Supply Chain Management 1st edition Stock Test Bank

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Supply Chain Management, 1e **(Stock)**
Chapter 2 Customer Service and Satisfaction

1) "Customer service" and "customer satisfaction" can be used interchangeably because they mean the same thing.

Answer: FALSE
Difficulty: 1 Easy
Topic: Introduction
Learning Objective: 02-01 To define customer service and customer satisfaction.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

2) Customer service has three components: pre-transaction (before the sale); transaction (during the sale); and post-transaction (after the sale).

Answer: TRUE
Difficulty: 1 Easy
Topic: Definitions of customer service and customer satisfaction
Learning Objective: 02-02 To examine customer service and customer satisfaction from a marketing perspective.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

3) Customer service indicates the fulfillment that customers derive from doing business with a firm; i.e., it's how happy the customers are with their transaction and overall experience with the company.

Answer: FALSE
Difficulty: 2 Medium
Topic: Definitions of customer service and customer satisfaction
Learning Objective: 02-01 To define customer service and customer satisfaction.
Bloom's: Apply
AACSB: Knowledge Application
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4) From the perspective of the marketing concept, customer satisfaction only refers to final customers, those firms or individuals that consume the goods and services produced by firms in the supply chain.

Answer: FALSE
Difficulty: 2 Medium
Topic: Definitions of customer service and customer satisfaction
Learning Objective: 02-01 To define customer service and customer satisfaction.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation; Screen Reader Compatible

5) Simply stated "transshipments" refer to moving products between locations from where they are to where they should be.

Answer: TRUE
Difficulty: 1 Easy
Topic: Transaction elements of customer service
Learning Objective: 02-02 To examine customer service and customer satisfaction from a marketing perspective.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

6) Once a transaction has been completed with a buyer, the seller's job is done.

Answer: FALSE
Difficulty: 2 Medium
Topic: Customer satisfaction and the marketing concept
Learning Objective: 02-02 To examine customer service and customer satisfaction from a marketing perspective.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation; Screen Reader Compatible

7) An important element of post-transaction customer service is the proper handling of customer complaints.

Answer: TRUE
Difficulty: 1 Easy
Topic: Post-transaction elements of customer service
Learning Objective: 02-02 To examine customer service and customer satisfaction from a marketing perspective.
Bloom's: Remember
AACSB: Communication
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8) Consistency in all aspects of customer service is typically more important than other service elements such as the speed of service, immediate product availability or product payment terms.

Answer: TRUE
Difficulty: 2 Medium
Topic: The importance of consistency
Learning Objective: 02-02 To examine customer service and customer satisfaction from a marketing perspective.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation; Screen Reader Compatible

9) While large companies collect literally thousands of pieces of information, some items, referred to as key performance indicators (KPIs), are essential in managing the company-customer interface.

Answer: TRUE
Difficulty: 1 Easy
Topic: Key Performance Indicators (KPIs)
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

10) The perfect order percentage attained by the majority of firms is consistently 90% and higher.

Answer: FALSE
Difficulty: 2 Medium
Topic: Key Performance Indicators (KPIs)
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
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11) The concept of the "perfect order" is related to the concept of the "five rights of customers".

Answer: TRUE
Difficulty: 2 Medium
Topic: Key Performance Indicators (KPIs)
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation; Screen Reader Compatible

12) Key components in providing seamless, omnichannel customer service and satisfaction are centralized order management, inventory visibility, and utilizing market intelligence to optimize order allocation.

Answer: TRUE
Difficulty: 2 Medium
Topic: Key Performance Indicators (KPIs)
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

13) Return on net worth (RONW) is the return on shareholders' investment plus retained earnings. As a mathematical calculation, it is net profit divided by net worth.

Answer: TRUE
Difficulty: 2 Medium
Topic: Strategic profit model
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
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14) Return on assets (ROA) is a firm's total assets divided by net profit, so it considers both income and balance statement considerations.

Answer: FALSE
Difficulty: 2 Medium
Topic: Strategic profit model
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation; Screen Reader Compatible

15) Organizations can outsource various supply chain activities, thus shifting assets to various suppliers and vendors, resulting in reduced assets but increased expenses.

Answer: TRUE
Difficulty: 2 Medium
Topic: Strategic profit model
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

16) The "internal business process" component in the balanced scorecard approach includes measures concerned with employees, systems, and procedures.

Answer: FALSE
Difficulty: 3 Hard
Topic: Balanced scorecard
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Remember
AACSB: Knowledge Application
Accessibility: Keyboard Navigation; Screen Reader Compatible

17) Only one of the four balanced scorecard components deals with financial issues.

Answer: TRUE
Difficulty: 1 Easy
Topic: Balanced scorecard
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Remember
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18) Nonmetric data can always be modified to become metric data, but metric data cannot be changed into nonmetric data.

Answer: FALSE
Difficulty: 2 Medium
Topic: Utilizing marketing research in developing customer satisfaction strategies and programs
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation; Screen Reader Compatible

19) When products are out-of-stock in a retail store, the financial costs to the retailer and manufacturer of those products is the same.

Answer: FALSE
Difficulty: 2 Medium
Topic: Utilizing marketing research in developing customer satisfaction strategies and programs
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Evaluate
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

20) All customers should receive the same level of service irrespective of customer profitability or amount of sales.

Answer: FALSE
Difficulty: 2 Medium
Topic: No customer-product combinations receive poor service
Learning Objective: 02-05 To show how to develop optimal customer service strategies utilizing a customer-product action matrix.
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AACSB: Knowledge Application
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21) Which of the following is not one of the elements of the marketing mix?
A) Place
B) Price
C) Product
D) Production
E) Promotion

Answer: D
Difficulty: 1 Easy
Topic: Introduction
Learning Objective: 02-02 To examine customer service and customer satisfaction from a marketing perspective.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

22) Customer satisfaction is viewed by supply chain executives as:
A) An activity or process that must be managed.
B) A corporate philosophy that treats customer satisfaction as an integral part of a firm's total supply chain policies.
C) Performance measures.
D) An activity or process that must be managed and performance measures.
E) An activity or process that must be managed, a corporate philosophy that treats customer satisfaction as an integral part of a firm's total supply chain policies, and performance measures.

Answer: E
Difficulty: 2 Medium
Topic: Definitions of customer service and customer satisfaction
Learning Objective: 02-01 To define customer service and customer satisfaction.
Bloom's: Understand
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

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23) The marketing concept is comprised of three components, including:
A) Cost minimization
B) Customer satisfaction
C) Integrated effort
D) Long-term profitability
E) Customer satisfaction, integrated effort, and long-term profitability

Answer: E
Difficulty: 2 Medium
Topic: Customer satisfaction and the marketing concept
Learning Objective: 02-02 To examine customer service and customer satisfaction from a marketing perspective.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

24) Which of the following would be considered a part of the pre-transaction element of customer service?
A) Acceptable stock-out levels to satisfy customer demand.
B) Order convenience.
C) Product tracing.
D) Reverse logistics programs.
E) Written customer service statement.

Answer: E
Difficulty: 2 Medium
Topic: Pre-transaction elements of customer service
Learning Objective: 02-02 To examine customer service and customer satisfaction from a marketing perspective.
Bloom's: Understand
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25) Which of the following is not one of the dimensions or components of the SCOR© Model?
A) Deliver
B) Make
C) Research
D) Return
E) Source

Answer: C
Difficulty: 2 Medium
Topic: Customer service and satisfaction and the SCOR model of supply chain management
Learning Objective: 02-01 To define customer service and customer satisfaction.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

26) "Optimizing warehouse management from receiving and picking product to loading and shipping the product" would occur in the _____ component of the SCOR© Model.
A) Deliver
B) Make
C) Research
D) Return
E) Source

Answer: A
Difficulty: 3 Hard
Topic: Customer service and satisfaction and the SCOR model of supply chain management
Learning Objective: 02-01 To define customer service and customer satisfaction.
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27) "Scheduling production activities, issuing the product, producing and testing, package, and releasing the product to be delivered" would occur in the _____ component of the SCOR© Model.
A) Deliver
B) Make
C) Research
D) Return
E) Source

Answer: B
Difficulty: 3 Hard
Topic: Customer service and satisfaction and the SCOR model of supply chain management
Learning Objective: 02-01 To define customer service and customer satisfaction.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

28) "Aligning customer service and satisfaction strategies with the overall financial plan of the organization" would occur in the _____ component of the SCOR© Model.
A) Deliver
B) Make
C) Plan
D) Research
E) Source

Answer: C
Difficulty: 3 Hard
Topic: Customer service and satisfaction and the SCOR model of supply chain management
Learning Objective: 02-01 To define customer service and customer satisfaction.
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29) AMR Research developed a list of 17 of the most important key performance indicators (KPIs), but specifically identified three of them as being universally important in all types of supply chains. Which of the following are the three most important KPIs identified by AMR Research?
A) Demand forecast accuracy; days payables outstanding; and total inventory.
B) Demand forecast accuracy; perfect order fulfillment; and supply chain management cost.
C) Raw material inventory; finished goods inventory; and total inventory.
D) Supply chain cash-to-cash cycle; total inventory; and supplier quality.
E) Supply chain management cost; total inventory; and supply chain cash-to-cash cycle.

Answer: B
Difficulty: 2 Medium
Topic: Key Performance Indicators (KPIs)
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

30) The perfect order is composed of orders delivered at the right time, in the right quantity, in the right condition and packaging, and with the right documentation. If a firm achieves 90% performance on each of these four components of the perfect order, the total perfect order percentage would be:
A) 50%
B) 66%
C) 85%
D) 90%
E) 95%

Answer: B
Difficulty: 3 Hard
Topic: Key Performance Indicators (KPIs)
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Evaluate
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31) Utilizing the Strategic Profit Model, if a company has a net profit margin of 5%, an asset turnover of 2, and a financial leverage of 2, then return on net worth (RONW) is equal to:
A) 5%
B) 10%
C) 15%
D) 20%
E) None of the options are correct.

Answer: D
Difficulty: 2 Medium
Topic: Strategic profit model
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Evaluate
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

32) Which of the following financial items is not directly impacted or controlled by supply chain executives in what they do on a daily basis?
A) Asset turnover.
B) Current assets.
C) Financial leverage.
D) Inventory costs.
E) Return on assets.

Answer: C
Difficulty: 1 Easy
Topic: Strategic profit model
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
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33) Which of the following is not a major component of the balanced scorecard approach to performance measurement?
A) Customer service.
B) Financial performance.
C) Education and learning.
D) Government and regulatory issues.
E) Internal business process.

Answer: D
Difficulty: 2 Medium
Topic: Balanced scorecard
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Remember
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

34) In most research studies of supply chain executives across a variety of industries, the major reason given for discontinuing or stopping doing business with another company, was:
A) Customer service is poor.
B) High costs.
C) Lack of a sustainability program in the company.
D) Non-compatible information systems.
E) Poor product quality.

Answer: A
Difficulty: 3 Hard
Topic: Utilizing marketing research in developing customer satisfaction strategies and programs
Learning Objective: 02-05 To show how to develop optimal customer service strategies utilizing a customer-product action matrix.
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35) When collecting data or information to make supply chain decisions, the "best" type of data to collect would be:
A) Nominal data.
B) Nonmetric data.
C) Ordinal data.
D) Ratio-scaled data.
E) None of the options would be considered "best."

Answer: D
Difficulty: 2 Medium
Topic: Utilizing marketing research in developing customer satisfaction strategies and programs
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation; Screen Reader Compatible

36) Which of the following statements regarding product stock-outs is FALSE?
A) Consumer responses to product stock-outs do not vary internationally; customers worldwide don't like to find products they want not available.
B) In most instances, a one-time stock-out will not result in a customer changing retail stores or changing the specific product they were going to buy.
C) Product stock-outs can be caused by delays in receiving shipments of products.
D) Repeated stock-outs often result in firms losing customers.
E) Whenever a customer experiences a product stock-out, there has been a customer service failure.

Answer: A
Difficulty: 3 Hard
Topic: Product stock-outs and customer service implications
Learning Objective: 02-03 To illustrate examples of various customer satisfaction metrics and performance measures.
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37) _____ is a business practice that improves accuracy by combining the intelligence of multiple trading participants in the planning and fulfillment of customer demand.
A) Collaborative planning, forecasting and replenishment (CPFR).
B) Cost and service trade-off analysis.
C) Customer-product action matrix.
D) Customer relationship management (CRM).
E) Strategic profit model.

Answer: A
Difficulty: 3 Hard
Topic: Product stock-outs and customer service implications
Learning Objective: 02-04 To define and illustrate collaborative planning, forecasting, and replenishment (CPFR).
Bloom's: Understand
AACSB: Communication
Accessibility: Keyboard Navigation; Screen Reader Compatible

38) In the Collaborative Planning, Forecasting and Replenishment (CPFR) process, which of the following would be part of the "planning" component?
A) Focus on key execution items.
B) Develop governance mechanisms with formal communication points.
C) Time-based decision making.
D) All of the above options would be part of the planning component of CPFR.
E) All of these options focus on key execution items and time-based decision making would be part of the planning component of CPFR.

Answer: E
Difficulty: 3 Hard
Topic: Product stock-outs and customer service implications
Learning Objective: 02-04 To define and illustrate collaborative planning, forecasting, and replenishment (CPFR).
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39) While customers and products can be prioritized in many ways in a "Customer-Product Action Matrix," the most common approach is to use _____ as the primary measure.
A) Projected future growth rate in a customer's purchases.
B) Inventory turnover.
C) Profitability of customers and/or the products purchased by customers.
D) Sales revenues or sales growth rates.
E) Stage of the product in the product life cycle.

Answer: C
Difficulty: 2 Medium
Topic: Prioritizing customers and products
Learning Objective: 02-05 To show how to develop optimal customer service strategies utilizing a customer-product action matrix.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation; Screen Reader Compatible

40) Which of the following statements about customer service is FALSE?
A) All customers should receive the same high level customer service.
B) All customers require consistent service levels.
C) The costs of serving the "best" customers are often higher than serving other less important customers.
D) Key accounts should receive higher service levels than customers that are not key accounts.
E) A positive service gap means that the supply chain delivers a higher level of service or satisfaction to customers than they require.

Answer: A
Difficulty: 2 Medium
Topic: No customer-product combinations receive poor service
Learning Objective: 02-06 To develop an awareness of customer relationship management (CRM) and its importance to an organization.
Bloom's: Understand
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