

Customer Service



Introduction

- A set of activities and programs taken up by a retail organization to offer its customers a rewarding shopping experience.
- Customer Service involves:
 - The ease of shopping for potential customers or information provided about the store's offerings,
 - The ease of completing a transaction and
 - The satisfaction of customers after the shopping

Top 10 Customer Service Mistakes

Strong customer service is a valuable asset, especially in today's high-tech-oriented, increasingly impersonal business world. Therefore, if you are aware of common customer service mistakes and avoid them, you may strengthen your position in a competitive market.

1. **Untrained staff:**

It does not matter whether you have two or 200 employees, you must train everyone in the art of customer service. Customers and clients will not tolerate rudeness, incorrect information, or apathy on the part of your staff. Not training the staff — and this should include everyone — is a major mistake made by too many businesses.

2. **Trying to win the argument:**

It is worth remembering that it takes five times more effort and cost to gain one new customer as it takes to maintain one current customer. Therefore, to win an argument and lose a steady customer, you are punishing your business.

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3. **Inaccessibility.**

If you want to see repeat business, you need to be accessible to your customers. If it is difficult to contact the customer service department or speak to a manager, customers may not return. Many businesses, especially on the Internet, try to maintain a distance from their customers. This rarely works. Check out [Online Customer Service Basics](#) for tips on a positive online customer service experience.

4. **Standing by your policy.**

While the clerk who is scared that he or she may lose their job can say "That's our policy," customer service representatives and managers should be able to find ways to bend policies to build customer relationships. The phrase "If I do that for you, I'll have to do it for everyone," is one of the fastest way to lose customers.

5. **Unfulfilled promises.**

If you promise a customer that something would be ready by Thursday, then it should be there by Thursday. When you cannot make this happen, do not make excuses; the only words you need to remember are "We're sorry," backed up by an extra effort to make the customer happy.

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6. Poor record keeping:

If you keep referring to Mrs. Johnson of Jackson Avenue as Mrs. Jackson of Johnson Avenue, you can be sure that she will not continue to do business with your company. While any business can make a mistake, constantly misspelled names and similar foul-ups do not encourage regular customers to return.

7. The runaround:

When someone calls for customer service, they expect a service representative to be the first or second person to whom they speak, following a receptionist perhaps. People do not like being passed from one person to another or sent from one department to another in a retail location. Passing the buck is akin to passing the customer on to your competitor.

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8. Email/online cop outs:

Since email is impersonal, many businesses send a form letter or a programmed response that answers 10 common FAQs, none of which may apply to a particular customer. Other businesses simply ignore customer complaints hoping that the customer will simply forget the issue. These are email cop outs, or excuses for not providing adequate customer service. It is very simple for a customer representative to respond to each inquiry in a timely fashion.

9. Failure to listen:

Customer service representatives routinely do not listen closely to customers. Typically they respond with an answer that does not match the problem because they were not paying attention. Customer relation representatives need to be trained, particularly in the art of listening and even taking notes.

10. Forgetting the basics:

"Please," "thank you," "we're sorry about the inconvenience," and so on are simple phrases that cost nothing, take little effort, and win big points.

9 KEY PRINCIPLES OF GOOD CUSTOMER SERVICE

- Customer service is a key differentiator between good, bad and indifferent companies. Good customer service keeps customers coming back; bad customer service drives customers away, taking their friends, family and workmates with them.
- All else being equal, good customer service gives the edge over competitors. Regardless of industry, there are 9 key principals of good customer service that usually make business sense.

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1. Attracting new customers costs more than retaining existing customers.

- A satisfied customer stays with a company longer, spends more and may deepen the relationship. For example, a happy credit card customer may enlist the company's financial services and later take travel insurance.
- This is an easy "sell", compared with direct marketing campaigns, television advertisements and other sophisticated and expensive approaches to attract new customers.

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2. Customer service costs real money.

- Real costs are associated with providing customer service and companies spend in line with a customer's value. If you are a high value customer or have the potential of being high value, you will be serviced more carefully.
- Companies reduce the cost of customer service by using telephone voice response systems, outsourcing call centers to cheaper locations, and self-servicing on the Internet. However, companies risk alienating customers through providing an impersonal service.

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3. Understand your customers' needs and meet them.

- How can you meet your customers' needs, if you don't know them? To understand your customer's needs, just listen to the "voice of the customer" and take action accordingly.
- Customer listening can be done in many ways, for example feedback forms, mystery shopping, and satisfaction surveys. Some companies involve senior employees in customer listening to ensure decisions benefit the customer as much as the company.

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4. Good process and product design is important.

- Good customer service is only one factor in meeting customer needs. Well-designed products and processes will meet customers' needs more often. Quality movements, such as Six Sigma, consider the “cost of quality” resulting from broken processes or products. Is it better to service the customer well than to eradicate the reason for them to contact you in the first instance?

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5. Customer service must be consistent.

- Customers expect consistent quality of customer service, with a similar, familiar look and feel whenever and however they contact the company.
- Say you visit an expensive hairdressing salon and receive a friendly welcome, a drink and a great haircut. You are out of town and visit the same hairdressing chain and get no friendly welcome, no drink and a great haircut. Are you a satisfied customer who will use that chain again? Probably you will not, as you did not receive the same level of customer service.

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6. Employees are customers, too.

- The quality management movement brought the concept of internal and external customers. Traditionally, the focus was on external customers with little thought given to how internal departments interacted. Improving relationships with internal customers and suppliers assists delivery of better customer service to external customers, through reduced lead-times, increased quality and better communication.
- The “Service-Profit Chain” model developed by Harvard Business School emphasizes the circular relationship between employees, customers and shareholders. Under-staffed, under-trained employees are unlikely to deliver good customer service, driving customers away. Equal effort must be made in attracting, motivating and retaining employees as is made for customers, ultimately delivering improved shareholder returns. Better shareholder returns mean more money is available to invest in employees and so the circle continues.

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7. Open all communication channels.

- The customer wants to contact you in many ways – face to face, by mail, phone, fax, and email - and will expect all of these communication channels to be open and easily inter-mingled.
- This presents a technical challenge, as it requires an integrated, streamlined solution providing the employee with the information they need to effectively service the customer.

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8. Every customer contact is a chance to shine.

- If a customer contact concerns a broken process, then empowered employees will be able to resolve the complaint swiftly, possibly enhancing the customer's perception of the company. Feeding back this information allows corrective action to be made, stopping further occurrences of the error.
- If you inform customers about new products or services when they contact you, you may make a valuable sale, turning your cost center into a profit center. This is only possible when you have a good relationship with your customer, where you understand their specific needs. A targeted sales pitch will have a good chance of success, as the customer is pre-sold on the company's reputation.

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9. People expect good customer service everywhere.

- Think about an average day – you travel on a train, you buy coffee, you go to work. You expect your train to be on time, clean and available to you at a reasonable cost. You expect your coffee to be hot and delivered quickly. You expect your work mates to work with you, enabling you to get the job at hand done.
- People become frustrated when their expectations are not met, and increasingly demand higher service quality in more areas of their lives.
- Providing outstanding customer service at the right price is the holy grail of most companies. It is worth remembering that we all experience customer service every day. We can learn from these and apply them in our own line of work, whatever it may be. Customer service will make you stand out from your competitors – make sure it's for the right reasons!

Service quality delivery and maintenance



Importance of service in retail

- Word of mouth publicity is many times more effective than advertising.
- To determine the service level by the retailer, it is important to understand the target audience, their needs and lifestyles.
- Consumers in modern supermarkets, prefer to go through various brands, compare prices and offers and then arrives at a decisions.
- Each individual customer will want attention and will have certain expectations of service, due to the price that he / she is willing to pay for the product.

Service quality dimensions

- Accuracy
- Knowledge of Employees
- Courtesy
- Consistency
- Speed
- Responsiveness

Customer service as a part of the retail strategy

Step-1: Identifying the Key Customers, Listening and Responding to Them.

Step-2: Defining Superior Service and Establishing a Service Strategy

Step-3: Setting Standards and Measuring Performance

Step-4: Selecting, Training and Empowering Employees to Work for the Customer

Step-5: Recognizing and Rewarding Accomplishment

Measuring the gaps in service

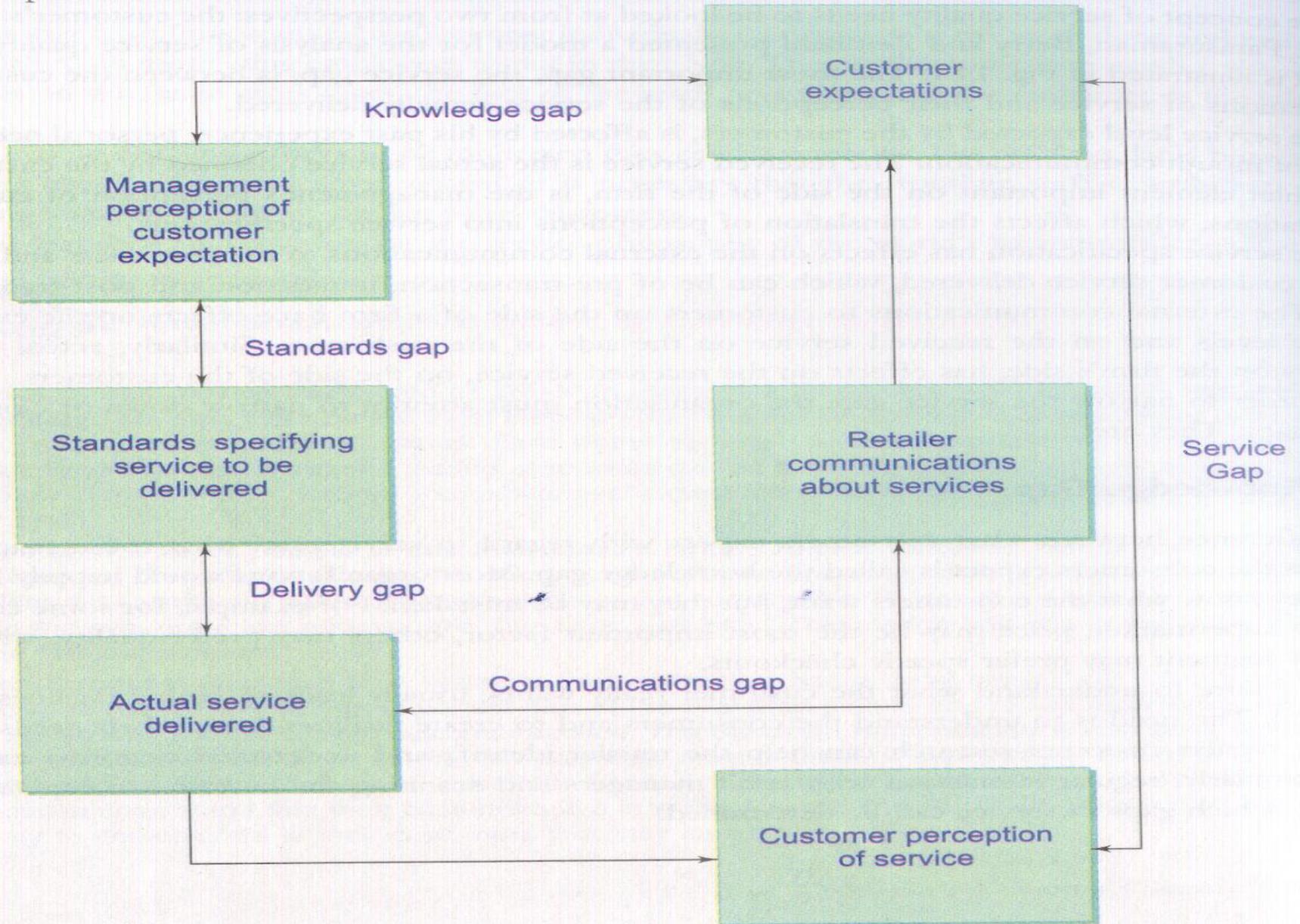
- Customer service is largely a function of perception, customer expectations, and the service actually provided.
- Service quality needs to be looked at from two perspectives:
 - The customer's
 - The firm's
- ✘ The service level expected by the customers, is affected by his past experience, personal needs and word of mouth communication.

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- 1) The Knowledge Gap
- 2) The Standards Gap
- 3) The Delivery Gap
- 4) The Communications Gap

A conceptual model of service quality

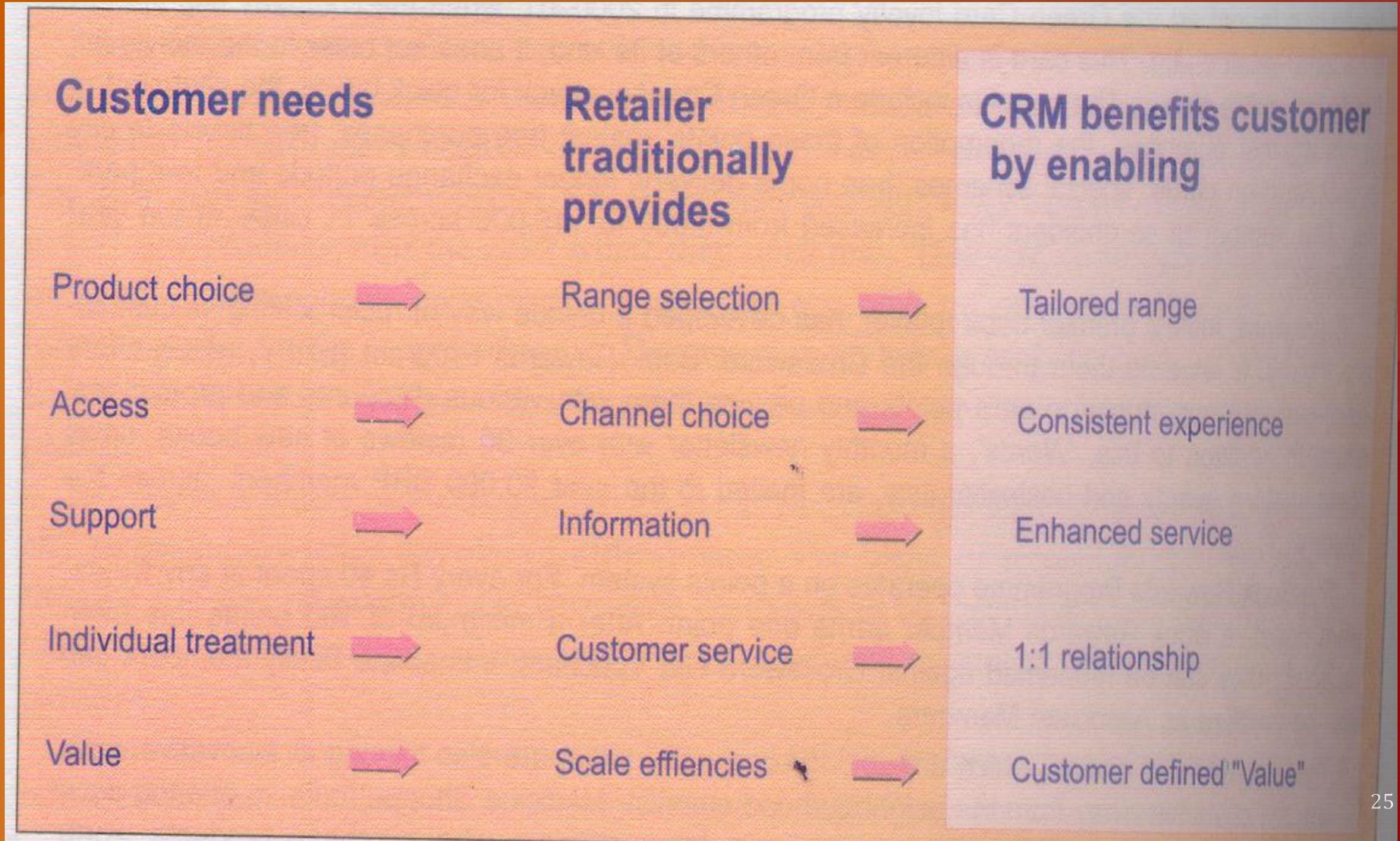
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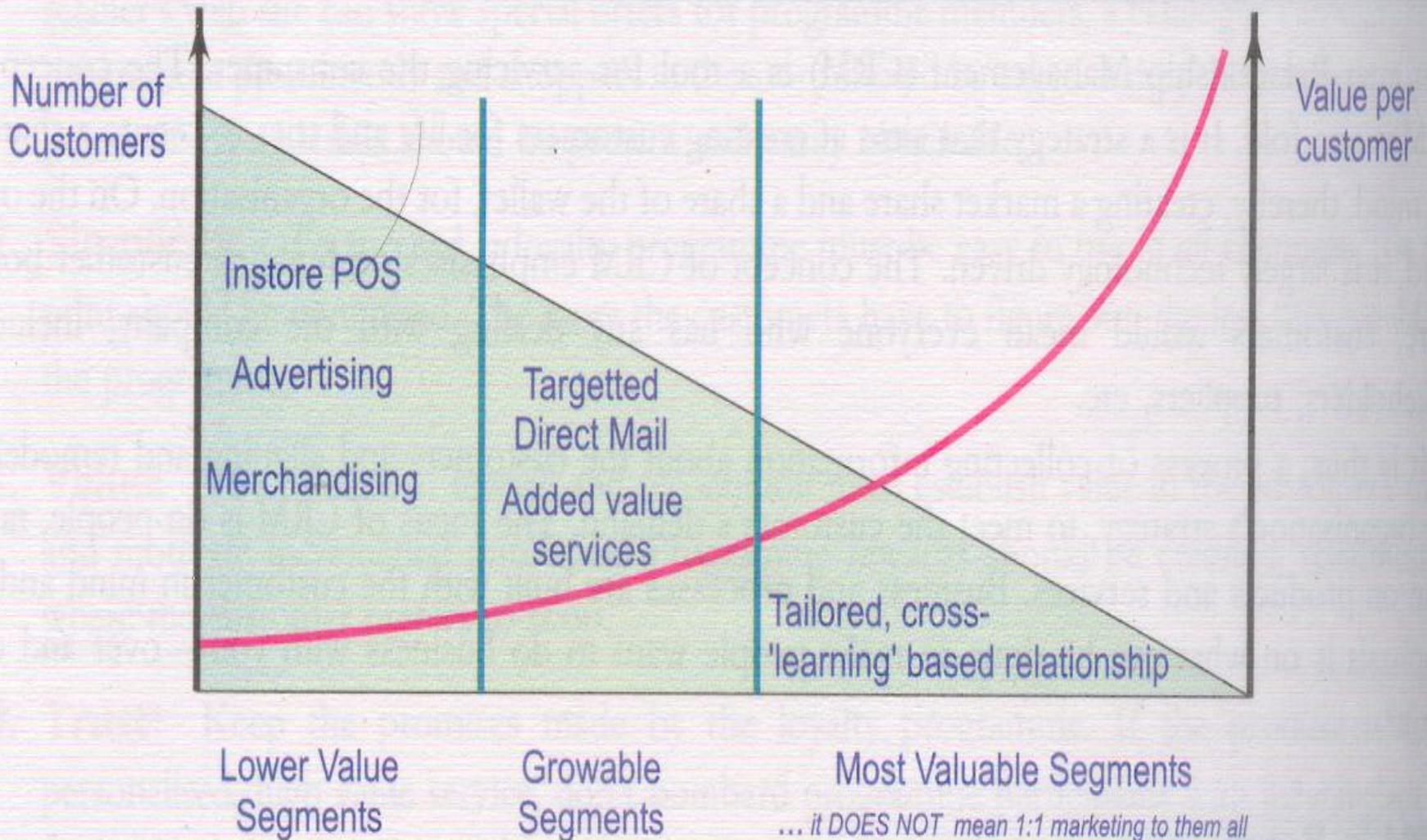
Crm approaches in retailing

- Customer Relationship Management (CRM) is a tool for serving the consumer.
- A Strategy that aims at creating customers for life.
- It is technology driven.
- A process of collecting information about the customers and aligning and remodeling the organization's strategy, to meet the customer's demand.
- If used effectively, it can add value to the offering made by the retailer.
- One-to-one marketing.

How crm benefits the retailer ?



Enhancing customer value through crm



Thank You....