



Aims

- What is meant by 'Customer Service'
- The components of Customer Service Delivery
- The pre and post-transaction elements of CS
- What is meant by 'SERVQUAL'
- The importance of Customer Order Management

What is Customer Service?

- 'A system organised to provide a continuing link between the time that the order is placed and the goods are received with the objective of satisfying customer needs on a long-term basis'.

Martin Christopher: 'The Customer Service Planner'

What customer want?

- Customers want a variety of responses from you. Most of all, people want to be treated like human beings. Some of what they want include:
 - To be taken seriously
 - To be treated with respect
 - To get immediate action
 - To gain compensation/restitution
 - To have the party who wronged them reprimanded or punished
 - To clear up the problem so that it never happens again
 - To be listened to

What of these is important?

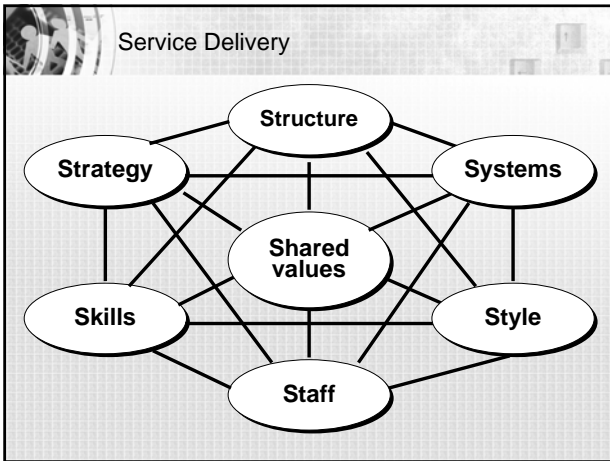
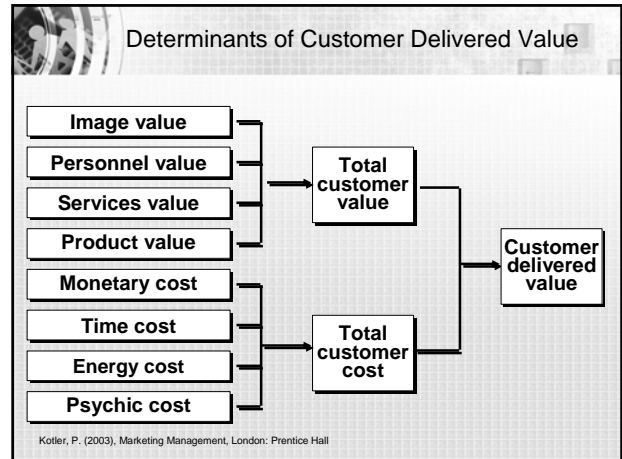
<ul style="list-style-type: none"> ▪ Providing the customer alternative sources if out of stock ▪ Providing published material ▪ Prompt claims procedure ▪ Priority given to urgent orders ▪ Correct installation ▪ Availability of spare parts ▪ Opportunity to test the product prior to purchase ▪ Delivery reliability ▪ Honesty ▪ Help with forecasting product changes ▪ Wide product range ▪ Ability to fill the complete order ▪ Prompt quotation ▪ Priority given to advance orders ▪ Realistic dates provided for back orders ▪ Help with training operators ▪ Reasonable delivery estimates ▪ Assistance with safety considerations 	<ul style="list-style-type: none"> ▪ Delivery time ▪ Quality ▪ After-sales service ▪ Providing the customer with information about delivery ▪ Price ▪ Competence and availability of technical representatives ▪ Order accuracy ▪ Correct specifications ▪ Availability ▪ Supplier assistance during initial use of product ▪ Assistance with design changes ▪ Satisfactory warranty provisions ▪ Packaging ▪ Delivery reliability ▪ Credit and provision to return goods ▪ Friendly attitude ▪ Accurate documentation
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Today's service reality

Customer's need for quality and price	and	Shareholder's need for profit
Customer's need for special attention	and	Manager's need for productivity
Organization's need to appeal to "profitable" customers	and	Organization's commitment to serve all its customers
Customer's new demands	and	Organization's ability or willingness to meet these demands

Key Elements of Customer Service

- Time between order to delivery
- Reliability
- Emergency deliveries
- Stock availability
- Ordering convenience
- Advice given to customers
- Invoicing/credit terms
- Customer contact
- Responsiveness to complaints



Pre-transactional Elements

- Pre-contract
 - Advertising
 - Technical Information
 - Written Policy
 - System Flexibility

Transactional Elements

- Personal Contact
 - Sales Call
 - Presentation/Demonstration
 - Order Placement
- Pre-delivery
 - Document Processing
 - Inventory Policy
 - Order Assembly
 - Transportation

Post-transactional Elements

- Delivery
 - Receiving/Installation
- Post-delivery
 - Product Performance
 - Product Support
 - Implementation/Training

SERVQUAL

- **Reliability**
 - Reproducibility of service
- **Responsiveness**
 - Speed of service, courtesy, competence
- **Assurance**
 - Communication and credibility, trustworthiness
- **Empathy**
 - Does the service provider understand your needs?
- **Tangibles**
 - State of staff, building, equipments

SERVQUAL battery

- **Reliability**
 - Providing services as promised.
 - Dependability in handling customers' service problems.
 - Performing services right the first time.
 - Providing services at the promised time.
 - Maintaining error-free records.
- **Responsiveness**
 - Keeping customers informed about when services will be performed.
 - Prompt service to customers.
 - Willingness to help customers.
 - Readiness to respond to customers' requests.
- **Assurance**
 - Employees who instill confidence in customers.
 - Making customers feel safe in their transactions.
 - Employees who are consistently courteous.
 - Employees who have the knowledge to answer customer questions.

Parasuraman, Zeithaml, and Berry (1994) - Alternative scales for measuring service quality: A comparative assessment based on psychometric and diagnostic criteria - Journal of marketing 70 (3) Fall. 201-230

SERVQUAL battery

- **Empathy**
 - Giving customers individual attention.
 - Employees who deal with customers in a caring fashion.
 - Having the customer's best interest at heart.
 - Employees who understand the needs of their customers.
 - Convenient business hours.
- **Tangibles**
 - Modern equipment.
 - Visually appealing facilities.
 - Employees who have a neat, professional appearance.
 - Visually appealing materials associated with the service.

Parasuraman, Zeithaml, and Berry (1994) - Alternative scales for measuring service quality: A comparative assessment based on psychometric and diagnostic criteria - Journal of marketing 70 (3) Fall. 201-230

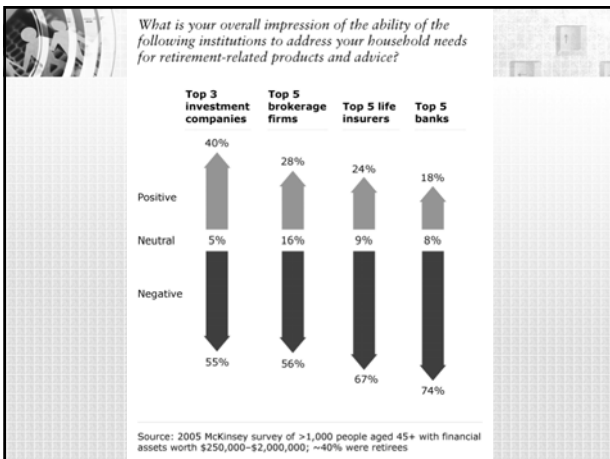
SERVQUAL Measurement

$Q = P - E$

Q: the quality of the service
P: the perception of the delivered service
E: the client's expectations of the service

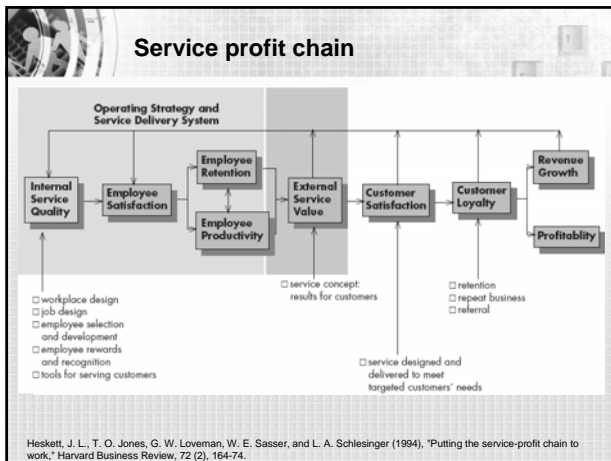
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graph LR
    A[Expected Service] <-->|Gap analysis| B[Perceived Service]
  
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Developing efficient service strategy

- See the big picture and how the customer service fits into it
- Establish an authentic connection with each customer
- Render timely, accurate and thorough service
- Value and respond to unique customer needs
- Extend a hand to repair and strengthen relationships with customers who are upset or angry



- ### Customer Order Management
- Pre-transaction
 - Stock availability
 - Target delivery dates
 - Response times to queries
 - Transaction
 - Order fill rate
 - On-time delivery
 - Back orders by age
 - Shipment delays
 - Product substitutions
 - Post-transaction
 - First call fix rate
 - Customer complaints
 - Returns/Claims
 - Invoice errors
 - Service parts availability