After sales service: Complaint to Service Recovery Improvement

Author: Alain Patrick Ngae a Njama
International Sales & Marketing

Tutor: Peter Caesar

Examiner: Dr. Pejvak Oghazi

Subject: Relationship Management

Level and semester: Bachelor’s Thesis,
Spring 2012
Abstract

Author: Alain Patrick Ngae a Njama

Tutor: Peter Caesar

Examiner: Pejvak Oghazi

Title: After sales service: Complaint to Service Recovery Improvement

Keywords: Service Recovery, Complaint handling, service failure, service process, Svetruck AB

Background: It is real that everyday people purchase goods for their daily needs and satisfaction, but unfortunately it happen that some of those goods do not live up to the customer expectations. The reality when a failure occurred is something else because is the second chance giving to the service provider to show concern. Many research agreed that good recovery after a service failure can create a positive response from the customer side as example making them loyal and sharing their positive experience to others.

Purpose: The purpose of this study is to look into how service recovery influence customer retention.

Research question: How Does Company handles customer’s complaint in order to fulfill service recovery?

Method: Three respondents were selected within a heavy industry call Svetruck AB. Due to their position and number of year they have been working for this company. Many section of interview were organized in order to have a clear understanding of the inside out of the service handling process.

Conclusion: Complaint handling appears to be very essential for each company willing to stay in the competitive word. Some will differ from the way they handle or treat their customer but the final issue for all companies will be to keep satisfies their customer for long-term relationship, also by reducing the cost of hunting new customers.

Suggestion for further research: After the investigation of complaint handling from the service
provider side, we can think of other areas to investigate related to this topic. One of it will be to make an investigation on complaint handling from the customer point of view to find out how the customer perceived satisfaction after the service provider have handled their complaint. Another point may be to compare Svetruck complaint handling with the one of one of their mean competitor to see the point that differ them from the others. Further investigations can also be made on unsatisfied customers, those who have experience bad service recovery by then had chosen to switch to competitor.
Acknowledgment

Here I present the result of the hard weeks of work and I am proud to finish with my bachelor’s thesis at the economy department of Linneuniversitet, precisely the International Sale and Marketing program at CIL Ljungby. To reach my objectives, it has been a greater challenge to learn both how to conduct a thesis as well as the passionate topic of service recovery. I hope this job will be of interest to readers willing to know more about complaints and service recovery improvement.

I could not have written this thesis without the support of my supervisor Pejvak Oghazi and my tutor Peter Caesar who both have provided me with guidance and good advices and I will like to thank them for that. I will also thank all interviewee from Svetruck, Dan Johansson (sales manager), Henrik Arvsell (after sales manager) and Leannart Hägglöf (spares part manager), their effort and experiences have been invaluable to me. And finally my family and friends even far away with their support and motivation each day I spend on this job.

--------------------------------------

Alain Patrick Ngae a Njama
Table of Contents

1.1. Background ............................................................................................................ 7
1.2. Problem Discussion ............................................................................................... 8
1.3. Purpose .................................................................................................................... 10
1.4. Research question .................................................................................................. 10
1.5. Delimitations ........................................................................................................ 10

2. THEORETICAL FRAMEWORK ................................................................................. 11
  2.1. Service Recovery ............................................................................................... 11
  2.2. Customers Complaints Handling ........................................................................ 11
      2.2.1. Identify customer problems ...................................................................... 12
      2.2.2. The process of handling customer complain ........................................... 16
  2.3. Guidelines ........................................................................................................... 19
  2.4. Cycle proposal of the theories ............................................................................ 21

3. METHODOLOGICAL FRAMEWORK ........................................................................... 23
  3.1. Research Approach ............................................................................................. 23
      3.1.1. Inductive vs. Deductive Research ............................................................ 23
      3.1.2. Qualitative vs. Quantitative Research ....................................................... 23
  3.2. Research Design ................................................................................................. 25
  3.3. Data Sources ....................................................................................................... 26
  3.4. Research Strategy ............................................................................................... 26
  3.5. Data Collection Method ...................................................................................... 27
  3.6. Data Collection Instrument ................................................................................ 27
      3.6.1. Operationalization and measurement of variables ...................................... 28
      3.6.2. Interview guide ......................................................................................... 28
  3.7. Sampling ............................................................................................................... 29
      3.7.1. Sampling Frame ......................................................................................... 29
      3.7.2. Sample selection ....................................................................................... 29
  3.8. Data Analysis Method ......................................................................................... 30
  3.9. Quality Criteria .................................................................................................... 30
      3.9.1. Content validity ......................................................................................... 31
3.9.2. Construct validity

3.9.3. Reliability

4. EMPIRICAL FINDINGS

4.1. Company Background

4.2. Complain Handling

4.3. The process of handling customer’s complaint

4.4. Guideline

5. ANALYSIS

5.1. Complaint handling

5.2. The process of handling customer complaint

5.3. Guideline

6. CONCLUSION

7. IMPLICATIONS

7.1. Managerial implications

8. LIMITATIONS AND FURTHER RESEARCH

8.1. Limitation

8.2. Further research

REFERENCES

Appendix
1. INTRODUCTION

1.1. Background

Grönroos (2007) present a service perspective in service management and marketing. He explains that role of service components in customer relationship is seen as strategic, and a firm can reach the demand that derives from service competition if the firm can utilize this perspective. The service competition is a competitive situation where the firm’s core solution is the prerequisite for success, and combined with the management of a number of services, this forms a total service offering.

As stated above, service is acknowledged as becoming more and more competitive; more firms are realizing its importance as a value-generator simply because service interacts directly with customers. Value itself is a broad concept and in this thesis it shall be addressed as a way to understand customer value because that would be the ground-base for adapting any good service on the top of your firm’s best product (Enquist et al, 2006).

Customers today demand more of their service providers, they are becoming more aware of what they want; their requirements and demands are increasing and so should a firm’s standard of service.

First of all, we will define service as a process that consists of a series of more or less intangible activities that occurs in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems (Grönroos, 2007). When problems appear, the service provider has to take action to solve problematical situations in a way that satisfies the customer. In other words, each problematical situation could be an opportunity for the service provider to show their ability to settle uncertainty events (Grönroos, 2007). Customers who complain are more likely to be retained than customers who do not complain (Gilly, Stevenson and Yale 1991, in Gonzalez et al., 2010) and here the importance of successfully handling these problems and complaints; in any tough economic situation retaining customers is key to keep your competitively.

“It is important for a firm to manage service quality well, but it is essential for it to manage service failures even better.” (Grönroos, 2007, pp. 111)
No matter where the sources of problems are, a service provider needs to act proactively to identify service failures and classify root causes. They should be integrated with customers actively. Therefore a service provider should deliver a satisfying customer experience, keep customers in control of the situation and find a new, acceptable solution whenever something goes wrong. This is called “service recovery” (Grönroos, 2007).

Complain would be not problems unless they are not able to be resolved. Even in proactive after-sales services, mistakes and problems could possibly happen. However, the way to handle uncertain situations could have an important impact on the relationships which are already built up with customers or are on the way to be built up and also to reverse the situation toward to the expected way (Homburg and Furst 2005, 2007; Stevens and Kinni 2007, in Gonzalez et al., 2010).

Therefore the service provider can satisfy customers, in spite of a service failure and at the same time maintaining and improving long-term relationship quality by doing service recovery. In accordance with the aspect from Gilly, Stevenson and Yale (1991); Kelly, Hoffman and Davis (1993), in Gonzalez et al., (2010) that a good analysis of failures can support sales organizations to recognize the causation behind customer complaints, to reduce dissonances, and as consequence to lower customer defection rates as much as possible.

1.2. Problem Discussion

As defined in this thesis, most services are intangible activities that occur in interactions between the customer and the service provider. Upon this statement it is logical to assume that most of these services involve then benefits that are for both party the common point for long term relationship. It is important to notice that service provider intervention is only needed when customers begin to experience problems. In other words the company must realize that the service quality calls for a attention, that there is a gap in the value perceived and assessed as well by the customer. This dilemma calls for companies around the world to strive for the perfect service, but to be prepared to answer to the customer when things do not go as planned.

Not all customers complain, and not all service providers treat a complaint as a “gift” or second chance giving to them by their customers to show concern. The way a service provider handles complains of customers decides if a positive outcome will be obtained. Otherwise, customer’s
dissatisfaction will increase even more if problems cannot be solved in an expected way in their mind (Grönroos, 2007).

It often happens that a customer feels difficulties to access the service when a problem occurs. There is a gap between what a service provider delivers to the customer and what the customer perceives he should receive. As a result, service contact persons will create a fence instinctively which takes place when the service provider considers that the service has been accomplished as the customer expected (Grönroos, 2007; Lovelock, 2010).

Furthermore, system regulations, rules or company policy might be present by service contact persons. Customers will have more negative feelings, such as inconvenient, non-responsive, and inflexible (Grönroos, 2007) if those regulations are too complicate.

When the “gift” is taken by the service provider, it means a second opportunity for him to show his ability to solve the problem in an appropriate and satisfied way. Grönroos (2007) indicated that managing mistakes, failures and problems in customer relationships is a strategy. Thus, a better strategy will bring higher positive outcome, in the nature of the things customer satisfaction will be increase as a consequence. Furthermore a better strategy consists of a choice or combination of choices, which can be, varies in different situations in resolving customer complaints. When service recovery situations occur, customers are looking for information from their surroundings (Gonzalez et al., 2010). The experiences of friends, neighbors, business associates and others, for example, how they were treated, how long they have to wait for the answer, how much cost they have lost and so on. A service provider needs to reduce post decision dissonance (Wanenheim, 2005 in Sabharwal et al., 2010) by a service recovery process as a result of one phenomenon, the intentions wherein customers recommend others not to purchase the goods or services of a particular firm or service provider (Richins, 1983 in Sabharwal et al., 2010, Fisher et al., 1999).

In many service companies, only full-time marketers put effort into after-sales service with their customers. There is a need for service provider to do the track and evaluate the overall effectiveness of its recovery options (Sabharwal et al., 2010). A lack of feedback or investigation about the delivered service to the customer will generate a problem that the service provider might lose his customer (TARP, 1985 in Fisher et al., 1999).
1.3. Purpose

The purpose of this study is to look into how service recovery influence customer retention.

1.4. Research question

How does a company handle customer’s complaint in order to fulfill service recovery?

1.5. Delimitations

As pointed out by Sachdev and Verma (2004), because of the attributes found in service (its inseparability and intangibility) customer service in services businesses is generally more important than in manufacturing companies. This case study realizes with the help of a manufacturing company, might not provide as much input as desired. Due to time restriction, this research has been conducted during the spring semester 2012 within one company and, the aspect of how to retain their customer has been our purpose.
2. THEORETICAL FRAMEWORK

In the previous chapter, was introduced the chosen area of research and stated the research questions. In this chapter will be presented studies and theories relevant to the research questions. The literature reviewed will create a base for the general overview of the theories selected used in this study.

2.1. Service Recovery

The actions taken by a service provider aimed at resolving failures are commonly referred to as service recovery (Grönroos, 1990 in Smith et al., 2010, Grönroos 2007, Lovelock 2010), which is a management philosophy that embraces customer satisfaction as primary goal of business (Hart et al., 1990 in Sabharwal et al., 2010), as well as one of the reasons a customer may stay or exit a service organization after a service failure (Colgate and Norris, 2001 in Sabharwal, et al., 2010).

“Service recovery is an umbrella term for systematic efforts by a firm to correct a problem following a service failure and to retain a customer’s goodwill.” (Lovelock, 2010, pp. 376)

In each organization, it is easy to have a negative impact on relationships with customers when a problem occurs. The service firm’s commitment to satisfaction and service quality is not implemented by external marketing promises, but in the way it responds when things go wrong for the customer. The service firm will have a chance to restore the relationship with the complainer and improve future satisfaction when customers complain (Grönroos, 2007, Lovelock 2010). By doing a proper recover strategy, the service provider can try to correct his mistakes, real or perceived and minimize negative customer evaluations and defections (Smith et al., 2009). Therefore, the service recovery process consists of identifying service failures, effectively resolving customer problems, classifying their root cause, and proceeding data that can be integrated with other measure of performance to assess and improve the service system (Grönroos, 2007, Lovelock 2010, Gonzales et al., 2010).

2.2. Customers Complaints Handling

Companies nowadays are starting to realize the importance of handling customer complaints in the right way. There are many studies which focus on different strategies companies can use depending
on the industry they operate in. It is important to mention that service failure can only be noticed when customers first complaint about the failure. The complaint appear then as the beginning of recovery. Both of Grönroos (2007) and Lovelock (2010) indicated the objective of service recovery is to satisfy customers in spite of a service failure as well as to maintain and possibly improve long-term relationship quality, to retain customers and long-term profitable business rather than short-term cost savings, and this satisfaction can only occur when the service firm offers a well-developed service recovery to the customers.

2.2.1. Identify customer problems

A good service provider, which solves customer problems, is only the beginning of a bigger run. Offering a proficient service is part of that bigger run and adding quality unto your service process may place you into a pleasurable stand before customer’s mind. Service quality can be improved by focusing on customer problems. Research shows that only when a problem emerges the customer enters a realization phase; in other words, only when the customer feels bothered by a problem is when he will realize that his/her problem needs to be attended by the service provider and so service quality enters on the focus point. Quality has being the most important purchase decision factor influencing the customer’s buying decisions it does not take us by surprise to assume that understanding customer’s problems and tackle them will become beneficial for the firm.

Service recovery is often referred to a satisfy customer. Cranage (2004) stated that a customer is satisfied as long as their expectations are meet or exceeded by the service provider. Therefore each company is working toward keeping happy customers by focusing on their customer’s real problem

**Customer contact persons (front-line employees)**

According to Bitner et al., (1990) the service encounter is the moment of interaction between the customer and the firm. As mentioned in the problem discussion, one of the problems is the front-line employee. Often they are not trained to understand customers and do not have the freedom and discretion which are needed to relate to customers in ways that ensure effective service. Therefore empowering employees (have the authority to act quickly) will help and increase satisfaction to reduce customer departure (Wenchao, 2009). Customers will have even more dissatisfaction if they have to wait a long time for the recovery to begin. Therefore, Varela-Neira et
al., (2010) also pointed out customer-contact employees should be empowered; the service provider ought to train employees to deal with their emotions (empathy with customers); do segmentation on their customers; as a result, repurchase intention and good word-of-mouth communication (WOM) will be achieved.

Furthermore the quality of customer/employee interactions in the assessment of overall quality and/or satisfaction with services is important. Service managers and employees who assumed that they are saving money for the company by not administering service recovery measure are killing the firm instead. Therefore the same service employees must be trained to assess the level of criticalness of the service delivery for each customer, to be cognizant of service failures and to offer an appropriate service failure-recovery (Webster and Sundaram, 1998). Johnston et al., (2008) agreed in the point that front-line employees are a problem. Service recovery procedures appear to have a greater impact on employees and process improvement than on customers. Employees cannot improve the service processes when they experience recovery situations and their companies still do not learn from service failures (Mjahed et al., 2010). Gonzalez, et al., (2010) introduced a concept that includes recovery culture. Recovery culture includes the firm’s leadership support of employees in their efforts of practicing recovery when customer expectations are not met. Therefore, it is very important for organizations to make employees get the right message under the right value setting.

It is very important to notice as mention Lovelock & Wirtz (2011) the front line must follow guideline in order to handle the customer’s problem in the proper way. This mean the front line or the complaint department must be able to act fast, acknowledge the customer’s feelings, do not argue with the customers, show them that you understand the problem from each customers point of view, clarify the truth and sort out the cause, give the customers the benefit of the doubt, propose the steps needed to solve the problem, keep them inform of the progress, consider compensation, preserve to regain customer goodwill and finally after the customer has left, you check out to determine whether the service failure was caused by accidental mistake or system defects.

**Customer expectation**

It appears important to understand what customers expect from the service provider and also how they wish to be treated. Customer perceived justice plays a significant role in shaping customer
satisfaction after service failure and recovery (Sabharwal, 2010). An evaluation is needed on how customers perceive inequity when they encounter a service failure. Customers expect service providers to treat them fairly, if they are not being treated fairly, they will feel annoyed and be distrustful. (Sabharwal, 2010). They are six contingencies to influence the relative importance of interaction and distributive justice on customer based service recovery evaluations that are:

- Depth of the relationship were service can be classified by the importance customers place on the relationship aspect of the service relative to the core aspect of the service (Hoffman and Kelly, 2000); Proximity of the relationship which can vary greatly. In some instances the customer goes to the service organization to conduct business, while in other instances, the service organization comes to the customer. In still other instances the customer and service organization transact business at arm’s length via mail or electronic communications (Lovelock, 1996).

- Talking about duration of encounter, Goodwin and Ross (1992) indicated that service failure is the opportunity to provide information to a responsive decision-maker, rather than the recovery outcome itself, which allows the customer to continue to respect the relationship;

- Degree of customization, customization reflects the degree to which the providers tailor the product to meet the individual needs of the customer. However, a fair amount of uncertainty is inherent in the development of customized products. As a result, a flexible, customized approach to doing business helps establish a trusting relationship (Bowen and Lawler, 1992);

- Switching costs are often a major consideration for customers when service failure occurs. Therefore the cost of switching from one organization to the next includes monetary, time, effort, and psychic cost. Recent research in that area has examined the causes of switching behavior (Keaveney, 1995)

- Ostrom and Iacobucci (1995) mentioned that customers repurchase as well as post purchase evaluations of a service encounter are impacted by the perceived importance or criticality outcome.

- The choice or combination of choices can be varies in different situation in resolving customer
complaints. When situations occur, customers are looking for distributive justice (what customers think they deserved the level of compensation), procedural justice (customers feel they could influence the recovery process and the convenience and timeliness), and interaction justice (honest explanation and polite treatment) (Gonzalez et al., 2010).

Sabharwal et al., (2010) presented a framework (Figure 1), which explained the relationship between justice dimensions and customer satisfaction through service recovery, therefore, affects customer’s behavioral intentions.

Figure 1: The proposed framework of customer satisfaction and behavioral intentions after service recovery and recovery encounter

Source: Sabharwal et al., 2010 (pp.133)

As Sabharwal et al., (2010) mentioned the main cause of customer switching behavior is the service failures. The ability of service recovery of the service provider is one of the reasons that customer decides whether stay or exit after a service failure. As the model shows, the one complains gives the service provider an opportunity to correct the problem, and the perceived justice play a significant role toward to his satisfaction after service recovery. Customer’s perceived intensity of service failure is based on the severity of failure. Better recoveries reduce the consequences of failure and increase customer’s satisfaction. As a result, positive WOM and repurchase intention are established.
The other way around, customer does not complain either exits the firm or engage in negative WOM.

Varela-Neira et al., (2010) analyzed the effects of customer age and recovery strategies in a service failure setting. Varela-Neira et al., (2010) indicated service recovery involves a series specific actions, for example rectify, correct, compensate and even restore the organization’s reliability, those action is to solve problems, change negative attitudes of dissatisfied customers, finally, keep them. Two categories of service failure were classified by Varela-Neira et al., (2010) which contented outcome and process. Outcome failure is related to problems with the core service that the customer obtains from the service, it also can be understood as a correct procedure with a bad outcome. Process failure refers to unpleasant experiences suffered during the service delivery, in other words, it also can be perceived as a bad procedure. Therefore process failures will cause more intense negative emotions than outcome failures, due to the fact that customer will evaluate outcome failure negatively but no negative emotion experience but process failure does.

By using the example of a bank business, Varela-Neira et al., (2010) emphasized that the intensity of customers’ emotions have a strong impact on their behavior by their age. As age increases, customers regulate their emotions better, more effectively and weigh the relationship exchange of the service encounter more heavily, but the consequences of the failure will be more serious if expectation cannot be meet for old customers.

2.2.2. The process of handling customer complain

If companies consider each complaint as a gift, they therefore should be willing to listen to the complaints instead of considering customers complaints as a waste of time and money (Voss and Gruber, 2005).

Apologizing

Apologizing is important, but in most cases not enough (Grönroos, 2007). Webster and Sundaram (1998) found out that firms have better chances of ensuring customer satisfaction and loyalty if they administer more action-based form of restitution rather than merely apologizing for service failure, in the research made to explore the effect of service type, service failure and service critically on
customer satisfaction and loyalty. There are two economic recovery strategies: compensation strategy and apology strategy. Compensation will increase customer satisfaction and an apology improves the customer’s assessment of the recovery encounter. No matter how good compensation and apology is the speed of response to the service failure has a critical affect (Varela-Neira et al., 2010). Gonzalez et al., (2010) explained that recovery strategy refers to the preference of recovery strategies over other alternatives, which consists of apologetic, compensatory, reimbursement, restoration and unresponsiveness.

An apology can take various forms. But it is to say that the personal apology is the best way, because it offers the opportunity to demonstrate that the service provider understands the frustration of being inconvenienced. Furthermore personal apology demonstrates the customer his/her value to the firm because providing a personal apology requires more time and effort than a telephone or letter apology. Other alternatives are the telephone apology. The advantages of a telephone apology are the speed and the reasonable cost-effectiveness. The third opportunity is the letter apology, because it is less costly but lacks the ability to demonstrate sincerity and authenticity (Bell and Ridge, 1992, in Boshoff et al., 1998).

Feedback from the customers

Andreassen (1998) mentioned two feedback mechanisms, which are available: the voice of the customer and his exit. Cognitive and affective elements are assumed to influence future repurchase intention, i.e. whether customers exit or retain. Customer satisfaction and furthermore customer retention through a good service recovery has become more and more important over the last years. Zineldin (2006) also mentioned that companies have to develop long-term relationships and therefore feedback is essential.

Feedback about failure and recovery issues is considered as very important instrument for sales organizations in evaluating the effectiveness of recovery options. Feedback should be shared not only with the front-line employees, but also with those employees who work within organizations that play key roles in the success of the exchange process. As a result, employees will have better understanding from the customer and organization’s perspective (Gonzalez et al., 2010).

Companies need feedback collection tools to meet the requirements of an effective feedback
collection system. These tools are: multi-level measurement, Action-ability, representativeness, service recovery potential, first-hand learning, and cost-effectiveness. Multi-level measurement can be an indicator of overall customer satisfaction or service quality. This could be an answer to how satisfied customers are. But it does not answer the question, why the customers are satisfied or not. Actionability addresses the question of how can a company improve its service recovery. The third criterion mentioned where the company, a process, branch or individual is on its road to quality and supports staff, branch and/or process evaluation. The fourth criterion, the service recovery potential, should be designed into feedback cards, surveys, etc. The first-hand learning refers to process and branch managers, top management and customer contact persons who should listen to customers first hand. Often a observing a focus group discussion can help the employees of a company to open their eyes. Listening directly to customers is much more powerful for thinking in a customer-oriented way than statistics or reports. At last, some measures are inherently more cost-effective than others, and the larger the firm, the greater the number of tools that can be used.

The objectives of each company are to get feedback on what to improve (rather than for benchmarking and/or assessing staff), more qualitative tools like complaints/compliments or focus groups could be used (Wirtz et al., 2000).

Word of Mouth communication

Word-of-Mouth can be seen for many researchers as an important benefit of handling customers complaint. Swanson and Kelley (2001) bring up four determinants of word-of-mouth: -Type of industry- Stability of the service- Extension of Word-of-Mouth- and Locus. Swanson & Kelly (2001) also stated that customers are more likely to spread WOM to family before friends and friends before acquaintances. This appears to be very important for companies to keep growing. Therefore, Fisher et al, (1999) indicated that an unaffordable situation and a financial risk will be raised by dissatisfied consumers and negative WOM communication, if companies ignore complaints. To avoid negative word of mouth communication, companies should consider complaints as a second chance or opportunity to show their concern and also to capture valuable information to improve. Customers switching behavior is the service failure; therefore Sabharwal et al (2010) mentioned the mains cause of this switching behavior. Customer’s perceived intensity of service failure is based on the severity of the failure. Therefore better and fast recoveries reduce the
consequences of failure and increase customer’s satisfaction. The result of this will then be the positive WOM as mention before. Still on customer retention, Johnston (2004) stated that service excellence can explain the larger benefit of delighted customers, which in turn is connected to higher degree of loyalty. More delighted customers are also connected to increased customers retention, which in long run explain financial performance (Johnston, 2000).

By using for example, Better Business Bureau (BBB) as third party complaint handling agency, companies need to avoid a situation were dissatisfied consumers use third-party agencies to search help for their complaints, which can be very negative for companies. Fast recovery, financial compensation or appropriate communication response need to be considered by companies to ensure positive WOM and customers retention. Negative WOM will arise if service recovery action that is taken by the service providers cannot resolve failures. Therefore a careful designed recovery process and proper infrastructure to address service recovery are needed to handle customer’s complaints (smith et al 2009).

2.3. Guidelines

Hart et al., (2000) stated that mistake is a critical part of every service therefore every customer’s problem is an opportunity for the company to prove its commitment to service. Companies can also narrow the search for problems by monitoring certain areas of the organization and addressing them in their service recovery strategies. After problem identification, quickly resolution is again an opportunity to prove one’s commitment to the customer is fleeting, especially if the firm is at fault.

There are 7 structural dimensions of the service recovery system as following:

Formality – means how deeply service recovery is controlled by explicit rules/norms, procedures, and regulations that direct recovery activities (Segars, Grover, & Teng, 1998; Papk-Shields et al., 2002 in Smith et al., 2009) and this dimension are to reduce variable factors between interactions while failures occur (Hart et al., 1990 in Smith et al., 2009);

Decentralization – in service recovery, decentralization is explained and measured in terms of decentralization and employee empowerment (Brwen & Lawler, 1992 in Smith et al., 2009). Empowerment means give, for example, customer contact employees the authority to
make decisions and offer a quick problem correction (Smith et al., 2009, Grönroos 2007, Lovelock 2010);

Comprehensiveness – it is defined that the extent area are made to be adequacy enough when consider all potential recovery activities once a failure has occurred, (Smith et al., 2009). It is also proposed that organizations need to manage service failure situations by having broad knowledge of potential solutions (Grönroos, 2007) and achieve the effectiveness through systems, operations and actions that are evaluated (Zemke & Bell, 1990 in Smith et al., 2009).

Human intensity – it reflects the extent to which human resources are committed to recovery efforts, when it is high, employees are trained to handle failures (Smith et al., 2009) and are enabled to function as integral components of that system (Hart et al., 1990, in Smith et al., 2009, Varela-Neira et al., 2010).

System intensity – it deals with the data are gathered, maintained and utilized, and enable learning, system improvement and failures avoidance (Hart et al., 1990, Reichheld, 1996, Tax & Brown, 1998, in Smith et al., 2009) by “close a loop” approach (Lovelock 2010).

Accessibility – it is defined as providing open lines of communication to customers, to be able to capture the voice of the customer when failures happen (Colgate & Norris, 2001 in Smith et al., 2009), to be easy getting access to the service and are prepared to adjust to the demands and wishes of the customer in a flexible way (Grönroos, 2007, Lovelock, 2010, Tax et al., 1998, Seiders and Berry, 1998 in Sabharwal et al., 2010).

Influence – it evaluates the ability of the system if it can adapt the situation (Smith et al., 2009), and also addresses how customer wants to correct the failures, and control outcome (Johnston, 1995, Tax & Brown, 1998, Tax et al., 1998 in Smith et al., 2009).

In the end, Goldstein et al., (2002) and Roth and Menor (2003) in Smith et al., (2009) pointed out that effective approaches need to be designed multidimensionality.

Gonzales et al., (2010) introduced a conceptual model (Figure 2) of recovery management practices in business-to-business (B2B) as demonstrated following:
Like mentioned nearly each box before, recovery culture represents whether or not the sales organization’s leadership facilitates the recovery efforts of the organization. Here it is important for organizations to make employees get the right message under the right value setting (Gonzalez et al., 2010). A failure analysis will help to find out the root causes of customer complaints. Customers who complain will be easier to be retained than those who never complain. By recognizing the failure, identifying its source, evaluating the stability and accessing controllability, organizations will be able to set up a suitable recovery strategy (Gonzalez et al., 2010). A recovery strategy refers to the preference of recovery strategies over other alternatives, which consists of apologetic, compensatory, reimbursement, restoration and unresponsiveness. Feedback about failure and recovery issues is considered as very important instrument for sales organizations in evaluating the effectiveness of recovery options. Sales organization will achieve greater financial performance when greater customer performances are reached (Gonzalez et al., 2010).

2.4. Cycle proposal of the theories

In this part I present the resume chart of the theories presented before.
As each service intervention start with a complaint from the customer, service provider need therefore to focus on that particular customer problem to come out with the best and appropriate solution to keep him satisfied. It appear clear in the next stage that the customer may need some extra compensation tool such as financial restitution or simply apology for the damage or the mistake and also to be ensure of the quicker resolution of the problem. After this is essential for companies to collect feedback from their customer after they have provide the service. This is also the way to keep in record all the failure and to be aware of their customers feeling on their service. At last the companies are struggling hard to avoid negative WOM communication on their business. Therefore they work hard to keep happy and satisfy customers.

Figure 3: Cycle proposal of the theories
3. METHODOLOGICAL FRAMEWORK

Over this chapter, the reader will explore and come to understand the methods undertaken by the author of this thesis in order to reach a conclusion and the approach taken to gather new knowledge.

Every tool used, explored and investigated by this thesis has been tested with the following purpose in mind: The purpose of this study is to look into how service recovery influence customer retention.

3.1. Research Approach

In this section, the presentation on how the study was conducted will be explained. We will first discussed if an inductive or a deductive research should be used, and later, it will be an argumentation if qualitative or a quantitative research should be applied.

3.1.1. Inductive vs. Deductive Research

In Strömgren (2007) Holme and Solvang (1997) explain two approaches, inductive and deductive. Deductive being the reviewing and gathering of theories until it’s testing and bring about of a conclusion based upon the author’s observations.

The inductive approach is the way of drawing conclusions and forming new theoretical frameworks from collected data. A deductive approach then means that the research acts the opposite way from inductive, here theories lays ground for hypothesis or research questions aimed to be tested against empirical data. (Bryman and Bell, 2005).

This research was exclusively deductive since the thesis is based on a research gap in the literature review.. Considering the rich and wide variety of theories and research done over this study, there is hardly any open room for more inductive exploration; this is the reason why the authors undertook a deductive approach.

3.1.2. Qualitative vs. Quantitative Research

The choice made between the qualitative and the quantitative research was clearly defines how study was carried out. Bryman & Bell (2005) define quantitative research as the research strategy
emphasizing a quantification of analyzing data in forms of numbers. It is also important to notice that quantitative research is often created in form of surveys, interviews or from archives collections.

Björklund and Paulsson, (2003) in Strömgren, (2007) explain that the qualitative method makes use different tools and all regarding the collection, analysis and interpretation of data which can not be explained in numbers. Bryman & Bell 2005 also explains that qualitative research is interpretive and puts focus on words when collecting and analyzing data. Here the research lies on understanding the social reality. The following table (1) will show the differences between quantitative and qualitative research when it comes to data collection, purpose and method used.

<table>
<thead>
<tr>
<th>Approach</th>
<th>Data</th>
<th>Purpose</th>
<th>Example</th>
<th>Gathering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantitative</td>
<td>Numbers</td>
<td>Defined characteristics</td>
<td>Gender income</td>
<td>Survey</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Archival</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Interview</td>
</tr>
<tr>
<td>Qualitative</td>
<td>Terms</td>
<td>Meanings</td>
<td>Dilemmas</td>
<td>Interviews</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Decisions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Values</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Observations</td>
</tr>
</tbody>
</table>

Table1: Characteristics of Qualitative and Quantitative research.

Source: Adapted from Eriksson and Wiederheim, 2011 (pp. 87)

Strömgren (2007) emphasizes that both approaches are equally good only when the situation is right for them and the researchers make proper use of them accordingly to the best-suited situation for either one.
These two methods are relatively the same; they differ upon the purpose of which the researcher has in mind for his study. If his purpose is to analyze and test theories individually or to prove, whether wrong or right, existing hypothesis surrounding previous researches then he is better off by using a quantitative approach since this method follows a formalized and structured way which can be proven by physically or numerically measuring its observations.

Not just a single theory can explain the context surrounding the complexity of this thesis’s study; since the author aim to study one broad terms (complaint handling) a qualitative approach seemed the logical way to go; plus as stated above the research and theories done over this issue is massive. Elske, Carola and Ulrich (2003) confirm this by stating that when not just one dedicated theory is available and new relationships should be discovered then a qualitative approach is better suited.

3.2. Research Design

In order to answer the research aim, research design create a structure for collecting and analyzing data. (Bryman and Bell, 2003) describe three approaches that can be used: descriptive research design, explanatory research designs and causal designs.

Descriptive design answer questions such as who, what, when, where and how. Exploratory designs deal with finding facts during the early stage of the project this in order to clarify the research question and the guideline to be followed. Finally, causal designs are relevant when a research tries to investigate how one variable causes changes to another variable (Bryman and Bell, 2003)

The concept of service recovery seems to be sometime neglected by many firm, reason why must of them are loosing their customers. Due to this consideration, descriptive approach was chosen as to investigate deeper in the topic and also to show how important this can be for the companies benefit.

For this thesis it was not question to conduct a longitudinal design since the study were not focus on a phenomenon that varied over time and also important to mention the time restriction and the resource availability for the bachelor thesis. Therefore due to time restriction and lack of monitory resources, single cross-sectional design was choose instead of the multi-cross sectional design; since this would have mean to include and additional population and make a comparison between both.
(Bryman and Bell, 2011)

For this research, a descriptive research design was used as we wanted understand the most important factors companies should focus on in order to retain their customers; also, one case study was used during the research.

3.3. Data Sources

Bryman and Bell, 2011 mentioned that data collection is necessary when investigating and analyzing a research question. There are therefore two ways of collecting this data; either through primary or secondary data, or a combination of both. When it comes to data to be used in a study, two possibilities are presented to us; The induced data or the existing data. Secondary data or existing one is information created by researchers, market analyzers or professional organization for the purpose of another study. (Bryman and Bell, 2005). Primary data are therefore those collected for the purpose of the actual study Eliasson (2010).

It can appear important to notice that some of the advantages of using secondary data when writing a bachelor thesis could be the save on costs and time. Some of the data collected can be of the high quality and may even help to clarify or even solve the problem stated in the research approach.

For this thesis, mainly primary data which was collected from the personal interviews with three managers at Svetruck and some also informations from external secondary sources such as Svetruck web page and several article.

3.4. Research Strategy

As research strategy use for this thesis, single case study was the chosen one. Presented as most used research in business research by Bryman and Bell, (2011), the case study can be either multiple or single case study.

Interview guideline was made based on the research question formulated this in order to be able at the end to answer it. The single case study chosen with multiple interviews was to get a deeper understanding of how firm or companies are proceeding to keep satisfy their customers and retaining them after all.
3.5. Data Collection Method

Qualitative approach call upon different ways when collecting data. There is a participant observation, here the researcher is physically present in the social chosen environment for specific period of time to observe and document his findings. Another one is the focus group, here informations are collected by interviewing a group of people at the same time. Thirdly, the qualitative interviewing where it usually focuses on personal unstructured or semi-structured interviews, who can last approximately 30 to 90 min. researchers can also collect and analyze texts and documents; finally language-based approaches can be used to analyze conversation and discussions. (Bryman and Bell, 2011)

Personal interviews are more appropriate to gain deeper understanding of this case study. The advantages of using this personal interview are their flexibility and the possibility to gain hide information by asking more and more questions. As disadvantages we can notice the time consuming.

As mentioned above, the unstructured approach when collecting data means that the interviewer want his interviewee to respond freely, the interviewer start with a single question and can interfere if necessary to make the flow in the conversation. In the semi-structured approach, the interviewer has a clear list of topics that he wanted to discuss with his interviewee therefore he try to guide him

Despite the fact that interviews are of a positive advantage in collecting information in qualitative research, it appear that it is time consuming and the availability of the contact person can also be and impact on the result. It finally appeared clear that a great deal of time was spent on interview preparation since it is important for the result needed.

3.6. Data Collection Instrument

In the previous chapter presentation of data collection was illustrated as multiple depth interviews, which were related, and structure to reach the goal of the research question. As it was notice during the interview section, it was not only question of having enough question but they should be good enough to collect also good information for the research. Therefore during the interviews, additional question were added to gain deeper information related to our research question. It
important to notice that the more the contact person was answering to our question, new information were coming and heading to new questions or better understanding.

3.6.1. Operationalization and measurement of variables

In Strömgren (2007) the author uses surveying as a mean to extract the necessary data used for his conclusion, he also explains and provides an example of this survey. However, the author applied interviews based solely on the interpreted data acquired from the theoretical framework in the form of interview guideline.

The theoretical framework basically explains the steps required to undergo by any company in order to recover your service when complaints are present and the customer is seeing your service as ineffective and inefficient.

During the interviews, the author mixed the theory simply to avoid a linear and straight conversation and make it more proactive. However, the interviewees were asked about the steps taken by their company when a complaint is received and the customer as inefficient is perceiving service.

During the interviews, questions were asked related to the theoretical framework. For example, on “apologizing” which explains what effect has apologizing on the customer, the authors asked questions such as: “Do you apologize when a failure is met and a complaint is encounter? If no, what procedures do you take to compose the customer and reassure him of the effectiveness of your service?

The questions and interviews are attached on the appendix of this thesis.

3.6.2. Interview guide

Talking about interview guide is the quintessence of specific question to reach the goal and respond the research question. It is important to structure the question the way that having an open-end question may comes out during the interview to clarify a point. To achieve this an interview guide was prepared in advance with the help of tutor. And the question where addressed to managers working with after sales service and therefore having enough knowledge on the topic. As the result of having prepared a question guide sheet, we could then fill the information in the structured way.
As mentioned by Creswell (2009), it is not only important for the researcher to prepare question that will keep the respondent talking or focus but it is very important to be prepared with follow-up questions.

3.7. Sampling

For the purpose of this thesis, the population could be interpreted as Svetruck and the sample the three contact persons (sales, after sales and spares part managers) within Svetruck upon which a case study was carried out. The interview guideline were handed in advanced; some questions remained hidden as well, to the managers but as the interviews carried along the situation changed occasionally into a friendly conversation, always marginally around the purpose of this thesis and none-related themes. There were no time constraints due to the relationship between the authors of this thesis and the managers of the case study, when there was not enough time to stick strictly to the purpose of this study the meeting was taken at another time; later in that day or the next day. However, time wasn’t easily available for these 3 managers who have a tight and busy schedule. But as pointed out, due to the relationship between the authors and the managers, time wasn’t such a hassle.

3.7.1. Sampling Frame

In this section the population for this study is defined and a sample chosen from it is presented. The population can be a total unit of people, companies, countries, villages that share the same goal or characteristics prior for study. (Bryman and Bell, 2011). It is appear very important in selecting the participants before starting the research to maximize the reliability and outcome of the research.

The population for this study is Svetruck AB in Sweden who have experience and expertise in the field of after sales service as they have direct connection with their customers. Due to the number of year they have been working for Svetruck, the information collected from the sample could be of a great importance and full of knowledge due to their working experience in this area.

3.7.2. Sample selection

This thesis is focused on a B2B basis, it worked with a company, which is known for having an outstanding machine they deliver to their customers worldwide and that was the main reason why the authors decided to work with Svetruck. Also due to their experience and status within the
company, my interviewers are all involve on retaining customer by working hard to satisfy them. Therefore I choose one sales manager, (Dan Johansson) the spares part manager (Lennart Hägglöf) and finally the after sales manager (Henrik Arvsell).

Only one case study was taken but several interviews were carried out, hence the literature review and previous research done about service, service quality and complaint handling.

3.8. Data Analysis Method

The aim behind this methodology chapter was to collect and organize the data collected, therefore, the process of the qualitative data collection was made in the following steps:

- First pattern matching and data reduction, here a word by word-on paper of the collected interview information is made. We also include the date, the participants the place and the general atmosphere during the interview. And eventually specific keywords.

- Second pattern matching and data reduction, in this second phase, we rewrite the interviewee answer by selecting specific keywords that will match with our topic orientation.

- Third pattern matching, data reduction and data display is about organizing the data collected in the way that conclusion could easily be drawn, also classified them according to the literature to see if the match.

- Forth pattern matching and data reduction, in this final stage, pattern matching was conducted and conclusion based on the total findings.

3.9. Quality Criteria

Over this part of the chapter, the authors will explain how the data presented here came to be validated and how it was done. Reliability and validity are two concepts that every research investigation must consider due to the fact that they both reflect the trustiness on the investigation and the repeatability Eliassion, (2010).

The reliability concern the stability of the measurement instrument while validity become the degree to which a measurement instrument measures what it intends to measure.(Bryman & Bell, 2011).
3.9.1. Content validity

Validity tells how the measures of the study is made, in one way is also to allow the person with knowledge about the subject review the interview guide. Therefore, to ensure content validity of our research, the operationalization scheme and interview guide and questionnaire were send to an expert in the field of the business research. Due to the fair level of trust between Svetruck’s managers and the author of this thesis, the managers took the liberty to comment about the questions asked and they cooperated with more information that led to the formation of better questions for coming talks.

The questions were partly to understand how the different manager in charge of handling complaints works with their customers, and also, to understand on what they mostly focus on to keep satisfied their customers and retaining them.

3.9.2. Construct validity

The core bone used for the whole methodology of the thesis was a triangulation of information. And triangulation as best described by Elske, Carola and Ulrich (2003), they explain that triangulation is a term mainly used in navigation to determine the position of a ship or an aircraft and bring them to a certain point in the map by using several reference points. This translated to academic writing simply means how you used several data, whereas books, theories or articles, which are allusive to the phenomena you are investigating.

This thesis used triangulation in the form of articles and theories directly related to its purpose and its research questions. All this data served to investigate more deeply about how service recovery influence customers retention, and to find out aspect to be consider in complaint handling to retain customers.

3.9.3. Reliability

Reliability can be define as the research design which is based on the agreement that there is only one reality, we can therefore present two type of reliability: internal reliability which examines the trustworthiness of more research if they agreed on what they heard or saw, and the external reliability which deal with the result that the result can be repeated if made again by others.
reliability.

Hair et al. (1998) in Strömgren (2007) explain that a good study, which could be considered reliable, has several factors which make the study reliable, one of them being repeatability. In other words, the data has to be constant and that there has to be a certain degree of consistency in the data when this is tested multiple times. Also as stated Bryman and Bell, (2001), reliability and validity research are difficult to define in qualitative research due to the fact that it is quite difficult to re-produce exactly the same research and get the same result again. When is come to evaluate a qualitative research, it is important to gathers information from a trustworthy sources or persons that can also be trusted. In order to achieve this work I asked to my contact person at Svertruck to arrange interview with the spare part manager and the after sales manager who in order to increase reliability of my work. I then had the support of two other managers (after sales and spares parts manager). Due to various reasons concerning mostly their busy time table, I manage to have 4 face-to-face interview, and 6 phone call for additional information. It is important to notice that all interview were recorded and the transcript were send to the contact person to check out if it were done according to their declarations. During all interview is was necessary for me not to interfere or give any opinion, leaving by then my interviewer that large liberty to answer me clearly, and also avoid making then change their opinion but just guiding them to the answer I expect from them.

At the end of this research it appear clear that if the same research is made by other researchers they will probably got the same result the exception will be the interpretation of the data collected and the interview guide preparation.
4. EMPIRICAL FINDINGS

In this chapter, the data collected through (face-to-face and several phone interviews) following the interview guide will be presented in detail.

4.1. Company Background

In 1977, when Svetruck began their activities, they had already a clear vision of what they wanted for the future. Svetruck AB is a Swedish company located in Ljungby south of Sweden. They design a durable service-friendly and reliable forklifts. Their product can be presented in three handling solutions; they manufacture forklifts, container handlers and log stackers. After 35 years of solid experience, Svetruck has gain in knowledge and ideas from professional to help their customers better perform their job when using their facilities. Also, they have build machine that respond to the environment demand (Svetruck.2012-04-13) (a).

Since they began in 1977, Svetruck has delivered forklifts and log stackers all over the world within a concept of genuine quality machine combined with cutting edge of modern technology (Svetruck. 2012-04-13) (b).

There are three values that Svetruck is proud to present to all their customers, which includes trust, strength, and performance.

Trust – by presenting a machine that customer can always trust due to their commitment and support in any situation with their experience and skills (Svetruck, 2012-04-13) (c).

Strength – the design of the machine is made according to the customers needs. Strong machine are then design to be adapted to each customers demand (Svetruck, 2012-04-13) (d).

Performance – Concerning performance, Svetruck pays attention to the operator environment for the better well been of working with a well-balanced machine (Svetruck, 2012-04-13) (e).

As we can resume the three cores value presented lead to the company’s mission, which is to achieve a “True Quality”. Svetruck is continually developing new concept and machines with highest standard to build and keep having long-term relationship with their customers (Svetruck, 2012-04-13) (e).
SVETRUCK Service and Spare Parts distributions center is available around the clock worldwide, throughout our subsidiaries, Svetruck dealers and agents are located almost everywhere in the world, enabling them to follow their customer no matter where they are situated (Svetruck, g 2012-04-13).

At Svetruck AB, the manager of spares parts department and the after-sales service are the direct contact with their customers this means no centralized call Centrum to gather all complaint from their customers. As notice during our interviews with our contacts persons, this is made to cut down the time loose with a call Centrum where the front-line employee may not be enough qualify to understand quickly the customer problem. Also it is instituted confidence between the company and it customers, in the sense that they talk directly to the guys in charge, making then quicker or faster the response.

4.2. Complain Handling

Identify customer problem

In order to identify their customer problem when a failure occurs, Svetruck aimed to know more about the machine they need assistance with. Therefore from the first call they received from their customer, they proceed basically by getting or recollecting information’s about the defect machine. This is very important as mention the sales manager “collecting does information is very important to prepare easily the equipment needed to solve the failure”. By doing so, they avoid sending wrong technician or wrong material or also wrong technical or material to the wrong customer. It appear necessary for them to solve each problem at the time and avoid mistake when preparing the service to a specific customer. From the spare part department, the manager here mention that it is sensitive the information they collected from the first call they received from their client, because the wrong one will lead to wrong part delivery and by then increasing the waiting time for them to send the other one and costly break down from the customer side. One issue the after sales manager mention is that customer also should be able to communicate what is their problem as they can easily provide their assistance as fast as possible only if they have all the detail about the failure. Svetruck also by empowering and training their dealer and agent staff to be ready in any case, is making it easy to fast reaction after the problem has been identified. Svetruck does not only main to identify their
customer problem but they solve is in the way to keep all customers happy and by extension keeping them as loyal customers.

Svetruck understood earlier that when complaints are satisfactorily resolved, there is a higher chance to create in customers mind the intentions to repurchase. As mention the after sale manager, complaint handling should be seen as a profit center where the company gain much more to keep happiest customers; in another hand Svetruck refuse to see it as a cost center as they know it cost more to gain new customers. By doing their best to always satisfy their customers, they avoid negative comment by an unhappy customer as mention in above.

The way the service is presented to customers as state the after sale manager may place their company in the pleasurable position in customer mind. By then they reinforce their special treatment to each customer's problem that at the end will realize the benefit of not switching company when a failure occurred.

The sale manager mentions that “customers are like a big family for them, and for that reason, they deserve each equal and necessary attention.” He adds by saying that “satisfy customer make the happy father proud of his job” (happy father to express Svetruck).

“The customers expectation are always is our mind” as stated the sales manager.” We then try harder to comes with an extra to make them remind us and avoid thinking of switching.” The extra can be, the follow up that we offer to all our machine and regular visit to check how the machine operate in the customer field of work. This also is Svetruck strategy to keep on been present on their customer daily life with regular visit making them feel the concern from their service provider.

Still to show their commitment about their customers, Svetruck mostly trained some of their customer technician to easily solve minor problem that may occur during their daily work.

Customer contact person

To answer the question to know if the service encounter is the moment of interaction, the after sale manager reaffirm and add that “it is a very important moment in taking contact or having knowledge about customers problem”. Therefore he considers that the policy at Svetruck allow all the customers to have direct contact with the different manager they aim to have help from. This have
been implemented to make the respond more clear and faster when a problem occur and avoid the switchboard that they still use as a support when they are on meeting; otherwise they are all the time available for each complain concerning their area.

As mention in 2.2.1, the first contact with the company is very important, du to the fact that it determine the way the customer will feel taking in charge by the right person. All 3 managers mentioned that their customers contact them directly through E-mail, fax or phone. Svetruck for instance handle their information flow very simply from the first call. They have decided to skip most of the preliminary work from their switchboard, meaning that all their customer get directly connected to one of the manager in charge of their problem. In this case it can be the spares part, after sales or sale manager, depending still on the problem customer expects assistance on. The first step in the process is when a customer expresses a complaint to the switchboard, they are directly connected to one of the manager in charge of what the customer want. Here no risk to waste time with and employee in the call enter who may not be qualify enough to understand at first hand the customer problem.

When it come to service or spares parts, it very important to mention that through the first call the customer need to provider necessary information about the machine he needs assistance on. The serial number of the machine is the key to; then the complaint department or manager can proceed to solve the reclamation. To also make it easier, Svetruck used his dealer and supplier in the process. For example as mention the sales manager , if the customer request assistance on part that Svetruck also buy from other supplier; engine) for example, they will refers the customer to the nearest engine supplier, the case of Volvo engine was then illustrated as they have Volvo as engine supplier. In case of any brake down, a customer in Milan for example will be refers to the closes Volvo dealer in Milan still an approval is needed to certify that the engine is damage and have a clearance from Svetruck after sales service.

When it comes to spares parts their customers in Sweden normally call Svetruck directly but those abroad contact their dealers who, actually have in stoke an important amount of quickly moving part. From the main production warehouse in Ljungby, they deliver twice a day meaning that one delivery car is leaving Ljungby before lunch and the next later in the afternoon all this to guaranty their 24/H spares part deliveries in Europe. The existence of an important network connecting their
customers with their dealers and agent worldwide reduce the cost and time for interventions when it come to provide a service or spare parts. Customers can then directly be connected to the dealer available close to their location. As mention above the sales manager confirm that their switch board have not enough power to make such decision to refer the customer to one of their dealer therefore they preferred to keep close contact as managers with all their customer in order to take that better decision for both part the company and the customer in very short time avoiding by then to refers to their hierarchy this refers to what stated the spare part manager “ I have direct contact with all our customer...This is sometime to avoid waste of time in reaction, they have access to power decision if I can say”(appendix )

It is important to notice as report the spares part manager that as far as the company exist, they always have in reserve enough spares parts to satisfy all their customer, therefore their dealer worldwide are requested to always keep in stoke parts that customers may need at anytime.

The spares part managers and after sales services are then the one to forward directly the customer needs to closes unit to their customer fast service recovery. This illustrate the simplify process drawn from the data collected through interviews.
Customer’s expectation

When it comes to customer’s expectation, at Svetruck, managers think that knowing what customers expect from them will help to improve on what they are already doing and eventually contribute with their special tools to make themselves unique among industries dealing in the same industry. Thus they are also aware of the fact that customer expect them to treat them fairly and by not doing as they expect they may leave their company to another. Of course all the customers need to be treat them with justice when a failure occurred; as we mention on the theory part that customer’s are seeking either for distributive justice or procedural justice, Svetruck is mostly focus on the distributive justice meaning what customers think they deserved in term of compensation. As the spare part manager mention “we know our customer expect fast delivery of the part they order that is the reason why we always keep in stock part available for eventual case and also refill our dealer stock to always have available part”.

The sales manager reinforce this by saying that all their customer know them as providing quality equipment and service therefore they expect from them to react very fast when a failure occur and to always be there anytime they need assistance. Reason why the decision of working together with their dealer and agent to be close to their customer anytime they need assistance

4.3. The process of handling customer’s complaint

In this section, I present the findings about the process of handling the complaint as made at Svetruck.

Apologizing

Svetruck policy when it comes to their customers, are making it clear to each of them. Each customer’s problem is solved in a way that they will be satisfied. Therefore they are open for each demand or modification customers may need. “By doing this each customer feel special for the company, the aim behind all this not only to retain them but to keep them for long term
relationship” said the after sales manager. He also mentioned that “Svetruck take each customers problem as a new challenge to show their commitment.”

Svetruck consider each customer as a special one, therefore in terms of recovery, customers expect from their service provider to treat them fairly, equal as they treat others. Svetruck in this point of view know how important it is to treat fairly their customers to avoid negative word-of-mouth communication.

Apologizing at Svetruck is more viewed in another dimension; they mostly focus on the actions to be taken when a failure occurred then later they present their apology to the customer. Here they mostly focus on solving the customers problem as soon as they are reported to them. Here they tried not to waste time and instead of looking the why the failure occurred, they mostly focus on solving the problem before it affect their customer business. It important to notice that each failure are classify in order to know the frequency, this is to have a track on each part use in their equipment to be able to make some modification of adjustment on the problematic part if the failure occurred many time from different customer. They mention during our interviews that the faster they react; they gain concern from their customer and by extension apology for the failure.

Feedback

One of the fact companies does not niggled is to keep record on all their activities. Svetruck as well does the same by collecting all data either on their sales, service they provide or spare parts they furnish to their direct customers or dealer. The reason of doing this as mention the sales manager is to, when it come to service recovery to avoid having the same failure that occur all the time for a specific type of machine this for the various beginning helped the company to focus more on what was they weakness and help them to work on that to avoid having the same failure again and again. This actually had helped them to design better equipment that respond to their customers need. It necessary to mention that this has been possible through the feedback they got from their customers on what was they actually wanted their truck to be. Svetruck has followed the customers feedback to build a truck that both answer the problem of safety and lovely working environment, responding by them the comfort preoccupation their customer had in the past year. Through the years of experience, Svetruck have learned how to use customer complaint as a gift to show their
concern and by then changing the failure into a force as mention one of the managers.

**Word-of-Mouth communication**

Each time they face any break down from one of their customer, they try to react quickly in order to avoid negative WOM communication behind bad service recovery. Therefore, the company had built an effective disposition to react anytime or anywhere around the globe through their various dealer or agents.

Svetruck AB controls the strength of their entire machine to meet their customer’s expertise. Thus, they control all the processes from the construction; fabrication, welding, painting, assembling and finally they stay at all customers disposal anytime for eventual services.

Due to their service recovery, the interviewees mention’s that it has been the main factor of customer’s decision to return after been satisfy by a good service. This has also help them to gain in customers retention over the years and they can observe that less of their customers are willing to switch to competitors despite the high price that they offer.

4.4. Guideline

It is clear that companies in order to satisfy their customers are nowadays turning to act quickly once they have identify their customer problem. This therefore will enhance the relation with their customer by strong bone connection in case another failure occurred.

Svetruck as well when it comes to service recovery is reducing as many barriers as to slow down the service recovery process. When it comes to formality, they try as much as possible to solve customers problem instead of referring him to various partner they work with. The faster the solution is giving to their customer, the better they keep them closer, as they will appreciate the advantage of having fast and good responds from their service provider. Here the process is simplify by the first information concerning the defect truck, this is to easily sort out who to target as the closet service provider and which part is needed for the solution.

When it comes to decentralization, the power decision at Svetruck is already on the hand of right employee meaning the manager in charge either of after sales service or spare part. They can easily
take decision in case of a failure notice. No need to contact the CEO. The company is working toward new solution therefore they are sharing to knowledge with their partner dealer in order to better solve their customer’s problem. Also each failure situation is the opportunity to show that they have broad knowledge on potential solution. In case their dealer partner is enabling to solve the problem Svetruck have two high trained technicians to send for assistance everywhere in the world. Talking about system intensity at Svetruck, they gather all information’s about each failure reported from their entire partner and, from that information they can learn from the mistake and improve by avoiding the same failure again and again.

Svetruck claim an open line of communication with their customer when a failure occurred. As mention the sales manager, listening to customers will help them also focus on the customer’s real problem, by then achieving their expectation. It is also important for them to adapt to each customer problem by collecting as much as possible information about the failure.
5. ANALYSIS

After presentation of the findings and the theoretical part, this chapter compare both to analyze what a service provider have to do in order to offer good service recovery and therefore retaining his customers.

Figure 5: The overview of analysis

5.1. Complaint handling

In this section, identification of the factors regarding what is important from the customer side.

Identify customer’s problem

Due to the high competition between all companies dealing in the same industries nowadays, each company his trying to come out with something special to differentiate themself to others, Therefore, Kim et al (2003) find out that handling of customers complaints to be a possibility to protect profitability, improve customer service and produce more customer loyalty. We find out that Svetruck does not deviate this principle, they act according to this theory, and as example one of the manager sees each complaint as the opportunity to show to their customers their commitment; by acting within a specific short period of time, and by giving the expected solution to the customers problem. The complain appear then as the new occasion to focus on their customers problem and
showing their capability to come out with the fast solution will then create a strong link between the company and their customers. The deeper the research are made to react to each customer problem gave to companies the latitude to be part of their customer daily life as they are able to come out with a solution to each of their problem. Each failure appears therefore as the main focus for the manager in charge not only to solve it but also to prevent eventually to learn from that mistake. This will then a great test for them in future if can avoid having such failure and if they do, it will be easier to solve the problem much easier as before. From what come from the theory part each company is working toward keeping their entire customer and, as from Svetruck goal as well is to keep happy customer to build long-term relationship. Identifying and solving customer’s problem is one of the goal each complaint department within companies willing to retain customers.

The theory of customer’s expectation when it comes to compensation was propose by Gummesson (1999) and Söderlund (1999), they both stated that is not only meeting the customers expectations, but exceeding them by offering something extra. We find out that Gummesson theory does match with Svetruck policy by using their family concept of all customers are member of Svetruck family by then deserve all the same treatment and special attention.

When it come to service failure, is clear that Svetruck offer a warranty period of 12 months or 2000 hours free of charge in case of brake down on the machine, for example brake down on the hydraulic pump or engine Svetruck bear the cost of those failure but also it should be prove that the failure is not from the customer side.

Front line employee

The first contact customer is taking with the service provider is very important. It determine the degree of commitment companies have vis-à-vis their customers. In fact wasting time when a failure occurs is not what customer want; they expect from their first contact to see their problem been solved. Therefore the critical question about the degree of power to give to the front line employee and the knowledge about each failure that may occurs. Empower front line employee with an high level of knowledge about all aspect of failure and appropriate mechanism to provide a prompt service to customer, is helping the company to gain in time and by then increasing customers retention if they see their problem having a fast happy ending.
Customer’s expectation

The knowledge about what customers expect from the service provider is very important, therefore, having a good service process through which complaint can be handle easily was discussed by Johnston (2000). He stated that the design, planning, control and execution are considered as core operation tasks. He found very important that having a complaint system that is easy to use with a single point of contact for all the complaints. Despite the fact that they don’t have any model, they are doing very good in handling their customer’s problem. They already have the vision from the earlier beginning to make their entire customer happy and satisfied. It also appears that by having close relation with their customers they tend to learn what are their need and what they actually expect from them. This is mostly done through regular visit and invitation to their customer at their main side in Ljungby were they present their new machine and by doing so they gain in knowledge during the exchange they have with their old or potential customer. It is one off the tactic collect information from customer by inviting them and giving them the opportunity to also ask for specific modification on one of the machine they are willing to purchase. It cannot be any better way than to let customer participate on the design of the machine as, they are the one to use the equipment in the field. Still they could provide that statistics of complaints per area through their agent and dealer worldwide.

Another important point as mention Brandt (2003) is that customer expect companies to have a complaint system that customer can easy use to get their problem solved, because most of the customer avoid complaining because they don’t know whom to contact and the outcome of their complaint. At Svetruck they are conscious about the investment made by their customer to acquire their equipment therefore each brake down can be really costly for their customers, they then simplify both the time of respond for each customer world wide, and the availability of needed spares part or service through their dealer and represent worldwide. And the easiest way to connect those entire actors is through phone and Internet for clear specifications.

5.2. The process of handling customer complaint

In this section, important fact to follow when handling customer’s complaint is presented.

Feedback
As mention Sabharwal (2010), customers perceived had justice plays a significant role in shaping customer satisfaction after service failure and recovery. Svetruck in that fact treat all their customers fairly and avoid making feel annoyed when a failure occurred. As mention on the theory part, if a company consider complaint as a gift, they therefore should be willing to listen to the customers complaints instead of considering as waste of time and money; feedback appear to be one of the option or tool for sales organizations in evaluating the effectiveness of recovery options. Therefore each company needs feedback collection tools to meet the requirement of an effective feedback collection system. As from the data collection, Svetruck contact person during the interview reinsure that they keep in record all the feedback both from their direct clients and indirect one meaning their dealer and agent located everywhere around the world.

**Apologizing**

Service recovery is a fact when is done in the way that the customer his satisfy, also it very important the follow up after providing the service and many companies come also with different type of apology. Svetruck apology strategy follows their main line of having satisfied customers. They consider mostly the compensation in the sense of restitution of the good in the normal shape. Here comes the problem of time to react. In fact they consider that the better apologize to give to their customers is to solved their problem as soon as they can to keep them satisfy and show their concern. It is a clear and good vision to solved customers problem before any other form off formal apology. It is clear that depending on the service failure each customer deserve a special treatment to their problem therefore, at Svetruck and apology also past through feedback of the cause of the failure and the process to solved it as sometime the failure may come from the customer fault; meaning that they may have not respect the instruction by them provided when they purchase the truck.

Söderlund (1999) made a classification of how to restore customer disappointment; correct what was erroneous, price reduction, employees on higher levels/ others employees takes over the customer contact and / or to correct what were erroneous and also offer the customer additional compensation, we can see that Svetruck aims at correcting what was erroneous at first spot, then depending on the failure and specifically if it is from the service provider side, the level of compensation is mostly seen in the restitution of the entire machine of defect part but as our
interviewer mention this does not happen often. This means that compensation can be offered, but only to a certain level. In another point of view, restitution or resolution of the failure is seen as an apology of the unexpected failure.

**Word-of-Mouth communication**

In 2001, Swanson and Kelly argued the benefit of handling customers complaint, reducing by that fact the number of customers switching to competitor and increasing the number of positive word-of-mouth. Svetruck then by doing so is avoiding to lose the long term relation they have build with their customers and expect to attract news one by the positive effect of the quality of the service they offer to their customers. This theory of positive word-of-mouth is tightly connected to customer retention and especially to the complaint management, in that sense that customer can only be retain of their complain have been handle in the way that they feel satisfy. Otherwise, the switch is mostly the next option for unsatisfied customers; as mention Ang and Buttle (20006), handling the complaints in the good manner makes customers less likely to switch retailer. The effect of negative world-of-mouth communication are disastrous for each company’s business it can drown down the sales and if nothing is done to regain customer hearth by providing better service and treatment, it will clear to talk about bankruptcy as the next step.

By doing so Svetruck offers to their customer the respond they expected once the failure has occurred and avoid negative spread communication to others by an unsatisfied customer. The better complaint handling is for a company one step forward to keep the customer and beginning of a long-term relation that all companies are looking for.

Concerning the financial outcome of good complain handling, Svetruck consider that the better their customer are satisfied with the service they provide to them the more easier they are willing to re-purchase a new machine increasing by then their sales. Also the sales are synonym to customer satisfaction on the sense that once their need are fulfilled customers are mostly willing to keep relation with whom can guaranty to support them when a failure occurred.

5.3. Guideline

Following Gonzales et al. (2010), conceptual model of recovery management, one of the important
factors to focus on is the analysis of the root causes of customer’s complaints. A deep understanding of the failure will therefore enhance the capability to retain customers and by then creation of long-term relationship. In order to settle a suitable strategy, it is necessary for service provider to identify the sources of the failure, recognize it as a failure and then having pre idea on how the solution will be provided. Following a certain number of steps will be greater for the service provider future failure resolution. But still each failure may need to be treated differently depending on the customer need for specific assistance.
6. CONCLUSION

In this chapter we will present the conclusions we have drawn from our research and the reflections we have made while working with the thesis.

Complaint handling, customer satisfaction and business improvement are some of the topic companies’ face in their daily exchange. It is therefore important to remind our purpose which was to look into how service recovery influence customer retention. By this study, I find out that Svetruck, to retain their customer. They keep a track on each of their complaint, by agreeing that complaint is a gift, a second chance giving to show concern, they choose to handle all the complaint to satisfy all their customer since they do not want to be regarded as unreliable companies. They are using all their “savoir faire” to provide necessary assistance to their customer in need with tact and responsibility to avoid negative WOM communication and eventually to see their customer switching to competitor side. Their 35year experience is giving the advantage of good and long-term relation they have build since the past year with a large category of customers, this is making their relation mostly familiar as we could see during our investigation that customers have direct contact with each manager in charge of their problem making by then the contact easier.

Complaint handling appears to be very essential for any company willing to stay in the competitive word. Some will differ from the way they handle or treat their customer but the final issue for all companies will be to keep satisfies their customer for better relation in future, also by reducing the cost of finding new customers.

Even though Svetruck does not have any online service system such a global ERP (Enterprise Resource Planning) to connect them with their customer, they are still competitive in the heavy industries by using their traditional system. Over the years, Svetruck have built a strong connection with their customers by handling all the complaint by them addressed, and also the creating a friendly environment between them and their customers. This eventually has emphasized to build long-term relationship which is very important for each company willing to grow and increase their benefit. Handling complaints in the proper ways mostly help companies to reduce the cost of hunting new customer which is more costly than investing on satisfying the current one.
7. IMPLICATIONS

In this section the implications for theory and managers based on what was found out in this thesis. Future researchers in the area with some recommendations will also be provided.

7.1. Managerial implications

In order to retain customers, many companies started to learn how they should handle any failure reported to them by their customers. In this point I found out that there is a strong relationship between what customers expect from their service provider and what the service provider is seeing as the best option to satisfy their customers. This appears to be an important fact for companies when to consider when they face failure and customers complaints. Some of my findings show that customers will be satisfied with the service recovery not only if the failure has been solve, but the attitude to the service provider vis-à-vis to him during the process of recovery. Also the first contact with the service provider is very crucial for the flow in the exchange. Therefore, management should think about this implication to retain customers, as unsatisfied customers are urge risk for spraying negative word-of-mouth communication. I also found out that in order for this to work, managers need to look at complaint as a Gift, it is a second chance they get from customers who actually appreciate what they are doing. The company needs then to take advantage of this new opportunity to make sure the customer will re-purchase from him again and again.

These are specific suggestions I propose for managerial implication:

- Managers should be aware that the cost of one single service recovery implied winning approximately more potential customers due to the positive word-of-mouth spread by the one they retained.

- Understand customer’s expectations from this research, understanding customers expectation when a failure occurred is of the benefit of each service provider to build better relation with them. It very important for companies to always have their customer in mind that will help them gaining more customers due to the positive word-of-mouth spread by happy customers.
7.2. Theoretical implications

The purpose of this thesis was to look into how service recovery influence customer retention. To achieve this I previously explore my research question by reviewing the theoretical framework and the data collected from the interviews, I have described how companies should handle complaint from their customers in order to retain them and by then creating a long-term relationship that will allow them to repurchase. I have describe how positive word-of-mouth can be spread when customer are satisfy, also, the benefit of identifying the customers real problem in order to reach their expectation from the service provider. I contributed to the theory by complementing to existing theories to investigate into one of the heavy truck industry in the south of Sweden call Svetruck AB. However, many of these concepts we have could also be for great importance if investigation for further research is made on service recovery concerning business to customer as well.
8. LIMITATIONS AND FURTHER RESEARCH

8.1. Limitation

Conducting our research from one case study at only one company, it appears clear that this thesis has some limitations. Therefore, a generalization of the result gained from this particular case study cannot be done on a similar heavy industry company based on the characteristics collected here. It then clear that no study can be perfect no matter how much effort to avoid that, it will always come out some limitations.

By focusing only on 3 managers based at Svetruck main house in Ljungby in the south of Sweden, it was then a restriction due to time and financial support to investigate also some of their customers to have a better outcome of the research question. Also due to the fact that the information was mainly collected through interviews, all answers collected might be for the company advantage therefore, even with follow up question to get more respond, the interviewee turned to back up their answer with positive experience they had in past experience. But it was also of and importance to have face-to-face interview with them this has in a way influence they answer. However the topic of handling complains was for an interest for them. Even any concrete solution was provided to them, having such research make them realize how important it is to keep track on customer’s problem and the benefit of doing so.

8.2. Further research

After the investigation of complaint handling from the service provider side, it is possible to think of other areas to investigate related to this topic. One of it will be to make an investigation on complaint handling from the customer point of view to find out how the customer perceived satisfaction after the service provider have handled their complaint. Another point may be to compare Svetruck complaint handling with the one of one of their mean competitor to see the point that differ them from the others. Further investigations can also be made on unsatisfied customers, those who have experience bad service recovery if because of that they chose to switch to competitor.
REFERENCES


Intentions. *European Journal of Marketing*, 35(1/2), 194-211


Swanson, R. S. & Kelley, W. S. (2001) Service recovery attributions and word-of-mouth


Internet sources

svetruck.com


Appendix

Interview with SVETRUCK 3-16-2012

• What is the price for the products and the service as well compared to the competition?

Svetruck is probably the most expensive forklifts in the market that you can buy today; there is a reason for that, that type of reason are technical things; which means that we have more costly things. We buy from quality and assemble our products, all of them, right here in the Ljungby factory. In comparison with other producers who assemble in different countries. It is more costly to do it our way; we have the mast the carriage. Let’s say technical things that cost more, we have a more expensive transmission for example, so there is a reason why it cost more. Because quality has always been the red light of the company, then you could say it is not only the price because the customers that buys this machinery will live with it for a long time; let’s say next 5 to 15 years.

When a customer invest in a product like this is extremely important for him that he has a good support back up regarding: spare parts, service, maintenance and all the problems that will come during the lifetime of the forklift, whereas this is 5-7-15 years it’s like getting marriage, you live together and that is how you live together that make the customer come back to buy a second one.

• How much does the service cost?

The service is paid separately when it is needed; the customer always pays for the spare parts for the service. If they ask Svetruck service to come out and to repair their machine, Svetruck says ‘yes’ and it cost ‘so much’ and the traveling cost and whatever it is, customer will be always charged apart. But it is the way the service is provided, that you can help them, and that you have a good support. That’s the important part. Next time the customer will come back and buy repeatedly, let’s say in this kind of industry is every year. Then he expects from the company a good support if he don’t get a good support then he go and buy from somebody else. That’s how it works in life; if they treat you right in any kind of service then you are more likely to go back and buy again.

• Does Svetruck have statistics of the common service failure that occurs?

Yes, in the new Svetruck D5 that you have on the forklift, you can get all type of knowledge from
the forklift that was new to what has happened with it. That is one thing, you have let’s say a record of the machine, then most of the customers they have a log they write down every service, every 500 hours service, they write down the between things if they change tires after 2000 hour after 3000 hours, they change hydraulic pump, the technical side always have this record on the machine. They can see after ‘15000 hours we change the engine or after 17000 hours we change the transmission’. And that it’s always important to have a record on the machine when we are going to let’s say trade it in; if they come after 10 years and say please can you trade in this one we would like to buy a new one. And so we look at the machine and the records and the price we are putting on it depends on what the customer has been doing with the machine; regarding maintenance, service or is it a good machine; then we pay a little more whereas it is a bad machine then we pay a little less. If somebody said I have invested 200 000 SEK by changing the engine or the transmission a year ago, of course you have to add that and have that investment in mind. For the next customer who is buying a second hand machine and he asks ‘what has been done to this machine?’ then you can say the engine has been changed a year ago or so, then it is extremely important to have a record of these situations.

We don’t do all service ourselves; we have dealers around the world, and we serve through them. Then our dealer, they take care of the service in that country or they have agents with whom they are working with or they have external people taking care of the service. We have also people in Sweden who don’t use Svetruck’s service. These customers can also say that they have a company on this or that town and they are serving us and we would like to have it this way. However these types of customers buy spare parts from us as well, anyway.

Providing service on the competitor’s machinery, Svetruck does not do that because it enhances the lifespan of the competitor’s machinery through the quality service offered by Svetruck*

Always you have a warranty, which is normally 12 months or 2000 hours. You have also a warranty service which is after 500 hours, and then we deliver a new product we always come out after a couple of months and do the first service.

Today we say NO, we only provide service for our own machine, we couldn’t help our competitors.

Spare parts manager, he handles spare parts for the machines worldwide.
• How does a complaint come to you?

Our main office and manufacturing is done here in Ljungby. We use agents when we can’t reach that market. Each complaint that comes from Africa, for example, goes to our agents in France and later to us. As soon as we get a complaint or a need for a spare part, we send it the same day, within 24 hrs in Europe.

I talk directly with the customer, if there is any problem with delay or delivery, wrong delivery; any complaint for spare parts comes directly to me.

• If there is a complaint about the Service does it come to you as well?

No, that’s another department. We go into each other’s data and we are tied together, we share information. There should be 2 for the service department and we all work together.

• Then, does the customer contacts you directly?

Yes, the customer contacts me directly via e-mail, fax, phone.

• What does svetruck do after they encounter a service failure? Is there any structure to follow?

It depend on the type of failure or complaint, if I consider my department at the spare part, each reclamation or complaint on a spare part is to be deliver within the 24 hours of course we need to check as my other colleague if the customer is still on period of warranty that we offer to them. (200 hours driving) for example if is the problem of transmission, we do our best to deliver another one within the time I stated before.

When it comes to structure we are a lite bit special on the way we deal with our customers as I mention before I have direct contact with our customer they can therefore reach at anytime. This is sometime to avoid waste of time in reaction they have access to the power decision men if I can.
Interview with Dan Johansson 24-April 2012

• What does customer expect from the firm when they complain

They expect fast response, clear solution to their problem and our presence meaning to give them feedback about their problem.

• Is it important to understand why customer complains?

Yes, because this will help us to avoid same mistake with other customers. Also as each customer is unique for us we try to make them feel our concern is solving their problem, in another hand complain is also seen as a concern that companies show to us because instead of switching to another clients when mistake or failure occur they instead give us a second chance to show commitment.

• Is it important to understand how customers respond to effective service recovery?

This is very important for us because we then know what our customer think about us and the result of this will be positive communication about us if it happens that they communicate with someone working in the same type of industry.

• Do you have any process model to follow when a complaint occur?

We can said yes or no because at svetruck we do our job through our experience as each of the manager is responsible of his area, he/she may have a different approach or way to handle each complaint that come to their department. As concern my job as the after sale manager, I always start by asking information’s about the model of the machine, the date they purchase it from us to see if they still have warranty or not then their location to figure out our close dealer to solve their problem if necessary. So talking about process here it will be very difficult give a clear answer as we are all been doing our job here for more that 25 year at least for some or 35 year since the creation.

• Do you keep record or statistic on service failure?

It is important to have and keep record on each machine a maintenance have been made this in the future my help not only us but also our customer if they want to trade in their old machine and also
for the better performance of each machine periodical checking are necessary to keep the machine running as it new.
Linnaeus University – a firm focus on quality and competence

On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

Linnaeus University is a modern, international university with the emphasis on the desire for knowledge, creative thinking and practical innovations. For us, the focus is on proximity to our students, but also on the world around us and the future ahead.

Lnu.se

Linnaeus University
SE-391 82 Kalmar/SE-351 95 Växjö
Telephone +46 772-28 80 00