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# CUSTOMER SERVICE, DESIGN AND LOGISTICAL COMPONENTS IN SPANISH SERVICE ENTERPRISES

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**Abstract:**
Customer service, design and logistical components are a little bit misjudged and underutilized in current practice elements of Spanish service establishments. Although most of them take into account the connection between logistics and customer service, it is reflected only as support for the service and not as an important way to elevate levels of competence and competitiveness. The objective of this research work is to provide a technique for the design of logistics customer service in business services; this procedure has been applied in different companies and this has allowed us to verify its validity.

**Keywords:** design and logistical components, customer service, logistic system

## 1. Introduction

The current globalization of markets has imposed on companies an increased and vigorous competition, and therefore has profoundly changed business practice. The customer has become the dominant figure and is required to reach his full satisfaction: we must provide the product he wants, at the appropriate time, quickly and efficiently, in the context of a total service. He is today a source of strategic information on product quality and service; therefore, know thoroughly the increasingly sophisticated and specialized consumer needs and find the best way to satisfy them with adequate at a time of changing markets strategies are vital issues for the survival and prosperity of organizations. In this context logistics also gains importance by its integrative and systemic role. The activities may vary from one company to another depending on their characteristics, functions and organizational structure. However, some activities are repeated between organizations and can be addressed by logistics globally. A recognized author in this field, Ballou (2004), divides the logistics activities in "*key*" and

"*support*" the "*key*" will always occur in any logistics channel, are on the curve called criticism within the channel immediate physical distribution of a company and are the main contributors to the total cost of logistics to be essential for the effective coordination and completion of it.

Ballou (2004) stands out as one of the "*key*" activities, customer service. This is a broad concept that includes many related areas of knowledge such as marketing, quality and logistics elements. Marketing is responsible, among other things, to characterize the market; for it must identify the desires and expectations of customers through the study of their behavior. For its part, defines the quality desired level by consumers from their expectations and the strategy to follow; to achieve this we must ensure that the quality offered is equal to the perceived. Finally, logistics must ensure proper organization of the system in order to provide a more competitive service. The correct interaction between the results given by each of the areas will depend on the success of customer satisfaction. This can be guaranteed by a level of good or fair service but the challenge is to reach the next level service remains open.

In order to ensure the necessary competitiveness, to enable keep both productive enterprises and service on the market, since the nineties of the last century and the beginning of the current has worked towards improving customer service in the business world: the consumer has been the center of attention. This has involved not only detect and interpret the needs and preferences of customers, but make it to these products-services with the required quality, in the right place at the required time and at the lowest possible cost.

Giving a quick and efficient response to customer requires integrating all the logistic system of the organization, which is active at the time the consumer demand for the product-service. As Ballou (2004) states: "*From a logistics perspective, customer service is the end result of all logistics activities or processes of the supply chain*" (p. 91). In that sense, some authors prefer to use the term "*logistics customer service*"; for example, Heskett (1994) states that for many companies express "t*he speed and reliability with which may be available ordered items (by customers)*" (p. 4).

To carry out the design of customer service should be taken into account a set of principles, such as:

- service differentiation for different market segments;
- the competitiveness of the company;
- the rational use of resources and processes
- customer satisfaction in terms of quantity, quality, time and price;
- operation the logistics system as a black box for the customer;
- the transparency of the goal of service to both the customer and who provides and supports the service, and

- service customization (Gomez and Acevedo, 2007, p . 158).

Given these principles, we can understand the importance and the need for productive, commercial and service for its efficient and effective operation, to perform a correct design of customer service organizations. This should be considered as a set of elements that not only have to do with the areas of marketing and quality, which should overlap in a design of logistics customer service support and ensure their satisfaction; hence the importance of ensuring that design in our organizations.

The research related to this subject was done in service companies, the main finding is a widespread dissatisfaction with the customer service they provide motivated by:

- Non - compliance with delivery times,
- problems with quality services provided,
- little information about products and services contracted, and
- little information on after - sales services.

Moreover, although a relationship between logistics and customer service is perceived, is a bond that can only be seen as support for the service and not its true dimensions: as a way to increase efficiency levels and competitiveness of organizations. Hence, the importance of design not the logistics customer service for their products and services are valued.

In the literature on the subject (Torres et al., 2004 and Gomez and Acevedo, 2007), proposals for the design of customer service within the logistics are presented. Given these proposals and characteristics of service companies, we have developed a method for the design of service applicable to the specific conditions of Spanish companies.

## 2. Characterization of the products and services of the company

It is necessary to make a characterization of each of the products and services offered by the company in order to determine its positive and negative aspects, which determine the results of the organization.

In general, the major service companies in our country have a wide range of products and services, so should design a logistics customer service for each of them. However, in an organization not all are equally important: there will always be some who stand out for their economic impact and because they put the company in a leading position in the market by giving the organization a competitive advantage.

### 2.1 Target selection service

From the conclusions obtained in the previous step, you must select the product and / or service to which you apply the design with a logistics approach. To do this you can use tools such as surveys company management and technical Pareto, which allows stratify products and services by levels of importance and use as criteria the value of sales or profits generated from each of them, as the interest of the institution.

### 2.2 Segmentation and market characterization for the selected service

At this stage, it is necessary to divide the market into smaller parts; for that must use variables to organize or classify clients in small groups with homogeneous characteristics and similar interests.

In order to group customers and identify groups with similar characteristics, should take into account the following aspects:

- attributes of the product and / or service recognized by the customer,
- level of importance given by customers to each of the selected attributes,
- elements that negatively influence the buying decision,
- elements that affect customer preference,
- elements that determine customer satisfaction
- quality standards according to the customer,
- definition of potential competitors in the service,
- number of customers with similar characteristics and
- percentage of total business represented by that segment.

The characterization of market segments allows, on the one hand confirm the differences between them and, secondly, designing the organization with the aim of providing customer service. To define objectively the level of service to offer, it is necessary to classify them into groups according to their characteristics, desires and possibilities, in order to establish an exact level that each customer demand.

### 2.3 Determining customer expectations for each market segment

You can know the levels of customer satisfaction and those elements that failed in the service provided through questions, surveys, valuation of each idea, complaint and dissatisfaction. It is important to have a highly trained staff to achieve in benefits determine customer expectations and work according to overcome them. Each segment has its expectations, desires and needs, but you cannot standardize the way of providing the service; in turn, each service is different in both the client has individual perceptions. The experiences are unique, so necessary, regardless of the segments are identified, give a personalized and unique interpretation.

### 2.4 Selection of measurement parameters logistics

In this stage, it is necessary to determine the service level indicators that should ensure quality service able to meet the demand in each market segment. It is essential to define service goals in each of these indicators to monitor their actual behaviors and implement actions to eliminate the deviations detected in the services provided.

They should study the leading companies in this market after identifying what has been their success factors and analyze the characteristics that have allowed them to stay in the competition. Furthermore, it should address the attributes previously defined by customers at the stage of segmentation and characterization, which stipulate the perceived quality of the product and / or service.

For the determination of the indicators to be used, must begin with the components of logistics customer service and then select those that best meet the interests of the organization, to the characteristics of each segment and the particularities of the service offered by the market leaders.

### 2.5 Determination of the target and level of service for the selected parameters

After segmenting the market, it is important for each segment define what the minimum level of service in order to stay in the market and the optimal level that allows it to achieve advantages over competitors. Given the level of service expected by customers, patterns of behavior, the capacity of the logistics system to provide the requested service and the competitive situation, define the goal and the level of service to ensure for each group customers.

The projection of this level can be done through two ways: first, determine the optimal economic level that should be offered (which presents the risk of not taking into account the situation of competition); and second, to set the level of service competition and look for the design of lowest cost to him (thus taking into account the competition, but you run the risk of not working with the optimal level of service from the point economic). To define the appropriate alternative, you cannot lose sight of the gap between the level of service offered and the one perceived by customers; the priority must be to reduce the gap to the fullest.

### 2.6 Definition of critical points to ensure certain level of service

The place of the customer is the key in the design and operation of the logistics system. The level of service to be achieved should not be defined at random; always keep in mind the relationship between cost, benefit and service level to demonstrate the economic viability of the next stage of the procedure.

## 3. Design of logistics customer service

At this stage, all developed elements are synthesized in the earlier stages of the procedure. The first items to consider include determining what the organization can take in the company, what are the characteristics of the entity to provide service and for whom (the client) is working. Towards this, we must answer the following questions:

- What it is offered?
- How is it offered?
- Who will be responsible?
- What are the magnitudes in which the service is provided?
- What time and place will be offered?
- What is the set of resources required to provide the service?
- What are the reasons that determine the performance of each of the activities that make up the process of customer service?

The above answers will lead the design of logistics customer service. We must also consider the costs involved for the company to achieve desired service levels. When the design of the logistics service is performed at the lowest possible cost, the company will be more competitive and will fully satisfied customers.

### 3.1 Customers and staff feedback

For feedback from both customers and staff of the company, should be surveyed or comment on the shortcomings and dissatisfactions that remain in the new design, in order to meet both positive and negative experiences of customers; it is ultimately an opportunity to improve the quality of services.

It should make a systematic measurement of the level of service offered by the organization. This phase may lead to a redesign of customer service if the results obtained in the previous measurement were not desired. This requires carrying out a systematic assessment of logistics performance measurement parameters and, if necessary, makes changes in the stages that require power in order to redesign the logistics customer service. Note that the application of each of the stages contained in the procedure involves the use of techniques and qualitative and quantitative tools that support the results. The procedure described has been applied in various service companies with positive results.

## 4. Conclusions

Proper design of logistics customer service is the starting point for designing the logistics system of the organization.

The application of the procedure allows service entities:

- perform a characterization and diagnostic products and services offered by companies;
- segmenting the market for the product or service selected, characterize customers for each of the segments and determine their expectations;
- define the logistical measurement parameters;
- establish the critical points of the logistics system to ensure compliance with certain service level, and
- design the logistics customer service for the product or service in each market segments.

Aimed at Spanish companies, the procedure is a valid exposed for the design of logistics customer service tool.

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