

"Customer Relationship Management: A Case Study on ITS Labtest Bangladesh Ltd."

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MBA Program, BRAC University

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"Customer Relationship Management:
A Case Study on ITS Labtest Bangladesh Ltd."

LETTER OF TRANSMITTAL

04 September 2015

Dr. Md. Tareque Aziz

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BRAC Business School

BRAC University, Dhaka

Subject: Submission of Internship Report

Dear Sir,

It is a pleasure for me to be able to complete and submit the internship report on

"Customer Relationship Management: A Case Study on ITS Labtest Bangladesh Ltd.". I

have been working in this organization since 2012, and when I was assigned for

internship at the end of the MBA program, I chose this organization so that I can relate

the theoretical aspects learnt from marketing courses in MBA with the practical scenario

at my workplace.

I tried my best to comply with all the instructions provided to me and organize this report

in such a way that it serves its purpose. I hope you would accept this report and find it as

it was meant to be.

I thank you for providing all the support that I required for preparing this report.

Sincerely yours,

Sabia Sultana

ID: 12264029

ACKNOWLEDGEMENT

The report on "Customer Relationship Management" has been prepared to fulfill the

requirements of MBA program. I am very much fortunate that I have received sincere

guidance, supervision and co-operation from various respected people while preparing

this report.

At the very beginning I would like to express my gratitude to almighty Allah for special

blessing in completing the report. Then, I would like to thank my academic supervisor of

the Internship Program Dr. Md. Tareque Aziz, Associate Professor of BRAC Business

School (BBS) for giving me the opportunity to prepare this report. He also provided me

advices and guidance for preparing this report. Without his assistance, this report would

not be a comprehensive one.

I would profusely like to express my gratitude to all the people from ITS Labtest

Bangladesh Ltd., who have always been kind enough to answer my queries despite their

extremely demanding work.

I also would like to thank BRAC administration and Career Service Office (CSO), where

I received support of requirements of finishing the internship program.

Last but not the least; I acknowledge the contribution of my family members for being

with me and encouraging me all the way.

Author

04 September 2015

EXECUTIVE SUMMARY

Now a day, service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customer, retain existing ones and maximize their lifetime value. This paper deals with the role of Customer Relationship Management in testing sector and the need for Customer Relationship Management to increase customer value by using some analytical methods in CRM applications. The main objective is to identify the key factors that influence the extent to which CRM helps to improve the service quality of ITS Labtest Bangladesh Ltd. which is widely known as Intertek.

Intertek is one of the leading inspection, verification, testing and certification companies. This organization is recognized as the global benchmark for quality and integrity. But the market is now very much competitive. To survive in the market, there is no other option than providing best services and going a way forward to manage good relationship with customers. However, Intertek maintains electronic CRM, Microsoft dynamics, to manage customer relationship. Through Outlook, employees can access Microsoft CRM sales, marketing and customer service modules to know about target customers, make sales decisions, market competitions, solve problems and get strategic views of the business. Moreover, at the end of every year Intertek arranges a survey to figure out the customer satisfaction level towards its services and encourages expressing their recommendations and expectations from the company. From the survey, it seems to have acceptable level of satisfaction with its customers.

But there is always a room for improvement. At the end of this paper, some suggestions have been given as recommendation to make its services even better.

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ORIGIN OF THE REPORT

In recent days Garments testing has become an important area in Bangladesh as export of garments is increasing day by day. To meet the quality requirement of garments, some companies are working to conduct business in this particular area. ITS Labtest Bangladesh Ltd. is one of them. Here, ITS stands for Intertek Testing Services and the company is widely known as Intertek. However, I was authorized to prepare my internship report on the marketing strategies of Intertek to fulfill the requirement of internship under MBA program. Students of MBA program are required to undergo the project report according to a format specified by the supervisor. I comply with the concerned rules made by the authority. I was assigned to make a project report titled "Customer Relationship Management - A case study on ITS Labtest Bangladesh Ltd.".

I work in Intertek as a Senior Officer at Quality Assurance Division. My job responsibility is to establish system, procedures and requirements as per requisites of ISO/IEC 17025:2005. As a part of my job I am responsible to collect customer feedback, analyze and prepare feedback report. Therefore, this report has been prepared based on my practical experiences.

OBJECTIVES OF THE STUDY

The key purpose of this study is to find out the relationship among the factors of customer relationship management that helps to improve service quality of Intertek Testing Services Ltd. It will help to look into the causes of the problems that Intertek is facing. The paper has been undertaken mainly to find out whether customer relationship management affects service quality in context of Intertek.

1. Broad Objectives:

 To find out the prospects of testing lab in Bangladesh from the view point of Intertek Testing Services Ltd. • To measure the degree of satisfaction level of customers who are taking services from Intertek.

2. Specific Objectives:

- To present a general overview of textile testing operation in Bangladesh.
- To have an exposure on the operation and service provided by Intertek Bangladesh.
- To gain knowledge about Customer Relationship Management (CRM).
- To measure the satisfaction and expectation of customers of Intertek Bangladesh.
- To find out the shortcomings of services provided that can be solved by strong after sale support.
- To suggest some ways for improving the standard of services.

METHODOLOGY OF THE STUDY

The study was conducted mainly based on secondary information since collection of primary information requires huge time and resources contribution which is practically difficult.

In order to make the report meaningful and presentable, two sources of data and information have been used widely. These are both primary and secondary data.

1. Primary Sources:

- Direct communication with customer.
- Exposure on different desk of the company.
- Practical deskwork.
- In depth interview.

2. Secondary Sources:

- Annual report of Global Intertek.
- Website of Intertek.
- Different manuals and publications of Global Intertek.

- Different programmes and seminars regarding present situation of textile and testing industry.
- Different text books.

SCOPE OF THE STUDY

Garments and garments testing sector now a day are undergoing a transformation, especially with regard to competition, technology and innovation. To retain in this business, the most important factor is to satisfy customers. So service providers need to take steps to know about the customers" satisfaction level. This report is to find out how Intertek is managing its customers and also the satisfaction level of customers who are taking services. The scope is that, this report may give ideas to the management, so that they can take decisions regarding modifying the strategies of providing services to the customers.

The report also covers the activity and its application in Intertek Testing Services Limited. However, scope of the report is as follows:

- Testing Services
- Achieving customer satisfaction through this service.

LIMITATIONS OF THE STUDY

Discussion about testing industry is a vast subject, but only some selected areas have been covered in this paper. Up-to-date information regarding the industry is unavailable and lack of information is found about competitors. Some information has been taken from website that is regarding global Intertek instead of local. However, the biggest limitation is the confidentiality and unauthorized information sharing issues. Since this report is prepared for a purpose outside the organization, the examples and evidences drawn here in relevance to the study is kept as less specific and personal as possible. Another limitation is the time constraint. Such a research is more continuous in nature where indepth problems can be located more specifically.

Company Profile

Intertek, a leading provider of quality and safety solutions, is serving a wide range of industries around the world. Beyond testing, inspecting and certifying products; Intertek helps customers to improve performance, gain efficiencies in manufacturing and logistics, overcome market constraints, and reduce risk. Thus it has earned a reputation for helping customers to increase the value of their products, gain competitive advantage, and develop trusted brands. Through services, Intertek helps clients to minimize the adverse health and environmental impact of their products and processes for the benefit of society as a whole.

Intertek's services take it into almost every field imaginable, such as textiles, toys, electronics, building materials, heating, pharmaceuticals, petroleum, food and cargo scanning. Being the industry leader, it operates a global network in 1,000 locations with over 38,000 people in 100 countries around the world. Customers of Intertek include some of the world's leading brands, major global and local companies and governments. However, no matter whether the customer is local or global, Intertek ensures customers' products meet quality, health, environmental, safety, and social accountability standards for virtually any market around the world. It holds extensive global accreditations, recognitions, and agreements with knowledge and expertise in overcoming regulatory, market, and supply chain hurdles is unrivaled.

1.1 HISTORY

The Intertek story starts at the inception of the modern testing industry. The history of Intertek spans over 130 years and evolves from the combined growth of 15 innovative companies. In 1885, Milton Hersey pioneered the idea of independent testing laboratories. Thomas Edison established the Lamp Testing Bureau of his Edison Electric Illuminating Company in America in 1896, which was later renamed 'Electrical Testing Laboratories (ETL)'. It provided testing to General Electric and other industries being created by new invention at that time, such as air-conditioning, over the next 40 years.

In 1973, Inchcape, a diverse international group at the time, entered the testing industry by establishing 'Labtest' Hong Kong to serve the internal needs. Labtest originally focused on textile testing and later broadens across other consumer goods. It is the first

commercial consumer goods testing facility in Hong Kong. During 1975 - 1990, Inchcape acquired ETL and multiple testing and inspection companies ranging from petroleum, petrochemical, textiles, electronics, minerals testing, product safety consulting business; and expanded internationally. Inchcape reorganised by forming a specific testing business stream 'Inchcape Testing Services' in 1987, including Labtest and its other acquisitions in the testing, inspection and certification area.

In 1996, Inchcape's Testing Services division was bought as part of a management buyout by Charterhouse Development Capital, a global investment company, and was renamed 'Intertek Testing Services' forming the present-day Intertek. Intertek is the first company in the U.S. to receive RvA accreditation, shortly after ISO 9000 debuts in North America. In 1997, Intertek and ERM (Environmental Risk Management Ltd.) formed joint venture focusing on servicing capital equipment suppliers for the global semiconductor marketplace, named Global Semiconductor Safety Services (GS3). In 1999, Intertek purchased ERM's 50 percent share of GS3, making it a wholly owned subsidiary of Intertek. Intertek is awarded the world's first combined customs modernization, anti-smuggling and PSI contract in Georgia. Intertek operations in Canada are among the first registers to be accredited by the Standards Council of Canada (SCC) for ISO 9000.

In Bangladesh, Intertek started its business in 2000 with Inspection and Audit services in Dhaka. It established softlines testing lab at Dhaka in 2004 and at Chittagong in 2011. In 2014, Dhaka office expanded to approximately 1,00,000 sq. ft at Tejgaon Industrial Area which is biggest lab in Asia under one roof; and launched Electrical Safety Audit, Energy Audit, and first ever footwear lab in Bangladesh.

1.2 MISSION

Mission of Intertek is to add value for its customers by helping them achieve their desired level of quality and safety for their products, assets and processes; to protect their brands and enable their success in the global marketplace.

1.3 VALUES

Our commitment to supporting and adding value for our customers drives everything we do. We deliver innovative solutions to facilitate our customers" success in the global marketplace and, most importantly, we provide our customers with confidence.

By leveraging our local service and global network, we enable our customers to dedicate their primary energies to their core business activities. We offer comprehensive programmes and services which draw on our industry specific knowledge and technical expertise.

At Intertek, and as individuals, we:

- value trust and personal responsibility;
- act with integrity, honesty and respect;
- deliver excellent services which add value to our customers" business;
- focus on continual growth and outstanding performance;
- strive to create a safe work environment;
- value each employee"s contribution toward achieving our business objectives;
- promote a culture where motivated customer-oriented employees can flourish, experience professional fulfillment and reach their highest potential;
- respect diverse perspectives, experiences and traditions as essential.

Our commitment to delivering outstanding results through sound and thorough financial practices, superior profitability, stable growth and good citizenship will enable us to fulfill Intertek"s mission while increasing sustainable shareholder value.

1.4 MARKET POSITIONING

Intertek is committed to ensure that in all aspects of its work, quality is maintained and the accuracy of all work carried out in services and operations are conducted in compliance with the requirement of ISO/IEC 17025:2005. It is also committed to provide total quality services to its customers and work for continuous improvement at the highest

level through empowered team of trained personnel and a reliable resource of good equipment.

Thus Intertek has positioned itself as a trusted service provider who values its customers" satisfaction in testing, ensures quality service at all times and gives the value for money to the customers.

1.5 TARGET CUSTOMERS

Intertek"s target customers are mainly consumer goods manufacturers like readymade garment industries, leather and footwear industries, toys and other accessories industries.

1.6 DESCRIPTION OF DIVISIONS

Intertek Bangladesh consists of 3 operational divisions and 6 supporting divisions.

1.6.1 Operational Divisions:

• Testing:

Intertek stays abreast of the ever increasing consumer demand for high quality, providing regulatory testing, including new CPSIA regulations, to minimize risk and protect the interests of both textile manufacturers and consumers. Intertek provide testing service as per buyers" or suppliers" request and provide certification according to quality of garments or footwear products that are ready to export in foreign country.

• Inspection:

Intertek has an international reputation for providing independent third-party inspection and testing services. Intertek inspects products and processes at all stages from sourcing factories, through the manufacturing process, to delivery.

• Auditing:

As the global leader in testing, inspection, and auditing of consumer goods, Intertek"s expert team of auditors are fully versed in the unique challenges industry faces. Typical

audits can range from verifying simple business transactions, to full inspection or surveillance of a process or corporate social responsibility.

1.6.2 Nonoperational Divisions:

• HR, and Facilities & Services:

These two departments provide necessary supports for carry out operation, purchasing consumable for testing and also work for the employees.

• Finance:

Finance division provides support to all the operational division for collecting payment from customer and selecting service charges as per discussion with buyers or customers.

• Sales and Marketing:

Sales and Marketing department is working for gaining and retaining customers and setting service price and discounts for the customers.

• Quality Assurance:

Quality Assurance division is serving their effort for maintaining the quality of the company and to help company to carry out operation in such a way that meets the requirements of ISO/ IEC 17025:2005.

• Information Technology:

For the continued maintenance and improvement of the quality of service and operation performed, IT section observes and adheres to the requirements of the company. Maintaining confidentiality of customer is the basic requirement that is strictly maintained by IT section. They also provide all IT support and software system in the company.

1.7 INDUSTRY ANALYSIS

Intertek is a service provider company that helps customers to assess their products and commodities against a wide range of safety, regulatory, quality and performance

standards. The company"s customer responsiveness extends from the speed, with which services are delivered, to the way in which services are developed and designed to meet their customers" ever-changing requirements.

Intertek is a worldwide provider of quality and safety services consisting of many industries like-

- Agriculture
- Cargo logistics services
- Electric –Electronic
- Government
- Oil and Gas
- Power
- Automotive
- Chemical
- Engineering
- Manufacturing
- Petroleum energy mining
- Supply chain services
- Building construction
- Consumer goods
- Food
- Medical

1.7.1 Business Segments

The Group comprises the following main business segments:

- Oil, Chemical and Agriculture which provides cargo inspection, testing and analytical services to the oil and gas, chemical, agricultural, mineral and pharmaceutical sectors.
- Commercial and Electrical which provides testing, inspection and certification services to industries including those in the home appliances, medical, building, industrial and HVAC/R, IT and telecom and automotive sectors.

- Consumer Goods which provides services to the textiles, footwear, toys, food and hardliners industries.
- Government Services which provides trade services to standards bodies and governments.

Central overheads comprise the costs of the corporate head office and non-operating holding companies and other costs which are not controlled by the operating divisions. Operating in a large number of market segments, the group services more than 20 different industries. From 01 January 2010, due to their large profit in business, three new main divisions are organized: Minerals, Analytical Services and Industrial Services.

1.7.2 Geographical Segments

All the business segments are managed on a worldwide basis but can be divided into the following geographic regions:

- America
- Europe, Middle East and Africa
- Asia Pacific

In presenting information on the basis of geographic segments, segment revenue is based on geographical location of the entity that generated the revenue. Segment assets are based on geographical location of the assets.

1.7.3 New Services

New services comprise the Analytical Services, Minerals and Industrial Services divisions.

- **Analytical Services,** which comprised 63% of the total revenue for new divisions in the first half of 2010, provides laboratory services to the chemical, pharmaceutical, cosmetics/personal care, oil and gas, and automotive/aerospace industries.
- **Minerals**, which comprised 20% of the total revenue for new divisions in the first half of 2010, provide inspection, testing and advisory services to the minerals industry.

• Industrial Services, which comprised 17% of the new divisions" revenue for the first half of 2010, combines Systems Certification, which provides high value audit services to a wide range of industries in both the manufacturing and service sectors, and Industrial Services which provides quality and safety services to oil and gas, industrial and process industries.

1.8 SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged either in providing services (business segment) or in providing services within a particular economic environment (geographic segment), which is subject to risks and rewards that are different from those of other segments.

Table 1.8.1 Overview of performance

	H1 2015	H1 2014	Change at	Constant rates	
	£m	£m	actual rates	Total	Organic
Revenue	1,060.2	1,024.3	3.5%	1.4%	0.9%
Operating profit	164.4	152.3	7.9%	3.4%	3.0%
Margin	15.5%	14.9%	60bps	30bps	40bps
Net financing costs	(14.6)	(11.4)	28.1%		
Income tax expense	(37.0)	(34.5)	7.2%		
Earnings for the period	105.6	99.6	6.0%		
Diluted earnings per share	65.3p	61.2p	6.7%		
Cash generated from operations	169.5	148.2	14.4%		

<u>Table 1.8.2 Condensed consolidated interim income statements</u>

For the six months ended 30 June 2015

	Six months to 30 June 2015 (Unaudited)			Six months to 30 June 2014 (Unaudited)			
	Adjusted	Separately	Separately Total	Adjusted	Separately	Total	
	Results	Disclosed	2015	results	Disclosed	2014	
		Items			Items		
	£m	£m	£m	£m	£m	£m	
Revenue	1,060.2	-	1,060.2	1,024.3	_	1,024.3	
Operating costs	(895.8)	(10.7)	(906.5)	(872.0)	(21.1)	(893.1)	
Group operating profit	164.4	(10.7)	153.7	152.3	(21.1)	131.2	
Finance income	0.6	-	0.6	2.8	-	2.8	
Finance expense	(15.2)	-	(15.2)	(14.2)	-	(14.2)	
Net financing costs	(14.6)	-	(14.6)	(11.4)	-	(11.4)	
Profit before income tax	149.8	(10.7)	139.1	140.9	(21.1)	119.8	
Income tax expense	(37.0)	2.7	(34.3)	(34.5)	5.0	(29.5)	
Profit for the period	112.8	(8.0)	104.8	106.4	(16.1)	90.3	
Attributable to:				1			
Equity holders of the Company	105.6	(8.0)	97.6	99.6	(16.1)	83.5	
Non-controlling interest	7.2	-	7.2	6.8	_	6.8	
Profit for the period	112.8	(8.0)	104.8	106.4	(16.1)	90.3	
Earnings per share	ı			I	I		
Basic			60.6p			51.8p	
Diluted			60.3p			51.3p	
Dividends in respect of the period			17.0p			16.0p	

Table 1.8.3 Business analyses

Key Financials	2015	2014	Change at	Change at	Organic change
			actual rates	constant rates	at constant rates
Revenue	£1060.2 m	£1024.3 m	3.5%	1.4%	0.9%
Adjusted operating profit	£164.4 m	£152.3 m	7.9%	3.4%	3.0%
Adjusted operating margin	15.5%	14.9%	60bps	30bps	40bps
Adjusted profit before tax	£149.8 m	£140.9 m	6.3%		
Adjusted diluted earnings	65.3p	61.2p	6.7%		
per share					
Operating profit	£153.7 m	£131.2 m	17.1%		
Operating margin	14.5%	12.8%	170bps		
Profit before tax	£139.1 m	£119.8 m	16.1%		

Diluted earnings per share	60.3p	51.3p	17.5%
Interim dividend per share	17.0p	16.0p	6.3%

Here, organic revenue growth excludes the impact of acquisitions and disposals in 2014 and 2015.

Table 1.8.4 Operating review by division

Six month period ended	Revenue from	Depreciation	Adjusted	Separately	Operating
30 June 2015	external	and software	operating	Disclosed	profit
	customers	amortisation	profit	Items	
	£m	£m	£m	£m	£m
Consumer Goods	196.2	(6.1)	62.8	(0.3)	62.5
Commercial & Electrical	194.6	(12.3)	29.7	(0.8)	28.9
Chemicals & Pharma	87.5	(2.5)	10.1	(0.5)	9.6
Commodities	277.2	(10.6)	36.8	(0.2)	36.6
Industry & Assurance	304.7	(6.4)	25.0	(8.9)	16.1
Total	1,060.2	(37.9)	164.4	(10.7)	153.7
Group operating profit		164.4	(10.7)	153.7	
Net financing costs	(14.6)	_	(14.6)		
Profit before income tax	149.8	(10.7)	139.1		
Income tax expense	(37.0)	2.7	(34.3)		
Profit for the year	112.8	(8.0)	104.8		

Here, Depreciation and software amortisation of £41.6m (2014: £37.3m) includes unallocated charges of £3.7m (2014: £3.2m).

1.9 FIVE-YEAR SUMMARY

The data shown below is extracted from the published financial statements of the Group.

• Profit:

Compound annual growth rate + 11%

Adjusted operating profit is + 9%

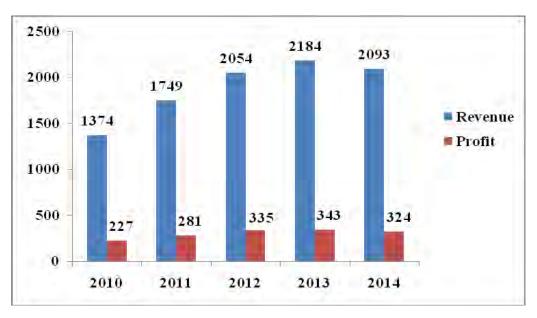


Figure 1.9.1 Profit of 5 years (in £m)

• Dividend per share:

Dividend per share is + 15%

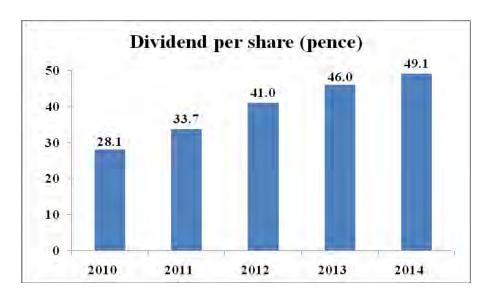


Figure 1.9.2 Dividend per share of 5 years

Nature of Services Provided

Intertek delivers innovative solutions to facilitate their customers" success in the global marketplace and most importantly they provide services to their customers with confidence. Intertek provides various kinds of services like auditing, inspection, testing, risk management, training, consulting, evaluation, quality assurance, and certification. Intertek Bangladesh earns most of the revenue from testing, auditing and inspection.

2.1 TESTING

Testing of any product, raw material and accessory is a necessary requirement in providing quality assurance to clients and ensuring the safety. Intertek offers its clients and suppliers a complete understanding of government and industry regulations, assisting clients in applying principles to identify where hazards are likely to occur in a process chain and the critical points for corrective action. Testing can be performed on a wide range of materials, product, product lines, prototype creations and services. Using internationally approved methods, standards, equipment and guidelines, Intertek tests consumer products, commercial products, commodities, foods and raw materials for ensuring quality control, vendor compliance and regulatory requirements.

2.2 INSPECTION

Intertek provides a wide range of inspection services to manufacturers, retailers and bulk commodity traders including factory, custody transfer, pre-production, in-production, final random sampling, pre-shipment, and loading supervision. Based upon specified quality requirements, inspection services also include audits of supplier capabilities i.e., systems, management, and operating procedures, quality systems, manufacturing processes, equipment calibration, procurement, raw material management, semi-finished or finished product management and verification of product safety, quality, quantity, workmanship, function, colour, size, labeling, packing to determine product consistency.

2.2.1 Scope of Inspection

• Pre-Production Inspection (PPI)

It is a visual assessment on the quality of components, materials, and accessories at the beginning of production using clients" specifications and/or reference sample. Also, sample is picked and tested in lab. The PPI thus permits timely corrections and improvement before the mass production is initiated; any non-conformity is immediately reported to avoid delay in shipment.

• Initial Production Inspection (IPI)

This inspection is performed at the initial stage of production when 20 to 50 pieces are produced and these are checked for measurement and workmanship. At this stage, Intertek ensures its clients that the products are compliant with the approved samples and the production method is correct.

• During Production Inspection (DPI)

This inspection is performed at the stage of production when 30 to 50% of the ordered quantity covering all colours and sizes are produced and these are checked for measurement and workmanship.

• Final Random Inspection (FRI)

Once the product is 80% produced, packed and is ready for shipment, samples are randomly selected based on the sampling plan and inspected to ensure the quality, quantity, packaging, and labeling conform to clients" specifications and approved samples. Intertek uses internationally recognized sampling procedures for the comprehensive random pre-shipment inspection.

• Production Monitoring (PM)

In order to avoid risks of quality and to provide punctual delivery for big orders or long-term orders, Intertek sends designated QC to the factory nearly in a daily basis depending on the production status and provides quality control services throughout the entire process from inspection of raw materials and during production quality control to earlier delivery in the end.

• 100% Full Check Inspection (FC)

A specific QC team provides full check service which they will station at factory site until the shipment has been 100% inspected. Every piece of product is inspected and repacked. All defective goods are sorted out.

• Loading Supervision (LS)

Loading supervision offers the guarantee that goods are being properly packaged, loaded and stored for transportation. Condition of the containers and the packaging are checked. The number of packing cases and the markings in accordance to buyers' specification are being verified in this stage.

• Assortment and Packaging Survey (APS)

This service ensures the quantity and packaging assortment conform to the purchase order.

• Fabric Inspection (FI)

Finished fabric is inspected by a 4 point system. Significant flaws are noted and the general condition of the fabric is determined and recorded.

2.3 AUDITING

An Audit of a process, system or facility can reveal whether the operation in question is adhering to an intended design or is indeed skipping some of the elements of the process. Skipping some elements can be the reason for some associated risks that may affect the final product business relation or regulatory compliances. Typical audits can range from verifying simple business transactions to full inspection or surveillance of a process or corporate social responsibility. Due to increased demand, companies now realize that auditing adds both value and improvement to organizational operations and financial performances.

2.3.1 Factory Audit

• Factory Quality Assessment

An onsite assessment of factory's quality system generally covers facilities, quality control system, incoming inspection, in-process control, final inspection, packaging, non-conforming material, communication, document control and work movement, handling of complaints. This service also includes the reporting of general information provided by the factory such as monthly production capability, machineries involved, main products produced, and in-house or outsourced operations.

• Security Assessment (C-TPAT)

Scope of the assessment is based on predetermined elements of US custom's recommendations for manufacturers in association with Custom's Trade Partnership against Terrorism (C-TPAT). The assessment includes the following areas: facilities, procedural security, physical security, access control, personnel screening and training.

• Coaching Services

Intertek's factory assessment experts can help to review the existing systems and practice of the factory and perform gap analysis in comparison with client's code of conduct. Auditors then discuss with factory management and prepare an implementation plan with an estimated time frame and resources requirement for required corrective action. Training and coaching will be provided in order to raise the awareness from the top and middle management staff to lower level workers in the prospective of health and safety, work hours and wage, labour contract law, worker age legal requirements etc. Intertek personnel also arrange pre-assessment audit to identify any potential problems and propose the necessary preventive action.

2.3.2 Social Audit

A strong social compliance program requires ongoing collaboration with members of the supply chain, partnering with service providers that have the flexibility and adaptability to

support a truly comprehensive social compliance program and collaboration with other brands and/or vendors with the goal of moving towards a common industry code and consistent method of implementation. In order to achieve that, Intertek social compliance service offers-

Auditing and Assessment Services

- Pre-assessment
- Management and systems assessment
- Social accountability (SA) audits or follow-up audits
- Issue-specific SA audits

• Program Development and Management Services

- Vendor and licensee program management
- Brand collaboration management

• Capacity Building and Continuous Improvement Programs

- o Trainings and seminars
- Productivity programs
- Worker trainings

2.4 EVALUATION

Intertek evaluates the services and operations of clients globally, and responsible for managing operations of 4% of the world's trade. This evaluation ensures that procedures and policies are appropriate, are in-line with government standards and safe for clients. From concept, design, and engineering to manufacturing and distribution, Intertek guides clients through establishing an evaluation process that will help generate revenue, improve brand awareness and increase customer loyalty, and effective at improving business overall.

2.5 QUALITY ASSURANCE

Quality of a product directly relates to the expectation of customers to that product. Manufacturers need to understand and appreciate customer's expectations and gear all their systems to meet these expectations in a timely manner. Intertek not only

carries out testing, auditing, inspection of various systems, processes, raw materials, semi processed products and fully finished products, but also can assist the manufacturers in designing an effective quality assurance programme and training scheme.

2.6 CERTIFICATION

Through an extensive range of global accreditations, recognitions and agreements, Intertek provides certification services for manufacturers, retailers and traders who require selling products in any market in the world.

Product certification, the end result of a successful conformity assessment, is required before selling in a particular market. This is typically demonstrated by a market-specific certification mark affixed to the products. For example, WH and ETL mark for North America; CE, S and GS in Europe for electrical and electronic products; Intertek Eco certification for apparel and footwear; and Intertek compliance verification for corporate social responsibility.

Certification by a third-party independent certification body such as Intertek confirms that a company's system complies with the appropriate international standard.

2.7 RISK MANAGEMENT

Intertek provides risk analysis and management services to global market leaders in order to help minimize risks associated with consumer products. Both retailers and manufacturers need to assess the inherent risks in a product, particularly products intended for infants and children, in order to protect their business and brand.

Intertek not only evaluates the product design and its performances, but studies customers" purchase behavior and alerts the client even before the product is scheduled for the market. Intertek also has a vast database on physical, chemical and microbiological hazards, a valuable resource in helping to identify clients" exposure to risk.

2.8 TRAINING

Intertek's training programmes can offer face to face interaction with renowned technical experts, international lawyers and certification specialists in safety, auditing, inspection and laboratory services in order to help identify key issues affecting the business. As a result, clients will receive important insight that will enhance brand value, improve market performance and create a competitive advantage

The training is designed to fit a client"s requirements and appropriate for anyone involved in the production of consumer products, food, pharmaceuticals, cosmetics, energy, chemicals and dyes.

2.9 CONSULTING

Intertek has a broad portfolio of advisory services at its disposal. These services cover a range of clients needs to improve effectiveness of strategy, process or business operations. Intertek can provide companies with insight and regulation development assistance combined with a strong understanding of consumers" perspectives, products and markets, technological developments, policy and standardization issues. Consultancy resources are available from both in-house and fully accredited external sources. These consultants will be able to assist using the latest available knowledge and delivery techniques.

Customer Relationship Management

Managing relationships with customers has become a critical organizational competency. Get winning strategies for acquiring and retaining customers by leveraging the latest advanced technologies. Customer Relationship Management, a strategy that leverages very advanced technologies is the way to cut to the 21st century business chase.

3.1 CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Management (CRM) is database marketing emphasizing the promotional aspects of marketing linked to database efforts. It is considered as customer retention in which a variety of after marketing tactics is used for customer bonding or staying in touch after the sale is made. However, CRM is an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for mutual benefit of both sides, through interactive, individualized and value-added contacts over a period of time. The core theme of all CRM and relationship marketing perspectives is its focus on co-operative and collaborative relationships between the firm and its customers, and/or other marketing actors.

CRM is based on the premise that, by having a better understanding of the customers' needs and desires we can keep them longer and sell more to them. Customer relationship management is an information industry term for methodologies, software, and usually internet capabilities that help an organization manage customer relationships in an organized way. An organization might build a database about its customers that described relationships in sufficient detail so that management, salespeople, people providing service, and perhaps the customer directly could access information, match customer needs with product plans and offerings, remind customers of service requirements, know what other products a customer had purchased, and so forth.

The essence of the information technology revolution and, in particular, the World Wide Web is the opportunity to build better relationships with customers than has been previously possible in the offline world. By combining the abilities to respond directly to customer requests and to provide the customer with a highly interactive, customized experience, companies have a greater ability today to establish, nurture, and sustain long-

term customer relationships than ever before. The ultimate goal is to transform these relationships into greater profitability by increasing repeat purchase rates and reducing customer acquisition costs.

According to industry view, CRM consists of:

- Helping an enterprise to enable its marketing departments to identify and target their best customers, manage marketing campaigns with clear goals and objectives, and generate quality leads for the sales team.
- Assisting the organization to improve telesales, account, and sales management by
 optimizing information shared by multiple employees, and streamlining existing
 processes (for example, taking orders using mobile devices).
- Allowing the formation of individualized relationships with customers, with the aim
 of improving customer satisfaction and maximizing profits; identifying the most
 profitable customers and providing them the highest level of service.
- Providing employees with the information and processes necessary to know their customers, understand their needs, and effectively build relationships between the company, its customer base, and distribution partners.

3.2 SIGNIFICANCE OF CRM

Customer Relationship Management is the strongest and the most efficient approach in maintaining and creating relationships with customers. The idea of CRM is that it helps businesses use technology and human resources gain insight into the behavior of customers and the value of those customers. If it works as hoped, a business can provide better customer service, make call centers more efficient, cross sell products more effectively, help sales staff close deals faster, simplify marketing and sales processes, discover new customers, and increase customer revenues. It doesn't happen by simply buying software and installing it. For CRM to be truly effective an organization must first

decide what kind of customer information it is looking for and it must decide what it intends to do with that information.

Looking at some broader perspectives given as below we can easily determine why a CRM system is always important for an organization.

- 1. A CRM system consists of a historical view and analysis of all the acquired or to be acquired customers. This helps in reduced searching and correlating customers and to foresee customer needs effectively and increase business.
- 2. CRM contains each and every bit of details of a customer, hence it is very easy for track a customer accordingly and can be used to determine which customer can be profitable and which not.
- **3.** In CRM system, customers are grouped according to different aspects according to the type of business they do or according to physical location and are allocated to different customer managers often called as account managers. This helps in focusing and concentrating on each and every customer separately.
- 4. A CRM system is not only used to deal with the existing customers but is also useful in acquiring new customers. The process first starts with identifying a customer and maintaining all the corresponding details into the CRM system which is also called an "Opportunity of Business". The Sales and Field representatives then try getting business out of these customers by sophistically following up with them and converting them into a winning deal. All this is very easily and efficiently done by an integrated CRM system.
- **5.** The strongest aspect of Customer Relationship Management is that it is very cost-effective. The advantage of decently implemented CRM system is that there is very less need of paper and manual work which requires lesser staff to manage and lesser resources to deal with. The technologies used in implementing a CRM system are also very cheap and smooth as compared to the traditional way of business.

- **6.** All the details in CRM system is kept centralized which is available anytime on fingertips. This reduces the process time and increases productivity.
- 7. Efficiently dealing with all the customers and providing them what they actually need increases the customer satisfaction. This increases the chance of getting more business which ultimately enhances turnover and profit.
- **8.** If the customer is satisfied they will always be loyal and will remain in business forever resulting in increasing customer base and ultimately enhancing net growth of business.

In today"s commercial world, practice of dealing with existing customers and thriving business by getting more customers into loop is predominant and is mere a dilemma. Installing a CRM system can definitely improve the situation and help in challenging the new ways of marketing and business in an efficient manner. Hence in the era of business every organization should be recommended to have a full-fledged CRM system to cope up with all the business needs.

3.3 HOW INTERTEK MANAGES CRM

To maintain customer relationship, Intertek uses Microsoft Dynamics CRM, which it named as iConnect.

Microsoft Dynamics CRM is a CRM system that fully integrates with Microsoft Office. From Outlook employees can access Microsoft CRM sales, marketing and customer service modules to make sales decisions, market products, solve problems and get strategic views of the business.



Sales

4.1 PROCESS OF COLLECTING CUSTOMERS

Now a day, in Bangladesh, many garments oriented industries are establishing and they are exporting their products worldwide. These textile products require mandatory testing to ensure performance and safety requirements. Intertek is a global market leader in the testing, inspection, quality assurance, risk management and safety assessment industry. In Bangladesh, it is providing consumer goods (textile, leather, accessories) testing service, audit, inspection and government trade service. Intertek has divided the target for testing and inspection market into three segments:

- Buyers
- Suppliers
- Manufacturers

4.1.1 Buyers

This is the most important segment for business. Foreign buyers are very much cautious about the quality and safety performance of clothes. Intertek aims to provide best service to make it trustworthy to buyers. Foreign buyers are managed through global nomination. Global marketing teams visit buyers" office and demonstrate the quality of services that Intertek provides to make them convinced. Sometimes Foreign delegates are invited to Intertek's office to observe the test facilities and procedure in the lab. Intertek serves special benefit and discount to special buyers.

Some important buyers that Intertek works with are-

- Bangladesh Police
- Gruppo Coin Spa, Italy
- Next
- Macy"s
- Target USA and Australia
- Kohl"s Dept. Stores
- Walmart, Mexico and USA

- Kappahl, Sweden
- MGB Metro Buying HK Ltd
- Polo
- GAP
- George Clothing, UK
- Primark
- Carrefour, France
- Tesco
- Marks & Spencer UK
- V.F Asia, USA
- Mother Care, UK
- Landmark
- C&A
- Tally Weijl
- Hemtex, Sweden
- Decathlon
- JC Penneys
- Haggar, USA
- Sainsbury, UK
- Pimkie, France
- Vissage, UK
- NKD, Germany
- Peacocks Stores, UK
- Esprit, Germany
- Mackays, UK
- Monoprix, France
- Takko Holding Gmbh, Germany

4.1.2 Suppliers and Manufacturers

This group is the local garments industries that export their products to foreign countries. Some important Suppliers and Manufacturers that Intertek works with are-

- Bitopi Group
- Palmal Group
- Esquire Group
- Norp Knit Industries Ltd
- Columbia Garments Ltd.
- Apex Footwear
- Debonair Group
- Dekko Apparels Ltd.
- Padma Textiles Ltd.
- Partex Denim Ltd.
- Youngone
- Li & Fung (Bangladesh) Ltd.
- Thermax yarn Dyed Fabrics Ltd.
- Elegant Fashion ltd.
- Vintage Denim ltd.

Business Development Team are dedicatedly work for business acquisition, and they maintain the below information in iConnect-

1. Accounts

After managing global nominations from buyers, a market research is conducted to figure out which suppliers/manufacturers are working for those buyers and a potential client company list is prepared.

2. Contacts

Detail information about contact persons of those client companies are maintained here.

3. Quotes

A visit is made to communicate with client. Brochure, test capability list and benefits are described to convince, and quotation is provided.

4. Call report

A visit report or client meeting minute including client details, product type of vendor and production capacity, potential revenue of visited vendor, with which buyer the client is working, buyer details, next planned visit schedule etc. are maintained in this segment.

5. Account status

Status of account, whether it is active or inactive, is also maintained. Active status means revenue generating client. Inactive means non-revenue generating account and it has no opportunity to generate in future also.

6. Account coverage

How many account or clients have been visited or communicated are listed here for future reference.

7. Competitors

In case any client denies doing business with Intertek, then with which they are doing business are enlisted in this section.

However, the following percentage is the target rates for above mentioned three segments:

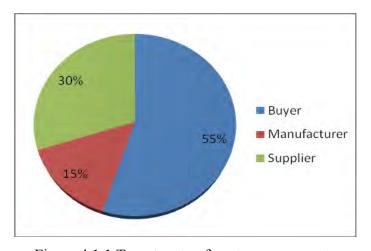


Figure 4.1.1 Target rates of customer segments

4.2 COMPETITION IN THE LINE OF BUSINESS

To survive in the market, Intertek Bangladesh has to compete with many competitors. The main competitors of Intertek are:

- SGS
- Bureau Verities (BV)
- Modern Testing Services Ltd. (MTS)
- Consumer Testing Laboratories Ltd. (CTL)
- Technical Inspection Association (TUV)

4.2.1 SGS

SGS is the world"s leading inspection, verification, testing and certification company. It is recognized as the global benchmark for quality and integrity, employ more than 64,000 people and operate a network of over 1,250 offices and laboratories around the world. At present they are the market leader of testing industry of Bangladesh.

4.2.2 Bureau Veritas (BV)

Bureau Veritas was established in 1828. Headquartered in Paris, France, Bureau Veritas is one of the world"s most widely recognized authorities in the certification industry. It is a global leader in the certification aspects of OHSAS, Quality, Environment and Social Accountability Management System. With over 900 offices in more than 140 countries worldwide, Bureau Veritas employs over 40,000 staff and services more than 370,000 clients. At present they are the in 2nd position of testing industry of Bangladesh. Bureau Veritas (Bangladesh) Pvt. Ltd. was set up in Dhaka in November 2003. Right after the beginning of BV"s joumey, a steady growth of clients as well as revenue followed.

Today, BV Bangladesh has expanded their business in two offices, one in Dhaka and the other in Chittagong.

4.2.3 MTS

Modern Testing Services (MTS) is a world class independent provider of technical services to the retail, vendor and manufacturing communities of consumer products. MTS has amassed a global network of world class operations to support the needs of clients. Their facilities, positioned in strategic locations throughout the world, enable them to maintain an unparalleled quick response, value-added approach to technical service and support. Whether conducting laboratory tests to assure product safety, quality and compliance, to product inspections, facility assessments and training, our staff of highly trained professionals allow their clients to stay focused on what they do best.

4.2.4 CTL

CTL offers a comprehensive and practical approach, built around testing, to ensure only problem free merchandise reaches store locations. They have earned a worldwide reputation for technical abilities, practical experience, integrity and service. They can develop turn-key quality programs customized to particular needs, serving on-premise or off site, installed and completely managed by staff. Each of their laboratories is superbly equipped and expertly staffed. Their textile, mechanical and electrical engineers are among the best in their fields. They can test almost any consumer product from wearing apparel to footwear, paint to tools, toys to furniture, housewares to automotive products. Their approach to product testing is unique and they believe superior to others. They evaluate products from the viewpoint of the consumers.

CTL recently opened a Softlines Testing Laboratory in Dhaka, Bangladesh. This lab is equipped to handle apparel testing needs.

4.2.5 TUV SUD

In Bangladesh TUV SUD operates as TUV SUD South Asia. It was first established as TUV Bayern India in 1994. Today, it is a leading testing, inspection and certification service provider in India. With headquarters in Mumbai and 29 offices forming a well spread out network across India, Sri Lanka and Bangladesh, TUV SUD South Asia is

well-placed to provide services locally. Its services aim to protect the brands of clients, ensuring quality from beginning to end and reducing risks. This is achieved through TUV SUD South Asia"s various reputable accreditations, state-of-the-art testing facilities and qualified and experienced experts.

TUV SUD South Asia inaugurated its new laboratory in Dhaka on 28 October 2010. The new laboratory specializes in testing of textiles, clothing and footwear (Softlines) products. This addition will support manufacturers and exporters in Bangladesh to meet international quality and safety requirements through faster delivery and cost efficiency. TUV SUD also participated in the Global Social Responsibility Conference of German Business as the main sponsor.

4.3 CHALLENGES FROM COMPETITORS

Price war

Low price and rebate facility affects the market.

• One of approved labs

Competitors are getting nomination from the buyers rapidly. Thus market share is being divided into many labs.

• Competitive service

Competitors are offering faster services in the market like 3 days turnaround time (TAT), three months credit facility, acknowledgement within 2 hours etc.

• Choosing or shifting power

Supplier bargaining power is very high. They are now very aggressive regarding the service since they have several options to choose.

• Changing need of customers

Competitors are moving regularly to the customers. Thus customers become very clever and asking for some additional benefits like rebate on the monthly sales, waive of report revision charge, emergency service at regular charge etc.

Retention of employee

Since competitors are increasing their team members and sourcing from the existing labs, employee retention becomes a challenge.

4.4 COMPETITIVE ADVANTAGES OF INTERTEK

- Intertek Dhaka lab is the biggest Softlines Laboratory in Asia with capacity to
 produce more than thousand reports per day. The laboratory is well organized and a
 group of experienced people are working here to provide the best possible services to
 customers.
- Sales force of Intertek is very strong. It has the best resources in terms of publicity, infrastructure, and expertise over its competitors.
- It has well established leather and footwear laboratory which is first ever in Bangladesh.
- Intertek quotes lowest price for some basic tests like tension test, colorfastness tests, pH test, stretch and recovery test etc.
- Intertek has deep insight on local legislation, culture, and market condition. Thus it
 helps customers to achieve faster regulatory approval and product entry to global
 market.
- Intertek maintains integrity very strictly, and takes actions against any non-compliance issue.
- Maintains safety and quality across the supply chain and reduces health, safety, and security risks.

4.5 MARKET CONDITION OF INTERTEK

Intertek is the market challenger at present as per the market situation and market share. Following are the market analysis of 3 major operational divisions:

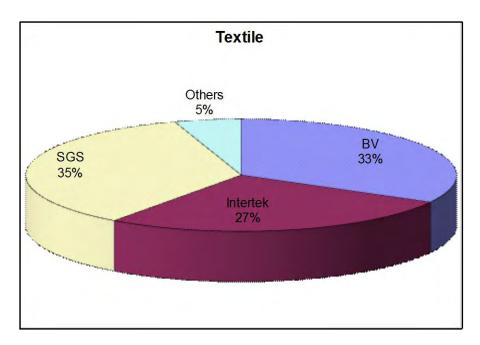


Figure 4.5.1 Market share in 2014 (Textile)

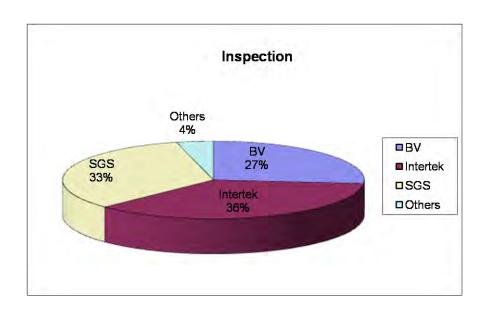


Figure 4.5.2 Market share in 2014 (Inspection)

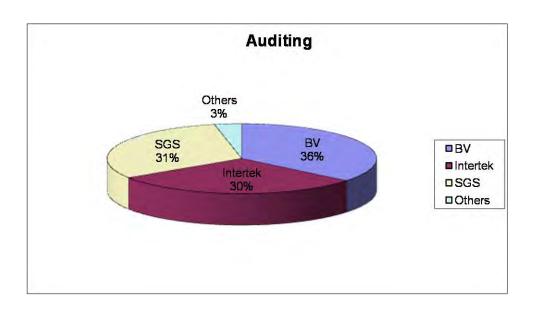


Figure 4.5.3 Market share in 2014 (Auditing)

Marketing		

5.1 MARKETING STRATEGY

As a market challenger Intertek is developing following strategies:

- Define strategic objective and opponents
- Choosing an attack strategy

5.1.1 Strategic Objectives

With the vision of becoming the "Market Leader" in Softliness Business within 2015, Intertek Softlines Bangladesh has set its strategic objectives:

1. To be the "Best Service Provider" in the industry.

Action Plan:

- Sample collection from any location within 2 hours of collection request.
- On spot sample receipt acknowledgement and report delivery notification via email and SMS.
- Improve turnaround time (TAT) efficiency by 25% through use of various management tools like Lean Six Sigma.
- **2.** Most aggressively effective Marketing and Sales team.

Action Plan:

- Team expansion and area wise team formation for vendor management.
- Focus on lost customers.
- More effective communication in increasing nomination of key buyers.
- New service penetration i.e. waste water testing, calibration services etc.
- Strategic approach in sales promotion and business development.
- Branding activities like cricket tournament, cycle rally etc.
- Focus on untapped testing business through analysis of Central Client Database.
 Central client databases of all three major revenue generating divisions have been prepared.

• Combined approach business development through Cross Selling approach with the help of the newly made Central Database.

5.1.2 Promotional Activities

Intertek Bangladesh is providing the following promotional activities-

• Intertek provides special price offers, discount to special customers especially when global nomination is divided with competitors. Corporate discount offers 40% discount for pre-testing, local, self-preference, non program tests. Intertek also offers rebate and the rebate rate depends upon revenue earning from that client.

Revenue in USD / Month	Rebate Rate	Period
5,000 - 10,000	8%	Monthly
10,000 - 15,000	10%	Monthly
15,000 - Above	12%	Monthly

- It publishes and provides a half yearly brochure to existing customers and selected businesses. The newsletter notifies readers about current sales promotions.
- Each year Intertek Bangladesh takes participation in different types of fairs such as BATEXPO fair, Leather Tech fair, Garmentech fair, Denim fair, Accessories fair etc. to promote its offers and additional services and to show the overall growth of quality service.
- Intertek arranges seminar where all the suppliers are invited. To show the overall growth of quality service is the main objective of this seminar.
- Intertek provides calendar, pen with Intertek logo to customers.
- Every year Intertek calls for drawings from employees" children for the theme "Save
 the Environment". Selected drawings are published in yearly calendar, which helps in
 internal brand building.

• Intertek is engaged in various Corporate Social Responsibility (CSR) programs including providing scholarship to the poor and under privileged students.

5.2 MARKETING THROUGH eCRM

In iConnect, below marketing information are maintained-

• Inquires

Clients often make queries regarding price and test capability. KAM (Key Account Management) makes a summary of queries. It helps manage clients" queries effectively as per importance and requirement, which ultimately helps provide proper feedback.

Leads

When customers agree to take the service considering price and our offered benefits, gives Intertek an advantage over competitors, and thus lead generates.

• Accounts

A client list, from which Intertek received business, is maintained in this section.

Contacts

Contact person's name and contact number of respective company are maintained in this segment.

• Campaign

Intertek does campaign for brand building for both existing and potential customers. It arranges seminars, technical training, auditing training, participates in various fairs. Intertek also organizes cricket tournament, cycle rally on World's Environment day which are also a part of brand building.

Customer	Satisfaction	Survey	
			_

To improve the current service performance of Intertek Testing services Ltd., a survey is conducted to assess the overall customer satisfaction. The scope of the survey is confined to lab testing, inspection and auditing services, which are the main revenue generating sectors of Intertek.

6.1 OBJECTIVES OF THE SURVEY

The objectives of undertaking the customer satisfaction survey are:

- To assess the level of customer satisfaction towards the current service performance of Intertek,
- To collect customers" opinions,
- To learn customers" expectations, and
- To identify area of improvement.

6.2 SURVEY DESIGN AND METHODOLOGY

6.2.1 Data Collection Method

Customer satisfaction survey 2014 has been conducted by using specific questionnaire. From January to November 2014, Intertek organized some seminars and collected customer's comments through customer feedback form which is basically a set of standard questionnaire. A sample of the questionnaire will be found in Appendix.

A total of 500 questionnaires were sent out in various seminars and throughout emails from January to November 2014.

6.2.2 Design of Questionnaire

The survey was conducted to know about customers" opinion and develop the level of provided services according to customers" expectation. To facilitate the comparison of customer satisfaction across time in future, Intertek is expecting to use the same questionnaire for future customer satisfaction survey.

6.2.3 Target Respondents

As Intertek is performing textile testing, inspection and auditing, so the customers are mainly from the textile sector. However, target respondents were textile garment industries.

6.3 ANALYSIS OF SURVEY

6.3.1 Response Rates

Out of the 500 questionnaires sent, 160 filled up questionnaires were returned and some were back without proper comments. The response rate was 31%. Moreover, 6 questionnaires were rejected due to incomplete information. However, data were calculated based on questionnaires with complete information.

6.3.2 Sample Base

Among those completed questionnaires, some respondents did not respond a few questions. The analysis of the survey is made only based on valid samples. As a result, the bases for some questions may not be the same as the total number of questionnaires collected.

6.3.3 Sample Composition

There are altogether 160 complete questionnaires returned. The distribution of the company type is summarized as follows:

Table-6.3.1 Distribution of Company types of respondents

Primary Function	Number of Respondents	% of Respondents
Manufacturer	128	90%
Buying Office	20	8%
Buyer Local Office	6	2%

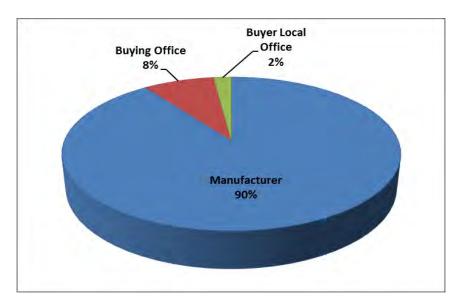


Figure 6.3.1 Distribution of company type

The positions held by various respondents are summarized below:

Table-6.3.2 Distribution of position of the respondents in firm

Position in the firm	No. of Respondents	% of Respondents
Top management	10	4%
Middle Management	24	10%
Merchandiser / Executive	115	84%
Others	5	2%

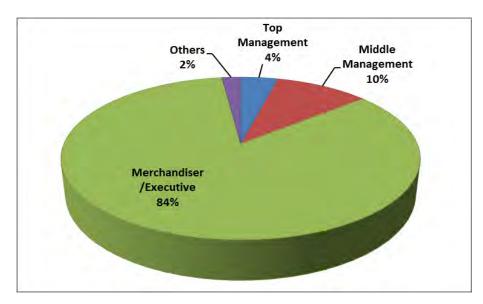


Figure 6.3.2 Position held by the respondents

6.3.4 Method of Calculating Customer Satisfaction

To understand the overall customer satisfaction, a score of satisfaction level is calculated for textile testing, inspection and auditing customers. Details of the method of calculation can be found in below charts.

6.3.5 Key Areas of Customer Satisfaction

In this survey four key areas have been identified for analysis considering different indicators. The results of the overall performance of Intertek Testing Services Ltd. over these four areas are as below.

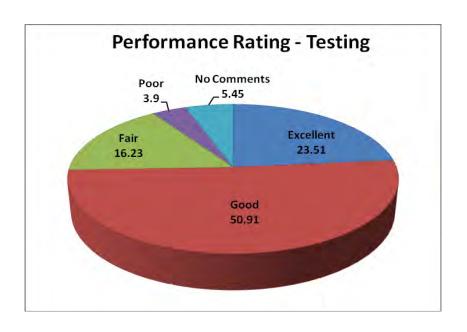
• Textile Testing

For textile lab test, the survey was conducted on 770 participants. Among them, 95% participants responded and 728 comments on testing services were received.

Core Service		Total no. of Excellent				Total no. of comments	% of total Response
Testing	770	181	392	125	30	728	95

G 6 :	Performance Rating Percentage				
Core Service	Excellent	Good	Fair	Poor	Sum
Testing	23.51	50.91	16.23	3.90	94.55

Graphical representation of the above data is-



However, the breakdown of above analyzed data is individually presented below-

Table 6.3.3 Customer satisfaction results for Textile Testing Service

Sl. No	Feedback on	Customer comments	Rating (%)
		Excellent	16%
		Good	15%
1	Picking up samples	Fair	62%
		Poor	3%
		No comments	4%
		Excellent	20%
	Commission and advantage of the state of the	Good	53%
2	Sample receiving acknowledgement and Coordination Process	Fair	16%
	Coordination Frocess	Poor	6%
		No comments	5%
		Excellent	13%
		Good	60%
3	Invoicing procedure	Fair	17%
		Poor	5%
		No comments	5%
		Excellent	12%
		Good	62%
4	Report delivery time	Fair	14%
		Poor	5%
		No comments	7%

		Excellent	12%
		Good	60%
5	Payment method	Fair	20%
		Poor	3%
		No comments	5%

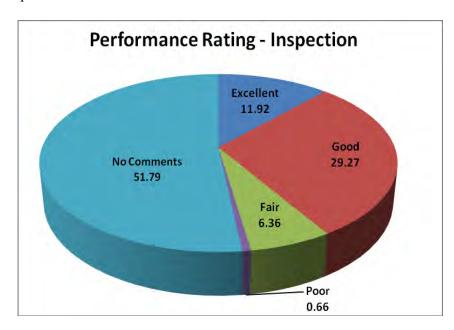
Inspection

For Inspection service, the survey was conducted on 750 participants. Among them, 48% participants responded and 364 comments on inspection services were received.

Core Service		Total no. of Excellent				Total no. of comments	% of total Response
Inspection	750	90	221	48	5	364	48

Core Service		Performan	formance Rating Percentage		
Core Service	Excellent	Good	Fair	Poor	Sum
Inspection	11.92	29.27	6.36	0.66	48.21

Graphical representation of the above data is-



However, the breakdown of above analyzed data is individually presented below-

<u>Table 6.3.4 Customer satisfaction results for Inspection Service</u>

Sl. No	Feedback on	Customer comments	Rating (%)
		Excellent	19%
		Good	55%
1	Coordination Process	Fair	11%
		Poor	2%
		No comments	13%
		Excellent	11%
		Good	54%
2	Booking Lead time for Auditing	Fair	19%
	Poor	1%	
	No comments	15%	
		Excellent	10%
		Good	52%
3	Payment Method	Fair	17%
3 Taymont Method		Poor	1%
		No comments	20%
		Excellent	11%
		Good	52%
4	Clarity/ Explanation During Auditing	Fair	17%
		Poor	2%
		No comments	18%
		Excellent	12%
		Good	50%
5	Technical competency of Auditing	Fair	19%
		Poor	1%
		No comments	18%

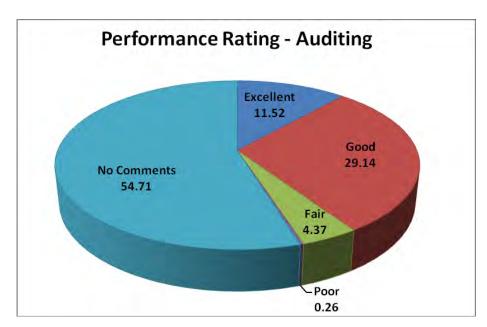
• Auditing

For Audit service, the survey was conducted on 755 participants. Among them, 45% participants responded and 342 comments on auditing services were received.

Core Service		Total no. of Excellent				Total no. of comments	
Auditing	755	87	220	33	2	342	45

Cana Samiaa		Performance Rating Percentage					
Core Service	Excellent	Good	Fair	Poor	Sum		
Auditing	11.52	29.14	4.37	0.26	45.30		

Graphical representation of the above data is-



However, the breakdown of above analyzed data is individually presented below-

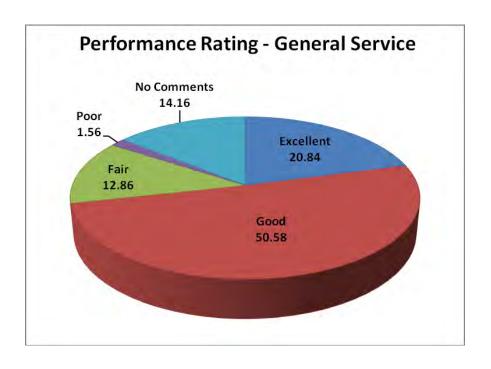
Table 6.3.5 Customer satisfaction results for Auditing Service

Sl. No	Feedback on	Customer comments	Rating (%)
		Excellent	17%
		Good	48%
1	Coordination Process	Fair	15%
		Poor 2%	
		No comments	18%
		Excellent	13%
		Good	53%
2	Booking Lead time for Auditing	Fair	13%
		Poor	1%
		No comments	20%
		Excellent	8%
		Good	62%
3	Payment Method	Fair	16%
		Poor	1%
		No comments	13%

		Excellent	13%
	Clarity/ Explanation During Auditing	Good	49%
4		Fair	16%
		Poor	1%
		No comments	21%
		Excellent	14%
	Technical competency of Auditing	Good	48%
5		Fair	14%
		Poor	2%
		No comments	22%

The total responses received from the survey for textile, inspection and audit can be depicted through a pie diagram-

Core Service		Total no. of Excellent			Total no. of Poor	Total no. of comments	% of total Response
General	1540	321	779	198	24	1322	86



<u>Table 6.3.6 Customer satisfaction results for General</u>

Sl. No	Feedback on	Customer comments	Rating (%)
		Excellent	17%
	Foso of contacting systemer service and		54%
1	Ease of contacting customer service and promptness of response	Fair	16%
	prompuless of response	Poor	3%
		No comments	10%
		Excellent	18%
		Good	52%
2	Helpfulness and Attitude of representative	Fair	14%
		Poor	3%
		No comments	13%
		Excellent	17%
		Good	57%
3	Confidence and confidentiality	Fair	12%
		Poor	1%
		No comments	13%
		Excellent	10%
		Good	60%
4	Knowledge of the frontline staff in providing	Fair	12%
	desired information	Poor	2%
		No comments	16%
		Excellent	13%
		Good	52%
5	Ability of the staff to provide professional/	Fair	17%
	technical advice to customers	Poor	1%
		No comments	17%
		Excellent	15%
		Good	47%
6	Ability to handle all customer complaints in	Fair	16%
	non-confrontational manner	Poor	2%
		No comments	20%
		Excellent	13%
		Good	50%
7	Accurate and timely service delivery	Fair	18%
		Poor	3%
		No comments	16%
		Excellent	10%
	Availability of value added schemes to the	Good	52%
8	customers besides regular service	Fair	14%
	_	Poor	3%

		No comments	21%
	Sensitivity to customers" Time, Cost and Effort	Excellent	10%
		Good	55%
9		Fair	16%
	Enort	Poor	3%
		No comments	16%
		Excellent	20%
	Anti bribery policy	Good	46%
10		Fair	13%
		Poor	1%
		No comments	20%

6.3.6 Other Findings

Other areas where some of the respondents have given suggestions or raised concerns include:

Testing

- It is a big risk to meet TAT and run operation smoothly.
- Less credit facilities to customers and less flexibility in terms of payment compare to other labs may reduce business.
- Flexibility in sample login. They asked full day login time.
- Sample receiving acknowledgement need to be sent on same day.
- Test report need to be sent accurately within working hour. Customers are concerned about Intertek's wrong reporting, attached picture mismatch with submitted original sample.

Inspection

- For inspection, Intertek needs to provide more flexibility in payment issue as it needs to be settled prior to inspection date.
- Customers are expecting flexibility in terms of quality checking as well as positive attitude from Inspectors and coordinators.

• Customers also expect more cooperation regarding reservation and inspection date.

Auditing

- Intertek Auditors perform audit as per prescribed buyers rules and regulations. But they do not consider real situation of the factory.
- Some laws are not clear in some points. In those cases, Auditor should share information with factory to maintain.
- More cooperation from Auditors is required to run customers" business smoothly.

Recommendation and Conclusion	

7.1 RECOMMENDATIONS

7.1.1 Sample Login Time

Intertek's sample cut off time is 3:00 PM. It is receiving sample whole day but if the sample logs in within 3:00 PM then the day will be count and turnaround time will be given accordingly. But if the sample logs in after 3:00 PM, then it will be registered on next day.

Intertek provides free sample pickup service no matter wherever the factory is. But one messenger is allocated for each area and his responsibility is to collect samples from all nearby factories who request to collect. Thus a messenger who collects samples from distance area can never get back to office within 3:00 PM. So the sample is registered in the very next day and customer gets the test report 1 day later than his expectation, which sometimes affect in product shipment. So, full day cut off time may help customers in this regard.

At present no other competitor is giving full day cut off time for sample login. So, if Intertek remains open for 24 hours and introduces 7 days service with full day sample login service then customers will find it worth spending their money and at the end will attract more customers. This blue ocean strategy may give Intertek a competitive advantage over its competitors.

7.1.2 Turnaround Time (TAT) Issue

In terms of test report delivery, currently Intertek is providing 4 types of services-

- Regular Service in which report will be delivered within 4 working days
- Express Service in which report will be delivered within 3 working days with 40% surcharge
- Shuttle Service in which report will be delivered within 2 working days with 100% surcharge

• Same Day Service in which report will be delivered within 8 working hours with 150% surcharge

Whenever any sample is received by Customer Service Officer, it is passed to Coordination area for sample registration, and after registration Coordinator passes the sample to the lab for testing. After testing, the tested sample with data sheet is passed to Documentation Officer for data entry, and then Report Reviewer checks the draft report for finalization. Once Reviewer confirmed, Documentation Officer (DO) issues the final report. The flow diagram of total working process is as below-

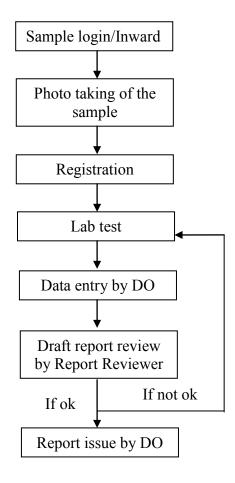


Fig 7.1.1: Process flow diagram of lab test

Since each sample is randomly passed to the next stage after receiving, thus inventory is created in each step which sometimes results loss of productive time, lengthen lead time, duplicated effort, rework, and potential defect to customers.

This issue can be overcome by "Single Piece Flow" strategy and "Pull Method Strategy".

1) Single Piece Flow Strategy

In this strategy one sample will be delivered at a time to the next stage between operations within a work cell. It will keep WIP (work in progress) at the lowest possible level. It encourages work balance, better quality and a host of internal improvements. So each sample will have the traceability in which stage is it and will reduce inventory in any work stage.

2) Pull Method Strategy

In this strategy one sample will only be delivered to next stage when it will require. Intertek can implement this strategy. For this a central inventory can be maintained at Customer Service area. Whenever any sample will be logged in, it will be kept in rack after inward. It will only be passed to coordination area for photo taking and registration when Coordinator will require or have no sample in hand. Similarly Coordinator will only pass samples to lab when machine or test equipment will be free. Thus no inventory will be created in any stage. In case inventory is created, then the reason will be easily identifiable and can be solved within short time.

The advantage of this strategy is that, no one will be in rush of job and each personnel can concentrate on his/her current job. So it will reduce the chance of defect in report issue and will save the time of rework.

7.2 CONCLUSION

After completed the Customer Satisfaction Survey and all the analysis, it is found that overall services of ITS Labtest Bangladesh Ltd. are satisfactory according to customers. But there is always room for improvement of services. Intertek always takes the advantage to give the staff a re-training workshop on Intertek Code of Conduct and Core Values. ITS Labtest Bangladesh lab is operating in a manner consistent with world class quality standard.

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ANNEX 1: CUSTOMER SURVEY QUESTIONNAIRE



INTERTEK - CONSUMER GOODS BANGLADESH

Customer Feedback Form - 2010

Date:

First of all, we would like to thank you for your continuous support & co-operation. Please let us have your opinion on our services. Your opinions will be kept confidential and will only be used to improve our services to you. Please indicate your degree of satisfaction in the following areas. (Please tick as appropriate)

Part-A	CORE SERVICES		Excellent	Good	Fair	Poor	
	<u>Testing</u>						
1	Picking up Samples						
2	Sample receiving acknowledgement & c	pordination process					
3	Invoicing procedure						
4	Report delivery time						
5	Payment method						
	<u>Inspection</u>						
6	6 Coordination process 7 Booking Lead time for Inspection						
7							
8	Payment method						
9	Clarity / Explanation during Inspection						
10	Technical Competency of Inspector						
	Auditing						
11	Coordination process						
12	Booking Lead time for Auditing						
13	Payment method						
14	Clarity / Explanation during Auditing						
15	Technical Competency of Auditor						
Part-B	GENERAL		Excellent	Good	Fair	Poor	
1	Ease of contacting Customer Service &	Promptness of response					
2	Helpfulness & Attitude of Representative						
3	Confidence & Confidentiality Knowledge of the front line staff in providing desired information Ability of the staff to provide professional / technical advice to customers Ability to handle all customer complaints in non-confrontational manner						
4							
5							
6							
7	Accurate and timely service delivery						
8	Availability of value added schemes to t	he customer besides regular service					
9	Sensitivity to customer's time, cost & effo	ort					
10	Anti bribery policy						
						•	
	How long have you been using our se	rvices					
	O Less than 1 year O 1-3 Years O 3-6 years			6-10 years			
	Do you use any other service provider (ex. SGS/BV) other than Intertek? If yes, please specify						
	How would you rate the quality of our service compared to other similar service providers						
V	0	_		li4s r	O Cignifica	nthemorae	
	Significantly better Slightly b	petter Almost similar () Lower qua	iity	Significa	nuy worse	
Any other	suggestions for overall improvement	of our service					
,							
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Name:	s primary function?	Buying office Liaison offi	ice 🗀 O	tners, PIS spe	ecify		
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