

EFFECT OF CUSTOMER SERVICES ON SUCCESS OF SMALL AND MEDIUM SCALE ENTERPRISES AND SUSTAINABLE DEVELOPMENT IN NIGERIA

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Abstract: Customers are very important to the success of business organisations which implies that they should be well served and treated in order to enjoy continuous and referral patronage. The aim of this paper is to present the effect of customer services on the success of small and medium scale enterprises (SMEs) and sustainable development in Nigeria. The paper conceptually looked at customer services, small and medium scale enterprises and sustainable development. It also established that customer services could enhance the success of SMEs because it could lead to an increase in sales and profit and by extension, sustainable development in Nigeria through making SMEs generate employment, contribute to economic growth, utilize local resources, alleviate poverty and increase investment. The paper concluded that customer services are strong weapons for enhancing customer satisfaction, boosting the economy of Nigeria and consequently making provisions for the present and future generations (sustainable development). On a final note, the paper among other things suggested that SMEs should have customer service standards and the business operators and their employees should have good customer service skills.

Keywords: Effect, Customer services, Small and medium scale enterprises, Sustainable development

Introduction

All the activities of business organisations are geared toward customers' satisfaction. This is because the rationale behind the entrepreneurial efforts of any business organisation is to meet up with the needs of customers who are described as the people who buy an organisation's product thereby creating profit for it. It is based on this that the first things to be identified by a business organisation which is determined to be successful are the needs and wants of the target market. These are then followed with the development of a product(s) that will satisfy the needs and wants, as well as making efforts to ensure that the customers are attracted and retained to the benefit of the business organisation. Based on these, Aruwa (2006) is of the opinion that the customers are the lifeblood of any profit-oriented organisation and the orders of the customers could be seen as the reason for the existence of the business unit. Ikenga-Dennis (2007) also reports that the customer is the only boss an organisation has and he can fire everybody by spending his money elsewhere. In the same vein, Investopedia (n.d) points out that customers are responsible for making demand and as such, their attraction should be the primary goal of public-facing businesses. This could be achieved through customer services in the sense that the patronage of a customer depends on the extent of his satisfaction in line with how he was treated by a business unit. This implies that customers should be well served and treated through superior customers services which are services that are rendered freely in order to woo and retain customers to the advantage of a business unit and are described as the provision of fast and friendly services to the customers before, during and after purchase.

Small and Medium Scale Enterprises (SMEs) constitute the largest proportion of business enterprises all over the

world and are recognized as engines of economic growth and drivers of economic development. This is because they contribute toward employment and income generation, increasing productivity, encouraging the utilization of local resources, development of technology and provision of domestic linkages for rapid industrialization. SMEs are found in different areas of economic life such as manufacturing, wholesaling, retailing and services. They are characterized with smallness in size and scope of operation, small capital requirement, requirement of little managerial skills and owner-management.

A sustainable development is a form of development which does not compromise the benefits of the future generation for the present generation. This is because it makes it possible for the future generations to live at least, like the present generation or even better and as such makes the present generation to have the interest of the future generation in mind. This would therefore make the present generation to lay a foundation that would lead to improvement in their standard of living which is expected to pave way for the betterment of the lives of the generations to come.

From the foregoing, it could be seen that SMEs are potent tools for achieving sustainable development in Nigeria. This owes to the fact that they are drivers of economic growth and development. This important sector of the economy is however, facing a lot of challenges which lead to high mortality rate among them. This paper thus, focuses on effect of customer services on success of small and medium scale and sustainable in Nigeria. This is because it sees customer services such as rendering personalized services to the customers, advising customers on the right product to choose, listening to the customers' complains and empathizing in dealing with the customers as variables which can lead to their success and consequently, sustainable development in Nigeria.

Conceptual Clarifications

The conceptual framework adopted for this paper is treated under the following:

Concept of Customer Services

Customer service is primarily provided in order to create happy customers who would be transformed into loyal customers. Based on this, Ahukannah, Ndinaechi and Arukwe (2013), are of the opinion that customer services are the services provided by sellers of goods and services so as to attract and retain customers' patronage. McKinney (2015) sees Customer service as the act of taking care of customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during and after customer's requirements are met. Similarly, Business dictionary (2017) states that customer service adds value to a product, builds an enduring relationship between the seller and the buyer and could be seen as all interactions between a customer and a product provider at the time of sale and thereafter. This implies that it does not stop when the transaction ends, but rather continues in order to create an indelible mark in the mind of the customer that he made the right choice and see the need for him to continue to be patronizing the business unit and recommend it to another person(s). It is in line with this that (investopedia, n.d) states that Customer service seeks to ensure that customers are satisfied with a product and it could take place when performing transaction with customers such as making sales or returning an item. It can also take the form of in-person interaction, prompt attention to calls and emails, phone call or self-service system.

To Entrepreneur (2017), Customer service is the degree of assistance and courtesy given to the people who patronize a business as well as giving them the chance of making their feelings known. Similarly, Doyle (2017) sees customer service as the process of being courteous, kind, listening carefully to customers' wants and concerns and doing everything in one's power efficiently and accurately to serve all customers, thereby providing solutions to each customer's problem and ensuring that they are satisfied. It should be noted that customer service could also be viewed in terms of fulfillment of promise. It is in line with this that Miller (2016) sees it as the ability of providing a service in the way it was promised.

Concept of Small and Medium Scale Enterprises

A small-scale or medium-scale enterprise is a relative term. This is because an enterprise described as an SME in one country may not be so in another. This implies that there is no any universally accepted definition of SMEs. Furthermore, one can conclude that there is difficulty in defining SMEs since individuals, institutions, organisations and countries adopt varying yardsticks for defining or classifying them. According to Sanusi (2003),

for the purpose of the Small and Medium Industries Equity Investment Scheme (SMIEIS), a small-and-medium-scale industry is seen as any enterprise with a maximum asset base of ₦200 million, excluding the cost of land and working capital, as well as workforce not less than 10 and not exceeding 300. However, to be more flexible, Adamu (2005) stated that in 2005, SMIEIS modified the definition by expunging the restriction on the number of employees and increasing the maximum asset to ₦500 million, excluding the cost of land and working capital. Adeyeye (2008) also reports that a small-scale enterprise is an enterprise which has an asset not exceeding ₦50 million and workforce not more than one hundred and a medium-scale enterprise is an enterprise with a total asset and employees not more than ₦200 million and 300 employees respectively. This implies that different criteria such as capital employed, workforce and volume of output are used in the process of defining small-and-medium-scale enterprises.

Concept of Sustainable Development

Sustainable development is defined in different ways. To daro and Smith (2006) see it as a “pattern of development that permits the future generations to live at least as well as the current generation.” To Aina (2009), sustainable development is a new paradigm which establishes linkages across concepts like poverty alleviation, human rights, peace, and security, cultural diversity, biodiversity, food security, clean water and sanitation, renewable energy, preservation of the environment and sustainable use of the natural resources with the aim of ensuring a better quality of life for the present and the generations to come. The implication of these is that the focal point of sustainable development has to do with the process of striving hard to ensure that the present and future generations live better with none of them, especially the present generation compromising the welfare of the future generation.

Types of Customer Services

The major types of customer services are as follow:

Supports Service

This is the foundation and most important type of customer services. Supports services include resolution of billing queries, order taking, activation of customers’ accounts, registration of new customers and recording complaints. It also has to do with responding to ordinary queries, provision of answers to questions raised by the customers, offering guidance to customers, helping new customers with a basic understanding of the products or services, listening to customers and passing on the customers’ complaints/grievances to those responsible for handling them (Robbinson and Kalakota in Tutorial-reports 2013 and Newman, 2016). Other supports services include helping customers to fill forms, provision of credit facilities, provision of transportation and delivery services, giving warm reception to the customers such as welcome, how may I help you?

Sales and Marketing Efforts

These are used by business units in order to make its existing and potential customers have information on its products and or services. It could also be used as a promotional strategy through which a business unit would let customers to know the benefits to be derived in associating with the company and buying its products. To achieve this, the business could meet customers, stay in touch with them through calls and or emails, and even conduct some on-line research for customers (Robbinson and Kalakota in Tutorial-reports 2013 and Newman, 2016). Sales and marketing efforts are also carried out through dispatching quotations and price lists to customers, giving gifts to customers, being interested in their social lives, sending credit notes to customers, adhering to business ethics while dealing with the customers and helping the customers to conveniently package the goods they bought.

Technical Support

This type of service helps to provide customers with solution to the technical difficulties of a product / service. This is because customers could need different technical support services such as data verification and problem resolution (Robbinson and Kalakota in Tutorial-reports 2013 and Newman, 2016). The technical supports also include installation of machines and equipments, maintenance services and activation of electronic equipments such as Subscriber Identification Module (SIM) card and Automated Teller Machine (ATM) card as well as

searching for available radio and television stations on transistor radios and televisions respectively. This implies that it deals with what requires technicalities and could be resolved through technical skills and competence.

Analytic Based Support

This deals with the analysis of different forms of queries and complaints made by the customers, the quality of service rendered (quality auditing) and response provided by the business unit to the customers. (Robbinson and Kalakota in Tutorial-reports, 2013 and Newman, 2016). It is the cornerstone of marketing activities and gives clues that are needed for the purpose of delivering products that are anticipated, relevant and timely to the customers. This implies that it could enable a business outfit to influence the buying decision of the customers. It also increases the rate at which the customers respond to organisation's efforts, customer loyalty and, consequently, returns on investment through enabling the business to be able to approach the right customers with relevant products and messages at the right time.

Customer Service Skills

Skill could be seen as an established habit of doing something (Pulife, 2012). Anikweze (2013) also sees it as an ability of doing something well usually acquired through training and experience. With this background in mind, a deduction from Ciotti (2016) and Doyle (2017) shows that the following constitute some of the customer service skills which are required for business success:

1. Empathy: this is an important customer service skill which deals with responding to customer's issues with warmth and care.
2. Enthusiasm: this has to do with attending to customer's issues with keen interest.
3. Detail-oriented: striving to get full information.
4. Curiosity: willingness to know many things.
5. Diplomatic: application of diplomacy when dealing with customers.
6. Patience: being patient while dealing with customers.
7. Attentiveness: being a good listener to better understand the need, demand or complaint of the customer in order to better serve him/her.
8. Clear communication skills: effective communication with the customers.
9. Knowledge of the product: having details on the product characteristics.
10. Acting skill: acting in line with customer's nature so as to carry him along.
11. Ability to read customer: effective understanding of the customer in order to treat based on his/her unique characteristics.

Characteristics of Customer Services

Promptness

Promptness in satisfying the customers is an important attribute of customer service. According to McKinney (2015) delay and cancellation of product should be avoided. Promises for delivery of good or provision of service or information must be fulfilled on time. It should be noted that promptness creates goodwill for an organisation and leads to customer loyalty. This is because the customers will have the conviction that the business outfit is worthy of being transacted with.

Politeness

This is the act of being polite in dealings with customers- both existing and prospective. McKinney (2015) is of the view that politeness deals with good mannerism such as greeting the customer, saying, thanks for your patronage as well as how may I help you? Politeness also has to do with approaching the customers in ways that are natural and suits the situation at hand.

Professionalism

This focuses on provision of professional treatment to customers using skills and competencies to let them know that they are cared for (McKinney, 2015). This implies that human relation skills are to be applied in ethical ways in order to woo the customers.

Personalization

This involves channeling a service(s) to an individual customer in line with his/her nature as well as using customer's attributes such as name, title, role or status in the society. According to McKinney (2015), calling a customer's name produces loyalty in the sense that customers prefer seeing that the person they are dealing with knows them on personal terms.

Effect of Customer Services on Success of SMEs

Customer services lead to the development of happy customers who would always be willing to patronize the business unit. In line with this, Naylor (2014) states that customer services are vital to health of businesses, but many small businesses fail to realize this. It can be deduced from Naylor (2014) that good customer services can lead to the success of SMEs because, customers would always remember how they were treated, good treatment makes them to assume that an organisation is having good product, customer services make the customers to believe that they are cared for and it is an important marketing tool. This implies that customer services could make the business to gain more patronage in the sense that a happy customer would all things being equal come back and also recommend the organisation and its products to others which would lead to increased profit. John (2017) also points out that delivering service to the customers is the most valuable thing to a business in the sense that it allows the business to increase sales through helping the business to be able to build trust which gives customers a reason for staying with the business (customer loyalty). John (2017) also states that customer service matters more than the price, because people are willing to pay more for the right experience. Customer service also creates brand awareness, because it enhances referral buying, it reduces problems since the customers know they can voice out their complaints and it appeals to customers because nowadays, customer want themselves to be treated as people and this is done through customer services. To Shuttle (2017), customer service is of importance to a business due to the fact that it makes the customers to feel that they are significant to the business unit, it differentiates a business from its competitor, it leads to repeat patronage, gives publicity to the business and helps in avoiding filing a complaint with the customer protection council or litigation. From the foregoing, it is obvious that customer services could lead to the survival of SMEs. This is because, it could make the SMEs to increase sales and consequently, profit which tells the operators that that there is need for continuous operation and could lead to the enjoyment of economies of scale. It could also enhance the ability of withstanding competition both among themselves and with large scale enterprises.

Customer Services, Success of SMEs and Sustainable Development in Nigeria

As earlier pointed out, customer services are potent tools for enhancing the success of SMEs. It should also be noted that customer services can through their impacts on SMEs, lead to sustainable development in Nigeria. This can be achieved in the following ways:

Employment Generation

Unemployment is a serious problem confronting Nigeria. Its level can be reduced by SMEs through effective customer services. Increase in demand resulting from effective customer services calls for increase in productivity. This certainly requires more hands for efficiency and effectiveness leading to generation of employment for people. The implication of this is that a reduction in the level unemployment could lead to sustainable development because it makes income to be evenly distributed as a result of job opportunities that are generated.

Stimulation of Economic Growth

Economic growth is an expansion of the national income and the volume of goods and services produced in a country (Mamman, 2010). It is an important determinant of development and per capita income is used for expressing it. The fact that SMEs are involved in different sectors of the economy shows that they contribute significantly to economic growth of many countries. Since customer services increase their sales, it will consequently lead to economic growth which is expected to bring about sustainable development in Nigeria.

Utilization of Local Resources

Utilization of the available resource in the society leads to sustainable development. Aruwa (2006) is of the view that the creativity of SMEs in their various areas of activities such as food processing, textiles, woodwork and

leather product is making them to effectively utilize local raw materials. The desire to also meet up with the increasing demand for their products which is occasioned by customer services could also encourage the utilization of local resources which would generate income to the local producers of the resources. The expectation is that all these would pave way for sustainable development in Nigeria.

Poverty Alleviation

Poverty is a very serious developmental challenge in Nigeria. The World Bank (1997) sees poverty as human deprivation of economic opportunity, education, health and nutrition and lack of empowerment and security. According to Aina (2009), poverty alleviation is among the focal points of sustainable development. Customer service could lead to poverty alleviation in Nigeria through SMEs in the sense that the benefits that SMEs would derive from it could create jobs, promote economic growth and stimulate linkages among all the sectors of the economy. The expectation is that all these would generate income which would alleviate the level of poverty in Nigeria, consequently enhancing sustainable development.

Stimulation of Investment

Customer service could lead to sustainable development in Nigeria in the sense that it encourages investments. This comes up in order to satisfy the growing demand of the customers which results from the goodwill they enjoy through providing good customer services. These investments are expected to have multiplier effects which would all things being equal lead to sustainable development in Nigeria. This is because; the benefits to be derived from the investments would not only stop on the present generation, but also cater for the future generations.

Conclusion

Customer driven services are necessary for attracting and retaining customers which could boost sales and profit. This owes to the fact that customer services are based on the principle of treating the customers as one would want himself to be treated. This paper therefore, established that customer services could lead to the success of small and medium scale enterprises and consequently sustainable development in Nigeria. The implications of these are that customer services are potent tools for enhancing customer satisfaction which would all things being equal, lead to repeat and referral buying and as such boost the economy of Nigeria which at the end would make provisions for the present and future generations.

Recommendations

The following recommendations are suggested in order to make sure that SMEs become successful through delivering good customer services which by extension would enhance sustainable development in Nigeria;

1. All SMEs should have customer service standards.
2. All SMEs operators and their staff should have good customer service skills which could be acquired through in-house trainings and workshops.
3. SMEs operators should ensure that all customers are properly treated because a single poorly treated customer can have devastating effect on the business.
4. Customers' complaints, requests and orders should be urgently treated because it could make the customers to feel that they are cared for and as such see the reason for continuous patronage of the business unit.
5. There should be campaigns by the government agencies responsible for promoting entrepreneurship and Non-governmental organisations on the effect of customer services on business success and their attendant effect on the entire society.

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