

Passion for CUSTOMER SATISFACTION

Serve OR Perish

In today's business landscape, services are a cornerstone of value creation and revenue generation.

From tangible, touchable services like haircuts to intangible offerings like Consulting, services come in various forms. Providing these services to customers effectively is a complex process encompassing tangible and intangible aspects. The bedrock of delivering services and ensuring customer satisfaction is **customer service, a strategic function that plays a pivotal role in modern organizations.**



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Services, as value-added products or activities, form the core of what businesses do to create value for their customers and generate revenue. They can be tangible or intangible, encompassing physical services like restaurant dining or digital services like mobile apps and websites. These services often involve multiple steps, may require specific skills or knowledge, and can be delivered in person, online, or through a combination of both.

Service businesses can be small businesses, such as a store or a one-person operation, or large companies with thousands of employees, such as an airline or hotel chain.

Customer Service is the support provided to customers before and after they purchase and use products or services. It goes beyond problem-solving and ticket closure, encompassing proactive and immediate support across various communication channels like phone, email, text, and chat. In modern organizations, customer service is considered a strategic function, with representatives viewed as customer advocates and brand ambassadors working to build loyalty.

Aspects of providing customer services

1. Types of Service Provision:

- Receive purchase orders and explain product characteristics with integrity.
- Addressing inquiries, often directing customers to Frequently Asked Questions (FAQs).
- Handling complaints with resolutions that may take time and effort.

- Monitoring and responding to comments.
- Continuously providing information related to purchased products or services.
- Building a unique customer relationship involving personalization and remembering customer details.

2. Means of Providing Services:

- Through the company's website.
- Visiting the customer's location.
- Via phone, email, text messages, or chat.
- Utilizing self-service options.
- Offering 24/7 service availability.
- Meeting the needs of customers with special physical needs.

3. Service Delivery Method:

- The customer's interaction with a representative often shapes their perception of the company.
- Brand image attracts customer attention, and the representative reinforces or negates that impression.

4. Required Handling Methods:

- Respect, irrespective of customer actions.
- Clarity of language.
- Friendliness.
- Empathy, a quality highly valued by customers.
- Justice.
- Providing comprehensive information.
- Offering alternatives.
- Allocating the necessary time.
- Quick responses to calls or messages.
- Monitoring social media for clarification and trend analysis.
- Compensation for supplier errors.
- Granting company representatives appropriate authority.

The Importance of Customer Service

1. Customer Retention:

- Retaining existing customers is cost-effective compared to acquiring new ones.

2. Reputation Building:

- Effective customer service contributes to a company's reputation and brand image.

3. Ensuring Competitiveness:

- Exceptional customer service sets a company apart in a crowded marketplace.

4. Supporting Marketing:

- Customer service includes proactive information, inquiries, and services, complementing marketing efforts.

5. Meeting Growing Expectations:

- Customers expect superior service and personalized experience.

6. Increasing Revenue:

- Satisfied customers are more likely to spend more and engage with the company.

7. Securing the Future:

- Neglecting customer service can lead to revenue loss and increased competition.

Perception is Reality

A study of the American market for the year 2022 reported that companies lost \$137 billion as a result of customer service errors that could have been avoided

General Overview

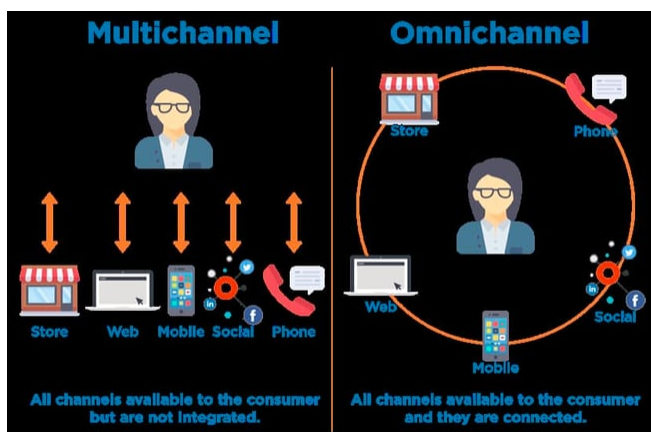
Results of a study published by **HubSpot**:

1. Customers will spend up to (10%) more for the same product with better service.
2. Customers who get good service tell 10-12 people on average.
3. When customers receive bad service, they tell (more than 20) people.
4. There is a probability (82%) that customers will repurchase from a company they feel satisfied with.
5. There is a possibility (91%) that poor service will discourage customers from returning to the company.

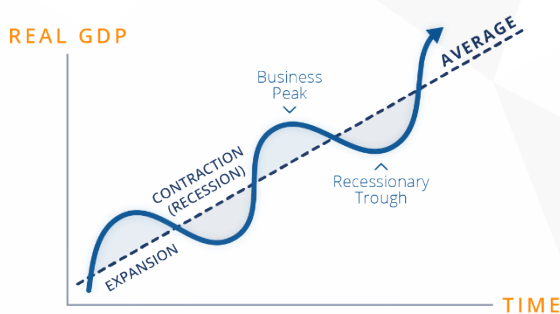
A study by **Bain & Company** indicates that increasing customer loyalty by 5% can improve profitability by 25% to 95%.

In the 2022 State of Customer Service report, only 50% of companies have empowered their service teams with the core service features a CRM can provide: help desk, knowledge base, and email.

Services integration



THE ECONOMIC CYCLE



In periods of economic prosperity, the customer chooses the **best service**

In periods of economic recession, the customer chooses the **cheapest product**

During a recession:

- Exposure to work pressure leads to remaining employees being exposed to pressure as well
The remaining few are subjected to high-pressure working conditions to achieve performance (Resulting in decreased efficiency and creativity, anxiety, and burnout)
- Customer service becomes the second priority (e.g., delaying training plans)
- Loss of experienced employees

- Loss of previous investment in total quality management systems

A study by **Harvard Business Review** showed that:

- 89% of workers reported that their working lives had become worse
- 85% said that their health had deteriorated.
- 56% stated that their job requirements have increased

Travel and tourism industry

- Facing a long-term and widespread labor shortage
- After losing 62 million jobs in 2020
- Labor supply and demand remain unbalanced
- There has been an exodus of tourism staff, especially from customer-facing roles, to other sectors.

The Role of Automation in Mitigating Labor Shortages and Improving Customer Service

Automation is a potential solution to address these pressing challenges in an era marked by labor shortages and declining customer service quality. Those who do not embrace technology risk missing out on many services, with the recent pandemic intensifying the demand for remote digital customer support.

While the extensive integration of automation promises to reduce operational costs significantly, it also comes with drawbacks. One such drawback is the potential impediment to seeking timely assistance. Some online platforms lack traditional email contact options, and their frequently asked questions (FAQs) often fall short of comprehensiveness. The '@info' feature, intended to provide information, repeatedly proves unreliable.

Furthermore, implementing automation may inadvertently overlook the support needs of individuals with special requirements, thereby compounding the challenges faced by those who rely on tailored assistance.

The Travel Industry is moving towards complete automation of workflows, but some prefer to deal with humans.

When similar services are fully automated, the differentiation becomes price and ease of use.

Report issued by: **Skift Research**

The hotel industry has not exploited the potential of technology

Only 11% of hotels and 25% of hotel rooms worldwide are supported by a hotel app or use in-room technology

Only 3% of hotels provide keyless entry

The rapid use of artificial intelligence applications will improve the immediate response to customers.

But it will currently only replace the human element when requirements are standard.

Medical services suffer from a personnel shortage, and the automation rate is low.

Culture and Training

Culture

The prevailing population culture influences the quality of customer service.

Nature is stronger than Nurture

Several successful airlines are predominantly found in the Far East, where the population's culture strongly emphasizes service orientation.

Best Airlines in 2023 (as per Skytrax):

- Singapore Airlines
- Qatar Airways
- ANA
- Emirates Airlines
- Japan Airlines
- Turkish Airlines
- Air France
- Cathay Pacific
- EVA Air
- Korean Air

Hire CHARACTER
Train SKILLS

PETER SCHUTZ

Training

Employee satisfaction is closely linked to customer satisfaction.

Effective training bridges the gap between culture and customer service.

"Train people well enough so they can leave.
Treat them well enough so they don't want to."
SIR RICHARD BRANSON

Elements of ensuring customer service

- Healthy human resources systems that motivate individuals to give their best
- Technical solutions (that reflect and develop procedures) that facilitate the customer journey and interaction
- The quality level of transactions within the organization that respond to customer requests and comments.
- Support staff should not have knowledge limited only to basic functions
- Very few have a mechanism for escalation to senior employees
- Not to mention that immediate escalation is very rare

I have dealt with the delicate balance between employee and customer satisfaction and simultaneously obtained top scores on both.

Six differences between customer-focused companies and process-focused companies

Companies that truly understand customer service prioritize empowerment, recruitment based on behavior and skills, training in personal skills, leadership that sets an example, employee-centric culture, and view customer service as a company-wide philosophy.

Process-focused companies, on the other hand, emphasize rules and policies, technical skills, and the end result.

1- **Empowerment:** Enabling employees to make decisions in the customer's best interest.

An operations-focused company requires manager approval for anything outside its policies or the typical way of doing business.

2- **Recruitment:** A customer-focused company hires people who fit the company's vision and mission + skill + behavior.

An operations-focused company hires skills

3- **Training:** on personal skills such as building relationships and customer service

An operations-focused company spends most of its training dollars and time on technical skills and product knowledge.

4- **Leadership:** Leaders of a customer-focused company define the vision and mission of the culture, then lead by example

Leaders of an operations-focused company define the vision and mission, but sometimes, they will have a "do as I say, not as I do" approach.

Which often leaves employees confused and less motivated.

5- **People First:** A customer-focused company understands the importance of putting employees first

They develop a culture of happy, engaged employees who deliver a better customer experience

A process-focused company develops a culture that focuses on systems, procedures, and the end result

6- **Customer Service:** A company that focuses on customers (external and internal) views customer service as a philosophy that every employee should adopt.

An operations-focused company sees customer service as a department.

Design a structured process for collecting innovative ideas
From your employees and customers

Quality and performance indicators

Creating compelling customer engagement Key Performance Indicators (KPIs) can be challenging, as the definition of quality varies across industries and traditions. Customer complaints statistics alone do not provide a comprehensive view of service quality.

Fairness is a fundamental principle in the public sector, balancing individual needs with society's.

The private sector is based on the principle of meeting every request in order to achieve profit.

4 ways to identify customer needs

- 1 Focus groups
- 2 Customer surveys
- 3 Listen to social media
- 4 Mapping the customer journey

Examples of key performance indicators (KPIs)

Key performance indicators such as CSAT, NPS, CES, FCR, and WCET can help track and improve customer service quality.



Conclusion

To excel in customer service, organizations must cover all stages of service delivery, promptly address customer needs, adopt customer service as a company strategy, provide integrated communication channels and technological means, empower service providers, hire based on competencies and behavior, prioritize employee well-being, maintain training during challenging times, lead by example, and establish effective performance indicators. Achieving these goals results in customer acquisition and retention, competitiveness, revenue growth, and the company's long-term sustainability. In a world where customer service is paramount, meeting and exceeding customer expectations is the key to success.

Build
Relationships
Not just
Transactions

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