

New model shows companies how to tailor call center service to different customer types

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Call centres can be expensive as well as the source of lots of consumer angst. But companies can get more bang for their buck by doing a better job of coordinating marketing decisions that drive customers to call centres with operational ones about handling them once they get there, says a new study from the University of Toronto's Rotman School of Management.

The study, co-authored by Professors Philipp Afèche and Opher Baron in the Rotman School's Operations Management and Statistics Area, and Mojtaba Araghi, an assistant professor at Wilfrid Laurier University, provides an integrated marketing-operations framework to help companies design more effective service policies for their [call](#) centres and other service channels.

The framework builds on a theoretical model that maps the flow of new and existing customers through the call centre and their consumer decisions afterwards, based on their experience.

Unlike previous research, the model links call centre capacity, service quality and how that quality influences future consumer behaviour.

"Our model highlights that it is important for companies to be able to answer questions like: How does a particular customer behave if they don't get served? What's the chance that they will leave the company—or spend more, depending on the service quality they've received?" says Prof. Afèche. This can give companies insight into designing different

service levels for different types of customers, depending on their value to the company.

Too often, says Prof. Afèche, call centres react in response to marketing decisions, rather than the two functions working together to determine which customers to target in a marketing campaign and what capacity needs to be there to serve them. Traditional ways of measuring customer value, meanwhile, can ignore how that value is affected by service quality, leading to poorer decisions about attracting and keeping them.

"Our model gives companies a more complete picture of the value of a customer," says Prof. Afèche.

Getting things right at the call centre has been shown to be vital to businesses. Previous research has shown that companies use call centres for 80% of their customer interactions and 92% of customers base their opinion of the company on what happens during their call. Four out of ten customers who end their business with a [company](#) place the blame squarely on a customer service call that went badly.

The study is forthcoming in *Manufacturing & Service Operations Management*.

Provided by University of Toronto

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