# WORKSHEET CHAPTER 2: CUSTOMER SERVICE



FARDHILA SYAHIRA BINTI SALMI NORDIN

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## **PREFACE**

Welcome to Fundamentals of Logistics Management: Worksheet Chapter 2 – Customer Service. This e-book focuses on the crucial role of customer service in logistics, not just as support but as a key driver of business success, customer satisfaction, and competitive advantage.

Chapter 2 begins with foundational and modern views of customer service, including Total Quality Management (TQM) and its impact on raising standards. Core elements of customer service are discussed, highlighting their importance for efficiency and satisfaction.

The chapter also covers customer service strategy, including responses to stockouts, cost-revenue trade-offs, and prioritizing with ABC analysis. A customer service audit is introduced as a tool for assessing and improving service levels.

Lastly, the chapter examines measuring and enhancing service performance, focusing on quality management, service standards, and global challenges. May this e-book inspire valuable insights and enjoyable learning in logistics. Happy learning!

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## **ACKNOWLEDGEMENTS**

All praise and thanks be to Allah, the Almighty, for granting us the strength, knowledge, and perseverance to complete this book. Without His blessings, this accomplishment would not have been possible.

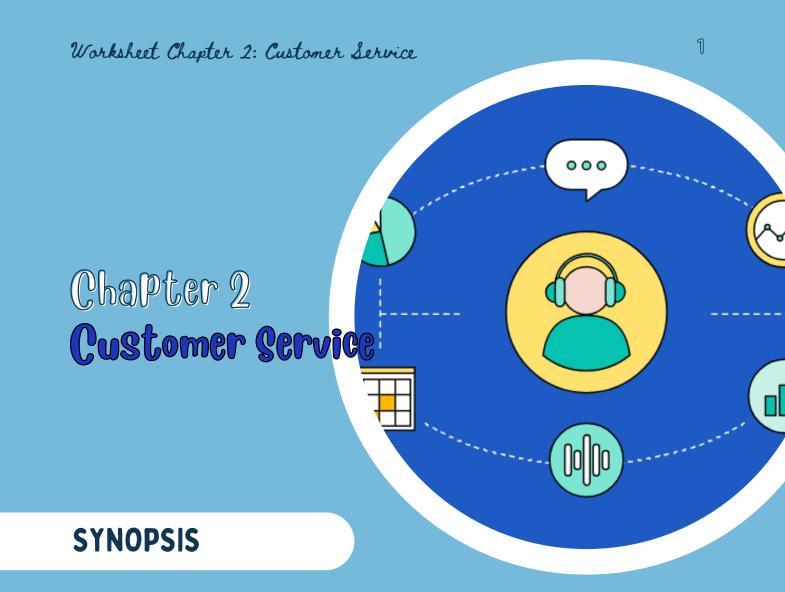
This book would not have been possible without the invaluable support and encouragement from those around me. I am profoundly grateful to my family, who have been my pillars of strength, offering constant love and understanding during the long hours spent in research and writing.

I would also like to extend my deepest thanks to my Head of Program, Diploma in Logistics and Supply Chain Management, and colleagues, whose insights and guidance helped shape the ideas presented here. Their expertise and perspectives have enriched this work in countless ways.

Lastly, I am grateful to everyone who inspired and believed in this work. This book is as much a testament to their support as it is to my passion for this subject.

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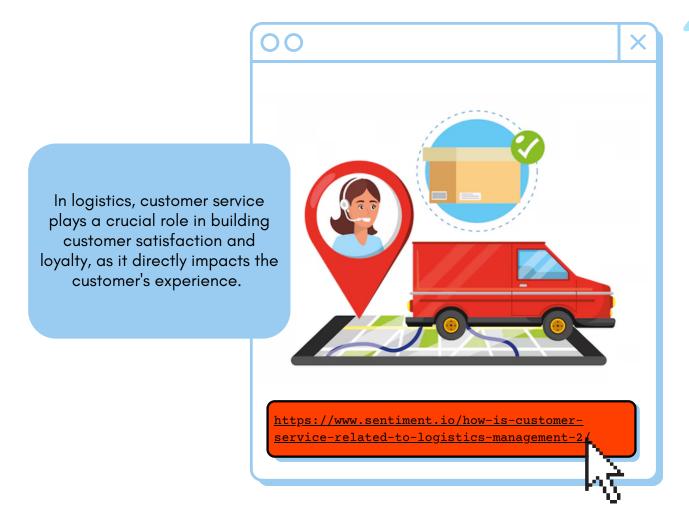
**FUNDAMENTALS OF LOGISTICS MANAGEMENT** course aims to introduce basic terms, concepts, principles and methods for the successful planning, organizing and controlling of logistics management. The topics covered in this course include the role of logistics in economy and organization, customer service, logistics information system, transportation, inventory concepts and warehousing, as well as current issues, development and challenges in logistics industries.

## **COURSE SYLLABUS OUTLINE**

- 2.1 Explain customer service in logistics activities.
- 2.2 Describe the elements of customer service.
- 2.3 Identify the customer service strategy.
- 2.4 State Customer Service Performance in logistics.



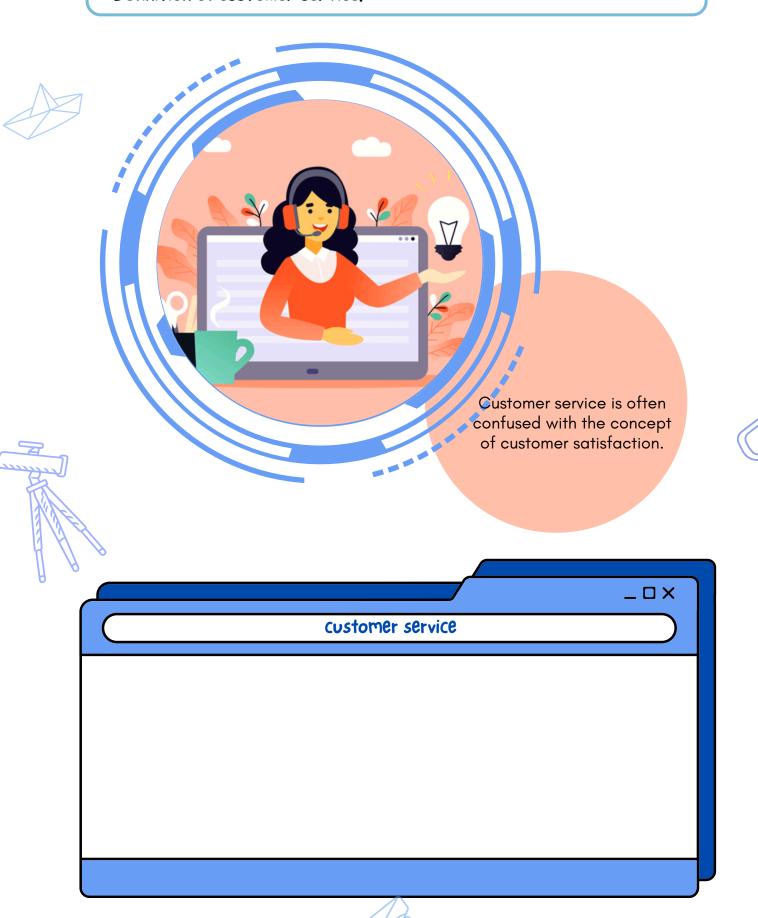
Explain customer service in logistics activities.







Definition of customer service.





Course Syllabus 2.1.2

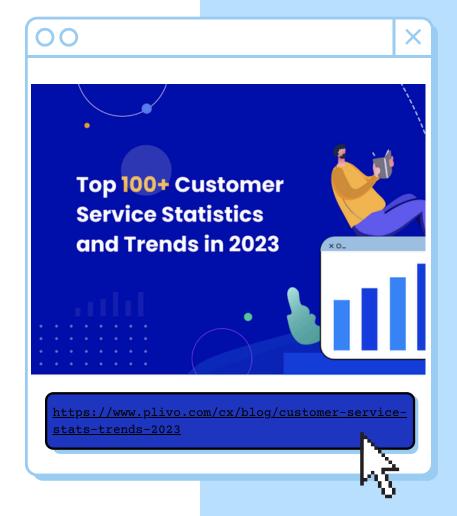
A recent view of customer service.

Customer service is a very essential part of the logistics industry

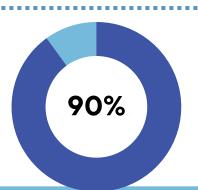
An efficient customer service helps the logistics activities to operate well, to the best of its capabilities.

Excellent customer service is not only important to get and retain customers, but also the main source of competitive edge.

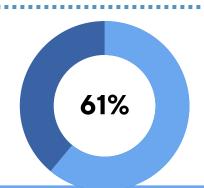
the customer service's aim is to increase customer satisfaction and loyalty.



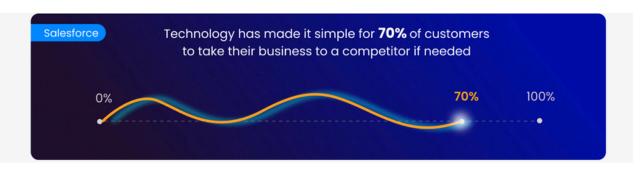




Convenience in delivery is a priority for over 90% of customers, who are willing to pay extra for this service (Hyken).

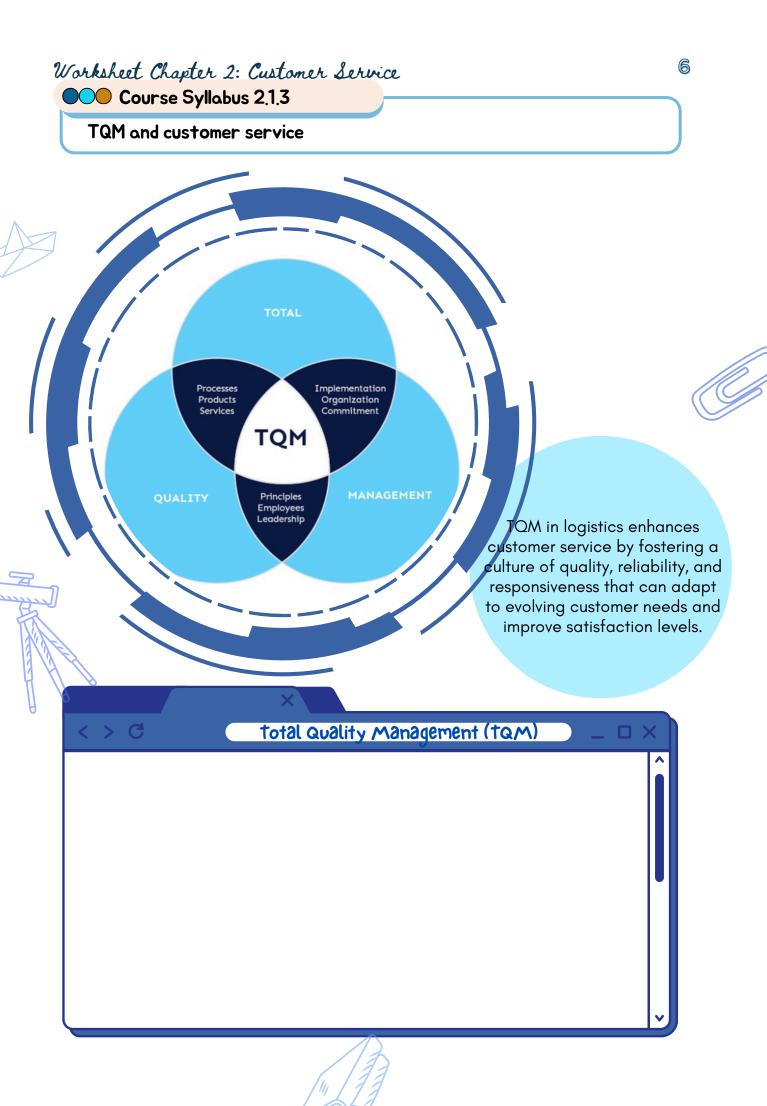


Customers indicate they would switch to a competitor after just one bad customer service experience (Zendesk).





96% of customers leave a brand due to poor customer service (Hyken).





The principles of TQM.



## **Customer Focus**

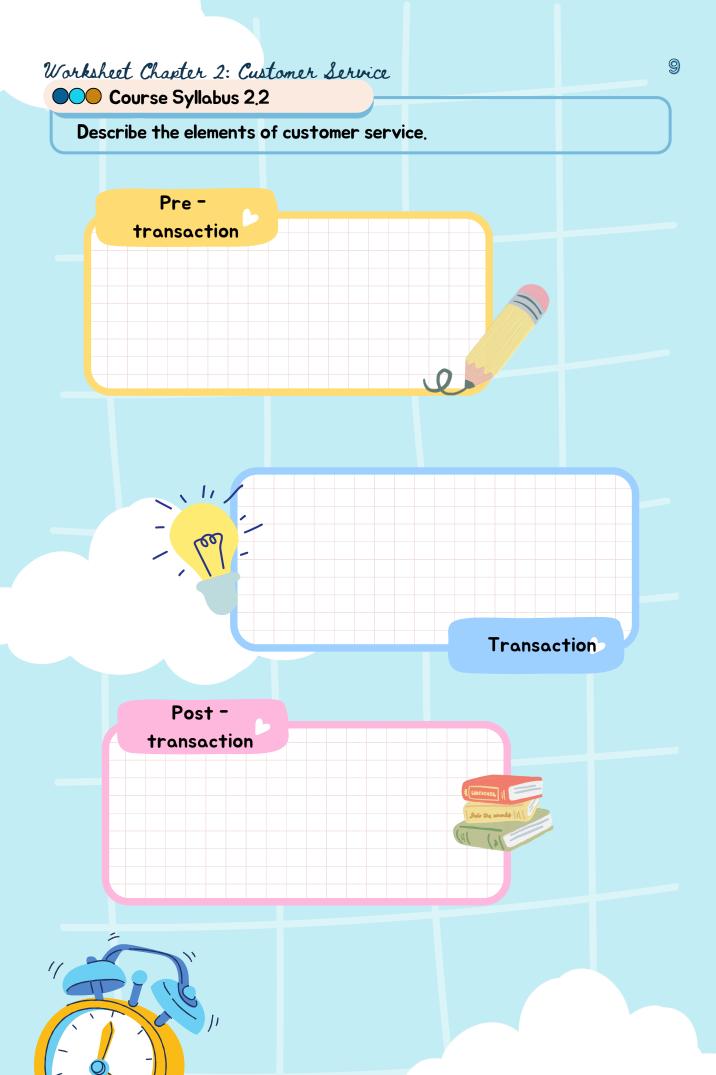
The primary focus of quality management is to meet customer requirements and to strive to exceed customer expectations.

Quality is defined by the customers

Satisfy the needs of customers









The elements of customer service in logistics activities.

## **Pre-transaction Elements**

The pre-transaction element will continually ensure that the organizations and its premises, employees and procedures are set up to provide excellent customer service.

Involves highlighting the organization's ethics, values, vision and policies.



02

03

04

05

## **Transaction Elements**

The transaction element should be easy for the customer to buy products and services, to ensure that the sale does not fail at this critical stage.

Involved in persuading the customer to visit the store (internet site/telephone sales).



1.

2.

6.

5.

3.

**7.** 

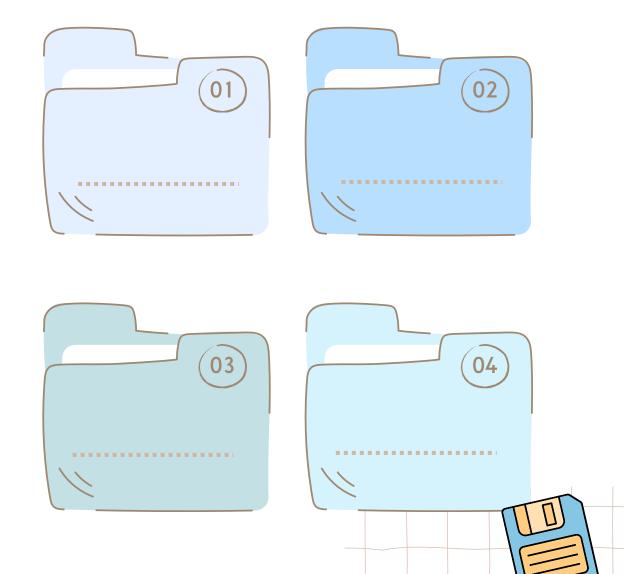
4.

## **Transaction Elements**

Good customer service continues after the purchase transaction. Consumers expect a quality after sales service for product failures, complaints and questions/queries.

Involved in determine whether consumers will repeat purchase from a firm in the future.

List the elements of transaction.





Course Syllabus 2.2.2

The importance of customer service for gaining strategic advantage.

1. Good customer service helps in earning customer loyalty and maintaining a client

> 2. Good customer service boosts the brand image

3. Satisfied and happy customers are good advertisement





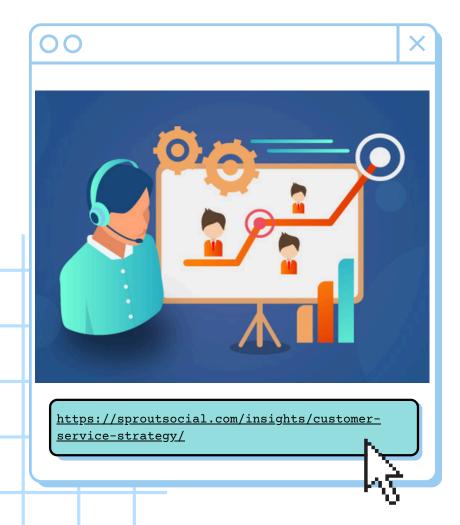
4. Long term customer retention

5. Good customer service boost business revenue





Identify the customer service strategy.



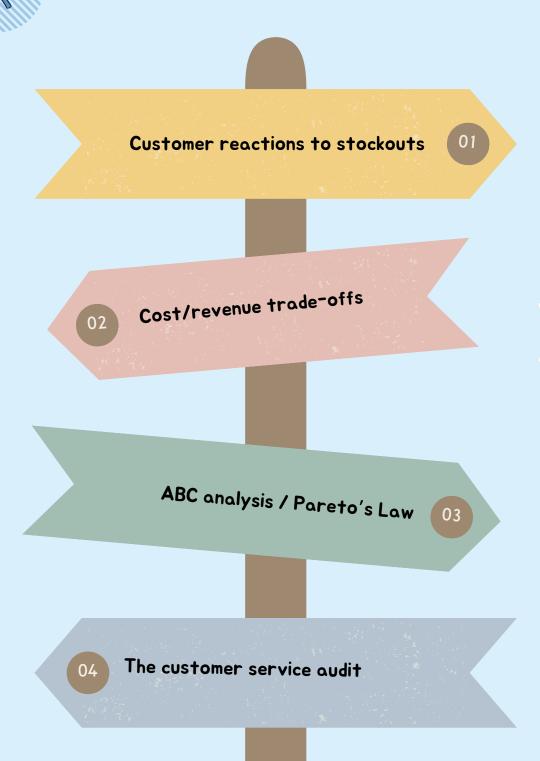
## Customer Service Strategy

A customer service strategy is a plan of action that includes the process and methods of service used to achieve customer support the standard.

An organization's blueprint to provide customers with excellent and sufficient customer care.

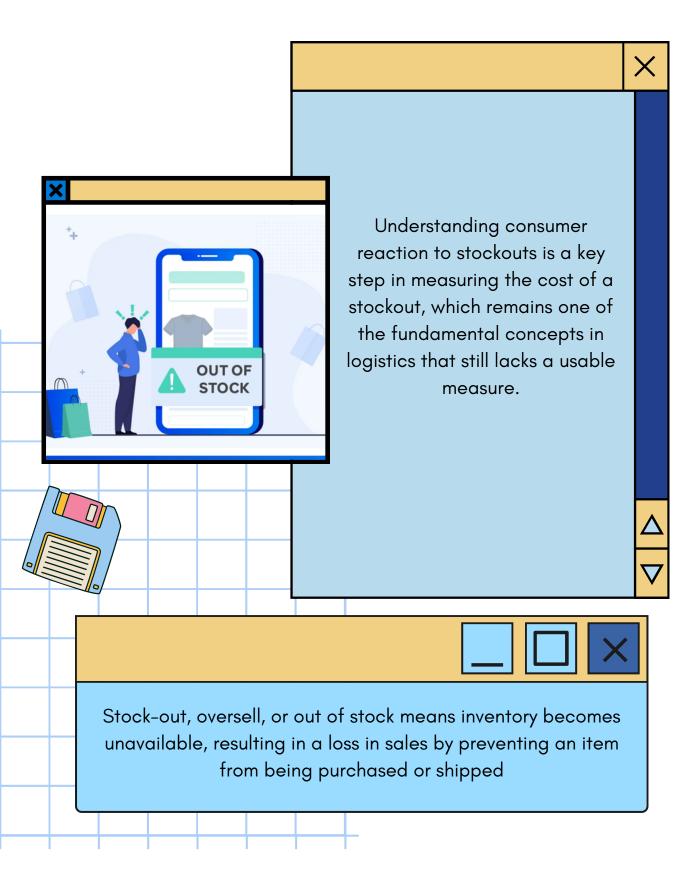


The customer service strategies.

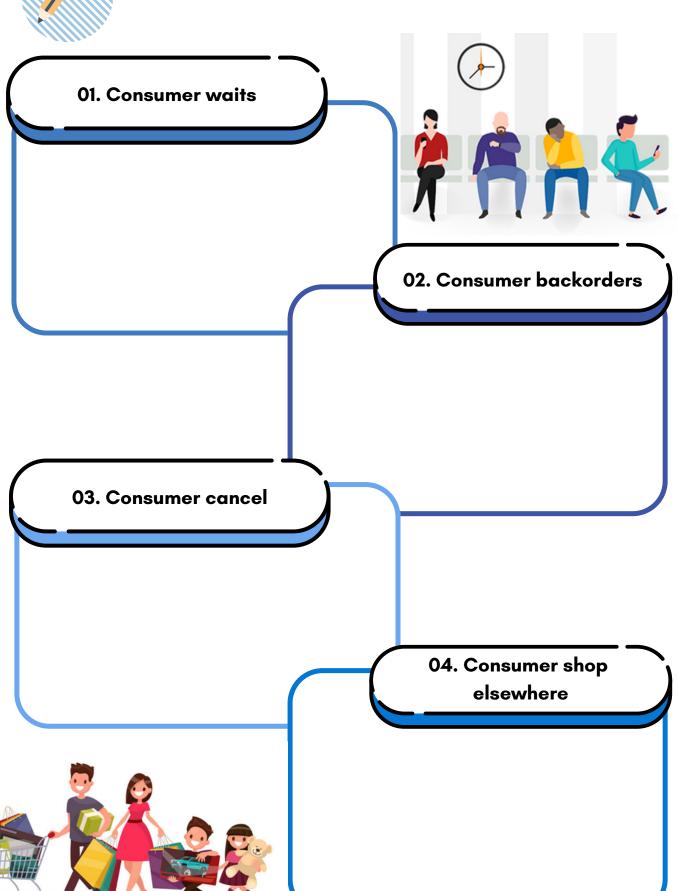




Customer reactions to stockouts.

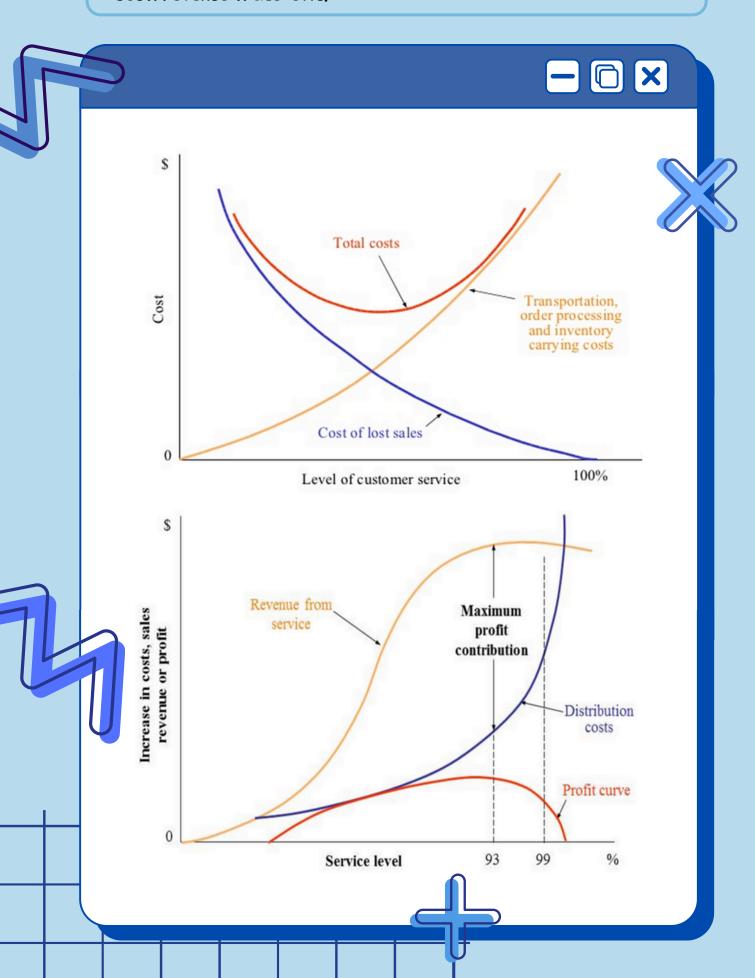


Identify common consumer reaction to stockouts.



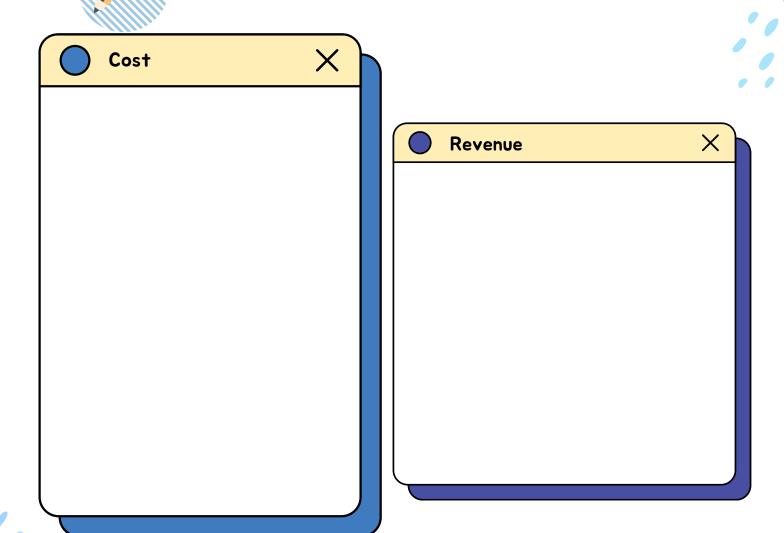


Cost/revenue trade-offs.



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Identify cost and revenue.



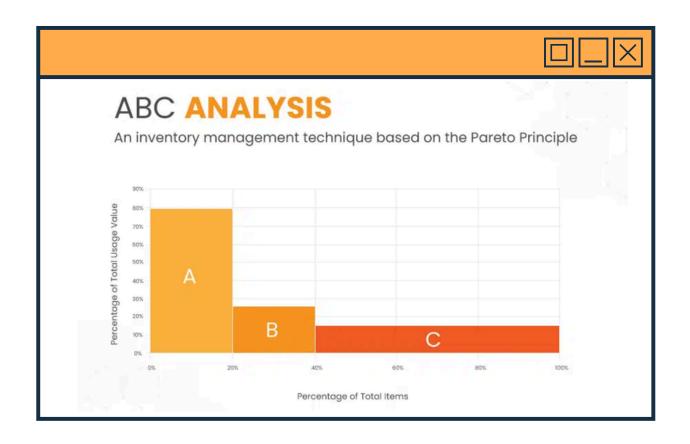


To maximize the profit, must to operate at optimum service level.

Not at the maximum level of customer service.

Course Syllabus 2.3.3

ABC Analysis / Pareto's Law.





ABC Analysis also known as Pareto's Law is an inventory management technique used to categorize inventory items based on its importance or value to the business.

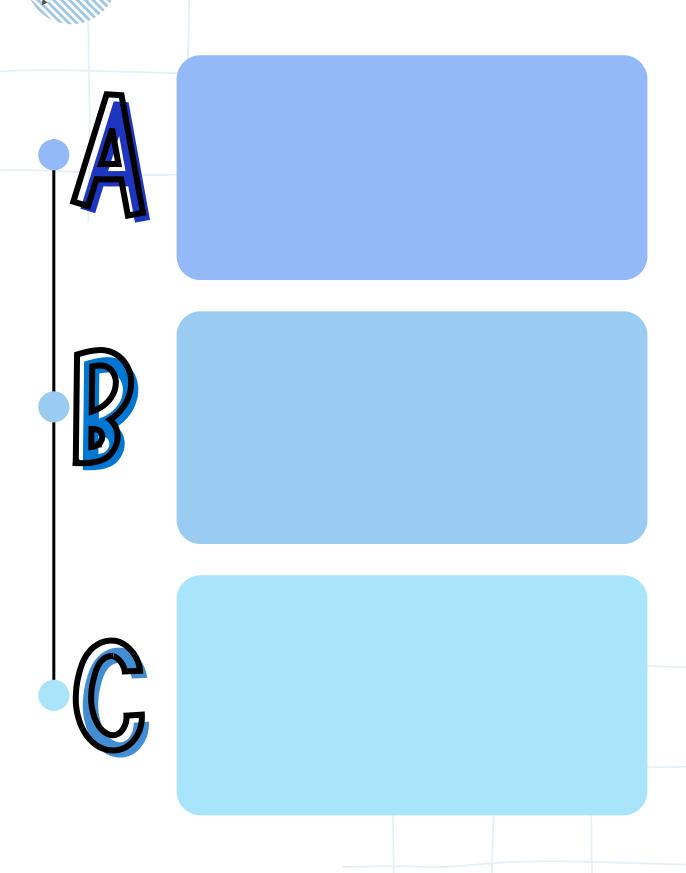


Like ABC analysis, Pareto's Law notes that many situations are dominated by relatively few critical elements. This concept commonly referred as the 80/20 rule.

ABC analysis is a method in which inventory is divided into three categories, i.e; A, B, and C in descending value.



Identify three categories in ABC Analysis.





The customer service audit.

## **Customer Service Audit**

A customer service audit is used as a means of

evaluating the level of service a firm is providing and as a benchmark for assessing the impact of changes in customer service policies.

## **Objectives**









The FOUR distinct stages of audit.



## External customer service audit







Internal customer service audit







O3. Identify opportunities and methods for improvement





Establish customer service level

04.

Identify four customer service audit stages.

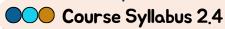
External customer service audit

Internal customer service audit

Identify opportunities and methods for improvement

Establish customer service level





## State Customer Service Performance in logistics



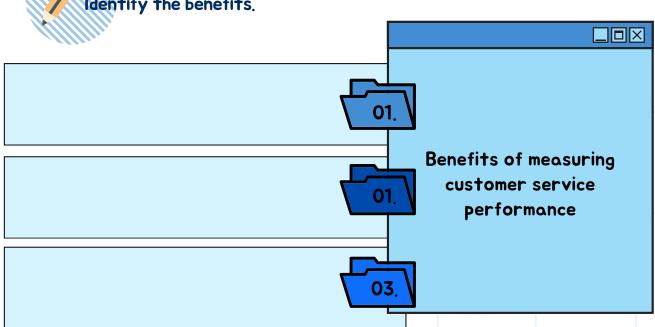
The evaluation of how well and organization and Customer Service Department provides support to the customers throughout and the best practices to be observed.



Measuring the customer service performance allows for analyzing the way customer interactions happen at multiple touch-points and optimizing those interactions to enhance their experience and build loyalty.

## Customer Service Performance

## Identify the benefits.





## Customer service performance in logistics

01.

### Pre-transaction Elements

- 1. Advice on non-availability.
- 2. Quality of sales representation.
- 3. Regular calls by sale representation.
- 4. Monitors customer stock levels.
- 5. Consults on new product development.
- 6. Review product depth and breadth regularly.

02.

## **Transaction Elements**

- 1. On time delivery
- 2. Shipment shortage
- 3. Product substitutes
- 4. Shipment delays
- 5. Frequency of delivery
- 6. Order convenience
- 7. Credit terms offered
- 8. Handling of queries
- 9. Order tracing capability
- 10. Backorder percentages
- 11. Order status information
- 12. Order cycle time
- 13. Orders filled completely

03.

## Post-transaction Elements

- 1. Accuracy of invoices
- 2. Returns/adjustment
- 3. Damage
- 4. Well stacked pallets
- 5. Easy to read on packaging
- 6. Quality of packaging for in-store display

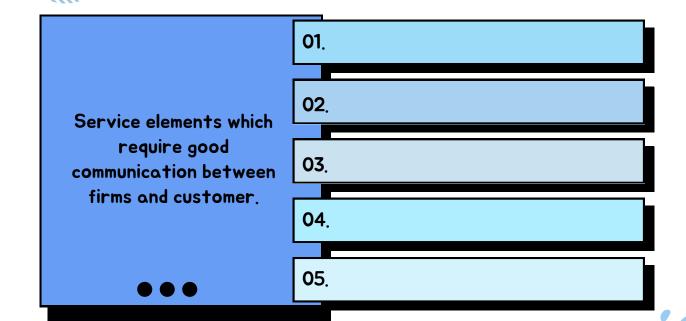


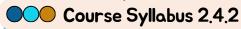
Quality in logistics.



A logistics service is fulfilled when the customer receives the right goods in the right quantity at the right time and in the right place.

## List the service elements.





Developing and reporting customer service standards.



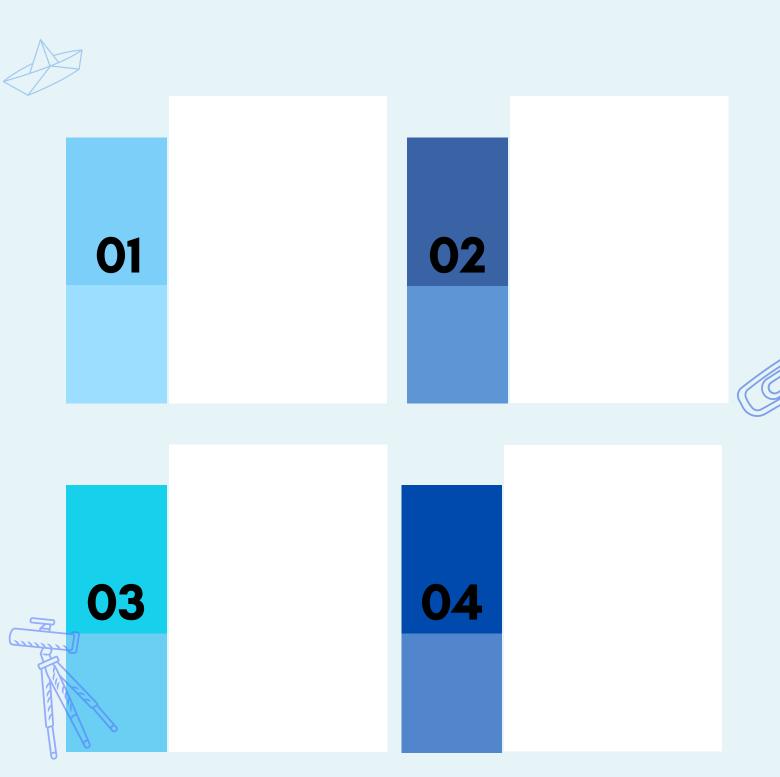
## customer service standards performance

Measurable standards of performance developed based on the key elements of customer service identified by management identifies to ensure consistency and quality.



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Customer service performance should be measured and reported on a regular and timely basis. List the customer service performance's element that can be measured and controlled.

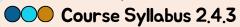






Customer service standards in logistics.

1 2 3 Order cycle In stock percent Transit time consistency 1. By product or 1. By mode of shipment 1. By on time deliveries product group 2. By stocking point 2. By stocking point 2. By stocking point location location location 3. By customer or class 3. By customer or class 3. By customer or class of customers of customers of customer 4. By time period 4. By time period 4. By time period 5. By size of order 5. By size of order 5. By order completenes



Global customer service issues.

Different parts of the world have different service needs related to information availability, order completeness and expected lead time.

The service provided by market should match local customer needs and expectations to the greatest degree possible.



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