Excellence in customer service and organisations

Business, Marketing

BSBCUS501C Work Related Project Question 1 Excellence in customer service is the objective of all organisations wishing to be successful. However, there is often a gap between customer expectations and management perceptions of customer expectations. Organisations often fail to get close to their customers and correctly read their expectations. Other reasons for customer service problems include: not listening to or collecting information from customers * poor, or no, focus on the actual design of processes to turn identified customer needs into products and services * gaps between what the organisation intends to produce for its customers and what its systems do actually produce * gaps between what the system is intended to deliver for customers and what it actually does deliver * cost constraints, orfailureto set and meet realistic performance standards, which affect what the organisation can actually deliver * poor staff attitudes, training levels and working materials * gaps between what salespeople promise and the actual service or product quality Source: Zeithaml, Parasuraman & Berry (1990) In approximately 2000 words comment on these statements. By implementing customer feedback strategies, the organisation will be able to discover the company's strengths and potential weaknesses, as set by the actual customer. Reacting on the feedback in a timely and appropriate manner will increase revenues and customer satisfaction.

Although a customer feedback programs will be an added cost in the beginning, long term it will savemoneyfor the organisation, as it costs far more money to get new customer’s than keep a satisfied, existing customers. Understanding what customers think of the organisation will improve service delivery and quality of products leading to business sustainability. By conducting market research and analysis of customer’s needs and expectations, an understanding of what the customers think about the organisation can enhance the continuous improvement process within the organisation. Customer perceptions are a subjective assessment of actual service experiences. Customer erceptions and customer expectations play an important role in service marketing and are the standards of performance against which service experiences are compared, and often formulated in terms of what a customer believes should or will happen. Supplying reliability to the customer will have the highest influence on the customer’s perception of quality and ability to perform the promised service effectively with efficiency. Responsiveness from employee’s and the willingness of the organisation to help customers and to provide them with a prompt service to deal with their queries, concerns or complaints will determine how the customer perceives the organisation.

Giving the customer assurance and inspiring trust and confidence in the product or service supplied will encourage and support the organisations objectives orgoals. Showing the customer empathy, caring and individualized attention during the process will enhance the customer’s individual experience with the organisation. By not knowing what customers expect is one of the root causes of not delivering to the customer their expectations. This is the difference between customer expectations of the service and the organisations understanding of those expectations. Unwillingness to ask customers about their expectations will not address current issues, service providers may think that they know what is best for their customers but without research, information and data, they may well be misaligned.

Feedback strategies may include electronic feedback mechanisms using intranet, internet and email, feedback forms, questionnaires, formal or informal surveys and interviews or databases and other controls to record and compare data over time. Market segmentation to understand the needs of the market are important. Market segmentation is the grouping of customers sharing similar requirements, expectations and demographic or psychographic profiles. Segmentation is usually done to understand the needs of customers more elaborately or distinctly. When asking customers for their input or feedback, they need to feel as if their opinions matter, they are more likely to continue supporting the organisation if they feel their feedback has been taken seriously and into consideration.

Listening to the customer and acting timely on their feedback is important for the organisation, failing to understand a customer’s needs can result in widespread negative comments about the organisation and the loss of customers and potential customers. By not listening to customers and understanding what they need from a product or service will not allow the organisation to maintain its effectiveness in the market place, producing poor quality products or service and effecting overall profitability for the organisation. Each organisation needs to develop and establish procedures, standards and guidelines for customer service requirements and communicate these to all staff. By establishing courses of action to accomplish specific goals, utilising information and data obtained through feedback will assist in identifying and acting upon the customer’s needs.

These may be established through strategic or action plans that identifies the customer’s need, arranges for, and obtains resources needed to accomplish the desired goals and objectives. By collecting information and data, planning areas for improvement that will improve the final output, will increase the quality of the service or product supplied. Identifying and acting timely on these inputs will ensure a competitive edge is maintained for the organisation. Identifying existing and potential problems or issues and obtaining relevant information about the problem will ensure the specific or root cause of the problem is identified. Once this has been achieved recommendations and corrective actions can be developed and proposed for implementation.

By performing a gap analysis to measure the organisations current performance against their desired outcomes can identify areas for improvement. Analysing data and quantifying the information will establish where the organisation currently is and where they need to be. Gaps may exist in various stages of the input process that affects the outcome. Poor quality raw materials or excessively priced materials will directly affect the quality and cost of the final product or service. Gaps may exist in the process and need to be identified promptly. Ensuring all customers internal and external are part of the review process ensures opportunities for improvement are identified and acted upon timely.

Gaps or areas for improvement need to be identified so quality products or service can be maintained. Employeeloyaltyneeds to be earned, rather than assumed and this is achieved through commitment andcommunicationby the management team. Organisations need to express and act on a commitment to develop employee'scareerobjectives by introducing initiatives that make employees believe that their current job is the best path to achieving theircareer goals, delivering customer satisfaction and feeling valued within the workplace. By including opportunities for personal growth and investing in the professional development of people within the organisation will improve outputs.

Identifying correct resources and developing well-defined career paths and conducting analyses of current practices will highlight these areas where training, mentoring, and coaching, or areas of improvement are required within the organisation. Establishing effective working relationships among team members and participating in solving problems and making decisions allows employees to be empowered and part of the process, increasing participation levels and drive to complete desired changes. Communication to employees and customers, expressing ideas and information clearly and concisely, sharing information will all assist with accomplishing the goals or vision set out. A common characteristic of successful services is teamwork. A feeling of teamwork is created when employees see other employees and management as key members of the team.

The lowest-level employee must feel that management; from their immediate supervisor to the CEO of the company, cares about them and that they are a critical part of the organisation's success. This is achieved when every employee is involved in the organisation's decision process and committed to providing a high level of service to customers, the company and to other employees. Cost constraints can affect the quality or price of the final service or product. Good purchasing practices are integral to organisational success. Developing budgets and resource plans, managing materials, equipment or labour will create quality products for customers. During the planning process of resource procurement, identifying the need is the first step in the process.

Organisations may be required to upgrade the current capacity of buildings or machinery used in the process to meet new orders or upgraded products. Investment funding may be necessary if new plant and facilities are needed. Skills of the workforce may need to be improved or obtained to operate new systems and produce the new product or service effectively. A raw material needs to be assessed for cost and quality as an input. If materials are too highly priced the end product would be too expensive for the consumer, equally, if the materials were of poor quality, the end product may not reach the customers expectation levels, in each case the consumer would be hesitant in purchasing the goods or product.

Ensuring a timely supply of raw materials enables the organisation to supply a constant flow of service or product outputs. Healthy cash flow is essential if business is to respond to changing demands and requirements in any production activity. Quality management of resources bring together all inputs, ensuring that these are timely and consistent that will achieve quality products and an effective, efficient workforce. Employee’s need to understand the needs of the customer and what they actually require. By understanding who the customers are, both internally and externally, and actively listening to the customers to identify their needs, the employees can then check that customer needs have been met.

Proactively engaging with customers to understand their needs and gaining feedback will highlight areas for improvement. Employee attitudes can affect an organisation's growth and profitability. Early detection and resolution of employee attitude problems can minimize the effect of poor performance and strained relationships within the workplace. Recent organisational changes may have contributed to changes in employee attitudes that may not have clearly described the role requirements. Employee’s attitudes may have changed based on the availability of resources necessary to perform their job functions or because of poor relationships with supervisors and managers. In some cases, the employee's job functions may be too challenging for their skill set.

Training informally or formally utilising mentoring, coaching or external facilitation may be required. To perform their job role according to the organisational standards, employees must have the correct equipment and resources. The equipment needs to be in good condition and the employees must have the knowledge and training to properly use the equipment to enhance the quality of their work. Retaining customers through effective customer service enables easier growth, indirectly and directly by sustaining healthier volumes and margins, and by business expansion from word-of-mouth referrals. An improved level of customer retention through effective customer service also improves staff morale, motivationand an increased productivity.

Improved employee morale and motivation resulting from reducing customer attrition also positively benefits staff retention and turnover. Improving customer service, especially empowering and listening to customer service staff, offers many organisations a bigger return on investment. Employees who follow established procedures and guidelines for customer service and who are committed to customer needs, presenting themselves in a polite manner even under situations of high pressure can quickly attend to the customer’s requirements. Understanding the level of service required ensuring quality procedures are followed in providing services and taking corrective actions where possible to meet the customer’s needs will re-enforce the organisations commitment to service quality.

Providing frequent and clear concise communication from management on what is expected and how the service is to be performed will support established policies and procedures. Providing employees with constructive feedback to help them understand how the service is to be performed and what management expects from the service, will provide employees with product and service knowledge so they can perform their jobs in a professional manner. Training employees in the correct methods of performing the service and how to communicate effectively with customers, supervisors and with other employees will enhanceprofessionalismwithin the organisation.

The quality of service delivers results in customer satisfaction and their retention, as it reinforces the perception that the value of the service received is greater than the price paid for it. Promises are made to consumers by organisations advertising using sales promotions and sales staff to promote products and services. These promises may be explicitly stated or they may be implied that the organisation can offer these services. If the organisation does not provide the service that is promised, there is a gap between what customers expect and the service received. To increase customer exposure, organisations are tempted to make promises that may be difficult or even impossible to deliver.

Communication through these channels tends to raise customer expectations and set certain standards to assess the service in the minds of customers. Any discrepancy between promised and actual service tends to broaden the customer gap. The tendency to over promise increases with pressure to achieve greater profits or to meet competitive claims. In both cases, severe damage to the organisations image can occur since it is unlikely the organisation can fulfil the service as promised. Each organisation should ensure that what they say they can offer, they will give to the customer as promised. This forms the backbone of the service bundle established by the organisation to achieve expected customer service.