***Customer Service, 7e* (Lucas)**

**Chapter 1 The Word of Customer Service**

1) The goals of providing customer service are similar despite the differences between organizations in their focus.

Answer: FALSE

Explanation: There have been many attempts to define the term customer service, but depending on an organization's focus—such as retailing, medical, dental, industry, manufacturing, or repair services—the goals of providing customer service may vary.

Difficulty: 1 Easy

Topic: Defining Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

2) Customer service is the ability of knowledgeable and capable employees to deliver products to their external and internal customers.

Answer: TRUE

Explanation: Customer service is defined as the ability of knowledgeable, capable, and enthusiastic employees to deliver products and services to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately results in positive word-of-mouth publicity and return business. By doing these things, organizations can truly become customer-focused organizations

Difficulty: 1 Easy

Topic: Defining Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

3) The ultimate goal of customer relationship management is customer loyalty.

Answer: TRUE

Explanation: The concept of identifying customer needs, understanding and influencing customer behavior through ongoing communication strategies in an effort to acquire, retain, and satisfy the customer is known as customer relationship management. The ultimate goal is customer loyalty.

Difficulty: 1 Easy

Topic: Defining Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

4) Internet service providers are an example of organizations that provide both products and services.

Answer: FALSE

Explanation: Internet service providers, associations, banks and credit unions, and consulting firms are examples of organizations that specialize in providing only services.

Difficulty: 2 Medium

Topic: Customer-Focused Organizations

Learning Objective: 01-01 Define customer service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

5) According to the Census Bureau and the Bureau of Labor Statistics, state and local governments are classified as belonging to the service sector while the federal government isn't.

Answer: FALSE

Explanation: The term "service sector" as used by the Census Bureau and the Bureau of Labor Statistics in their reports and projections typically includes transportation companies, communication companies, utilities companies, federal government, and state and local governments.

Difficulty: 1 Easy

Topic: Customer-Focused Organizations

Learning Objective: 01-01 Define customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

6) A manufacturer of consumer electronics, wanting to reduce costs, relocates his production facility to a rural location. This is an example of a cottage industry.

Answer: FALSE

Explanation: Cottage industry is the term adopted in the early days of customer service when many people started small businesses in their homes or cottages and bartered products or services with neighbors. Relocating a firm to a rural area is not an example of this.

Difficulty: 2 Medium

Topic: The Evolution of Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

7) Organizations such as the International Council of Customer Service Organizations (ICCSO) work to help develop and promote service and professional excellence standards throughout the world.

Answer: TRUE

Explanation: Today, businesses have changed dramatically as the economy has shifted from a dependence on manufacturing to a focus on providing timely quality service. Tied to this trend has been the development of international quality standards by which service effectiveness is measured in many multinational organizations. The International Council of Customer Service Organizations (ICCSO) has contributed to this by setting internationally acceptable standards and certifications to create a global atmosphere of service.

Difficulty: 1 Easy

Topic: The Evolution of Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

8) According to the U.S. Bureau of Labor Statistics, the long-term shift from goods-producing to service-producing employment is expected to decline.

Answer: FALSE

Explanation: Customer service representative and other types of service jobs are projected to have the most job growth between 2014 and 2024. Service-providing sectors are projected to capture 94.6 percent of all the jobs added between 2014 and 2024.

Difficulty: 2 Medium

Topic: Factors Impacting the Growth of the Service Sector

Learning Objective: 01-02 Describe factors that have impacted the growth of the service sector in the United States.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

9) One trend in job development comes about from the need for employees to be able to have regular access to personal and professional networks and to engage in collaborative exchanges, which means more jobs are likely to develop in rural areas

Answer: FALSE

Explanation: This trend means that more jobs are likely to develop in major metropolitan areas, where ease of interaction with peers and suppliers, high customer density, and access to the most current business practices exist.

Difficulty: 3 Hard

Topic: Factors Impacting the Growth of the Service Sector

Learning Objective: 01-02 Describe factors that have impacted the growth of the service sector in the United States.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

10)  Employees who work from their homes or satellite locations are considered to be telecommuting.

Answer: TRUE

Explanation: A trend seen that allows employees to set up home offices and from there electronically communicate and forward information to their corporate offices is called telecommuting.

Difficulty: 2 Medium

Topic: Factors Impacting the Growth of the Service Sector

Learning Objective: 01-02 Describe factors that have impacted the growth of the service sector in the United States.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

11) The practice of telecommuting does not include people who are self-employed.

Answer: TRUE

Explanation: To reduce traffic and pollution and save resources (e.g., rent, telephone, and technology systems), many organizations allow employees to set up home offices and from there electronically communicate and forward information to their corporate offices. The practice of telecommuting does not include people who are self-employed.

Difficulty: 2 Medium

Topic: Factors Impacting the Growth of the Service Sector

Learning Objective: 01-02 Describe factors that have impacted the growth of the service sector in the United States.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

12) Instant messaging refers to a form of Internet communication where users can transmit text messages or chat in real-time via the Internet to one or more people.

Answer: TRUE

Explanation: Instant messaging refers to a form of Internet communication where users can transmit text messages or chat in real-time via the Internet to one or more people. More advanced forms allow voice calling, video chat, and hyperlinks to various media.

Difficulty: 1 Easy

Topic: Factors Impacting the Growth of the Service Sector

Learning Objective: 01-02 Describe factors that have impacted the growth of the service sector in the United States.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

13) The development and increased sophistication of technology has led to an increase in manufacturing and blue-collar jobs.

Answer: FALSE

Explanation: The development and increased sophistication of machines, telephones, service equipment, and computers have caused an increase in production and quality. One result of this trend has been a decrease in manufacturing and blue-collar jobs

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

14) The U.S. government has not made any effort to upgrade and expand broadband access nationwide since the late 1990s

Answer: FALSE

Explanation: The U.S. government passed the Recovery Act in 2009 with money allocated for expanding nationwide Internet access to rural areas and into schools, libraries, public safety offices, and other community buildings

Difficulty: 2 Medium

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

15) Offshoring refers to the practice of contracting with third-party companies outside the organization.

Answer: FALSE

Explanation: Offshoring refers to the relocation of business services by an organization from one country to another. In doing so, companies often save money on costs such as production, wages, and benefits.

Difficulty: 2 Medium

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

16) Deregulation is the removal of government restrictions on an industry.

Answer: TRUE

Explanation: Deregulation is the removal of government restrictions on an industry. The continuing deregulation of major U.S. public services has caused competition to flourish. However, deregulation has also brought major industry shakeups, sometimes leading to breakdowns in service quality in many companies and, in some instances, closure or restructuring of the company.

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

17) After the recession, economic reports are now indicating that people have begun to shift from a "cutting back" mentality to a slightly more optimistic "cautious spending" approach.

Answer: TRUE

Explanation: After the recession, economic reports are now indicating that people have begun to shift from a "cutting back" mentality to a slightly more optimistic "cautious spending" approach. Part of their new strategy is to reevaluate their paradigm, or the way they look at products. Where they might have only gone for the nationally known brand or reputation in the past, they now evaluate and consider generic or store brands with comparable options and services offered by local providers.

Difficulty: 2 Medium

Topic: How Consumer Behavior Impacts Service

Learning Objective: 01-04 Recognize the changes in consumer behavior that are impacting service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

18) Customer service professionals need to be abreast of current organizational policies and procedures.

Answer: TRUE

Explanation: The expectation of quality service that most consumers have also creates a need for better-trained and better-educated customer service professionals. They need to be abreast of current organizational policies and procedures, what the competition offers, and the latest techniques in customer service and satisfaction.

Difficulty: 2 Medium

Topic: How Consumer Behavior Impacts Service

Learning Objective: 01-04 Recognize the changes in consumer behavior that are impacting service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

19) Customer satisfaction refers to the feelings of a person whose needs have been met by an organization.

Answer: TRUE

Explanation: Customer satisfaction refers to the feeling of a person whose needs have been met by an organization. With consumers now on the defensive and ready to fight back, all business owners find that they have to continually prove the worth of their products and services. They must provide customer satisfaction or face losing customers to competitors.

Difficulty: 2 Medium

Topic: How Consumer Behavior Impacts Service

Learning Objective: 01-04 Recognize the changes in consumer behavior that are impacting service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

20) The customer is a key component of the customer service environment that is directly under the control of the service provider and staff.

Answer: FALSE

Explanation: The customer is a component of the customer service environment but the customer is the only component that is not directly under the control of the service provider and staff. Customers are the "star" of the show and should be the central focus of all workplace efforts. Other components of the customer service environment include organizational culture, human resources, products/deliverables, delivery systems, and service.

Difficulty: 1 Easy

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

21) External customers are the ones who actively seek out; research; and buy, rent or lease products or services offered by the organization.

Answer: TRUE

Explanation: External customers are the ones who actively seek out; research; and buy, rent or lease products or services offered by the organization. This group includes vendors, suppliers, people on the telephone or Internet, and others not from the organization.

Difficulty: 1 Easy

Topic: Internal and External Customers

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

22) Motivated and competent workers are the key to making a difference in customer service.

Answer: TRUE

Explanation: The biggest differences in customer service stem from motivated and competent workers, planning, policy, and procedure change, or system adaptation. For this reason, many organizations go to great lengths to obtain and retain the "right" employees who possess the knowledge, skills, and competencies to professionally serve customers.

Difficulty: 1 Easy

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

23) Older workers are more likely than younger workers to be short-tenured employees.

Answer: FALSE

Explanation: Younger workers are more likely than older workers to be short-tenured employees. The median tenure for 55 percent of employees between the age of 55 and 64 was 10.1 years in January 2016, over three times the tenure for workers age 25 to 34 (2.8 years). Among workers age 60 to 64, 55 percent were employed for at least 10 years with their current employer in January 2016, compared with 13 percent of workers age 30 to 34.

Difficulty: 2 Medium

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

24) Learning organizations are businesses that use knowledge as a basis for competitive advantage.

Answer: TRUE

Explanation: Learning organizations are businesses that use knowledge as a basis for competitive advantage. This means providing ongoing training and development opportunities to employees so that they can gain and maintain cutting-edge skills and knowledge while projecting a positive can-do customer-focused attitude.

Difficulty: 1 Easy

Topic: Learning Organizations

Learning Objective: 01-06 Explain how some companies are addressing the changes impacting the service sector.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

25) In a learning organization, learning from mistakes and adapting accordingly is crucial.

Answer: TRUE

Explanation: Learning from mistakes, and adapting accordingly, is crucial in a learning organization. A learning organization also ensures that there are systems that can adequately compensate and reward employees on the basis of their performance.

Difficulty: 1 Easy

Topic: Learning Organizations

Learning Objective: 01-06 Explain how some companies are addressing the changes impacting the service sector.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

26) The ability of knowledgeable, capable, and enthusiastic employees to deliver products and services to their internal and external clients in a manner that satisfies identified and unidentified needs and ultimately results in positive word-of-mouth publicity and return business is called \_\_\_\_\_\_\_\_.

A) downsizing

B) networking

C) customer service

D) outsourcing

Answer: C

Explanation: Customer service is the ability of knowledgeable, capable, and enthusiastic employees to deliver products and services to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately results in positive word-of-mouth publicity and return business.

Difficulty: 1 Easy

Topic: Defining Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

27) Analog Corp., a multinational software company, spends time and makes efforts to satisfy its clients by identifying their needs and establishing policies and procedures to support excellence in service delivery. In this case, Analog Corp. is most likely to be a(n) \_\_\_\_\_\_\_\_.

A) customer-focused organization

B) offshoring organization

C) cottage industry

D) outsourcing organization

Answer: A

Explanation: A customer-focused organization is a company that spends energy and effort on satisfying internal and external customers by first identifying customer needs, then establishing policies, procedures, and management and reward systems to support excellence in service delivery.

Difficulty: 3 Hard

Topic: Customer-Focused Organizations

Learning Objective: 01-01 Define customer service.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

28) According to the Census Bureau and the Bureau of Labor Statistics, wholesale trade, retail trade, finance, insurance, and the federal government are examples of the \_\_\_\_\_\_\_\_.

A) service sector

B) primary sector

C) public sector

D) private sector

Answer: A

Explanation: The term service sector as used by the Census Bureau and the Bureau of Labor Statistics in their reports and projections typically includes wholesale trade, retail trade, finance, insurance, and federal government.

Difficulty: 1 Easy

Topic: The Evolution of Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

29) During the early days of business growth, many sold or bartered products from their homes in what became known as \_\_\_\_\_\_\_\_.

A) outsourcing organizations

B) cottage industries

C) service industries

D) customer-focused organizations

Answer: B

Explanation: In the past, many people made and sold or bartered products with their neighbors from their homes or cottages, These businesses came to be known as cottage industries.

Difficulty: 1 Easy

Topic: The Evolution of Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

30) RedAngle Corp. is a company that allows its employees to set up home offices and communicate electronically to its corporate office. This is an example of \_\_\_\_\_\_\_\_.

A) downsizing

B) outsourcing

C) telecommuting

D) offshoring

Answer: C

Explanation: Telecommuting is a trend seen in many organizations that allows employees to set up home offices and from there electronically communicate and forward information to their corporate offices.

Difficulty: 3 Hard

Topic: Factors Impacting the Growth of the Service Sector

Learning Objective: 01-02 Describe factors that have impacted the growth of the service sector in the United States.

Bloom's: Apply

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

31) The term that applies to the situation in which employees are terminated or empty positions are left unfilled once someone leaves an organization is \_\_\_\_\_\_\_\_.

A) offshoring

B) downsizing

C) networking

D) outsourcing

Answer: B

Explanation: Downsizing is the term applied to the situation in which employees are terminated or empty positions are left unfilled once someone leaves an organization.

Difficulty: 1 Easy

Topic: Factors Impacting the Growth of the Service Sector

Learning Objective: 01-02 Describe factors that have impacted the growth of the service sector in the United States.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

32) \_\_\_\_\_\_\_\_ is the term applied to an ongoing trend of information, knowledge, and resource sharing around the world.

A) Networking

B) Telecommuting

C) Globalization

D) Deregulation

Answer: C

Explanation: Beginning in the 1960s, when worldwide trade barriers started to come down, a variety of factors have contributed to expanded international cooperation and competition. Globalization is the term applied to an ongoing trend of information, knowledge, and resource sharing around the world.

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

33) B2B stands for \_\_\_\_\_\_\_\_.

A) back-to-business

B) brand-to-brand

C) brokering-to-business

D) business-to-business

Answer: D

Explanation: B2B refers to business-to-business customer service.

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

34) \_\_\_\_\_\_\_\_ refers to the relocation of business services by a company or organization from one country to another.

A) Offshoring

B) Insourcing

C) Deregulation

D) Outsourcing

Answer: A

Explanation: Offshoring refers to the relocation of business services by a company or organization from one country to another. By offshoring, companies often save money on costs such as production, wages, and benefits. This is becoming more and more common in technology-oriented companies.

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

35) \_\_\_\_\_\_\_\_ occurs when organizations decide to have its own employees assume functions and perform work instead of contracting out to third parties.

A) Insourcing

B) Deregulation

C) Outsourcing

D) Offshoring

Answer: A

Explanation: Insourcing occurs when organizations decide to have internal employees assume functions and perform work instead of contracting it out to third parties or outsourcing it. Insourcing is the opposite of outsourcing, and while this has not reversed the offshoring or outsourcing initiatives of some major companies, it does hold potential promise for some skilled unemployed workers seeking new opportunities in the production and service industries on a local level.

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

36) Which of the following countries is a part of the North American Free Trade Agreement (NAFTA)?

A) Mexico

B) Costa Rica

C) Bermuda

D) Greenland

Answer: A

Explanation: The North American Free Trade Agreement (NAFTA) is a trade agreement between the United States, Canada, and Mexico.

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

37) Which of the following statements best describes the term "e-commerce?"

A) It refers to an entire spectrum of companies that market products and services on the Internet and through other technology.

B) It is a trade agreement entered into by the United States, Canada, and Mexico to help eliminate barriers to trade.

C) It is a process by which employees are terminated or empty positions are left unfilled once someone leaves an organization.

D) It refers to the group of companies operated by the federal government that sells products free of cost.

Answer: A

Explanation: E-commerce refers to an entire spectrum of companies that market products and services on the Internet and through other technology, and the process of accessing them by consumers.

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

38) Which of the following statements is true of the impact of the economic recession on consumers' mindset?

A) A majority of consumers have started to act on impulse and buy whatever they desire to buy.

B) Consumers have begun to reevaluate their paradigm or the way they look at products.

C) A large number of consumers are opting to buy rather than rent homes, cars, and clothes.

D) Consumers have begun to shift from a cautious spending approach to a cutting back mentality.

Answer: B

Explanation: Economic reports are now starting to show that people have begun to shift from a "cutting back" mentality to a slightly more optimistic "cautious spending" approach. Part of their new strategy is to reevaluate their paradigm or the way they look at products.

Difficulty: 2 Medium

Topic: How Consumer Behavior Impacts Service

Learning Objective: 01-04 Recognize the changes in consumer behavior that are impacting service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

39) Service providers invest large amounts of money in training employees because \_\_\_\_\_\_\_\_.

A) they lose business and revenue if they do not meet the service expectations of customers

B) they are unaffected by the economic recession and massive job losses

C) a larger number of consumers are opting to buy rather than rent homes and cars

D) consumers act on impulse and purchase any product or service that they desire to buy

Answer: A

Explanation: Companies recognize that if they do not meet the service expectations of customers, they lose business and revenue. Thus, the superior service providers invest large amounts of money in training employees.

Difficulty: 2 Medium

Topic: How Consumer Behavior Impacts Service

Learning Objective: 01-04 Recognize the changes in consumer behavior that are impacting service.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

40) Which of the following is a component of a customer service environment?

A) Technical know-how

B) Suppliers

C) Delivery systems

D) Management

Answer: C

Explanation: The six key components of a customer service environment are the customer, organizational culture, human resources, products, delivery systems, and service.

Difficulty: 1 Easy

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

41) Those who actively seek out, research, and buy, rent, or lease products or services offered by a business are its \_\_\_\_\_\_\_\_.

A) external customers

B) internal customers

C) investors

D) suppliers

Answer: A

Explanation: External customers may be current or potential customers or clients. They are the ones who actively seek out, research, and buy, rent, or lease products or services offered by an organization.

Difficulty: 1 Easy

Topic: Internal and External Customers

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

42) Who among the following is an example of external customers?

A) Subordinates

B) Suppliers

C) Coworkers

D) Security personnel

Answer: B

Explanation: External customers are the people outside the organization who purchase or lease products and services. This group includes vendors, suppliers, and others not from the organization.

Difficulty: 1 Easy

Topic: Internal and External Customers

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

43) Employees of other departments or branches, coworkers, and other people who work within the same organization are \_\_\_\_\_\_\_\_

A) external customers

B) internal customers

C) online customers

D) current customers

Answer: B

Explanation: Internal customers are coworkers, employees of other departments or branches, and other people who work within the same organization.

Difficulty: 1 Easy

Topic: Internal and External Customers

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

44) Who among the following is an example of internal customers?

A) Vendors

B) Suppliers

C) Potential clients

D) Subordinates

Answer: D

Explanation: Internal customers include peers, coworkers, bosses, subordinates, and people from other areas of the organization.

Difficulty: 1 Easy

Topic: Internal and External Customers

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

45) The \_\_\_\_\_\_\_\_  includes any element of an organization that a customer experiences.

A) human resource

B) organizational culture

C) service environment

D) service recovery

Answer: B

Explanation: Put simply, organizational culture is what the customer experiences. This culture is made up of a collection of subcomponents, each of which contributes to the overall service environment.

Difficulty: 1 Easy

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

46) \_\_\_\_\_\_\_\_ undertakes activities such as recruiting, selecting, training, and retaining qualified people.

A) Human resource

B) Customer relationship management

C) Service recovery

D) Organizational culture

Answer: A

Explanation: To make the culture work, an organization must take great care in recruiting, selecting, training, and retaining qualified people. This is the core concept of human resources, a component of customer service environment.

Difficulty: 2 Medium

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

47) \_\_\_\_\_\_\_\_ refer(s) to the products or services offered by an organization.

A) Outsourcing

B) Offshoring

C) Deliverables

D) Networking

Answer: C

Explanation: A deliverable may be a tangible item or a service available to the customer. In either case, there are two potential areas of customer satisfaction or dissatisfaction—quality and quantity.

Difficulty: 2 Medium

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Understand

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

48) The manner in which a company and its employees treat its customers when delivering the company's products or other deliverables is known as \_\_\_\_\_\_\_\_.

A) outsourcing

B) offshoring

C) service

D) training

Answer: C

Explanation: Stated simply, service is the manner in which a company and other employees treat its customers and each other as they deliver the company's deliverables. This is an important component of an effective service environment and includes industry standards, customer expectations, capabilities, costs, and current and projected requirements.

Difficulty: 1 Easy

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

49) \_\_\_\_\_\_\_\_ is a term that describes an organization that uses knowledge as a basis for competitive advantage.

A) Learning organization

B) Customer-focused organization

C) Service industry

D) Cottage industry

Answer: A

Explanation: Basically, a learning organization is one that uses knowledge as a basis for competitive advantage. They learn from their competition, industry trends, and other sources, and they develop systems to support continued growth and development.

Difficulty: 1 Easy

Topic: Learning Organizations

Learning Objective: 01-06 Explain how some companies are addressing the changes impacting the service sector.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

50) The process of righting a wrong or correcting something that has gone wrong involving provision of a product to a client is called \_\_\_\_\_\_\_\_.

A) service recovery

B) delivery system

C) downsizing

D) deregulation

Answer: A

Explanation: Service recovery is the process of righting a wrong or correcting something that has gone wrong involving provision of a product or service to a customer.

Difficulty: 1 Easy

Topic: Strategies for the Changing Customer Service Environment

Learning Objective: 01-06 Explain how some companies are addressing the changes impacting the service sector.

Bloom's: Remember

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

51) Define the service sector and list a few industries that it covers.

Answer: Service sector refers to organizations and individuals involved in delivering service as a primary product. The term service sector as used by the Census Bureau and the Bureau of Labor Statistics in their reports and projections typically includes:

Transportation, communication, and utilities

Wholesale trade

Retail trade

Finance, insurance, and real estate

Federal government

State and local governments

In addition, there are people who are self-employed and provide various types of services to their customers and clients.

Difficulty: 2 Medium

Topic: Defining Customer Service

Learning Objective: 01-01 Define customer service.

Bloom's: Understand

AACSB: Analytical Thinking

52) Distinguish between offshoring and outsourcing.

Answer: Offshoring refers to the relocation of business services by an organization from one country to another. The work may be kept in another entity of the organization that is located in another country or contracted to a third party. Typically, this is done to cut costs with cheaper worker salaries or tax savings. Outsourcing refers to the practice of contracting with third-party companies or vendors outside the organization to deliver products and services to customers or to produce products.

Difficulty: 2 Medium

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Understand

AACSB: Analytical Thinking

53) Define e-commerce.

Answer: E-commerce refers to the entire spectrum of companies that market products and services on the Internet and through other technology, and the process of accessing them by consumers.

Difficulty: 1 Easy

Topic: Societal Factors Affecting Customer Service

Learning Objective: 01-03 Identify societal factors that have influenced customer service.

Bloom's: Remember

AACSB: Analytical Thinking

54) Discuss the term "organizational culture".

Answer: Organizational culture is what the customer experiences. This culture is made up of a collection of subcomponents, each of which contributes to the overall service environment made up of factors including: the customer, organizational culture, human resources, products or deliverables, delivery systems, and service.

Difficulty: 1 Easy

Topic: The Components of a Customer Service Environment

Learning Objective: 01-05 List the six major components of a customer-focused environment.

Bloom's: Remember

AACSB: Analytical Thinking

55) Explain the term "service recovery".

Answer: Service recovery means the process of correcting something that has gone wrong involving provision of a product or service to a customer. If a service breakdown does occur, managers in truly customer-focused organizations should empower employees at all levels to do whatever is necessary to satisfy the customer. For this to happen, management must educate and train staff members on the techniques and policies available to help serve the customer. They must then give employees the authority to act without asking first for management intervention in order to resolve customer issues. This concept is known as service recovery.

Difficulty: 1 Easy

Topic: Strategies for the Changing Customer Service Environment

Learning Objective: 01-06 Explain how some companies are addressing the changes impacting the service sector.

Bloom's: Remember

AACSB: Analytical Thinking