

The Keys to Good Customer Service

Lorraine Grout



In today's society, consumers have an unprecedented range of choice as to where and when to shop – online, catalogues, traditional stores. Products are relatively cheap and easy to come by. In addition, consumers are more product savvy than ever before and have a wealth of information at their finger tips to help them make purchasing decisions.

Contrary to popular belief, price is not always the deciding factor. Research has shown that customers are influenced by more than just the bottom line. Customers are willing to travel outside their local area for the best deal. 32.2% of respondents to a survey conducted by Australian survey panel EmailCash stated they had purchased from an international website. The best deal does not necessarily mean the cheapest.

According to a recent survey conducted by Maritz Inc. 68% of American consumers took, or wanted to take, their business elsewhere due to poor experience. "Companies that only pride themselves on product quality or focus solely on low prices are missing the boat," said Scott Bush, chief marketing officer of Maritz Inc. "It is the customer experience that truly holds the potential to be a positive differentiator or a downfall for a company. Customers have made it clear that they won't stand for poor service experiences and will take their business elsewhere." ⁱ

What is the difference between making a sale and having the customer buy the same product for a similar price elsewhere? The answer is *Customer Service*. But what is customer service? Customer service is simply the art of serving customers and like any art form it can be good or bad and open to interpretation.

Customer satisfaction should be the outcome of any transaction; however, it is no longer viable just to supply the right product for the best price. According to John and Linda Stanley, "...as far as the customer is concerned, his customer-care experience starts at home with his anticipation and expectations, develops inside your premises, and finishes when he puts the product away after he has returned home. It's your job to make the total experience an enjoyable one..." ⁱⁱ

So what does the customer want? How do you make it a total experience AND an enjoyable one? There are six basic keys that research has found are consistently raised by customers with regards to service. First and foremost they want to feel they are getting a quality product for the best price at a time and place that is most

ⁱ <http://www.maritz.com/newsreleases/maritz-business-elsewhere.html>

ⁱⁱ Stanley, John and Linda Stanley. *Think for Your Customer and Get the Results*. Perth: Lizard, 2004

convenient to them. In addition they want to feel their business is important to you, they want to feel valued and they want your undivided attention. Finally they want to be rewarded by feeling positive about their purchase and experience a sense of satisfaction. This is what puts the buzz into shopping. Good customer service fuels retail therapy and encourages repeat customers. “A 5% increase in customer loyalty can result in a 25% improvement in profits.”ⁱⁱⁱ

Customer loyalty is different to a loyalty program where customers are rewarded for their repeat business. Good customer service can turn a one-off customer into a client (regular customer) into an advocate - someone who raves about your business to all and sundry.

Word of mouth is the most effective form of promotion. When it comes to spending their hard-earned cash, customers don't want to take a risk on buying a lemon or getting a poor deal. Customers are more likely to believe someone with personal shopping experience than traditional advertising. For those companies with an excellent reputation, this can translate into increased business and decreased advertising costs. Word of mouth can be both positive and negative. Positive word of mouth can net you customers; a bad experience may be repeated to as many as 20 people.

Research has found that “British consumers are becoming more vocal than ever before when they take a stand against poor service. One in five Britons will rant to more than 10 friends and family members about companies that provide poor service and nearly half will share their angst with at least four people...”^{iv}

A business cannot survive without customers and clearly good customer service is the key to ensuring growth of a customer base.

Each of the six key areas of customer service can be defined as follows:

Accessibility

Quite simply, if you aren't available, you can't sell. Availability isn't restricted to being open for business. Staff have to be prepared and, more importantly, *willing* to serve. It also encompasses comfort and ambience – the layout and attractiveness of your store or web-site.

Acknowledgement

Customers want to be responded to promptly but this does not mean pouncing on them the second they enter the door. It goes hand-in-hand with accessibility – greet the customer and make yourself available to them *when* they request it, either directly or indirectly. First impressions count and in some instances you may have as little as ten seconds to make a good first impression.

ⁱⁱⁱ Reicheld, Frederick and Schefter, *Phil. Harvard Business Review*. July/August 2000, pages 105-113

^{iv} *Bad Customer Service? The Pout is Out, We Love to SHOUT!* Press release, SunGard Availability Services London, UK: April 18, 2006:

Knowledge

This isn't just knowledge of the product but also knowing how to match the customer to the product. Customers want knowledgeable staff to provide honest, reliable information pitched at a level the customer can understand. The customer is always right was a popular but misguided notion of the 80's. Quite possibly they don't know the difference between an Ipod and a Gameboy, between Murasaki the novelist and Miyaki the fashion designer. Falling about laughing is NOT good customer service.

Relationship

"Don't open a shop unless you like to smile" is an ancient Chinese proverb. Customers want to do business with people they like and trust. Friendly, helpful staff makes it easier to form a working relationship.

Reassurance

This goes hand-in-hand with Relationship. Customers want confidence not only in the product but in your ability to provide it for them. It is easier for a customer to have trust in your company if they have a relationship with you.

Reward

Everybody loves a bargain. A 'freebie' adds to the retail therapy buzz and will ensure the customer leaves with a positive feeling about your business. But a reward does not have to be a physical item. Often a customer is rewarded simply by feeling they have found the best deal on the product they wanted. It is up to you to ensure the transaction exceeds their expectations.

Those are the six key areas of good customer service. How can your business achieve top marks in each area?

Accessibility

This does not simply mean hanging an 'open' sign on your door or ensuring your web-site is working. It goes beyond turning the lights on and ensuring all your web links work.

- ✓ Products and services should be easy to find and clearly labeled. Stores should be well-stocked. If the item they want isn't available, customers are more likely to go to a competitor than wait for you to order it.
- ✓ Stores should be easy to maneuver in. If a customer can't get their wheelchair/pram/trolley around without knocking down a roof-high pyramid of boxes they won't bother, they'll go somewhere where they *can* browse comfortably.

- ✓ Web-sites should be easy to navigate and not graphic intensive. Customers on dial-up are just as valuable as those on broadband. Research shows that the average time a customer will wait for a page to load before going elsewhere is just 60 seconds. They certainly won't be willing to go and make themselves a cup of coffee; they'll just go to a competitor.
- ✓ Ambience is important. In a traditional store, music should not be inappropriate or too loud. The store should be well-lit, clean and uncluttered. For an on-line store, hard to read font and migraine-causing graphics do not benefit the customer experience.
- ✓ Dressing appropriately also comes under the heading of accessibility. The typical view of a financial consultant is of someone wearing a business suit. It would be hard to trust the financial advice of someone wearing sandals, shorts, a Hawaiian shirt and a large gold medallion. In a traditional store front, uniforms and name badges reinforce the idea that the customer is dealing with a professional company. More than one customer has asked someone for assistance only to be told, "I'm sorry, I don't actually work here." Make it easy for people to distinguish between staff and other customers. Any form of embarrassment will leave the customer with a negative impression.

Acknowledgement

First impressions count and your business may have as little as 10 seconds to make a good first impression.

In the case of a traditional storefront, this can be a simple greeting when the customer enters. Even if busy with other clients or on the phone, the customer can be acknowledged with eye contact and preferably a comment advising they will be served shortly. If a staff member continues to move stock or clean a shelf when someone enters, the customer will feel unimportant. Nobody wants to be left on a shelf.

For on-line stores, an automated e-mail response advising enquires have been received is an excellent way of acknowledging a customer's interest.

Knowledge

Shoppers consistently rate knowledgeable staff as an important element of good customer service. However, *knowledge* is more than just knowing the maximum range of a cordless handset or the specifications of a motor vehicle. It also encompasses knowing how to match the customer to a product.

- ✓ Customer knowledge - This can be achieved by asking a minimum of questions. If a customer is 'just browsing,' ask them about the product e.g. "Have you seen / used one of these before?" An open-ended question facilitates the opportunity to sell the product with the added advantage of providing feedback.

- ✓ Product knowledge - Don't let the product sell itself. Outline features and benefits. Head off any objections promptly. Avoid using technical jargon unless the customer makes it clear they are comfortable speaking the lingo. Provide as much but no more information than the customer needs. If they begin to sway on their feet and their eyes start to glaze over, you may want to offer them tea and a cookie.

Don't insult the competition, this creates suspicion. You may not agree with a customer's choice but if a customer shows enthusiasm for a product, build on that. If a seller is not equally enthusiastic, the customer may become apprehensive.

Relationship

It goes without saying that friendly, helpful staff are more approachable. Research shows that customers prefer to deal with a friendly staff member than a knowledgeable one. In a traditional storefront, staff members should smile and make eye contact. This contributes to the development of a temporary working relationship. For telephone orders, a warm voice can make a difference. A smile CAN be heard.

- ✓ Always speak clearly, using appropriate language.
- ✓ Use the customer's name but make sure you pronounce or spell it correctly!
- ✓ Listen to customer suggestions and incorporate them where appropriate.
- ✓ Handle customer complaints promptly. Perhaps a situation could be improved by implementing staff training or changing your web-site.
- ✓ Ask customers for feedback and use this as a tool to improve future transactions.
- ✓ Show genuine interest, most people can tell when staff are not being sincere.
- ✓ Keep customers informed at every age stage of the process without waiting for them to contact you for an update. Be proactive rather than reactive.
- ✓ These days, everybody is time poor. Thank the customer for taking the time to give you the opportunity to sell them something.

Reassurance

- ✓ Always be positive. Saying 'no' to a customer is like saying no to a child in a candy store. The customer will have a tantrum and they will do this by walking out and telling everyone how their time was wasted. Sometimes things are unavoidable but they can be managed. "I'm sorry, we don't have that in stock at the moment but this model is almost identical." "I'm sorry, we don't have that service but I can offer you this similar service with a ten percent discount."

- ✓ Solve customer problems imaginatively but don't make promises you can't keep. If a customer likes a product but wants a particular color or style that you don't have, don't agree to it without confirming availability first. Spray painting and plaster additions are not usually a welcome option.
- ✓ Do what you said you'll do when you said you'd do it. Plumbers only get away with turning up three hours past their appointment time because their skills are in short supply. Can you afford to be complacent?
- ✓ Customers want to be reassured that the product or service they are buying is of good quality. This is why word-of-mouth marketing is so popular, if a product or service had been already been recommended, that's a positive. Testimonials, good reviews, guarantees or warranties and a reasonable returns policy should be made available.
- ✓ Get it right. Double-check every stage of the transaction to ensure you are doing what the customer wants in the way they want it. Providing the wrong product, not delivering on time, overcharging – these things will be noted and score an F for fail even if you do eventually rectify the situation. Again, be proactive, not reactive.

Reward

Reward loyal customers with complimentary products, services or discounts. It doesn't have to cost. Hairdressers do this excellently with head massages and complimentary cups of coffee. This is what is meant by exceeding the customer's expectations. The customer expects a haircut, a massage and coffee are a nice bonus. Be consistent. Don't assume that because a customer has returned several times, they will continue to do so regardless. Customer loyalty needs to be nurtured and ongoing. One bad experience could turn them from that satisfied customer who tells everyone how wonderful your company is to the customer that reduces your profit margin by 40% because of negative word of mouth.

Picture this

A customer generally walks in or searches a web-site with a view to buying something. If they walk out or navigate elsewhere, that's a missed sale opportunity. Below are two scenarios as experienced by a customer wanting to purchase a green beanie. Which is good and which is bad?

1. I went into the surf shops. There are 2 opposite each other. The staff in the first one were chatting and completely ignored me. To the point where they turned their backs on me as I made my way up towards the counter (because that is where those hats are). I was livid. Ok - I'm OBVIOUSLY not a surf chick, but...
2. The shop over the way said hi when I walked in, then when they saw me over at the hats asked me what I was looking for. I explained it and the man said, 'I

think we have one out the back' he went out and after about 3 minutes came back with one, but it wasn't green. I said 'thanks anyway' and left. I was impressed with that service.

Clearly the first experience is the bad one. Poor customer service may well have cost the store a sale. What went wrong? The staff failed to apply the first key of good customer service - acknowledgement.

The second scenario was almost perfect but could have been improved by ensuring sufficient stock was in place or obtaining the customer's details for follow-up and advising when stock would be arriving.

In this instance the customer did not make a purchase but if in the market again for a similar item, which store do you think she would return to first?

In summary

For the shopper, finding the right product for the right price is the achievable outcome. It may be sufficient to meet one aspect of the customer's needs but achieving all six key areas is *good* customer service. Good customer service has a boomerang effect: increased satisfaction and fewer complaints. It's the icing on the cake that will provide motive to return and encourage others to shop with you.