

PRESENTATION FEEDBACK			
GROUP:	KAOHSIUNG-YAG BAN LO		
<p>A</p> <p>Are ideas presented connected with the aim of the presentation?</p> <p>40%</p>	<p>B</p> <p>Are the ideas presented clearly supported with evidence and logical argument?</p> <p>30%</p>	<p>C</p> <p>Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)</p> <p>20%</p>	<p>D</p> <p>Overall impression (is it a group presentation etc.?)</p> <p>10%</p>
36	28	18	9
<p>Comments</p> <ul style="list-style-type: none"> - good use of photos - presenter wearing a baseball cap. - Good analysis and presentation of positive and negative service aspects 			
Grade:91			

PROJECT FEEDBACK**GROUP: YANG BAN LO**

<i>Margie</i>	<i>Kerry</i>	<i>Lompo</i>	<i>Stella</i>	<i>Helen</i>	<i>Time</i>
<u>Good</u>	<u>Good</u>	<u>Good</u>	<u>Good</u>	<u>Good</u>	<u>Weak</u>
<u>Comments on the presentation</u> <ul style="list-style-type: none">• Not clear – moving information desk up – who is talking?• Buried the button on the page• Lompo – talk to the whole audience (first part)• It is a little hard to follow since you have combined structure of the service (flower) with observations +/- MOTs and potential improvements.• The hidden staff – good point• Core product – not only English books/teaching• Environment – servicescape is designed to drive out the customer rather than encourage browsing and longer stays. Support from the key point that you made that their original competitive advantage being the only English book store that this is being eroded.• The lack of alignment between business strategy – the market and what they seem to be doing. <u>Comments on the report</u> <ul style="list-style-type: none">• This report raises the interesting issue of lack of consistency between the stated mission (provision of English learning material) and design of the delivery system (lack of English speaking staff / weak signage / mixed product offer / web). The sense of a mission that was relevant but now outdated has come through.• The mixing of description of service, problems and potential solutions makes this presentation hard reading. It takes me from what is, to what is wrong and what might be back and forth in hard to follow cycles for each aspect of the service. Sticking with ‘what is’ – i.e., descriptive, what is wrong with ‘what is’ and then moving to selective recommendations ‘what could be’ would have been more effective, I think here. This would be a more typical approach to for a consultancy type project (document ‘what is’ and define ‘what could be’).• This is also the rational for using an analysis tool like the cycle of service. Since you focus in on the key issues rather than trying to cover all issues.• Data collection / method explanation e.g. around failure points would help. There is a sense of random issues appearing. Which gives the report a lack of a tight analysis and clear conclusions and recommendations.					
Grade: 86%					

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PRESENTATION FEEDBACK			
GROUP:	YANG BANGLO		
<p>A</p> <p>Are ideas presented connected with the aim of the presentation?</p> <p>40%</p>	<p>B</p> <p>Are the ideas presented clear supported with evidence and logical argument?</p> <p>30%</p>	<p>C</p> <p>Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)</p> <p>20%</p>	<p>D</p> <p>Overall impression (is it a group presentation etc.?)</p> <p>10%</p>
37	26	17	8
<p>Comments</p> <p>(i) Analysed all dimensions thoroughly by sticking to one model</p> <p>(ii) Over all flow of presentation, very good</p> <p>(iii) All members have the clear knowledge about their field work</p>			
Grade: 88 %			



A Service Operations Study of Caves Books

Service Operations Management
Dr. James Stanworth



Prepared by

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April 28th, 2007

EXECUTIVE SUMMARY

Operating in Taiwan for over 50 years, Caves Books has experienced considerable success throughout the island. Their efforts have been largely focused on being a valuable and quality resource to the language learning profession.

Caves Books has worked to protect copyrights, publish within legal boundaries and forge legitimate and mutually beneficial licensing agreements with foreign publishers.

While Caves' longevity and impact on Taiwan demonstrates a proven and time-tested strategy for success, there is room for a critique of their service delivery. Below are some areas that that need to be addressed by management.

- The location and effectiveness of signs throughout the store.
- Offering information in English – specifically a store map and a clearly labeled Information desk. A website as well.
- Staff training on how to service foreigners.
- Managing floor space and design to maximize customer comfort.
- Staff training on how to ensure customer satisfaction.
- Ensuring the Caves discount card and member system is guided by clarity and convenience for customers.
- How high-volume customers are handled.

Data was gathered over time through interviews with people within the company at various levels, through people who do a high volume of purchasing and through numerous on site visits. Please refer to the 'Methodology' section for detailed information. While Caves operates as a chain of stores throughout Taiwan, focus was placed on the Tainan branch.



ACKNOWLEDGEMENTS

We would like to thank Grace He for help in obtaining information about Caves Books that would have been otherwise more difficult or impossible to obtain.

Furthermore, we would also like to thank Jasmine Ching and Issa Tung for taking time to describe in detail the process of ordering books from Caves. They were very forthcoming with their opinions with what they both like and dislike about placing orders and billing.

Lastly, thanks go out to a number of anonymous staff in Caves Books that answered our questions and helped in many ways. The sign on the door clearly conveys that it is not permitted to take pictures inside the shop. However, they allowed us to do so on more than one occasion. This perhaps should be classified as a positive in the "Exceptions" leaf in Lovelock's service flower.





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CAVES BOOKS HISTORY/BACKGROUND

1952	<i>Opened in Taipei</i>
1960 - 1970	<i>Pioneered importing foreign books to Taiwan</i>
1985	<i>Started English Language Seminars</i>
1989-2006	<i>Expanded Language Learning Services</i>
1991	<i>Established Caves English Language Education & Service Center</i>
1992	<i>Set up English Education Teacher Association</i>
1995	<i>Caves Educational Training Co. created</i>
1998	<i>Sponsored training programs for beginning level English teachers</i>
1999	<i>Created website of "Caves Books"</i>
1999	<i>Sponsored English proficiency grading accreditation</i>
2000	<i>Assisted the Life-long Learning Government Programs</i>
2003	<i>Began publication of Caves English Teaching E-Magazine (CET)</i>

Caves opened in Taipei in 1952 and pioneered importing foreign books to Taiwan throughout the 1960's and 1970's. Beginning in 1985, Caves started to focus on specializing in language learning by providing English language seminars. Their reorganizing, improvements to technology and the specializing of Language Learning have contributed greatly to the growth of Caves over the last twenty years. More than twenty-two branches have been opened since 1987 and are operating all over Taiwan. Additionally, there are ten on-campus locations. A Caves bookstore can be found in almost every major city.

Moreover, Caves has added many new language learning services such as an English Language Education & Service Center, an English Education Teacher Association as well as instructional seminars. All of these services are now managed by the Caves Educational Training Company established in 1995. More importantly, Caves has been involved in the community by sponsoring many language learning activities and assisting both private and government organizations with improving their language learning programs.

By looking at their history of significant accomplishments and milestones, one can quickly understand that they are not just a bookstore. They sell books, but they are largely focused on being a resource for the language learning profession.



METHODOLOGY

Branch Visitations

Over 15 group and individual site visits were made to Caves Books in Tainan and Kaohsiung between April 7th and April 23rd, 2007.

Many observations were made in-store regarding the display of products and personnel's interactions with customers at various points of contact such as points of sale and requests for information. Also, pictures of the site were taken for further analysis of the product-service bundling.

During every visit, the goal was to take the service models presented by Lovelock and Gronroos and apply them to the service operations of Caves Books. Care was taken to visit the locations on different days of the week at varying times during peak and non-peak hours. Observations were discussed and logged, service personnel were interviewed and photographs were taken.

Interviews

Grace He

Miss He has worked for Caves Books in Tainan for thirteen years. With more than 13 years of employment at Caves Books, she provided helpful information and explanations about the store setting and some of the service practices.

Jasmine Ching and Issa Tung

Miss Ching and Miss Tung each work as operation directors for two English language schools and have no affiliation with Caves Books. However, they are in frequent contact with Caves and would be considered frequent high-volume purchasers of books.

Service Staff Interactions

When visiting locations, different approaches were used to obtain information. Some visits simply involved asking direct questions to the service staff. These would include questions such as, "Do people often use your *Phone Pass* service?" and "May we take some pictures?" Other visits, however, group members played the role of customer to aid in getting a real sense of how the service staff will tend to respond given different service scenarios. These interactions would include questions such as, "I'd like to buy this book, but I can't find it," as well as walking around looking lost to see how the staff would respond.



Website Search

Caves Books' website (<http://www.cavesbooks.com.tw>) was consulted to obtain company history, background and relevant facts.

Personal Experience

We as a group have purchased books from many places throughout the world and as such bring our own personal experiences into the mix. We feel our diversity adds variety and flavor and hopefully enhances the scope of our assessment.



BASIC SERVICE PACKAGE

Core

Caves core product is to provide access to valuable information and services for language learning and teaching.

Facilitating Services

Information

In-Store

- There are many signs at Caves Books. Outside the store on a pillar is a big sign giving directions to the parking lot located opposite the store. On the entrance doors the store's service hours, from 10:00am to 22:00pm, and signs of no drinks, no camera and no pets are displayed. Once in the store, at the back of the check-out point on the first floor is a floor directory. The information on the sign is written in Chinese for the first two floors and both English and Chinese for the third and fourth floors.
- Labels are put on almost every shelf to show the kinds of books that can be found.
- The information desk is located on the second floor.
- Legible and simple price labels are pasted on the back cover of the books and magazines and most books.
- The staff is unified in wearing a brown working apron and an identity card with their picture and name making it easy for customers to identify the staff from other customers.
- Flyers about various seminars and activities are placed around each counter within easy view.
- The price of individual items is spelled out on the receipt in Chinese.



Web-Chinese (only)

- The website catalogs the multiple services provided with contact information.
- There is a company profile.



- Customers can order books on-line.
- Members can sign up to receive promotional emails.

Order Taking

There are three ways to order books with Caves if desired books are unavailable in the store.

Phone

- The customer can call Caves and give the name of the book(s), name of the author(s) and the name of the publisher(s) or ISBN numbers to the clerk. The clerk will check and reserve or order the book(s) with the proper supplier.
- Upon the book(s) arrival to Caves, the staff will call the purchaser to pick up and pay for the book.
- Customers can get their book(s) at the counter on 2nd floor by giving their name and the name of the book that was ordered.

In-store

- If the book is not in stock the customer can ask a clerk to order it.
- When the book has arrived at the store the clerk will notify the customer by phone.

Via web

- The customer may also order a book via the website. They can go to www.cavesbooks.com.tw to find the book and pay by credit card.
- The book and the receipt will be sent to the designated address or any Caves branch after payment has been received.
- If Caves is the designated address for delivery a clerk will contact the customer when their items arrive at the store.

Note: this process is only applicable for the merchandise that is distributed or published by Caves.

Additional Information: For both ordering by phone and in-store, freight will be charged for any order where the amount is less than NT\$2,000 and customer is requesting shipment by post. No down payment is required for the book reservation, except for special orders that Caves has to purchase from a non-regular-business-relationship supplier.

Payment and Billing



Phone and In-store orders

- Once the customer has arrived at the 2nd floor of Caves to pick up and pay for their item(s) they can follow the process for in-store payment and billing (see below).

In-store

- At the Tainan store, there are three check-out points equipped with computers that clearly display the price to the customers; one is on the first floor, one is on the third floor and the other is on the fourth floor.
- Purchases are paid by cash or credit card (NT dollars only) and are handled efficiently; the customer hands the item(s) to the clerk who greets them. They check and state the price verbally in addition to the same information available on the computer display. Once the customer gives the clerk the cash or credit card (and a discount if available), the receipt is printed automatically and the clerk hands it to the customer with the items purchased packed in a paper bag and any necessary change.
- For items with a discount of 20% and above, Caves will only accept cash.

Web-site

- Payment must be done by using credit card online or via fax or ATM transfer prior to shipping the purchased items.

Supporting Services

Consultation

- On the third and fourth floors there are consultation desks for ELT products. The consultants provide information about language learning and teaching.
- The consultants on the second floor provide information about other non-physical services of Caves Books such as English proficiency tests and tickets for special events such as concerts.
- The consultation staff can always be found at these desks as they are rarely seen in the aisles with customers.

Hospitality

- There is a ladies restroom on the third floor and a men's on the fourth.
- An elevator gives access to all five floors.



- The aisles are barely sufficient. If a customer sits down in an aisle, the aisle is effectively blocked.
- The service counter location on each floor is the same. On the second floor, two chairs are provided in front of the counter for customers who may spend more time with consultants.
- On the second floor there is a cafe equipped with comfortable chairs for customers to sit and read while enjoying a beverage. The customer can also purchase a small meal or snack at the café.
- The third floor has a teaching area with a TV set that language learning teachers use for students. This area also provides customers with a possible seating option providing no activities are being held.
- There is another reading area on the fourth floor in one corner, along the front wall by the windows. However customers still express their desire for more seating facilities as we could see many of them sitting on the floor in the aisles to read or flip through books they considered buying.
- The fifth floor is mainly for seminars or for renting to community associations for meeting or activity purposes.
- The whole store is air-conditioned and there is classical music playing at a low volume.
- The computer that displays the price also displays a friendly "NICE TO MEET YOU".
- Human resource information for English teachers looking for a job is available online.



Safekeeping

Customers who go to Caves Books store have good safekeeping support.

- Caves provides a car parking lot that is not far from the store.
- Parking fees charged depend upon the receipt amount and if the customer has a Caves card.
 - 1-hour free parking for the customer with Caves card and receipt of any amount OR without Caves card and purchases of NT\$500 to NT\$999.



- 2-hours free parking for the customer with Caves card and NT\$500 receipt OR without card but purchases NT\$1,000 or more.
- In the front of the store is another parking area for motorbikes and bicycles.
- The store has an overall feeling of safety; it is well lighted and customers are allowed to carry their belongings into the store. Also, there are cameras on each floor providing a sense of security.

Exceptions

Return or refund

- For magazines, dictionaries and novels, refunds and/or exchanges are not allowed.
- Other products can be exchanged for equivalent merchandise. The customer must have the receipt and be within one week of purchase. For refunds, the customer must also have the receipt and be within in three days of purchase. This service is only offered in-store.

Defective items

- Customers are allowed to refund or exchange for equivalent merchandise with receipt and if returned within one week. This service is only provided in-store.

Customer complaint and claim

Customer may make complaints to a clerk or call Caves toll free number at 0800-037-666 or email to service@cavesbooks.com.tw.

Cancelling a registration

- Call 04-23294155 –extension 1

Foreign Magazine Subscriptions

- For any information regarding returns, customers can dial 0800-727277 and leave relevant information. Caves asserts all issues will be resolved within a month after a claim has been made.

Augmented Services Offering

Service Concept

The Service Concept for Caves Books is to satisfy the customer's need for valuable information and quality services in foreign language learning and teaching. To implement that concept, Caves provides customers with a bundle of service offerings:

- Sales of foreign books and magazines
- Sales of foreign language learning and teaching materials



- Facilitation of English proficiency tests.
- Seminar offerings and training on teaching foreign languages
- Sponsoring of many community activities for English language teaching and learning

Accessibility of the Service

- In Tainan, Caves Bookstore is located near the Tainan Train Station and within close proximity to National Cheng Kung University and other smaller schools nearby. It is a good location.
- Customers can also reach Caves Books through telephone, e-mail or corporate website.
- Parking for cars, motorcycles and bicycles is provided.
- They are open everyday of the week from 10 am to 10 pm.
- Clerks are available to assist customers.
- The phone is answered by a staff member. Caves does not use an automated answering system.
- Caves employs thirty people at the Tainan branch.
- All employees receive training about store functions and customer service.
- Additional training is scheduled periodically by the human resources department.
- Employees have an average of six years experience. The range is from two to eighteen years.
- Locations of all Caves stores can be found in the phone book and on the web (in Chinese only).
- The point of sale system is relatively quick and efficient.
- The *Phone Pass* telephone style booths formerly administering English proficiency tests via the telephone are now out of service.

Interaction with the Service Organization

Caves Books' customers interact in many ways:

- Via the phone and in-store – Buying and ordering a book, service, magazine subscription, or for obtaining information or applying for membership.
- Customers take initiative when hearing the closing time announcement wishing everyone a "Goodnight".
- On the Internet – Ordering a magazine subscription, obtaining information or applying for membership.

At this level it is critical to observe that the interactions with Customer Service were extremely good for Chinese speaking customers, for the rest



of us it was non-existent. The English skills of the staff at Caves Books were so poor that the customer's overall perception of the service quality was undermined.

Additionally, the staff are not accommodating with anticipating the customer's need for information when they enter the store or to offer any of the other services at check out time.

During one visit a book was requested and the staff simply said they did not have it, at no time did they offer to order the book. On a second visit a different book was requested and again the staff said they did not have it but this time the customer asked if it could be ordered, the staff said no.

One team member has had a Caves Books discount card for several years. However, during a visit and purchase, the card was simply taken away. The reason was that they wanted to go to an ID system because people were loaning out cards to non-members. However, when the ID number was used, it was not in the system. Neither was the name. After several computer searches, the team member determined that the ID number didn't work because it was an expired passport number and the ID had the new one. Furthermore, the name didn't work because it had been entered incorrectly almost beyond recognition. The team member preferred to have a simple card. During subsequent purchases, no staff ever asked team members for a card or an ID.

Customer Participation

Caves offers many membership programs for their customers:

- Web member – Join and get free Internet advertising.
- Basic member – Get a local service discount and are allowed to order foreign magazines.
- Study member – Get discounts, can order foreign magazines, family members can use.
- Discount member – Get discounts with large purchases.
- Teacher member – Teachers only discounts.
- Assistantship member – Buy 20 or more books and get discounts.

Other forms of participation:

- Customers participate in the production of the service by picking up the items and taking them to the check-out.
- Customers taking the tests still need learn the lessons and personally prepare.



Image and Communication

Caves Books has been in Taiwan for over fifty years and has an outstanding reputation with the Taiwanese people.

- TV ads are sparse unless a seminar or sponsored activity is occurring.
- Coupons are made available from the website, in-store and sent via e-mail.
- Discounts are displayed on in-store posters (Chinese only).
- Promotions are offered within the ELT teaching community.
- They sponsor book fairs and language learning activities in schools.
- They have a clean, pleasant atmosphere and are well staffed.



PROPOSED IMPROVEMENTS

Basic Service Package

Core

The core product could be more clearly defined. Is this a bookstore for everyone or is it a bookstore mainly for ELT teachers and language learning?

Facilitating Services

Information

- The first floor check out desk is obscured behind the staircase.
- The Information desk should be located on the first floor with a prominent sign in both Chinese and English.
- The directory should be placed at the entrance to be obvious to visitors even before they see much in the store; definitely not where it is right now!
- Train employees to be more aware of customers in the store and strive to spot those who need information.
- Employee training is needed to enhance English ability.
- Given their core product, a website in English should at least be an option. It would aid in accommodating non-Chinese speaking customers.

Order Taking

- A script for order taking should include asking the customer if they would like to order the book when the store doesn't carry the book being requested.
- A phone call or e-mail to confirm fax orders would be appreciated. Currently, they only call when they can't complete an order. High-volume customers in particular would like some kind of order receipt acknowledgement.
- Staff could make a post delivery call to make sure the shipment has arrived.

Payment

- The script for payment should include asking the customer if they want to use their Cave's card or rather, their ID card as of recent.
- The script should include asking the customer if they found everything they needed.



Billing

- A receipt in English would be nice.
- More attention should be paid to high-volume customers. Caves should consider that some of the policies regarding shipping charges seem petty considering the customers' longstanding loyalty to Caves. A few small shipping charges waived would go a long way.

Supporting Services

Consultation

- Consultation staff should be able to speak at least a little English.
- The consultation staff should make themselves available to customers when not busy with consultation services.

Hospitality

- Add more seating and remove the failed Phone Pass Booths.
- Make the aisles wider.

Safekeeping

- Provide temporary storage for customers merchandise carried into the store

Exceptions

- Strive to decrease the time for refunds of magazine subscriptions.

Augmented Services

Service Concept

- Make the service concept clearer to employees and customers.
- The concept is internally focused instead of externally focused.

Accessibility of the Service

- They need more English speaking employees.
- Provide signs in both Chinese and English.
- Update the signs with current information.

Interaction with the Service Organization

- The script should include offering membership information.
- Make post delivery call to investigate customer satisfaction.
- Offer more interactive study materials and toys for kids to make language learning fun.



Customer Participation

- Offer a suggestion box.
- Ask willing in-site customers what they do and do not like.
- Do some marketing activities to educate customers.

Image and Communication

- Offer more information in English on TV and in newspapers.
- Do more training of employees in English speaking and listening to better the communication channel for English speaking customers.
- Put updates about Caves promotions, discounts and other activities on the webpage in English.
- Expand English communication activities in school and in the community.

CONCLUSION

Overall Caves Books has stood the test of time and carved out a niche for themselves. They offer a great service to the people of Taiwan and have been a pioneer in many ways. They have forged solid partnerships with foreign distributors and offered many items and services not easily found or available. However, there is a lot of room for improvement and it centers on the service offering. The environment is ever changing and more bookstores are opening around the island with very large selections of foreign reading materials. This was not the case even just a few years ago.

The team members conducting this study range in Chinese ability from novice to native speaker. However, it is agreed by all that progress needs to be made in making Caves Books more English-friendly, especially given that facilitating language learning (mostly English) accounts for the bulk of their efforts. What will keep Caves in the lead is how they service all their customers. Care should be taken not to merely provide customers with products to buy, but instead make it known that customers are guests that will feel delighted when they make a visit to Caves.



APPENDICES

1) Lovelocks Flower

Facilitating Services

Information

- Many signs
- Information desk
- Uniformed staff
- Shelf labels
- Price labels
- Flyers
- Receipts
- Website

Order Taking

- Phone
- In-store
- On-line

Payment/ Billing

- Cash
- Credit card
- Debit card
- Caves card
- On-line transfer

Supporting Services

Consultation

- ELT products
- Other products

Hospitality

- Restrooms
- Elevator
- Air conditioning
- Consistent counter location
- Café
- Teaching area



- Seating areas
- Seminar rooms
- Cash register display
- HR services available

Safekeeping

- Car Parking lot
- Motorcycle/bicycle parking
- Well lighted
- Security cameras

Exceptions

- Refunds
- Exchanges
- Complaints

2) GRONROOS

While the core, facilitating and support services mirror a lot of Lovelock's flower of service, a closer examination of Gronroos' augmented services is in order.

Augmented Services

Service Concept

To satisfy the customer's need for valuable information and quality services in foreign language learning and teaching.

Accessibility of the Service

- Convenient location
- Easy access to information via the web, phone and e-mail
- Parking provided
- Open twelve hours a day
- Sufficient amount of trained staff
- Phone is answered promptly
- High level of employee experience

Interaction with the Service Organization

Phone

In-store



Web

Closing announcement

Customer Participation

- Several types of membership programs
 - Web
 - Basic
 - Study
 - Discount
 - Teacher
 - Assistantship
- Customer in-store activities

Image and Communication

- Excellent reputation
- Clean, pleasant environment
- Flyer and Brochures
- Television and newspaper ads
- In-store and web discounts
- Promotions
- Sponsorship
- Specialized English activities differentiate Caves from other bookstores in Taiwan



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ordering strange - this should come before recommendations.

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Nice touch!

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2000	<i>Assisted the Life-long Learning Government Programs</i>
2003	<i>Began publication of Caves English Teaching E-Magazine (CET)</i>

Caves opened in Taipei in 1952 and pioneered importing foreign books to Taiwan throughout the 1960's and 1970's. Beginning in 1985, Caves started to focus on specializing in language learning by providing English language seminars. Their reorganizing, improvements to technology and the specializing of Language Learning have contributed greatly to the growth of Caves over the last twenty years. More than twenty-two branches have been opened since 1987 and are operating all over Taiwan. Additionally, there are ten on-campus locations. A Caves bookstore can be found in almost every major city.

Moreover, Caves has added many new language learning services such as an English Language Education & Service Center, an English Education Teacher Association as well as instructional seminars. All of these services are now managed by the Caves Educational Training Company established in 1995. More importantly, Caves has been involved in the community by sponsoring many language learning activities and assisting both private and government organizations with improving their language learning programs.

By looking at their history of significant accomplishments and milestones, one can quickly understand that they are not just a bookstore. They sell books, but they are largely focused on being a resource for the language learning profession.

ok -
comprehensive





Some objectives needed here.

METHODOLOGY

Branch Visitations

Over 15 group and individual site visits were made to Caves Books in Tainan and Kaohsiung between April 7th and April 23rd, 2007.

Many observations were made in-store regarding the display of products and personnel's interactions with customers at various points of contact such as points of sale and requests for information. Also, pictures of the site were taken for further analysis of the product-service bundling.

During every visit, the goal was to take the service models presented by Lovelock and Gronroos and apply them to the service operations of Caves Books. Care was taken to visit the locations on different days of the week at varying times during peak and non-peak hours. Observations were discussed and logged, service personnel were interviewed and photographs were taken.

Interviews

Grace He

Miss He has worked for Caves Books in Tainan than 13 years of employment at Caves Books, information and explanations about the store service practices.

Good combination of staff and customers

Jasmine Ching and Issa Tung

Miss Ching and Miss Tung each work as operation directors for two English language schools and have no affiliation with Caves Books. However, they are in frequent contact with Caves and would be considered frequent high-volume purchasers of books.

Service Staff Interactions

When visiting locations, different approaches were used to obtain information. Some visits simply involved asking direct questions to the service staff. These would include questions such as, "Do people often use your *Phone Pass* service?" and "May we take some pictures?" Other visits, however, group members played the role of customer to aid in getting a real sense of how the service staff will tend to respond given different service scenarios. These interactions would include questions such as, "I'd like to buy this book, but I can't find it," as well as walking around looking lost to see how the staff would respond.

Useful tests of service. Particularly pushing on exceptions can give a good feel for how effective service delivery systems are ,

Website Search

Caves Books' website (<http://www.cavesbooks.com.tw>) was consulted to obtain company history, background and relevant facts.

Personal Experience

We as a group have purchased books from many places throughout the world and as such bring our own personal experiences into the mix. We feel our diversity adds variety and flavor and hopefully enhances the scope of our assessment.



BASIC SERVICE PACKAGE

Core

Caves core product is to provide access to valuable information and services for language learning and teaching.

Facilitating Services

Information

In-Store

- There are many signs at Caves Books. Outside the store on a pillar is a big sign giving directions to the parking lot located opposite the store. On the entrance doors the store's service hours, from 10:00am to 22:00pm, and signs of no drinks, no camera and no pets are displayed. Once in the store, at the back of the check-out point on the first floor is a floor directory. The information on the sign is written in Chinese for the first two floors and both English and Chinese for the third and fourth floors.
- Labels are put on almost every shelf to show the kinds of books that can be found.
- The information desk is located on the second floor.
- Legible and simple price labels are pasted on the back cover of the books and magazines and most books.
- The staff is unified in wearing a brown working apron and an identity card with their picture and name making it easy for customers to identify the staff from other customers.
- Flyers about various seminars and activities are placed around each counter within easy view.
- The price of individual items is spelled out on the receipt in Chinese.



Web-Chinese (only)

- The website catalogs the multiple services provided with contact information.
- There is a company profile.

Effective bullet summary.

- Customers can order books on-line.
- Members can sign up to receive promotional emails.

Order Taking

There are three ways to order books with Caves if desired books are unavailable in the store.

Phone

- The customer can call Caves and give the name of the book(s), name of the author(s) and the name of the publisher(s) or ISBN numbers to the clerk. The clerk will check and reserve or order the book(s) with the proper supplier.
- Upon the book(s) arrival to Caves, the staff will call the purchaser to pick up and pay for the book.
- Customers can get their book(s) at the counter on 2nd floor by giving their name and the name of the book that was ordered.

In-store

- If the book is not in stock the customer can ask a clerk to order it.
- When the book has arrived at the store the clerk will notify the customer by phone.

Via web

- The customer may also order a book via the website. They can go to www.cavesbooks.com.tw to find the book and pay by credit card.
- The book and the receipt will be sent to the designated address or any Caves branch after payment has been received.
- If Caves is the designated address for delivery a clerk will contact the customer when their items arrive at the store.

Note: this process is only applicable for the merchandise that is distributed or published by Caves.

Additional Information: For any order, freight will be charged for any order. If a customer is requesting shipping, the book reservation, except for purchase from a non-regular

Avoid heading breaks like this. Keep with next line. Use Word tools to manage this problem - this is a thesis issue.

ore, freight NT\$2,000 and is required for as to

Payment and Billing

Phone and In-store orders

- Once the customer has arrived at the 2nd floor of Caves to pick up and pay for their item(s) they can follow the process for in-store payment and billing (see below).

In-store

- At the Tainan store, there are three check-out points equipped with computers that clearly display the price to the customers. On the first floor, one is on the third floor and the other is on the fourth floor.
- Purchases are paid by cash or credit card (NT dollars only), and are handled efficiently; the customer hands the item(s) to the clerk who greets them. They check and state the price verbally in addition to the same information available on the computer display. Once the customer gives the clerk the cash or credit card (and a discount if available), the receipt is printed automatically and the clerk hands it to the customer with the items purchased packed in a paper bag and any necessary change.
- For items with a discount of 20% and above, Caves will only accept cash.

? NT Dollars to a foreign card?
Only accept local cards?

Web-site

- Payment must be done by using credit card online or via fax or ATM transfer prior to shipping the purchased items.

Supporting Services

Consultation

- On the third and fourth floors there are consultation desks for ELT products. The consultants provide information, answer questions, and assist with learning and teaching.
- The consultants on the second floor provide information about non-physical services of Caves Books, such as book tests and tickets for special events.
- The consultation staff can always be found at the counters as they are rarely seen in the aisles with customers.

Low touch. Not sure how much high touch customers want when browsing. However shows the problem that if accessible more contacts / consultation could occur. Going to the counter likely to deter many.

Hospitality

- There is a ladies restroom on the third floor and a men's on the fourth.
- An elevator gives access to all five floors.



- The aisles are barely sufficient. If a customer sits down in an aisle, the aisle is effectively blocked.
- The service counter location on each floor is the same. On the second floor, two chairs are provided in front of the counter for customers who may spend more time with consultants.
- On the second floor there is a cafe equipped with comfortable chairs for customers to sit and read while enjoying a beverage. The customer can also purchase a small meal or snack at the café.
- The third floor has a teaching area with a TV set that language learning teachers use. This area also provides customers with a possible seating area when no activities are being held.
- There is another reading area on the fourth floor in one corner, along the front wall with large windows. However customers could express their desire for more seating facilities as we could see many of them sitting on the floor in the aisles to read or flip through books they considered buying.
- The fifth floor is mainly for seminars or for renting to community associations for meeting or activity purposes.
- The whole store is air-conditioned and there is classical music playing at a low volume.
- The computer that displays the price also displays a friendly "NICE TO MEET YOU".
- Human resource information for English teachers looking for a job is available online.

Imaginative seating needed.

hospitality



Safekeeping

Customers who go to Caves Books store have good safekeeping support.

- Caves provides a car parking lot that is not far from the store.
- Parking fees charged depend upon the receipt amount and if the customer has a Caves card.
 - 1-hour free parking for the customer with Caves card and receipt of any amount OR without Caves card and purchases of NT\$500 to NT\$999.

- 2-hours free parking for the customer with Caves card and NT\$500 receipt OR without card but purchases NT\$1,000 or more.
- In the front of the store is another parking area for motorbikes and bicycles.
- The store has an overall feeling of safety; it is well lighted and customers are allowed to carry their belongings into the store. Also, there are cameras on each floor providing a sense of security.

Exceptions

Return or refund

- For magazines, dictionaries and novels, refunds and/or exchanges are not allowed.
- Other products can be exchanged for equivalent merchandise. The customer must have the receipt and be within one week of purchase. For refunds, the customer must also have the receipt and be within in three days of purchase. This service is only offered in-store.

Defective items

- Customers are allowed to refund or exchange for equivalent merchandise with receipt and if returned within one week. This service is only provided in-store.

Customer complaint and claim

Customer may make complaints to a clerk or call Caves toll free number at 0800-037-666 or email to service@cavesbooks.com.tw.

Cancelling a registration

- Call 04-23294155 –extension 1

Foreign Magazine Subscriptions

- For any information regarding returns, customers can dial 0800-727277 and leave relevant information. Caves asserts all issues will be resolved within a month after a claim has been made.

Augmented Services Offering

Service Concept

The Service Concept for Caves Books is to satisfy the customer's need for valuable information and quality services in foreign language learning and teaching. To implement that concept, Caves provides customers with a bundle of service offerings:

- Sales of foreign books and magazines
- Sales of foreign language learning and teaching materials



- Facilitation of English proficiency tests.
- Seminar offerings and training on teaching foreign languages
- Sponsoring of many community activities for English language teaching and learning

Accessibility of the Service

- In Tainan, Caves Bookstore is located near the Tainan Train Station and within close proximity to National Cheng Kung University and other smaller schools nearby. It is a good location.
- Customers can also reach Caves Books through telephone, e-mail or corporate website.
- Parking for cars, motorcycles and bicycles is provided.
- They are open everyday of the week from 10 am to 10 pm.
- Clerks are available to assist customers.
- The phone is answered by a staff member. Caves does not use an automated answering system.
- Caves employs thirty people at the Tainan branch.
- All employees receive training about store functions and customer service.
- Additional training is scheduled periodically by the human resources department.
- Employees have an average of six years experience. The range is from two to eighteen years.
- Locations of all Caves stores can be found in the phone book and on the web (in Chinese only).
- The point of sale system is relatively quick and efficient.
- The *Phone Pass* telephone style booths formerly administering English proficiency tests via the telephone are now out of service.

Interaction with the Service Organization

Caves Books' customers interact in many ways:

- Via the phone and in-store – Buying and ordering a book, service, magazine subscription, or for obtaining information or applying for membership.
- Customers take initiative when hearing the closing time announcement wishing everyone a "Goodnight".
- On the Internet – Ordering a magazine subscription, obtaining information or applying for membership.

At this level it is critical to observe that the interactions with Customer Service were extremely good for Chinese speaking customers, for the rest



Ok

of us it was non-existent. The English skills of the staff at Caves Books were so poor that the customer's overall perception of the service quality was undermined.

Additionally, the staff are not accommodating with anticipating the customer's need for information when they enter the store or to offer any of the other services at check out time.

Significant service failures.

During one visit a book was requested and the staff simply said they did not have it, at no time did they offer to order the book. On a different book was requested and again the staff said they did not have it but this time the customer asked if it could be ordered,

One team member has had a Caves Books discount card for several years. However, during a visit and purchase, the card was simply taken away. The reason was that they wanted to go to an ID system because people were loaning out cards to non-members. However, when the ID number was used, it was not in the system. Neither was the name. After several computer searches, the team member determined that the ID number didn't work because it was an expired passport number and the ID had the new one. Furthermore, the name didn't work because it had been entered incorrectly almost beyond recognition. The team member preferred to have a simple card. During subsequent purchases, no staff ever asked team members for a card or an ID.

Customer Participation

Caves offers many membership programs for their customers:

- Web member – Join and get free Internet advertising.
- Basic member – Get a local service discount and are allowed to order foreign magazines.
- Study member – Get discounts, can order books, and other members can use.
- Discount member – Get discounts with large purchases.
- Teacher member – Teachers only discount.
- Assistantship member – Buy 20 or more books.

Other forms of participation:

- Customers participate in the production of the service by picking up the items and taking them to the check-out.
- Customers taking the tests still need learn the lessons and personally prepare.

?

Main aspect. Selection of books. Taking them for check out. Easy to do? Things like poor signage (mentioned) and lack of service support (hidden behind counter and limited English skill) makes this customer participation hard.

Image and Communication

Caves Books has been in Taiwan for over fifty years and has an outstanding reputation with the Taiwanese people.

- TV ads are sparse unless a seminar or sponsored activity is occurring.
- Coupons are made available from the website, in-store and sent via e-mail.
- Discounts are displayed on in-store posters (Chinese only).
- Promotions are offered within the ELT teaching community.
- They sponsor book fairs and language learning activities in schools.
- They have a clean, pleasant atmosphere and are well staffed.



PROPOSED IMPROVEMENTS

Basic Service Package

Core

The core product could be more clearly defined. Is this a bookstore for everyone or is it a bookstore mainly for EFL teachers and language learning?

Get business strategy clear.

Try to organize in a way that is easy to follow. One way here might be the passage of the customer through the store. e.g. Store entrance, information desk, first floor check out...

Facilitating Services

Information

- The first floor check out desk is obscured behind the staircase.
- The Information desk should be located on the first floor with a prominent sign in both Chinese and English.
- The directory should be placed at the entrance to be obvious to visitors even before they see much in the store; definitely not where it is right now!
- Train employees to be more aware of customers in the store and strive to spot those who need information.
- Employee training is needed to enhance English ability.
- Given their core product, a website in English should at least be an option. It would aid in accommodating non-Chinese speaking customers.

Order Taking

- A script for order taking should include asking the customer if they would like to order the book when the store doesn't carry the book being requested.
- A phone call or e-mail to confirm fax orders would be appreciated. Currently, they only call when they can't complete an order. High-volume customers in particular would like some kind of order receipt acknowledgement.
- Staff could make a post delivery call to make sure the shipment has arrived.

Payment

- The script for payment should include asking the customer if they want to use their Cave's card or rather, their ID card as of recent.
- The script should include asking the customer if they found everything they needed.



Billing

- A receipt in English would be nice.
- More attention should be paid to high-volume customers. Caves should consider that some of the policies regarding shipping charges seem petty considering the customers' longstanding loyalty to Caves. A few small shipping charges waived would go a long way.

Supporting Services

Consultation

- Consultation staff should be able to speak at least a little English.
- The consultation staff should be available to customers when not busy with other services.

= less shelving = less stock
use space better instead

Hospitality

- Add more seating and remove one Pass Booths.
- Make the aisles wider.

Safekeeping

- Provide temporary storage for customers merchandise carried into the store

Exceptions

- Strive to decrease the time for refunds of magazine subscriptions.

Augmented Services

Service Concept

- Make the service concept clearer to employees and customers.
- The concept is internally focused instead of externally focused.

Accessibility of the Service

- They need more English speaking employees.
- Provide signs in both Chinese and English.
- Update the signs with current information.

Interaction with the Service Organization

- The script should include offering membership information.
- Make post delivery call to investigate customer satisfaction.
- Offer more interactive study materials and toys for kids to make language learning fun.



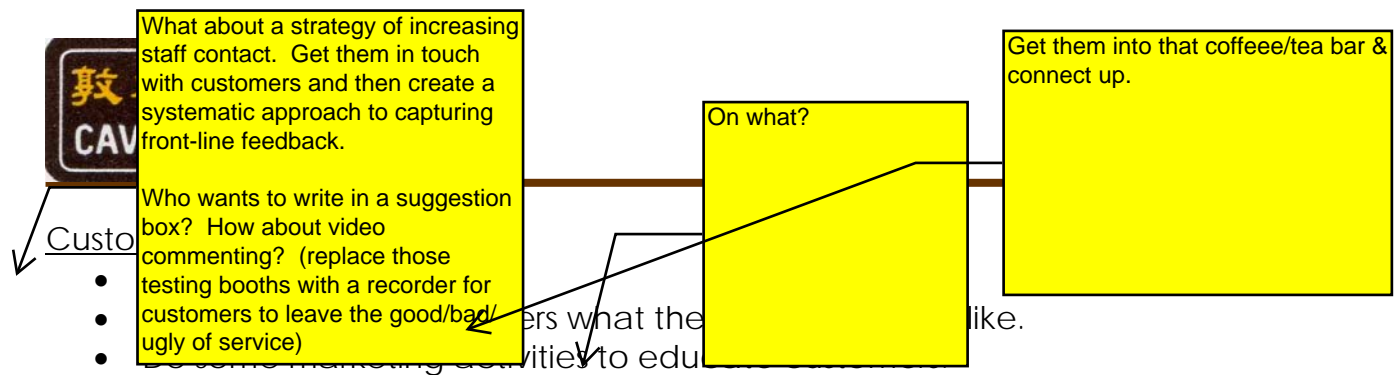


Image and Communication

- Offer more information in English on TV and in newspapers.
- Do more training of employees in English speaking and listening to better the communication channel for English speaking customers.
- Put updates about Caves promotions, discounts and other activities on the webpage in English.
- Expand English communication activities in school and in the community.

CONCLUSION

Overall Caves Books has stood the test of time and carved out a niche for themselves. They offer a great service to the people of Taiwan and have been a pioneer in many ways. They have forged solid partnerships with foreign distributors and offered many items and services not easily found or available. However, there is a lot of room for improvement and it centers on the service offering. The environment is ever changing and more bookstores are opening around the island with very large selections of foreign reading materials. This was not the case even just a few years ago.

The team members conducting this study range in Chinese ability from novice to native speaker. However, it is agreed by all that progress needs to be made in making Caves Books more English-friendly, especially given that facilitating language learning (mostly English) accounts for the bulk of their efforts. What will keep Caves in the lead is how they service all their customers. Care should be taken not to merely provide customers with products to buy, but instead make it known that customers are guests that will feel delighted when they make a visit to Caves.



APPENDICES

1) Lovelocks Flower

Facilitating Services

Information

- Many signs
- Information desk
- Uniformed staff
- Shelf labels
- Price labels
- Flyers
- Receipts
- Website

Order Taking

- Phone
- In-store
- On-line

Payment/ Billing

- Cash
- Credit card
- Debit card
- Caves card
- On-line transfer

Supporting Services

Consultation

- ELT products
- Other products

Hospitality

- Restrooms
- Elevator
- Air conditioning
- Consistent counter location
- Café
- Teaching area



- Seating areas
- Seminar rooms
- Cash register display
- HR services available

Safekeeping

- Car Parking lot
- Motorcycle/bicycle parking
- Well lighted
- Security cameras

Exceptions

- Refunds
- Exchanges
- Complaints

2) GRONROOS

While the core, facilitating and support services mirror a lot of Lovelock's flower of service, a closer examination of Gronroos' augmented services is in order.

Augmented Services

Service Concept

To satisfy the customer's need for valuable information and quality services in foreign language learning and teaching.

Accessibility of the Service

- Convenient location
- Easy access to information via the web, phone and e-mail
- Parking provided
- Open twelve hours a day
- Sufficient amount of trained staff
- Phone is answered promptly
- High level of employee experience

Interaction with the Service Organization

Phone

In-store



Web

Closing announcement

Customer Participation

- Several types of membership programs
 - Web
 - Basic
 - Study
 - Discount
 - Teacher
 - Assistantship
- Customer in-store activities

Image and Communication

- Excellent reputation
- Clean, pleasant environment
- Flyer and Brochures
- Television and newspaper ads
- In-store and web discounts
- Promotions
- Sponsorship
- Specialized English activities differentiate Caves from other bookstores in Taiwan



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England: John Wiley & Sons

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PRESENTATION FEEDBACK : CAVES BOOKSTORES			
GROUP:	YANGBANLO		
<p>A</p> <p>Are ideas presented connected with the aim of the presentation?</p> <p>40%</p>	<p>B</p> <p>Are the ideas presented clearly supported with evidence and logical argument?</p> <p>30%</p>	<p>C</p> <p>Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)</p> <p>20%</p>	<p>D</p> <p>Overall impression (is it a group presentation etc.?)</p> <p>10%</p>
<p>Comments</p> <ul style="list-style-type: none"> • Fluent speech of presentation • How to offer warning service when the police take away or put firing ticket on the customer's monocycles in front of bookstores because of illegal parking? 			
Grade: 88%			

Voltes 5 For YANGBANLO

PRESENTATION FEEDBACK			
GROUP:	<u>YANGBANLO</u>		
A Are ideas presented connected with the aim of the presentation? 40%	B Are the ideas presented clearly supported with evidence and logical argument? 30%	C Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs) 20%	D Overall impression (is it a group presentation etc.?) 10%

36 %	25 %	18 %	9 %
Comments Speech is going smoothly.			
Grade: 88 %			

PRESENTATION FEEDBACK			
GROUP:	YANGBANLO		
<p>A</p> <p>Are ideas presented connected with the aim of the presentation?</p> <p>40%</p>	<p>B</p> <p>Are the ideas presented clear supported with evidence and logical argument?</p> <p>30%</p>	<p>C</p> <p>Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)</p> <p>20%</p>	<p>D</p> <p>Overall impression (is it a group presentation etc.?)</p> <p>10%</p>

Comments <ul style="list-style-type: none"> • Good introduction • Quite interesting case 			
Grade: 87%			

PRESENTATION FEEDBACK			
GROUP:	BANGLO –CAVES BOOKS		
A Are ideas presented connected with the aim of the presentation? 40%	B Are the ideas presented clearly supported with evidence and logical argument? 30%	C Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs) 20%	D Overall impression (is it a group presentation etc.?) 10%
37	28	18	8
Comments: 1.) During shopping procedure, not all of the people are like the employee besides you and ask if need help. So, is it really a fail point that receptionist just occasionally ask customer if they need help? 2.) To hire more English speaking employees may be difficult because the pay in books store is not good.			
Grade: 91			

All your group members have to evaluate all group presentations.