

## Chapter – 3 Service Quality

- **Customer service – Definition , meaning, best practices**

Customer service is the provision of service to customers before, during and after a purchase. The perception of success of such interactions is dependent on employees "who can adjust themselves to the personality of the guest".

Customer service concerns the priority an organization assigns to customer service relative to components such as product innovation and pricing. In this sense, an organization that values good customer service may spend more money in training employees than the average organization or may proactively interview customers for feedback.

### **Best Practices**

- **Hire the right people, and treat them well.**

Your agents are your brand's diplomats. Through them, you form and maintain connections with the customers that keep you in business. This is an absolutely vital position, and not one that should be entrusted to just anyone. Take the extra time while hiring to make sure that the service agents you bring on board are up to the task. How can you attract this level of talent? Offer competitive pay and appealing benefits, and provide a clearly defined path of promotion. Make the job fun through rewards and gamification. If you can hire and retain exceptional service agents, then exceptional customer service will follow.

- **Correctly manage customer expectations.**

Customers tend to expect the world, but promising them the world may not be the best tactic, because what happens when you make promises that your business is unable to keep? Instead, tell your customers exactly what they can expect from you, and then work hard to exceed those expectations. Customers see that your business is willing to go the extra mile, and you won't have to worry about damage control for unfulfilled promises.

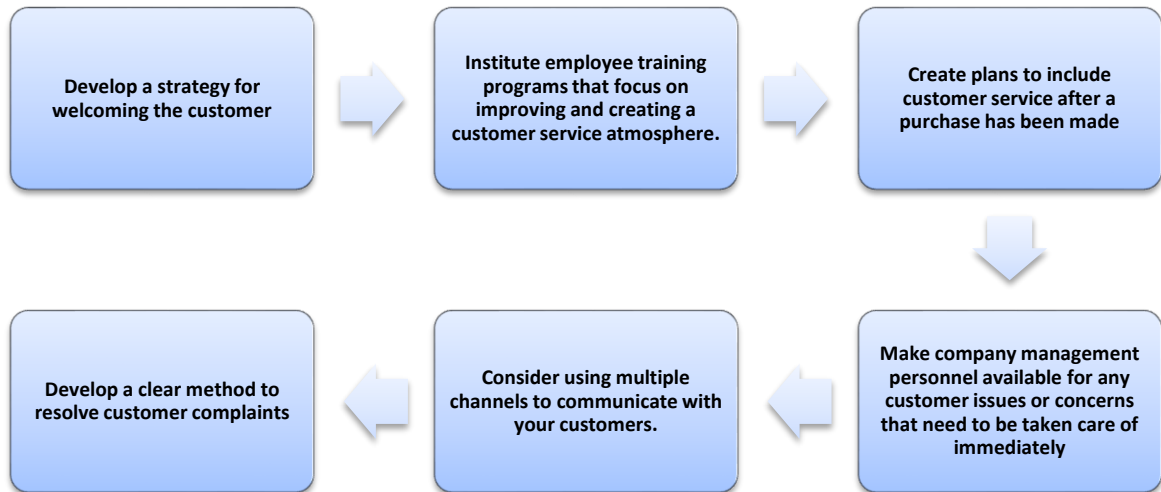
- **Focus on first impressions.**

In business, you never get a second chance at making a first impression. This has become even more true as customers have become more connected. If a client has a negative experience, they can easily start doing business with someone else — often with nothing more than a few clicks of the touch screen. When new customers are introduced, give your agents the support and the incentive to astound them. A customer relationship that starts off strong will be much more likely to stay strong.

- **Constantly collect data.**

The best support is informed support. As your agents interact with clients, they can gather important customer information simply by asking the right questions. This not only helps to establish a productive dialogue between your business and your clients, it also gives you an opportunity to receive and implement valuable feedback. Also, as client needs shift, the right questions will help you better adapt to serve them. Likewise, the use of a CRM for data capture and analysis can help you provide a customer experience that is personalized to every client.

- **Personalize it.**  
CRM tools go a long way towards helping businesses personalize their customer interactions. In addition to gathering and analyzing data, CRMs make it easy for agents to track the preferences and histories of every client, and to access and collaborate on that data from multiple devices. This empowers businesses to turn traditional ‘customer service’ into a one-to-one customer journey. Given that 69% of consumers and 82% of business decision-makers say personalized customer care has a major or moderate impact on their loyalty to companies, this is one practice that you can’t afford to overlook.
- **Be where the customers are.**  
Today’s clients have more than a few channels they can use to contact you, and you need to be available on all of them. From conventional telephone, to mobile device, to social media, to live web chat, to online forums, and beyond, an omni-channel customer service center will show your clients that you care enough not to dictate how they communicate. Reliable CRM can help facilitate this practice, as well, by making the same data available across every channel.
- **Maintain your focus.**  
It’s easy to say that customers are the heart of your business, but how well are you living it? Clearly define customer service standards for your company. Keep your clients informed and involved in their own customer journey. Give you agents the right tools and support to be able to provide superior service, and reward them when they do so. After all, your customers are the heart of your business, and staying focused on them is best practice of all.
- **Customer Service Model**  
A good customer service model focuses on increasing satisfaction while decreasing or minimizing customer conflict. Implementing a business model that focuses on an atmosphere of service is essential to the majority of businesses worldwide. Customer service models should include strategies for getting customer feedback, retaining angry or unsatisfied customers and continually updating policies and services to meet customers’ needs.



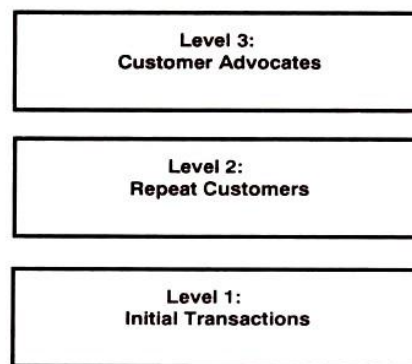
- **Develop a strategy for welcoming the customer to your business.**  
This means having a friendly and light atmosphere if you have a traditional brick-and-mortar store; an example is chain department stores such as WalMart that use greeters. Welcoming the customer also means placing products/services in easy-to-find locations.
- **Institute employee training programs that focus on improving and creating a customer service atmosphere.**  
Each employee should have a distinct role, but customer service should be a part of all positions. Employees should be trained in welcoming customers, assisting and conversing with customers as needed. A company's reputation and brand image partially rely on a customer service focus, which is why employee training programs should be used.
- **Create plans to include customer service after a purchase has been made.**  
Low-cost or free installation services should be considered if you're selling high-priced items such as appliances or electronics. Technical support services and service warranties are also possibilities that enhance a company's customer service image.
- **Make company management personnel available for any customer issues or concerns that need to be taken care of immediately.**  
Names and phone numbers of company management should be easily accessible to low-level employees if management is not available.
- **Consider using multiple channels to communicate with your customers.**  
Provide a toll-free or local phone number so that customers can call and get in touch with a customer service representative to talk about issues and complaints. Include other communication channels such as live website support and social media methods like Twitter and Facebook. When customers need to get in touch with a company representative it should be fairly easy to do so.
- **Develop a clear method to resolve customer complaints.**

Decide how and with whom complaints will be handled and resolved. Consider using customer relationship management (CRM) software such as that offered by Oracle to help. Institute complaint resolution policies such as giving account credits, free coupons and products, or refunds. A good customer service model should be flexible and resolve each complaint on a case-by-case basis.

- **Customer Service / Sales Profile**

Now you understand that the power of CRM lies in its ability to help you create, maintain, and expand customer relationship. You're excited and ready to begin delving into the process of creating your own CRM strategy, whether at the organization level or as it applies to your specific area or department. Before you do that, we'd like you to take a more in – depth look at who your current customers are and what their relationships with you look like.

There are three service/sales levels to the Customer Service/ Sales Profile model:



(Figure 1.1) The three service/sales levels

The shape of your Customer Service/Sales Profile reflects the relationship among these three levels. It is driven by the nature of the product or service you offer, the expectations of your customer base, and the forces of market competition.

The Customer Service / Sales Profile, will help you to do three things.

- First, it will show you what kind of customer relationships you're trying to create. Is your success based in initial, stand-alone transactions? Or does the nature of your product or service put customers in partnership with you over longer periods of time? How important is it for you to have satisfied customers acting as a word – of – mouth advocates for you in the market place
- Second, the Customer Service / Sales Profile will help you identify strengths in your current CRM practices. Even in cases where there's no formal CRM strategy, if you're still in business, you must be doing something right, may be several or many things. Knowing what right practices have evolved naturally will help you create the greatest possible improvement with the least amount of expense.
- Third, because this process creates a visual image of your customer relationship, you will find it helpful in communicating to others throughout the organization. Knowing your current profile and the desired profile will naturally help you focus your energy and attention.

- **Customer expectation – Factors determining expectation**

Customer expectations refers to the perceived value or benefits that the customers seek when purchasing a good or availing a service. They are the result of the ‘learning’ process and can be formed very quickly because even first impressions matter a lot. Once established, these expectations can hold significant influence in decision-making processes and can be very hard to change.

### **Factors determining expectation**

#### **1. Explicit service promises:**

Explicit service promises are personal and non-personal statements about the service made by the organization to customers. The statements are personal when they are communicated by sales-people or service or repair personnel; they are non-personal when they come from advertising, brochures, and other written publications. Explicit service promises are one of the few influences on expectations that are completely in the control of service provider.

Promising exactly what will ultimately be delivered would seem a logical and appropriate way to manage customer expectations and ensure that reality fits the promises. However, companies and the personnel who represent them often deliberately overpromise to obtain business or inadvertently overpromise by stating their best estimates about delivery of a service in the future.

Explicit service promises influence both the levels of desired service and predicted service: They shape what customers desire in general as well as what they predict will happen in the next service encounter from a particular service provider or in a certain service encounter.

#### **2. Implicit service promises:**

Implicit service promises are service-related cues other than explicit promises that lead to inferences about what the service should and will be like. These quality cues are dominated by price and the tangibles associated with the service.

In general, the higher the price and the more impressive the tangibles, the more a customer will expect from the service. Consider a customer who shops for insurance, finding two firms charging radically different prices.

She may make the inference that the firm with the higher price should and will provide higher quality service and better coverage. Similarly, a customer who stays at a posh hotel is likely to desire and predict a higher standard of service than from a hotel with less impressive facilities.

#### **3. The word-of-mouth communication:**

The importance of word-of-mouth communication in shaping expectations of service is well documented. These personal and sometimes non-personal statements made by parties other than the organization convey to customers what the service will be like and influence both predicted and desired service.

Word of mouth tends to be very important in services that are difficult to evaluate before purchase and direct experience of them. Experts (including consumer Reports, friends

and family) are also word-of-mouth sources that can affect the levels of desired and predicted service.

#### **4. Past experience:**

The customer's previous exposure to service that is relevant to the focal service, is another force in shaping predictions and desires. The service relevant for prediction can be previous exposure to the focal firm's service.

For example, you probably compare each stay in a particular hotel with all previous stays in that hotel. But past experience with the focal hotel is likely to be a very limited view of your past experience. You may also compare each stay with your experiences in the other hotels and hotel chains.

Customers also compare across industries: hospital patients, for example, compare hospital stays against the standards set by telephone service, one reason why cable service is often judged to be poor. In a general sense, past experience may incorporate previous experience with the focal brand, typical performance of a favorite brand, experience with the brand last purchased or the top-selling brand, as well as the average performance a customer believes represents a group of similar brands.

- **Measuring Customer Satisfaction in Sales Process**

Managing customers' satisfaction efficiently is one the biggest challenge an organization face. The tools or methods to measure customer satisfaction needs to be defined sophisticatedly to fulfill the desired norms. There are following methods to measure customer satisfaction:

#### **Direct Methods:**

Directly contacting customers and getting their valuable feedback is very important. Following are some of the ways by which customers could be directly tabbed:

Getting customer feedback through third party agencies.

Direct marketing, in-house call centers, complaint handling department could be treated as first point of contact for getting customer feedback. These feedbacks are compiled to analyze customers' perception.

Getting customer feedback through face to face conversation or meeting.

- Feedback through complaint or appreciation letter.
- Direct customer feedback through surveys and questionnaires.

Organizations mostly employ external agencies to listen to their customers and provide dedicated feedback to them. These feedbacks needs to be sophisticated and in structured format so that conclusive results could be fetched out. Face to face meetings and complaint or appreciation letter engages immediate issues. The feedback received in this is not uniformed as different types of customers are addressed with different domains of questions. This hinders the analysis process to be performed accurately and consistently. Hence the best way is to implement a proper survey which consists of uniformed questionnaire to get customer feedback from well segmented customers. The design of the prepared questionnaire is an important aspect and should enclose all the essential factors of business. The questions asked should be in a way that the customer is encouraged to respond in a obvious way/. These feedback could received by the organizations can be treated as one of the best way to measure customer satisfaction.

Apart from the above methods there is another very popular direct method which is surprise market visit. By this, information regarding different segment of products and services provided to the customers could be obtained in an efficient manner. It becomes easy for the supplier to know the weak and strong aspects of products and services.

**Indirect Method:**

The major drawback of direct methods is that it turns out to be very costly and requires a lot of pre compiled preparations to implement. For getting the valuable feedbacks the supplier totally depends on the customer due to which they loses options and chances to take corrective measure at correct time. Hence there are other following indirect methods of getting feedback regarding customer satisfaction:

**Customer Complaints:** Customer's complaints are the issues and problems reported by the customer to supplier with regards to any specific product or related service. These complaints can be classified under different segments according to the severity and department. If the complaints under a particular segment go high in a specific period of time then the performance of the organization is degrading in that specific area or segment. But if the complaints diminish in a specific period of time then that means the organization is performing well and customer satisfaction level is also higher.

**Customer Loyalty:** It is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer loyalty. In these interactions and communications it is required to learn and determine all individual customer needs and respond accordingly. A customer is said to be loyal if he revisits supplier on regular basis for purchases. These loyal customers are the satisfied ones and hence they are bounded with a relationship with the supplier. Hence by obtaining the customer loyalty index, suppliers can indirectly measure customer satisfaction.