INTERNSHIP REPORT ON

SERVICE RECOVERY

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(MBA PROGRAM)

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Introduction

Changes are sweeping across the globe in the 21th century in the blink of eyes. These changes have also touched business greatly. As a result most of the companies are focusing on service marketing, a big switch from traditional manufacturing marketing to service marketing. However,switching from traditional manufacturing marketing to service marketing is not as easy as itseems. Economists label this world economy as service economy. Most companies are tryingvery hard to enter into service marketing. But it poses greater challenges and opportunities for the aspiring companies. Experts say that a company which wants to morph into service marketing requires changes in management mindset, changes in culture,changes the ways of the work, the ways of implementing customer solution. Most of the companies are not able to differentiate between traditional marketing and service marketing. This is where the danger lies.Since its intangibility in nature, service lies everywhere from the starting point to end point of selling, delivering and solving product and services simultaneously. As traditional service evolvesand becomes more competitive,effective service management and marketing strategiesneed to be continued. Now customers expect high level of customer service and total service solution with them which force companies to bring not only physical products but also excellent, high quality goods and state of the art technology to fulfill more demanding and extraordinary needs of the customers to remain competitive in the long run. Most of the government institutions along with private organizations are being deregulated to match with changes taking place everywherein order to finding out better ways to understand and segment customer, to ensure the delivery of quality of services & strengthen their position amid a growing number of competitors. Initially the companies who were successful in service marketing relied on faith and intuition whereas other companies avoided investing based on faith. It is seen thatthe strategies whichfocused on customer satisfaction, revenue generation and service quality may actually be more profitable than the strategies focused on cost cutting or endeavor to do both simultaneously. There is a great linkage between customer satisfaction and profit—'customer satisfaction yields more profit'

The GAPS Model of Services

GAPS model of services is developed in order to understand the gaps between customer's expectations of services and customer perception of services andit reduces the gaps to a minimum level possible. Most of the time customers think of high quality when entering a renowned company but they may not get the quality according to their expectation. On the other hand many small organizations are better able to meet the customers' expectation by giving them home feelings.
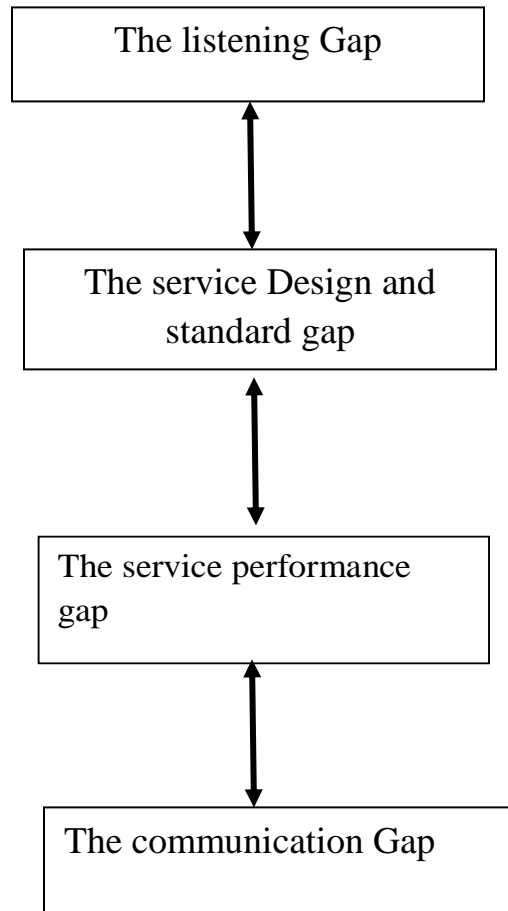
Practical example from my organization

My organization is a garments export oriented company.My corporation export garments products .Our main markets are in European Union (mainly France, Italy) USA, Mexico etc. We take orders from them by e-mail, Skype,mobile phones .As they are not physically present we are not able to better understand the needs of the customer. Sometimes we fall short of their expectationbecause of the gaps between their expectation and our delivery of services. As a result they develop bad perception of our services. Ours is a small organization and autocratic leadershipstructure which don't result in holistic thinking about quality. Through there is a quality department, it does't have much financial leverage and authority todoresearch and take a decision on the spot. Though our MD visits buyers office abroad frequently to take order, he can't match the quality according to buyers demandbecause of raw materials, technology, mismatch between our organization and producing firm. Because quality should be organization wide,everywhere in the organization and even outs the organization in whichlike garments factory we are giving orders to manufacture garments products throughdifficulties practically and also in abroad where we are delivering our products.

So it is tough task to design such a holistic approach because of its limitation like management mindset, changes in the ways employees work.It can delegate some power to employees to convey their understanding of services to MD. We can solve our problem by 1)Being physically involved when taking order 2) involving aninterpreter to better understand the buyers' needs 3) Keeping up with the commitment what we are promised to.

Provider GAPS:

It's not the customers responsibility to make the company understand about what they want rather it's the company responsibility to understand what the customer expect in order to have a lasting relationship with them. There are some gaps which every company needs to fill to sustain in the market for a long time. The GAPS are as follows

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┌─────────────────────────────┐
│      The listening Gap       │
└─────────────────────────────┘
              ↕
┌─────────────────────────────┐
│   The service Design and     │
│        standard gap          │
└─────────────────────────────┘
              ↕
┌─────────────────────────────┐
│  The service performance     │
│  gap                         │
└─────────────────────────────┘
              ↕
┌─────────────────────────────┐
│   The communication Gap      │
└─────────────────────────────┘
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<div align="center">**Listening Gap:**</div>

Listening Gap arises the differences between customer expectation of services and corporation understanding of those services. There are many reasons why the listening gap arises—mangers are not aware about customer expectation, lack of interaction with customer, unwilling to ask about expectation etc. When top level management doesn't fully understand about customer expectation, it will have a ripple effect throughout the organization. Management needs to collect accurate information about customer otherwise the gap between customer and organization will widen.

A practical example from my personal observation:

Spider Fashion limited was one of our buyers. It wanted to do business with us. So it sent some samples and inquiries before final ordering. It also communicated with our organization over phone to make some changes in the product sample. But we were unable to properly understand his words due to language barriers. We made some sample items basing on its given samples and shipped the required items.This process continued for three times. He was shocked at receiving our samples. Because the samples were not in accordance with modified sample requirement. So we lost our buyer due to listening problem

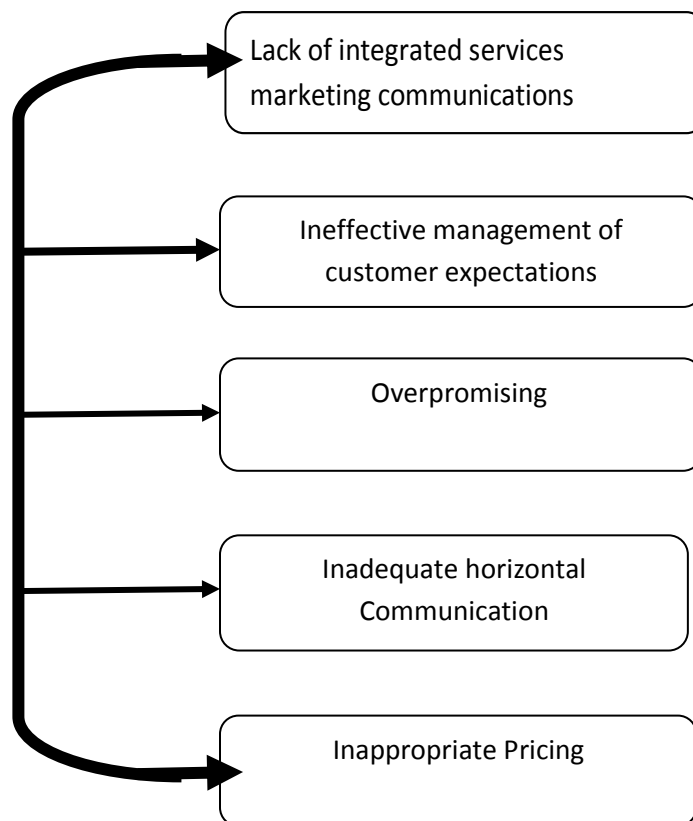## Service Design and standard gap:

 All the time understanding of customers' perception accurately is not important but necessary to deliversuperior service quality. We have traditional service design and standard which have been working for decades as criteria to measure a company'sperformance. But we are living in changing word where we need to design our standard mostly driven towards customer. All the time it is not possible for management to live up to customer expectation. Technology innovation helps organization to better design service and standard driven towards customers. Service and standard dependlargely onreliability,speed, flexibility and customer knowledge.

Service performance Gap

Service performance gap is differences between customer driven standard and actual service performance by organization, to provide customer driven standard is a difficult task. It requires appropriate resources like—right people on right place, systems, financial leverage and technology. It hinges upon employees to provide better service to the customers because the directly interact with customer. So human resources department needstorecruittrain, motivate and design a service in keeping with the customer expectation. Understanding customer rules and how customer themselves can influence service delivery. In delivering service organizations need to control or motivate intermediaries to fulfill company goal as they are selling company products or service directly. Sometimes customer act negatively which ultimately influence company decision making badly.Firms need to draw a balance between demand and capacity. Sometime service is under- utilized or over-utilized. As a result, some marketing strategies,price changes, advertising,promotion and alternative service offerings,can help the company for managing supply.

Communication gap:

Customers expectation arises because of promises made by service company through its media advertising,sellers forces and the standards against which customers assess service quality. But the organizations are not able to provide their promised services due to over promising in advertising or personal selling, inadequate coordination between operations and marketing and differences in policies and procedures across service outlets which create are discrepancy in the mind of customer. Communication gap results from:-

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┌──────────────────────────┐
│ Lack of integrated       │
│ services marketing       │
│ communications           │
└──────────────────────────┘

┌──────────────────────────┐
│ Ineffective management   │
│ of customer expectations │
└──────────────────────────┘

┌──────────────────────────┐
│ Overpromising            │
└──────────────────────────┘

┌──────────────────────────┐
│ Inadequate horizontal    │
│ Communication            │
└──────────────────────────┘

┌──────────────────────────┐
│ Inappropriate Pricing    │
└──────────────────────────┘
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We don't make over-promisingduring providing a service. We try to render customers a service which is amicable and profitable to the both parties. We provide customers all information necessary and provide actual price. We want to remain transparent by providing every details of service. Our buyer is Carolos. He wanted to see some samples of T-shirt. We sent him 10 samples of T-shirt of different categories and sizes. Along with sample we provided our base price. He ordered 50000 garments with terms and conditions which include delivery date, goods quality, price etc. we negotiated with our local factories regarding buyers' terms and conditions. Factory confirmation we again negotiated with buyers. We mentioned that some terms and conditions should be relaxed. Otherwise we can't match between price and production and lead time. After getting Okayed from him, we ordered to produce the garments. During production time, we invited him to visit us to see the progress. He visited Bangladesh several times during production time. We did all these things in order to be transparent to him.

Consumer behavior in service:

European customers are always concerned about quality. Every customer wants customized product which is not possible practically. Because customized production increases the price of the product. In the past, customers focused on prices rather than customized products. As a result the size volume was large and price was less. But now situation has changed a lot due to customers' taste, increase in income level etc.

Consumer behavior includes the processes and motives that drive consumer buying activities. Consumers typically make purchases in a systematic way, with the time frame and nature of the process dependent on the type of purchase. The standard consumer buying process with a service has some specific differences from a product-based purchase situation.

Need Discovery →

Information Search →

Post-Purchase Evaluation →

Proof Devices →
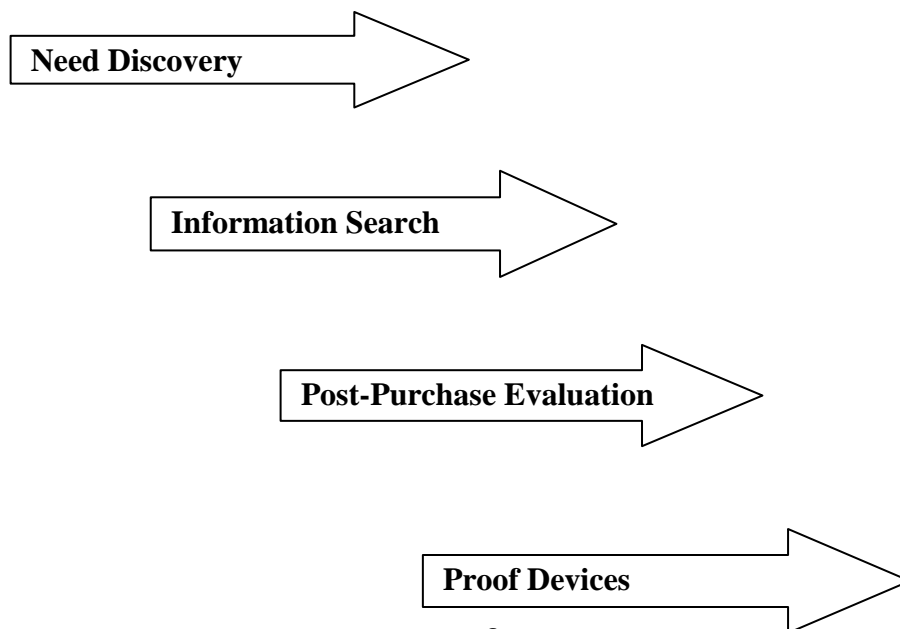
Need Discovery

We focus on both actual and potential buyers. Besidesexisting customers, we observe the selling trends of the market from the websites and visiting foreign countries. After observation, we produce some samples. We invite some of our potential buyers to see the samples. We also collect other buyers' address and send them our own createdsample to show them our product quality and variety. We do it several times in a year in order to attract our potential buyers. On the other hand, we do some activities in order to retain old customers and have stronger relationship with them such as we send them gift during their festivals and any personal festivities. As a result, it develops friendly relationship with the buyers. We also keep in touch with the buyers so that we may know our products selling trends, how well actually the products are sold on their respective markets, the problems the buyers face during selling etc.

Before going for big volume production, we and buyers test the market—sending our produced samples to both countries' outlets to know whether the products will be selling well or not. If trend is high, we go for mass production. If it is moderate, we reduce the volume to the expected market demand. It is done for both of our benefits. But all the time this marketing method is not working well. Once Xiamen Velland Garments Co., Ltd, our buyer told us to make some samples and test the market. If the market response was high, it would order us -----to test the market. The market response was moderate. It ordered us just 0.3 million pieces instead of 1 million. We produced the garments and sent them. After 10 days, the buyer called us and told that the product was going well. He again told us produce the rest of 0.7 million products. But it increased our product price a little bit. So our Managing Director decided to find out the reason. That the time of market test should be increased was our finding.

Post-Purchase Evaluation

The first step in the consumer decision-making process is need discovery. This stage is where a consumer realizes he has a functional or emotional need or want. In engaging in a service scenario, consumers recognize several common needs. One is expertise. A consumer might hire a plumber or electrician for their service expertise, for instance. Time savings, more valuable ways to spend time and simply not liking to perform a certain activity are among needs or motives for a service purchase.

The second phase of the buying process is information search. During this stage, the buyer looks for information and evaluates providers on certain criteria. Services are intangible, so buyers often need to consult company websites and talk with sales reps to evaluate options. Additionally, services are often highly involved purchases for buyers because of the costs and importance. To get someone to hire your roofing company, you must provide significant information about the value of your materials and service relative to competitors.

Buyers typically want to see proof of benefits before making a product or service purchase. With products, you can show buyers how the product works and demonstrates the benefits. With intangible services, you can't. You can, however, provide customer testimonials emphasizing the quality, reliability and value of your service. It is also important to connect with customers' emotions by communicating the value of your expertise or the time that you save them.

Following a purchase, customers compare what they experience with what they expected. This point makes follow-up and follow-through on commitments important to customer satisfaction, repeat business and referrals. What makes a service experience distinct is that the people who provide it are especially key to the customer's perception of the experience. Getting customer feedback on the quality of service provided by all employees involved in the sale and delivery of the service is helpful in making any necessary improvements.

Understanding Customer Expectations of service:

Customers expectation of service varies from country to country, culture to culture, society to society, community to community etc. when organization are not able to provide expected or desire service but they should know to what extent customers tolerate a service.

Example from my organization: Providing service to customers depends on how much a customer pays us. Because to maintain quality for a customer incurs some financial cost which my (RMA) company is not willing to pay due to less payment from customer. My organization can meet adequate service expectation but not desired service expectation because it's dependent upon how much he is paying.But to some buyers we are providing them with desire service because of the payment. I observed that there is a misconception in the mind of many customers about Bangladeshi companies that they are not providing desire service.But I can tell you that many organizations of Bangladesh are providing desired service like—my company is providing desire level of service. Some buyers who are putting blame Bangladeshi companies that they are not providing desire level of service should reconsider their payment package. Because Bangladesh is labor intensive country so buyersorder low price products and consequently we are not able to fulfill their expectation.

Customer expectations is a prerequisite for delivering superior service, customers compare perceptions with expectations when judging a firm's service. However, the nature of customer service expectations and how they are formed has remained ambiguous. Researchers have defined customer service expectations in a variety of ways but with no conceptual framework to link different types of expectations or indicate their interactions in influencing perceptions of service performance.

Motivated by the pivotal role of customer expectations in service quality assessments, and by the limited knowledge about their structure and formation, we have undertaken a study designed to answer several fundamental questions.

Customer perception of service

Carlos, our buyer, has 22 suppliers across the world. We are one of them. We get order of low-end to middle end products from him. He prioritizes us over any supplier because of our strength of delivering the garments items on time at lower prices than that of any suppliers across the world. He believes we can deliver the garments items on promised date with promised quality. He feels like we are part of his family. Our managing director, Mr. Ifti visits Carlos very often, attends festivals there in Mexico and vice versa. He has always strong and positive perception about us. It has grown with the passage of time. But he doesn't give us fancy items, high-end garments items. Because we don't have that kind of expertise to produce high-end garments. However, we can produce high-end products which are not cost-effective for us. So customers' perception about us is very positive. Very frankly all the buyers don't have positive perception of our products and services. As our business is growing steadily, we can definitely say that our customers hold positive perception about us in most of the cases.

Service is the building block for many successful sustainable organizations. They make service as their prime strategy to sustain in the market for a long time and outpace the competitors from the markets. They should provide exemplary, out of the box service. Though its seems to many companies that service cost a lot but those who center their strategysolidly focusing on how to keep customer happy in every possible way have become successful companies in the era of 21st century and globalization. However,customer satisfactionis a border term which many organizations in the developing country like Bangladesh think customer service in a narrow way. But many companies have been very successful in Bangladesh in dealing with customers' satisfaction like- Grameen Phone, Burger paints, square hospital etc.

Customer satisfaction is influenced by features and attributes of the products as well as customer emotional responses, their attribution, and their perception of fairness. Service quality is a vital Determinant of customer satisfaction. Perceptions of service quality is based on 5 dimensions –
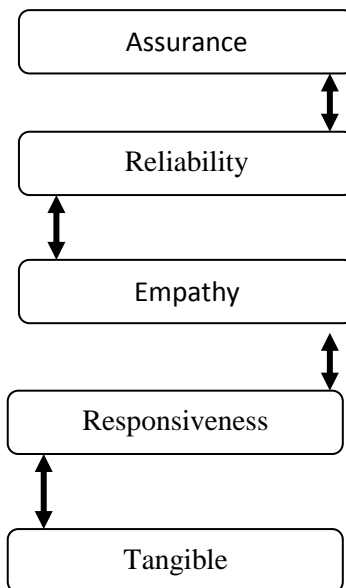
Globalisation of production

In today's globalising economy competition is getting fiercer. That means it becomes more difficult for our products and services to differentiate themselves from other offerings than ever before. Not only is the number of competitive offerings rising due to globalisation of production, sourcing, logistics and access to information but also many of our products and services face new competition from substitutes and from completely new offerings or bundles from industry outsiders. Since product differences are closed at an increasing speed and many companies try to win the battle for customers by price reductions, products and services tend to become commodities.

On the other hand, customer behaviour becomes more hybrids. On one hand, customers are increasingly price sensitive – searching for bargains at marketplaces like many of our buyers are switching to Cambodia, Honduras, china, India etc. On the other hand they enjoy branded and luxury goods.Bringing it all together, it becomes ever more difficult for us to differentiate a product or service by traditional categories like price, quality, functionality etc.

The development of a strong relationship with buyers could likely prove to be a significant opportunity for competitive advantage. This relationship is no longer based on features like price and quality alone. Problems during a single transaction can damage a so far favourable customer attitude.

The consequence for us is that we have to adapt our ways of competing for customers. Traditionally, we have focused their efforts of customer relationship management on issues like customer satisfaction and targeted marketing activities like event marketing, direct marketing or advertising. They narrow the relationship between us and our customers down to a particular set of contacts. It helps us have repeated purchases and prevented the customer from telling others about his disappointing experiences. Our loyal customer, however, is more than a customer who frequently purchases from our company.

The emotional bond links the customer so closely to our company that s/he develops a clear preference for our products or brands and is even willing to recommend them to others. Our Loyal customers truly prefer our product, brand or company over competitive offerings. Thus loyalty goes beyond a rational decision for known quality or superior price-performance-ratio. It is about the customers' feelings and perceptions about the brand or product.

We have many buyers. But the level of relationship is not same with all buyers. It takes time, understanding, quality product and service, belief etc. to have empathic relationship with buyers. One such buyer is Price Shoes. From the beginning of our business to till now, he is our customer. At very first we provided products and services expressing our strengths and weaknesses. This has been done to remain transparent and not convey overpromising. We don't reject an order outright.

<u>Listening To Customers through Research:</u>

In order to understand the customers better, our organization has made a strategy to ask the potential buyers about product features and attributes ---delivery methods, transit, product catalog, calculating price etc. through mobile phone, e-mail, Skype, directmeeting etc. We offer our buyers some sample product design and service basing on the surveyasking potential buyers about their product and service preferences. Most of the time they responded positively.

As it is a growing buying house, it is not feasible for the company to carry out mass scale marketing research. We indeed do make some initial marketing research to forecast the trends and dynamics of market. Such as we send some samples to different market and super shops, visit different countries and their market, communicate with different buyers, using internet to know the latest fashion etc. we make products basing on these marketing research.

Our ways of marketing research:

- ✓ **Trying to know customers reactions, discontents, and dissatisfaction through our Facebook fan page by giving new sample design, advertising new products and having instant reaction as we give instant reply**
- ✓ **Visit by our managing director to buyers' countries to know the direct reaction from buyers, even acting as a salesperson in a super shop, buying a garment item from a super shop and asking them item related questions**

Building Customer Relationship

Old is Gold

My organization has a buyer named Price Shoes located in Mexico with whom our organization has a strong personal relationship with him. It has developed this kind of strong relationship throughout time by offering not only quality products and services but also attending marriage ceremony and giving away gift which helps us have a personal relation and family-like bonding. They don't switch to other countries' company though they offer fewer prices than that of us. It has been possible due to their belief in us.

Our organization tries to provide service according to the buyers' specifications and remain committed and true to its word to have a long and lasting relationship. It is undoubtedly customer relationship which is the catalyst and building block for our organizations' success. So researching customers effectively and efficiently means building our organization's strength through building customer relationship.

Organizations' focus is on retaining existing customers rather on attracting new ones. It requires our company to customize its strategy to match the industry, the culture, and customers' needs of the organizations. There are some forces of that affect the development of strong customer relationship---customers' measurement of core service offerings, the switching barriers that the customer faces in leaving a relationship, and relationship bonds developed with that customer by the firm.

Focusing on keeping its customers and building long term relationship with them is the core strategy of an organization. It sometimes fails to understand exactly rather than viewing customers as assets that they need to nurture and retain them. Focusing on attracting new customers may lead to the traps of short-term promotions, price discount, or catchy ads that bring customers in but are not enough to bring them back.

R M A WAYS OF BUILDING CUSTOMER RELATIONSHIP

Product

✈Our products are customized to the customers' preferences.
✈New products are developed and designed cooperatively with buyers.

DEELUXE 74 UNION MADE		COMBO FILE
LABELING : STANDARD C	FABRIC : FLEECE AS O/SPL	DESIGNER : PHILOMENE
SEASON : SUMMER 2015	WEIGHT : AS PER O /SPL	DATE : 28 APRIL 2014
REF : S15-503 COSTE	EFFECT : GARMENT WASH	Original product manufacture
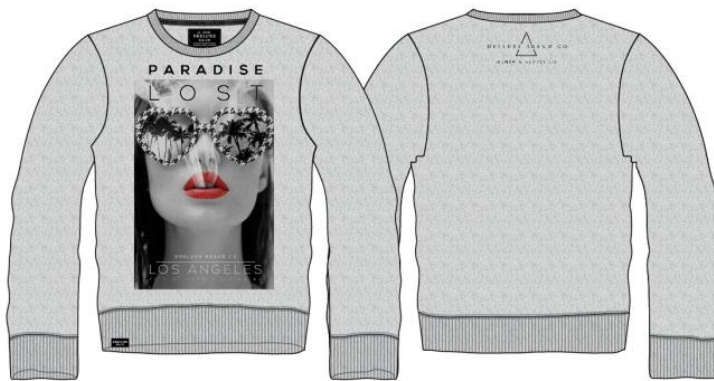
COMBO LIGHT GREY MEL AS PER O/SPL

COMBO CHARCOAL

LINEA / RUBRO / MATERIAL	MODELO/ITEM	FOTO / PHOTO	COLORES /COLORS
	0131B		GREEN OUTMEAL (VERDE/AVENA)
	0131		PEACH OATMEAL (DURAZNO/AVENA)
	0404		STRIPED GRAY MELANGE / WHITE (RAYADO GRIS JASPE / BLANCO)
	0404B		BLACK (NEGRO)
			EMERALD GREEN (VERDE ESMERALDA)

Communication

→RMA favors more individual communication and dialogue with customers.
→RMA favors more integrated marketing communications to deliver the same promise and image to the customer.
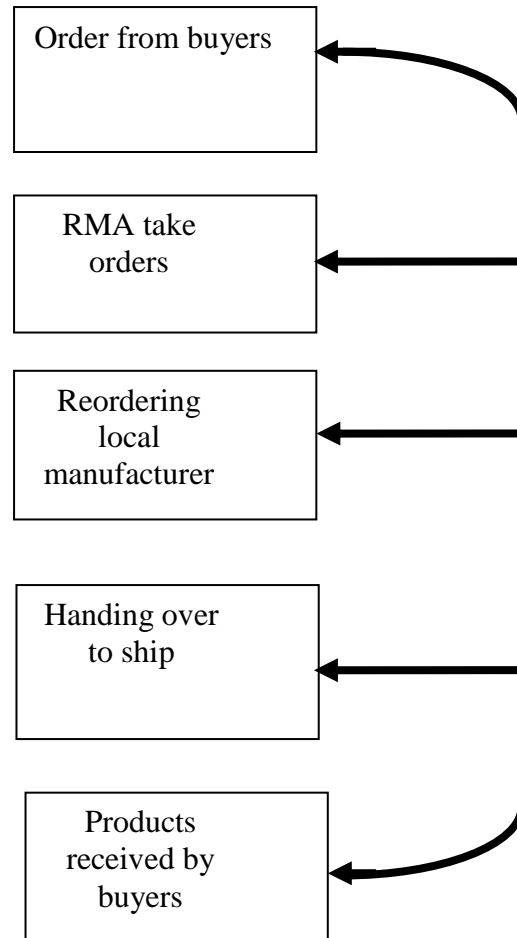
Price

→The company sets a price based on the relationship with the customer and the bundle of features and services ordered by the customer.
→In business-to-business marketing, there is more negotiation because our products are often designed for mass customers.

Our mock pricing method is given below.

PRICE SHOES								
Style	:	W15-SMU 5001K DAKSON KIDS (PANT)						
Item	:	Men's L. Pant						
Body Fabric	:	60% Cotton 40% Polyester Fleece One Side Brush gsm-280						
Waist band	:	95% cotton 5% spandex 1X1 Stripe Rib **380 gsm**						
Size		12						
Unit price	:	$ 7.15						

POINT	CONJUMPTION		PRICE		TOTAL		ACCESSORIES DETAILS	
Body fabric (Add 5%)	10.29 Yds	X	$ 3.15	$	32.41	Main + size label	$	0.80
1x1 stripe L/Rib (Add 5%)	1.02 Kgs	X	$ 13.00	$	13.26	Care + barcode label	$	0.24
Embroidery	1 Dzn	x	$ 7.00	$	7.00	Composition + Hebrow label	$	0.24
Elastic	10 Yds	x	$ 0.13	$	1.30	Sweing thread	$	0.80
Drowcord	16 Yds	x	$ 0.15	$	2.40	Hang tag sticker	$	0.12
Eyelet (logo)	2 Dzn	x	$ 0.50	$	1.00	Poly sticker	$	0.20
Accessories	1 Dzn	X	$ 7.98	$	7.98	S/Poly	$	0.60
						Hang Tag	$	1.20
						Hang Tag String	$	0.30
						Information tag	$	0.25
						Carton sticker	$	0.70
CM	1 Dzn	X	$ 16.00	$	14.00	Silika gel	$	0.15
Sub total				$	79.35	Carton	$	1.20
Bank charge			3%	$	2.38	tissue	$	0.10
Sub total				$	81.73	Gumtape + Tagpin	$	0.30
Charge			5%	$	4.09	Woven tab Label	$	0.40
Sub total				$	85.82			
Unit price				$	7.15			
							$	7.60
						5%	$	0.38
						Total	$	7.98

15

Distribution

R MA itself is a middleman. We have five tiers of distribution and logistics channel—

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┌────────────────────────┐
│   Order from buyers     │ ◄──┐
│                         │    │
└────────────────────────┘    │
                              │
┌────────────────────────┐    │
│     RMA take            │ ◄──┤
│     orders              │    │
└────────────────────────┘    │
                              │
┌────────────────────────┐    │
│     Reordering          │ ◄──┤
│     local               │    │
│     manufacturer        │    │
└────────────────────────┘    │
                              │
┌────────────────────────┐    │
│   Handing over          │ ◄──┤
│   to ship               │    │
└────────────────────────┘    │
                              │
┌────────────────────────┐    │
│     Products            │ ◄──┘
│     received by         │
│     buyers              │
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Relationship Marketing:

Relationships are often worth more than the physical assets of a company. Relationships determine the future value of the firm.Any slips in these relationships will hurt the company's performance. Companies need to keep a relationship score-card that describes the strengths, weaknesses, opportunities, and threats in regard to the relationship. Your company needs to move fast and repair any important but weakening relationships.
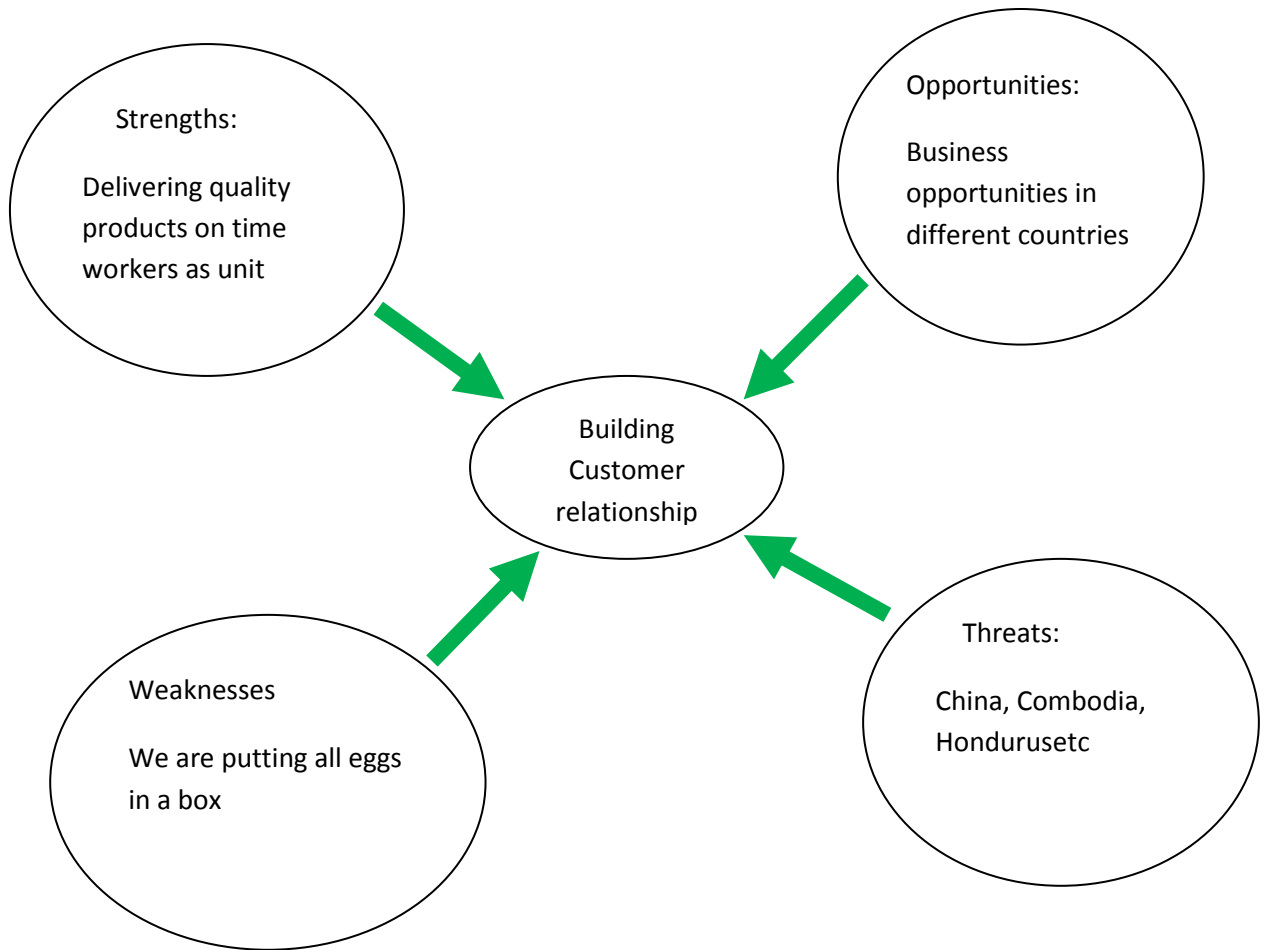
Strengths:

R M A delivers quality products on time at a lower price. Bangladesh has been regarded as the lowest cost country in the world. Whereas R M A is offering lower price in comparison with other buying houses in Bangladesh. So we have competitive edge over other firms. It has been our core strength. We all from our house try to cater to buyers' demand. We work as a unit to deliver the promise.

Weaknesses:

75 percent of our order comes from Price Shoe. So any fall in Price Shoe may result in fall of our business.

Opportunities:

We are getting order orders from countries like Turkey, Italy, Guatemala etc. they are highly interested to buy goods from us. We are getting good response from countries like china, France, Brazil etc. that promise a lot. We have to dive in and catch the fish. In short markets for our products are expanding steadily. Our volume of order has increased significantly like 0.5 million to 3 million within 2 years. So this increase gives much courage and vigor to be hopeful.
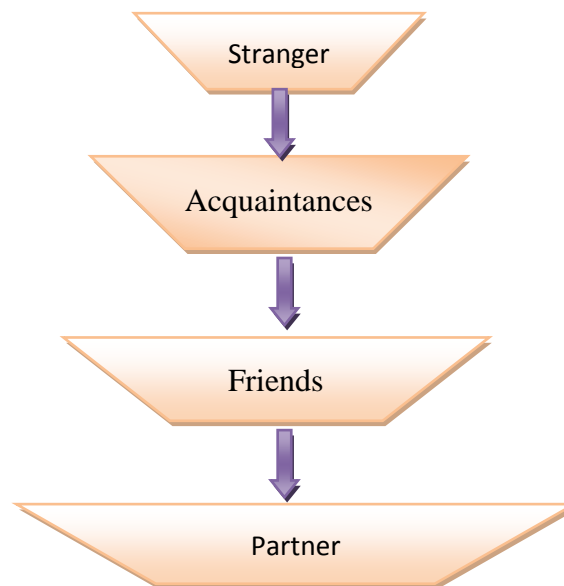
Threats:

The number of competitors from China, Cambodia, and India etc. has become aggressive and offered prices same to us.   But the menacing one is China. They are not dependenton others to produce a complete dress or garments item. But we are not fully competenent in producing a garments item. Gaps in prices and quality have reduced to a minimum level which put our export at risk. We have already started losingcustomers to China due to their expertises in producing a complete product, political stability, reduction of cost in per unit garments items, specialization in their respective fields andorders of high sewing garments items go mainly to Pakistan due to their specialization in high sewing garments. Once we used to get these orders and exported high swing garments items.

Evolution of customer Relationship

Once Managing Director of my organization was working in a buying house where he had personal relationship with many of that company's customers. He asked them to become his customers if he started a buying house business. They responded positively. Once strangers in terms of customers' perspective, they have become commitment-based partnerships which help him to grow.

Relationship with customers tends to change over time. The pattern of relationship often starts from strangers to acquaintances to friends to partner.

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        ┌─────────────────┐
         \    Stranger    /
          └──────┬──────┘
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        ┌─────────────────┐
         \  Acquaintances /
          └──────┬──────┘
                 ↓
        ┌─────────────────┐
         \    Friends     /
          └──────┬──────┘
                 ↓
        ┌─────────────────────┐
         \      Partner       /
          └───────────────┘
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At first a company has customers as strangers who may not know the organization brand may be customers of competitors'. In this stage organizations need to start communicating with them to attract them and obtain their business. This is familiarizing stage for an organization where its sole objective is to make customers give its product a try.

After communicating with customers they become acquainted with the organization brand and they may start purchasing. The goal of the company is to satisfy the customers. Repetitive interactions ameliorate the organization knowledge of the customers, helping to facilitate marketing, sales and service efforts. The potential to build a sustainable competitive advantage through relationship activities is limited. Firms that have many such relationships with their customers can create value for acquaintances by learning from all the transaction.

Service Recovery

Practical example (1) from my organization

Holliland, located in Mexico, ordered 1000000 pieces of garments to be made within 90 days. His assistant told us about the specifications of the garments like button, zipper, tape, label etc. We accepted the order and sent the design to garments factory with specifications and told them to finish the work within45 days. Before producing final products, our quality control team monitored the production process and informed us about the progress. We made some changes according to our quality control team's suggestions. This process continued until the production of final products. After producing the garments, we informed our buyers for final inspection. The inspection team of our buyer looked into the garments items and Okayed our produced garments. Then we contacted our logistics supplier, HTL, to send the products to buyer's country.Logistics supplier, HTL, loaded the garment in seven Lorries. It took to the garments to Chittagong port. Suddenly he called us to change the button size without knowing where the garments had been. We replied him that your garments werein Chittagong port. And we accepted his proposal, but took seven more days. Then we called our logistic supplier to take back the garment to the factory.They did so within one day. We ordered the garments factory to change the size of the button according to buyer design. They did within 4 days. Again we informed the buyer about our finished garments and sent him a sample of garments with re-sized button. After getting confirmation from the buyer, we again called HTL to send the garments to buyer destination. We did it without taking any further cost from the buyer but incurred extra costs which helped build sustained relationship with him.

Practical example (2) from my organization:

We faced different problem last year when sending garment item to one of Mexican buyers named KEBO RAW. It ordered 3 lakh pieces of garments with specifications—Hood, measurement, composition, eyelet, ribbon, button, leather patch etc.Garments ware sent to buyers on timeas like the previous process without taking abrupt change. After receiving the garments, the buyers informed us about some faulty garments like problems in measurement and sizes. We checked our design and found everything was all right but little bigger in dimensional measurement. We took a bold step that time to reproduce the all the garments item again incurring loss of 1 million dollar. We did it because he was our loyal customer and contributed 20 percent of turn-over.

Service recovery refers to the actions a service provider takes in response to service failure. By including also customer satisfaction into the definition, service recovery is a thought-out, planned, process of returning aggrieved/dissatisfied customers to a state of satisfaction with a company/service. Service recovery differs from complaint management in its focus on service failures and the company's immediate reaction to it. Complaint management is based on customer complaints, which, in turn, may be triggered by service failures. However, since most dissatisfied customers are reluctant to complain, service recovery attempts to solve problems at the service encounter before customers complain or before they leave the service encounter dissatisfied. Both complaint management and service recovery are considered as customer retention strategies.

Service recovery means doing whatever it takes to solve a customer's problem—and doing it quickly. Mistakes are a critical part of every service. Hard as they try, even the best service companies can't prevent the occasional late flight, burned steak, or missed delivery. The fact is, in services, often performed in the customer's presence, errors are inevitable.

Opportunities for service recovery abound. Any problem that employees who are close to the customer can discover and resolve is a chance to go beyond the call of duty and win a customer for life. We're not talking about gas leaks in Bhopal or Tylenol poisonings, which threaten large-scale damage and demand top management's attention. We're talking about mistaken billings and late deliveries, the seemingly small issues that can ignite a person's temper. The stuff angry letters to the chief executive are made of.

It's tempting to dismiss the occasional problem as petty and complaining customers as cranks, but managers should resist those easy outs. No business can afford to lose customers, if only because it costs much more to replace a customer than it does to retain one—five times more, most industry experts agree.

Create customer loyalty

Good recoveries from service problems do happen, but usually because some exceptional individual like de Bortoli takes the initiative to solve a customer's problem. Companies should not depend on such rare instances of resourcefulness. They should take steps to ensure that everyone in the organization has the skill, motivation, and authority to make service recovery an integral part of operations.

The simplest and most effective way to increase bottom-line figures is to increase customer retention rates. And one of the strongest opportunities to reinforce brand values andto create customer loyalty is during service recovery situations.

Fixing customer complaints is a powerful approach to reinforcing and differentiating a brand. Service recovery deals with the handling of customer dissatisfaction, requests for refunds, and complaints about any customer problems. Creating a well-designed service recovery strategy can help focus the organization on its customer base.
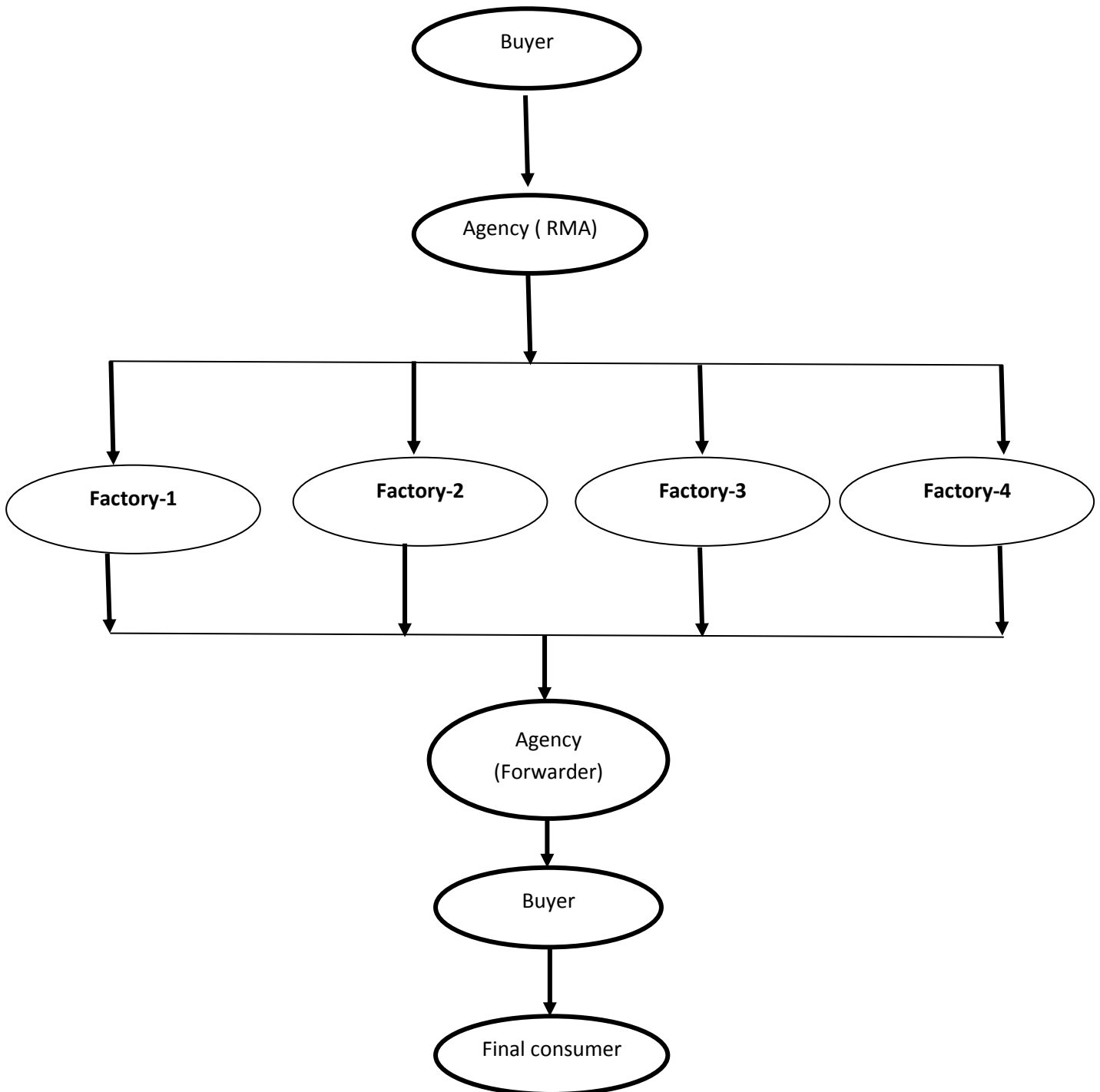
Unfortunately, most customers simply do not speak up when they are dissatisfied or face difficulties. That is, most of them do not say anything to an organization in a way that the organization can use or respond to that information in any meaningful way.

At the same time, it is the direct human-to-human interaction that impacts most customers' perceptions of an organization. And it is when a customer has a problem that they are most likely to have this direct human contact.

Many organizations want to recover better for customers when they face problems or disappointments. Unfortunately, many think that having staff that are more courteous and speedy when responding to customer complaints will solve the problem. Customer-facing staff works in an organizational culture that affects their mood and their ability to actually serve their customers.

Critical questions dealing with return policies, refunds, and guarantees must be in alignment with how far an organization wants to go with its customers when they face problems or disappointments. It's easy to say that you will stand behind your customers, but when they stand in front of you with a complaint, the customer may rapidly discover there are enormous restrictions on this stated position

Service development and design

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                 │ Agency ( RMA) │
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Buyer

Agency (RMA)

Factory-1   **Factory-2**   **Factory-3**   **Factory-4**

Agency
(Forwarder)

Buyer

Final consumer

This how we are making business with our client

Our service design begins with deciding whether the offer can be considered based on pricing and design. If it can be considered, then we take orders from buyers including sample design. We order a garment factory to produce our samples. We ship the sample to buyers to check whether any changes need to be taken. Aftergetting approval from buyer with modification or without modification, we order different garment factories to produce the garments items. We monitorproduction of garments all throughout the process. We invite buyers' team to see the progress.

They come one to three times to oversee the production process.We call our courier to ship our products to destination. After final production, our courier takes the product to ship it to destined places. All throughout the process, buyers get update information before delivering the products to our buyers. Buyers can get up-to-date information of ship by logging in on couriers' website or mail or call the call center if any problem or queries arise. After receiving the delivering the products, our service development process ends.

New service development

New service development concerns all the activities involved in realizing new service opportunities, including product or service design, business model design, and marketing. Service development is mostly seen as growing an enterprise through a number of marketing techniques. The two main questions necessary to this approach are: How do we find, reach, and approach customers? How do we keep these customers satisfied with new possible services? New service development concerns all the activities involved in realizing new service opportunities, including product or service design, business model design, and marketing.

When splitting service development into two parts, we have service and development. The first things that come into mind when looking at service are: economics, finance, managerial activities, competition, prices, and marketing. All of these keywords are related to risk and entrepreneurship and clearly indicate the primary scope of the term "service development."

Development is very abstract and can be linked with some of the following keywords: technological improvement, cost reduction, general welfare, improved relations, and movement in a positive direction. Service development is mostly seen as growing an enterprise through a number of techniques. The mentioned techniques differ, but in fact all of them are about traditional marketing. The two main questions necessary to this approach are: How do we find, reach, and approach customers? How do we keep these customers satisfied with new possible services?

When supplying a solution, it is important to focus on the total offering you give instead of only focusing on the product or service. An offering is a package consisting of different proportions of a physical product, service, advice, delivery, and the costs.

Drawing on contingency theory, an idea central to new service development is that different service, market, and technology combinations can require different marketing strategies and business models to make them a success. To chart the factors that are involved and create synergy between them, new service development draws heavily upon the fields of technology and business networks. The new service development process involves recognizing chances and opportunities in a fast changing technological environment. For example, car manufacturers should recognize that rising gas prices are an opportunity to create fuel efficient cars.

Service design is the activity of planning and organizing people, infrastructure, communication and material components of a service in order to improve its quality and the interaction between service provider and customers. The purpose of service design methodologies is to design according to the needs of customers or participants, so that the service is user-friendly, competitive and relevant to the customers. The backbone of this process is to understand the behavior of the customers, their needs and motivations. Service designers draw on the methodologies of fields such as ethnography and journalism to gather customer insights through interviews and by shadowing service users. Many observations are synthesized to generate concepts and ideas that are typically portrayed visually, for example in sketches or service prototypes. Service design may inform changes to an existing service or creation of new services.

Design tools

Design tools aim at producing a blueprint of the service, which describes the nature and characteristics of the interaction in the service. Design tools include service scenarios (which describe the interaction) and use cases (which illustrate the detail of time sequences in a service encounter). Both techniques are already used in software and systems engineering to capture thefunctional requirements of a system. However, when used in service design, they have been adequately adapted, in order to include more information, concerning material and immaterial component of a service, time sequences and physical flows (Morelli 2006). Other techniques, such as IDEF0, just in time and total quality management are used to produce functional models of the service system and to control its processes. Such tools, though, may prove too rigid to describe services in which customers are supposed to have an active role, because of the high level of uncertainty related to the customer's behavior.

Representation techniques are critical in service design, because of the need to communicate the inner mechanisms of services to actors, such as final users, which are not supposed to be familiar
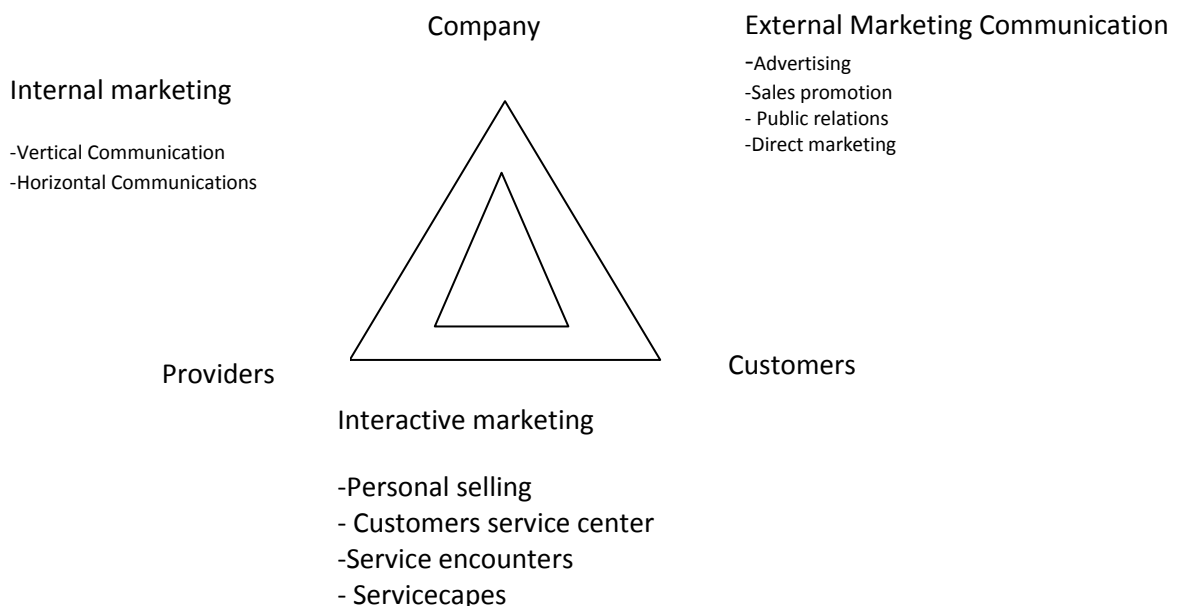
with any technical language or representation technique. For this reason storyboards are often used to illustrate the interaction on the front office.

Integrated Service Marketing Communication:

Practical example from my organization

Generally we communicate with our buyers through mainly e-mail. We are interacting with our buyers daily. To covey the communication among all the employees involved in communication system in order to give all our customers same messages and promises. Generally buyers also keep us informed and linked through email so that no communication problem arises. But one unfortunately buyers didn't keep me in his email CC(Carbon Copy) . After few days he asked me about some information regarding the product. But I was not able to reply him correctly as the required information was not conveyed to me. For this reason it had bad impression on buyers mind. Maybe buyers forgot to inform me. But my MD could communicate the messages sent by him. Because he didn't realize the problemthat it might have arisen. Being a student of marketing I felt the urge to have coordination among all the personnel involved in a process which we can say integrated communication process.

Integrated Service Marketing Communication refers to coordinate all service marketing tools involving external marketing, internal marketing and interactive marketing in order to give customers same messages and promises from every side of company. What the customer care department is conveying with customers should be the same as other concerned departments are conveying. Because it is important that everyone should see the same image from different mirrors in a chain.

Company

External Marketing Communication
-Advertising
-Sales promotion
- Public relations
-Direct marketing

Internal marketing

-Vertical Communication
-Horizontal Communications

Providers

Customers

Interactive marketing

-Personal selling
- Customers service center
-Service encounters
- Servicecapes

Integrated marketing communication is an approach to creating a unified and seamless brand experience for consumers across channels. Integrated marketing communication is an approach used by organizations to brand and coordinate their marketing efforts across multiple communication channels. As marketing efforts have shifted from mass advertising to niche marketing, companies have increasingly used integrated marketing communications to develop more cost-effective campaigns that still deliver consumer value. Typically, communication tools for integrated marketing communications encompass both traditional and digital media, such as blogs, webinars, search engine optimization, radio, television, billboards, and magazines. Integrated marketing communications is an approach used by organizations to brand and coordinate their communication efforts. The American Association of Advertising Agencies defines Integrated marketing communications as "a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines and combines these disciplines to provide clarity, consistency and maximum communication impact." The primary idea behind an integrated marketing communications strategy is to create a seamless experience for consumers across different aspects of the marketing mix. The brand's core image and messaging are reinforced as each marketing communication channel works together as parts of a unified whole rather than in isolation.

The Shift from Fragmented to Integrated Marketing Communications

Prior to the emergence of integrated marketing communications during the 1990s, mass communications—the practice of relaying information to large segments of the population through television, radio, and other media—dominated marketing. Marketing was a one-way feed. Advertisers broadcasted their offerings and value propositions with little regard for the diverse needs, tastes, and values of consumers.

Often, this "one size fits all" approach was costly and uninformative due to the lack of tools for measuring results in terms of sales. But as methods for collecting and analyzing consumer data through single-source technology such as store scanners improved, marketers were increasingly able to correlate promotional activities with consumer purchasing patterns. Companies also began to downsize their operations and expand marketing tasks within their organizations. Advertising agencies were also expected to understand and provide all marketing functions, not just advertising, for their clients.

Today, corporate marketing budgets are allocated toward trade promotions, consumer promotions, branding, public relations, and advertising. The allocation of communication budgets away from mass media and traditional advertising has raised the importance of IMC importance for effective marketing. Now, marketing is viewed more as a two-way conversation

between marketers and consumers. This transition in the advertising and media industries can be summarized by the following market trends:

A shift from mass media advertising to multiple forms of communication

The growing popularity of more specialized (niche) media, which considers individualized patterns of consumption and increased segmentation of consumer tastes and preferences the move from a manufacturer-dominated market to a retailer-dominated, consumer-controlled market the growing use of data-based marketing as opposed to general-focus advertising and marketing greater business accountability, particularly in advertising performance-based compensation within organizations, which helps increase sales and benefits in companies unlimited Internet access and greater online availability of goods and services a larger focus on developing marketing communications activities that produce value for target audiences while increasing benefits and reducing costs.

The Tools of Integrated Marketing Communications

The IMC process generally begins with an integrated marketing communications plan that describes the different types of marketing, advertising, and sales tools that will be used during campaigns. These are largely promotional tools, which include everything from search engine optimization (SEO) tactics and banner advertisements to webinars and blogs. Traditional marketing communication elements such as newspapers, billboards, and magazines may also be used to inform and persuade consumers. Marketers must also decide on the appropriate combination of traditional and digital communications for their target audience to build a strong brand-consumer relationship. Regardless of the brand's promotional mix, it is important that marketers ensure their messaging is consistent and credible across all communication channels.

Benefits of Integrated Marketing Communications

With so many products and services to choose from, consumers are often overwhelmed by the vast number of advertisements flooding both online and offline communication channels. Marketing messages run the risk of being overlooked and ignored if they are not relevant to consumers' needs and wants.

One of the major benefits of integrated marketing communications is that marketers can clearly and effectively communicate their brand's story and messaging across several communication channels to create brand awareness. IMC is also more cost-effective than mass media since consumers are likely to interact with brands across various forums and digital interfaces. As consumers spend more time on computers and mobile devices, marketers seek to weave together multiple exposures to their brands using different touch points. Companies can then view the performance of their communication tactics as a whole instead of as fragmented pieces.

<u>Recommendations</u>
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- ✓ New mission, vision and objective need to be set according to current market demand.
- ✓ Searching new market to expand the business and to create portfolio to minimize
- ✓ Leadership style should be changed
- ✓ Emphasis on new marketing tools should be given
- ✓ involving employees in decision making process
- ✓ Changing the traditional working system.
- ✓ Bringing in changes in distribution and logistics system to efficiently deliver the products in a short time
- ✓ Training up employees to have 360 idea about the organization
- ✓ Changing HR policies in order to recruit creative personnel
- ✓ Attending more garments fair to showcase the products to get more customers from non-traditional market

Conclusion

Service recovery in our organization occurs like any organization in service industry. But recovering service is a difficult task. At first one should not think about service recovery, oneshould think about smooth service delivery. But one should have strong service recovery system. It is because our focus is on retaining existing customers rather on attracting new customers. Existing customers purchase service or products repeatedly. On the other hand, new customers will result in more cost. We have given Carlos and Cab row the opportunities to have the products or service reproduced. We did it in order to have them last for a long time and remain committed to our organization. As a result, we have been getting repeated orders from them which help our corporation grow more. Actually it is both service and products which are inseparable in our organization. We don't separate one from another. We give much importance to both products and services. But it is our strategy or core tactics to provide service all throughout the process, even after the process. Because products give experience and service gives lasting taste. We have been providing this taste to very few of our customers. We are radicalizing the way of delivering service alongside products. Services in our organization involve sending sample items before producing final products, sample selling by us, informing about production method and materials, transportation system, approximate possible time to deliver the product, after-sales service etc. which includes smooth service recovery system. We have designed a holistic service system which is smooth, less costly and escapes reproducing the item. Wehave been strengthening our production process system which entails engaging customers all throughout the process and avoids any confusion later on.