

# EFFECTIVE CUSTOMER SERVICE: A TOOL FOR GROWTH AND SUSTAINABILITY OF SMALL AND MEDIUM ENTERPRISES IN NIGERIA

UMUKORO, STIRRUPH<sup>1</sup> & MOMOH, AILENOGHENA KARIM<sup>2</sup>

<sup>1,2</sup>Department of Business Administration and Management

School of Business Studies

Federal Polytechnic, Auchi, Edo State – Nigeria

Email: [stirruphumukoro@gmail.com](mailto:stirruphumukoro@gmail.com) Phone: 07032350232

Email: [momohkarimailenoghena@gamil.com](mailto:momohkarimailenoghena@gamil.com) Phone: 08036484883

## Abstract

*Compounding the fake and substandard products offerings in the Nigeria economy is the issue of effective customer service, particularly by small and medium scale enterprises (SMEs) owners who appear ignorant of the roles ideal customer service plays in sustaining the growth and sustainability of businesses. It can be observed that most SMEs in Nigeria go into business venture without the knowledge and skills of how to satisfy customers/clients/patients which is the backbone of the success of any business venture that is out to provide goods or services to people effectively and efficiently. Furthermore, many SMEs failures could be attributed to poor customer services. This paper therefore did an academic literature review on the subject matter of customer service. It started with the conceptual clarification of who is a customer and what customer service is. Thereafter, the roles effective customer service play in driving growth and sustainability of businesses were discussed. Next, the impediments to delivering quality customer service and how they could be overcome concluded the paper. Based on the discussion, the paper suggested that every SME owner, and the would be entrepreneur, should have the knowledge and skills of delivering quality customer service.*

**Keywords:** Customer, Customer Service, Growth, Sustainability, SMEs.

## Introduction

Creating committed customers is the goal of successful organisations, particularly small and medium enterprises (SMEs). In Nigeria, rather than do this most SMEs treat their customers/clients/customers/patients/passengers (collectively referred to in this paper as customers) with levity in addition to offering fake and substandard products. Poor customer service can be regarded as the major problems of most SMEs owner in the country. Citing Babandi (2000), Feitt (2002) observed that most failures of SMEs in Nigeria is due to numerous challenges facing the sector and lack of customer satisfaction is the major one. Speaking in the same vein, Jeremiah (2017) noted that, unless Nigeria SMEs prioritize a strong customer service culture by putting the satisfaction of customers first in product offerings as well as service delivery, projected economic growth in Nigeria may be a mirage. Phido (2018) cited in Jeremiah 2017) nailed it on the head when he opined that poor customer service can actually kill business and we have many businesses that have collapsed through lack of it. Some good examples of industries where many businesses have failed on account of

ineffective customer service are in airline and hospitality businesses (Jeremiah, 2017).

To the best of our knowledge, SMEs in Nigeria are guilty of poor customer service. They give promises and commitment they hardly keep. They seem not aware that with more educated customers, deployment of technologies, and sophistication in products/services, and tradition and culture, etc, customers are now sophisticated than ever before with majority of them difficult to be satisfied (Greenzy and Epley, 2014).

This paper is therefore aimed at discussing efficient customer service to enlighten the numerous SME owners in the country and the upcoming ones. Consequently, the paper will focus on the followings: (1) who is customer, (2) characteristics of customers, (3) what is customer service, (4) business case of customer service, (5) dimension of customer service, (6) barriers to meeting customer service ,and (7), how to overcome these barriers. There will be conclusion and suggestions.

### Who is a customer

The term *customer* is derived from the word *custom* which means *habit*. A customer is therefore a person who goes to a store habitually or frequently to purchase a product or receive a service. Thus, it is their *habit* to buy from that particular store (Anderson, 1996). A customer is a person who buys goods from a shop or business; a person of a specified kind with whom one has to deal with. However, in sales, commerce and economics, a customer - sometime known as a client, buyer, patient, - is the recipient of products, service, or an idea, obtained from a seller, vendor, or supplier via a financial transaction or exchange for money or some other valuable consideration (Wikipedia, 2018).

Customers are an integral part of any business. They are the driving force for an organisations to manufacture, advertise and sell their goods (Ettore, 2001). Without

customers there is no one to transact business with.

### Customer service

Before defining the term, *customer service*, it is important we pinpoint some of the characteristics of customers. The following are some of the characteristics of customers:

- Customers want and disserved quick service. Quality service is their right.
- They want to interact with a live person or an employee who has all of the information, expertise, and tools necessary to help them completely and expeditiously.
- Customer expectation are not only high, they differ according to age, level of education and socio-economic class, needs, preferences, buying behaviours, price sensibility (Kurtner and Cripps, 1997).
- Customer purchasing powers are not the same.
- Customers are the backbone of any business.
- Customer wants to be heard.

With the above characteristics in mind, customer service could therefore be defined as the act of taking care of the customer's need by providing and delivering professional, helpful, high quality services and assistance before, during and after the customer requirements are met. Williams, Ogege, and Ideji (2015) explained customer service to mean a quality product or service that satisfies the needs/wants of customers and keep them coming back. From the customers expectation perspectives, service expectations are met when customers are provided with the right product/service at the right quality, at the right time, right price, and right place every single time (Anderson, 1996).

### Dimensions of Customer Service

In the opinion of Anderson, Fornell and Lehmann (1994), effective customer service varies from company to company just as

expectation of customers also differ but the key characteristics of quality customer service include: rapid and quick response time to service request, responding to all customer feedback (whether positive or negative), providing self service help document, and frictionless process for getting in touch with support. But for Williams, Ogege, and Ideji, (2015), some elements of customer service which added to Anderson, Fornell and Lehmann (1994) opinion include: appearance, attentiveness, tact, guidance, flexibility, anticipation, communication, organisation, convenient days and hours of operations, friendly tellers, sales boys/girls that are sharp and knowledgeable about product, or service offering with good communication skills and problem solving skills and abilities.

However, for a business to deliver on customer service that will satisfy their customers, the business should focus on the following which Zeithmal, Berry, and Parasurama, (1988) tagged: *dimensions of customer service*.

- **Access.** It refers to how easily a service can be accessed and obtained. That is the flexibility of working days and time, method of contact, and waiting time.
- **Communication.** Addresses how information is conveyed to and received from customers among others. It entails empathic listening, the use of common language, and honesty about the products or services
- **Competence.** It deals with the level of skills and knowledge of the service provider about the product or service.
- **Courtesy.** It is indicated by friendliness and politeness of service providers.
- **Credibility.** It is the trust that customers repose in the organisation and the staff providing the service.
- **Reliability.** It implies the consistent performance or rendering of the right service at the right time right from the first time.

- **Responsiveness.** Willingness and readiness of employees to provide immediate service.
- **Security.** Absence of danger, doubt and risk. It implies physical safety and confidentiality.
- **Understanding.** Refers to how well the organisation understands its customers in their feelings about services being provided.

Zeithmal, Berry, and Parasurama, (1988) however cautioned that not every one of the points listed above needs to be present for a customer to be satisfied because, as stated before, customers differ in their expectations. For example, lodgers in hotels may be more concerned about security than the taste of the rooms; patients may take highly the reliability an hospital into consideration when seeking medical services just as passengers may value safety before other things when choosing a transporter.

### **Business case of customer service**

Customer service can make or mar a business venture. The literature is replete with benefits organisations could derive from effective customer service culture. Commenting on this Bowen and Chen (2011) said that just satisfying customer is not enough; they have to be extremely satisfied. Customer services activities or strategies are not an end themselves but a means to an end. A dissatisfied customer is more likely to search for information on alternatives and more likely to yield to competitor overtures than satisfied customer (Anderson and Sullivan 1993). Also, satisfaction is a reliable predictor of re-purchase intentions (Wang, Tang and Tang, 2001). Loyal customers are individuals who remain clients of their original suppliers even if a competitor propose more advantageous conditions (Bowen and Chen, 2011). Customer satisfaction leads to customer loyalty and possibly customer retention as there could be no loyalty without satisfaction (Gebelein,

Steven, Skube, Lee, Davis, and Hellervik, 2001).

Furthermore, Gebelein, et al (2001), most satisfied and dissatisfied customers can talk up to about 20 friends about it. It is equally so for customers who calls to give you feedback and others who have unresolved problems. Many studies (Anderson et al 1994, Eklof et al, 1999, Ittna and Larker, 1996; Fornell 1992; Anderson and Sullivan, 1993; Zeithaml, et al, 1988; and Reicheld and Sasser, 1990)) show strong positive relationship between quality of customer service and profitability in organisations. .

### **Barriers to quality customer service**

Discussed below are some of the barriers that impede the achievement of good customer service.

**Indifference.** How a customer service agent approach a customer/client, or his/her attitude towards them is extremely important in customer service. The quality of interaction between the agent and the customer always has bigger contribution to how customers evaluate his experience. A survey report shows that 78% of customers say that competent customer service representatives are most responsible for a happy customer experience (Reicheld and Sasser, 1990).

**Inattention.** The natural consequence of indifference is inattention to the voice of the customer. It creates a negative impact and makes the customer feel as though he/she is unimportant. Customers are not only want to be heard they also want to be understood by businesses and offer solution to their complain or enquiries. They also want business to hear their feedback, complains, compliment, and suggestions. They want organisations to notice what they say, react to it and respond.

**Lack of commitment.** Many of the times a customer's issue requires a follow up. In many cases customer service agent and a company as a whole do not have the necessary commitment to lead the customer

to the end and ensure that the customer problem is solved and the customer is satisfied.

**Poor team work.** Some of the difficult customer service issues occur during a second interaction. It may happen that the customer was served well during the first one but when his issue escalates to another person he gets in touch with he/she experience disappointment. The need to explain the issue a second time or third time, or sometime with different answers or different interpretation can greatly diminish customer experience.

**Scripted communication.** Customer desire authenticity and dislike overly scripted service. Many companies, unfortunately, deviate into scripted communication with their customers. For example, machines (computers) are now programmed to respond to customers' enquiries. This happen for two reasons: it happens because it is easier for a business to like this because of cost. It also happens because companies do not trust the discretion of their employees that they can sort out clients' problem (Gebelein, et al, 2001). So they give them *canned* responses to send to customers.

**Inconvenience access to support.** Technical aspects, of course, also matter in the customer experience, but most time this is lacking. A business need to make sure its clients have easy access to support when it is needed. They will highly appreciate the convenience. One of the authors of this paper reported he once had this experience. According to him, he bought an item of electronics from one of the electronic stores and he tried to return it with all the purchase receipt the following day because of, apparently, some factory fault. The store owner told him that he was not the one that sold it for him that he should come back when the store attendant who sold it is around!

**Lack of customer personal data or insufficient use of it.** Customers find it important that the company has access to their previous transactions history and their

personal details. A recent survey (Deng, Yeh, and Sung, 2013) revealed that the degree to which customers' information is used by the company to provide a personalized solution is correlated to the degree to which customers perceive a company or a business. Not collecting any customer information as well as collecting but not making use of it is equally damaging to how customer perceive their support.

**Low first call resolution rate.** Statistically, if customers get a solution to their problem in the first call, 92% are likely to continue using the company, 86% are likely to recommend the brand, 88% are likely to spread positive words of mouth about the brand (Grimm, 2015). These leads to much higher level of loyalty, advocacy, and better perception of organisation. But unfortunately, most businesses frustrate customers if they have issues to resolve with them.

**Delayed response.** Some time you get to a restaurant very hungry and have to wait long before being served. Long hold time are one of the most frequent cause of complains and dissatisfaction by customers (Grimm, 2015). This seems like the easiest thing to fix. However, many businesses still overlook this important aspect of effective customer service.

### **Ensuring high impact customer service**

A business may have fantastic product but if its customer service is unhelpful, unreliable, or just plainly hard to get in touch with, folks will hear about it and it will lose customers over it (Heath, 2020). Heath discussed the followings as ways businesses could help in enriching customers experiences and satisfaction.

**Know your product.** Knowledge of the product or service model is very important to delivering quality customer service. Sellers or customer support agent should know the characteristics, uses as well as how their products are similar or differs from competitors' products. That means they need

to be a product expert. Extensive knowledge of product or service model is an essential customer service skill (Chambers, 2020). Ideally, businesses should believe in their products/services; be able to discuss features and uses of products in an insightful ways and show customers how the product can benefit them – not to mention abilities to troubleshoot anything that is not working right.

The business job is to help customers get the most out of their purchases and feel like they have gotten true value for their money. Chambers (2020) suggests that a business should make its goal to learn everything there is to know about its products and train agent on it so that you can amaze your customers with time.

**Maintain positive attitude.** Attitude is everything (Harrel, 2005) and a positive attitude goes a long way. Buttressing this, Gebelein et al (2007) noted that right attitude changes negative customer experiences into positive one. They further opined that since most customer interactions are not face to face attitude should be reflected in language and tone of voice. The brain, according to Goldman (2007) uses multiple signals to interpret someone else's emotional tone, including body language and facial expression many of which are absent online.

**Creativity in problem-solving.** Over 200 adults interviewed, about 80% reported that they have stopped buying from some shops because of their experiences (Harris, 2010). That is why a business should thrive on solving problems for customers and make it a central part of support role as there will always be a problem to solve. Do not be afraid to *wow* your customer as you seek to solve problem for them. You could just fix the issue and be on your way but by creatively meeting their needs in ways that go above and beyond what they need will create customers that are committed to you and your product.

**Respond quickly.** A surprising 66% of people believe that valuing their time is the most important thing in any online customer experience (Leggett, 2016). Customers just want an accurate relevant and complete answer to their question upon first contact so that they can get back to what they were doing before the issue arose. Leggett further reported that 53% of US online adults are likely to abandon their online purchase if they cannot find quick answer to their questions; 73% say that valuing their time is the most important thing a company can do to provide them with good online customer service. Businesses should get back to their customers as quickly as possible and they should not be in a rush to get them off the phone to resolve their issues.

**Personalize service.** Knowing customers personally and treating them as individuals is key to quality customer service. In this era of ICT, automation has its place in customer support but it cannot replace real people helping people. It is important to note that 40% of customers say they want better human service. That means they want to feel like more than just a ticket number. They get angry when they are not being treated like an individual person, such as receiving boilerplate response, being referred to by a ticket number or being batted like a tennis ball to different people or places. Customers want to interact with a person. So, for example, do not only know your customers names but also their birthdays, their interest and hobbies, etc. It is part of the reason why many businesses send gifts to their customers on their birthdays.

**Help customers to help themselves.** Customers do not always want to talk to someone to get their problem solved. Often, they want to quickly resolve their problem themselves. Among consumers, 81% attempt to take care of matters themselves before reaching out to live representative and 71% want the ability to solve most customer service issue on their own (Zeithaml, Berry, and Parasuraman, 1988). So, businesses should provide means or opportunities to try

to help themselves before reaching out to live representatives.

**Focus support on the customer.** Customers are the most integral part of your business and they come before products or service (Anderson, 1996). Treat them like they are the centre of the business as they are. According to Smaby (2011), being human is good business. To support the assertion, Smaby noted that Southwest Airline in USA put this principle into practice in a very memorable way when one of its pilots held a flight back for some minutes to wait for a customer traveling for a funeral – they put the human before their target!

**Actively listening.** In the words of Marcus Aurelius, 2<sup>nd</sup> Century Emperor of Rome, “Acquire the habit of attending carefully to what is being said by another; entering so far as possible into the mind of the speaker”. Paying attention to customer feedback include looking back over the data as well listening in real-time. Show customers that you hear them when they speak to you. Listening increases the chances that you will hear your customer real problem and can actively solve them resulting in happier customers.

Active listening also means you are mindful of customer’s unique personality and current emotional state so you can tailor your response to fit the situation as customer service is not one-size-fits-all.

**Keep to commitment.** If a business promises something it should make sure it delivers on it. Customers should not be let down. Keeping your word is about respect and trust. When a service provider says he/she will get back to a customer within 24 hours and could not, offer something to make up for it. If customer delivery goes awry, offer to replace it and refund money if need be. A business might lose something in the short term but gain a loyal customer in the long run.

Interestingly, Greezy and Epley (2014) shows that customer do not feel extra grateful when you deliver more than you promised. They do however, feel angry if you break a promise. It is therefore better to under promise and over-deliver to make sure no important commitment is breached.

**Proactively helpfulness.** Going the extra mile is one of the most important thing a business can do to establish good customer service. This is when a business has ticked all the boxes and still wants to do more. Sometimes being helpful mean anticipating customers needs before they even articulate them. In fact, sometimes customers may ask for one thing without realizing that they really need another (Lebed, 2015). It is the business' job to anticipate their needs and provide for them. When customers feel like they are valued; like they are really special, they will keep coming back. This may be linked with the *phenomenon of reciprocity* in social psychology (Cherry, 2020). This means that if you do something nice for your customers, they will want to do something in return – like buying your product.

## Conclusion

Resulting from multiplicity of products and services, increased education and information technology, intense competition, customer service has become the building block of growth and sustainability in business – particularly for SMEs. All the perused literature posit the idea of effective customer service delivery as one of the key steps for business growth and sustainability. It is therefore necessary for for businesses to know what customers value most and strive to satisfy them

Individually, these elements of customer service experiences as discussed in the paper are essential but when combined they can fuel a powerful customer satisfaction in today's uncertain business environment where customers are increasingly difficult to be satisfied.

In the light of the discussion, Small scale business owners should know that customers want to be treated like people by people; not a number in a long queue or by a machine. Humanize them and your businesses will flourish.

## References

- Anderson, E. W. (1996). Customer satisfaction and price tolerance.”, *Marketing Letters* 7(3), 19 – 30.
- Anderson, E. W, Fornell, C. and Lehmann (1994). Customer satisfaction, market share, and profitability: finding from Sweeden. *Journal of Marketing* 58: 53 – 66.
- Anderson, E.W. and Sullivan, M. (1993). The antecedents of consequences of customers satisfaction for firms. *Marketing Science* 12: 125 – 143.
- Bowen, J. T. and Chen, S. L. (2011), The relationship between customer loyalty and customer satisfaction, *International Journal of Contemporary Hospitality Management* 12(5), 213 – 228.
- Chambers, S. (2020). The arts of troubleshooting for customer support professionals. [www.helpscout.com](http://www.helpscout.com) retrieved 22 May, 2020.
- Cherry, K. (2020). “How the norm of reciprocity works.” [www.verywellmind.com](http://www.verywellmind.com) Retrieved 22<sup>nd</sup> May 2020.
- Deng, W.J., Yeh, M.L. and Sung, M.L. (2013). A customer satisfaction index model for international tourist hotels: Integrating consumption emotions into the American customer satisfaction index. *Intl Journal of Hospitality Management* 35: 135 -140.
- Customer service (11 April, 2018). In *Wikipedia*. Retrieved from <https://l.en.m.wikipedia.org>
- Eklof, J.A, Hackel, P. and Westlund, A. (1999). On measuring interactions between customer satisfaction and financial results. *Total Quality Management* 10(4 – 5): 514 – 522.s to

- Ettore, J. (2001, May 4<sup>th</sup>). "Serving the customers is only the true north in stormy retail seas", *Merchandiser* 41(5), 33 – 45.
- Feitt, T. I. (2002). *Customer satisfaction survey development and evaluation*. [www.2uwstout/content/libthesis/2002/feitt/.pdf](http://www.2uwstout/content/libthesis/2002/feitt/.pdf). Accessed 25<sup>th</sup> April, 2020.
- Fornell, C. (1992). A national customer satisfaction barometer: the Swedish experience. *Journal of Marketing* 56(1), 60 – 76.
- Gebelein, S. H., Steven, L. A, Skube, C. J., Lee, D. G., Davis, B. L. and Hellervik, L. W.(2001). *Successful manager's handbook*, Minneappolis, USA, Personnel Decision International.
- Goldman, D. (2007). "Email is easy to write (and misread). *The New York Times*, Oct. 7. [www.nytimes.com](http://www.nytimes.com). accessed on 23 May, 2020.
- Greenzy, A. and Epley, N. E. (2014), Promise, the psychology of marketing or exceeding them. *Journal of Social Psychology and Personality Sciencd*. [Dx.doi.org/10.1177/1948550614533134](https://doi.org/10.1177/1948550614533134).
- Grimm, C. J. (2015). Customer service: when to offer fewer customer service channels, *Harvard Business Review*.
- Harrell, K. (2005). "Attitude is everything: 10 life-changing steps to turning attitudes into action", New York, HarperCollins Publishers Inc.
- Harris, I. (2010). "Customer experience report – North America, commissioned by *RightNow*.
- Heath, C. (2020). 10 ways to deliver good customer service. [www.helpscout.com](http://www.helpscout.com) retrieved 22 May, 2020.
- <https://study.com> "What is customer service? – defining, types and role in marketing – video and lesson transcript posted 10<sup>th</sup> May 2015. Visited 18<sup>th</sup> May 2020.
- Ittna, C.D. and Larker, D.F. (1996). Measuring the impact of quality initiatives on firm financial performance. *Advanced Management Organisation Qual* 1(1): 1- 37.
- Jeremiah, K. (2017, May 02). "Poor customer service is killing business in Nigeria" *The Guardian* online. Retrieved April 4, 2020.
- Kurtner, S. and Cripps, J. (1997). Measuring the customer portfolio of healthcare enterprises. *Health Care Forum Journal*
- Lebed, M. (2015). "10 barriers to outstanding customer service." Provide support blog. [www.providesupport.com](http://www.providesupport.com). accessed 23 June, 2020.
- Leggett, K. (2016). "Your customers don't want to call you for support" [www.go.forrester.com](http://www.go.forrester.com), accessed 23 June, 2020.
- Reichheld, F. F. and Sasser, W.E. (1990). Zero defections: Quality comes to service. *Havard Business Review* 68(5): 105 – 111.
- Smaby, K. (Sept 06, 2011). Being human is good business, *Business Issue No. 334*. Retrieved from [alistapart.com](http://alistapart.com). 26 May, 2020.
- Wang, T. S., Tang, T. I. and Tang, J. T. E. (2001). An instrument for measuring customer: Website that market digital products and services.", *Journal of Electronic Commerce Research* 2(3), 89 – 102.
- Williams, H. T., Ogege, S. and Ideji, J. O. (2015). "An empirical analyses of effectiveness of customer service on Nigeria's banks' profitability: A queuing and regression approach. *Asian Economic and Financial Review* 4(7), 864-876.
- Zeithaml, V. A., Berry, L. L. and Parasurama, A. (1988), "Communication and control processes in delivery of service quality", *Journal of Marketing* 52(48), 35 – 38).