



Inspiring Excellence

**INTERNSHIP REPORT ON**  
**“Service Marketing of The Merchants Ltd.**

**Supervised By:**

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**Date of Submission: 05 June 2017**

## Letter of Transmittal

05June 2017

Mohammed Tareque Aziz, PhD  
Internship Supervisor  
Associate Professor of Relationship Marketing & Retailing  
BRAC Business School  
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Subject: Submission of Internship Report on **“Service Marketing of The Merchants Ltd.”**

Dear Sir,

I am highly delighted to submit my internship report on “Service Marketing of The Merchants Ltd.” to you, as a requirement of internship program for the fulfillment of MBA program. It is a great achievement to work under your active supervision and guidance.

I have tried my level best to represent all the things that I have learnt during my internship program accurately.

Therefore, I sincerely expect that you would be kind enough to accept my report for evaluation and oblige thereby.

Sincerely Yours

-----  
Saki Mohammad Jakiul Alam

ID No: 13364061

MBA Program

Department of Marketing

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BRAC University

## Declaration

I, **Saki Mohammad Jakiul Alam**, hereby declare that the report of internship program titled “Service Marketing of The Merchants Ltd.” is uniquely prepared by me during the working at The Merchants Ltd.

I also confirm that, the report is only prepared for my academic requirement not for other purpose and this report is not submitted in any other place before. I also assure that, this report was not submitted to any other private or public universities.

-----  
Saki Mohammad Jakiul Alam

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## Certificate of Supervisor

This is to certify that Saki Mohammad Jakiul Alam, a student of MBA, ID No:13364061, successfully completed his “Internship Program” entitled “Service Marketing of The Merchants Ltd.”under my supervision as the partial fulfillment of the MBA degree.

He has done his job according to my supervision and guidance. He has tried his best to do this successfully. I think this program will help him in the future to build up his career.

I wish his success and prosperity.

-----  
Mohammed Tareque Aziz, PhD

Internship Supervisor

Associate Professor of Relationship Marketing & Retailing

BRAC Business School

BRAC University

## Acknowledgement

All praises are due to Almighty Allah for giving me the strength and the composure to finish the task within the scheduled time. Beside this, I am very grateful to The Merchants Ltd. for providing me with the opportunity to complete my internship program.

I received cordial cooperation from the officers and staffs of The Merchants Ltd. I want to express my cordial gratitude to them for their cooperation without which it would not be possible to complete the report.

I would like to express my deep sense of gratitude & sincere appreciation to my internship supervisor Mr. Dr. Mohammed Tareque Aziz, Associate Professor of Relationship Marketing & Retailing, BRAC Business School, BRAC University for his continuous support and guidance during the internship period. His suggestions and comments were really a great source of spirit to make the report a good one.

I am thankful to Mr. S. M. Yousuf Wazed, Marketing Manager, Mr. Abu Hanif Khan, Senior Customer Service Manager and others of The Merchants Ltd. for giving me the excellent opportunity to do my practical orientation.

Finally, I would also like to thank all of the officials of The Merchants Ltd. due to their kind and helpful cooperation with me.

I would like to convey my thanks to all my well-wishers and relatives for their voluntary help and cooperation.

## Executive Summary

Basically printing and packaging industry belongs to the tertiary industry among three industries. And The Merchants Ltd. is the pioneer of this sector in Bangladesh. The Merchants Ltd. established their business in 1983 and they have highly experienced production team, marketing team and procurement team. They are playing vital role in the packaging industry and still the remaining number one position in this industry.

The study was designed to analysis the service activities of The Merchants Ltd. This report is prepared as requirement of the MBA program. This report will give a clear idea about activities, operational strategies, management and monitoring of customer service of TML. Especially this report focuses on the customer service activities area of TML in current position.

The objective of the report is to analyze the customer service activities of The Merchants Ltd. But it has some specific objectives which help me to know the terms and conditions of customer service activities, service procedures and service monitoring system of The Merchants Ltd. I have collected the information regarding TML from primary sources. This report aims to provide the customer service activities performance of The Merchants Ltd.

I have shown some major findings from the analysis of The Merchants Ltd. following some recommendation and justifications.

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# **CHAPTER - 01**

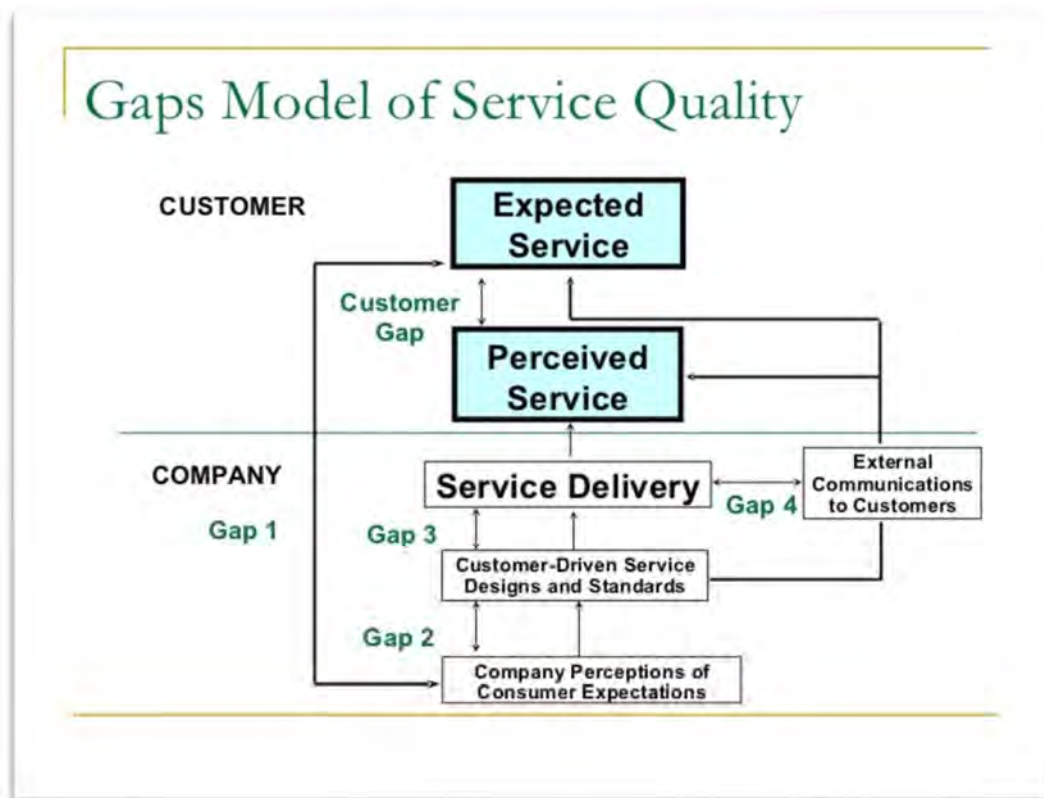
## **INTRODUCTION**

The Merchants Ltd. has a long and captivating history of 34 years in the flexible packaging industry of Bangladesh. The company was founded in 1983 as a concern of Elite Printing Packaging Ltd. But day by day The Merchants Ltd. has become grown up and create its own identity over Elite Printing Packaging Ltd. The Merchants Ltd. is the pioneer in the flexible packaging industry of Bangladesh. And till now they are the leader in flexible packaging industry of our country. To this date this company has retained its leadership position in the specialty and flexible packaging market and has grown its reputation as a national company recognized for integrity, innovation, absolute commitment to customer service and value through complete quality and process management. The company's first plant was a 25,000 square foot facility in BSIC Industrial Area, Tongi, Dhaka. Business expanded at a comfortable rate and in 1995 acquisition of 60,000 square foot manufacturing space was made adjacent to existing site and in 2001 the operation expanded to Pagar, Tongi, where 130,000 square foot green field site was purchased.

## CHAPTER - 02

# THE GAPS MODEL OF SERVICE QUALITY

The principal focus of the GAPS model is the customer GAP, which is the difference between customers' expectations and perceptions.



*Figure: The GAPS Model of Service Quality*

Perceptions reflect the service as actually received. In "A conceptual model of service quality and its implications for future research" (**The Journal of Marketing, 1985**), **A. Parasuraman, VA Zeithaml and LL Berry** identified this gap model, through which organizations seeking to meet customer's expectations of the customer experience can successfully achieve its target.

To gain an understanding of The Merchants Ltd's (TML) gaps, we conducted two short surveys on customer expectations and perceptions of TML service. In the survey, around 41 respondents were asked questions of TML's key service attributes.

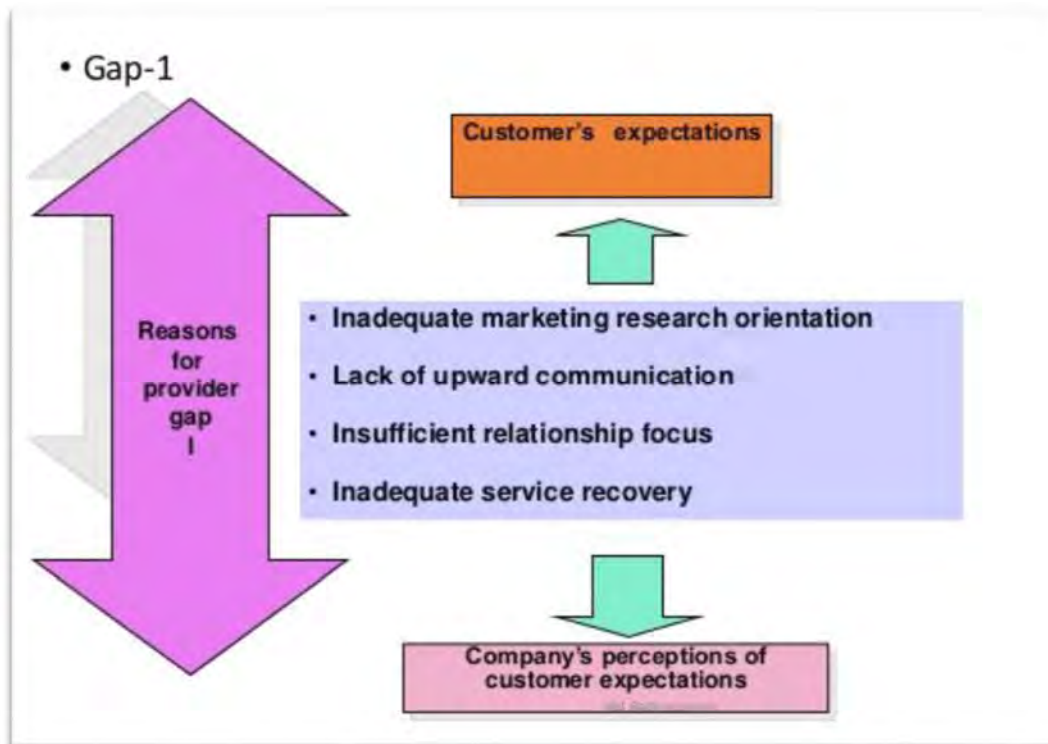
The responses were converted, and every attribute has been measured on a 5 point scale. We found all but two of the attributes like: Delivering on promises carrying nil gap and Products and service features carrying positive gap.

Attributes	Perception	Expectation	Gap (Perception - Expectation)
Delivering on promises	4	4	0
Willingness to help	3	5	-2
Responsiveness to questions and concerns	3	5	-2
Delivery time	3	5	-2
Recommend to others	3	5	-2
Trustworthy or dependable	3	4	-1
Products and service features	4	3	+1
Imagination of customers thinking or feeling.	3	5	-2

The four gaps that organizations should measure manage and minimize:

### **Provider Gap 1 (The Knowledge Gap):**

The gap between consumer expectation and management perception arises when the management or service provider does not correctly perceive what the customers wants or needs (Boundless Marketing, 2015).

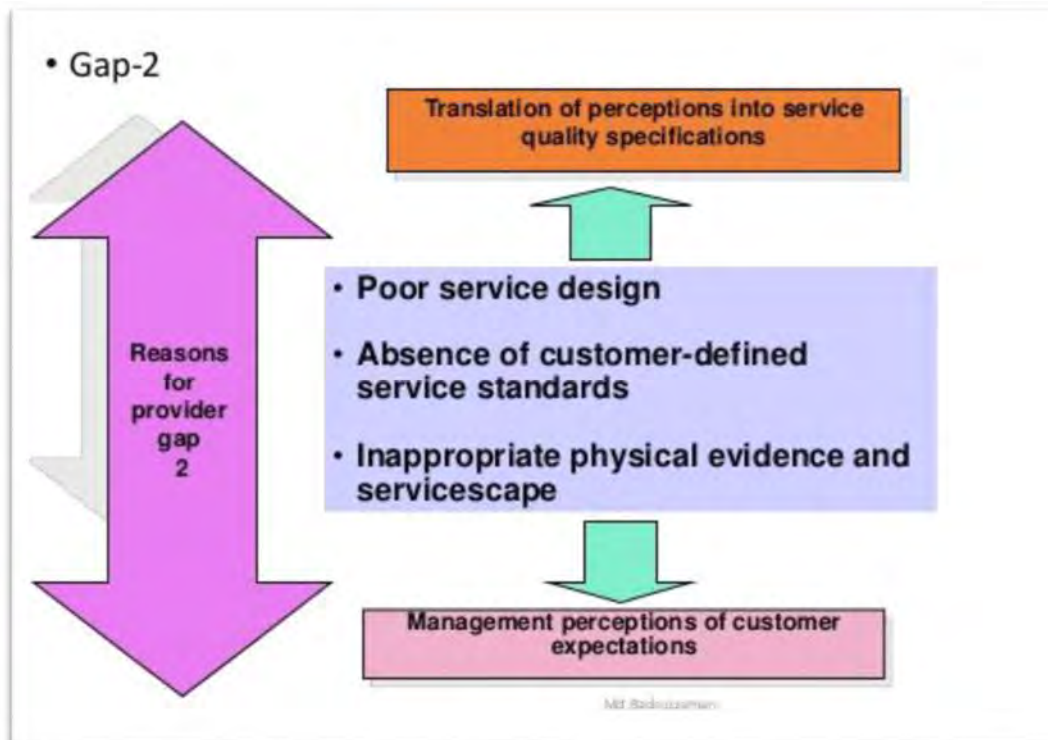


*Figure: Provider Gap 1*

TML's market research is only getting a certain group of target buyers' opinions rather than a broad sample so they did not really carry out an effective market research which ultimately resulted in failure to develop an effective business strategy. Therefore, they seem not to have carried out a study on customer's expectations and finally resulted in having the negative gap in customer's expectation and perception.

### **Provider Gap 2(The Service Design &Standards Gap):**

Gap between management perception and the actual specification of the customer experience - Managers need to make sure the organization is defining the level of service they believe is needed (Cardozo, 1965).

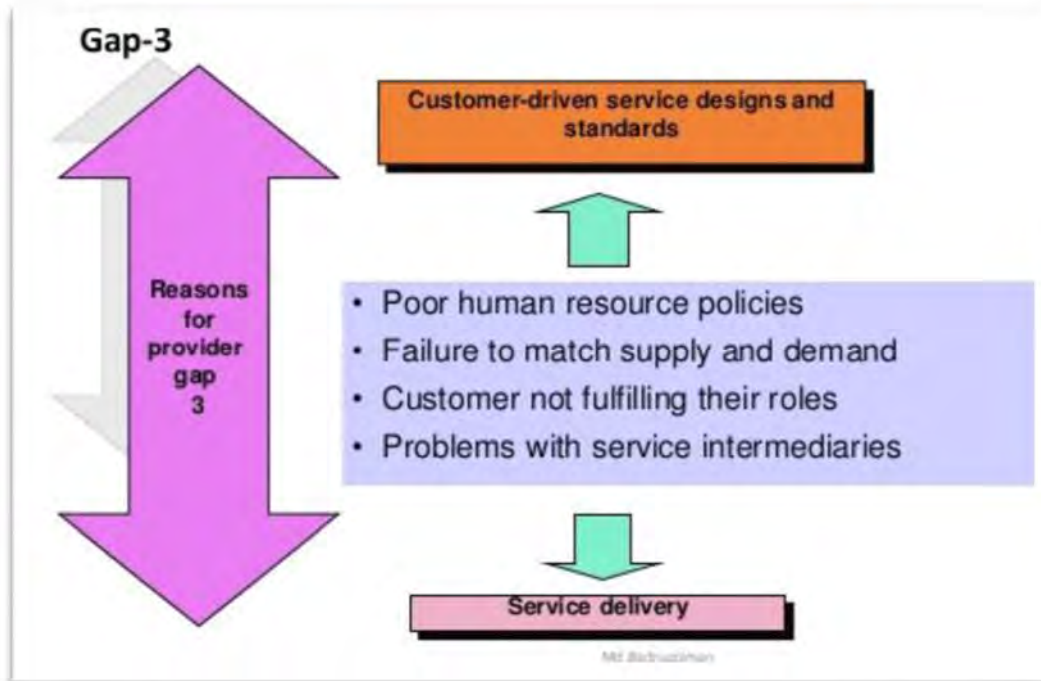


*Figure: Provider Gap 2*

TML itself has created some obstacles to its business through its company's terms and conditions. Due to strong guideline of TML, if any necessity needed for customer TML unable to provide instantly and require longer period of time to provide standard of customer service. So here absence of customer-define service standard.

### Provider Gap 3(The Service Performance Gap):

This gap arises from a discrepancy between the experience specification and the delivery of the experience. Managers need to audit the customer experience that their organization currently delivers in order to make sure it lives up to the customer expectations (Cardozo, 1965)



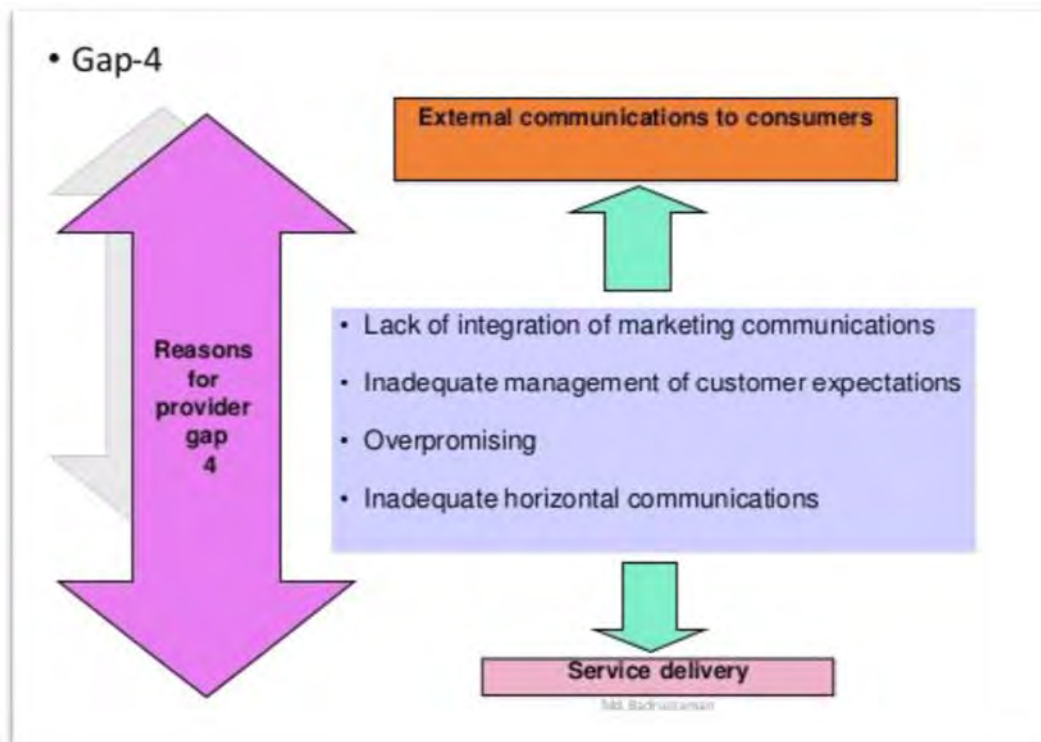
*Figure: Provider Gap 3*

TML has high-quality people working within the organization in many different roles. These vary from the procurement and accounts, sales and marketing functions. However, in places, TML may require supplementary skills like **Persuasion Skills, Willingness to learn and Tenacity skills** to bridge the gap between its existing human resources and those required to implement the plan completely.

### Provider Gap 4 (The Communication Gap):

All too often, organizations exaggerate what will be provided to customers, or discuss the best case rather than the likely case, raising customer expectations and ultimately harming customer perceptions (Cardozo, 1965).

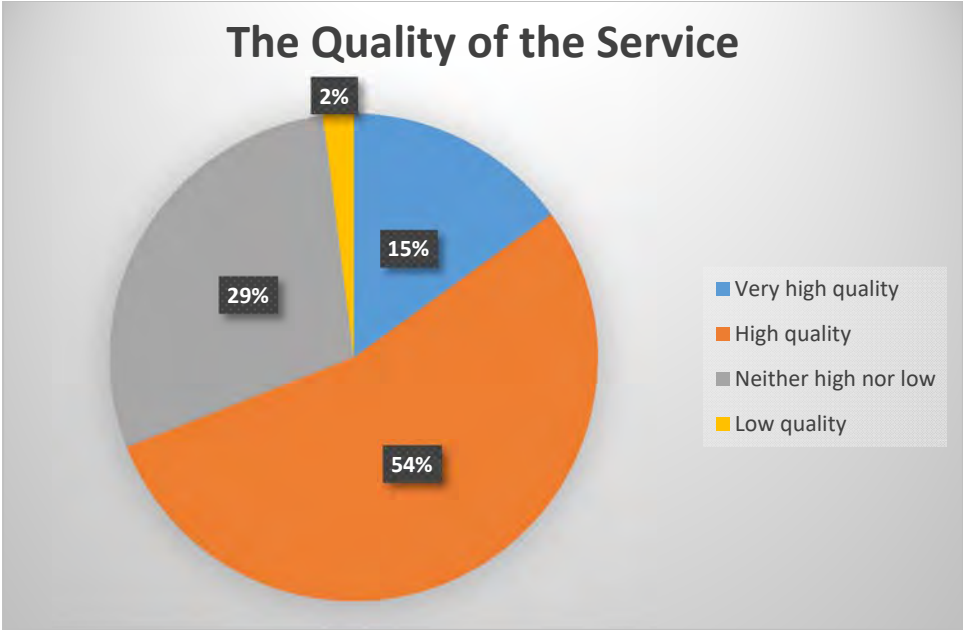
TML doesn't go for aggressive promotion or campaigns. Though they have an official website, but they have very less information over there to notify customers where customers are mostly business and export oriented people so they try to ignore mass media and try to reduce cost also.



*Figure: Provider Gap 4*

As a result, due to ignore mass consumer group unable to lead a market in proper way because usually less quick in responding to changing customer needs and wants. Moreover, because this is a competitive segment, their market share growth is limited.

The main strength of TML is its countrywide extend service and transportation system. Therefore, even after having so much of GAP, 54% of our respondents chose to consider as high quality service of TML.



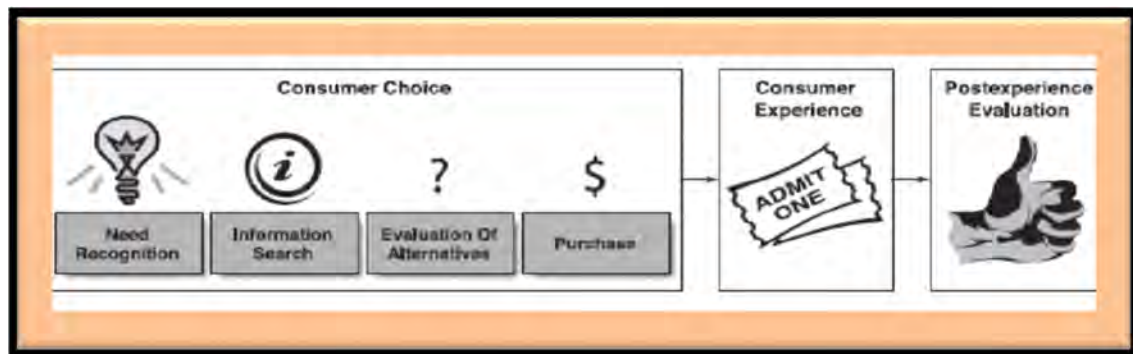
*Figure: Quality of the service*



## CHAPTER - 03

# CONSUMER BEHAVIOR IN SERVICE QUALITY

Service cannot be delivered, when we have to consume at that point service is deliver. When consume service there are some factors consider for consumer behavior. The behavioral pattern of the consumers that the marketers are concerned with that lead to a purchase of a particular service is divided into five categories:

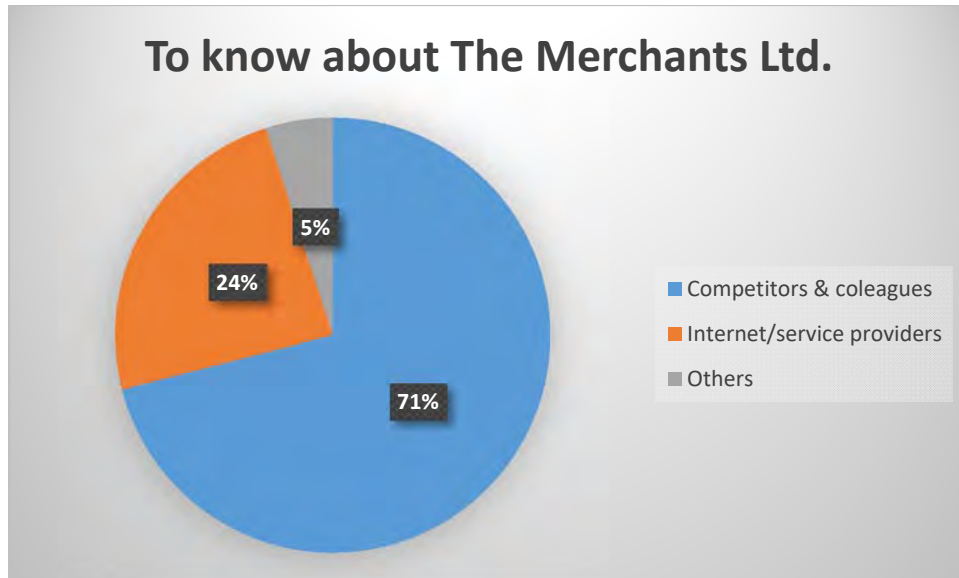


*Figure: Purchasing Behavior*

**1. Need Recognition:** Need recognition is comes from what actually consumer can achieve. A safety & security need to deliver wrapper safely, soundly and rapidly from TML warehouse to customers' warehouse as per customers' mentioned schedule.

**2. Information Search:** Once customers have the need recognized, they gather information about the services that might satisfy this need.

- **Personal & Non-Personal Sources:** Customers take suggestion collect information from competitors/colleagues as a part of information search. From this survey we come across around 70.70% responds know about TML from competitors/colleagues and non-personal sources can be internet/service providers and other sources respectively 24.40% and 5%.



*Figure: Consumer to know the TML*

So Customer will take suggestions from competitors/colleagues as a part of information search. While non-personal sources can be internet & service providers.

- **Perceived Risks:** Risk can come in the form of time risk, financial risk, social risk, performance risk or psychological risk.

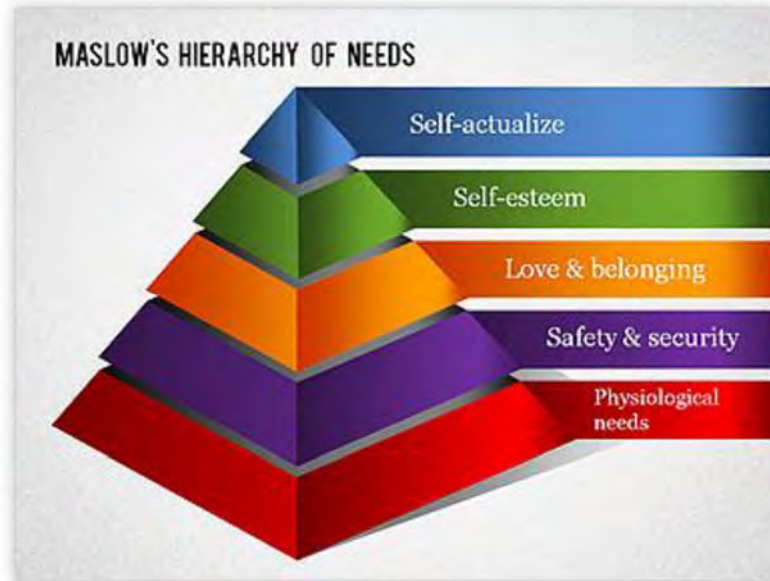
**3. Evaluation of Search Alternatives:** After the information search customers has a list of wrapper manufacturers among what they tend to evaluate against one another option. Among all the names consumer considers their acceptance or rejection.

**4. Service Purchase:** Finally, customers make the decision to choose the most competent wrapper manufacturer considering the aforementioned behavioral aspects.

**5. Post Purchase Evaluation:** After taking service there are four ways consumer evaluate service- word of mouth communication, attributes of dissatisfaction, positive or negative biases and brand loyalty. After consuming the TML service, consumer might be pleased and might not be and may regret for not going to a competing service this type of behavior is called cognitive dissonance or conflict.

❖ **Motivation Theory and Marketing Strategies:**

TML according to Abraham Maslow's "Need Hierarchy Theory", there are basically five stages:



*Figure: Abraham Maslow's "Need Hierarchy Theory"*

- **Physiological needs**

These are the basic needs of air, water, food, clothing and shelter. In other words, physiological needs are the needs for fundamental services of life. TML satisfies the basic need of quality wrapper as per customers' requirement. Now a day this can be considered as a basic amenity of business.

- **Safety needs**

Safety needs include physical, environmental and emotional safety and protection. For instance- job security, financial security, protection from animals, family security, health security, etc. TML always tries to ensure security and safety of the manufactured wrapper thus it satisfies the safety needs. It uses better vehicle and instrument for the security.

- **Social Needs**

Social needs include the need for love, affection, care, belongingness, and friendship. TML provides its service with utmost care which satisfy caring and friendship need.

- **Esteem Needs**

Esteem needs are of two types: internal esteem needs (self- respect, confidence, competence, achievement and freedom) and external esteem needs (recognition, power, status, attention and admire). Customer focus services allow TML to satisfy the need of confidence and freedom. Customer can freely choose any option and can offer option as well.

- **Self-actualization Needs**

It includes the need for growth and self-contentment. It also includes desire for gaining more knowledge, social- service, creativity and being aesthetic. The self-actualization needs are never fully satiable. As an individual grows psychologically, opportunities keep cropping up to continue growing. TML always tries to find out the utmost need of the customers.

In every aspect of TML's business focuses on **'delivering a superior customer experience'** and customized value proposition. As a result, TML applies sophisticated facilities customers to check exactly where their wrappers are at any time which actually try to satisfy self-actualization need.

## **CHAPTER - 04**

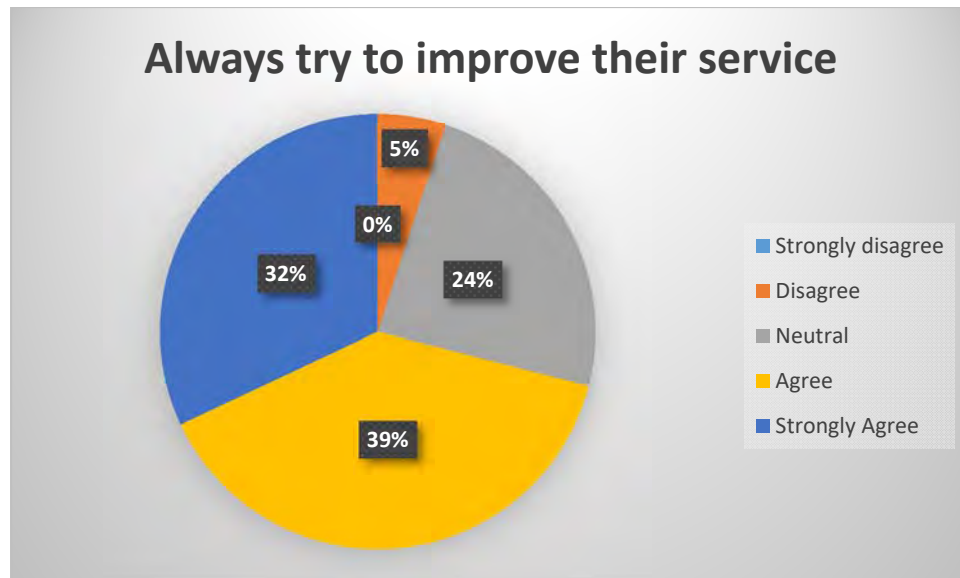
# **CUSTOMER EXPECTATIONS OF SERVICES**

Customer expectation is customer beliefs about service delivery. It is the standard against which service performance is judged. Customers compare their expectation with perception to evaluate the actual quality of service. TML has a strong market attendance because of TML's strong points are based on attracting and developing good quality staff who are able to manufacture quality products as well as exceed customer expectations so that customers stay loyal to the business. However, customer expectations are always changing and this is something TML should consider. In this regard there are certain factors to focus on.

### **❖ Sources of desired service expectation**

There are two important factors which influence that desired level of service. These factors are:

- **Personal needs:** Personal needs are those states which are essential to physical and psychological aspects of human being. These factors given a shape what customer's desire in service. Personal needs can fall into many categories including physical, social, psychological, and functional. In the survey we asked the respondents about the kind of service they expect from TML based on the need theory of Maslow most of the people replied that they want high support and dependency needs from The Merchants Ltd.
- **Lasting service intensifiers:** Lasting service intensifiers refer to the stable service factors that allow the customer to have a higher understanding of the service (Liu, et al., 2000). This may be happened when customer expectations are driven by another person or group of people.



**Figure: Improve quality of service**

As a wrapper manufacturer and service provider in our country we asked 41 respondents about the kind of service. Majority of them expect that is (39%) TML always try to improve service quality.

#### ❖ Sources of adequate service expectation

A different set of determinants affect adequate service; the level of service the customer finds accepted. There are five factors that influence adequate service.

➤ **Temporary service intensifier:** This is short-term individual factors that make a customer more of the need for service. In the survey there are several questions regarding individual factors. One is TML service promised about delivery date. The majority of the respondents around 39% answer that TML maintain their promised about delivery date.

➤ **Perceived service alternatives:** It means other service provider from whom the customer can obtain service. We asked people about perceived service alternatives. Most of the respondents around 41.5% replied that TLM has strong coverage and the location of a company like The Merchants Ltd. to be easily findable.

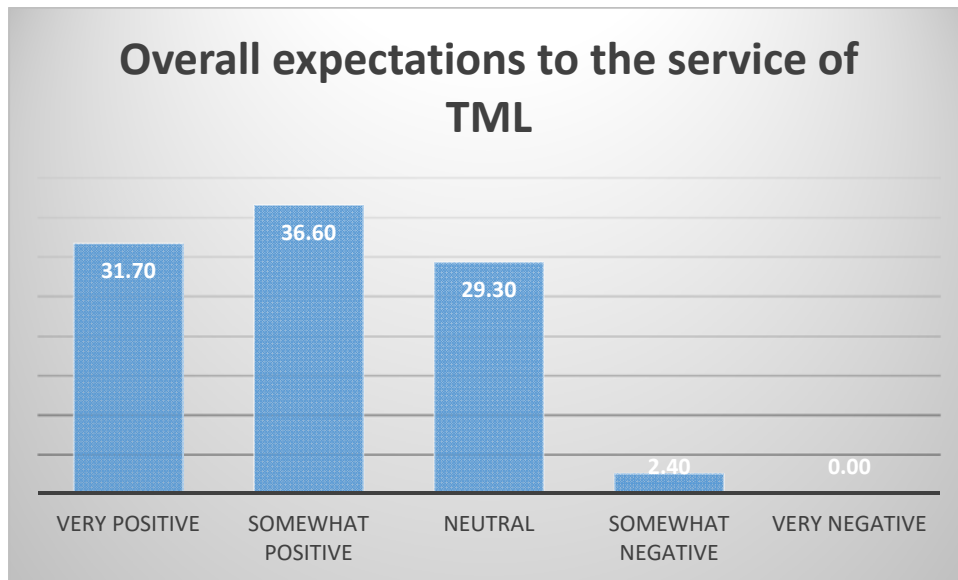
➤ **Customer's self-perceived service role:** It means customer perceptions of the degree to which customers apply an influence on the level of service they receive. In case of TML they can't influence on the level of service they receive.

➤ **Situational factors:** It means service performance conditions that customer view as beyond the control of the service provider. We asked around 41 respondents whether the actions of TML their ability to respond customer quarries regarding the status of the packing system. Majority of them (43.9%) provide good response about that service.

➤ **Predicted service:** It means the level of service that customers believe they are likely to get. Customer of TML does not estimate of the service that a customer will receive in an individual transaction rather than in the overall relationship with a service provider.

❖ **Services encounter expectations versus overall service expectations**

Here service encounter means communication or interaction with company which can be direct, physical or using any media can be. Whether overall service expectation means that a customer can be get from the company.



*Figure: Overall service expectation*

About the overall service expectations, we asked whether “they are satisfied with the full delivery process or not” 2.40% of the people not satisfied with TML and 36.60% respondents said that they were satisfied or neutral with these process.

## ❖ Sources of both desired and predicted services expectations

Desired expectation compare with predicted expectation. This section discusses one internal and three external factors that influence both desired service and predicted service expectations. These are described below:

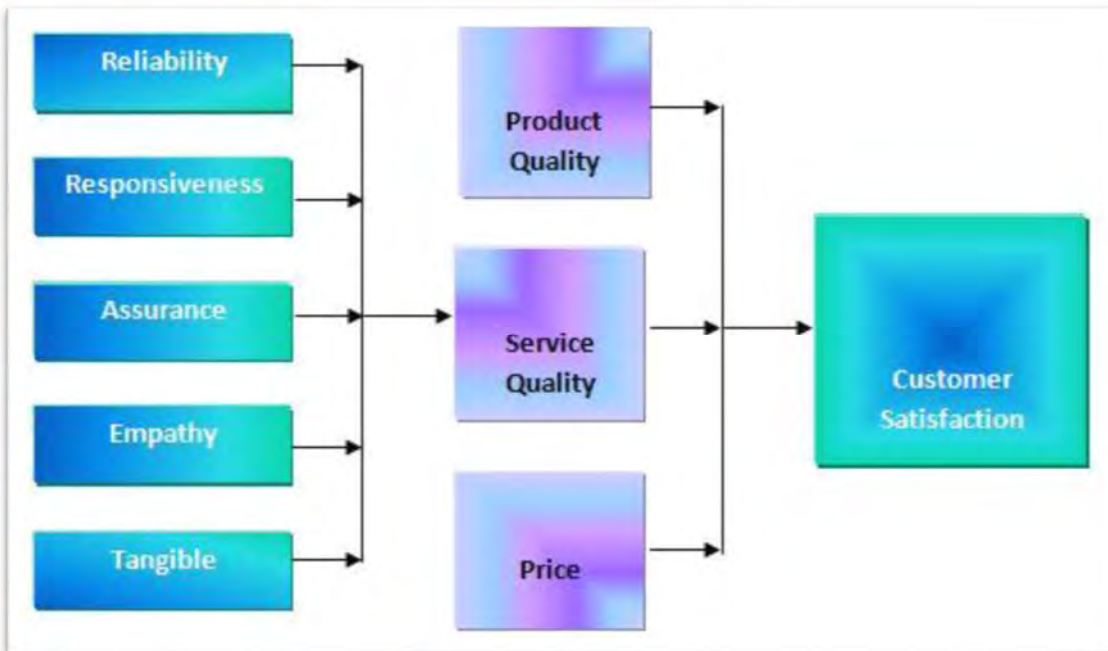
- **Explicit service promises:** These promises are personal and no personal statements about the service made by the organization to customers. It would be personal when sales person or anyone from the company direct communicates with customer. It would be non-personal when company communicates using web page, facebook page, print media or other written publications. The Merchants Ltd. both personal and non-personal statements. The official's employees of TML make personal statements. Through web sites and other written publications of TML make non personal statements.
- **Implicit service promises:** These promises are service related cues other than explicit promises that lead to inferences about what the service should and will be like. These quality cues are dominated by price and the tangibles associated with the service. As The Merchants Ltd. is a business organization there is price associated with their services. There are tangibles associated with the services. 41.5% respondent said that the charge of TML is accurate and 39% respondent satisfied with their packaging which is tangible.
- **Word of Mouth:** Importance of word of mouth communication in shaping expectations of service is well documented. Through our survey we found that most of people (70.7%) know about TML from colleagues and competitors. So, for TML the word of mouth plays a very important role for expected and desired service.
- **Past experience:** A customer's previous service experience influences his/her future service expectations, and determines if they will go back to the service provider. In the case of The Merchants Ltd. our survey responses appeared to indicate a positive service experience.



## CHAPTER - 05

# CUSTOMER PERCEPTION OF SERVICES

Perception is an image that creates in mind of customer, created through reference and actual consumption of this service by the customer himself. Perception is created in the mind of customer through service differentiation that's going to help them 'Turmoil'. Each individual interprets the meaning of stimulus in a manner consistent with his/her own unique biases, needs and expectations. Three stages of perception are **exposure, attention and interpretation**. In this regards, they must focus on the five dimensions of service quality: **Reliability, Responsiveness, Assurance, Empathy and Tangibles**.



*Figure: Customer Perception of Services*

❖ **Reliability:**

It is statistical term which is based on past experience. It means ability to perform the promised service dependably and accurately.

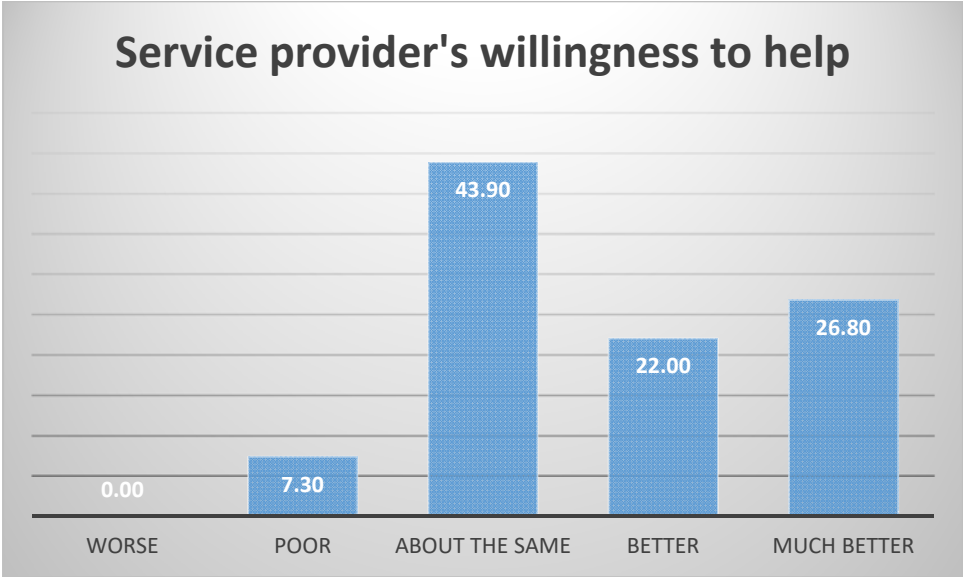


*Figure: Delivering on promises*

In our perception survey, around 41 respondents a majority of respondents 34.10% believed that The Merchants Ltd. is reliable but not excellent when it comes to service delivery. TML maintain customer data base on the basis of that they manage customer requirement.

❖ **Responsiveness:**

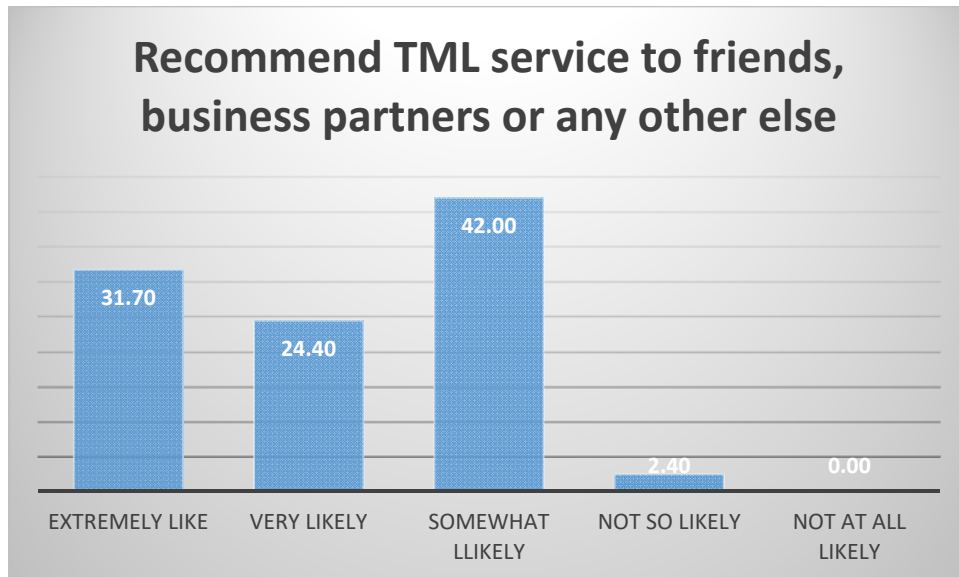
It means willingness to help customer and provide prompt service. A majority of respondents around 43.90% about the same feelings and 26.80 % said that much better feelings regarding service provider’s willingness to help of TML. Provider concern about customer complains enquiry and feedback.



*Figure: Service provider’s willingness to help*

❖ **Assurance:**

Assurance means Referrals, to refer others to take this service. Consumers are giving assurance to others to take this service with referral. It has ability to inspire trust and confidence.

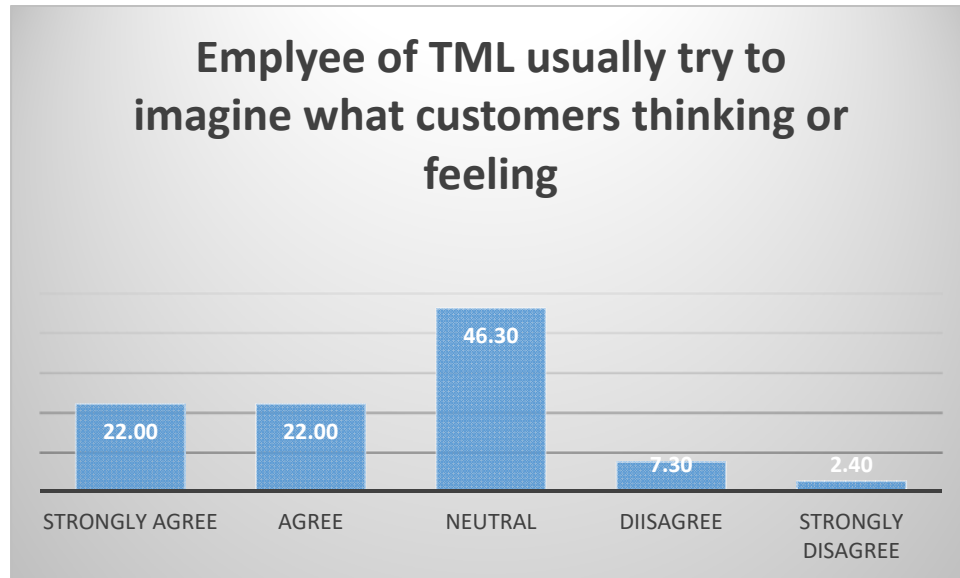


*Figure: Recommend to others*

In our survey around 42% of respondents said that the marketing concerns of TML are somewhat helpful, dependable so customers are giving assurance to others to take this service. So the assurance is not so high for this company.

❖ **Empathy:**

Empathy means understanding customer situation, caring, individualize attention which is given to customers from company.

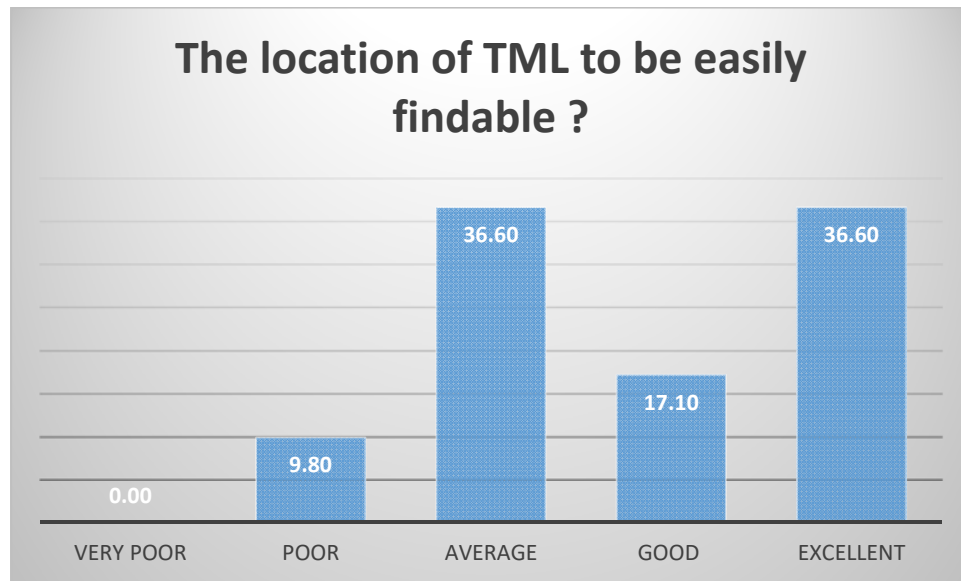


*Figure: Employees of TML usually try to imagine what customer is thinking or feeling.*

From 41 Respondents about 46.3% of the survey respondents said that TML took neutral position regarding customers' thinking and feelings, which indicates a not so good level of empathy. Though they believe that people are their asset rather than service and flexible as multinational company of where client get service at any time.

❖ **Tangibles:**

Tangible refers to the appearance of physical facilities, equipment, personnel.



*Figure: The location of a multinational company like TML to be easily find-able*

In our survey among 41 respondents over 36.6% of the respondents rated TML's location find ability to be of average quality and another 36.6% stated that they easily find the location. In this aspect we can find that overall service tangible service of TML not enough for customer.

## **CHAPTER – 06**

# **LISTENING TO CUSTOMERS THROUGH RESEARCH**

### **❖ Objective of the research on The Merchants Ltd.:**

There are basic 10 (ten) research objectives for service sectors. Among all the objectives the main objective for our research is to assess gaps between customer expectation and perception.

As per the requirement of the project report on The Merchants Ltd. we have conducted 2 (two) survey on the general people. We have done this survey based on the two categorized customers. One category is based on the potential customers who do not still use the service of TML. We have tried to find out their expectation from the TML.

Another category, we have chosen, is based on the existing consumers of TML. From this survey we have tried to extract their perception on the service delivery of TML.

So the basic and prime objective for our research is to find out the gaps between customer expectation and perception. And from our survey report we have successfully assess the required gap.

### **❖ Criteria for the research on The Merchants Ltd.:**

There are seven basic criteria for an effective service research program. All the criteria are effectively being maintained for the heavy consumer research and by the organization itself who normally conduct the research.

But I have conducted the survey as per the project requirement. So naturally the sample size of my survey is too short and the question pattern is quite different from them who are professional. But I have tried to maintain and balance some of the criteria among the seven.

For example I put some questions based on the expectation and perception of the consumers and we prioritized on some key attributes of TML on the questionnaire.

### ❖ **Feedback of the research and interpretations:**

As we have said before, as per requirement for this project report we have conducted a survey among the consumers, based on 2 (two) main categories: **expectation and perception**, to compare the expectation along with the perception of the consumers regarding the service quality of TML. The main purpose of this survey is to find out the gap and Service Quality Index for TML and for that reason we put some several key attributes into the questionnaire.

The sample size of the respondents is 82. Among these 82 respondents 41 were selected for the expectation category who did not take any kind of service from The Merchants Ltd. yet. The reason behind selecting these 41 is to extract and gather their expectation from TML.

And the rest 41 respondents were chosen for the perception category who have already taken the service from TML and tried to find out their actual perception.

In the perception section, we mainly tried to assess that what customers actually want and what are their expectations from TML. And for this reason we have asked different types of questions regarding the product price, defective product recovery, customer support, packaging quality and package tracking, shipment etc. the basic reason for asking these questions is to know that what should be the quality of TML in the eye of customers.

On the other hand in the perception part, we mainly tried to focus on the actual perception of the TML based on the same attributes so that we can compare the result with the result of expectation. In this section the respondents were asked by almost same questions from expectation part but just in different way and meaning. Also they were requested to share their feelings with a 5 point **“liker scale”** from 1-5 where 1-poor, 2-below than average, 3-average, and 4-good, 5-excellent. From the perception survey we actually wanted to know the actual service quality TML delivered in the eye of their consumers.

However, when I have interpreted the results of the survey I tried to focus on some key issues those are much more relevant with my report based on service marketing.



First, the basic information of The Merchants Ltd. consumers generally may gather for their use, could be collected through friends/competitors/business partners/stakeholders, website/internet or other relevant sources. Majority of the respondents, 70.7%, said that they came to know about TML through friends/competitors/business partners/stakeholders and 24.4% said about the website and internet. This result specifically indicates that the source of information and the issue of awareness are quite depended on the word-of-mouth communication.

According to the marketing division of TML, they are not currently communicating with their target customers through any other options of TVC, billboard or print ads or others. They try to focus on the website or online communication to reach their customers. When I go for matching the survey result with the information I have gathered from the office of TML, I saw that the result is almost same. However word-of-mouth is a good technique for communicating with the people but it has some bad side as well. If TML is able to keep their promises and meet the expectations of the consumers, then it's ok. But in case of any chance, if things go with wrong direction then it would be a disaster for them and the customers who are dissatisfied will discourage others to take the service of TML.

However, when we asked our respondents about their first impression, expectation and quality regarding the service of the TML, according to the data from the expectation part, 36.6% and 29.3% of the respondents said that the expected service should be somewhat positive and neutral respectively and 31.7% stated that the service should be very positive. But from the data of perception part, in terms of the quality, the maximum respondents, 53.7%, go with the option of high quality and only 14.6% go with very high quality service. This outcome is really tremendous for TML as they are able to meet the expectation in terms of quality because it's really tough for the organization to hear high quality service from the customers' mouth.

Against the question to the respondents of the expectation part regarding the quick response of customer service representative to handle customers' queries, 51.2% stated that The Merchants Ltd. or the representatives might be quick regarding response and the expectation from 26.8% is the response time will be very quick. And for the same question in the perception survey, the result is almost same with the expectation. 46.3% and 34.1% respondents stated that they are strongly agreed and neutral with the question of waiting time for having their questions answered was

satisfactory. From this result I can say that maybe they are happy but not much more satisfied with the response time because around 14 respondents said they are neutral about this question and 14 out of 41 is a big number.

Again, when the issue of product price came into the point, 41.5% and 26.8% respondents stated that they expect TML will offer competitive and average product price respectively. And the 24.4% of the total respondents stated the product price should be excellent. Again the customers who already took the service from TML, the result is also almost same with the expectation. Compared with the other available wrapper manufacturers, 48.8% and 19.5% respondents stated that TML is better and much better respectively.

Whenever I asked question on the delivery tracking system to our target people, from both sector: expectation and perception, the maximum response was positive. In expectation sector, 43.9% and 31.7% stated that, their expectation is, the system will be good and excellent respectively and in the perception sector, 58.5% and 9.8% is actually satisfied and highly satisfied with the tracking system. But a big proportion of the respondents, 9, said that they are not satisfied nor dissatisfied and 4 respondents actually dissatisfied with the tracking service.

Service recovery is an important aspect for both of customers and organizations. In this section, TML is able to handle the situation creatively and tactfully and they may even meet the expectations of customers almost successfully. From the 41 respondents, who even do not take any services from the TML, 26.8% stated that their expectation regarding service recovery is TML will charge less money than regular, 22% stated that TML will proactively informed about delivery delay and the expectation of 29.3% is just saying sorry for their failure. But from the result of perception based survey, we see that 56.8% said TML apologized for their failure and gave them a refund of the same amount of goods they send, 18.9% stated about apologize and give discount for next delivery and 16.2% stated about the full refund of the delivery charge.

From another question of the survey of perception regarding resolving the problem, we found out that 87.8% of the total respondents stated that their problem was being resolved by the company or its representative. It is a big positive issue for TML and this result clearly indicates that TML is trying hard and soul to keep their promises.

In terms of improving and innovativeness the service, 39% and 31.7% of the 41 respondents expect that The Merchants Ltd. will try to improve their service and on the other hand in actual scenario we see that 36.6% stated that TML is very innovative and somewhat innovative and 22% stated TML is extremely innovative.

From the overall survey interpretation, we may say that the though TML may not able to meet the customers' expectation in some part but they are on a good and positive track in some context. But one thing should be remembered by the TML is that there is no specific limit of good and positive.

#### ❖ **SERVQUAL GAP:**

As we have said before, the main purpose of our research is to assess the gap between the expectations and perceptions of the consumers and find out the five dimensions of SQI. For calculating the SERVQUAL GAP of THE Merchants Ltd. some related questions were being asked to the respondents on both expectations and perceptions part based on the following dimensions: **reliability, responsiveness, assurance, empathy and tangibles**. From the outcome of our survey we assess the following SERVQUAL GAP.

Attributes:	Perception	Expectation	Gap (Perception - Expectation)
Delivering on promises	4	4	0
Willingness to help	3	5	-2
Recommendation to others	3	5	-2
Imagination of customers thinking or feeling.	3	5	-2
Find ability of location	4*	5	-1
<b>Total</b>		-7	
<b>Average Gap</b>		-1.4	

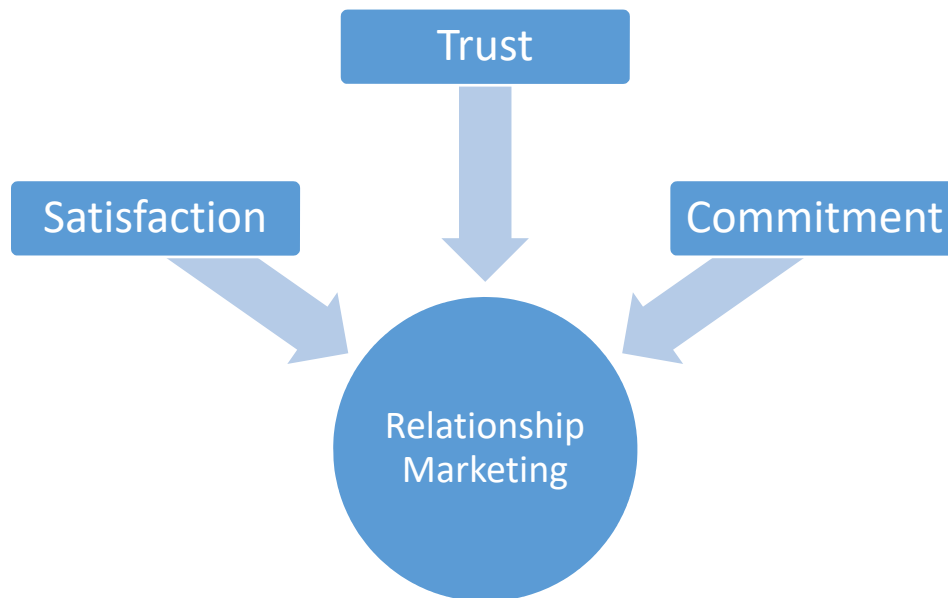
Form this table we have try to extract some findings which we have described in our findings part. But here in a short summary we can say that-

- The overall gap average for all dimensions is  $-1.4$ .
- From the part of reliability, we can see that The Merchants Ltd. is able to meet the expectation of the customers and it's a big positive issue for them. But for other section the TML cannot be able to meet the expectation.
- (\*) from the survey regarding find ability of the location of TML we found out that 36.6% go with average and same number of respondents also go with excellent. So for finding out the average we just combined the two numbers and divided by 2.

## CHAPTER – 07

# BUILDING CUSTOMER RELATIONSHIP

Relationship marketing is defined as a form of marketing development tool from direct response marketing campaign which emphasizes customer retention and satisfaction rather than focus on the sales transaction.



***Figure: Universal Model of Relationship Marketing***

The more satisfaction of customers on a service tends them on lead them to the trust on the firm. The more trust leads them to the loyal consumers to the service.

As a service provider company, The Merchants Ltd. is completely dedicated and committed to understand and fulfill customers' need and whatever it takes to provide customers with highest level of reliability and better service quality. According to one of the Marketing Manager, Mr. S. M. Yousuf Wazed: "the top management authority of TML has already decided to focus on the customers acquiring, satisfying them and retaining them as well through creating professional and in some context personal relations rather than focusing on the sales volume."

According to the HR Senior Executive of TML: "they already organized different training program for the employee on regarding how to make and maintain very

smooth and effective relation with the customers.” In this regard it would appear that TML has been successful in achieving the following through relationship marketing.

❖ **Attract New Customer:** As we have previously said that The Merchants Ltd. basically depends on the word-of-mouth communication strategy to attract new customers. But beside this side they have strong base of sales employee also. Their main duty is to attract new customers through making relations. And for this reason they frequently visit to the potential customers and try to make them understandable to take the service from TML.

❖ **Customers Satisfaction:** Happy customers are loyal customers and also they offer positive word of mouth advertising which can be invaluable. Making customer satisfaction is the primary goal of the relationship marketing which is the surest way to improve the bottom line. To satisfy the customers TML has some specific dimensions like the product price, after sales support, easy service recovery process, customers’ factory visit, various programs with customers etc. their product price is competitive than others. Their after sales support was fantastic. After taking the service from TML the customers can track their receivable products through marketing concern. Also if any service is being compromised the customers can easily recover it from the company.

❖ **Build Trust on Customers’ Mind:** At first TML is one of the biggest name in the flexible packaging industry of Bangladesh. They successfully operate their business in Bangladesh from 1983. Over the period of this time being they have successfully established a brand image into the mind of customers. This brand image builds trust on customers’ mind. Beside this they offer tracking facilities to consumers about their shipment. Their recovery option is also make them trustworthy to the consumers.

❖ **Promise Fulfillment:** Promise fulfillment is one of the most important dimensions of relationship marketing. Just making promises is not enough, but delivering them by action is also very important. TML is not such an organization who just not only promises to the customers but also keep it with cent percent honesty. According to the marketing manager of TML they promise to the customers that the shipment of the wrapper will be delivered within a specific time. Unless in any case of natural and man created disaster the package is delivered within the promise time. TML also keeps promises about their recovery option. Whatever TML promises against the compromised service, they keep the promise.

❖ **Retaining Customers:** Relationship marketing helps to retain the existing customers who already and want to leave the firm. According to TML retaining process of the existing customers of TML is confidential. However they stated a process of retaining like first they find out the customers who left the firm through some internal and external research. Then they try to know the reasons of leaving them and go for some compromising situation with the customers.

## CHAPTER – 08

# SERVICE RECOVERY

For any kind of business organizations customers are the king. But for any reason or without any reason if these kings are dissatisfied upon the organizations there will be created a disastrous situation for those firms. So to satisfy the dissatisfied customers there is term available in service marketing called **Service Recovery**. In a simple meaning service recovery refers to the compensation to customers if any service taken by the customers is being compromised. It looks like very easy process but honestly this is one of the greatest challenges for any service provider to design a method for proper service recovery. It is more important for the service provider that they should extremely focus on the factor of service recovery rather than ensuring the flawless service because it has been proven that it is technically not possible to satisfy all the customers no matter how hard one tries. Additionally, while delivering service, there is always a very high risk of the service being compromised. Keeping that in mind it is essential to focus on the measure which will be taken to compensate the customer when the service is being compromised.

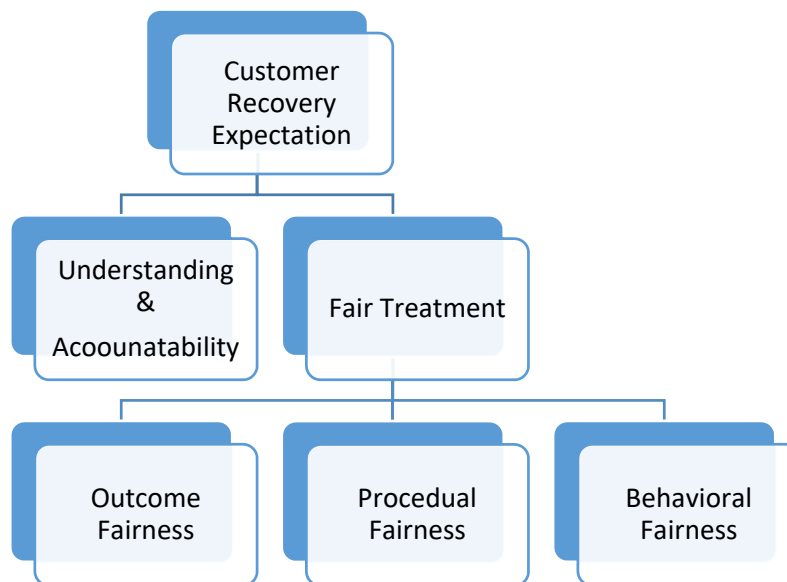
While any kinds of services taken by consumers are being compromised the first reaction from the consumers is anger. The angry customers may leave the organization if the problem is not being resolved. There are basically six ways of getting angry customers down with success. Those ways are **apologize, kill them by using diplomacy, go into computer mode, transfer or shift the responsibility to the company, show empathy and last one show appreciation**. In case of The Merchants Ltd. uses the ways of apologize, show empathy and show appreciation. According to a Senior Customer Service Manager of TML if any kind of problem arises from the customer regarding service failure we first apologize to him and feel and show some empathy for the problem and lastly we appreciate him for coming front.



### ❖ **Customer Recovery Expectation:**

When any service is being compromised the customer expects that the service firm will understand the situation of the customer and the firm will take the accountability and responsibility for the loss.

When we conducted the survey of expectation we saw that 8% of the total respondents stated that their taken services were being damaged or compromised by TML. It refers that the service failure rate is low. And this situation is natural because in the overall flexible packaging industry the service failure rate is naturally low. But when we saw the portion of recovery in the survey we found out that 84.4% of the respondents said that their problem was being resolved by the representatives or the company. This number clearly indicates that the TML understands the problematic situation of the consumers and they take the accountability for the losses without any hesitation.



***Figure: Universal Model of Relationship Marketing***

In terms of fair treatment the TML also plays a very effective role. Fair treatment is the combination of three terms named actual recovery, procedural fairness and the behavioral fairness. From the survey we found out that 42.9% of the respondents stated that TML apologizes for their loss and gives a refund of the same amount of the loss. It's a big favor for the customers. 25% of the respondents said TML gives discount for the next delivery for the loss and 21.4% stated that they get the full replacement of respective product from the TML. This overall scenario clearly indicates that the TML heavily practice the fair outcome of the losses of customers.

Then the procedural fairness of getting the recovery is very easy. According to the data from the survey we see that TML try to resolve the problem immediately or within 2-4 days. So we can say that without very easy procedure it cannot be possible to resolve the problem within very short moment.

And finally in case of behavioral fairness the manager behave like a cordial and accountable person. The service representative is also very knowledgeable here. The data from the survey indicate that the service representatives are also very careful for the customers.

#### ❖ **Service Recovery Strategies:**

The Merchants Ltd. is country's one of the largest renowned brand in the flexible packaging industry. They are very conscious about the customer satisfaction and try cent percent about the accuracy of service delivery. Though they are very careful about their service delivery, sometimes service failure happened here also. To recover the service failure TML has service recovery strategy. By following these strategies TML try to resolve the problem.

- **Make the Service Fail Safe:** The best strategy for the service recovery is to make the service fail safe. The Merchants Ltd. tried their best to make the service very effective and efficient for the customer so that any kind of failing situation does not arise. However if any service is being compromised then the TML's complaints resolving department find out the problem and help the consumers to go to the concerned department. Then the concerned department hear the problem of consumers and within a very short time the employee try to resolve the problem if the problem is legal and logical.
- **Encourage and Track Complaints:** TML always encourage the customers to say about their problem as they concerned about the customers' satisfactions. For encouraging and tracking complaints TML often arrange different program with the customers and try to extract the inner words form the customers' mind to know the actual scenario of the firm.
- **Act Quickly:** This is the best part for TML. We see from the survey of expectation that 48.4% said that TML try to resolve their problem immediately and 29% stated less than a day and 22.6% said about 2-4 days. These numbers clearly indicate that how TML acts quickly.

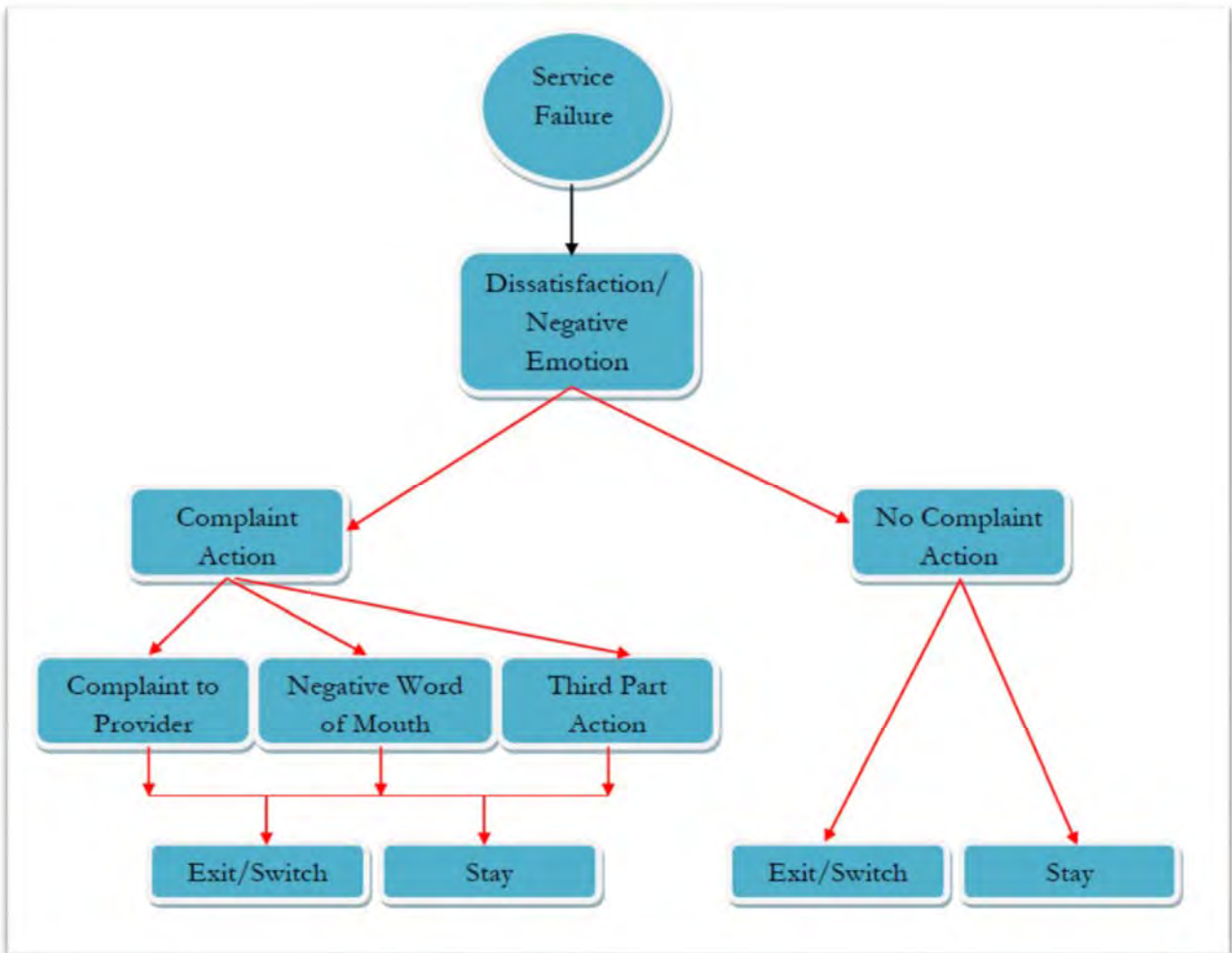
- **Provide Adequate Explanation:** Whatever the situation arises regarding the service failure TML first gives the proper and adequate explanations to the consumers for the loss. Then they go for the service recovery process. However sometimes for different conditions, rules and regulations they cannot provide any compensation to the consumers. In this situation they try to make them understandable the situation of the company and give them proper explanation.
- **Treat Customers Fairly:** To some extent service failure means unfair treatment of customer and justice should be restored from customer prospective. But in case of TML, they always treat all the consumers at a same manner. Even TML organize different training program for the employee on the behavior with the consumers.
- **Learn From the Recovery Experience:** This is the most important strategy for the service recovery because in the service organizations service failure must be occurred. TML always try to learn new from each of the service failure and try to implement some new ideas regarding the service delivery so that the same types of service failure does not happen again.

As far as TML is concerned, they are dealing with such a critical service where the chances of service failure are much higher than any other service. Not delivering product on promised date, poor packaging of the product and God forbid if they lose the product, the consequences are unimaginable. That's why for an organization like TML, service recovery strategies are just as important as providing flawless service.

#### ❖ **Consumers' Response Towards Service Failure:**

As we have said before when a service taken from any service firm is being compromised then the service recovery option comes in front of the organization and customers as well. In case of service failure there will two types of reactions may

appear into consumers mind. We are just trying to relate this theory with the case of The Merchants Ltd.



**Figure: Consumers' Response toward Service Failure**

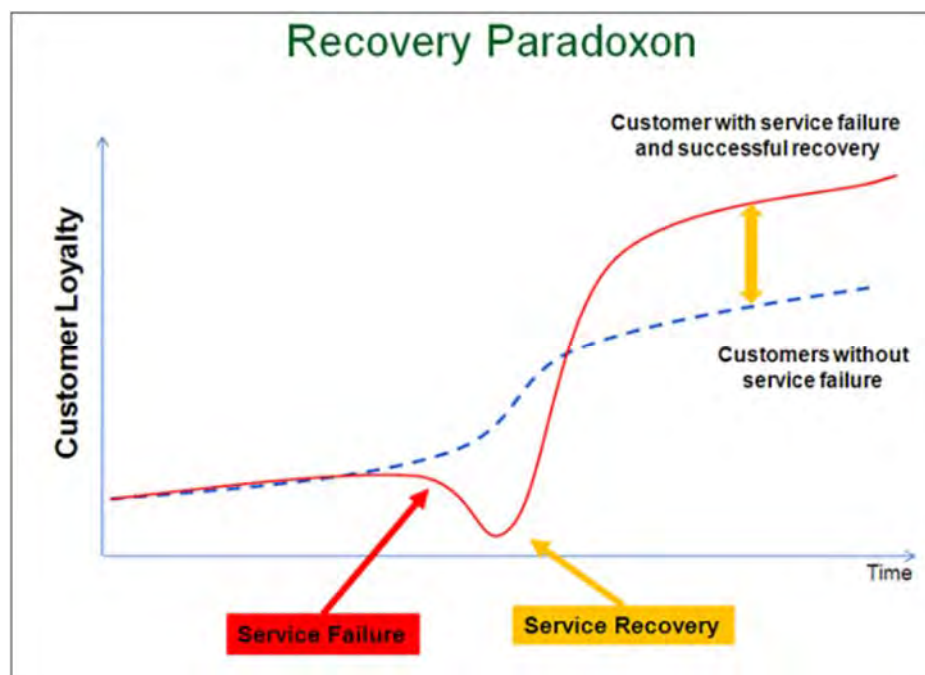
For example, if any services taken from TML by a customer is being compromised then the dissatisfaction or negative emotion must be created into consumers mind about the service delivery of The Merchants Ltd. From the dissatisfaction the consumer may or may not complaint to TML. If the customer does not submit any complaint against his loss, then there has been a major chance of leaving or switching from the TML without notifying them. On the other hand, the customer may stay with

with TML but the chance of staying in this situation is rare in this industry because there are available competitors in this sector who will take care of him better than TML.

On the situation, the customer may complaints against his loss directly to the provider and demands the compensation from them. If this situation occurs then the firm will be lucky having such type of customers. But if the customer starts negative word-of-mouth communication along with the complaints then the situation will be seriously horrible for the firm. In this case the customer may exit the firm. Another option could be the third party action. The customer may go to the court for his compensation if the loss is much bigger.

❖ **Service Recovery Paradox:**

The Service Recovery Paradox (SRP) is a situation in which a customer thinks more highly of a company after the company has corrected a problem with their service, compared to how he or she would regard the company if non-faulty service had been provided. The main reason behind this thinking is that successful recovery of a faulty service leads to increased assurance and confidence among customers.



*Figure: Service Recovery Paradox*

As TML is a service provider firm so there has been a high chance of service failure. For the service failure TML has a system or process of the recovery. From the survey report we see that maximum respondents gather their information through word-of-mouth communication. And the information I collect from the office of The

Merchants Ltd., from there I see the same scenario. TML mostly communicates with its customers through the same communication. So we can say that if any customer does not get the proper recovery from the firm for his loss then he will start the negative word-of-mouth. In this situation the service recovery paradox may help TML for better recovery option.

**SITUATION 1:** For example, a customer purchase wrapper from TML and the lead time is 15 days. TML promised to that customer about the delivery time and they successfully kept the promises by delivering the product within 15 days. This is a normal situation and the customer may be happy about the promise.

**SITUATION 2:** For example, a customer purchase wrapper from TML and the lead time is 15 days. TML promised to that customer about the delivery time. But in case of 15 days it took 18 days to reach the wrapper to customer's warehouse due to unavoidable circumstances then the problem must arise. Then the customer called to TML office and the representative said politely 'SORRY' to the customer and gave him a proper explanation. After that TML gave him a special offer for recovering the loss like the customer can get wrapper within 12 days for the next 3 times. Now the situation is different from the situation 1.

The customer in situation 2 is much happier than the person in situation 1. Because in service sector if anyone is able to keep his promise with the customer then it's good and fantastic and the customers become happy with the firm. But if any service is being compromised and the customers get the full support from the firm and the successful recovery for his loss then the customer will be happier than the happy customer. But the noted point is that there are lots of debates available regarding this theory.

## **CHAPTER – 09**

# **SERVICE DESIGN AND DEVELOPMENT**

Service design and development is one of the core important sectors in the service marketing as well as the service firms. It's not easy to develop and design a new service in the related service sectors. History says billions of dollars had been spent for developing a new service but the projects never reach to a successful end. And of course for the packaging industry it's tougher than other industry to develop a new service.

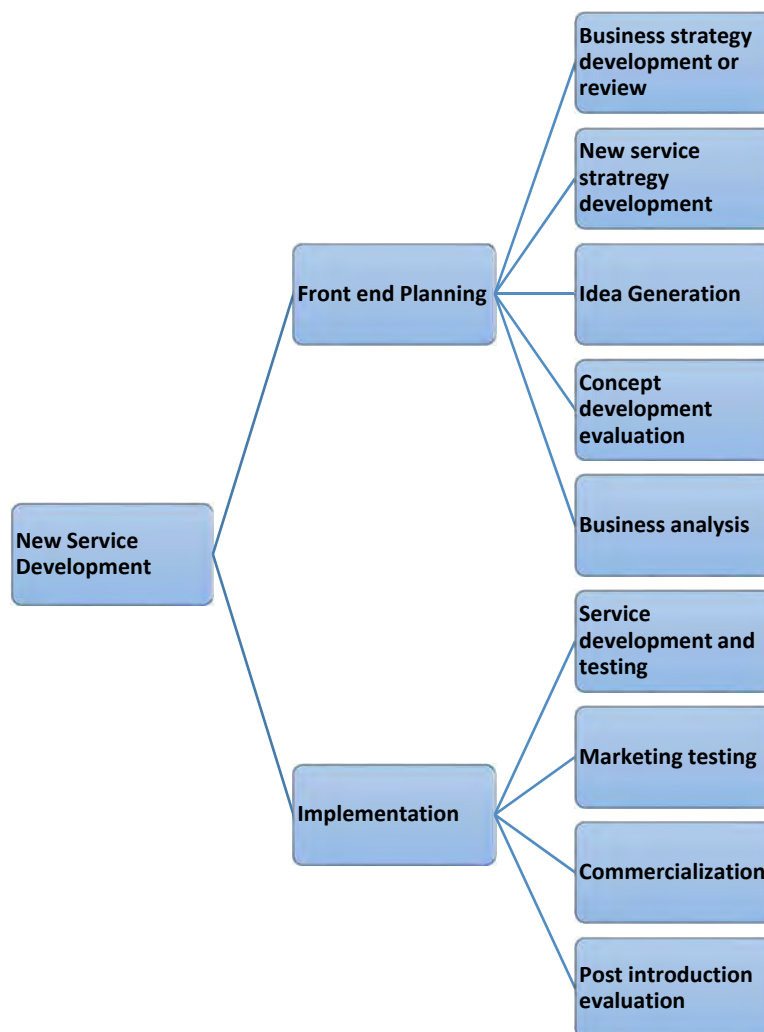
However TML also tried before and still now trying to design a new service in courier industry sector. There are six types of new service available in the service industry. We are trying to relate these types with our project on The Merchants Ltd.

- **Major or Radical Innovation:** Basically it's not impossible to create a new major service or a radical innovative service product. But honestly it relates with money, people, experience and above all the brave and opportunity. Because if the project fails then all the related issues with the project will face difficult situation. In case of TML the situation is not different but they try to innovate something different which is not available in the market through R&D department.
- **Start up Business:** It relates with the new geographical area coverage by the firm. TML is preparing to expand its business in 'Khulna' division. For The Merchants Ltd. it's a new start up business on 'Khulna' division.
- **New Services for Currently Served Market:** This factor is quite related with the introduction of new service for the currently served market at a same service line. TML has launched the tracking system opportunity for the exiting customers and it's a new service for them.
- **Service Line Extension:** It's related with the establishment of various services related with the same category service.
- **Service Improvement:** Service improvement refers to the numerical improvements of any service. Before January 2016 TML took 22 days to prepare a 4 layer product, 16 days to prepare a 3 layer product and 13 days to prepare a 2 layer product. But, after January 2016 TML taking 20 days to prepare a 4 layer product, 13 days to prepare a 3 layer product and 10 days to prepare a 2 layer product.

- **Style Change:** It's very difficult to change the style and design the service for any service provider because the service is invisible. But it can be possible to change the way of delivering the service, change the design of the infrastructure etc. TML shifted to their new office on April 2015. They are now improving the outlook of their website.

❖ **New Service Development Process:**

There are lots of structured and unstructured ways of developing a new service. Among all the theories of developing new service the best and the most certified way is the following.



*Figure: New Service Development Process*

TML does not follow this process to develop any new service. If any of kind service is needed to be developed the authority of this firm has the power only to decide about



it. And especially if any service is needed to be developed the head office authority talk with the authority of the respective department and decide to launch the service. After testing for certain period if the new service is not being financially profitable they just close the project. Any kind of formal review is not needed to certify the service.

However as this is the report under the service marketing and we must have to develop an effective service development process, we have just tried to relate the concept with the theory. This is our own and imagined service development process.

For example, if TML is deciding to develop a new service. They just need to follow the above steps in the figure.

- **Front End Planning:** The front end planning is fully related with the service concept and the people who will work for the project and also the idea generation and the analysis of the concept.
  - **Business Strategy Development and Review:** When just a concept is created by any of the employee of The Merchants Ltd. without any research and development then the concept are being presented in front of the board through a memo and explain the board about the importance of the concept.
  - **New Service Strategy Development:** This is one of the most important parts of the new service development. Here the committee forms a team of the people who will work under the project and define some responsibility about the contribution of them. It clearly defines who will do what for developing the concept and how individual member will do what.
  - **Idea Generation:** The team leader of the project calls for a meeting with all the team members and try to extract the related idea about the concept from the members. The related idea will be the name of the concept, in which service line category it should be applied, the price strategy and all other related idea. Then the project leader gives a formal presentation in front of the board without reviewing any other facts except the idea of the concept.
  - **Concept Development Evaluation:** In this part the concept and idea get a proper shape. Here the concept is being reshaped with some extra and brief facts like the new pricing strategy, the core target people and the way of

delivering the new service etc. this is the pre step of before checking the board.

- **Business Analysis:** This is the final step of front end planning. Here the project goes through some feasibility test like the financial test, market test, operation test and etc. Once the project is passed successfully then it is ready for the communication. As TML does not go for any other communication option like TVC, Print Ads or any other media so it is quite tough for them to implement the IMC. The Merchants Ltd. circulates their new project through their website and other possible options.

➤ **Implementation:** In this part all activities are related with the service implementation and certification.

- **Service Development and Testing:** It's all about the core materials related with the project. Because still now the project is not successfully completed and all the materials for small target customers.
- **Market Testing:** In this part the company representatives go to the core targeted customers with the materials and try to convince them to take the new service. It's about the soft launching of the new service in the core areas where the targeted customers are available and the success rate is being determined.
- **Commercialization:** In this part the TML completely launched the project among the big group of target customers. This is for the time being of six months because one step is ahead to complete the process.
- **Post Introduction Evaluation:** This is the final step of completing the project successfully. All the report that were collected from the commercialization and the overall documents of the project must have to submit to the high authority in the main head office once again. Once they approved the project, the TML successfully transformed the concept in to the new service.

## CHAPTER – 10

### FINDINGS

- The Merchants Ltd's market research is only getting a certain group of target buyers' opinions rather than a broad sample so they are did not really carry out an effective market research.
- Sometimes TML fails to keep promise on delivery time. In some cases, TML 3to 5 days more than the mentioned delivery time to the customer.
- TML may require supplementary skills like **Persuasion Skills, Willingness to learn and Tenacity skills (reference to the gap- 03)**.
- TMLdoesn't go for promotion or campaigns
- TML heavily depends on the word-of-communication method.
- From the survey on the response time we found that the customer service representative is knowledgeable but not up to the mark because a big proportion of our respondents, 20, stated that they are somewhat agree and neutral regarding this issue.
- The tracking service system is not quite good because 13 respondents among 41 stated they are in between the dissatisfied and not satisfied nor dissatisfied regarding this issue.
- For research and develop a new service TML does not follow the thumb rule of new service development process.

# CHAPTER – 11

## WAY FORWARD

Customer loyalty is an important factor influencing the long term survival and success of a business. This is particularly true in the service industry, where the human element is very important. The Merchants Ltd. has been in business for 33 years in flexible packaging industry. During this time, it has established a reputation as a reliable service provider that provides flexible packages to more than 250 customers. While TML has been successful, customer expectations are always changing and evolving. In order to remain relevant, TML must also adapt with the times and learn to evolve. This means an increased focus on customer satisfaction and service improvement.

As The Merchants Ltd. moves forward, some key points it might consider include:

- Sometimes TML fails to keep promise on delivery time. In some cases, TNT 3 or 5 days more than the mentioned lead time to the customer. In this case, we would suggest TML to promise according to the actual delivery time. It would further enhance Consumer's trust on TML.
- TML should go for Research in the market that is to be conducted face to face with the clients. It would make TML understand customer's expectations even better. The gap between the Management's perception and customer's expectation can be reduced this way.
- Upon discussion with TML; we found the service recovery procedure from TML is easy but there is an issue that recovery is given only when customer asks for it. I think, whenever The Merchants Ltd. goes at fault; they should admit it to its client and talk about service recovery which can be settled quickly with small hassle from the client's side.

- Although TML does not go for mass promotion. But the promotions they have are not clear about what service they are offering. The management of TML should take it into consideration.
- Improve External communication – Good External communication is essential in presenting a united image in front of the customer, and in providing them with the best possible service.
- A unique experience to the customers should be provided as it would be a way to increase the success. As a result there would be more customers happily using the TML for their goods packaging. Alternatively it would be a competitive advantage to TML and hence it could forward itself more in the business market while enhancing its relation with the customers.
- TML should have a review option for their customers which they could add to their official site by software. So that customers can write their experiences, comments, suggestions for the betterment of the customer service.
- The Merchants Ltd. should follow the thumb rule to launch any new service in the market.

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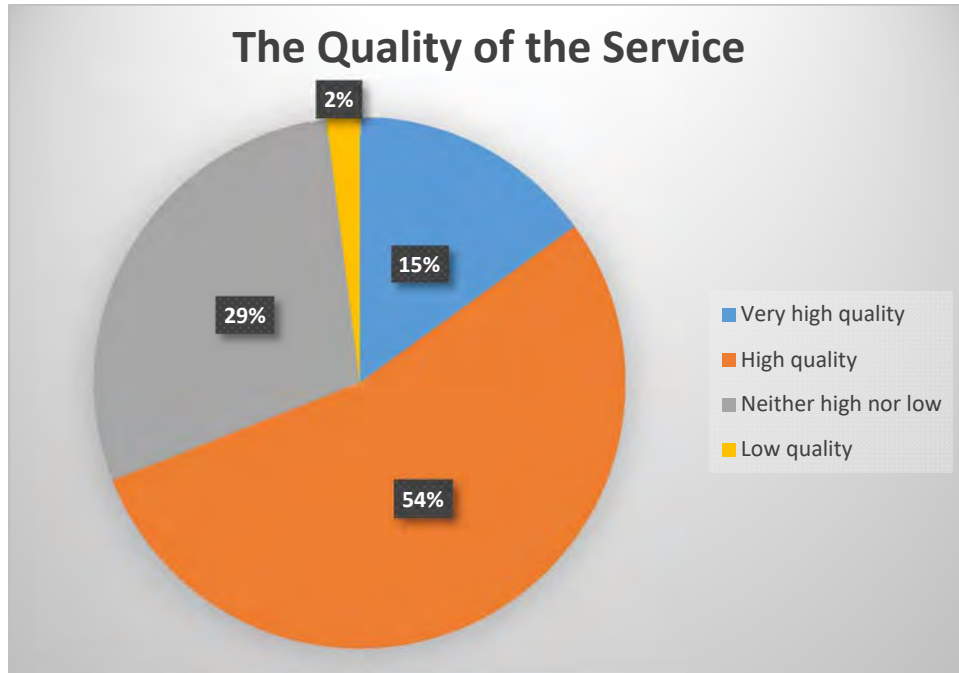
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## Appendix 1: Based on survey question

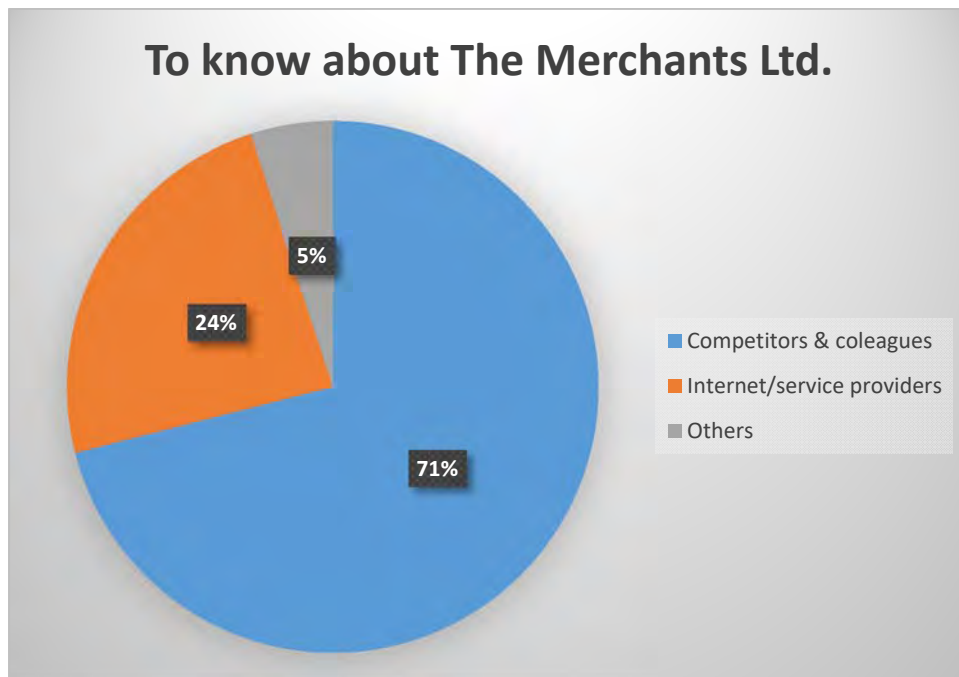
# What about The Merchants Ltd.'s service?

Category	Result
Very high quality	15%
High Quality	54%
Neither high or low quality	29%
Low quality	2%



# How do know about The Merchants Ltd.?

Source	Rate
Competitors & colleagues	70.70
Internet/service providers	24.40
Others	5.00

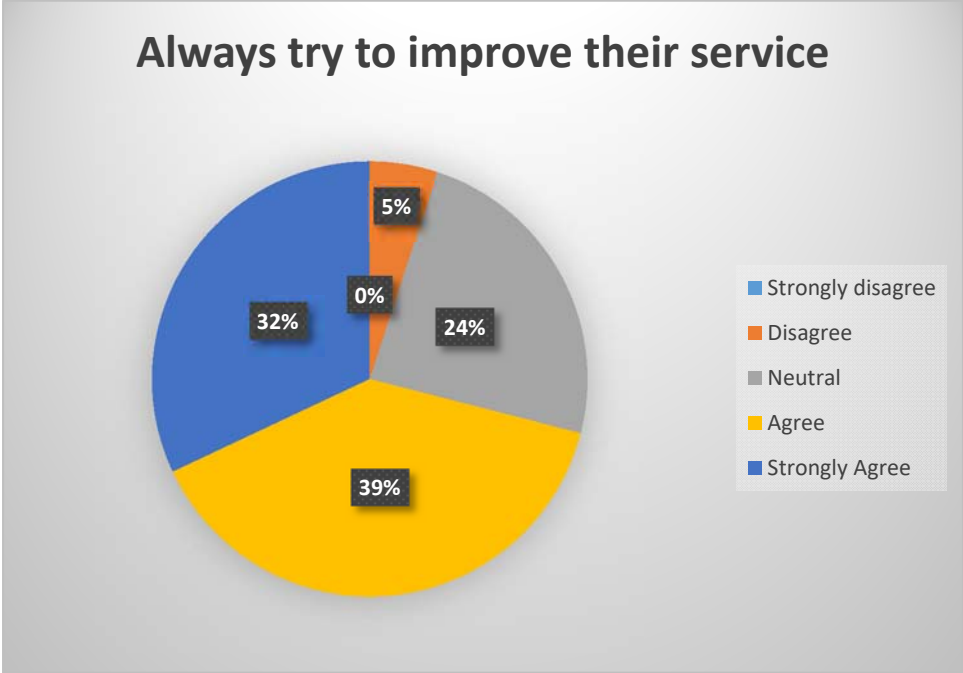




Appendix 2: Survey Question on Expectation with the summary of the result

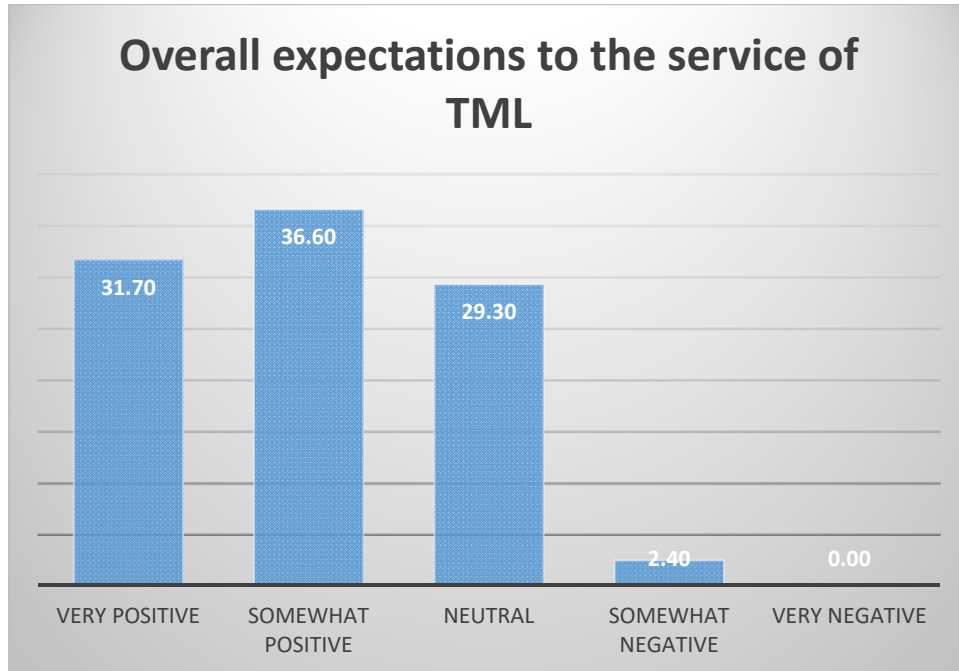
# Do you think; The Merchants Ltd. always try to improve their service?

Category	Result
Strongly disagree	32%
Disagree	39%
Neutral	24%
Agree	5%
Strongly Agree	0%



# What's your expectation from The Merchants Ltd.?

Category	Result
Very Positive	31.70
Somewhat Positive	36.60
Neutral	29.30
Somewhat Negative	2.40
Very Negative	0.00



### Appendix 3: Survey Question on Perception with the summary of the result

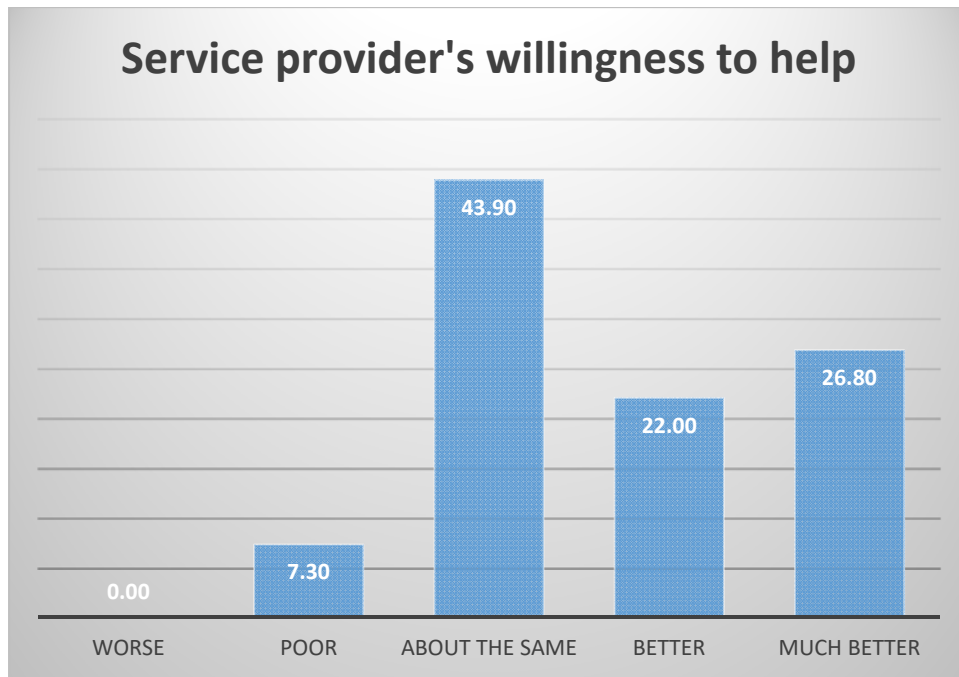
# What do you think regarding commitment of TML delivery?

Category	Result
Very poor	0%
Poor	17.10%
Average	31.70%
Good	34.10%
Excellent	17.10%



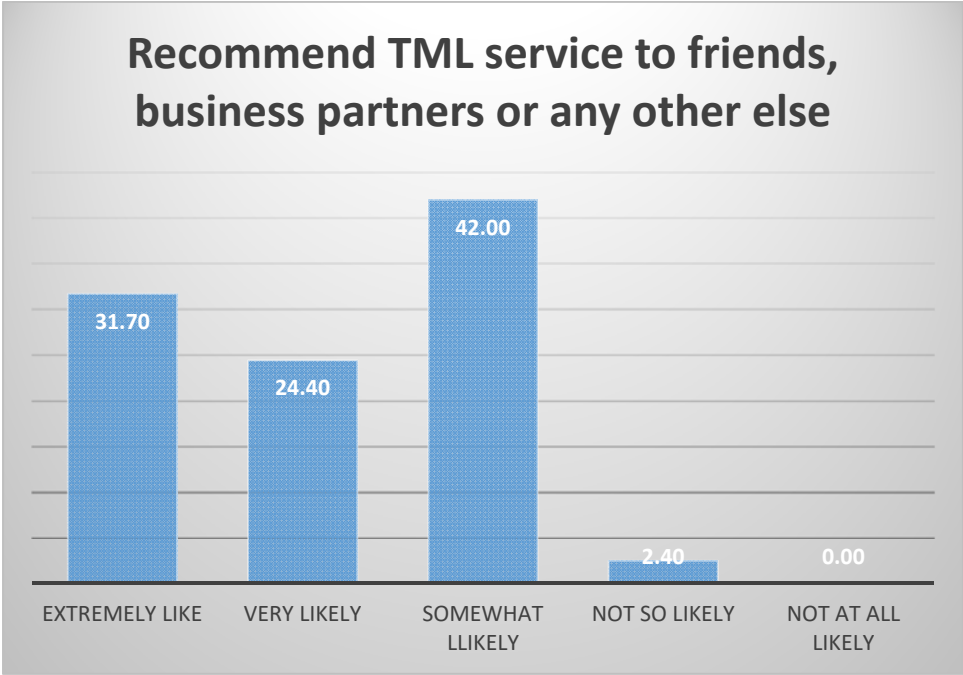
# Is The Merchants Ltd. ailing help customers?

Category	Rate
Worse	0%
Poor	7.30%
About the same	43.90%
Better	22%
Much better	26.80%



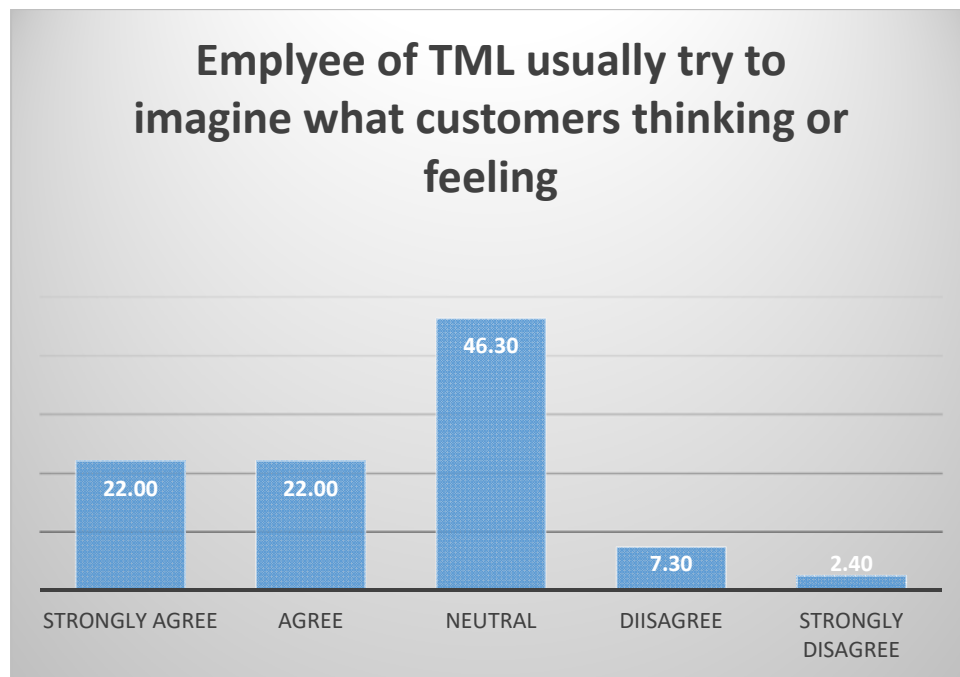
# Do you recommend The Merchants Ltd. as wrapper provider to your friends. Business partners or any other else?

Category	Result
Extremely likely	31.70%
Very likely	24.40%
Somewhat likely	42%
Not so likely	2.45%
Not at all likely	0%



# Does TML employee try to imagine customers' thinking and feeling?

Category	Result
Strongly agree	22
Agree	22
Neutral	46.3
Disagree	7.3
Strongly Disagree	2.4



# Is the location of TML easily findable?

Category	Result
Very poor	0
Poor	9.8
Average	36.6
Good	17.1
Excellent	36.6

