

Chapter 02

Contributing to the Service Culture

True / False Questions

1. The service culture in every organization is identical.

True False

2. Any policy, procedure, action, or inaction on the part of an organization contributes to its service culture.

True False

3. Companies that are customer-centric typically view customers from the standpoint of what company products or services they use.

True False

4. In the past, a company's primary approach to attract and hold customers was to continually make changes to its product and service lines.

True False

5. Customer-centric organizations have realized that it is cheaper to attract new customers than to try and retain their current customers.

True False

6. A company's mission is generally driven from the top of the organization.

True False

7. Mission statements should always tie back to the vision statement and should be incorporated into the infrastructure and service culture of an organization.

True False

8. Employee expectations are perceptions about positive and negative aspects of the workplace.

True False

9. For any goal to be attained, it must be believable to the people who will strive to reach it and to the supervisors or team leaders who will monitor it.

True False

10. Employees should always share their organization's internal problems with the customers.

True False

11. A sole proprietorship is a one-owner business.

True False

12. The return policy of an organization is a gauge customers use to determine where they will spend their time and money.

True False

13. Protégés are individuals in an organization who dedicate time and effort to befriend and assist others.

True False

14. An organization should periodically conduct an inspection of its systems and practices in order to better serve customers and to be competitive in a global service economy.

True False

15. The service delivery system of an organization includes having customers deal with the organization's internal policies, practices, or politics.
- True False
16. The type of delivery system used by organizations to serve customers is not important.
- True False
17. In a direct contact environment, customers interact directly with people.
- True False
18. By outsourcing jobs to a third party, companies can save money by reducing health benefits or retirement payments.
- True False
19. Employees should always focus on taking a one-time service or sales opportunity approach instead of developing an ongoing relationship with customers.
- True False
20. In order to demonstrate strong support for their company, frontline employees or supervisors should always use "they" language when dealing with customers.
- True False
21. A service professional should work with customers' interest in mind to promote a positive service culture.
- True False
22. An organization that is committed to providing excellent customer service encourages open communication between frontline employees and all levels of management.
- True False

23. Typically, in organizations that demonstrate a strong commitment to customer service, the status quo is acceptable.

True False

24. Generally, most customers want the transactions to be quick; hence, they do not expect pleasantries such as "please" and "thank you."

True False

25. If frontline employees are angry because of a policy, procedure, management, or a customer, they must always communicate their frustrations or pressures with that customer.

True False

Multiple Choice Questions

26. Which of the following statements is true of a top down-oriented organization?

- A. Customers are at the top of the organization's structure.
- B. It typically focuses on individual needs of customers rather than its products.
- C. It typically views the senior management as a final element or afterthought.
- D. Upper management is at the top of the hierarchy.

27. Which of the following statements is true of successful organizations?
- A. The mission and vision statements of these organizations are completely different.
 - B. They typically view customers from the standpoint of what company products or services they use.
 - C. The members of the upper management make themselves clearly visible to front-line employees.
 - D. They realize that it is cheaper to continually attract new customers than to retain current customers.
28. In an organization, ____ are the task assignments that service providers assume.
- A. service delivery systems
 - B. customer expectations
 - C. employee roles
 - D. value chain activities
29. Which of the following characteristics is included in RUMBA?
- A. Abstract
 - B. Understandable
 - C. Measureless
 - D. Rigid
30. In a purely customer-focused environment, service measurement is typically in terms of the:
- A. employee turnover.
 - B. number of products manufactured.
 - C. potential sales.
 - D. number of customer complaints.

31. Managers should always ensure that employees:
- A. focus on attracting new customers rather than retaining current customers.
 - B. communicate the internal problems of the organization to customers.
 - C. are given assignments that tie in directly with the ultimate purpose or mission and overall values or beliefs of the organization.
 - D. focus on taking a one-time service or sales opportunity approach instead of developing an ongoing relationship with customers.
32. Emma is the manager of a small beauty salon. She deals with different kinds of customers and has to ensure that the customer needs are identified and satisfied. To develop an effective customer service, she should:
- A. always use "they" language when dealing with customers and hide behind "company policy" when handling customer problems.
 - B. continually strive to gain new knowledge and skills and deliver the level of service equal to that offered by established salons.
 - C. focus on taking a one-time service or sales opportunity approach instead of developing an ongoing relationship with customers.
 - D. exclude the information collected from customer feedback surveys when measuring the service performance of her salon.
33. Retail and service organizations should:
- A. focus on attracting new customers instead of trying to retain current customers.
 - B. communicate their internal problems to customers.
 - C. establish policies and procedures that are flexible.
 - D. respond to customer complaints using "company policy" as an excuse.

34. Which of the following approaches helps companies develop an effective organizational culture?
- A. Companies should recognize, appreciate, and regularly reward the performance of their employees.
 - B. Companies should always view customers from the standpoint of what company products or services they use.
 - C. Companies should develop mission statements that are completely different from the vision statement.
 - D. Companies should ensure that employee roles are contrary to the overall values or beliefs of the organization.
35. ____ is used to describe the giving of decision-making and problem-resolution authority to lower-level employees in an organization.
- A. Micromanagement
 - B. Empowerment
 - C. Centralization
 - D. Totalitarianism
36. Empowerment:
- A. makes service representatives feel like they have no say in the important decisions of an organization.
 - B. restricts on-the-spot responsiveness to the customer.
 - C. requires frontline employees in an organization to get permission from their managers before they serve a customer.
 - D. is an intangible way that service organizations reward employees.

37. Which of the following is the first step that an organization should take in creating or redefining its service environment?
- A. Empowering its employees in order to better serve customers
 - B. Making sure it knows who its customers really are
 - C. Conducting an inspection of its systems and practices
 - D. Reviewing the manner in which external customer needs are addressed
38. The first step a company should take in creating or redefining its service environment is to:
- A. decide where the company is now and where it needs to be in order to better serve customers.
 - B. review the manner in which the internal and external customer needs are addressed.
 - C. create a plan to attract and hold its potential customers.
 - D. conduct an inspection of its service and product delivery mechanisms.
39. To ensure the success of an organization's customer service, a service professional should:
- A. continually reevaluate what he/she does on a daily basis when dealing with customers.
 - B. communicate the organization's internal policies, practices, or politics to customers.
 - C. focus on attracting new customers rather than trying to retain existing customers.
 - D. always use "they" language when dealing with customers.
40. ____ is defined as a group of processes in an organization that make service seamless to customers by ensuring that things work properly and the customer is satisfied.
- A. Customer-friendly system
 - B. Employee empowerment
 - C. Product development
 - D. Management information system

41. The means by which an organization effectively gets its products and services to customers is known as:

- A. outsourcing.
- B. service delivery systems.
- C. micromanagement.
- D. service measurement.

42. To maintain an efficient service delivery system, an organization should always:

- A. ensure that frontline employees cannot take decisions without the permission of their supervisors.
- B. ensure that customers do not have to deal with the internal policies, practices, and politics.
- C. encourage its managers and frontline employees to use "they" language when dealing with customers.
- D. view customers from the standpoint of what company products or services they use.

43. An indirect delivery system:

- A. involves face-to-face interaction between employees and customers.
- B. offers a hands-off self-service approach to customers.
- C. cannot provide follow-up support to customers.
- D. is viewed as a more caring customer service approach than a direct delivery system.

44. A benefit for an organization that outsources its noncore positions is that:

- A. the long-term employee expertise of the organization is retained.
- B. the organization's reputation in the eyes of the local citizens improves significantly.
- C. the loyalty of the remaining employees in the organization increases.
- D. the need to purchase and update computers and related equipment is eliminated.

45. Which of the following statements is a disadvantage for a company that outsources jobs?
- A. The need to purchase and update computers and related equipment increases substantially.
 - B. The potential to groom and hire from within an enculturated workforce decreases.
 - C. The work force size within the company increases, thereby increasing its salary budget.
 - D. The company's contribution to employee health benefits, retirement, and 401(k) payments increases.
46. Internal employees or external consultants who pose as customers in on-site visits, over the telephone, or online to determine how well customers are being served are known as:
- A. mystery shoppers.
 - B. lobbyists.
 - C. jobbers.
 - D. category captains.
47. To promote a positive service culture, customer service professionals should always ____.
- A. view vendors and suppliers as salespeople whose only purpose is to serve them
 - B. focus on taking a one-time service or sales opportunity approach instead of developing an ongoing relationship with customers
 - C. be well versed in the many facets of their organization and its operation, related industry topics, and the competition
 - D. use "they" language when dealing with customers

48. Daniel, a customer service executive, has received a call from Mrs. Karen Lynn, a customer, complaining about a problem with her refrigerator. Mrs. Lynn wants to get the refrigerator fixed at no additional cost. However, the warranty period for the appliance has expired. In this scenario, which of the following responses will demonstrate Daniel's commitment to customer service?
- A. "Mrs. Lynn, I cannot help you. The company policy states that customers have to bear the cost of repairs after the warranty period has expired."
 - B. "Mrs. Lynn, let me transfer your call to the sales department. They will brief you about the new products that are being offered this month."
 - C. "Mrs. Lynn, I've inquired about request, but the manager has said that the company cannot incur the cost of repairing your refrigerator."
 - D. "Mrs. Lynn, what I can do to resolve this problem is to offer you a thirty percent discount on the repair costs and a two-year warranty on your appliance."
49. Which of the following is a characteristic of organizations that are highly committed to customer service?
- A. They discourage employee empowerment.
 - B. They readily accept status quo.
 - C. They benchmark the successful practices of competitors.
 - D. They restrict communication between frontline employees and all levels of management.
50. Which of the following guidelines should customer service professionals follow to meet the expectations of customers?
- A. Service professionals should always use "they" language when dealing with customers.
 - B. Service professionals should involve customers in situations that are out of their control.
 - C. Service professionals should strive to mask their feelings of anger, frustration, and pressure from customers.
 - D. Service professionals should focus on attracting new customers rather than trying to retain existing customers.

Short Answer Questions

51. From a customer's perspective, what are the skills and qualifications that service employees in both large and small organizations must possess? What may happen if service employees fail to possess these skills?

52. Explain how a mentor can assist new employees.

53. Explain how empowerment helps develop an effective service culture?

54. What are the two types of delivery systems? Why is there a delicate balance in selecting a service delivery system?

55. List the twelve strategies for promoting a positive service culture.

Chapter 02 Contributing to the Service Culture **Answer Key**

True / False Questions

1. The service culture in every organization is identical.

(p. 45)

FALSE

The service culture is different for each organization. No two organizations operate in the same manner, have the same focus, or provide management that accomplishes the same results.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

2. Any policy, procedure, action, or inaction on the part of an organization contributes to its

(p. 45) service culture.

TRUE

A service culture includes the values, beliefs, norms, rituals, and practices of a group or organization. Any policy, procedure, action, or inaction on the part of an organization contributes to its service culture.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

3. Companies that are customer-centric typically view customers from the standpoint of what
(p. 46) company products or services they use.

FALSE

Companies that are top-down-oriented (with upper management at the top of their hierarchy and customers as a final element or afterthought) or product-centered and view customers from the standpoint of what company products or services they use. On the contrary, organizations that are customer-centered or customer-centric focus on individual needs.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

4. In the past, a company's primary approach to attract and hold customers was to continually
(p. 46) make changes to its product and service lines.

TRUE

In the past, organizations were continually making changes to their product and service lines to try to attract and hold customers. Often this has been their primary approach to customer satisfaction.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

5. Customer-centric organizations have realized that it is cheaper to attract new customers than to try and retain their current customers.
(p. 46)

FALSE

Many major organizations have become more customer-centric and stress relationships with customers. They realize that it is cheaper, and smarter, to keep current customers rather than subscribe to a revolving-door approach of continually trying to attract new customers to replace the ones that they lost to competitors.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

6. A company's mission is generally driven from the top of the organization.
(p. 47)

TRUE

Generally, an organization's approach to business, its mission or its service philosophy, is driven from the top of the organization. Upper management, including members of the board of directors, when appropriate, sets the vision or tone and direction of the organization.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

7. Mission statements should always tie back to the vision statement and should be incorporated (p. 48) into the infrastructure and service culture of an organization.

TRUE

Most successful organizations have written mission and vision statements that answer the questions of "What does the organization do?" and "Why does the organization exist?" Mission statements should always tie back to the vision statement and should be incorporated into the infrastructure (e.g., HR policies and procedures) and service culture of an organization.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

8. Employee expectations are perceptions about positive and negative aspects of the workplace. (p. 49)

TRUE

Employee expectations are perceptions about positive and negative aspects of the workplace.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

9. For any goal to be attained, it must be believable to the people who will strive to reach it and to the supervisors or team leaders who will monitor it.
(p. 51)

TRUE

For any goal to be attained, it must be believable to the people who will strive to reach it and to the supervisors or team leaders who will monitor it.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

10. Employees should always share their organization's internal problems with the customers.
(p. 52)

FALSE

Employees must ensure that service continues to be delivered to customers in a seamless fashion. Customers should not hear about internal problems. They should be able to expect that the products and services they paid for are delivered when promised, in the manner agreed upon, and without inconvenience to them.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

11. A sole proprietorship is a one-owner business.

(p. 53)

TRUE

A sole proprietorship is a one-owner business. The growth of sole proprietorships and small businesses has an upside in that they provide more choices for customers.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

12. The return policy of an organization is a gauge customers use to determine where they will spend their time and money.

(p. 56)

TRUE

An effective return policy is part of the overall service process. In addition to service received, the return policy of an organization is another gauge customers use to determine where they will spend their time and money.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

13. Protégés are individuals in an organization who dedicate time and effort to befriend and assist others. (p. 61)

FALSE

Mentors are individuals who dedicate time and effort to befriend and assist others. In an organization, they are typically people with a lot of knowledge, experience, skills, and initiative, and have a large personal and professional network established. A protégé is typically a less-experienced recipient of the efforts of the mentor.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

14. An organization should periodically conduct an inspection of its systems and practices in order to better serve customers and to be competitive in a global service economy. (p. 64)

TRUE

An organization should periodically conduct an inspection of its systems and practices to decide where the company is now and where it needs to be in order to better serve customers and to be competitive in a global service economy.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-02 Define a service strategy.

Level of Difficulty: 1 Easy

Topic: Establishing a Service Strategy

15. The service delivery system of an organization includes having customers deal with the organization's internal policies, practices, or politics.
(p. 66)

FALSE

Customers should not have to deal with internal policies, practices, or politics. They should be able to contact the service provider; get the information they need; make a buying decision, where appropriate; and have the products or services they have selected flawlessly delivered in a timely, professional manner.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 2 Medium

Topic: Customer-Friendly Systems

16. The type of delivery system used by organizations to serve customers is not important.
(p. 67)

FALSE

The type of delivery system used by organizations to serve customers is important because it affects staffing numbers, costs, technology, scheduling, and many other factors.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 1 Easy

Topic: Customer-Friendly Systems

17. In a direct contact environment, customers interact directly with people.

(p. 67)

TRUE

The major difference between the two types of service delivery systems is that in a direct contact environment, customers interact directly with people, whereas in an indirect system their needs are met primarily with self-service through technology (possibly integrated with the human factor in customer contact/call centers) integrated with Internet services.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 1 Easy

Topic: Customer-Friendly Systems

18. By outsourcing jobs to a third party, companies can save money by reducing health benefits or retirement payments.

(p. 68)

TRUE

By outsourcing jobs to a third party, companies can save money by eliminating large ongoing salaries; reducing health benefits, retirement, and 401(k) payments; avoiding the need to purchase and update computers and related equipment and a myriad of other equipment; increasing workforce size without necessarily doing likewise to the budget; and bringing in new, fresh expertise, ideas, and perspectives from outside the organization.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 2 Medium

Topic: Customer-Friendly Systems

19. Employees should always focus on taking a one-time service or sales opportunity approach (p. 72) instead of developing an ongoing relationship with customers.

FALSE

Employees should focus on developing an ongoing relationship with customers instead of taking a one-time service or sales opportunity approach.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-04 Implement strategies for promoting a positive service culture.

Level of Difficulty: 1 Easy

Topic: Twelve Strategies for Promoting a Positive Service Culture

20. In order to demonstrate strong support for their company, frontline employees or supervisors (p. 74) should always use "they" language when dealing with customers.

FALSE

One mistake that many frontline employees and supervisors make in communications with customers is to intentionally or unintentionally demonstrate a lack of commitment or support for their company and a sense of powerlessness. A common way in which this occurs is with the use of "they" language when dealing with customers.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-04 Implement strategies for promoting a positive service culture.

Level of Difficulty: 2 Medium

Topic: Twelve Strategies for Promoting a Positive Service Culture

21. A service professional should work with customers' interest in mind to promote a positive
(p. 74) service culture.

TRUE

To promote a positive service culture, a service professional should work with customers' interest in mind, treat vendors and suppliers as customers, share resources, and demonstrate commitment.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-04 Implement strategies for promoting a positive service culture.

Level of Difficulty: 1 Easy

Topic: Twelve Strategies for Promoting a Positive Service Culture

22. An organization that is committed to providing excellent customer service encourages open
(p. 76) communication between frontline employees and all levels of management.

TRUE

An organization that is committed to providing excellent customer service encourages open communication between frontline employees and all levels of management.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-05 Separate average companies from exceptional companies.

Level of Difficulty: 1 Easy

Topic: Separating Average Companies from Excellent Companies

23. Typically, in organizations that demonstrate a strong commitment to customer service, the status quo is acceptable.
(p. 76)

FALSE

Typically, in organizations that demonstrate a strong commitment to customer service, the status quo is not acceptable.

*AACSB: Analytic
Accessibility: Keyboard Navigation
Blooms: Understand
Learning Objective: 02-05 Separate average companies from exceptional companies.
Level of Difficulty: 2 Medium
Topic: Separating Average Companies from Excellent Companies*

24. Generally, most customers want the transactions to be quick; hence, they do not expect pleasantries such as "please" and "thank you."
(p. 76)

FALSE

Most customers expect certain intangible things during a service encounter, such as personal recognition, courtesy (pleasantries such as "please" and "thank you"), timely service, and professionalism.

*AACSB: Analytic
Accessibility: Keyboard Navigation
Blooms: Remember
Learning Objective: 02-06 Identify what customers want.
Level of Difficulty: 1 Easy
Topic: What Customers Want*

25. If frontline employees are angry because of a policy, procedure, management, or a customer, (p. 78) they must always communicate their frustrations or pressures with that customer.

FALSE

If frontline employees are angry because of a policy, procedure, management, or the customer, they must strive to mask that feeling. Customers should not have to deal with the employees' frustrations or pressures.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-06 Identify what customers want.

Level of Difficulty: 1 Easy

Topic: What Customers Want

Multiple Choice Questions

26. Which of the following statements is true of a top down-oriented organization?

(p. 46)

- A. Customers are at the top of the organization's structure.
- B. It typically focuses on individual needs of customers rather than its products.
- C. It typically views the senior management as a final element or afterthought.
- D.** Upper management is at the top of the hierarchy.

Organizations that are top-down-oriented have upper management at the top of their hierarchy and customers as a final element or afterthought.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

27. Which of the following statements is true of successful organizations?

(p. 48)

- A. The mission and vision statements of these organizations are completely different.
- B. They typically view customers from the standpoint of what company products or services they use.
- C. The members of the upper management make themselves clearly visible to front-line employees.
- D. They realize that it is cheaper to continually attract new customers than to retain current customers.

In successful organizations, members of upper management make themselves clearly visible to frontline employees and are in tune with customer needs and expectations.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

28. In an organization, ____ are the task assignments that service providers assume.

(p. 49)

- A. service delivery systems
- B. customer expectations
- C. employee roles
- D. value chain activities

Employee roles are the task assignments that service providers assume. Depending on the job, the size and type of organization, and the industry involved, the employee roles and employee expectations may be similar from one organization to another, and yet they may be performed in a variety of different ways.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

29. Which of the following characteristics is included in RUMBA?
(p. 49)

- A. Abstract
- B. Understandable**
- C. Measureless
- D. Rigid

For an organization to be successful in providing superior service to its external and internal customers, its roles and expectations must be clearly defined and communicated in terms of the following characteristics, sometimes referred to as RUMBA (Realistic, Understandable, Measurable, Believable, Attainable).

AACSB: Analytic
Accessibility: Keyboard Navigation
Blooms: Remember
Learning Objective: 02-01 Explain the elements of a successful service culture.
Level of Difficulty: 1 Easy
Topic: Defining a Service Culture

30. In a purely customer-focused environment, service measurement is typically in terms of the:
(p. 51)

- A. employee turnover.
- B. number of products manufactured.
- C. potential sales.
- D. number of customer complaints.**

In a purely customer-focused environment, service measurement can be in terms of factors such as talk time on the telephone, number of customers effectively served, customer feedback surveys and satisfaction cards, and letters or other written correspondence or—on the negative side—by customer complaints.

AACSB: Analytic
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

31. Managers should always ensure that employees:

(p. 51)

- A. focus on attracting new customers rather than retaining current customers.
- B. communicate the internal problems of the organization to customers.
- C. are given assignments that tie in directly with the ultimate purpose or mission and overall values or beliefs of the organization.
- D. focus on taking a one-time service or sales opportunity approach instead of developing an ongoing relationship with customers.

One issue in developing employee goals is to ensure that they make sense and tie in directly with the established overall departmental and organizational goals. Too often, employees are given assignments that are contrary to the ultimate purpose or mission and overall values or beliefs of the organization.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

32. Emma is the manager of a small beauty salon. She deals with different kinds of customers and (p. 54) has to ensure that the customer needs are identified and satisfied. To develop an effective customer service, she should:

- A. always use "they" language when dealing with customers and hide behind "company policy" when handling customer problems.
- B.** continually strive to gain new knowledge and skills and deliver the level of service equal to that offered by established salons.
- C. focus on taking a one-time service or sales opportunity approach instead of developing an ongoing relationship with customers.
- D. exclude the information collected from customer feedback surveys when measuring the service performance of her salon.

To stave off failure and help ensure that customer needs are identified and satisfied, Emma must continually strive to gain new knowledge and skills while working hard to deliver a level of service equal to that offered by the bigger organizations.

AACSB: Analytic

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Apply

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 3 Hard

Topic: Defining a Service Culture

33. Retail and service organizations should:

(p. 55)

- A. focus on attracting new customers instead of trying to retain current customers.
- B. communicate their internal problems to customers.
- C. establish policies and procedures that are flexible.
- D. respond to customer complaints using "company policy" as an excuse.

There are a lot of local, state, and federal regulations with which an organization must comply. However, retail and service organizations should establish policies and procedures that are flexible in order to satisfy customer needs as quickly and efficiently as possible.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

34. Which of the following approaches helps companies develop an effective organizational culture?
(p. 57)

- A. Companies should recognize, appreciate, and regularly reward the performance of their employees.
- B. Companies should always view customers from the standpoint of what company products or services they use.
- C. Companies should develop mission statements that are completely different from the vision statement.
- D. Companies should ensure that employee roles are contrary to the overall values or beliefs of the organization.

In any employee environment, people work more effectively and productively when their performance is recognized and adequately rewarded. Many organizations use public recognition, contests, games, employee activities (sporting or other events), financial rewards, incentives (gifts or trips), employee-of-the-month or -year awards, and a variety of other techniques to show appreciation for employee efforts.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

35. ____ is used to describe the giving of decision-making and problem-resolution authority to lower-level employees in an organization.

(p. 62)

- A. Micromanagement
- B.** Empowerment
- C. Centralization
- D. Totalitarianism

Empowerment is the word used to describe the giving of decision-making and problem-resolution authority to lower-level employees in an organization. This precludes having to get permission from higher levels in order to take an action or serve a customer.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 1 Easy

Topic: Defining a Service Culture

36. Empowerment:

(p. 62)

- A. makes service representatives feel like they have no say in the important decisions of an organization.
- B. restricts on-the-spot responsiveness to the customer.
- C. requires frontline employees in an organization to get permission from their managers before they serve a customer.
- D.** is an intangible way that service organizations reward employees.

Empowerment is the word used to describe the giving of decision-making and problem-resolution authority to lower-level employees in an organization. Empowerment is also an intangible way that successful service organizations reward employees.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

37. Which of the following is the first step that an organization should take in creating or redefining its service environment?
(p. 64)

- A. Empowering its employees in order to better serve customers
- B.** Making sure it knows who its customers really are
- C. Conducting an inspection of its systems and practices
- D. Reviewing the manner in which external customer needs are addressed

The first step a company should take in creating or redefining its service environment is to make sure it knows who its customers really are.

AACSB: Analytic
Accessibility: Keyboard Navigation
Blooms: Remember
Learning Objective: 02-02 Define a service strategy.
Level of Difficulty: 1 Easy
Topic: Establishing a Service Strategy

38. The first step a company should take in creating or redefining its service environment is to:
(p. 64)

- A. decide where the company is now and where it needs to be in order to better serve customers.
- B. review the manner in which the internal and external customer needs are addressed.
- C.** create a plan to attract and hold its potential customers.
- D. conduct an inspection of its service and product delivery mechanisms.

The first step a company should take in creating or redefining its service environment is to make sure it knows who its customers really are and how it plans to attract and hold those customers.

AACSB: Analytic
Accessibility: Keyboard Navigation
Blooms: Remember
Learning Objective: 02-02 Define a service strategy.

39. To ensure the success of an organization's customer service, a service professional should:
(p. 64)

- A. continually reevaluate what he/she does on a daily basis when dealing with customers.
- B. communicate the organization's internal policies, practices, or politics to customers.
- C. focus on attracting new customers rather than trying to retain existing customers.
- D. always use "they" language when dealing with customers.

It is not just an organization's responsibility to ensure the success of customer service. Service professionals also have to be familiar with the organization's goals and work toward helping make them successful. A simple way to accomplish this is to give thought to their role in the service process and continually reevaluate what they do on a daily basis when dealing with customers.

AACSB: Analytic
Accessibility: Keyboard Navigation
Blooms: Understand
Learning Objective: 02-02 Define a service strategy.
Level of Difficulty: 2 Medium
Topic: Establishing a Service Strategy

40. ____ is defined as a group of processes in an organization that make service seamless to
(p. 65) customers by ensuring that things work properly and the customer is satisfied.

- A. Customer-friendly system
- B. Employee empowerment
- C. Product development
- D. Management information system

Customer-friendly systems refer to the processes in an organization that make service seamless to customers by ensuring that things work properly and the customer is satisfied.

AACSB: Analytic
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 1 Easy

Topic: Customer-Friendly Systems

41. The means by which an organization effectively gets its products and services to customers is
(p. 66) known as:

- A. outsourcing.
- B.** service delivery systems.
- C. micromanagement.
- D. service measurement.

Service delivery systems are the means by which an organization effectively gets its products and services to customers.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 1 Easy

Topic: Customer-Friendly Systems

42. To maintain an efficient service delivery system, an organization should always:
(p. 66)

- A. ensure that frontline employees cannot take decisions without the permission of their supervisors.
- B.** ensure that customers do not have to deal with the internal policies, practices, and politics.
- C. encourage its managers and frontline employees to use "they" language when dealing with customers.
- D. view customers from the standpoint of what company products or services they use.

An organization must determine the best way to deliver quality products and service and to provide effective follow-up support to its customers. Customers should not have to deal with internal policies, practices, or politics.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 2 Medium

Topic: Customer-Friendly Systems

43. An indirect delivery system:

(p. 67)

- A. involves face-to-face interaction between employees and customers.
- B.** offers a hands-off self-service approach to customers.
- C. cannot provide follow-up support to customers.
- D. is viewed as a more caring customer service approach than a direct delivery system.

The major difference between the two types of service delivery systems is that in a direct contact environment, customers interact directly with people, whereas an indirect system offers a hands-off self-service approach through technology (possibly integrated with the human factor in customer contact/call centers) integrated with Internet services.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 1 Easy

Topic: Customer-Friendly Systems

44. A benefit for an organization that outsources its noncore positions is that:

(p. 68)

- A. the long-term employee expertise of the organization is retained.
- B. the organization's reputation in the eyes of the local citizens improves significantly.
- C. the loyalty of the remaining employees in the organization increases.
- D.** the need to purchase and update computers and related equipment is eliminated.

By outsourcing jobs, companies can save money by eliminating large ongoing salaries; reducing health benefits, retirement, and 401(k) payments; avoiding the need to purchase and update computers and related equipment and a myriad of other equipment; increasing workforce size without necessarily doing likewise to the budget; and bringing in new, fresh expertise, ideas, and perspectives from outside the organization.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 2 Medium

Topic: Customer-Friendly Systems

45. Which of the following statements is a disadvantage for a company that outsources jobs?

(p. 68)

- A. The need to purchase and update computers and related equipment increases substantially.
- B.** The potential to groom and hire from within an enculturated workforce decreases.
- C. The work force size within the company increases, thereby increasing its salary budget.
- D. The company's contribution to employee health benefits, retirement, and 401(k) payments increases.

The practice of outsourcing jobs to a third party provides multiple benefits to companies while also bringing with it some downsides. On the negative side, long-term employee expertise is lost, employee loyalty to the organization suffers, succession planning opportunities and the potential to groom and hire from within an enculturated workforce is reduced, and the organization's reputation in the eyes of local citizens is potentially tarnished due to sending jobs away.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 2 Medium

Topic: Customer-Friendly Systems

46. Internal employees or external consultants who pose as customers in on-site visits, over the telephone, or online to determine how well customers are being served are known as:

(p. 70)

- A. mystery shoppers.
- B. lobbyists.
- C. jobbers.
- D. category captains.

Mystery shoppers are internal employees or external consultants who pose as customers in on-site visits, over the telephone, or online to determine how well customers are being served.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 1 Easy

Topic: Customer-Friendly Systems

47. To promote a positive service culture, customer service professionals should always ____.

(p. 73)

- A. view vendors and suppliers as salespeople whose only purpose is to serve them
- B. focus on taking a one-time service or sales opportunity approach instead of developing an ongoing relationship with customers
- C. be well versed in the many facets of their organization and its operation, related industry topics, and the competition
- D. use "they" language when dealing with customers

The frontline contact person is likely to receive a variety of questions related to the organization. By being well versed in the many facets of the organization and its operation, related industry topics, and competition, the employee can project a more knowledgeable, helpful, and confident image that contributes to total customer satisfaction.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-04 Implement strategies for promoting a positive service culture.

Level of Difficulty: 1 Easy

Topic: Twelve Strategies for Promoting a Positive Service Culture

48. Daniel, a customer service executive, has received a call from Mrs. Karen Lynn, a customer, (p. 74) complaining about a problem with her refrigerator. Mrs. Lynn wants to get the refrigerator fixed at no additional cost. However, the warranty period for the appliance has expired. In this scenario, which of the following responses will demonstrate Daniel's commitment to customer service?

- A. "Mrs. Lynn, I cannot help you. The company policy states that customers have to bear the cost of repairs after the warranty period has expired."
- B. "Mrs. Lynn, let me transfer your call to the sales department. They will brief you about the new products that are being offered this month."
- C. "Mrs. Lynn, I've inquired about request, but the manager has said that the company cannot incur the cost of repairing your refrigerator."
- D. "Mrs. Lynn, what I can do to resolve this problem is to offer you a thirty percent discount on the repair costs and a two-year warranty on your appliance."

A common way in which employees express lack of commitment is with the use of "they" language when dealing with customers. This can be in reference to management or policies or procedures; for example, "Mrs. Howard, I'd like to help but our policy (they) says." or "Mrs. Howard, I've checked on your request, but my manager (they) said we can't." An alternative to using "they" language is to take ownership or responsibility for a situation by telling the customer what you can do, not what you cannot do.

AACSB: Analytic

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Apply

Learning Objective: 02-04 Implement strategies for promoting a positive service culture.

Level of Difficulty: 3 Hard

Topic: Twelve Strategies for Promoting a Positive Service Culture

49. Which of the following is a characteristic of organizations that are highly committed to customer service?
(p. 76)

- A. They discourage employee empowerment.
- B. They readily accept status quo.
- C. They benchmark the successful practices of competitors.
- D. They restrict communication between frontline employees and all levels of management.

The following factors can demonstrate an organization's level of service commitment: Executives spend time with the customers; executives spend time talking to frontline service providers; innovation and creativity are encouraged and rewarded; benchmarking (identifying successful practices of others) is done with similar organizations; open communication exists between frontline employees and all levels of management; the status quo is not acceptable.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 02-05 Separate average companies from exceptional companies.

Level of Difficulty: 1 Easy

Topic: Separating Average Companies from Excellent Companies

50. Which of the following guidelines should customer service professionals follow to meet the expectations of customers?
(p. 78)

- A. Service professionals should always use "they" language when dealing with customers.
- B. Service professionals should involve customers in situations that are out of their control.
- C. Service professionals should strive to mask their feelings of anger, frustration, and pressure from customers.
- D. Service professionals should focus on attracting new customers rather than trying to retain existing customers.

Customers should not have to deal with the frustrations or pressures of service professionals. If an employee is angry because of a policy, procedure, management, or the customer, he/she must strive to mask that feeling.

AACSB: Analytic

Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 02-06 Identify what customers want.

Level of Difficulty: 2 Medium

Topic: What Customers Want

Short Answer Questions

51. From a customer's perspective, what are the skills and qualifications that service employees in both large and small organizations must possess? What may happen if service employees fail to possess these skills?
(p. 52-53)

Customers expect service employees to have a broad general knowledge of products and service; interpersonal communication skills; technical expertise related to products sold and serviced; customer-focused "can do" attitude; initiative; motivation; integrity; loyalty to the organization, to products and to customers; team spirit; creativity; sound ethics; time management skills; problem-solving capability; and conflict resolution skills.

If the service employee fails to possess or exhibit any or all of these factors, the end result could be a breakdown in the relationship between the employee and the customer, with ultimately negative repercussions.

AACSB: Analytic

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

52. Explain how a mentor can assist new employees.

(p. 60-61)

When experienced people leave an organization, they will take decades of experience and knowledge and leave behind a huge gap in many organizations, especially those that have not created an effective exit strategy or prepared others to step into key roles and positions. Mentors are people who are well acquainted with the organization and its policies, politics, and processes. They are well connected (inside and outside the organization), communicate well, have the ability and desire to assist new employees (the protégé), and are capable and experienced. Therefore, through mentoring programs, they can assist the new and young employees by sharing their knowledge and experiences with them.

AACSB: Analytic

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

53. Explain how empowerment helps develop an effective service culture?

(p. 62)

Employee empowerment is one way for a supervisor to help ensure that service providers can respond quickly to customer needs or requests. The intent of empowerment is a delegation of authority where a frontline service provider can take action without having to call a supervisor or ask permission. Such authority allows on-the-spot responsiveness to the customer while making service representatives feel trusted, respected, and like an important part of the organization. Empowerment is also an intangible way that successful service organizations reward employees. Often someone who has decision-making authority feels better about himself or herself and the organization.

AACSB: Analytic

Blooms: Understand

Learning Objective: 02-01 Explain the elements of a successful service culture.

Level of Difficulty: 2 Medium

Topic: Defining a Service Culture

54. What are the two types of delivery systems? Why is there a delicate balance in selecting a service delivery system?
(p. 67)

The major difference between the two types of systems is that in a direct contact environment, customers interact directly with people, whereas in an indirect system their needs are met primarily with self-service through technology (possibly integrated with the human factor in customer contact/call centers) integrated with Internet services. There is a delicate balance in selecting a service delivery system. This is because each customer is unique and has personal preferences. While many prefer a hands-off self-service approach, others resent it and often view it as a loss of caring.

AACSB: Analytic

Blooms: Understand

Learning Objective: 02-03 Recognize customer-friendly systems.

Level of Difficulty: 2 Medium

Topic: Customer-Friendly Systems

55. List the twelve strategies for promoting a positive service culture.
(p. 72-75)

The following are the twelve strategies for promoting a positive service culture: Partner with customers; Explore your organization's vision; Help communicate the culture and organizational vision to customers—daily; Demonstrate ethical behavior; Identify and improve your service skills; Become an expert on your organization; Demonstrate commitment; Work with your customer's interest in mind; Treat vendors and suppliers as customers; Share resources; Work with, not against, your customers; and Provide service follow-up.

AACSB: Analytic

Blooms: Understand

Learning Objective: 02-04 Implement strategies for promoting a positive service culture.

Level of Difficulty: 2 Medium

Topic: Twelve Strategies for Promoting a Positive Service Culture