

## Master Thesis

# Are customers patient? - A Conjoint Analysis to Evaluate Customer Willingness to Wait for Customization in MTO T-Shirt Production

In today's fast-moving world, responsiveness in form of process speed constantly gains importance and many service providers aim at improving their process speeds to reduce customer waiting time. Yet, there is an operational trade-off, as responsiveness often reduces flexibility of the process. Imagine a pizza delivery service, which can either offer a very fast delivery of a small variety of pizzas or provide a large variety of different pizzas, which however requires more preparation time and prolong the waiting time. Process speed is hence directly linked to the flexibility level of the operations. Service providers must handle this so-called *customization-responsiveness squeeze* (McCutcheon et al., 1994) appropriately to understand the customer demands and trade-offs made by them. Regression or Conjoint Analysis can be suitable methods to determine the customer response or satisfaction on the trade-off of responsiveness or waiting time and customization.

This master thesis focuses on conducting a Conjoint Analysis to discover how customers evaluate the aforementioned trade-off of waiting time and customization, i.e., the amount of different modes available for the service activity as in Verma et al. (2001). The area of application should be the service industry, make-to-order (MTO) consumer products (see, e.g., Kalantari & Johnson, 2018). A literature review should be conducted previously to prepare for the implementation. In the end, the thesis should summarize the findings and provide guidance for practitioners to evaluate the importance of this trade-off in this area.

The objectives of this thesis are to:

- conduct a literature review of existing works about customer response measurement on the trade-off of responsiveness and customization,
- conduct a Conjoint Analysis using Sawtooth to evaluate the trade-off of waiting time and product variety/ customization in the chosen service industry,
- and give recommendations to practitioners on this trade-off and how to improve their service offering based on the findings.

### Basic Literature:

**McCutcheon, D. M., Raturi, A. S., & Meredith, J. R. (1994).** The customization-responsiveness squeeze. *Sloan Management Review*, 35(2), 89-99.

**Verma, R., Thompson, G. M., Moore, W. L., & Louviere, J. J. (2001).** Effective design of products/services: An approach based on integration of marketing and operations management decisions. *Decision Sciences*, 32(1), 165-194.

**DeSarbo, W. S., Huff, L., Rolandelli, M., & Choi, J. (1994).** On the measurement of perceived service quality: a conjoint analysis approach. Service quality: New directions in theory and practice, Chapter 9, 201-222.

**Kalantari, H. D., & Johnson, L. (2018).** Australian customer willingness to pay and wait for mass-customised products. Asia Pacific Journal of Marketing and Logistics, 30(1), 106-120.