



RESEARCH ARTICLE – 13

EXPLORING THE SYNERGIES BETWEEN CUSTOMER SERVICE, SERVICE FAILURE, SERVICE RECOVERY, AND CUSTOMER RELATIONSHIP MANAGEMENT FOR ENHANCED SUPPLY CHAIN EFFICIENCY

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ABSTRACT

The study was aimed at exploring the synergies between customer service, service failure, service recovery strategies and customer relationship management for enhance supply chain efficiency. Relevant scholarly articles on these concepts were adequately reviewed to find out how they enhance supply chain efficiency. From the extant literature, customer service is referred to the level of service organizations offer to their customer, while service failure is the performance that fails to meet a customer's expectations. To compensate for the service failure, extant literature explained service recovery strategies as all the techniques deployed by organizations to right all the wrongs in trying to make sure that unsatisfied customers are pacified from an unpleasant customer service they experienced and to also regain their loyalty. Lastly, from extant literature, customer relationship management is the total utilization of organizational practices, strategies, and technologies to manage and analyze customer interactions and data through the customer lifecycle. The study found out that supply chain efficiency is enhanced by these concepts in several ways. Firstly, an organization only thrives when there is effective customer service, as it will foster better communication and collaboration between different entities within the supply chain. By having a clear understanding of customer needs and preferences, organizations can align their operations more efficiently with their supply chain partners leading to reduced delays and disruptions. Furthermore, order processing are automated in real-time, this helps order tracking systems accuracy and fulfillment speed, reducing lead times and enhancing overall customer satisfaction

Keywords: *Customer service, Service failure, Service recovery, Customer relationship management, Supply chain efficiency*

Introduction

Profit maximization is the sole objectives of every business organization while satisfying the needs of their consumers. Their ability to harness their available resources, technology and expertise aid minimize logistic cost thereby making their supply chain very efficiency, and giving them a competitive edge in the business environment. Therefore, supply chain efficiency is the internal standard of performance of an organization. While supply chain effectiveness focuses on meeting the demand of groups outside the organization, supply chain efficiency focuses on meeting those demands as quickly as possible and in a cost-effective manner within the organization (Lopienski, 2023). Therefore, the goal of an efficient supply chain is to save money and maximize profit by optimizing the processes and stages in the supply chain. There is no organization that is ready to deal with waste as it is very costly, inefficient and bad for the environment, hence, supply chain efficiency is very crucial in the movement of product from one point to another (Zahran, 2024). Making sure that the product gets to the right

customer at the right time is very important to every supply chain manager. These customer expectations are at an all-time high, especially when it comes to timely delivery (Hayes, 2024). It implies that in order to make sure the product is introduced to the market quickly and effectively, every moving component of the supply chain needs to be carefully examined and closely watched (Lichocik & Sadowski, 2013). Some of the components that enhances supply chain efficiency are customer service, service failure, service recovery strategies, and customer relationship management.

Customer service is the support organizations give to their customers. This support is in three ways, before they purchase the product, after they have purchased, and after they have used the products to help them have a wholesome experience with the product (Kanovska, 2010). Offering an amazing customer service is very key to the growth and success of any organization, if these services are given to the satisfaction of the customers, this may lead to service failure. Service failure is when a service offered by organizations fails to meet the customers expectations. This mean that the customers are not receiving the quality of service as promised by the organizations (Mann, 2018). Dissatisfied customers may decide to say unpleasant things about the organizations they transacted with. This service failure will trigger service recovery measures. Therefore, service recovery refers to the steps taken by organizations to handle the service failure that had occurred during or after service delivery. This aims to restore the customer satisfaction, loyalty and trust, even when the customer is not satisfied (Churchill, 2023). Hence, the service recovery measures will further create a relationship between the organization and the customer which the organization will need to manage to ensure repeat purchase. Therefore, customer relationship management is the principles, practices, and precepts that organizations follow when dealing with their customers (Hargrave, 2023). This is achieved through a direct interaction between the organizations and their customers, before, during and after sales as it helps organizations improve their service quality and enhance customers' overall experience.

This paper is aimed at explaining through extant literature how the aforementioned concepts enhance supply chain efficiency in the context of general organizational considerations. The author has also spotlighted some practical implications of these concepts on supply chain efficiency.

Concept of customer service

The profitability of any organization is anchored on the quality of product and service delivery they offer. These service deliveries lines-up the organization better than its competitors, ensure customers loyalty, help to differentiate product and decrease marketing cost (Kanovska, 2010). Customer service is critical to competing effectively, as most customers do business with organizations based on price and the overall service offered before, during and after the service. As it is often said, it is cheaper to keep existing customers than to find new ones. Great customer support drives an amazing customer experience, especially when the organization just do beyond reacting to customers problems to anticipating customers problems (Dabrowska & Janos-kresto, 2019). Hence, service innovation and value proposition is very crucial and must be assessed from the customers perspective of customer value creation, the service that the customer experience. Customer service is not just a success because of how great and the proactive the team, there must be establish precepts, practices to aid the replication of these processes when there are new team members. Customers' experiences, happiness with the way services are provided, and contentment with meeting service-related needs all have an impact

on their decision-making process, the decisions they make afterward, and the judgements they form about an organization as a whole (Dabrowska & Janos-kresto, 2019).

Good customer service is crucial because businesses depend on knowledgeable staff members who can interact with consumers in an efficient manner, attend to their concerns, and address their worries. This is not the responsibility of one person or a group of people, it is the entire organization's responsibility. Everyone at all level and grades must ensure that they identify with the objectives of the customers service strategy and contribute to these as and when appropriate (Tjahjaningsih et al, 2020). When the quality of service is good customers are reluctant to switch brand, because they want to keep getting value for their money. Service quality strategies that enhance customer loyalty are; understanding of customer expectations, training and empowering employees, personalizing the customer experience, ensuring consistency across touchpoints, maintain timely and effective communication, focusing on continuous improvement, rewarding customer loyalty, building emotional connections, resolving complaint effectively, measuring and monitoring customer satisfaction, anticipation customer needs, encourage and response to customer feedback, and invest in technology (Rane et al, 2023). These strategies if implemented approximately gives an organization a competitive edge in the business environment in the area of revenue generation, and positive word of mouth marketing, which will culminate into customer loyalty.

1.1 Concept of service failure

Service failure is the performance that fails to meet a customer's expectations. Also, it refers to a condition when the consumer does not receive the service as promised by the seller (Mann, 2018). Service failure can happen in both large and small organization, this can happen in different forms such as, when customers are not getting the delivery of products as promised when they engaged in the transaction, when they employees are rude and uncaring in their dealing with the customers among other. Whatever is the cause of the failure, the long-lasting negative experience in the minds of the customers is certainly turn into a negative image of the organization. Typically, when service failure occurs, customers expect to be compensated for the inconvenience in the form of any combination of refunds, credits, discount or apologies (Gibson, 2017). Service is the opposite of service satisfaction, hence, service failure is very common scenario. The three major reasons for service failure are strategy of the management, leadership quality of managers, and natural instincts of employees. Management should be able to plan and strategize organization policies and operations so that every aspect of the business is well-organized to reduce the chances of service failure. Furthermore, managers should be able to apply their leadership skills in motivating, supervising, and correcting the operations and actions in the organization to ensure higher customer satisfaction and minimum service failure (Xiang & Zuo, 2022).

A large part of the service relies on the employees as they are the one to provide service and interact with the customers. Hence, the behaviour of leadership and the management of the organization towards employees is often incongruent with the customer service initiative (Koc, 2022). It is worth mentioning that service failure occurs in any organization due to the following service quality gaps (Parasuraman et al, 1991). The knowledge or perception gap: Difference between the customers' service expectations and service managers' perceptions of the customers' service expectations. The standards gap: Difference between service managers' perceptions of customer expectations and the service procedures, standards and specifications established. The delivery gap: Difference between service-quality specifications and the actual service delivered to the customers. The communications gap: Difference between what is communicated to the customer and the actual service delivered. Service failure can be extremely costly as customers often switch providers after experiencing service failure in a

particular organization. The consequences of service failure can be visible, as in the case of customer making a formal complaint and not visible, as in the case of alienation of potential customers through negative word of mouth by dissatisfied customers (Koc, 2022).

1.2 Service recovery strategies

Service recovery is all about righting the wrongs in trying to make sure that unsatisfied customers are pacified from an unpleasant customer service they experienced and to also regain their loyalty. In other word service recovery is the way of keeping the number of scathing reviews low and customer satisfaction high. It involves identifying the service failure, understanding the customer's dissatisfaction, and then creating and implementing a solution to simultaneously resolve the issue and make the customer satisfied again (Bolsu, 2022). The aim is to ensure that a disgruntled customer into a loyal one, not just by addressing their issues, rather by exceeding their expectations and enhancing their perception of the organization. The positive outcome of the service recovery process can sometimes overshadow the negative experience of the service failure, leading to increased customer loyalty (Street, 2021). Hence, to gain the all needed loyalty of customers by organizations, the leadership sometimes allows the customers to vent their frustration to financial compensation for the customer's time or the loss of goods and services (Ojo, 2023), with this the customers will receive any subsequent service the organization's offers with a relaxed mind. To successfully have service recovery, organizations use different strategies to achieve service recovery.

Service recovery strategies are tactics deployed by organization to recover a dissatisfied customers and prevent the organization form going into extinction. There are three types of service recovery which are; customer recovery, process recovery, and employee recovery. Customer recovery focus on turning dissatisfied or unhappy customers into satisfied one (Shahriar et al, 2018). The focal point here is on the external aspect of the recovery process, where the organization aims to regain the customer's trust, loyalty and positive perception. The process recovery focuses on enhancing internal procedures and operations to prevent future service failures. It alims to identify and rectify the root causes of service failure systematically. While the employee recovery focuses on emphasizing equipping and supporting staff to effectively handle service failure and recovery scenarios (Alhawbani et al, 2021). Alam (2021) highlight the various service recovery strategies often used by organizations to include; anticipating the need for recovery, encourage and track complaints, act quickly and build an organization that is fast in decision making and fast to response, unconditionally apologizing to customers, empowering frontline employees, training of employees, providing adequate explanation, treating customers fairly, own the problem, cultivating cordial relationship with customers, fixing the problem as its arise, providing assurance to the clients, providing compensation where necessary, learning from recovery experience, and learning from lost customers. The author axiom that the first rule of service recovery strategy is to avoid service, that is to do it right the first time. Therefore, when an organization offer their service right from inception of service delivery, there will be no need to for service recovery as most customer will be satisfied.

1.3 Customer relationship management

This is the total utilization of organizational practices, strategies, and technologies to manage and analyze customer interactions and data through the customer lifecycle. The goal is to improve customer service relationships and assist with customer retention and drive sales growth (Hashemi-Pour, 2024). Customer relationship management further comprise of the entire philosophy that combines a marketing concept with a business strategy on how to effectively manage customer relationships (Idzikowski et al, 2019). the focal point and center

of interest is the customers and their needs, including their safety while relating with the organization. Also, it can be said that customer relationship management is an interactive process of gaining an optimal balance between the organization's investments and the satisfaction of its customer in order to maximize profits. Therefore, CRM is considered one of the most important targets in about 60% of the project around the world (Soliman, 2011). This is because CRM system would only have more future realization and understanding on the part of the customers if they were easy to carry out. Therefore, organizations must have the deploy every resource to make sure that they continue to build a long-lasting relationship with their customers.

Customer relationship management has benefitted from advances in data management and middleware new software that allows disparate data resources to work as a single integrated database. The CRM concept has further enjoyed support from the new generation of promotional tools such as; selective binding, variable valuation and new probabilistic targeting tools such as spectra (Baran, 2011). This new generation tools and software can help the organizations manage customer relationship over time by allowing you to track and record all interaction organizations have with their customers such as calls, emails, chats, purchase feedback among others. This help organizations to have a complete and updated view of their customer history, preferences, needs and behaviour (Provan, 2023). This new generation software also helps organizations to segment their customers based on their various criteria, such as demographics, interests, loyalty, or purchase history. This help organizations narrow their marketing effort and offers to each customer segment, and increase their relevance and personalization.

1.4 Supply chain efficiency

Supply chain efficiency is the ability an organization deploy to utilize their resources, technology, and expertise in order to reduce logistics costs and maximize profits. For an organization to thrive in the current competitive business environment, its survival hinges on the efficiency of its supply chain. The central aim of supply chain efficiency is to ensure that there is cost reduction thereby helping the organization to save money while maximizing profit and also enjoying competitive advantage by optimizing the processes and stages in the supply chain (Lopienski, 2023; Farahani et al, 2014). When an organization succeeds to optimized the process, risk is reduced and it becomes easy to monitor quality assurance. Hence, efficient supply chain management minimizes resources and time wastage, enabling businesses to reduce supply chain costs and maximize profits (Flanigan, 2024). Profit maximization becomes a reality when the supply chain activities have been streamlined according to a given chain and measurements of indicators (KPI) for individual elements of this process (Lichocik & Sadowski, 2013). These laid down measurement indicators are anchored around activities in the supply chain and customers needs. Customers needs and preferences are rapidly evolving in the current competitive and dynamic market and thus the possibility of disruption of the supply chain is also raising (Negi, 2020). Therefore, for an organization to compete favourably in the market, its supply chain should be stable and efficient to succeed in this scenario as the present-day competition is all encompassing (Lu et al, 2019).

Organizations productivity is as great as their supply chain, especially when they are able to minimize cost throughout the production process using their available capacity in both human and material resources. This is why organizational efficiency definition cut across all unit in the organization including the supply chain as their stakeholder. They are keenly involved in the all the activities aimed at expanding waste disposal capacities and allowing good use of resources in business processes as the processes are extended across the supply chain (Green et al, 2009; Negi, 2020). There matrices use by organizations to ensure that the business

processes executed properly. Some of these indices are, perfect order index, service rate or on-time deliveries, inventory turnover ratio, order accuracy, on-time shipping, backorder, order cycle time, inventory days on hand, rate of returns, and order picking accuracy (Jenkins, 2022; Reid, 2024). With these indicators, organizations are able to monitor the efficiency of their supply chain in case of any itch in the system they can response swiftly and appropriately.

1.5 How does Customer service, service failure, service recovery strategies, and customer relationship management enhance supply chain efficiency.

The efficiency of any organization's supply chain is greatly influenced by the service aforementioned concepts. An organization only thrives when there is effective customer service, as it will foster better communication and collaboration between different entities within the supply chain. By having a clear understanding of customer needs and preferences, organizations can align their operations more efficiently with their supply chain partners leading to reduced delays and disruptions (Allen, 2020). Furthermore, by promptly resolving issues, supply chain disruptions can be minimized, ensuring smooth operations and timely delivery of goods or services. Para venture if there is a break down at any point in the supply chain, service recovery strategies are immediately deployed. This will enable organizations and their supply chain partners to quickly respond to unexpected events or disruptions. This agility is essential for maintaining supply chain efficiency by minimizing downtime and optimizing resource allocation (Anand & Grover, 2015). With a proper documentation of the activities of the customers, these data provide valuable insights into customer preferences and buying behavior. This CRM data is also used to improve demand forecasting accuracy. By understanding customer demand patterns, supply chain partners can optimize inventory levels, production schedules, and distribution strategies, thereby reducing excess inventory costs and stockouts (Brandenburg, 2016). A close monitoring of customer interactions and feedback, helps organizations and their supply chain partners to better align inventory levels with demand fluctuations. This results in reduced carrying costs, minimized obsolete inventory, and improved inventory turnover rates, leading to overall supply chain efficiency. Customer relationship management is another grazed used in oiling the wheels of supply chain. An up-to-date customer relationship management system can facilitate streamlined order processing and fulfillment, enabling organizations to meet customer expectations more efficiently (Cannella et al, 2018). It also enhances automated order processing and real-time order tracking systems improve order accuracy and fulfillment speed, reducing lead times and enhancing overall customer satisfaction. Customer relationship management systems collect and analyze vast amounts of customer data, providing valuable insights for supply chain optimization. By leveraging data analytics tools, organizations able to make informed decisions regarding product design, pricing strategies, and distribution channels, leading to improved efficiency and competitiveness (Ellinger et al, 2012).

Conclusion

These service concepts are very essential components of a well-functioning supply chain. The organization will not be functional when there is inefficiency in its supply chain, and the supply chain is greased by the functionality of these service concepts. Therefore, giving attention to the needs and preference of the customers, building strong relationship and leveraging data-driven insights organizations can enhance efficiency, thereby improving on customer satisfaction, minimize disruption, foster collaboration, facilitate continuous improvement, optimize resource allocation, reduce cost and maintain a competitive edge in today's dynamic and competitive business environment. Several studies have been conducted both in the

manufacturing and service-based industry to buttress the point and affirm the fact that supply chain efficiency is oiled and grazed by these service concepts.

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