

The Role of Customer Profitability Analysis approach in Rationalizing Managerial Decisions – An empirical Study At education services Companies

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Abstract

This study deals with the application of the role of customer profitability analysis from a cost approach that aids the company rationalizing its managerial decisions.

The target of this study has also been to assess the ability of the customer profitability analysis approach to furnish additional cost information to the organization that uses this approach in comparison with the traditional cost approaches. Consequently, ensuring of contributive factors of this assessment in rationalizing the managerial decisions.

Accordingly, an empirical study has been applied in the educational services companies in Syria, where an enormous importance is laid upon the customer, and where the competition percentage is high among the companies offering educational services. A huge importance is laid upon the managerial decisions which enable the company to gain and retain the most profitable customers. The study has proven effective in following the customer profitability analysis approach in the educational services companies. Furthermore, it has also proven the contributive factor of rationalizing managerial decisions regarding the customers, who stand for the profit resource of such companies in the long term.

Keywords: Cost systems; Customer profitability analysis; educational services companies; Management Decisions.