

CHAPTER I

INTRODUCTION

A. Background of the Study

Customer satisfaction is critical to a company's because in modern business, where the market becomes more and more competitive, companies have to be able to meet their customers' expectations success (Goesney and Boehm 5). Customer satisfaction is also important for Prima Sewing Machine (PSM), a company which sells large scale sewing machine. PSM has been selling various embroidery machines for the last five years. One of their top selling machines is the D920 Embroidery machine. However, PSM has to deal with many customers' complaints who have bought the D920 machines from the company. There are some reasons why these complaints cannot be handled properly. First, there are no technicians who can fix the machine. Second, there are no spare parts for the machine, and third, PSM does not have a customer service department which is responsible to deal with these complaints. During my apprenticeship at PSM, the sales department is the one who deals with these complaints. Since they do not have the proper knowledge to deal with these complaints, many customers feel disappointed or unsatisfied.

Jill Dyche in her book The CRM Handbook wrote that: “The customer service department is a department which is employed by many different types of companies to serve as a direct point of contact for customers. They are responsible for ensuring that their company’s customers receive an adequate level of service or help with their questions and concerns” (19). Since PSM does not have a customer service department, these complaints cannot be handled properly. As a result, there were many customers who were not satisfied because PSM cannot give a quick answer to those complaints and solve the problem. PSM also did not get any good referrals, and sales are one of the things that are affected because of this. This term paper I will analyze this problem and find a solution to deal with this problem.

B. Identification of the Problem

There are some questions that will be discussed in this term paper:

1. Why many customers complain after they have bought the D920 Embroidery machine?
2. How can PSM be able to deal with the customers’ complaints properly?

C. Objectives and Benefits of the Study

This term paper is written to provide a helpful suggestion for PSM to deal with their customers’ complaints, especially the ones who have bought the D920 Embroidery machine. Hopefully this term paper can be a

useful suggestion for PSM to improve the customer satisfaction for both PSM new and existing customers. By reading this term paper, I hope readers can get some more benefits. They can get some information about dealing with customers' complaints, how to give proper response to those complaints and to solve their customers' problems. By dealing with the customers' complaints, the company will receive many benefits such as gaining new customers, and so on.

D. Description of the Institution

Prima Sewing Machine (PSM) was established in mid March 2001 by Mr. Suryana, as the sole owner of PSM. PSM started as a small shop on Pagarsih 21, Bandung. The shop sold sewing machines and their spare parts. PSM was making a good run that Mr. Suryana began renting and servicing sewing machines for many companies in Bandung. After a few years, PSM began to sell small scale embroidery machines for factories in Bandung.

In February 2004, Mr. Suryana decided to expand his business. His first step was to move PSM into a bigger office on Pagarsih 38, Bandung. Since they moved into their new office, PSM began to establish contacts with many companies from China. PSM began to cooperate with several companies from China to distribute embroidery machine in large scale. Companies such as Zhan Yi and CNY entrusted PSM to sell their machines in West Java. PSM has also done many expansions to market

their machines in West Java. Until now, Mr. Suryana still acts as an owner and director of PSM.

E. Method of the study

In this term paper, I would like to focus on finding the best way to deal with PSM customers' complaints, especially the ones who have bought the D920 Embroidery Machine. I have made some observations during my apprenticeship, and recorded them in my apprenticeship journal. I have also collected some theories to support my analysis. The theories for this term paper are taken from textbooks and the Internet.

F. Limitations of the Study

The first thing that I analyze is PSM after sale service, which becomes the responsibility of the sales department. Next, I also analyze PSM customers who have bought a lot of machines from PSM. I analyze why the customers feel unsatisfied with PSM after sale service and how PSM deals with them during my apprenticeship. After collecting some data from PSM during my apprenticeship, I also looked for theories to support my analysis to find the best solution.

G. Organization of the Term Paper

The first part of this term paper is the abstract, which gives a brief description of the problem discussed in this term paper. The table of contents consists of the details of the term paper. Chapter I, the

Introduction, provides information about the problem, and how the problem is analyzed. It also contains background of the study, identification of the problem, objectives and benefits of the study, description of the institution, limitation of the study, and organization of the term paper. Chapter II, problem analysis discusses things that cause the problem and the effects as results of the problem. Chapter III, the Potential Solutions will discuss comparison and contrast of the three potential solutions that can solve the problem. Chapter IV, the conclusion, will give the best solution to the problem. The final part of this term paper is the bibliography that contains all of the printed sources that I use as a reference in writing my term paper.