**LEARNER GUIDE**

**Monitor the level of service to a range of customers**

Unit Standard 242829

Level 4 Credits 5

# TABLE OF CONTENTS

[TABLE OF CONTENTS 2](#_Toc415429516)

[FORMATIVE ASSESSMENT 5](#_Toc415429517)

[Formative assessment SO1 AC 1-2 Group Activity 5](#_Toc415429518)

[Formative assessment SO2 AC 1-3 Individual Activity 6](#_Toc415429519)

[Formative assessment: SO3 AC 1-3 Group Activity 7](#_Toc415429520)

[Formative assessment SO4 AC 1-2 Group Activity 8](#_Toc415429521)

[PERSONAL INFORMATION 9](#_Toc415429522)

[INTRODUCTION 10](#_Toc415429523)

[Structure 11](#_Toc415429524)

[Programme methodology 11](#_Toc415429525)

[What Learning Material you should have 12](#_Toc415429526)

[Different types of activities you can expect 13](#_Toc415429527)

[Learner Administration 14](#_Toc415429528)

[Assessments 14](#_Toc415429529)

[Learner Support 15](#_Toc415429530)

[Learner Expectations 16](#_Toc415429531)

[Programme Structure and Strategy 17](#_Toc415429532)

[UNIT STANDARD 18](#_Toc415429533)

[INTERNAL AND EXTERNAL CUSTOMERS 20](#_Toc415429534)

[Supply chain 20](#_Toc415429535)

[Systems theory 21](#_Toc415429536)

[Open and closed systems 22](#_Toc415429537)

[Flow through a system 22](#_Toc415429538)

[Feedback 23](#_Toc415429539)

[Inputs 23](#_Toc415429540)

[Processes 23](#_Toc415429541)

[Outputs 23](#_Toc415429542)

[Feedback 24](#_Toc415429543)

[Business systems and the business process 24](#_Toc415429544)

[Group discussion: systems 25](#_Toc415429545)

[What is a customer? 25](#_Toc415429546)

[Internal customers 25](#_Toc415429547)

[Group discussion: Interaction with other departments 27](#_Toc415429548)

[Exercise: Suppliers 28](#_Toc415429549)

[What is a customer? 30](#_Toc415429550)

[External customers 31](#_Toc415429551)

[Self-Assessment: External customers 31](#_Toc415429552)

[Immediate and remote customers 31](#_Toc415429553)

[Identify Key Customers 32](#_Toc415429554)

[Formative assessment SO1 AC 1-2 Group Activity 33](#_Toc415429555)

[STANDARDS OF CUSTOMER SERVICE 34](#_Toc415429556)

[What Is Customer Service? 34](#_Toc415429557)

[Moment Of Truth 35](#_Toc415429558)

[Customer Service Policy 35](#_Toc415429559)

[Formative Assessment: Customer Service Policy Group Activity 36](#_Toc415429560)

[Customer Service Standards 37](#_Toc415429561)

[Key performance areas 38](#_Toc415429562)

[Exercise: Customer Service Standards Group Activity 38](#_Toc415429563)

[How To “Wow” The Customer 39](#_Toc415429564)

[The Value-Adding Pipeline 39](#_Toc415429565)

[Formative Assessment 40](#_Toc415429566)

[Going The Extra Mile (With A Smile) For Your Customer 40](#_Toc415429567)

[Attract, Maintain & Retain A Customer 41](#_Toc415429568)

[Synergy 41](#_Toc415429569)

[Exercise Each one teach one Individual Activity 41](#_Toc415429570)

[What Is Interaction 41](#_Toc415429571)

[The Mystery Customer 42](#_Toc415429572)

[The Way You Promote Image 42](#_Toc415429573)

[Formative assessment SO2 AC 1-3 Individual Activity 43](#_Toc415429574)

[Group activity 44](#_Toc415429575)

[MEASURE CUSTOMER SATISFACTION 45](#_Toc415429576)

[Manage customer satisfaction 45](#_Toc415429577)

[Key Questions Pertaining To Customer Service 45](#_Toc415429578)

[Who Is Responsible For Customer Satisfaction? 46](#_Toc415429579)

[Developing A Customer Service Strategy 46](#_Toc415429580)

[Identify customer service needs 46](#_Toc415429581)

[Define customer service objectives 47](#_Toc415429582)

[Setting priorities for customer service 47](#_Toc415429583)

[The Customer Service Model 48](#_Toc415429584)

[Customer needs 49](#_Toc415429585)

[Determine customer needs 50](#_Toc415429586)

[Explore and describe the solutions that will work 51](#_Toc415429587)

[Follow-up to ensure customer satisfaction 52](#_Toc415429588)

[Effective Customer Service Matrix 52](#_Toc415429589)

[Customer Service Audit 53](#_Toc415429590)

[External customer service audit 53](#_Toc415429591)

[Formative assessment Group Activity External Customers 54](#_Toc415429592)

[Formative assessment Group Activity Customer Audit 54](#_Toc415429593)

[Internal customer service audit 55](#_Toc415429594)

[Identify possible solutions 55](#_Toc415429595)

[Establish customer service levels 56](#_Toc415429596)

[Formative assessment: SO3 AC 1-3 Group Activity 56](#_Toc415429597)

[CORRECTIVE ACTION 57](#_Toc415429598)

[Good Customer Service 57](#_Toc415429599)

[Ten commandments of superior customer service relationships 57](#_Toc415429600)

[Levels Of Customer Contact 58](#_Toc415429601)

[First level contact 58](#_Toc415429602)

[Secondary contact 58](#_Toc415429603)

[Indirect contact 58](#_Toc415429604)

[Satisfied and Loyal Customers 59](#_Toc415429605)

[Steps To Earning Customer Loyalty 59](#_Toc415429606)

[Formative assessment Group Activity Customer Expectations 59](#_Toc415429607)

[Case Study 60](#_Toc415429608)

[Individual activity 61](#_Toc415429609)

[Follow up 63](#_Toc415429610)

[Customers 63](#_Toc415429611)

[Suppliers 63](#_Toc415429612)

[Complaints 63](#_Toc415429613)

[Feedback to team members 65](#_Toc415429614)

[Make recommendations to management 65](#_Toc415429615)

[Key Concepts To Remember 66](#_Toc415429616)

[Continuous Improvement Checklist 66](#_Toc415429617)

[Formative assessment SO4 AC 1-2 Group Activity 66](#_Toc415429618)

FORMATIVE ASSESSMENT

Formative assessment SO1 AC 1-2 Group Activity

This is a group exercise. Do the exercise individually and then get consensus in your groups. List the 3 most important internal customers and external stakeholders and their expectations from you in your business:

Internal customers

|  |  |
| --- | --- |
| **CUSTOMER** | **EXPECTATIONS** |
| 1 |  |
| 2 |  |
| 3 |  |

External customers

|  |  |
| --- | --- |
| **EXTERNAL CUSTOMERS** | **EXPECTATIONS** |
| 1 |  |
| 2 |  |
| 3 |  |

Formative assessment SO2 AC 1-3 Individual Activity

Complete the following questionnaire to find out if your business complies with the “Senses Test”:

|  |  |  |  |
| --- | --- | --- | --- |
| What do you: | Option 1: | Option 2: | Option 3: |
| Smell | Nice, clean air. | Neutral/nothing. | Awful air. |
| Hear | Nice soft music. | Nothing. | -Staff chatting.  -Loud music.  -Inappropriate music. |
| Touch | Clean shelves, rails and counters. | Nothing in particular not too dirty or too clean. | -Dust.  -Oil. |
| See | An attractive environment. | Nothing in particular that excited you. | -Dirt.  -Unfriendly faces.  -Chaos |
| Taste (only referring to food businesses like restaurants) | -Appetising food. | -Nothing particular that would make you to come back or recommend it. | -Old oil.  -Uncooked food.  -Dirty dishes and tables. |

Let’s see how you scored:

* Mostly option 1: Well done!!!! Your business is world class.
* Mostly option 2: Not yet there, some work to do.
* Mostly option 3: Either close your doors, or take some drastic action.

Formative assessment: SO3 AC 1-3 Group Activity

* Identify key performance areas for your section regarding customer service. Compare this with the standards expected in your organisation. Explain this to the rest of the class.
* Also explain how customer complaints and complements are recorded in your organisation.
* What happens when a customer gives a compliment about the level of service of one of the employees?
* What happens when a customer complains about the service of an employee?

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

Formative assessment SO4 AC 1-2 Group Activity

* Identify a complaint made by a customer. Discussed the possible causes of the complaint. Identify corrective actions that can be taken to rectify this problem and to ensure that this does not happen again.
* Prepare a presentation and present to the rest of the class.

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

PERSONAL INFORMATION

|  |  |
| --- | --- |
| **NAME** |  |
| **CONTACT ADDRESS** |  |
|  |
| **Code** |  |
| **Telephone (H)** |  |
| **Telephone (W)** |  |
| **Cellular** |  |
| **Learner Number** |  |
| **Identity Number** |  |
|  | |
| **EMPLOYER** |  |
| **EMPLOYER CONTACT ADDRESS** |  |
|  |
| **Code** |  |
| **Supervisor Name** |  |
| **Supervisor Contact Address** |  |
|  |
| **Code** |  |
| **Telephone (H)** |  |
| **Telephone (W)** |  |
| **Cellular** |  |

INTRODUCTION

#### Welcome to the learning programme

Follow along in the guide as the training practitioner takes you through the material. Make notes and sketches that will help you to understand and remember what you have learnt. Take notes and share information with your colleagues. Important and relevant information and skills are transferred by sharing!



This learning programme is divided into sections. Each section is preceded by a description of the required outcomes and assessment criteria as contained in the unit standards specified by the South African Qualifications Authority. These descriptions will define what you have to know and be able to do in order to be awarded the credits attached to this learning programme. These credits are regarded as building blocks towards achieving a National Qualification upon successful assessment and can never be taken away from you!

## Structure

### Programme methodology



The programme methodology includes facilitator presentations, readings, individual activities, group discussions and skill application exercises.

Know what you want to get out of the programme from the beginning and start applying your new skills immediately. Participate as much as possible so that the learning will be interactive and stimulating.

The following principles were applied in designing the course:

* Because the course is designed to maximise interactive learning, you are encouraged and required to participate fully during the group exercises
* As a learner you will be presented with numerous problems and will be required to fully apply your mind to finding solutions to problems before being presented with the course presenter’s solutions to the problems
* Through participation and interaction the learners can learn as much from each other as they do from the course presenter
* Although learners attending the course may have varied degrees of experience in the subject matter, the course is designed to ensure that all delegates complete the course with the same level of understanding
* Because reflection forms an important component of adult learning, some learning resources will be followed by a self-assessment which is designed so that the learner will reflect on the material just completed.

This approach to course construction will ensure that learners first apply their minds to finding solutions to problems before the answers are provided, which will then maximise the learning process which is further strengthened by reflecting on the material covered by means of the self-assessments.

#### Different role players in delivery process

* Learner
* Facilitator
* Assessor
* Moderator

### What Learning Material you should have

This learning material has also been designed to provide the learner with a comprehensive reference guide.

It is important that you take responsibility for your own learning process; this includes taking care of your learner material. You should at all times have the following material with you:

|  |  |
| --- | --- |
| **Learner Guide** | **This learner guide is your valuable possession:**  This is your textbook and reference material, which provides you with all the information you will require to meet the exit level outcomes.  During contact sessions, your facilitator will use this guide and will facilitate the learning process. During contact sessions a variety of activities will assist you to gain knowledge and skills.  Follow along in the guide as the training practitioner takes you through the material. Make notes and sketches that will help you to understand and remember what you have learnt. Take and share information with your colleagues. Important and relevant information and skills are transferred by sharing!  This learning programme is divided into sections. Each section is preceded by a description of the required outcomes and assessment criteria as contained in the unit standards specified by the South African Qualifications Authority. These descriptions will define what you have to know and be able to do in order to be awarded the credits attached to this learning programme. These credits are regarded as building blocks towards achieving a National Qualification upon successful assessment and can never be taken away from you! |
| **Formative Assessment Workbook** | The Formative Assessment Workbook supports the Learner Guide and assists you in applying what you have learnt.  The formative assessment workbook contains classroom activities that you have to complete in the classroom, during contact sessions either in groups or individually.  You are required to complete all activities in the Formative Assessment Workbook.  The facilitator will assist, lead and coach you through the process.  These activities ensure that you understand the content of the material and that you get an opportunity to test your understanding. |

### Different types of activities you can expect

To accommodate your learning preferences, a variety of different types of activities are included in the formative and summative assessments. They will assist you to achieve the outcomes (correct results) and should guide you through the learning process, making learning a positive and pleasant experience.



The table below provides you with more information related to the types of activities.

| **Types of Activities** | **Description** | **Purpose** |
| --- | --- | --- |
| **Knowledge Activities** | You are required to complete these activities on your own. | These activities normally test your understanding and ability to apply the information. |
| **Skills Application Activities** | You need to complete these activities in the workplace | These activities require you to apply the knowledge and skills gained in the workplace |
| **Natural Occurring Evidence** | You need to collect information and samples of documents from the workplace. | These activities ensure you get the opportunity to learn from experts in the industry.  Collecting examples demonstrates how to implement knowledge and skills in a practical way |

### Learner Administration



#### Attendance Register

You are required to sign the Attendance Register every day you attend training sessions facilitated by a facilitator.

#### Programme Evaluation Form

On completion you will be supplied with a “Learning programme Evaluation Form”. You are required to evaluate your experience in attending the programme.

Please complete the form at the end of the programme, as this will assist us in improving our service and programme material. Your assistance is highly appreciated.

### Assessments

The only way to establish whether a learner is competent and has accomplished the specific outcomes is through the assessment process. Assessment involves collecting and interpreting evidence about the learners’ ability to perform a task.

To qualify and receive credits towards your qualification, a registered Assessor will conduct an evaluation and assessment of your portfolio of evidence and competency.

This programme has been aligned to registered unit standards. You will be assessed against the outcomes as stipulated in the unit standard by completing assessments and by compiling a portfolio of evidence that provides proof of your ability to apply the learning to your work situation.



**How will Assessments commence?**

#### Formative Assessments

The assessment process is easy to follow. You will be guided by the Facilitator. Your responsibility is to complete all the activities in the Formative Assessment Workbook and submit it to your facilitator.

#### Summative Assessments

You will be required to complete a series of summative assessments. The Summative Assessment Guide will assist you in identifying the evidence required for final assessment purposes. You will be required to complete these activities on your own time, using real life projects in your workplace or business environment in preparing evidence for your Portfolio of Evidence. Your Facilitator will provide more details in this regard.

To qualify and receive credits towards your qualification, a registered Assessor will conduct an evaluation and assessment of your portfolio of evidence and competency.

### Learner Support

The responsibility of learning rests with you, so be proactive and ask questions and seek assistance and help from your facilitator, if required.



Please remember that this Skills Programme is based on outcomes based education principles which implies the following:

* You are responsible for your own learning – make sure you manage your study, research and workplace time effectively.
* Learning activities are learner driven – make sure you use the Learner Guide and Formative Assessment Workbook in the manner intended, and are familiar with the workplace requirements.
* The Facilitator is there to reasonably assist you during contact, practical and workplace time for this programme – make sure that you have his/her contact details.
* You are responsible for the safekeeping of your completed Formative Assessment Workbook and Workplace Guide
* If you need assistance please contact your facilitator who will gladly assist you.
* If you have any special needs please inform the facilitator

### Learner Expectations

Please prepare the following information. You will then be asked to introduce yourself to the instructor as well as your fellow learners



|  |
| --- |
| Your name: |
|  |
|  |
| The organisation you represent: |
|  |
|  |
| Your position in organisation: |
|  |
|  |
| What do you hope to achieve by attending this course / what are your course expectations? |
|  |
|  |
|  |
|  |
|  |

## Programme Structure and Strategy

# UNIT STANDARD

#### Unit standard number

242829

#### Unit standard title

Monitor the level of service to a range of customers

#### Nqf level

4

#### Credits

5

#### Purpose of unit standard

The purpose of this unit standard is to encompass the skills needed to monitor the level of service between an organisation and its customers, both internal and external. This Unit Standard is intended for junior managers of organisations

#### Learning assumed to be in place

Learners should be competent in Communication and Mathematical Literacy at NQF Level 3

#### Unit standard range

* Customer includes, but is not limited to, other organisations, consumer, department, general public, other areas of responsibility and government departments.
* Area of responsibility includes, but is not limited to, cost centre, section, department or team.
* Junior managers' include, but are not limited to, team leaders, supervisors, foremen and section heads.
* Standard Operating Procedures (SOPs) may comprise formal written documents or accepted practices in the organisation.
* Organisation includes but is not limited to, workplace, work context, work unit, company, department or section.

#### Specific outcomes and assessment criteria

**Specific outcome one:** Identify internal and external customers, where applicable

**Assessment criteria**

* The supply chain of the organisation is explained, with examples. 'Supply chain' includes, but is not limited to, internal and external suppliers and customers, contractors, service providers, consultants and members of the sales team
* The internal or external customers of the team leader's work unit are identified, with examples

**Specific outcome two:** Explain standards of customer service expected by the organisation

**Assessment criteria**

* Key performance areas for the team regarding customer service are explained, according to organisational requirements
* The importance of maintaining and achieving customer service levels are explained, with examples
* The consequences of poor service on the organisation's objectives are explained, with examples

**Specific outcome three:** Measure customer satisfaction on an ongoing basis

**Assessment criteria**

* Key performance areas are measured against organisational standards
* Information is recorded regarding performance against accepted standards

**Specific outcome four:** Recommend corrective action

**Assessment criteria**

* Feedback on performance is provided to team members, according to Standard Operating Procedures
* Corrective action is identified, if required, and recommendations are made to line management

#### Critical Cross-field Outcomes (CCFO):

* The learner is able to identify and solve problems and make decisions when monitoring customer service levels
* The learner is able to work as a member of a team through providing feedback on key performance areas
* The learner is able to organise activities by planning and executing a review of customer service levels.
* The learner is able to collect, organise and critically evaluate information by ensuring that the key performance areas regarding customer service levels are explained to team members
* The learner is able to see the world as a set of related systems by explaining the supply chain of the organisation

# INTERNAL AND EXTERNAL CUSTOMERS

#### Outcome

Identify internal and external customers, where applicable

#### Assessment criteria

* The supply chain of the organisation is explained, with examples. 'Supply chain' includes, but is not limited to, internal and external suppliers and customers, contractors, service providers, consultants and members of the sales team
* The internal or external customers of the team leader's work unit are identified, with examples

## Supply chain

A supply chain is the system of organizations, people, technology, activities, information and resources involved in moving a product or service from the supplier to the customer.

Supply chain activities transform natural resources, raw materials and components into a finished product that is delivered to the end customer.

A supply chain is therefore:

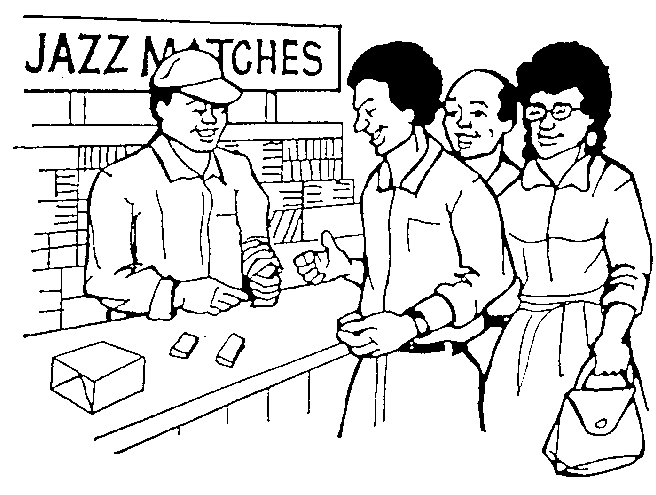
* A network of organisations that are involved
* Through downstream (from the producer to the customer) and upstream (from the customer downwards) linkages
* In the different processes and activities (producing, manufacturing, storing, transporting, information)
* That produce value in the form of products and services in the hands of the customer



Raw products are transported to the manufacturer

The manufacturer turns the raw materials into goods and stores the goods

From the warehouse the goods are transported to the customer



## Systems theory

We will discuss the internal supply chain in an organisation by means of the **systems theory**. In the business world, a system consists of a number of interdependent parts that function as a whole and have a common purpose.

* A business or organisation is seen as a united, purposeful system with interdependent parts, functions and departments.
* The different parts, functions and departments of the business system are dependent on each other and are therefore mutually bound to each other. These different business departments form the internal supply chain.
* The different parts of the business system are orderly arranged according to a plan.

The different parts of a system are called subsystems. It is very important to note that subsystems are dependent on each other and that all the subsystems make up the whole business system.

The systems theory was formed in order to make it possible to understand the working of an entity, such as a business. Of course, the business is a whole system. When you look at a business and its place in the environment, the business becomes a subsystem.

**Finance**

**Human Resources**

**Production**

**Quality**

**Marketing**

**Sales**

### Open and closed systems

Open systems interact with their environment all the time and they also depend on the environment for their success and existence. A business is an example of an open system.

The business interacts with the outside environment on a daily basis –

* This is where their raw products and goods come from,
* Where finished products and services go,
* Where their employees come from,
* Where the business gets resources such as water and lights from

A closed system does not interact with the environment and the environment has no influence on the system. Closed systems are usually mechanical and they have predetermined activities that will be performed, irrespective of the environment. A watch is an example of a closed system.

### Flow through a system

Information, material and energy flow into the system, through the system and out of the system. This is true of all the subsystems in the business, the business system as a whole and the interaction between the business and the environment. The basic elements of a system are called the inputs, processing and outputs of the system. As you can see this is just like the supply chain discussed previously, where the product was processed and transferred from its raw state to the final product delivered to the customer.

In the internal supply chain the outputs of one system become the inputs of another system. In that system, the inputs are processed and become outputs, which then become inputs of another system.

### Feedback

This is the key to controlling the system and subsystems. Feedback is used during the input, processing and output of each subsystem to evaluate the functioning of the system – is it working the way it is supposed to?

**FEEDBACK**

**INPUTS**

**OUTPUTS**

**PROCESS**

**FEEDBACK**

### Inputs

Inputs are what is needed to do the work. In manufacturing, inputs are raw materials that you start with to make something else. For example, if you want to bake a cake you need flour, eggs, milk, effort and skill of a person baking the cake, and so on. If you want to build a house you need sand, cement, bricks, and so on.

When you are processing information, the gathering and capturing of raw data would be inputs. If you are working on the payroll, inputs would be salary and wage levels, employee details, overtime hours worked, bonuses that have to be paid, etc.

### Processes

Processes bring together all the inputs in such a way that it produces the desired product. All the steps, processes, procedures and modifications to the raw materials to produce the products and services of the business come into play here. Often businesses have unique processes that make their products special. In manufacturing, for example, all the inputs are brought together to make the parts. In our examples above, the inputs are used in the process of building a house or baking a cake.

### Outputs

The result of what is done in the process/production phase is called an output. The finished product, the finished house and the finished cake are all outputs.

Outputs can be divided into tangible and intangible outputs:

* **Tangible outputs** are things that you can see and touch, like a box of matches
* **Intangible outputs** are services such as in hospitals, training, telecommunications

### Feedback

No process is complete without feedback. After a business has sold a product or provided a service, it must get feedback.

Examples of feedback include whether the customers buy or do not buy the product/service, financial figures, staff turnover, sales, and so on.

In our examples, the comments about the house – does it look nice, are people eager to stay in the house, etc., in the case of the cake – do people eat it and tell you how good it tastes, how nice it looks, etc.

### Business systems and the business process

As mentioned, any business or organisation is made up of subsystems. All these subsystems have inputs, processes, outputs and feedback. The output of one system becomes the input of another system.

The purchasing department have to ensure that they purchase the correct raw materials for production department. Their output is the raw material used by production. The raw material becomes the input for production department, the process is manufacturing the product, their output is the finished product. The finished product becomes the input for sales department who have to sell the product. The process is the actual selling of the product to customers and the output is the sold product.

In this way, all the subsystems of the business is linked to each other.

**INPUT**

**PROCESS**

**OUTPUT**

**INPUT**

**PROCESS**

**OUTPUT**

Group discussion: systems

In a group discuss and list the inputs, processes and outputs of your section

|  |
| --- |
| Inputs: |
|  |
|  |
| Processes: |
|  |
| Outputs: |
|  |
|  |

## What is a customer?

The customer is normally viewed as a customer external to the company. In business and commerce, the customer is the most important person in the company, but is not employed by the company. Without customers, no business will exist.

Everyone in the organisation should understand the very important role they play in achieving the business objectives.

Every employee of the organisation should be willing to work with everyone else. Different departments should also work together so that the business objectives can be achieved.

It is a fact of life that whenever people make the effort to work well together and in the process build good relationships with each other, they will achieve what they set out to do. A relationship is when two or more people come together and form a common understanding, interact with each other, and work together to achieve a common goal.

Internal relationships that work well between individuals and departments are important if the organisation is to succeed.

Good communication between individuals and departments is also important, as this helps co-operation in the organisation. So, we have to listen to each other and check to make sure that we understand each other. Good communication will result in both parties being in agreement as to when, why and how a task should be done.

Many employees when asked “Who is your supplier or support service provider?” will answer that they do not have a supplier because they do not deal with people from the outside.

Your supplier or support service provider is anyone from whom you receive completed work output. That person can be within the business or outside the business.

On the opposite side you will find an internal or external customer. An internal customers is anybody inside the business who depends on your work output before they can start their own work, for example your supervisor.

### Internal customers

Internal customers are fellow employees, a boss, subordinates, other departments.

An internal customers is anybody inside the business who depends on your work output before they can start their own work, for example your supervisor.

It is also necessary to have customer relationships inside an organisation. If we follow customer care principles inside an organisation, we are better geared to serve our primary and most important person, namely the customer.

We can therefore say that a supplier is an individual or a business that supplies us with goods, materials and/or services that is needed to make or provide the product/service.

**Example**

If we look at production, stores and despatch, the process of internal suppliers can be summarised as follows:

The **production** department produces finished products, which are then sent to the stores. The output from production becomes the input for stores. Production is therefore the supplier to stores.

**Stores** add the products to their inventory, ready to deliver to customers. When they get sales orders, they prepare the finished products for despatch. The output from stores becomes the input for despatch.

**Despatch** delivers the products to the customers. The output from despatch becomes the input for the customers.

Let us look at a few examples of internal customer relationships:

* The **Human resource Department** serves the entire staff compliment of the company in terms of remuneration, industrial relations and training services. All employees are therefore clients or customers of the HR department.
* The **technical department** provides high quality vehicles to their customers, namely the operations or manufacturing department.
* **Accountants** provide financial statements and management information to their clients, namely management and other users.
* **Administrative staff** members render a service to their customers, who may be various other people in the organisation.
* **Security officers** protect the assets of their customers, namely all people working for the company, as well as other external stakeholders.

It is clear that the internal customer relationships play a key role in serving the external customers. The message is therefore clear: If we strengthen the internal customer relationships, we add value to our customers.

Each and every person in the organisation should actively participate in creating value. If someone does not contribute to the customer, either directly or indirectly, we cannot afford to keep such a person on the payroll.

#### Our attitude to internal customers

* We communicate with our internal customers when we cannot meet deadlines, as it affects their ability to do their work
* We support them by doing our jobs accurately and on time, so that we do not affect their deadlines
* We give them the information and resources they need to do their work
* We encourage teamwork, both inside the business and outside, with all our stakeholders
* We tolerate conflicting ideas
* We respect diversity in our workforce
* We keep our workforce informed

Group discussion: Interaction with other departments

Refer to the work you do, think about your department or section and how what you do interacts with the other departments. Answer the following questions:

Who are my internal customers?

|  |
| --- |
|  |
|  |
|  |
|  |
|  |

How do they impact on my performance?

|  |
| --- |
|  |
|  |
|  |
|  |
|  |

Why do you think cooperation is important?

|  |
| --- |
|  |
|  |
|  |
|  |
|  |

How do I build a positive working climate?

|  |
| --- |
|  |
|  |
|  |
|  |
|  |

#### The importance of cooperation with internal customers

When dealing with internal customers, we have to ask the following questions:

* What are their expectations of you?
* How does what they do affect your performance?

Every employee of the organisation should be willing to work with everyone else. Different departments should also work together so that the business objectives can be achieved.

It is a fact of life that whenever people make the effort to work well together and in the process build good relationships with each other, they will achieve what they set out to do. A relationship is when two or more people come together and form a common understanding, interact with each other, and work together to achieve a common goal.

Internal relationships that work well between individuals and departments are important if the organisation is to succeed.

Good communication between individuals and departments is also important, as this helps co-operation in the organisation. So, we have to listen to each other and check to make sure that we understand each other. Good communication will result in both parties being in agreement as to when, why and how a task should be done

#### Good supplier relationships

It is very important that you develop and maintain good relationships with your suppliers, both internal and external. If suppliers do not supply us with the right quantities, quality and at the right time, we will be unable to supply our customers with their products/services on time. We may lose our customers if this happens.

* We may receive special discounts and credit from our suppliers if they are satisfied with our dependability in ordering and paying our debts.
* They may introduce us to new customers.
* In emergencies, they may help us out by providing special deliveries and services not normally given.

Exercise: Suppliers

In a group, identify internal suppliers for:

Purchasing

|  |
| --- |
|  |
|  |

Production

|  |
| --- |
|  |
|  |

Stores

|  |
| --- |
|  |
|  |

Despatch

|  |
| --- |
|  |
|  |

Sales

|  |
| --- |
|  |
|  |

Administration

|  |
| --- |
|  |
|  |

Finance department

|  |
| --- |
|  |
|  |

Who are your external suppliers? Also state what they supply. Don’t forget about telephone, electricity, etc.

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

What can you do to improve relationships with other departments in your organisation?

|  |
| --- |
|  |
|  |
|  |

What can you do to improve relationships with external suppliers?

|  |
| --- |
|  |
|  |
|  |

### What is a customer?

“A customer is the most important person to ever enter your business. He/she is not an interruption of your work; he/she is the purpose of it.”

Very wise words indeed. A customer is you and me. All of us are customers at other businesses. How do you feel when you were mistreated by that specific business? You never want to go back there. The same applies to you, the employee of a business, who expects you to serve customers. You are being paid to do your job. If no customers enter your business due to poor service, there will be no money in order to pay your salary. Look at the following which explains the relationship and importance of a customer to business and to you, the employee:

**The Customer**

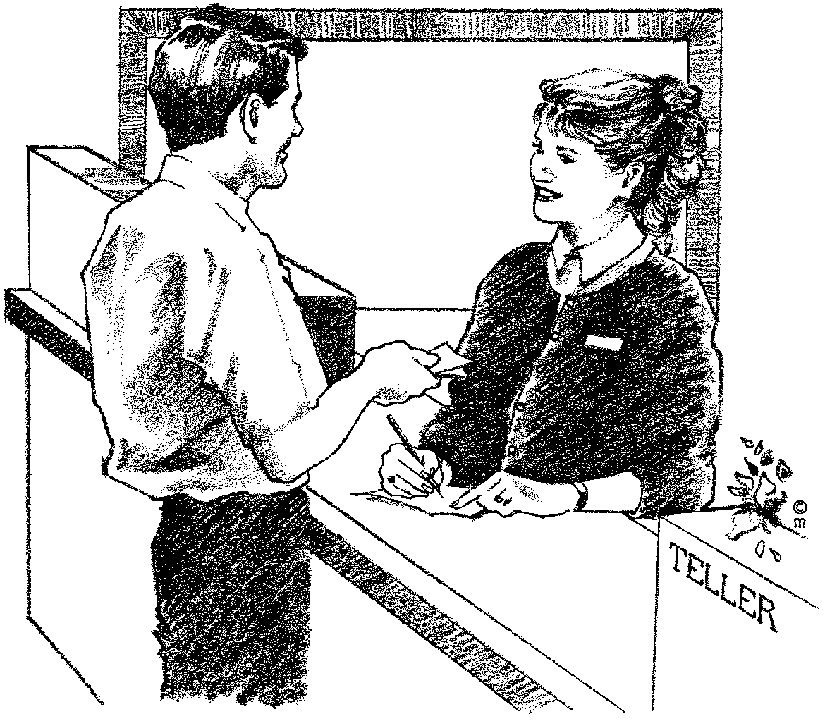
**Purchases from your business which generates:**



**Turnover**

**Which creates job opportunities to you and many others?**

This is enough reason for every salesperson to treat a customer like royalty despite the amount of money they have to spend at your business.



### External customers

Everyone outside the organisation is a potential customer. External customers of a financial institution will include:

* Corporate customers, such as gold and coal mines, chain stores for example Edgars and Shoprite, cell phone companies, etc.
* Government departments, e.g. SA Revenue Services, SA Police Services, etc.
* Local government bodies and municipalities
* Privately owned businesses both small and medium
* Clubs, such as sport clubs
* Private individuals like you and I

All these customers pay service and/or administration fees and are entitled to good service and to have their problems solved.

#### External customers of a government organisation

This includes the public as well as suppliers. A government department does not rely on customers for survival as is the case with a commercial organisation. This does not mean that a government department does not have to give good service, though.

The public – everyone outside the organisation that makes use of the service provided by the organisation – pays for the service, either by paying for the service or through the payment of taxes, and is therefor entitled to good service. In fact, the principle of good customer service by a government organisation s laid down in the various laws, Acts and regulations that govern the way in which state organisations should conduct their affairs.

By not providing good customer service your are, in effect, breaking the law!

Everyone in the organisation should understand the very important role they play in achieving the business objectives.

Self-Assessment: External customers

Who are my external customers?

|  |
| --- |
|  |
|  |
|  |
|  |
|  |

### Immediate and remote customers

An immediate customer is a customer that is standing in front of you right now and wants to be served.

Remote customers are customers who write letters, send faxes or e-mails giving details of their queries and problems.

Of the two customers, the immediate customer has to be served immediately. This does not mean that you can ignore the remote customer, you have to attend to the remote customer as soon as possible, preferably within one or two hours or at least the same day.

### Identify Key Customers

In the business world, the Pareto (80/20) principle states that:

80% of your customers will give you just 20% of your results, while the other 20% of customers will give you 80% of the results

Some of the factors that put customers into the “key customer” category are:

* They should contribute meaningfully to your profits
* They should operate in an area of the market that is meaningful to your future
* Their market segment should be growing and should have significant growth potential
* They should want/need the products/services that you provide
* They should really want to become your business’ long-term partner and want a mutually rewarding relationship with you
* They should be prepared to share confidential information with you
* They should be leaders in their field if possible – their reputation should benefit your company

While government departments are not profit driven, each department also has key customers. Our state president will not expect to wait in a queue to be served like the rest of our mere mortals.

In this instance, we will call a key customer a VIP – Very Important Customer. All customers of an organisation are important, but some customers are entitled to “gold” service based on the size of the company, how much of your service they will make use of, etc.

So, for instance, a gold mine or a car manufacturing plant will be provided with essential services before house owners. This does not mean that house owners will not be provided, it only means that they have to wait longer than a key customer.

We can also use a hospital as an example. A pregnant woman who is about to give birth will be assisted before another patient who has sprained an ankle.

As many people as possible in your business should know who the key customers are, as well as what you do differently for them.

Formative assessment SO1 AC 1-2 Group Activity

# STANDARDS OF CUSTOMER SERVICE

#### Outcome

Explain standards of customer service expected by the organisation

#### Assessment criteria

* Key performance areas for the team regarding customer service are explained, according to organisational requirements
* The importance of maintaining and achieving customer service levels are explained, with examples
* The consequences of poor service on the organisation's objectives are explained, with examples

## What Is Customer Service?

Customer service means exactly what the words say: You have to give the best service possible to each and every customer who enters you business on a daily basis. There is good and bad customer service. Take a look at the following letter a customer wrote to a business:

**“To the Store Manager,**

**I am your customer. I was in your store yesterday and overheard when you told someone on the phone about the problems you and your boyfriend have. I’m so sorry to hear it. Maybe the two of you should go for counseling.**

**When I saw you were finished with your telephone conversation, I asked you for my size in that blue trouser. You asked me to wait, and you made another phone call. I felt stupid that I’ve interrupted you. So I waited for about half an hour and then realized that you are too busy. Anyhow, you’ve got problems, shame.**

**I thought maybe I could ask one of the other salespeople on the sales floor, but out of the two I saw, one was busy washing the floor (I almost slipped on the wet floor, but luckily I didn’t. At least you are keeping your store clean). The other salesperson was very busy, she ran around like crazy trying to assist all the other customers. So I also didn’t want to bother her. I’ve decided that I would rather come back later. So I left….and you know what? I left forever.**

**Kind regards,**

**Mrs. P.M. Scheepers**

**P.S. And by the way, I was your customer.**

Unfortunately for this store, it is too late to even try and do damage repair. Don’t let this ever happen to your business.

## Moment Of Truth

**A moment of truth is possibly the single most important item of this entire programme. During this delicate interaction with the customer, we as key staff members can keep a loyal customer satisfied, or hand him or her to the competition forever.**

A moment of truth can be defined as

* any interaction
* or contact

between

* the customer
* and the company,
* its staff or its products and services.

During this moment the customer can decide to use your product or service or not.

Every moment of truth may result in a decision by the customer, either positive or negative.

“Every time that we are in contact with a customer, it is a moment of truth, a point in the ongoing relationship between us which is going to guarantee the future of our business…or turn that customer over to our competitors.”

“Every time that we are face-to-face with a customer we are on trial, and at the moment of truth, the customer is both the judge and jury, and has ultimate power. They can use you or drop you.”

Moments of truth are critically important in securing customer loyalty.

A key question that should be answered is **What’s In It For Me?** This is the key question that the customer asks, what’s in it for me.

If the customer does not perceive that there is something in the deal for him, the deal would not go through. Maybe this is the reason why there is a tendency to lose customers after a fare increase. At that moment that customer perceives that the value of the ticket is more than the value he or she will get. There is not much in the deal.

## Customer Service Policy

A policy of a business is: “A course of action or principle adopted by a business”.

A policy should contain the following:

* The original state of the business (principle): **where the business is now**
* A law within the business which determines a particular result: **what do you want to achieve**
* Guidance to action with a fundamental (going to the root of the matter) motive: **how are you going to achieve this**
* Fixed rules: **so that employees know what they should do, when they should do it and how they should do it**
* The truth, honesty and honour: **you have to be truthful and honest in your dealings with your customers and employees**.
* Guidance: **management has to provide guidance to employees about the levels of customer service**. Employees have to know exactly what is required of them and what the consequences will be if they do not do as required. In other words, you have to explain to employees how they should greet customers and why they should greet them like this. You have to explain how customers should be served in your business and why you want customers served like this, etc.
* In which direction to direct the business: where does management want the business to be in one year, two years and five year’s time

Formative Assessment: Customer Service Policy Group Activity

You and the other learners in your group are the directors of a retail business. Formulate the Policy of your business, ensuring that all of the above are included. One of you, as the Managing Director, must submit your business’s policy in front of the class.

|  |
| --- |
| Our Customer Service Policy |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

## Customer Service Standards

A standard is a unit of measurement.

It is also a recognized example or principle (the original state of something) by which accuracy and quality is measured. A standard should consist of the following elements:

* Levels of excellence: how well should the job be done
* It should be value adding: how will you add value to your work
* Quality should be judged: how will you know if your work is of a good quality?
* Guidelines: exactly how should you do your work
* Code of behaviour.
* Code of honour.
* Morals, ethics and ideals.
* Should be approved, accepted and official.

If you are to perform successfully you need clear and relatively stable standards at which to direct your efforts. Knowing what the performance standards are is making sure you are aware of the conditions that will exist when you are performing the job responsibly and satisfactorily.

#### Performance standards

If you are to perform successfully you need clear and relatively stable standards at which to direct your efforts.

Knowing what the performance standards are is making sure you are aware of the conditions that will exist when you are performing the job responsibly and satisfactorily.

There are numerous advantages to having and agreeing your performance standards with your manager.

They:

* Enable any type of performance appraisal / review to be far more productive because you know what will be measured
* Give a vision and guidance of what has to be accomplished: you know what you have to do
* Provide you with a yard-stick with which to measure your own performance
* Help you identify areas where your performance is not up to par (They act as an early warning system which alerts both you and your manager to problems which may be arising, so you can deal with them immediately)
* Help you set performance related goals to work towards

Anything in life should be according to a standard. If we don’t have standards in our communities, any rule or law would apply. The same applies to a business. If we use public transport as an example: one of the standards is that trains leave one station and arrive at another station on time. What happens when this standard is not met on a daily basis? The commuters are unhappy and sometimes take drastic action.

If there aren’t standards, anyone can arrive for work whenever they want, go on lunch whenever they want, treat customers anyway they want and work whenever they feel like it. Business standards should be to everyone’s liking. In other words: everyone should approve and accept these standards and it should be enforceable by everyone.

There is no use for standards that are so high that everyone can’t carry it out (enforce). For example: If a customer service standard states that sales persons should kiss every customer that enters their store, would it be enforceable? No. An enforceable customer service standard would rather state that you should “greet” every customer that enters your store.

### Key performance areas

Key performance areas are performance areas in businesses that are important and that can be checked on all the time. For example, sales figures can be monitored continually as can production figures.

Each specific job in the organisation has key performance areas, each department in the organisation also has key performance areas. A key performance area is the one area that is of vital importance in driving the business.

If we look at answering the phone, the key performance areas here would definitely be:

Answering the phone within three rings and sounding friendly and helpful. Although identifying the organisation is also part of the job, it is not a key performance area.

Key performance areas can be identified for each job in the organisation, each department in the organisation and each level of the organisation.

Why would we want to identify key performance areas? Because of the importance of these performance areas, we want to measure them to ensure that they are done in accordance with company standards.

Key performance areas regarding external customers could include:

* delivering products on time
* delivering products of the right quality every time
* responding to customer queries immediately
* advising customers about new products and special offers

Key performance areas regarding internal customers could include

* meeting deadlines
* delivering outputs on time
* at advising other departments when deadlines will not be met

Key performance areas regarding suppliers could include

* placing orders on time
* ordering sufficient products or raw materials

Exercise: Customer Service Standards Group Activity

Write down 5 customer service standards. Ensure that they are made up of all the above.

|  |
| --- |
| Customer Service Standards |
| 1. |
| 2. |
| 3. |
| 4. |
| 5. |

Identify key performance areas for customer service in your department. You have to discuss KPAs for both internal and external customers.

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |

## How To “Wow” The Customer

We will now discuss possible ways of achieving key performance areas and to providing excellent customer service.

Have you ever been to the sea? What was your first reaction when you walked onto the beach? “Wow, this is so beautiful.” Or have you ever seen a really good movie and also said “Wow” after the movie was finished? That is exactly what we should do to our customers.

We should “WOW” them. As soon as they leave your business, they should say: “Wow, this was a really great shopping experience. I will definitely come back to your store and also tell all my friends about the great service I got here.” This is called “Word of mouth.”

#### Word Of Mouth

If you give poor customer service, the customers will use “word of mouth” and that can damage your business. Think about it: You’ve mistreated one person, she tells five more people, who in turn tell another five more. Already, just out of one mouth, the story multiplied to 25 people. Think before you treat a customer bad.

### The Value-Adding Pipeline

Everything we do in our jobs should add value to the business. We can look at this in the form of a pipeline. Things go in and things go out. All those things should add value. In any business we have internal- and external- customers and suppliers. They should all add value to each other. Have a look at the sketch of a value adding pipeline:

* The green arrows: The external customers & suppliers.
* The blue arrows: The internal customers & suppliers.
* The red arrow: You, the employee.

#### Internal Customers- And Suppliers

They are the people who are also employed by the same business as you. We are often requested by our seniors or other branches to supply information. For example: If a branch in Cape Town phones you and need to confirm the details of a customer who opened her account at your branch, it is your responsibility to give it to that branch. That makes you the internal supplier and them the internal customer. Customer service exists within the business you work for between employees.

#### External Customers-And Suppliers

They are the people who don’t work for the same business as you. They are from outside the business. For example: The people who enter your branch at a daily basis are external customers. The people who work for another company who come to fix something (computers, lights, fixtures and fittings etc.) are the external suppliers. They are from outside your business and they supply you with a service.

All the people within the value adding pipeline (i.e. Internal customers and –suppliers and external customers’ and-suppliers) should be given the same quality and amount of customer service.

Formative Assessment

In your groups, discuss why you (the red arrow in the value adding pipeline) are in the middle and your arrow directs both ways:

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |

### Going The Extra Mile (With A Smile) For Your Customer

To go the extra mile for a customer means that you do more than is expected of you. For example: If a customer request a specific item of clothing and you don’t have it in her size, she would be so impressed if you phone other stores to find her the item. That is basic customer service.

But if you take it upon yourself to go to that store to collect the item for her, that is called “going the extra mile”. She expected you to phone the other store, but she didn’t expect you to go and collect it for her. For your store it is also a bonus because now you get the turnover and you’ve won a customer for life.

### Attract, Maintain & Retain A Customer

These are 3 of the most important things regarding customers. If you have all three in place, your business will flourish:

#### Attract

A customer is usually attracted by things that add value for him/her. If your price, quality and service stand out above the rest, it surely will attract any customer.

#### Maintain

As soon as you’ve attracted a customer to your business and won them over, it is important to maintain the factors that attracter him/her there in the first place. It’s of no use to have the right price, quality and service in the beginning, and then suddenly your standards change. You have to maintain those standards that you’ve set right in the beginning.

#### Retain

To retain means to keep. You have to do everything possible to keep your customers. Don’t let them slip away. Do you remember the letter the customer wrote earlier in this section?

### Synergy

Synergy is when two different people throw their skills and knowledge together. When this is done, the combined skills and knowledge is much bigger than the two individuals.

You and your colleagues have to work together in synergy. If person A is good with customer service and person B is good with admin, they should help each other.

Let me share with you a true incident that happened to President Nelson Mandela when he was imprisoned at Robben Island: All the prisoners adopted the “Each One Teach One” behaviour. As soon as a new prisoner arrived, the “leader” of the old prisoners would take him aside for an “interview” in order to find out what his weaknesses and strengths are. If, for example, the new prisoner can read but can’t do crafts with his hands, the “leader” would join him with another prisoner who can do crafts with his hands but can’t read. In that way, the prisoner who arrived at jail with only one skill, now already knows another skill. By the time those prisoners left Robben Island, they were multi-skilled, all due to the “Each One Teach One” rule.

Exercise Each one teach one Individual Activity

On your own, explain how the “Each One Teach One” scenario is the same as synergy.

|  |
| --- |
|  |
|  |
|  |
|  |
|  |

### What Is Interaction

Interaction means the action or influence of persons on each other. Interaction is the way that you deal with your customers on a daily basis and visa versa. Everything we learn in this manual are about interaction between customers and salespeople.

### The Mystery Customer

Some businesses employ people from outside the business to be mystery customers. A mystery customer will enter your business and pretend to be a customer. The only difference between him/her and a real customer is that the mystery customer knows all your organisation’s strategies and standards and knows exactly what is expected of you. S/he knows all the standards that should be in place in your business, such as housekeeping standards, dress code and even your name. You should treat every customer like a mystery customer.

### The Way You Promote Image

The manner, way, method or action we use to promote a positive image is of vital importance to any business. The image of a business is the appearance or character of the business and product. If you leave for work in the mornings, do make sure that your appearance is of such nature that it’s acceptable by society? Of course, all of us do. It is a habitual behaviour. Now, at your place of work, especially if you interact with customers on a daily basis, shouldn’t you also be aware of the appearance of the business. Yes! That is what is called the image of the business. It should also become a habitual behaviour at your work.

#### Characteristic Style & Appearance

Each business has a characteristic style and appearance. Food stores are packed with food and smell like food. Furniture stores are packed with furniture and may smell of furniture polish. Clothing stores are packed with clothing and represent fashion. Some stores sell all of the above and each department has their own characteristics.

It is not only the duty of the planners of a business’s to promote image. They’ve done their part by formatting the signs, in-store fixtures and fittings and colour spectrums. The rest is your duty.

Your attitude plays a vital role here. Always remember that you are the host/hostess in your business. You are the first person the customer meets. Everyone knows the very true saying: “First impressions should be good impressions because they are lasting impressions”.

#### Attitude Behaviours

If you think about your circle of influence: who are the people you prefer to have contact with - the friendly ones or the unfriendly ones? Most of us would prefer contact with friendly people. If a customer visits your store, what will they remember? Your attitude, of course. A customer is a human being like yourself, with the same preferences and feelings as you. Always treat people the way you want to be treated, whether it is a stranger, an acquaintance, or a customer.

Some attitude behaviours which can promote a positive image are:

* Friendliness.
* Politeness.
* Professionalism.
* Respect.

Our senses are a very important part of our bodies. They include:

* Smell – your nose
* Hearing – your ears
* Taste – your mouth
* Touching – your skin
* Seeing - your eyes

Have you ever walked into a bakery and immediately felt hungry? That is because your smell and taste senses told your brain that they enjoyed what they experienced. Have you ever heard a particular song and were reminded of a specific experience (good or bad) in your life? That is because your ears sensed the music and sent the message to your brain which activated the memories. Have you ever touched something and shuddered? Would you touch it again? No. The same with sight: don’t men enjoy the sight of a beautiful woman? It turns on their senses.

All five senses are at work when a customer enters your business.

#### The Senses Test

The Senses Test

Formative assessment SO2 AC 1-3 Individual Activity

Group activity

* Discuss the key performance areas relating to customer service as they apply to your section or Department
* Why is it important for your department or section to maintain high levels of customer service?
* What would the impact of poor customer service be on the rest of the organisation, if your section or Department always delivers outputs late?

# MEASURE CUSTOMER SATISFACTION

#### Outcome

Measure customer satisfaction on an ongoing basis

#### Assessment criteria

* Key performance areas are measured against organisational standards
* Information is recorded regarding performance against accepted standards

## Manage customer satisfaction

### Key Questions Pertaining To Customer Service

Consider the following:

1. **How good (or bad) is the service that we are rendering?** It is of the utmost importance that you know whether your company is rendering a good service or not. If you don’t know about problems, you cannot rectify them.
2. **How do we know?** There are many ways to find out if customers are satisfied or not. You can conduct a customer survey, where customers are randomly interviewed and a report is compiled of the findings. Surveys are normally very costly, as it may involve contracting market research specialists, e.g. Markinor.

Another way is to collect and record feedback from “frontline personnel”, people in direct contact with customers, like switchboard operators, receptionists, sales staff, operational staff, e.g. drivers & controllers. These people interact with customers on a permanent basis and is therefore an invaluable source of information as to how customers perceive your company’s delivery of service.

1. **Who are our customers?** Know who your potential customers are going to be and identify their needs accurately and with empathy towards these needs.
2. **What are our company’s objectives?** These are formulated in the company’s mission statement, e.g. to provide a professional, cost effective and reliable service.
3. **What makes our customers happy?**

Good customer service makes any customer happy!!!

Very often customers will pay more for the same product/service, providing they get ***GOOD CUSTOMER SERVICE*** during service delivery and thereafter.

1. **What makes our customers unhappy?**

Bad customer service makes any customer…\*!@#\*‡€!!!

(unhappy and/or disgruntled) To avoid having unhappy customers, it is essential for us to know if, and when customers are unhappy, and most importantly, for what reason!

1. **How do we compare with our competitors in the market?** To be competitive in the market, we need to know who and what we are up against. In any race you keep your eye on your competitors all the time. This allows you to adjust your own performance to stay ahead of your competitors.
2. **What makes our company special?** Look at your company critically from a customer’s point of view, comparing it with competitors. Would you, as a potential customer, wish to make use of the services that your company offers?

These are but some of the questions that need to be considered when formulating a customer service strategy.

### Who Is Responsible For Customer Satisfaction?

The South African consumer has been fighting a losing battle against poor customer satisfaction or -service for too many years.

The reasons for this state of affairs are too many to discuss here, but it suffices to say that consumers are increasing their demands for good and effective customer service in exchange for their money. Money which is eventually going to pay the salary of the person(s) who provide the service, good or bad.

It is therefore necessary for both the public- and private sectors to implement and maintain customer satisfaction policies and objectives.

Customer care is **everyone in the business’** responsibility. The person cleaning the workshop of a bus depot makes sure that the mechanics work in a clean and safe environment, enabling them to service the buses effectively and timeously, having them back in service in good order to deliver a good service to passengers. Although this cleaner doesn’t have direct contact with the passengers, he still contributes to the smooth running of the operation.

## Developing A Customer Service Strategy

Now that we understand

* Key questions pertaining to customer service
* Who is responsible for customer satisfaction
* Who our internal and external customers are
* The role of customers and stakeholders, we can look at developing a customer service strategy for individual departments.

Any customer service strategy would have to be designed based on the marketplace and an understanding of the service needs of the markets.

When developing a customer service strategy, therefore, the following steps will be followed:

* Identify the service needs of the customer and understanding how these needs might differ by market segment – school children have different needs from working adults and pensioners have different needs to both the previous groups
* Once we know what our customers expect, we can define customer service objectives
* Then we can develop a strategy and a logistics system of delivering excellent customer service, within the parameters set by our vision and mission statements

### Identify customer service needs

The service requirement of customers will differ, depending on their need, as stated in the example above. Customers therefore have to be grouped into market segments according to their needs.

* ou will have to identify the key components of customer service: what do customers require from your organisation.
* Establish the relative importance of those components to customers: how important is it that their needs are met exactly. School children who are taking a bus to school want to be on time for school and then when school is out they would like a ride home as soon as possible. Pensioners, on the other hand, would prefer a bus service later in the day that can take them into town to do shopping and then take them back again at a convenient time. This means that a bus service for school children should run exactly on time in the morning, while a bus leaving fifteen to thirty minutes after school closes will still meet the needs of the school children. Pensioners do not like waiting for buses that run late, but they will not mind travelling at the times indicated on the bus schedules.
* Identify the segments of customers according to similarity of service preferences. This is where you classify your customers as school children, adults travelling to work and back in the morning and afternoon and pensioners who make use of the bus service at the scheduled times during the day.

What the above means, in essence, is that some customers may be very sensitive to time, while others may prefer a cheaper service. It might be necessary to do some market research in order to determine what the exact needs of your customers are.

### Define customer service objectives

Once you know what your customers want, you can define the objectives to meet the needs of the customers. It might be that you plan to cater only for school children and adults travelling to work and back, which will give you a definite market at certain times of the day, rather than catering for the needs of pensioners.

The purposes of defining customer service objectives are:

* To determine which needs your organisation can meet
* To determine whether the cost of meeting these needs will be justified in terms of the revenue that will be earned
* To determine what will be required of the business to meet these needs. We can think of things like extra buses on certain routes, which will mean extra drivers, maintenance staff, front-line staff have to be informed of the new developments, etc.
* To state the level and quality of service to be provided to the customers: buses running on time every time, enough buses so that passengers are not left stranded without transport, etc.

### Setting priorities for customer service

Once you know what your customers require and the objectives have been set, the priorities for customer service can be set.

It stands to reason that the first consideration will be to meet the needs of the most profitable customers. Then strategies can be developed to improve the profitability of all customers.

To get to the correct level and mix of service, the organisation will have to vary between customer type, according to their costs, benefits and profitability.

The normal formula to determine the profitability of services (and products) used is the 80/20 rule. In effect, this rule means that 80% of the profits of any business comes from only 20% of the customers, while 20% of the profitability of the business comes from 80% of the customers.

The ideal situation would, of course be, to provide all your customers with the level of service they want, but because we all have budgets to consider, we have to set priorities. The 80/20 rule can be used as a basis to develop a more cost-effective strategy: since not all the customers of the business are equally profitable and not all the services or products of the business are profitable, you should consider giving the highest level of service to key customers and key services (or products).

The less profitable services and customers should also be reviewed: do you really want to provide a service to them and, if so, how much weight must be placed on the customer’s needs. As an example, we can look at delivering products to rural areas, where the demand is not so big as in the big cities. Your customers might require weekly deliveries, but it may be more profitable to deliver only every second week or once a month. This could inconvenience your customers, but it will be more profitable to the business.

You and your organisation must have a clear understanding of customer service as well as a clear policy for customer service if you want to gain and maintain a place in the market. Customers are becoming more demanding, the requirements of specific markets are individual and differs widely, making customer service complex.

In conclusion, we can say that the three key questions to ask are:

* Who should we serve
* What should we serve to them
* How should we serve them

The ideal customer service strategy will benefit both the customers and the business.

### The Customer Service Model

There are 4 distinct, yet interrelated elements, to providing effective service.

**A**

**Greeting the Customer**

**B**

**Establishing their needs**

**D**

**Follow up**

**C**

**Dealing with the situation**

### Customer needs

In most cases, customers call you because they have a specific need, request, query, etc. They know exactly what they want and have certain expectations.

1. **Fast service**

In many Customer Services, the first response a customer receives is from a voice recording stating that all agents are currently busy and requesting the customer to stay on the line. This often requires that the customer has to wait for long periods of time before his call is attended to by a customer service agent. When his call is finally answered, he may already be agitated. As the customer service agent, you must recognise that he has been waiting for a while already and your duty is to respond to his needs as speedily as possible to avoid further agitation. A simple apology for the long wait is likely to calm the customer. You then have to do all you can to satisfy his needs in the shortest possible amount of time.

1. **Courteous service**

Never underestimate the value common courtesy. Saying “please” and “thank you” will go a long way towards keeping your customers happy.

* “Certainly Mrs Mokoena. May I please have your account number”?
* “Good day Mr Naidoo. How may I help you”?
* “Thank you for calling and for bringing this to our attention”
* “Thank you for your patience”
* “It’s a pleasure Mrs Niemann” - OR - “You’re welcome. Have a wonderful day”

1. **Consistent service**

Whether a customer is dealing with you or with a colleague, the quality of service he receives should not differ. He should be able to expect and rely on a high level of service, regardless of whom he speaks to.

1. **Someone who will listen**

It is not merely a part of your job to listen to customers. It is most likely the most important function you have to fulfill. Communication immediately breaks down when one party to a conversation is not listening. It will result in the customer repeating his request / information, etc, which will lead to annoyance. When he hangs up the phone, he probably won’t be too happy with the service he received.

1. **A knowledgeable Customer Service Agent**

Customers expect, and deserve, to speak to someone who is knowledgeable about the organisation’s products and services, and who won’t waste their time. They want an immediate response to their problem, rather than a call-back at a later stage.

1. **Expert advice**

There is often more than one product / service option that could satisfy a customer’s needs, each with it’s own benefits. Therefore, when they call, they need advice on which option will best suit their needs. Your product knowledge and experience with other customers will assist you in making the correct recommendations. Remember, it is in your best interest that the customer does not make a wrong decision.

1. **Smooth transactions**

It is your duty to make sure that everything works smoothly for the customer. When new policies are introduced, or other obstacles are presented to customers, you need to smooth these over with the customer. It may mean taking extra time to explain something, but you will retain happy customers.

* “Don’t worry. It’s not that confusing. Let me explain it for you.”
* “I can quickly show you how the new policy will help you.”
* “I understand why you don’t like the changes. Perhaps we can go over them together and I can point out some of the benefits.”

1. **A specific commitment**

It may happen that a customer calls and requires specific information that you possibly cannot supply him with at that time, in which case you will have to make a few inquiries and call him back. Never be vague in your commitment to call him back, for example:

*“I will call you back towards the end of the week.”*

*“I will get back to you sometime later today, or perhaps tomorrow.”*

**Be as specific as you possibly can.**

“I’m not sure why the error appeared on your account. I will look into it and call you back by three o’clock this afternoon. Would that be a good time to call you?

“It may take a day or two to find out what happened to your order. I will talk to the relevant departments and get back to you on Friday. What would be a good time for me to call?”

Then … **do what you said you would do!**

### Determine customer needs

Often customers find themselves in a situation of not knowing exactly what they want. This allows you to demonstrate creativity and help them focus on acquiring products or services that will address their need. However, before you can offer anything, you need to determine their needs.

When finding out customers’ requirements, use questions and statements that are aimed at:

1. Starting the conversation and getting information
2. Keeping channels open and the information flowing
3. Checking understanding
4. Obtaining commitment
5. **Initiating conversation and the obtaining of information**

Use open-ended and fact finding questions. If you use closed questions you will not receive much information and your customer will become frustrated and even annoyed by your constant asking of questions.

Open-ended questions - start with the following words:

??????

* Who
* What
* When
* How
* Where
* Which

Open-ended questions require more than simply a “yes” or “no”. They force the customer to provide an explanation or to give specific and exact responses to questions. They should always be used when eliciting information from customers.

**Example: What model of TV were you considering?**

Which of the two options will best suite your needs Mr Burke?

Closed-ended questions - start with the following words:

????????

|  |  |
| --- | --- |
| Did | Do |
| Can | Could |
| Will | Would |
| If | May |
| Were | Have |
| Has | Is |

**Example: Did you receive your invoice last month?**

These require a simple “yes” or “no” response and in most cases, it is very difficult to fully understand their problem without all the relevant details. The answers to open-ended questions will provide you with these details. However, there may be situations in which a simple “yes” or “no” is sufficient to provide you with specific information. You will have to judge this based on the circumstances.

1. **Keeping channels open and information flowing**

Make short statements and use pauses to encourage the customer to keep talking. Say “uh huh” etc to show you are listening. **Statements such as “that’s interesting” or “would you elaborate on that” are also useful**.pe01683_

1. **Checking Understanding**

Use summarising techniques and ask for clarification on areas of uncertainty.

**Example: As I understand, you are requesting details regarding your last payment, as well as information on service charges for the coming year. Is that correct?**

1. **Obtaining commitment**

This may require a little prodding on your part and can be done by carefully selecting questions or providing alternatives.

**Example: “How would you prefer to receive the information? By fax, post or e-mail?”**

### Explore and describe the solutions that will work

Only once you have accurately described a customer’s needs, can you then recommend products or services to suit their needs.

When recommending products, you need to provide the customer with enough information (not overload them) to make a decision.

Someone once said, “When giving information, remember to sell the sizzle and not the steak”. This is very true as customers invariably want to know what will they get out of it, be it a training programme, a new car, medical aid, insurance, etc.

??????

Typical questions people want answered include:

* What will the product / service do?
* What makes your product / service unique?
* What is your quality like and how can you prove it?
* WIIFM? (What’s in it for me)
* How much does it cost?
* What is the value / price relationship?
* What is the guarantee?
* What after sales service do you provide?

### Follow-up to ensure customer satisfaction

Follow up is the last step in the Customer Service cycle. This step is vital because it tells you whether or not the customer’s problem has been solved and also indicates the level of customer satisfaction. If you do not make a follow-up call to your customers, you will never know if the service you provided was as efficient and effective as it should have been.

## Effective Customer Service Matrix

Underpinning the customer service module are two essential ingredients:

* Competency
* Empathy

**Competence refers to the technical, systems and procedural knowledge and application an individual needs to get the job done to the satisfaction of the customer.**

**Empathy is the skill and ability to probe, listen and understand the needs and feelings of others and the willingness to satisfy these needs in a friendly manner.**

|  |  |
| --- | --- |
| **(service growler)**    **C**  **O**  **M**  **P**  **E**  **T**  **E**  **N**  **C**  **E** | **(service champion)** |
| **(service corpse)** | **(service smiler)** |

**EMPATHY**

## Customer Service Audit

All businesses have to monitor and evaluate the levels of their customer service on a continuous basis. The business has to:

* Identify important elements of customer service: what the customers believe are most important when they decide to make use of your company’s services or products
* Determine how performance of customer service is monitored and controlled
* How well the internal communication system works
* What the impact of changes in customer service policy will be on the customers and the organisation

In order to do all this, a customer service audit has to be done.

### External customer service audit

This is the starting point of any investigation into an organisation’s levels of customer service.

When you do an external customer services audit, you determine:

* Important elements of customer service
* How the customers see the service of the company and that of your competitors

**Key elements of customer service, as mentioned, would include, for example:**

* A bus service that collects school children and arrives at the school about ten to fifteen minutes before school starts and then collects them between fifteen and thirty minutes after school is out and drops them off near their homes.
* Some pupils who partake in activities after school, such as sport, will require to be collected at the end of these activities, say around 16:00 (four in the afternoon).
* Payment for these services to be made once a month, at reduced rates
* A driver who is punctual and polite
* A driver who drives safely
* Enough buses on the route so that pupils are not left stranded in the morning or in the afternoon, and so on

On the other hand, **key elements** for a company that delivers packaged goods, such as beer or soft drinks, the key elements could include:

* The average order cycle time – how long does it take between ordering and delivering
* Accuracy of processing orders
* The returns policy and handling of claims
* Availability of inventory (stock)
* Billing procedures
* Speed and accuracy of billing
* Accuracy of invoices, and so on.

Formative assessment Group Activity External Customers

In a group, determine the key elements of external customers for your organisation

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

Customers will always compare your service with that of your competitors:

* Do your competitors’ buses run on time?
* Do they offer monthly tickets at a discount?
* Are they reliable and punctual?
* Are the drivers polite?
* Does the driver drive safely, etc

To determine how customers view your organisation, you could ask questions such as:

* How does our service compare with that of our competitors?
* What are we doing that they are not doing?
* What are they doing that we are not doing?
* What improvements to our service would you suggest?

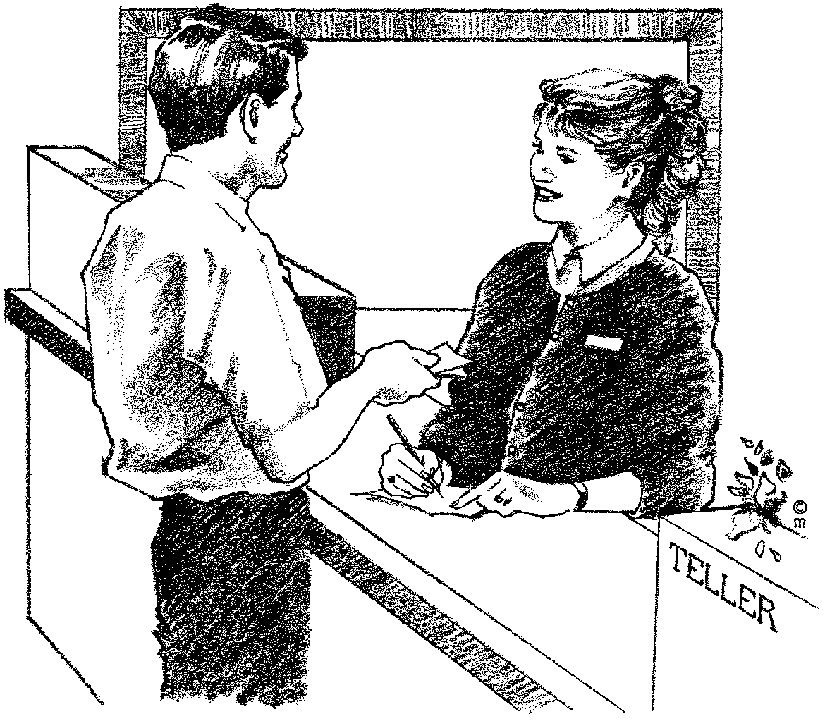
**You will use the results of the external audit to identify problems with the current service and opportunities for improving customer service.**

Formative assessment Group Activity Customer Audit

In a group develop a questionnaire that contains four questions relating to key elements and at least two questions about competitors.

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

### Internal customer service audit

The purpose of an internal customer service audit is to assess the impact that changes will have (or has had) on the organisation. It means that the organisation’s current practices are reviewed in order to identify inconsistencies between what the company is currently doing and what the customers expect from the company.

This audit is usually done by means of interviews or questionnaires sent to management and employees of the different department of the business:

* Customer service
* Sales / marketing
* Finance
* Production / operations
* Despatch and receiving
* Inventory (stores or warehousing)
* Purchasing

**Typical questions would include:**

* How is customer service currently measured within the company?
* What are the units of measurement?
* What are the objectives (performance standards)?
* What is the current level of attainment – results versus objectives?
* How are these measures derived from information flow in the organisation
* What is the internal customer service reporting system?
* How do each of the functional areas (departments) see customer service?
* How do these department communicate with each other?

Conducting interviews or sending out questionnaires will help you to find out how management and the employees perceive customer service, how they communicate with customers and with the other department.

### Identify possible solutions

The external audit will help the organisation to identify problems with the customer service and marketing strategies.

The internal audit will help management to change these strategies and consider market segments in order to increase profitability.

This information is then used to compare the levels of customer service of your organisation with that of the competitors

The most meaningful competitive benchmarking happens when you compare customer evaluations of competitors’ performance to each other and customers important key elements.

Management will use this information to determine what opportunities there are to gain a competitive advantage.

Then best practices must be identified, such as the cost-effective use of technology and systems

### Establish customer service levels

Now you are ready to establish service performance standards and measure performance on an ongoing basis.

Management will usually establish customer service levels and this is done particular segments:

* Type of customer
* Geographic are
* Channel of distribution
* Product line

The vision, mission and overall strategy of the organisation will also be taken into account when customer service levels are established.

Everybody who is responsible for implementing the customer service levels must be informed of the new strategy, and they have to be motivated to strive to attain the customer service objectives.

The entire audit procedure should be repeated periodically to ensure that the customer service package continues to reflect the needs of the customer at that time.

The customer service strategy must be implemented across the entire organisation

Formative assessment: SO3 AC 1-3 Group Activity

# CORRECTIVE ACTION

#### Outcome

Recommend corrective action

#### Assessment criteria

* Feedback on performance is provided to team members, according to Standard Operating Procedures
* Corrective action is identified, if required, and recommendations are made to line management

## Good Customer Service

Yes, I know we have spoken so much about customer service, but customers service is very important to any organisation and the level of customer service in this country is appalling.

It is important for every business to give good customer service in order to encourage the customer to come back and make use of your products or services again.

The purpose of good customer service is to earn loyal and satisfied customers. This is a team effort and includes everyone in the organisation.

“I am the customer, satisfy my needs - add a friendly touch and a little personal attention - then I will become a walking advertisement for your business. Ignore my needs, be careless, inattentive and badly mannered and I will never have anything good again to say about your business.”

* Customer service is the key to a business’s success.
* It is everyone’s responsibility.
* Personal appearance and professionalism provide the foundation for customer service excellence.
* Poor customer service is expensive.
* Good customer service is invaluable.
* Good service results in increased productivity and profits because management and employees are all working together to achieve the same goal, to ensure that the business is successful.

### Ten commandments of superior customer service relationships

1. The customer is the most important person in the business.
2. The customer is not dependent on you - you are dependent on the customer. You work for the customer.
3. The customer is not an interruption of your work. The customer is the purpose of your work.
4. The customer does you a favour by visiting your business. You are not doing the customer a favour by serving them.
5. The customer is as much a part of the business as anything else, if the business was sold, the customer would go with it.
6. The customer is not a cold statistic. The customer is a person with feelings and emotions, just like you. Treat the customer better than you would want to be treated.
7. The customer is not someone to argue with or compete against.
8. It is your job to satisfy the needs, wants and expectations of your customers and, whenever possible, resolve their fears and complaints.
9. The customer deserves the most attentive, courteous and professional treatment you can provide.
10. The customer is the lifeblood of your business. Always remember that without customers, you would not have a business. You work for the customer.

## Levels Of Customer Contact

Not everyone in the organisation has the same level of customer contact. However everyone must always deliver excellent customer service. This is why team members, colleagues and other staff members should be monitored about the level of customer service they deliver.

Customer contact can be classified into the following main categories:

### First level contact

* Receptionists,
* Telephonists,
* Sales staff,
* Drivers making deliveries and
* other front line staff

have direct contact with the customer. This is really a critical level where new customers can be secured, or lost forever.

Today, many companies are closing and become statistics. When a company is fully committed so serve their customers are those that will survive and prosper in the new environment.

### Secondary contact

**Supervisors and managers** are very visible but their contact with customers is usually secondary, after the customer has had contact with the frontline staff such as reception. They do have first level contact, but this does not happen often.

### Indirect contact

**Technical staff** normally have indirect contact with the travelling public. They have, however, a critically important role to play to ensure that the service and products are reliable and safe.

It should be stated that **all personnel in an organisation** should add value to the customer in some way or another.

The efforts of people with secondary and indirect contact should therefore not be under estimated. If we compare large bureaucracies of the past, some of which still exist today, with streamlined organisations, we now see that more people are dedicated to serving customers directly.

Today everyone should add value to the customer.

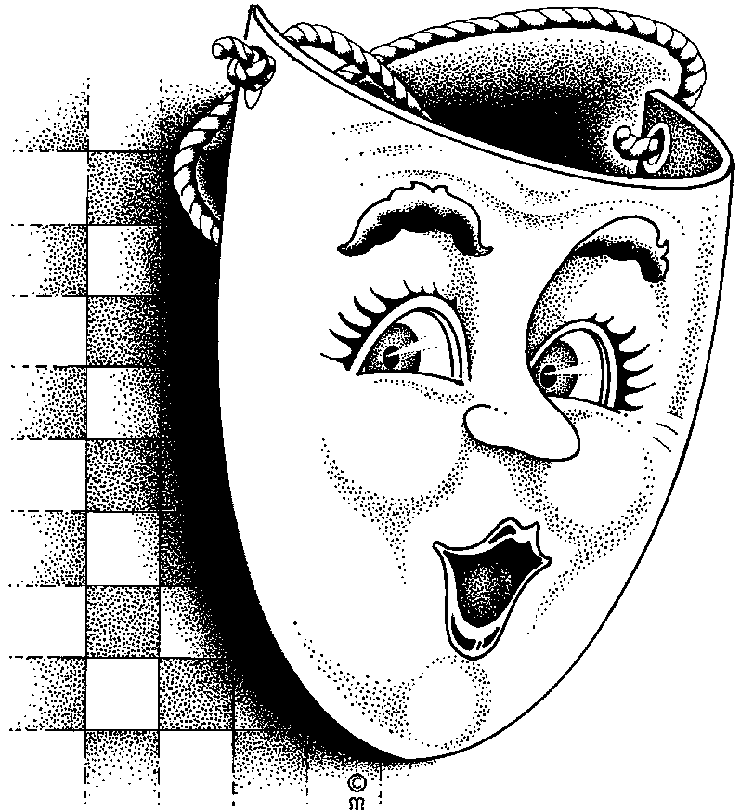
In fact, our responsibilities have increased substantially. If we do not play by the new rules, we will be outperformed by the competition.

## Satisfied and Loyal Customers

Satisfied customers are not automatically loyal

* Satisfied means different things to different people
* We must understand what our customers expect so we can **Wow**! them
* Customers don’t expect us to give them so much that we drive ourselves out of business
* Customers will be loyal to an organisation that exceeds their expectations
* A loyal customer has had a customer experience that he or she wants to repeat over and over again
* A loyal customer may forgive us when there is a problem
* A loyal customer will recommend us
* Competitors can easily lure “satisfied” customers away, but competitors have to work hard to capture loyal customers
* Earning customer loyalty is everyone’s responsibility

### Steps To Earning Customer Loyalty

There are **two** steps to earning the loyalty of your customers:

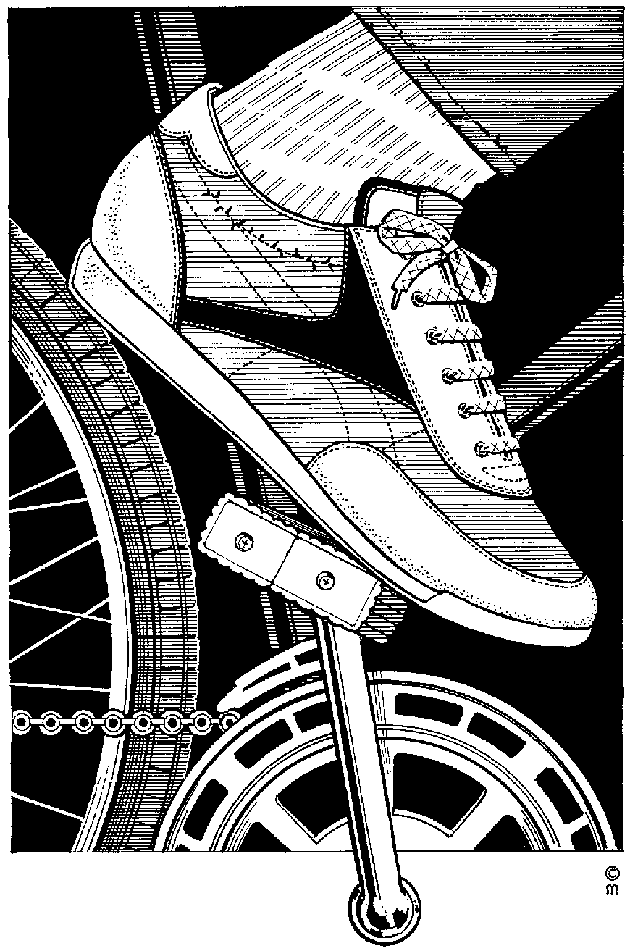
* Provide the service or product the customer wants, when they want it and the way they want it.
* Then, we have to go a step further – we have to exceed their expectations by doing something they don’t expect.

Formative assessment Group Activity Customer Expectations

In a group, discuss what you can do in your organisation to exceed your customer’s expectations.

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

Case Study

A leading health and fitness company wrongly debited my account with a monthly fee. As soon as I noticed this, I contacted them with the problem. They offered to check their records and come back to me.

When they phoned back, timeously, the knew all the details, arranged for a refund directly into my account and offered me a complimentary month’s workout.

One week later a letter arrived in the post apologising for the inconvenience and advising me to speak to Sue when I called at he gym. When I got the gym. Sue was expecting me, knew the full details of my story and once again apologised for the inconvenience.

Using the above case study as well as what you have learnt about customer service as a guide line, answer the following questions:

Identify the aspects that form part of your organisation’s customer service policy.

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

Identify aspects that do not form part of your organisation’s customer service policy

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

What can your organisation do to improve your customer service?

|  |
| --- |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |
|  |

Individual activity

Do the following self-analysis to determine your level of customer service:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Almost Always | Some-times | Almost Never | Not Applicable |
| 1. I know my products well, and I always try to teach my customer more about my organization’s products or services. |  |  |  |  |
| 1. I offer my customers options and alternatives so they may make a wise decision |  |  |  |  |
| 1. I explain all information, especially answers to their cancers and questions, carefully, fully, and respectfully. |  |  |  |  |
| 1. I do things for my customers, even when it’s not my job. |  |  |  |  |
| 1. I accept personal responsibility for solving a customer’s problem. |  |  |  |  |
| 1. I routinely follow up with several of my customers each week to see if they are happy with our product and services |  |  |  |  |
| 1. I learn my customer’s name whenever possible, use their name at least once in a conversation, and remember their names. |  |  |  |  |
| 1. I work at noticing something special about each person or listening for personal information he or she might |  |  |  |  |
| 1. I’m willing to give up personal time (breaks, lunchtime, at the end of my day, weekends) when the customer needs it |  |  |  |  |
| 1. I often do something extra to surprise and please my customer (exceed expectations). |  |  |  |  |
| 1. I take a sincere personal interest in my customer, and their families. |  |  |  |  |
| 1. I take a sincere personal interest in my customer, and their families. |  |  |  |  |
| 1. I really listen to my customers’ needs and feelings, then I act on what I hear |  |  |  |  |
| 1. When either my organization or I make a mistake, I do my very best to fix it. |  |  |  |  |
| 1. I often make suggestion of other things we can do to help the customer. If my organization/division or I can’t solve the customer’s problem, I’ll recommend another resource. |  |  |  |  |
| 1. I trust my customers and always assume that their intentions are honest. |  |  |  |  |
| 1. I always express my thanks and appreciation for choosing our organization/division when help a customer. |  |  |  |  |
| 1. I always treat the customer with respect, even if we disagree. |  |  |  |  |
| 1. I empathize with the customer’s concerns, even if t don’t agree with them. I use listening skills to acknowledge his or her feelings and show the customer that I care |  |  |  |  |
| 1. Even when the customers aren’t there. I do what’s best for them-not what’s easiest or fastest for me. |  |  |  |  |

I hope you answered almost always to most of the above questions. If you did not, you will have to work hard at your customer service skills.

## Follow up

### Customers

Following up with customers takes place at various times and for various reasons.

* When a customer has placed an order, you would keep the customer informed about the order
* when the order has been delivered, to find out if they received the full order
* the invoicing was done correctly
* they were treated courteously and politely at all times
* there were no damaged goods
* they were happy with the service
* to enquire about follow-up orders or to advise them of other goods they may be interested in ordering – in other words, to get some more business, called repeat business, from the customer.

### Suppliers

When you contact a supplier to place an order for goods to be used by your organisation, the same process will be followed, but from the point of view of the other side.

Contact the supplier regularly to make sure the order is being processed and that the delivery date is still valid. Also make sure that the price is still valid.

If there are going to be delays, inform all the stakeholders:

* Your supervisor
* Production department, stores or despatch
* Your customer, if the order is intended for one of your customers

### Complaints

#### Typical Areas of Complaint

* Dissatisfaction with your product, or services, ‑ its presentation, performance, pack, content, use or value.
* Damage when your product is delivered or is purchased.
* Delay on its promised delivery date.
* Deterioration during its transit, storage or use.
* Discourtesy by your staff, distributors, agents or technical advisers.

You have to be reasonably adept in the art of pleasing people. Much harm is often done by a casual or discourteous telephone manner.

The same high standards of courtesy and efficiency are just as important in written communications. Ill phrased letters sent to slow‑paying customers , misspelt addresses or names, and wrong initials, can do as much harm as off‑hand telephone technique.

#### Take action

All complaints should be treated seriously and actioned promptly. Remember you represent your organisation / department and as such must take the HEAT.

**Hear** out the complaint, ask questions and make sure you have understood it.

**Empathize** with the customer – say “I understand how angry you must have felt.”

**Act** on the customer’s complaint. Inform the customer what you intend to do and ask if that meets with their satisfaction.

**Take** responsibility for the customer’s complaint. Do not make excuses like “it was late from head office and is not our fault.”

**Follow up with the customer to make sure the complaint has been resolved.**

The first rule of customer service is that ***“*the customer is always right”.** That holds true when dealing with difficult people. It is hard to follow that rule because sometimes the customer may not be right. But whether they are or not, your objective is to get the customer to end the call feeling satisfied.

Effective customer service is only effective when the CUSTOMER feels it is.

The second rule may also be applied in this situation. **“It’s not what you think but what the customer wants”*.*** Put yourself in the customer’s shoes, so to speak, and imagine how s/he must be feeling. If you were the customer, you would not care about the suppliers’ problems, only your own.

* The first step is to diffuse emotions such as anger. The best way to do this is to **listen** and not interrupt, then tell the customer what you can do.
* Take notes on what the customer says as this will demonstrate that you are taking him seriously.
* Say “uh huh”, “umm” etc. as this will also indicate to the customer that you are listening.
* Practice honest empathy. Remain **calm**. It is easy to get angry in return, but we need to recognise that the customer’s anger is directed at the situation and not at us. Pass comments like “I can see this is a problem”. Admit the problem if necessary but do not compromise your organisation. Never use terms like;

**“I Can’t”**

**“That’s ridiculous”**

**“Impossible”**

**“Forget it”**

**“My company does not believe”**

**“You should not”**

These may be considered emotional triggers that will worsen the situation.

* Get agreement on the issue by **summarising** it. “Let me see if I understand” “Is there anything else we should resolve?” State what action you will follow in detail.
* Obtain **final agreement** on the solution. “Will that correct the problem Sir?” If not, go back and start again. If you need to refer the customer, do not just say, “I will transfer you” but rather explain why you cannot help and the other person will be able to. Make sure you summarise the situation to the new person dealing with that particular customer and don’t expect the customer to explain his complaint all over again.
* Always end by thanking the customer. The last thing you say is the one most likely to be remembered. It also says that you are glad the person brought the problem to your attention and that will make him feel cared about.

#### Handling External Enquiries and Complaints

* Acknowledge immediately. Your letter or telephone call to a customer should indicate pleasure or regret, and state your intention of meeting the need and giving satisfaction.
* A follow-up communication giving fuller details should take place within a week, or sooner, depending on the urgency of the complaint and the company policy.
* A representative of the company should call, when this is needed, to clarify a difficult situation. An appointment should be made for him.
* A central register should be created for recording all enquiries or complaints.
* The company department involved must be identified, and should supply the material needed for the reply.
* Action by other departments should be monitored.
* Ensure classification and evaluation of enquiries and complaints before they reach you.
* Properly kept records of this sort can provide you with a valuable, up-to-date and accurate analysis of trends in enquiries and complaints.

## Feedback to team members

When you have had feedback from customers and suppliers you have to share this feedback with the members of your team.

* If the feedback is positive, everyone can learn from what happened about how to give excellent customer service. This could even become a training tool.
* If the feedback is negative, you have to find out what went wrong so that you and the team can take corrective action to prevent something similar happening in the future

For example, if a customer received the order late because you ran out of stock, steps can be taken to make sure that sufficient levels of stock are kept so that this does not happen again.

### Make recommendations to management

Once you have received feedback from customers and analysed the feedback, you have to make recommendations to management in the format is required by the organisations standard operating procedures.

This could take place during a meeting, or it could be that you have to write a report to management.

Whatever the format of your reporting, space make sure that you include recommendations.

Also make sure that you include compliments from customers and suppliers in your reporting.

### Key Concepts To Remember

* **Continuous Improvement** – you must always work towards improving your customer service
* **Care for the Customer** – you must show the customer that you care
* **Decide to be the Best** – when you decide this, you will always deliver excellent customer service.

### Continuous Improvement Checklist

You can use the questions quoted below to help you to continuously improve your customer service:

* What’s the benefit to the customer? Will the customer easily understand the benefit?
* What impact will this have on our employees/team
* How will it affect our existing systems?
* Is anyone else doing it successfully? What can we learn from their experience?
* What could go wrong?
* Will it give us an advantage over our competitors?
* When should we improve our service?
* What can we change and improve to make it easier for the customer to work with us?
* How can we respond faster to customer requests?
* What have we learned?

Formative assessment SO4 AC 1-2 Group Activity