



Assessing the Effects of Customer Care Services on Customer Satisfaction in Small Scale Businesses.

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ABSTRACT

This research study aimed at assessing the effects that customer service has on customer satisfaction among small and medium enterprises. The study attempted to investigate the nature and effectiveness of customer care offered by small scale businesses to its customers and to establish recommended customer service approaches desired by customers that small and medium enterprises should adopt that can help to increase customer satisfaction.

The study adopted a qualitative research design and data was collected from a sample size of 27 participants who were customers of merchandizing small and medium enterprises. The data was analyzed using thematic and content analysis. The results of the study have found that have the merchandizing small and medium enterprises have people who assist customers when they enter their shops.

The study has discovered that that the businesses do not have a section specific for queries, inquiries, nor a call center. The study established that employees who are moody, rude and seem angry reduces the satisfaction of the employees. The study discovered that the feeling of satisfaction comes when employees are able to talk to the customers with positive energy and politeness. The s. The study found that the customers recommend that the businesses should move with technology as such they should have business' digital platforms in which they can engage with the consumers.

Key words: Customer satisfaction, customer service

INTRODUCTION

Customers are what drives a business. Each and every business is obligated to making profits. Businesses sell products and offer services with an aim of generating returns on the capital. These are revenues that lead to profits. Therefore, the center of the existence of a business is its desire to capture value from its customers.

Customer loyalty is the burning desire of every profit-making business. Therefore, business strive to satisfy customers because customer satisfaction derives customer loyalty. Businesses strive to satisfy customers through various means such as offering quality products such as quality goods and services, affordable goods and services, and the very thing off the product view, excellent customer services.

While various business-related activities have to be carried using various strategies that will result into sales, and even more sales, customer services are one aspect that customers look at beside the product or service itself. Therefore, this study looked at customer service and how it has the capacity to affect customer satisfaction.

LITERATURE REVIEW

The empirical review discusses the literature that aligns with the objectives, and thus other study findings that align with this study's objectives. This section reviews the literature of studies in which their findings relate to the objectives that this research aimed to achieve, and provides a backbone to support the findings of this study.

As the existence of divergent and sometimes conflicting objectives of customer care on performance of a number of companies has given increase to the design of many concepts and ways to ensure that the cost connected to such divergent interest is minimal. The literature review discusses the different literatures that the study of good customer care of firm's profitability and how customer care has an impact on business or firms.

EMPIRICAL LITERATURE

Customer service

Customer service is the support that businesses give to their customers. Customer service looks at how businesses interact with their customers. It is the company's practice of treating customers with respect and kindness and building an emotional connection with them. It can also be defined as support a company provides to customers before, during and after they buy a product or service. This include problem solving, which is helping customers resolve issues and complaints.

Customer satisfaction

Customer satisfaction (CSAT) measures how happy customers are with a company's products, services, or overall customer experience. Businesses often measure customer satisfaction with surveys, feedback analytics, and other tools. High customer satisfaction typically leads to customer loyalty, repeat business, and positive word-of-mouth, while low satisfaction can result in complaints, negative reviews, and loss of business (Franklin, 2025).

Customer satisfaction is the degree to which products or services provided by a company meet a customer's expectations. Achieving high levels of customer satisfaction is not just about keeping customers happy; it is about fostering loyalty, encouraging repeat business, and building a strong reputation in the market (Panaitescu, 2024)

Customer retention

Customer retention is defined as the ability of a business enterprise or product to retain its customers of a specified period of time. A high rate of customer retention means customers of the product or business tend to return to make a purchase of a good or service (Al-Khayyal, et al., 2020). Customer retention is also defined as the ability of a company's ability to turn customers into repetitive buyers and prevent them from switching to a competitor.

Customer retention builds customer loyalty and referrals. Customer retention increases the customer base of a company or product which in turn reflects directly to the revenues that the business generates (Keramati, et al., 2020). Customer retentions means that the current customers that a business has values the product and provides sustainable sources of revenue. Good customer retention leads to more sales revenues generated. As stipulated in literature, customer retention helps businesses to maintain a steady customer base, reduce acquisition costs, and increase revenues (Kumar & Ayodeji, 2021).

Customer loyalty

This is basically the result of consistently positive emotional experience, based on customer satisfaction which includes product services. According to Parasuraman, Zeithaml, and Berry (1994), loyalty may be exhibited by the following five aspects: 1. commend the company to other persons; 2. recommend the company to inquirers; 3. encourage people to consume with the company; 4. regularly do business or shop with the company; and 5. give priority consideration to the company in the next shopping or business opportunity.

Griffin (1995) deemed that loyal customers would behave as following: 1. make purchases regularly; 2. be willing to purchase all types of products offered by the company; 3. be willing to build up a good image for the company; and 4. quite immune to the sales or marketing campaigns of other companies.

Jones & Sasser (1995), they perceived that loyalty is performed through the following three behaviors: 1. willingness to purchase again; 2. primary behaviors: including the number of times, frequencies, amounts, and quantities consumed by the customer most recently; and 3. secondary behaviors: willingness to recommend or introduce the company to other parties. Fredericks (2000) indicated that loyalty may be expressed through the following behaviors: 1. large volumes of purchases; 2. high frequency of purchases; 3. less sensitivity on price; and 4. brings new customers to the company.

Customer experiences is the sum of all experiences of customer has with marketer of good and service, over the duration of the relationship with their marketer. Their work indicated that consumers value the experiences of goods or services more than its actual tangible. In fact, the experiences become a key element of the overall product being purchased and consumed (Pine & Gilmore, 1990).

Small and medium enterprises

Small and medium enterprises are the business ventures that are typically not registered as limited liability companies and their shares cannot be listed. Small and medium enterprises employ less than 250 employees (Awinja & Fatoki, 2021). Small and medium enterprises are companies that are smaller than corporations but are larger than microbusinesses in terms of size and revenues. These small and medium enterprises operate with an aim of making profits (Awinja & Fatoki, 2021).

Small and medium enterprises are believed to be an essential part of the backbone of an economy. This is because small and medium enterprises are able to create employment to up to 249 people. Some small and medium enterprises do import goods bringing in a new experience and taste, while other do export their products bringing in forex (George, 2011).

A discussion of literature in terms of objectives

The nature and effectiveness of customer care offered by small scale businesses to its customers

A research study found that the traditional way that customers do business with their banks by offering a friendly, efficient, and effective customer service have undergone a transformation to radically improve the experience it offers its customers. This has reduced the time that customers spend in ques to access bank services. The findings revealed that the customers were satisfied and highly likely to engage with the banks (Cook, 2010).

Another study found analyzed the customer service effects on customer satisfaction and customer loyalty. The field study is applied by using survey method on a face-to-face and electronic mail basis as interview methods including four hundred shopping mall customers who live in Izmir city, Turkey. The research model is formed for measuring customer service effects on customer satisfaction and customer loyalty. The research model is tested by three hypotheses via regression analyses.

According to the research results, customer services which comprise 8 factors can explain 13.9 % of variance in customer satisfaction, 12.5 % of variance in customer loyalty and also customer satisfaction can explain 43.2 % of variance in customer loyalty.

A different study proposed and tested a model describing the relationship between customer service providers' perceptions and attitudes toward their service-related duties and their customers' perceptions of satisfaction with their service experiences.

A study on the relationship between employee satisfaction and customer satisfaction. The study discusses five employee variables that impact on customer satisfaction, namely, communication and rewards as well as employee loyalty, retention and commitment. A set of hypotheses were then developed theoretically and tested practically using the SEM-PLS approach. In conclusion, it was found that customer satisfaction had a causal relationship with employee satisfaction and an understanding of the employees' satisfaction role was extremely important in this context (Kurdia, et al., 2020).

RESEARCH METHODOLOGY

This research study adopted a mono research design. The specific design was a qualitative design. Qualitative design aligned with the interpretivism as the study's research philosophy because qualitative studies allow the study to collect meanings and context from the respondents which are then interpreted.

Random sampling was chosen because all the customers had an equal chance of being selected to participate in the study. The researcher used an interview guide to collect data. As asserted by Saunders et al (2023), an interview guide is a general term that includes all methods of collecting data in which each person is asked to respond to the same set of questions in a in an interview set up

Firstly, the researcher developed an interview guide. As asserted by Saunders et al (2023), an interview guide is a general term that includes all methods of collecting data in which each person is asked to respond to the same set of questions in a predetermined order. The interview guide had open ended questions for the qualitative part. The interview guide was submitted to the supervisor for approval.

Data analysis

Qualitative analysis is the analysis of the language-based data you have collected, often through categorizing this data, to identify meanings, patterns and trends (MacDonald & Headlam, 2005). This research used thematic data analysis and content data analysis. Thematic analysis categorizes data according to patterns and common themes while content analysis focuses on systematically categorizing data according to key issues.

The data collected was coded to identify the key categories issues and then the data was grouped into common themes comprising of main themes and sub-themes. The results were portrayed in tables and charts showing key issues and common themes for interpretation.

In terms of the validity and reliability of the data collection instruments for data accuracy, the following were done. Validity refers to the accuracy of a measure and reliability is the degree to which an assessment tool produces stable and consistent results. The reliability was guaranteed by carrying out a pre-test of the questions in a pilot study with participants from the targeted population. To ensure validity of data, pre-testing of data collection tool was done. The reliability was guaranteed by carrying out a pre-test of the questions in a pilot study with participants from the targeted population. The interview guide was also examined by the supervisor to check if the questions on it measure the variables and answers the research questions as well

Findings on nature and effectiveness of customer care offered by small and medium scale businesses to its customers

Availability of personnel to help customers with purchases

Table 1 Availability of personnel to help customers with purchases

Response	Frequency	Percentage (%)
Yes	21	78
No	6	22
Total	27	100

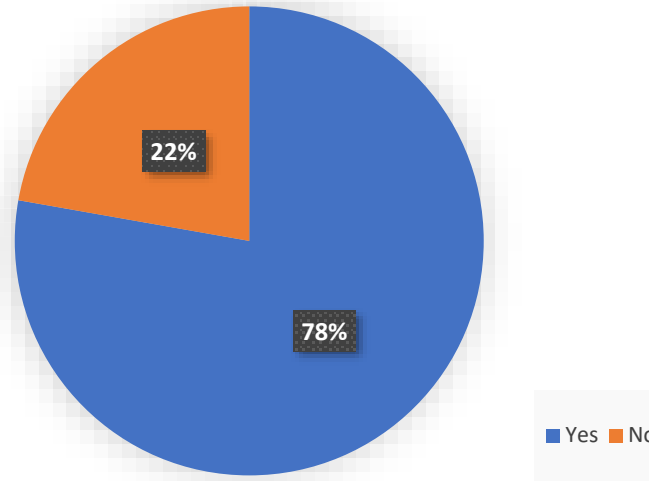


Figure 1 Availability of personnel to help customers with purchases

The study assessed whether merchandizing small and medium enterprises have people who assist customers when they enter their shops apart from just being the contact at the point of sale. The study realized that 7 people out of every 10 people have been into merchandizing small and medium enterprises that have employees who assists them while in the shops. This shows that there is an element of customer service where people or customers are helped. The study took the liberty to assess how do these people help the customers while in the shops.

The nature of help that the customers get from the employees in the merchandizing small and medium enterprises.

Table 2 The nature of help that the customers get from the employees in the merchandizing small and medium enterprises.

Main theme	Sub theme
Warm welcoming and service	Greets the customers
	Asks how they can help
Assistance with item location	Shows them where items are placed
Assistance with carriage	Carries their bags to the car park

The study found that the people available to offer help to customers in the merchandizing small and medium enterprises offer warm welcoming remarks to the customers when they enter the merchandizing small and medium enterprises. The participants indicated that the employees of the shops give warm greetings to the customers. Further, the participants stated that the employees always ask what the customers want and are always willing to help them locate the items.

Participant 18 said that, “Whenever I enter the shop, the people who hang by the shelves greet me warmly and then when I ask them where an item is located, they point out”

Customer service personnel’s knowledge of the items in terms of its usage or preparation

Table 3 Customer service personnel’s knowledge of the items in terms of its usage or preparation

Response	Frequency	Percentage (%)
Yes	15	56
No	12	44
Total	27	100

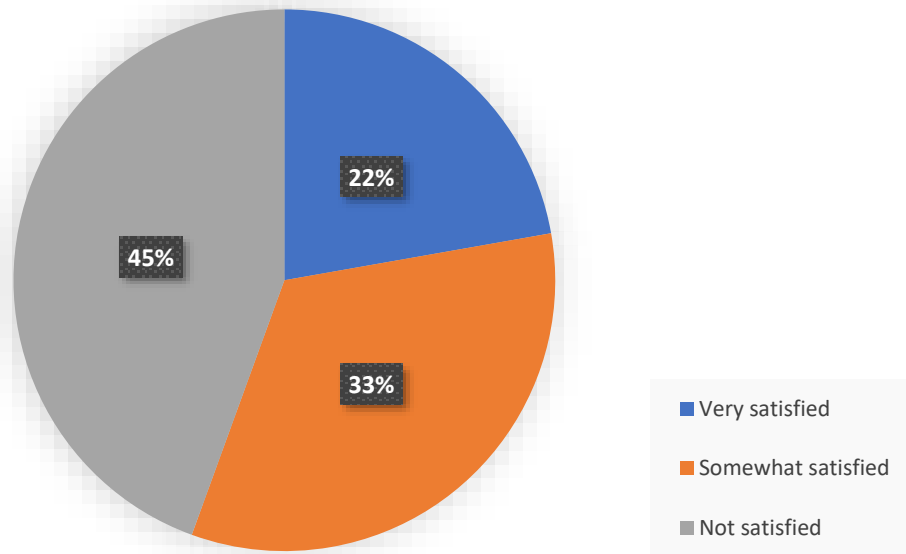


Figure 2 Level of customer satisfaction with the responses they get

The study discovered that 45% of the customers, representing the majority are not satisfied with the responses they get from the staff concerning the functionality, usage or preparation of the item in question. satisfaction with the responses and help they get with regards to the same

Level of customer satisfaction with the responses they get

Table 4 Level of customer satisfaction with the responses they get

Level of satisfaction	Frequency	Percentage (%)
Very satisfied	6	22
Somewhat satisfied	9	33
Not satisfied	12	44
Total	27	99

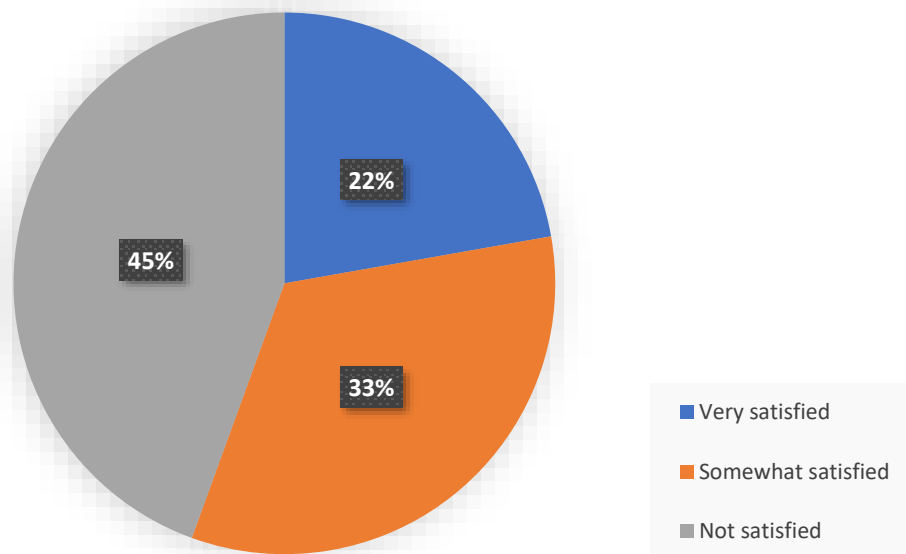


Figure 3 Level of customer satisfaction with the responses they get

The study discovered that 45% of the customers, representing the majority are not satisfied with the responses they get from the staff concerning the functionality, usage or preparation of the item in question. Only 22% indicated satisfaction while 33% were not convinced that much but still indicated

satisfaction. This indicates that businesses have a job to do. These results show that the employees do not have enough knowledge of the usage or functionality of the items that the customers are purchasing, or better yet, the items that the merchandizing small and medium enterprises are selling.

A further inquiry into details on some of the responses that the customers got that did not satisfy them include the following.

DISCUSSION ON FINDINGS

The study assessed nature and effectiveness of customer care offered by small and medium scale businesses to its customers. The results of the study have found that have the merchandizing small and medium enterprises have people who assist customers when they enter their shops. Further to that, the study found that the people available to offer help to customers in the merchandizing small and medium enterprises offer warm welcoming remarks to the customers when they enter the merchandizing small and medium enterprises. The study established that the employees of the shops give warm greetings to the customers. In addition, the study found that the employees always ask what the customers want and are always willing to help them locate the items.

On the customer service, the study investigated if the customers are able to ask the workers about how the items, they are looking to purchase works and if they give any responses on the question. The study found that a lot of the customers do ask and get the responses. This shows that the workers try to be there for the customers. However, an assessment on the level of satisfaction regarding the responses, the study found that despite the fact the employees are available to respond to the questions that the customers ask regarding the functionality, usage, or preparation of the item they have purchased, the customers' level of satisfaction concerning the same leaves a lot to be desired. The majority of the customers of merchandizing small and medium enterprises are not satisfied with the responses they get from the staff concerning the functionality, usage or preparation of the item in question. This indicates that businesses have a job to do. These results show that the employees do not have enough knowledge of the usage or functionality of the items that the customers are purchasing, or better yet, the items that the merchandizing small and medium enterprises are selling.

Recommendations

Basing on the findings of this research study, the following are the recommendations that this study makes;

1. The small and medium enterprises should ensure that they implement excellent and sustainable services that would help to increase the satisfaction of customers
2. Businesses should ensure that their employees are familiar with the products that are being offered. This includes having knowledge of how that particular product works, its functions and how to install or prepare some of the items that may call for such.

Businesses should make sure that they have a customer service section that would be handling customer queries, complaints, questions and other issues that they may need assistance with

Suggestions for further studies

The following are the suggestion for further studies.

1. A quantitative study on the effects of customer service on the satisfaction of customers
2. A study on the challenges that hinder small and medium businesses from having customer service departments

A study on the challenges that customer encounter as a result of small and medium enterprise not having a customer service

Conclusion

This research study aimed at assessing the effects that customer service have on customer satisfaction among small and medium enterprises. The study attempted to investigate the nature and effectiveness of customer care offered by small scale businesses to its customers, to explain the effect of the behavior and attitudes of employees and owners of small and medium enterprises when dealing with customers on customer satisfaction, The study adopted a qualitative research design and data was collected from a sample size of 27 participants who were customers of merchandizing small and medium enterprises. The data was analyzed using thematic and content analysis. The data was presented in tables and figures highlighting themes.

The results of the study have found that have the merchandizing small and medium enterprises have people who assist customers when they enter their shops. Further to that, the study found that the people available to offer help to customers in the merchandizing small and medium enterprises offer warm welcoming remarks to the customers when they enter the merchandizing small and medium enterprises.

The study established that the employees of the shops give warm greetings to the customers. In addition, the study found that the employees always ask what the customers want and are always willing to help them locate the items. On the customer service, the study investigated if the customers are able to ask the workers about how the items they are looking to purchase works and if they give any responses on the question. The study found that a lot of the customers do ask and get the responses. This shows that the workers try to be there for the customers.

However, an assessment on the level of satisfaction regarding the responses, the study found that despite the fact the employees are available to respond to the questions that the customers ask regarding the functionality, usage, or preparation of the item they have purchased, the customers' level of satisfaction concerning the same leaves a lot to be desired. The majority of the customers of merchandizing small and medium enterprises are not satisfied with the responses they get from the staff concerning the functionality, usage or preparation of the item in question. This indicates that businesses have a job to do.

These results show that the employees do not have enough knowledge of the usage or functionality of the items that the customers are purchasing, or better yet, the items that the merchandizing small and medium enterprises are selling. Furthermore, the study discovered that the line of communication is not professional. The study has discovered that the businesses do not have a section specific for queries, inquiries, nor a call center. The study established that the customers use informal channels to make queries or inquiries or ask questions or lodge complaints.

The findings have shown that customers approach any attendant available or whom they have met and ask the questions or raise their concerns. What this means is that, there is no department specific for handling the queries, complaints or inquiries. In terms of having a call center, the study found that there is no call center and that the customers use the personal numbers of the employees or owners of the business when they want to call most of the businesses. The study assessed whether the behavior, mood and attitude of the employees dealing with customers can affect their satisfaction.

The findings of the study have mentioned that some employees use their phone while attending to the customers. The results have shown that this takes away the feeling that they are being given the attention that they deserve at the moment and therefore this turns them away. The research findings highlighted that the habit of acting clever in some employees. The study found that this meant situations where the employees may just jump in and comment about an item that a customer is considering.

The study found that the customers recommend that the businesses should move with technology as such they should have business' digital platforms in which they can engage with the consumers. The study discovered that the customers would prefer if businesses are able to give feedback to customers in time so that the customers should know the progress of their queries. This means that when a customer lodges a complaint, they should be kept up to date on the progress of the issues. The study has established that the customers highly recommended that the merchandizing small and medium enterprises should have a customer care desk where all the issues dealing with customers that do not involve purchasing should be resolved and handled. The study calls for the formality of some channels of engagement.

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