**Chapter 12: Demand Management and Customer Service**

**Test Bank**

**Multiple Choice**

1. The process of accurately determining what the customer wants and then coordinating the processes and procedures within the firm and across its supply chain to meet customer needs is called \_\_\_\_\_\_.

a. demand forecasting

b. demand management

c. demand planning

d. demand creation

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

2. Mismatches between actual demand and forecasted demand will result in \_\_\_\_\_\_.

a. excess inventory

b. expanded market share

c. employee dissatisfaction

d. an increase in transportation costs

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

3. Effective demand management is most important for a company’s \_\_\_\_\_\_.

a. operations

b. employee morale

c. employee motivation

d. compliance requirements

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

4. Demand management activities have an impact on a company’s \_\_\_\_\_\_.

a. functional areas

b. corporate strategy

c. compliance requirements

d. potential for ISO Certification

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

5. Which one of the following statements is true about demand management activities?

a. Demand management influences new product introductions and product portfolio planning.

b. Demand management has high impact on compliance requirements.

c. Demand management can reduce potential for ISO certification.

d. Poor demand management increases the need for product quality.

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

6. Inaccurate demand planning or poor demand management can lead to \_\_\_\_\_\_.

a. an increase in employment levels

b. idle/unwanted capacity

c. reduction in employee absenteeism rate

d. poor employee morale

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

7. Which of the following statements is false about demand management?

a. Effective demand planning and management can mitigate the bullwhip effect.

b. Accurate forecasts of product quantities can facilitate implementation of just-in-time production systems.

c. Efficient demand planning and forecasts can reduce the operational costs.

d. Accurate demand planning can result in excess inventories and unwanted capacity.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Management

Difficulty Level:

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

8. Which of the following statements is applicable to demand management activities in finance?

a. influences capital investments

b. impacts new product introductions

c. influences supply chain design

d. determines employee head count and overtime for current workers

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Factors That Affect Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

9. \_\_\_\_\_\_ is the process of estimating the demand for a firm’s products in the near future.

a. Demand forecasting

b. Demand management

c. Demand planning

d. Demand assessment

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Planning

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

10. The first step in demand management is \_\_\_\_\_\_.

a. demand planning

b. demand assessment

c. demand forecasting

d. none of these

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Planning

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

11. \_\_\_\_\_\_ is the process of accurately forecasting the company’s demand well into the future to give the company and its supply partners a basis for the planning needed to meet demand.

a. Demand forecasting

b. Demand management

c. Demand planning

d. Demand control

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Planning

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

12. Which of the following statements is false about demand planning?

a. Operational costs are reduced.

b. Opportunities for introducing new products and services are identified.

c. Superior customer service is provided.

d. A clear picture of market dynamics is difficult to obtain.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Planning

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

13. The time horizon for making intermediate-term demand planning decisions is \_\_\_\_\_\_.

a. 3 months to 6 months

b. 3 months to 3 years

c. 10 years

d. 3 months or less

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Intermediate-Term Planning Decisions

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

14. Operational decisions, including inventory planning and control, and inbound/outbound transportation, are the focus of \_\_\_\_\_\_.

a. intermediate-term demand planning decisions

b. long-term demand planning decisions

c. short-term demand planning decisions

d. prolonged demand planning decisions

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Short-Tern Demand Planning Decisions

Difficulty Level: Hard

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

15. \_\_\_\_\_\_ require the firm to project its aggregate demand from the present to several years in the future.

a. Intermediate-term demand planning decisions

b. Long-term demand planning decisions

c. Short-term demand planning decisions

d. Immediate demand planning decisions

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Long-Term Demand Planning Decisions

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

16. An objective of intermediate-term demand planning decisions is \_\_\_\_\_\_.

a. establishment of profit and revenue targets

b. inventory planning and control

c. transportation for inbound and outbound

d. supply chain design

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Intermediate-Term Demand Planning Decisions

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

17. The time horizon for \_\_\_\_\_\_ is 3 months or less.

a. intermediate-term demand planning decisions

b. long-term demand planning decisions

c. short-term demand planning decisions

d. prolonged demand planning decisions

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Short-Term Demand Planning Decisions

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

18. The deviation of actual demand from the forecast is called \_\_\_\_\_\_.

a. overforecasting error

b. underforecasting error

c. forecasting error

d. none of these

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Forecasting

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

19. Which of the following statements is true about demand forecasts?

a. Demand forecasts are always accurate in predicting the actual demand that will occur in the future period.

b. Demand forecasts are rarely accurate in predicting the actual demand that will occur in the future period.

c. Demand forecasts are estimates of long-term demand for a firm’s products.

d. Demand forecasts do not account for the randomness in the actual demand.

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Forecasting

Difficulty Level: Hard

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

20. Increase in ice cream consumption during the summer months is an example of \_\_\_\_\_\_.

a. predictable variations

b. random variations

c. irregular variations

d. abnormal variations

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Forecasting

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

21. Forecasters view demand as a combination of \_\_\_\_\_\_.

a. direct and indirect variations

b. seasonal and cyclic variations

c. predictable and random variations

d. regular and irregular variations

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Forecasting

Difficulty Level: Hard

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

22. Which of the following is NOT an approach to reduce the inaccuracy of forecasts?

a. Collaborative forecasting between the company, its customers, and suppliers.

b. Acceleration of the forecasting process to reduce errors.

c. Analyzing the buying capacity of customers.

d. Focusing on the forecasting methods that will include all relevant factors.

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Demand Forecasting

Difficulty Level: Hard

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

23. \_\_\_\_\_\_ is the process of gathering information from within and outside of the organization to forecast demand for a product.

a. Collaborative forecasting

b. Causal forecasting

c. Collaborative planning

d. Causal planning

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

24. Which of the following is NOT a factor for collaborative forecasting?

a. new product introductions

b. insight and judgment of the company’s supply chain partners

c. historical demand

d. customers’ buying power

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

25. CPFR in forecasting stands for \_\_\_\_\_\_.

a. combined planning forecasting and replenishment

b. collaborative planning forecasting and replenishment

c. continuous planning forecasting and replenishment

d. customer planning forecasting and replenishment

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

26. Which of the following is NOT one of the phases of the CPFR process?

a. analysis

b. strategy and planning

c. execution

d. control

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

27. There are \_\_\_\_\_\_ major collaborative activities in the CPFR process that buyers and sellers in a supply chain need to undertake to satisfy the needs of the customers.

a. four

b. five

c. three

d. six

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

28. During which phase of the CPFR do the buyers and sellers establish common business goals and define the responses to events that cause supply chain disruptions?

a. analysis

b. strategy and planning

c. execution

d. demand and supply management

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

29. The two tasks in demand and supply management phase are \_\_\_\_\_\_.

a. demand forecasting and production planning

b. sales forecasting and order planning

c. sales forecasting and production planning

d. revenue forecasting and production planning

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

30. During which phase of the CPFR are goods produced, stocked, shipped, and delivered to meet demand?

a. analysis

b. strategy and planning

c. execution

d. demand and supply management

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

31. The tasks during the \_\_\_\_\_\_ phase of the CPFR include exception management and performance assessment.

a. analysis

b. strategy and planning

c. execution

d. demand and supply management

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

32. \_\_\_\_\_\_ involves the development and calculation of key metrics to evaluate the progress of the organization.

a. Exception management

b. Strategy management

c. Performance assessment

d. Performance control

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

33. \_\_\_\_\_\_ is the continuous monitoring of shortages or sudden changes in the quality of materials.

a. Exception management

b. Performance assessment

c. Strategy management

d. Performance control

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

34. Which of the following statements is true about accelerating the forecasting process?

a. Forecasts will be more accurate when the randomness of the actual demand is not considered.

b. Forecasts will be more accurate when the forecasters can access current changes in demand quicker.

c. Forecasts can be accelerated when processes used to collect demand data are manual.

d. Forecasts will be more accurate when the forecasters take more time to access current changes in demand.

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Collaborative Forecasting

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

35. Which of the following is NOT one of the ways to proactively manage demand?

a. prices changes

b. sales incentives

c. promotions

d. sales force opinion

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Proactively Managing Demand

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

36. Which of the following statements is false about global demand volatility?

a. When a company cancels its order during periods of demand downturn, the suppliers are left with inventories for which demand no longer exists.

b. When the company increases its order during periods of demand upswings, it takes a long time to get the goods through the supply chain due to longer lead times.

c. When demand for a product softens, companies can easily cancel orders with distant suppliers as compared to local suppliers.

d. When demand for a product increases, companies can place new orders with local suppliers with more assurance that it will be delivered on time.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-1. Explain the importance of demand management for organizations, and identify the factors that affect it.

Answer Location: Global Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

37. Which of the following statements is true about global demand management?

a. Local suppliers provide the buying firms greater flexibility in responding to demand fluctuations.

b. Global suppliers provide the buying firms greater flexibility in responding to demand fluctuations.

c. There is no difference between local suppliers and global suppliers in responding to demand fluctuations.

d. none of these

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-2. Describe the challenges of global demand management and the strategies that can be used to address them.

Answer Location: Global Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

38. Which of the following is false about global demand management?

a. Local suppliers have shorter lead times.

b. Its primary challenge is ensuring that inventories are readily available.

c. Global suppliers have shorter lead times.

d. Global demand volatility affects a company’s upstream suppliers.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-2. Describe the challenges of global demand management and the strategies that can be used to address them.

Answer Location: Global Demand Management

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

39. Which of the following is true about companies that have implemented postponement strategies?

a. increased inventory

b. increased number of outdated products

c. increased range of customized products

d. increased supply demand mismatches

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-2. Describe the challenges of global demand management and the strategies that can be used to address them.

Answer Location: Global Demand Management

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

40. Drawbacks of the postponement strategy include \_\_\_\_\_\_.

a. higher costs associated with customizing products and the need to have universal parts in inventory

b. applicable to all business scenarios

c. reduced inventory

d. prompt customer service

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-2. Describe the challenges of global demand management and the strategies that can be used to address them.

Answer Location: Global Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

41. A restaurant with overscheduled staff on a slow night is an example of \_\_\_\_\_\_.

a. insufficient capacity in the form of busy resources and poor service quality

b. excess capacity in the form of idle resources

c. excellent service quality

d. service recovery

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Services Demand Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

42. The four supply chain dimensions of customer service include \_\_\_\_\_\_.

a. reliability, communication, time, and convenience

b. time, comfort, convenience, and effort

c. reliability, affordability, time, and delivery

d. time, service, effort, and delivery

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Customer Service and Demand Management

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

43. \_\_\_\_\_\_ is the ability of a company to deliver products to customers without loss or damage.

a. Order fill rate

b. Delivery safety

c. Order delivery completion

d. In-stock probability

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Reliability

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

44. \_\_\_\_\_\_ is the ability of a company to fully deliver all the orders placed by the customers.

a. Order fill rate

b. Delivery safety

c. Order delivery completeness

d. In-stock probability

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Reliability

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

45. \_\_\_\_\_\_ is the percentage of customer orders that can be fully and completely filled from items in stock.

a. Order fill rate

b. In-stock probability

c. Out-of-stock probability

d. Order delivery completion

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Reliability

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

46. \_\_\_\_\_\_\_ in customer service refers to making the product or service available when and where the customer wants it.

a. Comfort

b. Delivery

c. Convenience

d. Time

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Convenience

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

47. Systems that allow customers to purchase products and have them delivered in different ways are called \_\_\_\_\_\_.

a. multichannel business systems

b. multichannel marketing systems

c. single channel marketing systems

d. multichannel buying systems

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Convenience

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

48. Managing customer service consists of \_\_\_\_\_\_ features.

a. five

b. three

c. two

d. four

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Customer Service Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

49. Which of the following is NOT a feature of managing customer services?

a. customer profitability analysis

b. service failure and recovery

c. customer service measurement

d. stock on hand

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Customer Service Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

50. CPA in customer service management stands for \_\_\_\_\_\_.

a. customer profitability analysis

b. company profitability analysis

c. collective profitability analysis

d. convenient profitability analysis

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Customer Profitability Analysis

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

51. \_\_\_\_\_\_ is a process of allocating revenue and costs to customer segments or individual customers in order to determine their profitability.

a. Company profitability analysis

b. Customer profitability analysis

c. Collective profitability analysis

d. Convenient profitability analysis

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Customer Profitability Analysis

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

52. Which of the following statements is FALSE about establishing customer service objectives?

a. Make them realistic.

b. Make them measurable.

c. Make them ambitious.

d. Keep them aligned to a company’s top-level goals.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Establishing Customer Service Objectives

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

53. Which of the following statements is FALSE about the communication aspect of customer service?

a. Personal and face-to-face communication remain essential to good customer service.

b. Communication is the channel to obtain critical customer feedback on the company’s performance.

c. Personal and face-to-face communication are no longer essential to good customer service.

d. Live chat, social media sites, and e-mail are effective means of communication.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Communication

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

54. On-time deliveries and perfect/complete orders are measuring the \_\_\_\_\_\_ dimension of customer services.

a. time

b. reliability

c. convenience

d. communication

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Table 12.1: Commonly Used Customer Service Measures

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

55. Which of the following is a customer service measure of convenience?

a. order fulfillment

b. ease of return process

c. response times to enquiries

d. customer complaints

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Table 12.1: Commonly Used Customer Service Measures

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

56. Which of the following is a customer service measure of time?

a. order fulfillment

b. customer complaints

c. on-time deliveries

d. response times to emergency situations

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Table 12.1: Commonly Used Customer Service Measures

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

57. Customer complaints and order status information are measuring the \_\_\_\_\_\_ dimension of customer services.

a. time

b. reliability

c. convenience

d. communication

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Table 12.1: Commonly Used Customer Service Measures

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

58. Which of the following statements is true about service failures?

a. Service failures occur when an organization’s service performance fails to meet the customer’s expectations.

b. Service failures will not occur when organizations take the best efforts to prevent them.

c. Service failures occur due to hardware breakdown.

d. Service failures will not recover quickly if the customer has a close relationship with the company.

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Service Failures and Recoveries

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

59. Which of the following is NOT an example of service failure?

a. late deliveries

b. damaged or lost products

c. incorrect orders

d. promotions

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Service Failures and Recoveries

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

60. \_\_\_\_\_\_ is an effort by the organization to appease dissatisfied customers by offering credits, discounts, apologies, or free items/services.

a. Service recovery

b. Customer satisfaction

c. Order delivery

d. Customer service

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Service Failures and Recoveries

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

61. Which of the following are NOT used in service recovery to please customers?

a. discounts

b. refunds

c. credits

d. late deliveries

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Service Failures and Recoveries

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

62. Consider a situation in which an airline cancels its flight, leaving the customers stranded. This is an example of \_\_\_\_\_\_.

a. service excellence

b. service recovery

c. service failure

d. service delivery

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Service Failures and Recoveries

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

63. Which of the following is FALSE about service recovery?

a. Gather information from customers at the time of service failure so that necessary action can be taken for immediate recovery.

b. Conduct a postrecovery assessment to evaluate the recovery performance against the customer.

c. Service recovery is unaffected by the strength of the relationship between the customer and the organization.

d. Success of service recovery depends on the severity of the failure.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Service Failures and Recoveries

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

64. Customer dissatisfaction resulting from service failure could lead to \_\_\_\_\_\_.

a. positive publicity

b. gaining trust of customers

c. negative publicity

d. increased employee commitment

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Service Failures and Recoveries

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

65. CFSCM stands for \_\_\_\_\_\_.

a. collaboration-focused supply chain management

b. customer-focused supply chain management

c. communication-focused supply chain management

d. company-focused supply chain management

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Customer-Focused Supply Chain Management

Difficulty Level: Easy

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

66. \_\_\_\_\_\_ is based on the idea that long-run profitability and efficiency of an enterprise depends on the customers’ overall satisfaction with the company’s and its supply chain partners’ products or services.

a. Collaboration-focused supply chain management

b. Communication-focused supply chain management

c. Customer-focused supply chain management

d. Company-focused supply chain management

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Customer-Focused Supply Chain Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

67. Which of the following is NOT a step in implementing an effective CFSCM program?

a. Establish two-way communication between customers and suppliers.

b. Understand customers’ strategic service needs.

c. Establish functional interfaces between the company and its supply chain partners.

d. Improve customer satisfaction through sales discounts.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Customer-Focused Supply Chain Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

68. Which of the following statements is FALSE about CFSCM program?

a. Actual demand information captured at point-of-sale is communicated through supply chain using information technology.

b. Key customer service performance factors can be achieved faster with the collaboration of supply chain partners.

c. The customers are linked to the lower-level members of the supply chain only.

d. All supply chain activities are synchronized.

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Customer-Focused Supply Chain Management

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

69. Which of the following statements is FALSE about quality customer service?

a. Customers demand that businesses act in an ethically and socially responsible manner.

b. Customers are not very knowledgeable about environmental issues such as carbon emissions.

c. The social responsible behavior of businesses has an influence on the customers’ purchasing decisions.

d. Companies can no longer hide their unsustainable, unethical business practices.

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

70. Which of the following statements is FALSE about sustainability in customer service?

a. Companies will reap the benefits of improved profit and customer loyalty if they can convince their customers that it is on a path of sustainable development.

b. Companies will lose its customers if they are unable to convince their customers that they are ethically and socially responsible.

c. Companies can receive bad publicity because of their unsustainable behavior.

d. Companies can easily persuade people to buy products even if they are not ethically and socially responsible.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

71. Which of the following is NOT an integral part of customer service?

a. Exhibit sustainable behavior.

b. Create a perception in the minds of the customers that the organization acts in an ethically, socially, and environmentally responsible manner.

c. Demonstrate a commitment to customer service that is increasingly valued.

d. Potential customers do not expect organizations to be ethical and socially responsible.

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Ethical and Sustainability Issues

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

72. \_\_\_\_\_\_ aim to guarantee that the firm can fulfill customer orders and has adequate stocks of inventory.

a. Intermediate-term demand planning decisions

b. Long-term demand planning decisions

c. Short-term demand planning decisions

d. Immediate-demand planning decisions

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Global Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

73. Stocking snow shovels and snow blowers at stores in response to a snowstorm forecast is an example of \_\_\_\_\_\_

a. matching total demand against capacity

b. matching sales with revenue

c. satisfying customer needs

d. increasing customer loyalty

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Demand Management

Difficulty Level: Easy

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

74. *Demand influences new product introductions and product portfolio planning*. This statement is applicable to which functional area?

a. supply chain

b. finance

c. marketing

d. human resources

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

75. Which of the following is an impact of demand management activities on human resources?

a. Demand influences capital investments.

b. Demand impacts new product introductions.

c. Demand influences supply chain design.

d. Demand determines employee head count and overtime for current workers.

Ans: D

Cognitive Domain: Application (Apply)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

76. The time horizon for long-term demand planning decisions is \_\_\_\_\_\_

a. 3 months to 6 months

b. 3 months to 3 years

c. several years

d. 3 months or less

Ans: C

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Long-Term Demand Planning Decisions

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

77. Variations that follow a pattern are called \_\_\_\_\_\_.

a. cyclic variations

b. random variations

c. predictable variations

d. irregular variations

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Demand Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

78. Minor changes in demand that are caused by unknown factors and cannot be foreseen are called \_\_\_\_\_\_.

a. cyclic variations

b. random variations

c. predictable variations

d. seasonal variations

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Demand Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

79. Historical data used to predict the average or trend of actual demand is based on which of the following assumptions?

a. Past demand is not a reliable predictor of its future.

b. Past demand is a reliable predictor of its future.

c. Past demand is directly proportional to its future.

d. Past demand is independent of its future.

Ans: B

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Demand Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

80. Globalization and expansion of product lines have resulted in \_\_\_\_\_\_.

a. increased randomness and volatility of demand for products

b. predictable demand for products

c. stabilized revenue for companies

d. improved customer satisfaction

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Demand Forecasting

Difficulty Level: Hard

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

81. Successful implementation of CPFR does NOT have an impact on which of the following costs?

a. inventory costs

b. merchandising costs

c. transportation costs

d. fixed costs

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

82. In which phase of CPFR do the buyers and sellers develop a joint business plan that identifies significant events such as marketing promotions or inventory policy changes that could affect supply and demand?

a. analysis

b. strategy and planning

c. execution

d. demand and supply management

Ans: D

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

83. Which of the following is NOT an input to a forecast process?

a. historical demand data

b. information from marketing department

c. expected revenue

d. recent demand information

Ans: C

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

84. Which of the following factors leads to problems in implementing CPFR?

a. supply chain partners unable to determine common goals

b. collaboration among supply chain partners in sharing sensitive information

c. supply chain partners left to determine common goals

d. collaboration among supply chain partners in demand planning and forecasting

Ans: A

Cognitive Domain: Knowledge (Remember)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Collaborative Forecasting

Difficulty Level: Medium

AACSB: Systems and processes in organizations, including planning and design, production/operations, supply chains, marketing, and distribution

85. Demand planning has a \_\_\_\_\_\_ time horizon, while managing consumer demand focuses on the \_\_\_\_\_\_.

a. long-term, short term

b. short-term, long term

c. short-term, short term

d. long-term, long term

Ans: A

Cognitive Domain: Application (Apply)

Learning Objective: 12-3. Identify the unique nature of services demand management, and discuss the risks from excess and insufficient capacity.

Answer Location: Proactively Managing Demand

Difficulty Level: Hard

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

86. Local suppliers have \_\_\_\_\_\_ lead times while global suppliers in a multitiered supply chain have \_\_\_\_\_\_ lead times.

a. longer, longer

b. longer, shorter

c. shorter, longer

d. shorter, shorter

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 12-2. Describe the challenges of global demand management and the strategies that can be used to address them.

Answer Location: Global Demand Management

Difficulty Level: Easy

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

87. Which of the following strategies allows the manufacturing or the distribution of the final product to be delayed until the customer order is received?

a. demand planning

b. postponement

c. order production

d. order fulfillment

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 12-2. Describe the challenges of global demand management and the strategies that can be used to address them.

Answer Location: Global Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

88. The difference between manufacturing and service industry is that \_\_\_\_\_\_

a. demand cannot be short term in service industry

b. demand cannot be seasonal in manufacturing

c. services cannot be inventoried to satisfy demand

d. demand cannot be long term in service industry

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Services Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

89. Hospitals, movie theatres, and restaurants are examples of business in \_\_\_\_\_\_

a. manufacturing

b. human resources

c. services

d. marketing

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Services Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

90. Capacity constraints in the service industry can take the form of \_\_\_\_\_\_

a. shortage of customer orders

b. shortage of skilled workers

c. excess capacity

d. idle resources

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Services Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

91. Which of the following is FALSE about services demand management?

a. Services cannot be inventoried to satisfy demand at a later date.

b. Demand fluctuations can be short term or long term.

c. Demand in services is generally not fluctuating.

d. Capacity constraints in services can take the form of a shortage of skilled workers.

Ans: C

Cognitive Domain: Application (Apply)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Services Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

92. Insufficient capacity will result in \_\_\_\_\_\_.

a. additional costs of idle resources

b. poor service quality

c. customer satisfaction

d. higher response rate

Ans: B

Cognitive Domain: Application (Apply)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Services Demand Management

Difficulty Level: Medium

AACSB: Application of knowledge (able to translate knowledge of business and management into practice)

93. Which of the following risks do service providers face when they do not accurately predict and manage demand?

a. leveled demand

b. insufficient capacity in the form of busy resources

c. financial risk

d. good customer service

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Services Demand Management

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

94. From a supply chain perspective, \_\_\_\_\_\_ can be defined as the ability to satisfy customers in terms of time, reliability, convenience, and communication.

a. order completion

b. order fulfillment

c. customer satisfaction

d. customer service

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Customer Service and Demand Management

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

95. The \_\_\_\_\_\_ dimension of customer service is the ability of the supply chain to reduce the cycle time involved in fulfilling a customer order from the point an order was received.

a. time

b. reliability

c. communication

d. convenience

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Time

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

96. Which of the following is NOT a component of reliable customer services?

a. delivery safety

b. order delivery completeness

c. order cycle time consistency

d. stock out

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Reliability

Difficulty Level: Easy

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

97. Which of the following is NOT an ideal measure a restaurant can use to assess service quality?

a. customer waiting time

b. number of customer complaints received

c. service promptness

d. number of calls handled

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Customer Service Measurement

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

98. In which of the following situations is it easier to restore customer satisfaction through prompt service recovery efforts?

a. with a customer who has a long-term relationship with the organization and has been satisfied with its past performance

b. with a customer who is focused more on the transaction and has no prior relationship with the organization

c. with a customer who has a long-term relationship with the organization and has not been satisfied with its past performance

d. with a customer who is reluctant to trust the organization’s performance

Ans: A

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Service Failures and Recoveries

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

99. When service failure is severe, the recovery efforts to mend the relationship with the customer should be:

a. delayed

b. immediate

c. reckless

d. subdued

Ans: B

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Service Failures and Recoveries

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society

100. Which of the following statements is FALSE about customer-focused supply chain management?

a. Every supply chain member is linked to the customer.

b. Quality customer service requires collaborative relationships throughout the supply chain.

c. An individual company cannot manage and provide quality customer service without the help of its supply chain.

d. An individual company can manage and provide quality customer service without the help of its supply chain.

Ans: D

Cognitive Domain: Comprehension (Understand)

Learning Objective: 12-4. Propose and apply the four supply chain dimensions of customer service.

Answer Location: Customer-Focused Supply Chain Management

Difficulty Level: Medium

AACSB: Economic, political, regulatory, legal, technological, and social contexts of organizations in a global society