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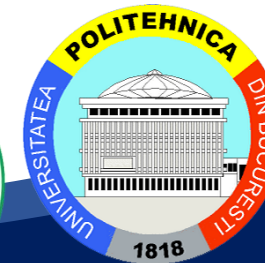
Course 15: Customer Experience-Driven Design

Module 1: Pain Point-Free Customer Experience Journey

Topic 4: Customer Oriented-Failure Prevention [1/2]

Pisut Koomsap (AIT), Duangthida Hussadintorn Na Ayutthaya (AIT),

Tomasz Nitkiewicz (CUT), Agnieszka Ociepa-Kubicka (CUT)

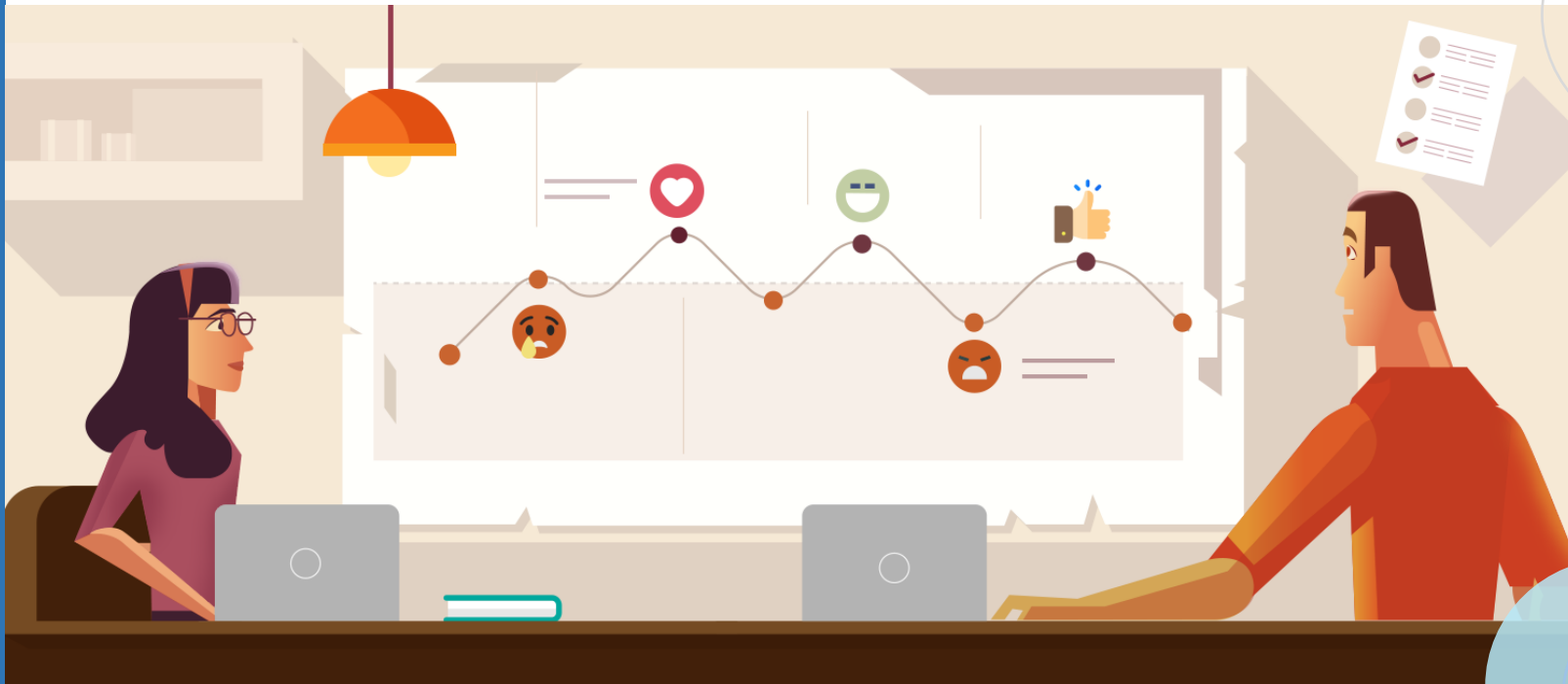


Curriculum Development
of Master's Degree Program in

Industrial Engineering for Thailand Sustainable Smart Industry

Module I

Pain Point-Free Customer Experience Journey



- Introduction to Experience Economy
- Customer Journey
- Experience Clues
- Customer Oriented-Failure Prevention

MSE 4.0



ทองสมิทธี
SIAMSENG
BOAT NOODLES

จำหน่าย

ก๋วยเตี๋ยวเรือ

เป็นหนึ่งในสยาม



❖ รับประกันคุณภาพ ❖

"Authentic boat noodle with 20x prices of street version **BUT** very delicious..."

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Functional Clues



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Mechanic & Humanic Clues

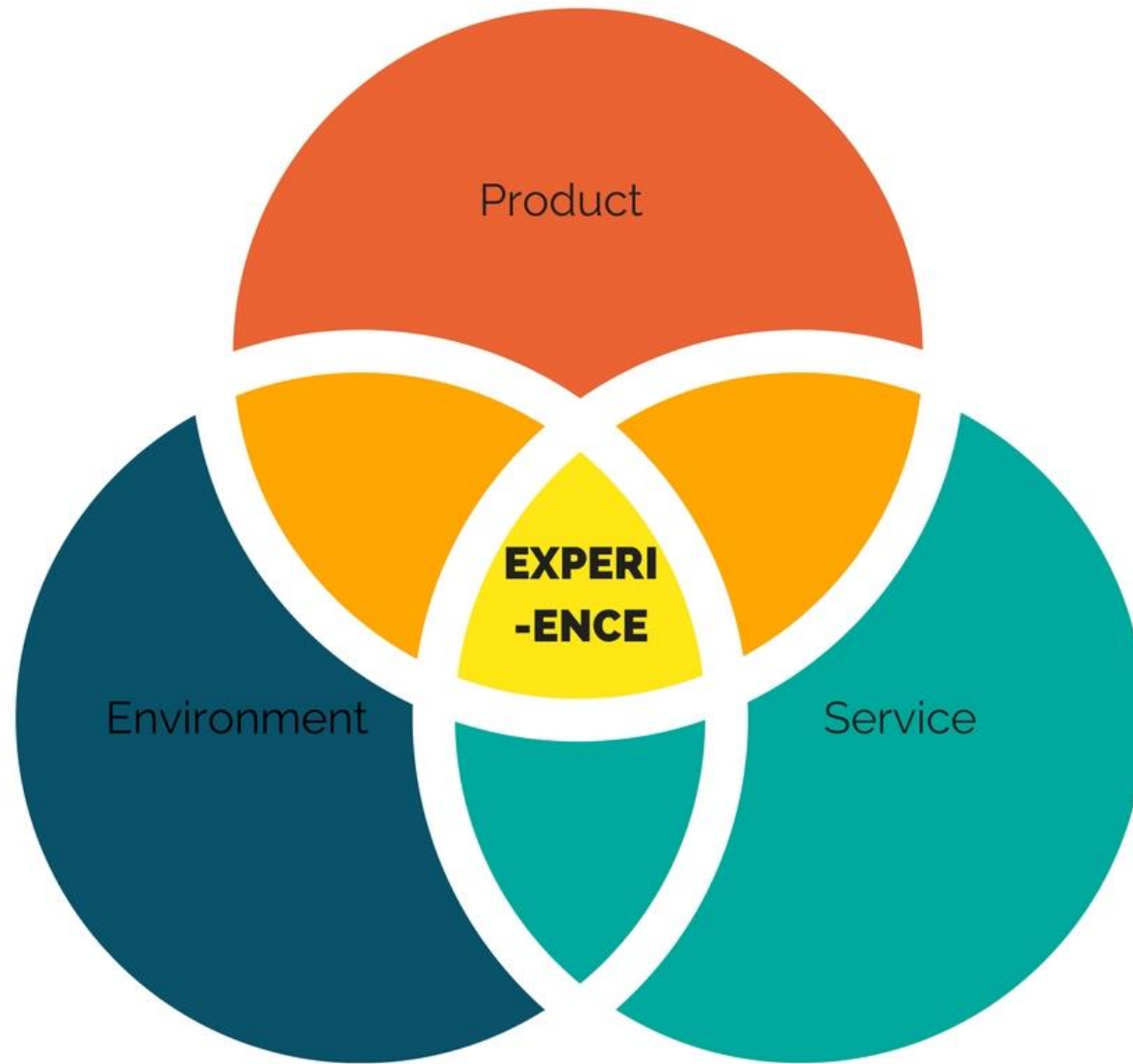


1. What do customers expect from this restaurant?

- Product: ...
- Service: ...
- Experience: ...



2. What would happen **when something goes wrong** and **does not meet customers' expectations**?





Service provider

SERVICE



Customers

A service is an offering performed as a solution to customer problems, which consists of a series of actions that normally occur in interactions between customer and employee and/or physical resources and/or systems of service providers

MSE 4.0



Service provider

SERVICE



A *service failure* is any event arising from service encounter that could result to unhappiness or dissatisfaction of customer (Geum et al., 2011).

Service Failure



Service Outcome



Service environment
and facilities



Interaction with employee

Geum, Y., Cho, Y., & Park, Y. (2011). A systematic approach for diagnosing service failure: Service-specific FMEA and grey relational analysis approach. *Mathematical and Computer Modelling*, 54(11-12), 3126-3142.

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5 Common Customer Service Failures



1. Failure to fix a problem quickly
2. Doing too much with one package
3. Inadequate item packaging
4. Expired, Sensitive, or Obsolete Product
5. Failure to communicate with customer



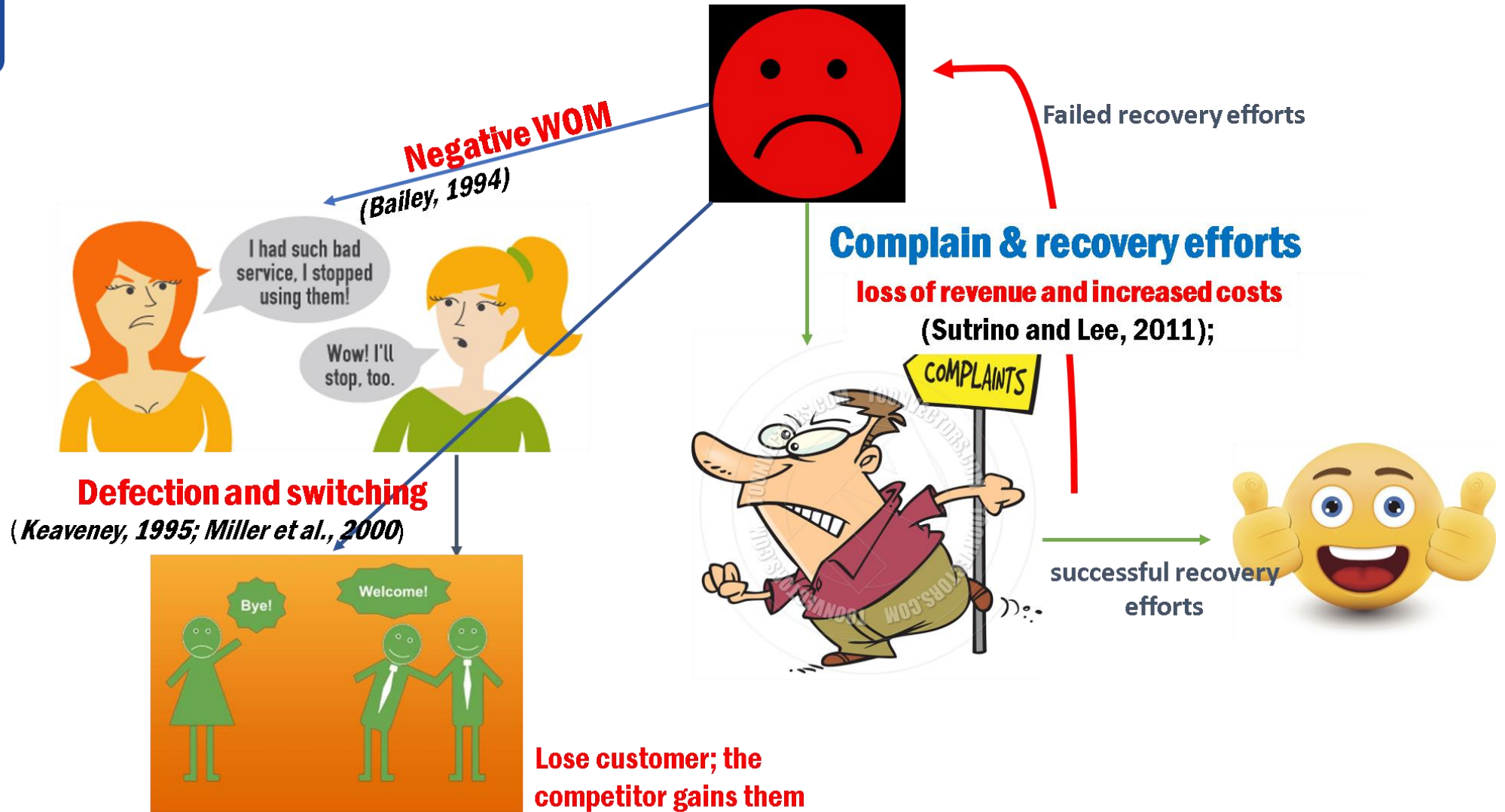
Most Common Customer Service Failures



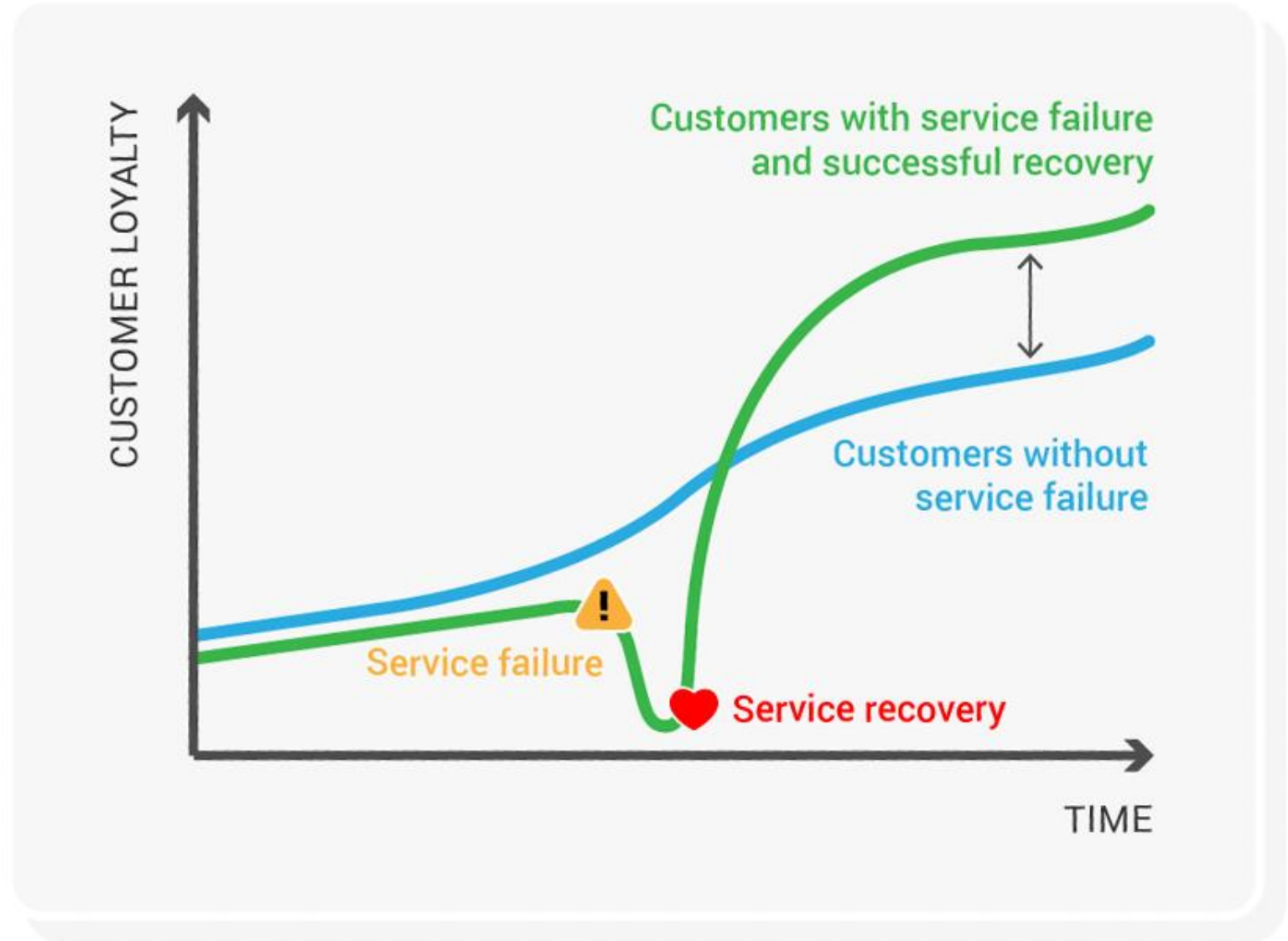
1. Not Arriving or Delivering Within Stated Time Window
2. High Charges for Bad or Slow Service
3. Repeated Repair Visits
4. Not Delivering on Brand Promises
5. Overpromising, but Underdelivering
6. Poorly Trained Customer Service Team Members
7. Poorly Equipped Customer Service Agents
8. The Wrong People on Your Team
9. Inconsistent Service

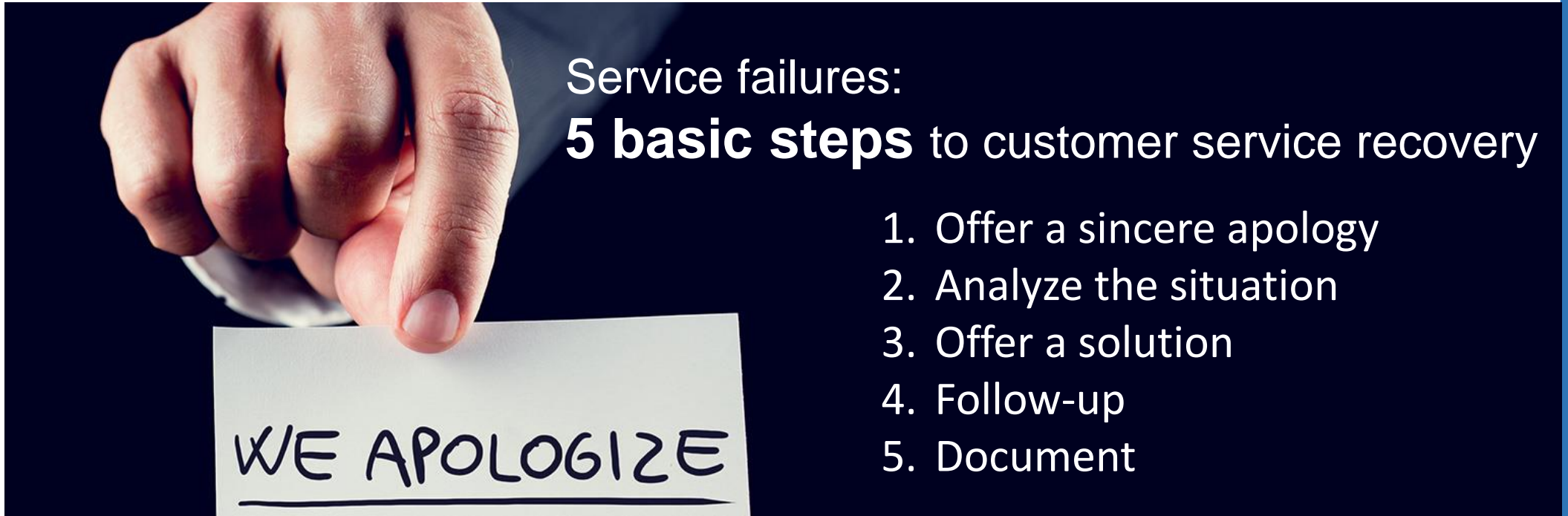


SERVICE FAILURE and its DETRIMENTAL EFFECTS



Service Recovery Paradox





Service failures: **5 basic steps** to customer service recovery

1. Offer a sincere apology
2. Analyze the situation
3. Offer a solution
4. Follow-up
5. Document

Customer service recovery: Things to Remember

- Anticipate your customers' expectations
- Train your staff and set clear guidelines
- Respond in a timely manner
- Keep an open line of communication

Service Recovery Examples



The ski resort that bought people stuck on a broken chair lift for an hour in the cold a hot drink and gave them free ski passes.

The company who included a free toy car in a furniture delivery for a little boy who had to wait for his new bed 2 weeks longer than promised.



Service Failure Prevention

A proactive approach of treating the system by identifying and stopping failure before it can happen.

Failure Mode and Effect Analysis in Service



Retail
(Chuang, 2007)



Healthcare and medical (Chiozza and Ponsetti, 2009; Geum et al, 2011)



Entertainment
(Charoenchokdiok and Koomsap, 2018)



Travel
(Shahin, 2004)

FMEA in Service Applications as Failure Prevention Tool

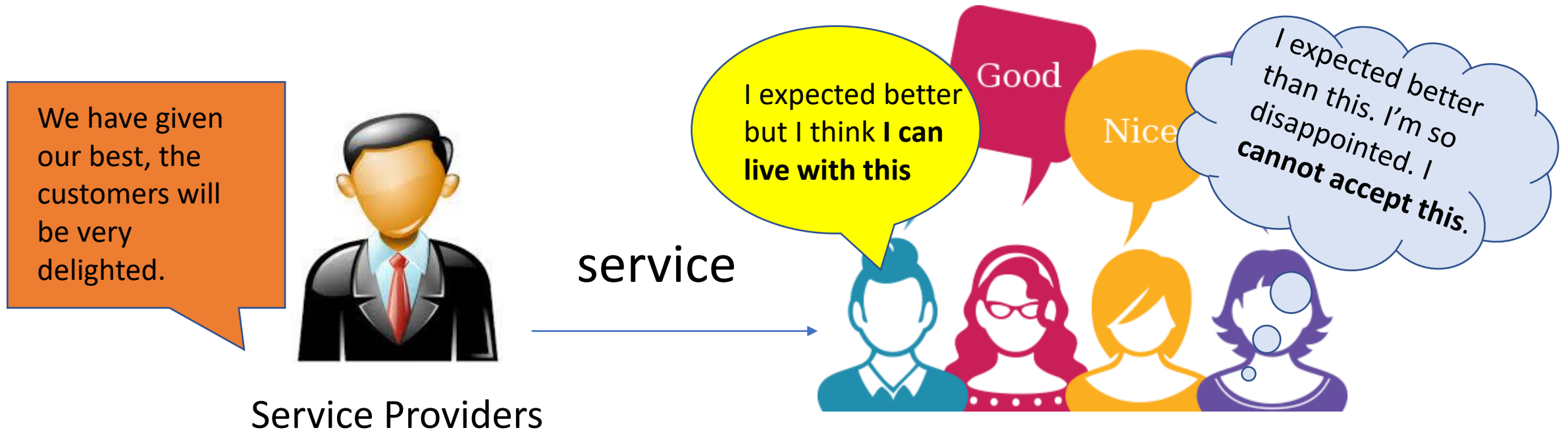


Conducted mainly from service provider's perspective

Thus, may not significantly addressed criticality of service failure.



The need for customer perspective...



Despite best efforts of the service provider, customers and their **perception** to the service is the determinant to service failure. (Chuang, 2007)

MSE 4.0

We have given our best, the customers will be very delighted.



Service Providers

service



Thus, the importance of having customer-centric service failure prevention because this is what the company needs to prevent – the problem or dissatisfaction that a customer perceives in relation to a service or service provider (Geum et al, 2011)





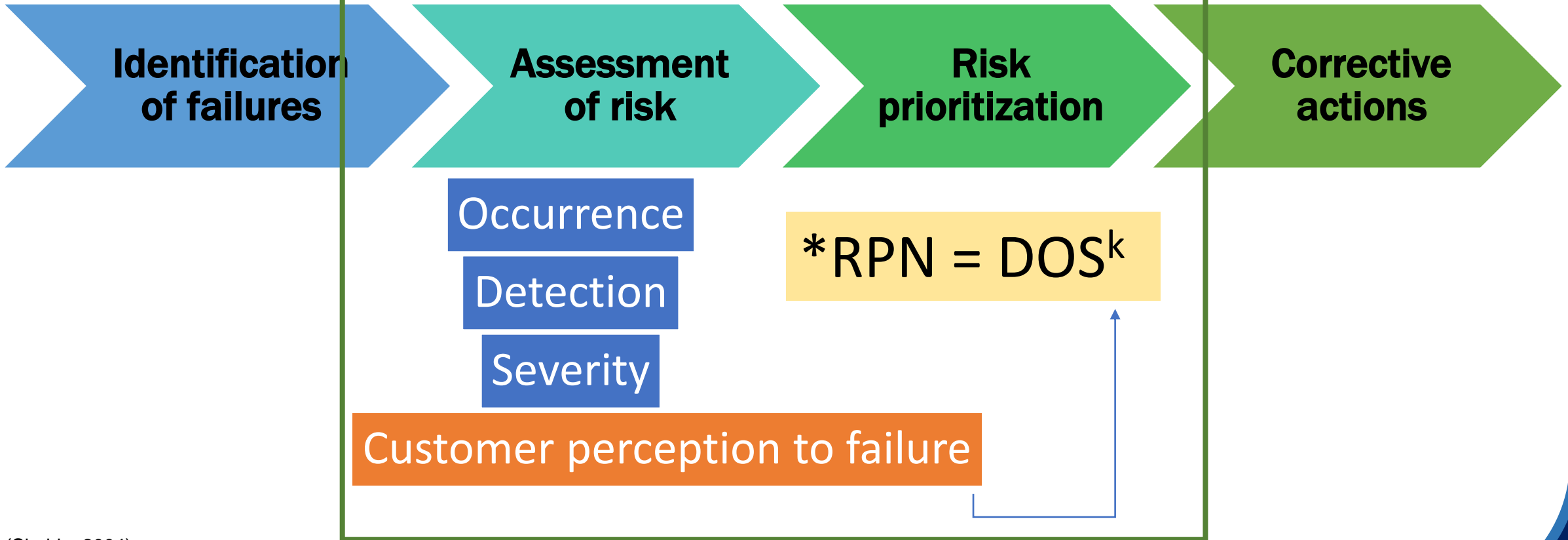
Customer Oriented- Failure Prevention

Content based on:

Labajan, R. A. A., & Koomsap, P. (2019).
Customer Journey Clue-based Service Failure Prevention.
Production Engineering Archives, 25(25), 21-34.

Customer-oriented FMEA

Better prioritization that captures voice of customers

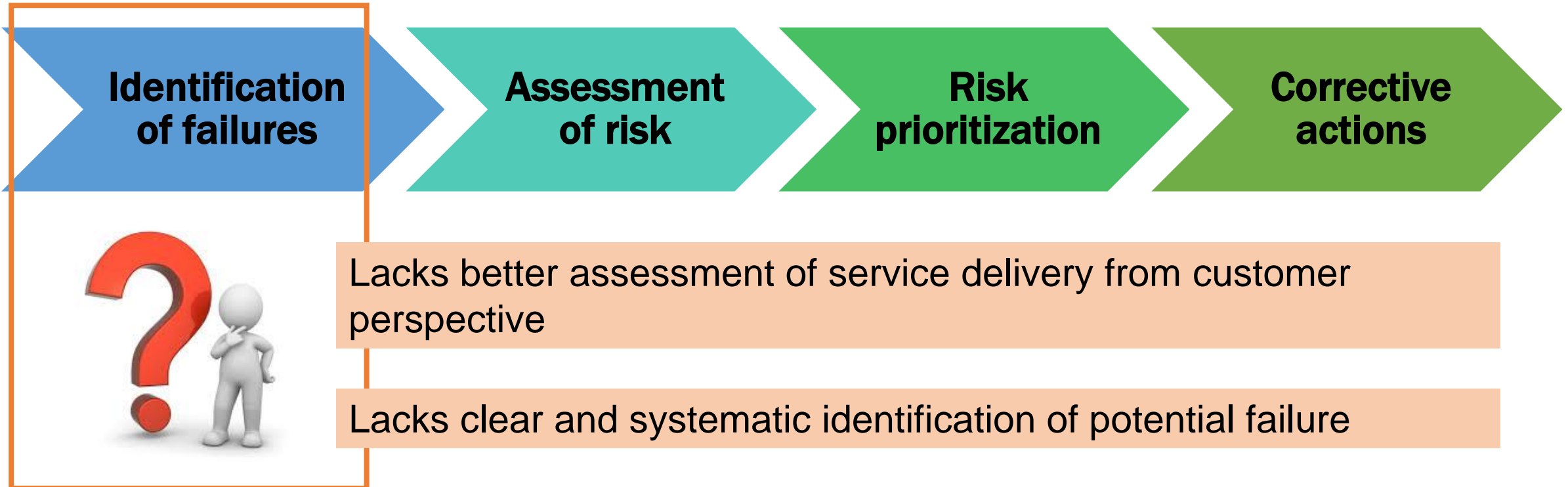


(Shahin, 2004)

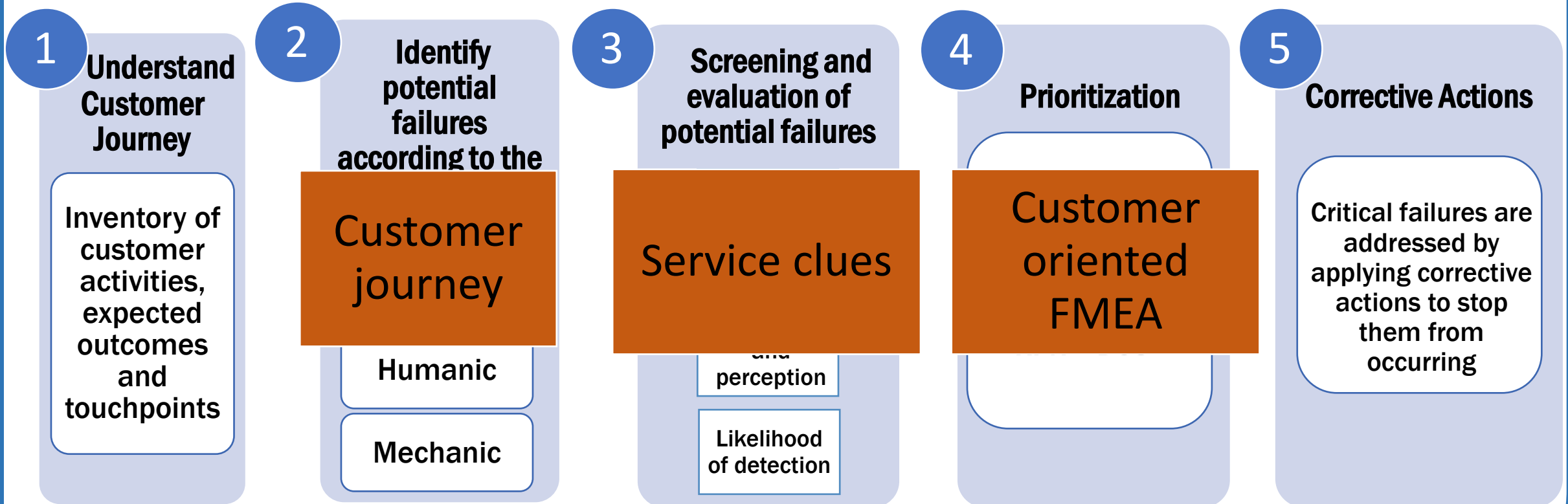
(*Koomsap and Charoenchokdilok, 2016)



Customer-oriented FMEA



Customer Journey Clue-based Service Failure Prevention Framework



Stage 1. Understand Customer Journey

Inventory of customer activities, expected outcomes and touchpoints



GOAL

Customer journey is a process which customer goes through to achieve a specific goal (Folstad et al., 2013)

Actions or customer activities

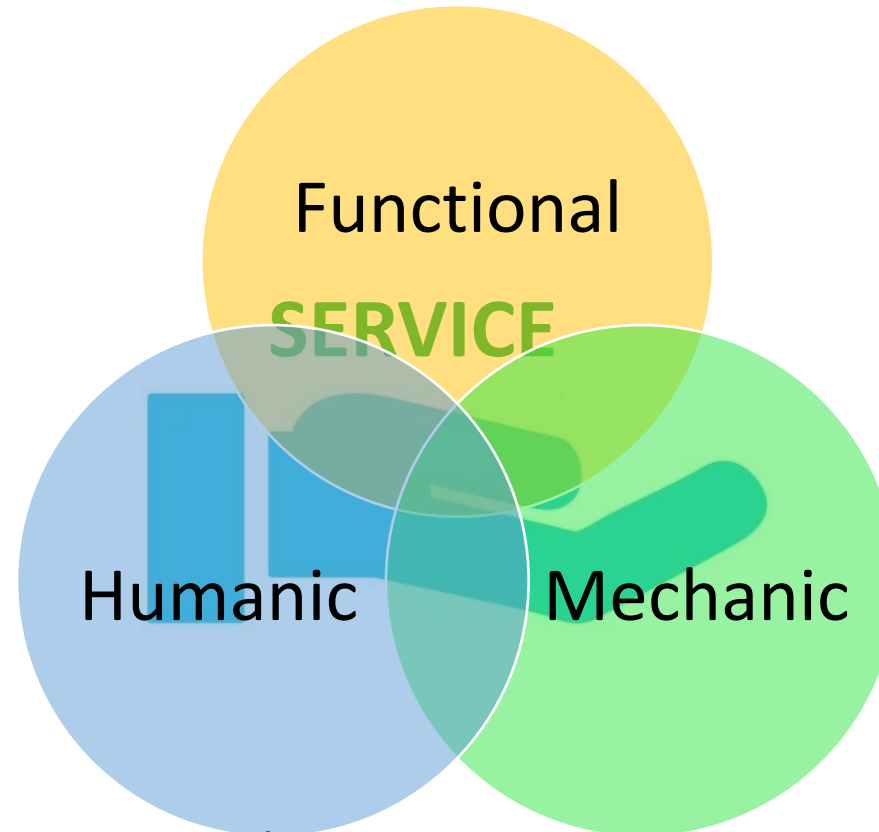
Touchpoint or moment of interaction between customer and service provider

Customer needs





Service Clues



Customers

Behavior and appearance of the service provider

Set up and tangibles of the service

The performance of these service clues form the overall perception of the customers towards the service

Berry et al (2006)



Stage 2. Identification of Potential Failures

The use of service clues is essential in identifying the potential failures because perception towards service are based on the performance of these clues.

Identify potential failures according to

Functional

Humanic

Mechanic



**Stage 1.
Understand
Customer
journey.**

Identify activities

Identify sub-activities

**Identify Expected
outcomes**

- What do customers expect from each activity?

**Identify human
touchpoints**

- Do customers encounter with employee? What type is the encounter?

**Identify nonhuman
touchpoints**

- What facilities / physical resources do customers use or are used for customers?
- What environment are they in?

**Stage 2.
Identify
Potential
Failures.**

What could go wrong in terms of non fulfillment of customer expectations?

**Potential failures
according to functional
clues**

What could go wrong from interaction with employees?

**Potential failures
according to humanic
clues**

What could go wrong from the interaction with environment and usage of facilities?

**Potential failures
according to mechanic
clues**



Stage 3. Screening and evaluation of potential failures

Occurrence

- Failures have different chance or frequency of occurrence

Severity

- Occurrence leads to feeling of dissatisfaction but its degree depends severity of failure mode and customer perception to failure

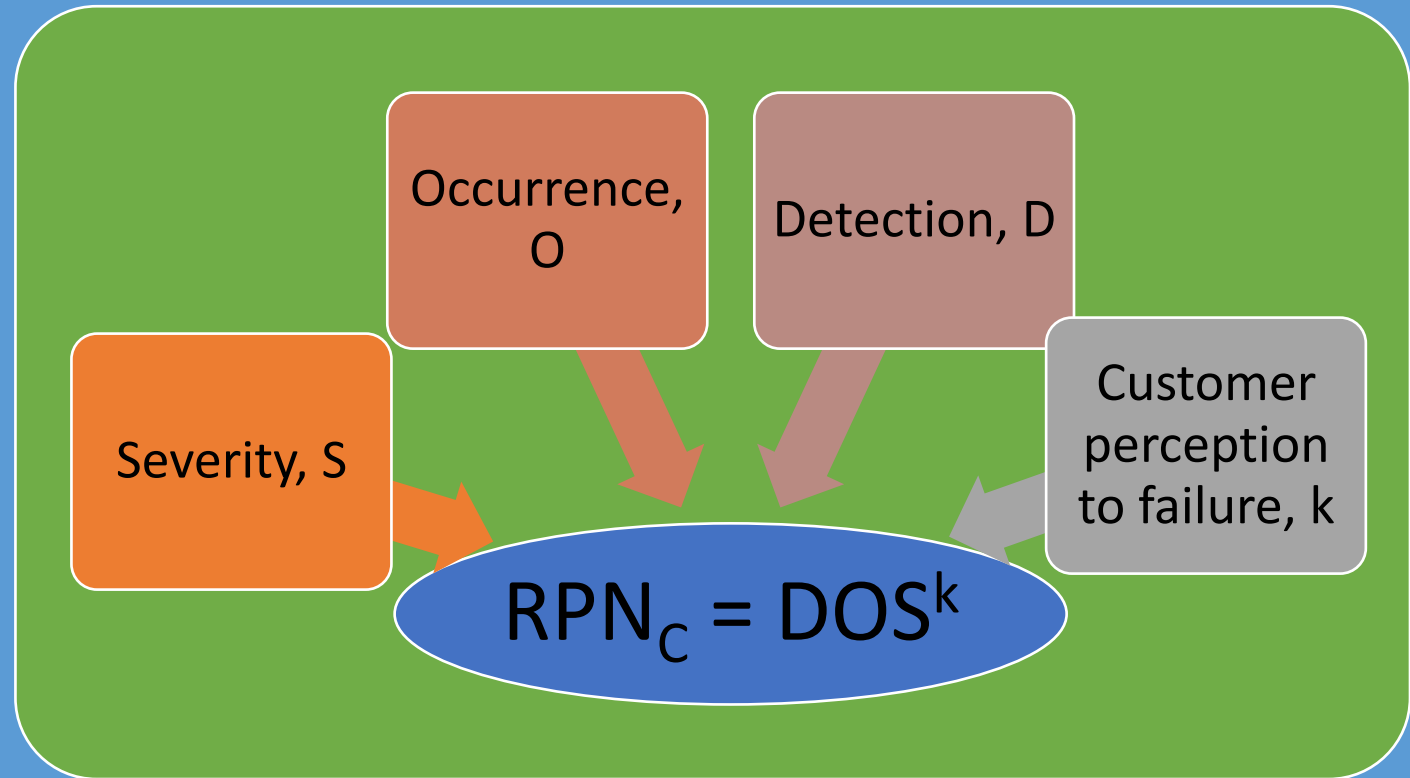
Customer perception to failure

Detection

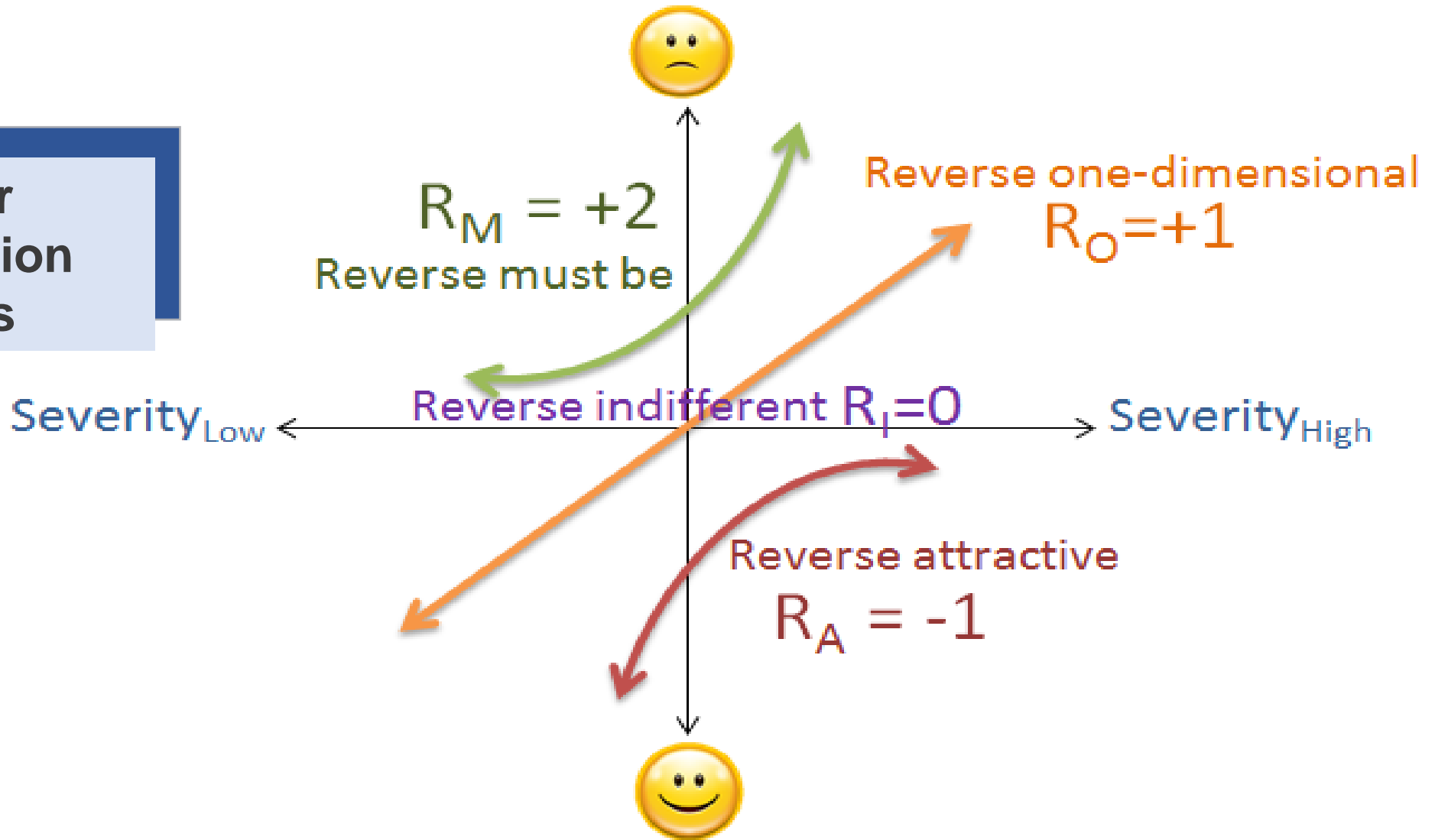
- Failures have different measures of detectability

Stage 4. Prioritization

Potential failures are ranked according to its criticality



Customer Dissatisfaction Attributes

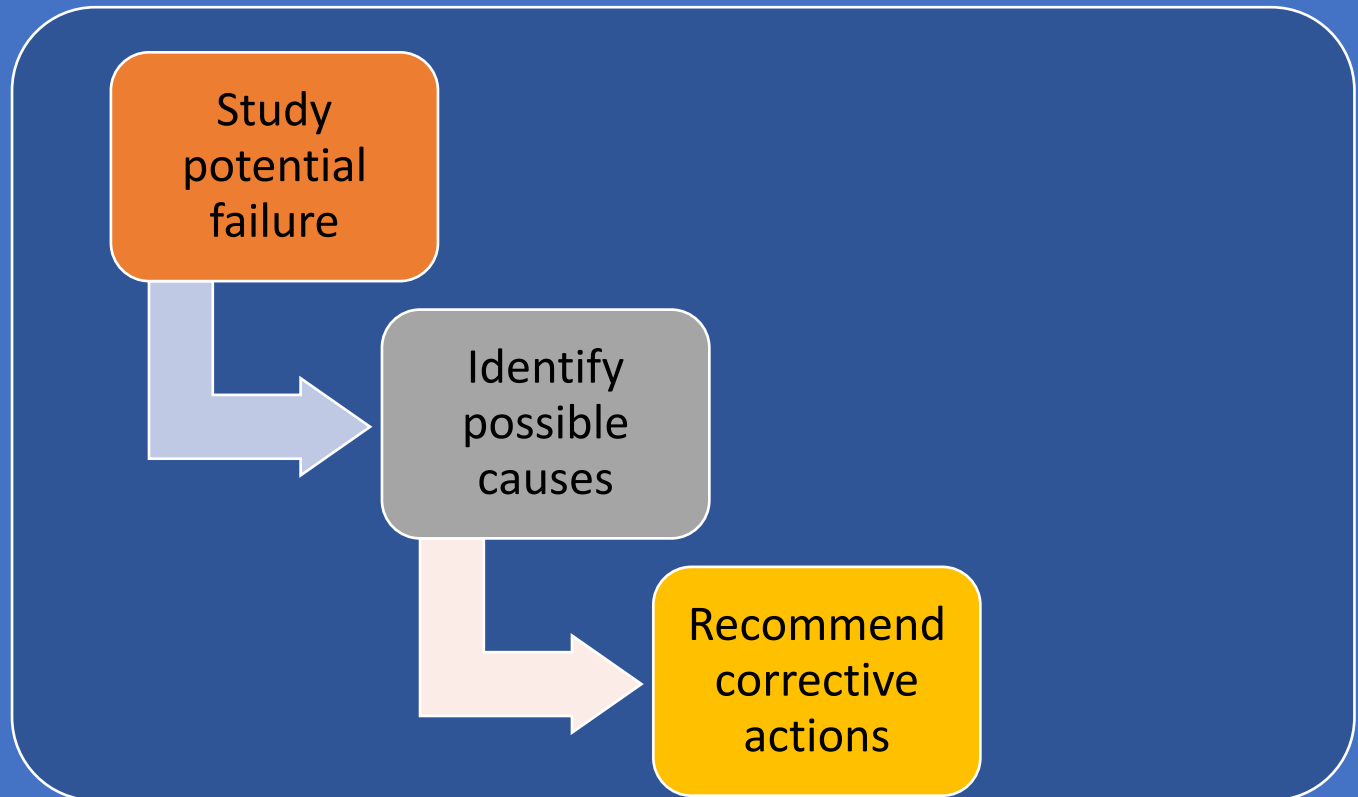


Reverse Kano Evaluation Table

		(Positive) How do you feel when a failure does not occur to you?				
		Delighted	Satisfied	Neutral	Dissatisfied	Frustrated
(Negative) How do you feel when a failure occur to you?	Delighted					
	Satisfied					
	Neutral	R_A	I	I		
	Dissatisfied	R_A	I	I		
	Frustrated	R_O	R_M	R_M	R_M	

Stage 5. Corrective actions

Critical failures are addressed by applying corrective actions to stop them from occurring



Customer Journey Clue-based Service Failure Prevention Framework

1 Understand Customer Journey

Inventory of customer activities, expected outcomes and touchpoints

2 Identify potential failures according to the following service components

Functional

Humanic

Mechanic

3 Screening and evaluation of potential failures

Likelihood of occurrence

Dissatisfaction: severity and perception

Likelihood of detection

4 Prioritization

Potential failures are ranked according to its criticality
 $RPN = DOS^k$

5 Corrective Actions

Critical failures are addressed by applying corrective actions to stop them from occurring



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Thank You

Together We Will Make Our Education Stronger



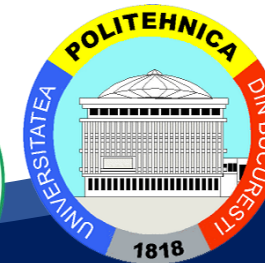
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