

collaboration: integrating CRM across the enterprise". Customer satisfaction is considered a few times and usually only in terms of how much ROI could deliver CRM to the company. The PeopleSoft white paper "CRM in financial industry" concentrates on finance but not on customers. So, reading the white paper of PeopleSoft corroborates the Siebel comments about other CRM providers. These white papers seem to support the Siebel assertion that because other vendors came from other areas such as ERP, they keep this orientation and not the customer focus orientation.

A further analysis of the actual products, offered by these companies, is necessary in order to verify the real philosophy embedded in their products. However, the analysis of their white papers helps us with the purpose of showing the difference in the focus of their product's presentations.

To conclude this section, it is important to remark that the technology or software the company is planning to use for CRM implementation is very important. However, even with the best software, if the company doesn't understand the philosophy of CRM and aligns its structure to this philosophy, not technology could be useful to improve customer satisfaction and company profitability.

Concluding this article, it is necessary to repeat the importance of a customer-focused philosophy for developing a successful CRM system. We had discussed what customer-focused means and its implications. We hope this paper can alert users who are locking to implement CRM systems, to the fact that CRM is more than a system – it is new way to look at the business.

Customer Service and satisfaction

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Abstract

Good customer service isn't always noticed, but bad service invariably is. The author brings to your attention how customer service impacts the short and long-term success of a business. Sometimes benefits are not necessarily predictable or stated, but the risks on not listing benefits or setting policies in place are potentially injurious to an organization. It has become obvious that quality customer service is arguably the most critical factor in an organization's long-term success and even survival. Today, companies are increasingly recognizing that human resources (HR) plays a seminal role in building a customer-friendly culture, thereby generating repeated business. Therefore, the author examines the strong relationships between employees and customers that may actually keep both from fleeing the company.

Keywords:

Customer service, customer satisfaction, added value service, customer loyalty, quality control, benchmarking, evaluation, hiring, human resources, work environment.

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Customer Service and Satisfaction

Introduction

The root of every business starts from the main factor of "Satisfying Customers". When a company can attract and retain customers, productivity and profits will optimize. Various variables are involved in customer service and satisfaction. Acute business people conduct intensive research to understand the needs and wants of their target customers, in order to delight them with added value. As mentioned by Gary Armstrong, "Smart companies aim to delight customers by promising what they can deliver, then delivering more than they promise"(Armstrong, 1999, P8). Customers make repeat purchases depending on past experiences with the product or service. On average, a satisfied customer tells 3 people about a good product experience, whereas a dissatisfied customer grips to 11 people (Armstrong, P157). This could lead to a loss of profits, and it is known that it takes 6 times more effort to attract a new customer than to retain an old one. With these factors in mind, organizations have to analyze and implement effective means of gaining customer loyalty and satisfaction, in order to achieve their company's goals and objectives.

The Importance of Customer Service and Satisfaction...

"Business has always been about competing- for markets, territories, and most of all, customers. Today, customers' expectations are higher than ever before, and the range of choices open to them is wider than ever before" (Brown, 1991, P1). Companies should provide better customer service and satisfaction, to give buyers a reason to use their product over their competitors.

Organizations also use service differentiation techniques to tailor to various customers' needs and expectations. This makes customers feel valued and leads to mass customization. This is a great way for companies to increase demand of their product or service and gain more market share.

For instance, companies like Ritz-Carlton strongly emphasize the importance of customer service and satisfaction, which has given them a phenomenal competitive advantage. As stated in their mission statement:

"The Ritz-Carlton Hotel is a place where the genuine care and comfort of our guests is our highest mission. We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed yet refined ambience. The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests" (Armstrong, P248).

The Ritz-Carlton Hotel makes it difficult for customers to go elsewhere, which is what a successful business all about!

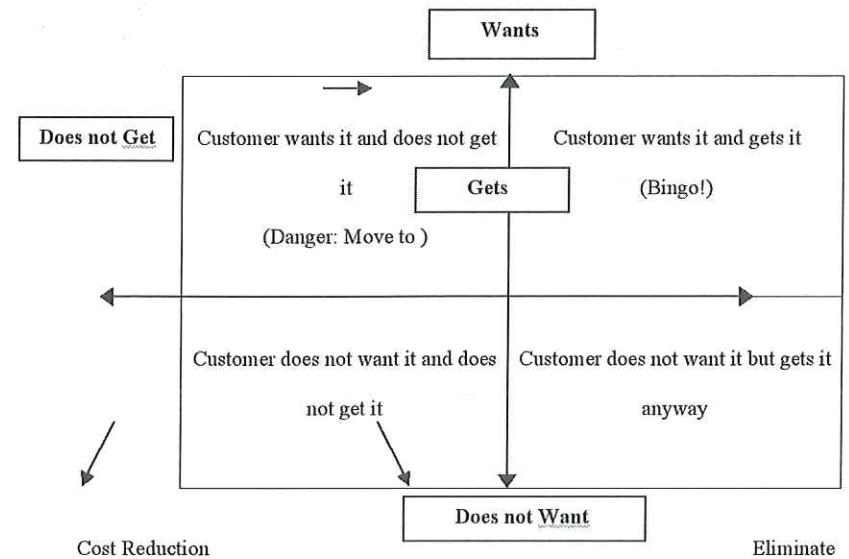
In short, lucrative corporations use different principles and techniques to provide better customer service and satisfaction, in order to run a healthy and successful organization.

Principles and Techniques of Customer Service and Satisfaction....

Research

To meet customers' demands, firms should know what they want first. The company should try to gather information regarding the customers' wants, and cater to those needs. Customer care management is all about closing the gap between what customers expect and what they get. Organizations can collect this information through customer surveys, focus groups, and customer panels. Satisfaction data

can be quantitative, like statistical charts and graphs, or qualitative, like opinion and impression information gathered in focus groups (Zemke & Anderson, 1996, P16). For instance, as illustrated in the following chart, the customer window model is a plot used by many organizations to understand the position of their product when it comes to satisfying the customers.



Model for Buyer Behavior: (Bhote, P 86)

Establish a common vision

"Top management should lead the way" (Bhote, P57). When the management of a company creates a common goal for all the departments to accomplish, a higher level of

productivity will be achieved due to higher commitment from the staff. This in turn leads to higher customer service and thus, higher satisfaction.

Mass Customization

Some companies choose to satisfy their customers by tailoring their products or services, according to the needs of individual customers. This is where product and service differentiation are applicable. This can be done either by offering a variety of choices for the customers to choose from, or by creating a modular production system. This technique is used by Levi Strauss, which enables women to order jeans according to their exact measurements (DuBrin, 1993, P92).

Value Feedback from Customers

The production process does not stop at selling. Post purchase behaviors of customers are highly important. Their reactions should be acknowledged and their opinions regarding the product should be valued. This feedback helps the management to vary the attributed of their product or service according to the customers' wants. For example, Pillsbury handles more than 2000 people who call its 800 number with complaints, compliments and questions (Armstrong, p158). This information is vital and important for Pillsbury to determine its strengths and weaknesses (SWOT analysis) in the market.

Being a Customer Service Leader

"Getting it" requires taking a serious look at how you treat customer service (Green, 2002) within your organization. In that vein, two important considerations must be looked at: One: Customer service must be thought of as a leadership issue. Any employees whose age put them in their early

twenties a decade ago have not likely experienced much in the way of effective customer service. Reading about it, being told about it, even attending training about it, are not the same as personally being on the receiving end of good customer service. So, it becomes a leadership issue. It becomes incumbent upon leadership to ensure that good customer service is modeled and rewarded. People grasp what they experience.

Two: Customer service is a marketing issue. It always has been, yet often it is set aside as a separate issue. Marketing is, after all, everything you do to reach and keep customers. Therefore, any organization that commits to making customer service the focal point of its marketing strategy has an opportunity to gain a great competitive advantage.

One of the most important tasks for a leader is to establish an environment of trust. James Copeland, CEO of Deloitte & Touche, says merely talking about trust does little good. Green continues to say that,

"Today, organizations that understand and deliver effective customer service will stand out in a customer's mind when compared to the poor customer service that is delivered by many organizations. The ability to determine what good customer service is for your organization begins with your mission statement. The development of an effective mission statement directly ties back to being a leadership issue. Too many organizations have unrealistic or public relations-oriented mission statements rather than well-developed, realistic, living mission statement."

When your mission is genuine, succinctly written, and truly reflective of your organization's core values, it will serve as a valuable document from which to craft operating principles. Organizations that are committed to being service-oriented will use their mission statement as a living document - referring to it often, building principles and standards from it, and evaluating performance and changes based upon it.

Customer Service vs Customer Satisfaction

Customer satisfaction and customer service are related but not the same thing. It is important that marketers understand this. If a great deal of money and time are spent improving customer service with little or no positive impact on customer satisfaction, then not much headway is made and money is wasted. The point here is not so much that one is better, but that providers can get confused between improving customer service and improving customer satisfaction. The focus needs to be on customers and what satisfies them, not so much on the activities themselves. It is often assumed that better customer service means more service people, when, in reality, many customers derive greater satisfaction from less employee involvement and more personal control over the outcome they want. (Motley, 2000)

Motley believes that customer satisfaction is an outcome and customer service is a means or a strategy to bring about satisfaction. Sometimes customer service or services are very well thought out, based upon a detailed understanding of what customers expect, and supported with great resources and management attention. These are usually successful because they are very well focused. Often, however, such strategies are risky because they involve change.

Why Customer Service Starts with Human Resources Management

There's convincing evidence that HR drives customer satisfaction-and corporate revenues-by careful attention to who is hired, (Kiger, 2002) how they are trained, how they are coached, and how they are treated on the job. There was a time when customer service was seen as the responsibility of sales managers and tech-support team leaders. Today,

that attitude is as outdated as a rotary telephones at corporate call centers. Increasingly, companies are recognizing that HR plays a seminal role in building a customer-friendly culture. Throughout the business world, HR departments are focusing their efforts on improving customer satisfaction. They're using HR activities - hiring, training, coaching, and evaluation programs - to give employees the tools and support they need to develop and nurture positive, lasting relationships with clients.

According to Kiger, the evidence is compelling that HR practices can promote customer satisfaction, and in the process, improve corporate revenues. Moreover, subtle changes in hiring or training sometimes can produce major improvements in customer happiness. A company with strong customer satisfaction and loyalty can survive and prosper even when faced with a tough economy or an unforeseen disaster. The salient example: Southwest Airlines, which consistently ranks first among airlines in customer satisfaction. For instance, following the September 11 terrorist attacks, which pushed many airline companies to the brink of demise, Southwest actually managed to post a profit in the fourth quarter of 2001, and was confident enough about the future to add new routes. Conversely, a company that provides lousy service may have trouble hanging on to its customers over time, and thus may be forced to continually replace lost accounts that have fled in frustration. As proof, you only have to look at Kmart, the once—mighty discount retailer that went bankrupt in January, at least in part because it couldn't compete with the famously courteous folks at Wal-Mart. Likewise, last year, the Dow Jones News Service reported that customer dissatisfaction was costing the McDonald's chain a breathtaking \$750 million in lost business annually. The cost of acquiring new customers is five times higher than the expense of servicing existing ones

Identifying employees with customer-satisfaction potential

Most service-quality gurus say that hiring is the first and most critical step in building a customer-friendly company. "You need to be selective. It's a lot easier to start with people who've got the right personality qualities to work with customers than it is to struggle to teach those skills to whoever walks in the door." key indicator of customer—service potential is a high level of what mental-health professionals call "psychological hardiness"—qualities such as optimism, flexibility, and the ability to handle stressful situations or criticism without feeling emotionally threatened. These are, of course, good qualities for many jobs. But experts note that the personality of a customer-service maven may be markedly different from those of achievers in other business venues. Verbal eloquence and persuasiveness, for example, aren't as important as the ability to listen.

Some companies have tried standardized psychological tests as a way to select from a pool of candidates. For example, the Myers-Briggs Type Indicator helps an employee see her own personality style, such as whether she is a "thinker," a methodical person; a "sensor," one who learns through observation; an "intuitor," who is enthusiastic and excitable; or a "feeler," who tends to avoid conflict. With training, a customer—service employee also can learn more about identifying customers' personality types.

A good customer service performer will work hard on a customer's behalf, not with the hope of getting a raise or a promotion, but because it's the right thing to do. He concluded by saying:

"Look for customer-pleasing personalities. The ability to empathize with others, flexibility, and emotional resilience under pressure are qualities that aren't easy to teach. Design a structured, situational interviewing process to find those special people."

The Human Side of the Enterprise

McGregor (1960) Theory X and Y refer to the two different sets of worker assumptions. Theory X assumes the average worker is lazy, dislikes work and will avoid it if possible. This worker requires close managerial supervision and control. On the other hand, Theory Y is self-motivated to work and the job itself will determine if worker likes the work. The manager allows great latitude and stimulates workers.

Build strong relationships with employees and suppliers:

Listen to employees' needs and wants: If they are dissatisfied, companies won't achieve as much productivity, due to the lack of commitment.

Value their opinions: As suggested by Douglas McGregor's ideas (1960) Theory X and Y, managerial behavior have a profound effect on management thinking and practice. Theory Y, people need to feel valued and inspired in society, or else they will not be enthusiastic about their work.

- Reward high performance: When employees are rewarded, they will be encouraged and motivated to do a good job. This can be done by incentives, bonus, extra leave, "employee of the month," etc.

- Training programs for customer service personnel: Employees who will be dealing directly with customers should be trained to have strong interpersonal skills, which are important when solving customers' problems.

- Supplier relations: Companies should also build strong relations with their suppliers, so as to get raw materials on time in order to meet customer demands. A delay in delivering goods will result in dissatisfaction

Five Tips for Improving the Customer Relationship

* Look for customer-pleasing personalities. The ability to empathize with others, be flexible, and have emotional resilience under pressure are qualities that aren't easy to teach. Design a structured, situational interviewing process to find those special people.

* Don't be afraid to emphasize the negative. Good service isn't always noticed, but bad service invariably is. Use role-playing exercises with employees and encourage trainees to discuss their own experiences as mistreated customers to help them understand the impact on the company's fortunes when they don't make a good impression.

* Give employees tools for understanding their customers. Your training program should include training in techniques such as "active listening" and advice on how to interpret customers' verbal cues.

* Don't neglect "hard" skills. A nice smile and polite telephone manners aren't enough when a customer needs advice on which hardware to pick or help with a product that isn't working. Make sure your customer-service people have a good working knowledge of whatever you're selling.

* Promote a service-oriented culture from the top. A company's customer relationships are heavily influenced by the tone of the management/employee relationship. Sell your top leaders on the importance of company rituals that emphasize service as a core value—for example, an employee tea or luncheon where executives do the serving.

Measuring Customer Service and Satisfaction

In measuring customer service and satisfaction, a company may develop a simple survey instrument to measure customer satisfaction in a pilot group including pre-testing. The company can:

* Establish methodology and procedures for administering this instrument, and provide advice and training as necessary for librarians in the participating libraries to conduct the survey over an agreed specified time period

* Analyze the results of the survey for each library and provide a report outlining the issues arising from these, including any necessary modifications in methodology

* Make recommendations for the future regular application of the survey instrument together with a cost estimate for the data analysis in each case

Conclusion

In conclusion, all organizations need to analyze the needs of potential customers, and produce goods and services, which cater to these specific needs. All members of the workforce need to work towards a common goal and support the organizational objectives through high levels of commitment. This will indefinitely increase customer service and satisfaction.

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