International Journal of Business and Economics, 2017, Vol. 16, No. 3, 319-321

Building Internal Competencies, Capabilities, and Capacity to Deliver Great Customer Experiences

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Abstract

Building internal competency within an organization can be very effective when managed well. It can eliminate or reduce costs due to failure, help build support, and even establish ongoing change management in the organization, thus enhancing competitive advantages and delivering customer equity.

Key words: brand reputation capabilities; competencies; employee empathy; service excellence

The following cases deal with aspects of the consumer experience in the service industry. Offering a superior customer experience is a major objective in the business environment for knowledgeable and strategic organizations. Globally, this concept has been widely embraced as more and more organizations are committed to providing a positive experience for their customers (Verhoef, 2009). Building value, loyalty, quality, convenience, and services are key factors that organizations target (Badget et al., 2007). Establishing internal competency within an organization can be very effective when managed well. It can eliminate or reduce costs due to failure, help build support, and even establish ongoing change management in the organization, thus enhancing competitive advantages and delivering customer equity.

The cases in this section focus on consumer experience marketing, which calls for the development of competencies, capabilities, and capacities within the firm when designing and implementing tactics and strategies. Consumers' perceptions of an organization's trust, reputation, product, and service offerings are significant to that organization's success (Bjattacjaarua & Sem, 2003). The Haberern case demonstrates clearly that companies have great demand and can manage to monopolize a market through their services of bundling and packaging deals.

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Customers who are aware of the bait, the switch tactics, or the “small print” become disgruntled at some point and lose faith, satisfaction, and most unfortunately trust in the organization. The case highlights a cable company where internal competency negatively affects its reputation. Because the consumer is highly affected by pricing policies, services offered, and a lack of flexibility, the customer’s overall experience suffers. As more attention is drawn toward the customer experience and internal competency, as well as the relationship between the internal and external environments, there is an opportunity to create value to the firm and to present a more positive image.

From analysing the suggestions by the narrators of the other cases in this section on how service failures should be resolved, and through the scholarly research covered in the accompanying editorial commentary, it is quite clear that solid internal competencies, especially customer-centric mindfulness and empathy, build brand loyalty and help develop a relationship with the customer. “Loyal employees create loyal customers” (Khalaf et al., 2013, p. 297). Confusion within the firm, as a result of a lack of internal competency, can be projected onto customers through actions and behavior, thus negatively impacting the brand’s reputation. A negative service reputation is not without consequences.

There is a relationship between supply and demand and how an organization deals with its customers. When demand is high and supply is low, an organization can be less responsive and customer-oriented. The consumer has limited choices and can be taken advantage of by the firm.

Customers’ perceptions of their options and treatment determine whether they feel annoyance or satisfaction with the organization and influence their view of the brand. A customer-oriented organization is very obvious in the eyes of the consumer. As in the Comcast case in this journal, the aim was more toward profit than customer satisfaction. A reevaluation of the firm’s priorities needs to translate into better strategies, tactics, and daily behavior towards prospective and current customers. Related internal actions can build internal competence and enhance the organization’s brand reputation.

A firm’s standards and strategies can unify and promote cohesion within the organization and contribute to a culture that creates improved customer experiences (CX) and an improved brand image. Building internal competency within an organization can be very effective (both in terms of happy employees and happy customers) when managed well. It can eliminate or reduce costs due to failure, help build support, and even establish ongoing change management in the organization. In the long run, this can lower expenses and enhance competitive advantages.

Organizations benefit greatly from establishing a consumer-centric business plan, with both strategy and specific actions focused on two-way communication and co-creation of solutions throughout the organization, especially when positive customer experiences are the principal goal. Globally, there is a growing body of retailers embracing the idea of customer experience management and incorporating the idea into their mission statements. Emphasizing convenience, value, and quality can benefit customer experiences (CX) (Verhoef et al., 2009, p. 31) and thus the brand.

References

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