

Chapter 11

Customer Service in an Emerging Market (UAE)

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ABSTRACT

The purpose of this research was to gain an insight into the customer service practices in an emerging market, the United Arab Emirates (UAE). This research is important as there is a perception that the level of customer service falls below the standard in developed countries. In-depth interviews from marketing experts were initially conducted in order to gain some insights of customer service in the UAE. From the insights gained, a survey questionnaire was designed and issued online. One hundred respondents completed the survey. The structured questionnaire established an effective link between the research objectives and the questions asked. The following research objectives were derived after completing the literature review and the in-depth interview. (1) How do organizations in the UAE manage customer service? (2) What internal processes are implemented to manage customer service? (3) Do organizations in the UAE implement Customer Relationship Management (CRM) and Knowledge Management Systems (KMS)? (4) What values do organizations offer to keep the customer satisfied? and (5) What type of training programs are provided to employees involved in providing customer service?

Findings indicate unsatisfactory customer service provided in the following areas: overall service, customer service management processes, resolution of customer complaints in a timely manner, follow-up on complaints, customer resolution process within the company, and customers not encouraged lodging complaints. However, relatively satisfactory customer service was provided in the following areas: response to complaints, positive response to complaints, filling customer feedback or complaint forms, and filling customer service satisfaction forms. Even then, the customer satisfaction levels are below excellent customer satisfaction levels in developed markets. Knowledge Management Systems (KMS) and Customer Relationship Management (CRM) systems are key components in managing customer service and value creation. These were not being used as effective tools that are necessary to provide customer service.

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It appears customers in the UAE are no different than customers elsewhere in terms of what customers value most and are willing to pay. In order of priorities, good experience in using the product or service, overall customer service, delivery of the product, courtesy shown by service providers, the performance of the product, convenience, trust, the right price, customer loyalty programs, customer promise, and online support are some of the more important values customers seek in order to be satisfied.

Most organizations were training their employees in customer service but the areas in which they are trained may not necessarily be appropriate.

INTRODUCTION

Every professional marketer attempts to find out what customer's value most when they purchase products or services. Value offered to customers can include one key benefit to the customer such as quality or a combination among the following values: service; price; convenience; good experience; customer promise; trust; performance; courtesy; delivery; etc. If the values offered in products or services, meets the target market customer's expectations, then one could conclude they are satisfied or even delighted. Failure to deliver satisfaction results in an unhappy customer.

Markets are full of satisfied and dissatisfied customers. Dissatisfied customers often do not return to their initial provider of value but defect after completing one or two transactions to competitors that provide superior value and satisfaction. Satisfied customers on the other hand are the result of carefully nurtured relationships by the organization focused on building profitable relationships with them. Best practice organizations develop customer-focused knowledge-based marketing strategies to build profitable customer relationships; create customer value and capture lifetime value from customers. Customer lifetime value is the purchases a customer would make over a lifetime of patronage (Kotler and Armstrong, 2008).

This research will investigate the (1) level of customer satisfaction in organizations in the United Arab Emirates (UAE) and (2) recommend best practice marketing strategies designed to deliver superior customer service.

This chapter is structured to discuss the literature review; followed by the research objectives; the research methodology; results and analysis; overall summary of findings; conclusions and implications.

LITERATURE REVIEW

Recent research by Ethos Consultancy found that there were some significant improvements in the way banks in the UAE treated their customers over the last year but many are still lagging behind (Maceda, 2010). This study, the sixth Annual Bank Benchmarking Index for service excellence of 21 banks in Dubai, Abu Dhabi and Sharjah, found the overall performance of customer service in the UAE banks increased marginally this year. The response times to customer enquiries and the quality of their websites needed improvement. In another study, on customer service provision in banks in the UAE, financial institutions were refocusing on improving customer service and banks started best practices on how to manage the crisis (Remo-Listana, Karen, 2009). In Kuwait, Gulf Bank on the other hand developed a service excellence "scorecard" to support the banks delivery of superior service (Jones, 2004). The key factors measured by Gulf Bank were: customer satisfaction complaints, comments and attrition, plus internal process delivery performance for critical products (customer loans and credit card services). The outcome of implementing the service excellence "scorecard" was the improvement in service quality.

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