

Maximising Profitability through Effective Customer Service

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Customer retention takes more than a one-time offering of quality service but a consistent delivery of an excellent customer experience. Such experiences help in building the loyalty that any business desires from its customers

- Funmi Carew

The move towards excellent customer service remains a challenge for many businesses. Recent studies show that only businesses that can adjust to shifting customer wants with valuable and differentiated services will survive in the marketplace. To achieve market leadership, they must combine a good product offering with excellent customer service.

Excellent Customer Service cannot be achieved through a one-off initiative. It requires a continuous endeavor to identify and address a changing market in a way that creates value for both the customers and the business.

Whilst achieving absolute service excellence may be regarded as an overambitious goal, businesses that pursue it whole-heartedly are usually rewarded with increased customer acquisitions and retention that boost their profitability.

One of the key questions business managers ask bothers on how they can make the necessary investments in quality service without accumulating over-bearing costs. A recent customer service assessment of a few businesses by the Ciuci Research team also revealed the key challenges businesses face in delivering excellent service

Five Challenges of Service Excellence

Defining service strategies

In defining service strategies, a careful consideration of the key factors that have the greatest impact on the company's overall service delivery should be made. To support the realities of the business, companies need to think beyond the conventional emphasis on implementation and spend time to design every aspect of their offerings, including back-end technological architecture and business processes. If companies closely examine the structure that drives the business and stop

focusing on less relevant issues, they can reap substantial benefits.

Managing complexity

Constant changes in customers' taste and preference may call for a review of a business' operations. Studies reveal that to effectively tackle this, companies must define the extent to which it will offer a varied range of products or services. They must develop their implementation process, using the company's capabilities as set boundaries. The advantage of this is that it allows firms understand the true value and cost of variety to the market. One of the biggest problems that ser-

Identifying avenues for growth

Quoting from the book, "*Re-inventing Service*" by Booz & Co., "our experience with service companies, particularly those in financial services and health care, suggests that operational improvements that yield cost savings are increasingly being used to fund growth initiatives. Effective service is not just a matter of pumping up the execution of transactions. It boosts revenue and enables growth by providing superior and continuous insight into customer requirements". Successful companies must develop market-sensitive capabilities as this allows

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vice industries face is the unforeseen changes in consumer preferences and the continuous drive towards meeting all the demands of the customer, irrespective of operational capacity, which ultimately hinders efficient service delivery. However, it is crucial to note that it is wrong to avoid complexities out rightly. The trick to benefiting from complexities is striking a balance between the cost of providing certain services and the profit it brings in terms of customer satisfaction and sales.

them understand market tendencies and the growing needs of their clients. Ideally, such market capabilities must be fully integrated across the entire value chain. A system that monitors routine communication channels must be in place to ensure that changes in market behavior are promptly detected and addressed. This move ensures that the company is at par with the market and is on a steady path towards growth.

Driving execution

The importance of employing best practices in the daily running of a business cannot be over-emphasized. The expectations of customers are ever changing and often unpredictable regarding choice, quality and speed and this cut across sectors regardless of how long the business has been in existence. To this end, companies must ensure that the services they offer to their clients are not only of the best quality but are also executed with speed and precision. For instance every

Customer retention takes more than merely delivering on first contact as customer relationships remain the bane of viable businesses. It is only through a sustained relationship that customer behavior can be evaluated and opportunities to address new needs can be identified. Ideally, the company must enhance its customer relationships by frequently providing new products or services that better match the customer's constantly evolving needs thereby driving growth for the business.

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time a singular best practice organisation tweaks its service to meet its customer's predicted needs, it raises the bar higher in the industry.

Satisfying customers

Since a chunk of the customer's experience is defined by sustained interaction, companies must constantly devise new ways to satisfy their customers thereby retaining them and building profitable and lasting relationships.

This article was prepared by Ciuci Consulting research team. With significant research and analytical capabilities on topical issues in key industries, our proprietary research enables us to stay at the cutting edge of the changes in our local business environment.

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