

## CHAPTER TWO

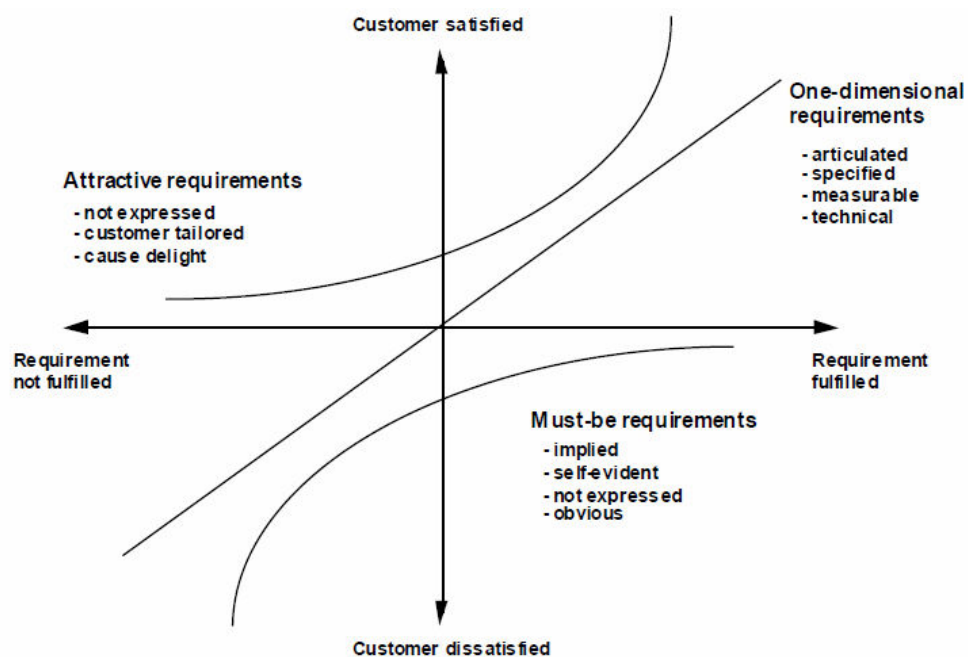
### REVIEW OF LITERATURE

This chapter reviews the literature in the study of customer satisfaction with the theory that related to products and services. The study has supporting theory as follows: customer satisfaction model, product and services quality concept, customer behavior, and factors influencing buying decisions.

#### 2.1 CUSTOMER SATISFACTION MODEL (KANO'S THEORY)

According to the theory of attractive quality between product development and customer satisfaction presented by Kano (1984), the degree of satisfaction with the products can be divided into three aspects as follows: must-be requirements, one-dimensional requirements, and attractive requirements. (see Figure 1).

*Figure 1. Kano's Model of Customer Satisfaction*



*Source: Sauerwin, Bailom, Matzler & Hinterhuber (1996)*

*Must-be requirements:* These are the fundamental requirements for each product. If they are not fulfilled, dissatisfaction will occur. However, must-be

requirements will not cause customer satisfaction if they are exceeded. Sauerwin, Bailom, Matzler, and Hinterhuber (1996) stated that “[m]ust-be requirements are in any case a decisive competitive factor, and if they are not fulfilled, the customer will not be interested in the product at all” (p. 2).

*One-dimensional requirements:* Customers’ satisfaction will be fulfilled if these requirements are achieved. Customers demand these requirements and “the higher the level of fulfillment, the higher the customer’s satisfaction and vice versa” (Sauerwin et al, 1996).

*Attractive requirements:* They are satisfiers and sometimes called “excitement factors”). Kano stated that attractive requirements can provide satisfaction when they are fully achieved, but they do not cause dissatisfaction if they are not fulfilled. Attractive requirements can be changed every time, and sometimes they are referred to surprise or delightful attributes.

## **2.2 CONCEPT OF PRODUCT AND SERVICES QUALITY**

### **2.2.1 Concept of Product Quality**

Production in the printing industry is generally divided into three stages: (1) production planning, (2) manufacturing, and (3) quality assurance (Adams & Dolin, 2002). Production planning is efficiency in productivity with limited time and equipment. In other words, it means that the capacity of production can match the well planning as a product quality. The next stage is manufacturing which refers to the in-house production of products in large amounts. The last stage of production is QA (Quality Assurance). This stage is the process of product quality inspection by skillful staff.

### **2.2.2 Concept of Services Quality**

According to the study of Schneider and White (2004), the services quality can be divided into six dimensions as follows:

(1) *Professional skills* refer to the problem solving ability of the staff for customers in professional ways.

(2) *Attitude behaviors* are the ways that the employees show concern and interest in solving customers’ problems in friendly and spontaneous ways.

(3) *Accessibility and flexibility* is how easily do customers have access such as location, contact person, operational systems.

(4) *Reliability and trustworthiness* mean the sincerity and honesty of the organization.

(5) *Recovery* is the prompt feedback to customers in case problems occur.

(6) *Reputation and credibility* fame of a company that customers can believe in.

### **2.3 THE 4P'S: MARKETING STRATEGIES INFLUENCING CONSUMER BEHAVIORS**

When customers want to buy goods and/or services, they use their own judgment to make a decision. The decision making process involves other factors especially the 4P's: product, price, place, and promotion. Understanding the concept of 4P's can help printing houses to react to customers' needs (Kishel, 1981). The first P stands for "product", the attractive appearance which can make buyers decide to purchase goods. The second P is "price", the evaluation steps of decision making to purchase the products. The third P is "place" or the location of services providers or related to where to get the products. The fourth P means "promotion", the strategy used to arouse the customers' desire to buy the products because of extra offers.

### **2.4 PREVIOUS STUDIES**

Muffato and Panizzalo (1995) also suggested that customer satisfaction is considered to be one of the most important competitive factors for the future, and will be the best indicator of a firm's profit ability. Moreover, customer satisfaction will drive firms to improve their reputation and image to increase attention to customer's needs. Such improvement will result to business relationship with their customers.

Parasuraman et al. (1985) stated the difference of products and services in terms of the quality evaluation. Customers evaluate the quality of products from the production, delivery intact to customers, whereas the quality of services often occurs during services delivery, which is the interaction between customers and services

providers. The underlying customer satisfaction can result in various advantages; for example, the satisfied customers will be less concern about the price, more intention to purchase and less manipulate by competitors (Hansemark & Albinsson 2004).

John A. Howard (1989) suggested that the image and reputation of the firm is the key to stimulate customers to buy products and services, and it is the symbol of credibility toward customers' decision as well. Abdullah (1996) stated that customer satisfaction's index is observed to products, logistics, and services.

The period of production is the supported factor related to customer satisfaction. According to Bittel (1991), he stated that time of production results in customer satisfaction and this strategy is an advantage result to the firms. The location of firm supported to the efficient delivery which is the basis fundamental of the manufacturers (Chapman & Walker 1991).

The staff of the firm is important key affecting the success of organization. The study of Napoporn stated that the customer coordinator is the person who is able to push the task to meet the objective (Nopoporn 2008). The well communicator can create customer satisfaction with the products and services of the firms because customer perceived the relevant information effectively (Thor 1994). The staff is one of the most important parts of working in each firm as the staff training is the important procedure of the working industries (Chien 1998).