor repair skills but also due to the inability on the part of the mechanics to anticipate other related function of the vehicles that might be affected by the repair. The lack of stringent QC control after the repair before releasing vehicles to customers further aggravates the situation.

Most EAS have a stand-alone computer system, which is not linked to VTBAS or computers from other workshop. For branches without computer, repair records were kept manually in Customer Repair History file. If a customer send his vehicle to another EAS workshop, the service advisor would have to make several telephone calls and wait for the former workshop to provide him with repair history. Consequently, it will prolong the repair process and diagnosis of the problem. This will further frustrate the customers and affect the perception of the quality services rendered by TCM.
If there are new problems detected, especially with new models, service manager will have to make several contacts to other EAS to check if the same problems were encountered and what were the solutions. Difficulty in sharing information in a timely manner is identified as one source of poor service quality as learning among service personnel was limited. The inability of TCM in realizing the need for information technology and a comprehensive management information system will affect the quality of services rendered. In order for the service personnel to perform quality of services, an integrative and comprehensive communication linking all the branches, workshops, showrooms and head-office needs to be in place.

7.6.2.4 Demand and supply management
Another contributing factor to the long service line that causes the customers to wait longer than what is necessary was the poor demand and supply management. Although there is a control unit to schedule and monitor work flow, the unit becomes ineffective when the mechanics failed to complete their tasks within the scheduled time frame or failed to report to the control unit when the work is completed. There was no tight control to ensure mechanics complete their job as scheduled.

There seems to be a regular imbalance between the intake of repair works and the availability of manpower. The main contributing factor to the problem was the inability to mobilize idle mechanics to the location that requires them most. Without an effective way to assign the mechanics, the only solution to cope with the problem is to have a large number of mechanics. This is highly inefficient and ineffective.

The similar situation is found in the morning when most customers bring their vehicles to the workshop before going to their offices. Customers were left unattended while waiting for the receptionists who are occupied in attending to
other customers. It is quite common for customers to wait for more than half an hour just to be attended by the receptionist.

Coordination among receptionists and the control room was an important link to manage demand and supply. Receptionist should be well informed of the intake capacities available to avoid unrealistic estimation of delivery timing. Furthermore, the intake capacity of other branches in the vicinity is not available to the receptionist. As such, the receptionist is unable to divert excess demand to other workshops to avoid disappointing the customers.

7.6.3 Repair reliability

7.6.3.1 Parts availability

In some cases, repair was incomplete and customer is to return on another day due to the unavailability of certain parts. This involves an effective inventory control system. Accuracy of inventory records and the speed of getting the required parts from the respective suppliers when needed are critical to a reliable service delivery system. But unfortunately, in TCM there is a lack of emphasis in the control of the inventory of parts and components. TCM as company obviously does not realize the importance of this as part of the quality of service provided by them.

7.6.3.2 No explanation on estimated job done

When there is any additional repair work to be done subsequent to the initial diagnosis particularly when it involves substantial cost, receptionist often failed to contact customer and obtain authorization before proceed with the repair. Hence, most often than not when receiving the bills of the repairs the customer will be left fuming and dissatisfied.

Upon collecting vehicles, most customers were anxious to understand what has been done to the vehicles and how could they possibly prevent reoccurrence or
prevent premature wear and tear. To meet this expectation, receptionist need to have the initiative to explain the repair and breakdown of the charges.

Unfortunately, TCM receptionist failed to appreciate customers' need for information and to be knowledgeable in maintaining vehicles. Explanation from the receptionist is found unclear, not accurate or often misleading.

7.6.4 Service facilities
Besides repair skills, the facilities and equipment are another contributing factor to the poor workmanship found in EAS repair work. Only 20% of the workshops are equipped with alignment and balancing machines.

7.6.5 Follow-up
7.6.5.1 Attitude
No workshop managers dispute the benefits of contact after repair. However, observations suggest that the managers do not engage themselves enthusiastic in these activities. Occupied with the day-to-day operation, workshop managers place little emphasis on after repair contact. The reasons for unsatisfactory after repair contacts are:

Managers fail to see the significance of after repair contacts from a long term perspective. Rather, managers see the impact of after repair contact from the operational point of view. Voluntarily contacts encourage complaints and invite customers to return with small tolerable imperfection, which increases the operation cost. The operational perspective is further reinforced by the cost and effect analysis. Manager see after repair contacts as high and unnecessary costs in terms of employee's time and telephone charges while the returns or benefits are not immediate.

There is no incentive to practice Customer Care diligently. Both managers and mechanics earn a fix salary. There is no further incentive for the employees in
the workshop to go the extra mile in delighting customers like contacting customers after repair.

The managers' ego that blind them from accepting the facts that they contribute to the unfavorable comments on workmanship from their branches.

7.6.5.2 Facilities for contact - the system and manpower
Telephone contact was the main method of contacting customers and the managers are at the same time answerable for the telephone cost incurred. Not only the cost is the concern, branches are not fully equipped in terms of telephone facilities and allocation of human resource in making contacts after
7.7 Summary.

To conclude from CSI survey, TCM performance in service delivery is undesirable compared to its competitors. In summary, the probable dimensions that are important in providing quality service, but seen lacking in TCM are:

- a lack of customer focus in service due to unavailability of clear strategic service vision

- a lack of integrated internal communication programs and external-oriented marketing, resulting in disjointed and confusing messages communicated to customers.

- a lack of a comprehensive training programs for service personnel resulting in dissatisfied customers

- a failure to capitalize on service encounter and first impression to capture customers

- a lack of measurement on service quality criteria