

## **Quality Engineering and Management**

### **Lecture V**

## **Focus on the Customer**

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## **Focus on the Customer**

### **Identifying the Internal and External Customers in Supply Chain**

*From the hatchery to the "chef"*

**Supply chain – integrated systems**

## **Focus on the Customer and their Buying Decisions**

### **Product Quality vs. Product Features**

*Examples from food processing*

*boneless product*  
*cooked product*

## **Methods of Analyzing Customers Needs and Expectations**

**"Costs of meeting requirements that are not needed or expected can be a waist"**

## **Methods of Analyzing Customers Needs and Expectations**

### **Market Research**

*Traditional marketing activities:*  
*benchmarking the competition*  
*Direct contact with customer:*  
*interaction and focus groups*  
*Surveys:*  
*general and targeted*

## **Methods of Analyzing Customers Needs and Expectations**

### **Consumer Behavior Terminology**

*needs - stated vs. real*

*expectations - modified with experience*

*satisfaction/perception - relative to needs and expectations*

**UPS example – speed was an assumed expectation**

## **Methods of Assessing Customer Satisfaction**

**Relationship between customer satisfaction and customer loyalty**

## **Methods of Assessing Customer Satisfaction**

**Traditionally**

**Complaints, failure reports  
(warranty information)**

## **Methods of Assessing Customer Satisfaction**

**Information Age Methods**

**Internet assets  
cost beneficial  
general and targeted**

## **Marketing and Customer Service**

**Customer Relationship Management**

**Identify customers  
Differentiate customers  
Interact with customers  
Customize for key customers**

## **Marketing and Customer Service**

**Supplier Relationship Management**

**Selecting suppliers  
Communicating your requirements to suppliers**

## **Marketing and Customer Service**

**Warranty/Guarantees**

**Example:  
Hyundai (10 year, 100,000 miles)**

***Marketing and Customer Service***

***Packaging***

***Individual product packaging  
Packing for distribution***

***Marketing and Customer Service***

***Transportation and Storage***