Solutions Manual

# Chapter 12: Demand Management and Customer Service

1. Economic factors would include whether you have the capital necessary for such a venture and whether a base of customers exists in the area that can afford your offerings. A technological factor is whether your supply chain can reliably bring fresh produce quickly to your restaurant.

Cognitive Domain: Knowledge

Difficulty Level: Easy

2. Intermediate-term issues would include whether the venture would be profitable, whether the revenue targets could be reached, and if the railroad can deliver on its promises. In the long term, you might consider whether a pipeline would be constructed that would render your supply chain obsolete, whether electric cars would diminish demand for refined oil, and whether competitors would materialize.

Cognitive Domain: Knowledge

Difficulty Level: Easy

3. Amazon Prime has free shipping for tangible products and offers on-demand delivery of a wide variety of entertainment. It also permits customers to schedule constant use items for periodic deliveries, removing the need to take time to place an order.

Cognitive Domain: Comprehension

Difficulty Level: Medium

4. Answers will vary; however, I am currently on an international flight that was delayed 10.5 hours. The cause of the failure was a “mechanical issue” and either the repair took 10.5 hours or the part took 10.5 hours to ship to the plane, or some combination of both. If the airline maintained a stock of repair parts or had a backup plane or had not overscheduled their system of planes and crews, I might not have been robbed of a day in Rio de Janeiro.

Cognitive Domain: Comprehension

Difficulty Level: Medium

5. Answers will vary. Airlines provide a hotel room and food vouchers for extending your stay an extra day in your departure city, but this is really the minimum acceptable behavior. Time at your destination is a valuable element of travel and the airlines have not historically compensated passengers for the time spent somewhere their customers would rather not be. Thus, service recovery is lacking in this instance.

Cognitive Domain: Comprehension

Difficulty Level: Medium

6. Experiences in car shopping will vary. Customer service metrics for new car shopping can be grouped according to the time, reliability, communication, and convenience categories. Many car dealerships employ a customer survey that contains a number of items that address many of these issues, such as these: were your questions answered promptly and completely, was the car delivered as promised in a timely fashion, were the sales, finance, and service departments responsive to your requests, and so on.

Cognitive Domain: Comprehension

Difficulty Level: Medium

7. Smartphone purchases can ideally be handled in the span of a lunch hour, so transaction speed, ability to thoroughly and accurately explain the phone’s features and subtle nuances of the contract, ability to activate the phone quickly whether online or with a phone call, whether there are any surprises with billing or features, the phone is initially charged, and many other aspects combine to determine your satisfaction with the retail encounter.

Cognitive Domain: Comprehension

Difficulty Level: Medium