

Course Name – B.A. (Vocational) Small and Medium Enterprise

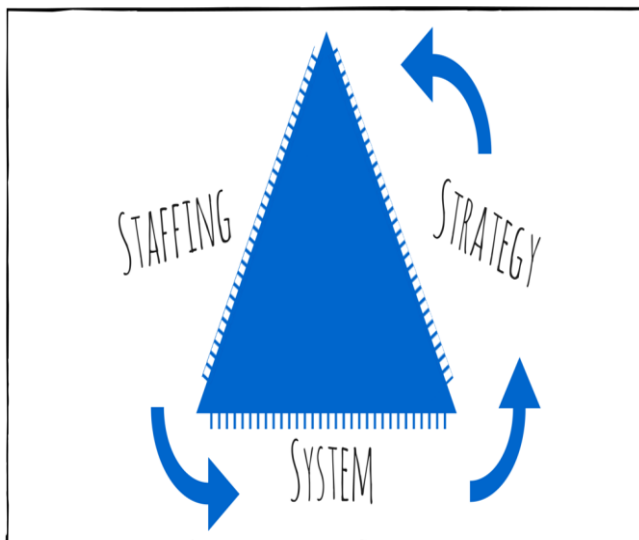
Subject Name- Marketing Strategy & Relationship Marketing

Semester- VI

Class Time- 11.30 AM

Teacher's Name- Navodita Chaudhary

THREE 'S' OF CUSTOMER SERVICE



As a company that sells Customer Relationship Management (CRM) software, we think A LOT about improving relationships with customers. This can be improving *our* relationships with *our* customers or helping our customers improve *their* relationships with *their* customers. Customer service is key.

While we would love to tell you that a CRM will boost your customer satisfaction and make your sales skyrocket through the roof, the truth is that having a customer relationship management system only represents one side of the customer service triangle.

1. Strategy

We've written a lot on the importance of strategy in relation to software implementations and process changes. Whenever your organisation makes a commitment to change, you need to make sure that your corporate strategy reflects a dedication to those changes. This isn't something that all companies are doing, but it is something that all companies *should* be doing.

Why do you need a strategy?

Some companies approach customer service with instinct based or vague processes. These piecemeal customer service providers often rely on proactive individuals to define what good customer service looks like, figure out how to provide it and implement it.

These individualised approaches to customer service leave companies open to inconsistencies in their level of service. This can take the form of conflicting processes for handling customer complaints, a lack of customer follow up and monitoring or imprecise checks and balances across the business.

If you want to create a company that focuses on customer service, top management should be making customer care an intrinsic part of the business strategy and vision. While day-to-day service is fine in the hands of front-line staff, **company leaders need to be supporting these staff members** and spreading customer service messaging throughout the organisation.

Without a top-down strategy for customer service, customer-facing staff are left feeling that customer service is not important throughout all levels of the business.

What should your strategy include?

At a minimum, your strategy should include monitoring what customers want and how they are feeling. Use market research and personal contact to determine the former, and customer feedback (phone calls, questionnaires, the Net Promoter Score system) to determine the latter.

Customer service-focused businesses never make the mistake of second-guessing these points.

Your strategy should also include a way of using positive reviews and opinions to benefit your business. Any company can say that they offer great customer service (for a fun experiment, check out some B2B websites and see how many say just that), but pointing to concrete metrics, like a great NPS or Customer Sure score or customer testimonials, will give your statements more clout and encourage business growth.

When existing customers recognise your company for delivering good customer service your conversations with prospects are less focused on price.

Once you know what customers want, and use that information to inform your strategy, you need to focus on training your staff to anticipate and react to their needs and concerns.

2. Staffing

New communication tools like social media and email have led to an unprecedented amount of direct contact between businesses and customers. As our MD Rowland Dexter puts it:

‘The internet has made it possible for disgruntled customers to make their feelings known to a wider audience. They don’t have to go to the trouble of writing a letter to the CEO anymore – they can vent their spleen by dashing off a knee-jerk one-star product review or a quickly-written tweet. ‘Word of mouth’ no longer means an individual grumbling to friends down the pub; it means communicating dissatisfaction to potentially hundreds or thousands of others.’

The visible impact of customer dissatisfaction on a business makes establishing a corporate focus on customer service even more necessary. This focus extends to the whole business, from product designers and factory operatives to account staff and customer service positions.

To do this effectively, you'll want to recruit staff with customer service in mind. Not everyone has an attitude that is aligned with a corporate focus on customer service. Some successful businesses hire for attitude rather than skills. As Dexter puts it, "skills can be learned, but attitude, they argue, is ingrained."

By making sure you have the best staff members to carry out your customer service strategy, you will have built a successful foundation for the third side of the customer service triangle.

3. System

The cherry on top of the customer service cake is systematising your outlook on customer service. There should be some sort of technical framework in place that all users can rely on for up to date information on their customers in order to better serve them. This may or may not be a Customer Relationship Management (CRM) solution.

Now we are not wholly unbiased; as CRM partners we've seen the impact a CRM system can make on an organisation.

If you've gone through the process of crafting a customer service strategy and hiring staff with a reliable outlook and attitude for customer service, you might be stopping yourself short if you continue to rely on Excel spreadsheets, paper customer files and other outdated methods of record keeping for information about your customers.

Companies that don't have some sort of CRM will be hampered in their ability to provide customer service at the level they should (and would like to!) be given.

By keeping all three sides of the triangle (strategy, staffing **and** system) in mind, you will be well placed to come out on top of your competition in terms of customer service.

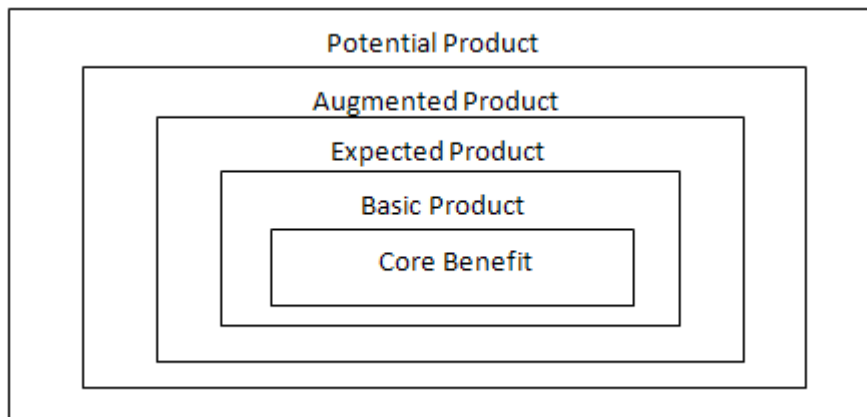
Setting the Product and Branding Strategy

The marketing strategy of a company revolves around 4Ps - Product, Price, Place and Promotion. Companies devise a strategy by mixing the four. The most important among is the product. All the marketing push and promotion will go waste if the product is not able to deliver. To come out with winner product, companies have to understand target customers needs and requirements.

Product Classifications and Strategy

Anything which companies produce to satisfy particular needs and demands is referred to as a product. The product is a broad category ranging from physical goods, tourism to managing a celebrity.

A product can be classified as to be made of five levels as shown in the figure below:-



The core benefit is the underlying segment product is offering. For example, the customer is buying commuting power when she purchases a car. Cars are fitted with comfortable seats, seat cover, and have desired colour, converting a core product into the basic product. Companies are in the business of providing value to products. At the expected level companies offer music system, child lock system and temperature control features. An augmented product provides more than customer expectation like chrome wheels or sun/moon roof. However, augmentation increases the price of the product and customers have to pay extra. An augmented product gets converted into an expected. At potential level companies provides products considering all the possible augmentation.

The product itself is arranged in a hierarchy like need family, product family, product class, product line, product type and item based on needs it satisfies. A further product can be classified on durability, tangibility and usage. Durability comprises of durable and non-durable goods. Non-durable goods comprise of a product like soap and beer, which are of frequent purchase and usually consumed quickly. These goods are available at many locations and require more allocation for advertising. Durable goods include TV, washing machines and music system. These goods require more personal touch for selling as the customer would like to understand all features and functions. Intangible products are in the form of services, like haircutting and car repair.

Product usage divides the product into industrial goods and consumer goods. Convenience goods are consumer goods, which can be bought by the customer without much fuss, for example, soaps, beer and newspaper. Shopping goods are the type of consumer goods wherein customer compare characteristics with other products in the same category based on price, quality and appearance, for example, clothing, and furniture and used the car. Speciality goods are the type of consumer goods where consumers need to make extra efforts in purchasing them, for example, yacht or luxury car. Unsought goods are consumer goods, which are not part of daily life and routine, for example, smoke detectors and cemetery plots.

Industrial goods can be further classified into capital goods and regular business supply. Capital goods are the type of industrial goods, which are required for the production of final products, for example, plant and machinery. Business goods are the type of industrial goods, which are required for day to day functioning as well as on special occasion, for example, office supplies, lubricants and spare parts.