

24

Customers and customer service



Starting point

Businesses rely on customers for their survival. The pressures of competition dictate that customers must be at the centre of everything that a business does. For example, the core purpose of Tesco is 'to create value for customers to earn their lifetime loyalty'.

Value is relatively easy to achieve, but lifetime loyalty can only be achieved when a customer is given good service and wants to come back again.

What you will learn from this chapter

- customers are important to an organisation such as a business: external customers can include a wide range of 'types' identified by market research in categories of age, culture and lifestyle; internal customers include immediate colleagues, people in other departments and other supporting organisations
- customers all have different needs which must be looked after by a business – these relate to factors such as age and disability
- customers have come to expect certain levels of customer service that they will receive before, during and after the sale of a product or a service; the extent of these expectations will vary with the nature of the product or service
- customer service relates to issues such as staff attitude, the premises and the products (or services)
- good customer service relates very much to the use of communication skills – an employee of a business must be able to tell the customer about the product or service and be able to deal with complaints

Requirements of your Assessment

stage 1 - contrast two organisations

The **first stage** of your assessment for Unit 5 requires you to investigate customer service in two contrasting organisations. You will need to appreciate in both cases who the external and internal customers are, and how the customer service meets the expectations of customers.

The need to choose two ‘contrasting’ organisations opens up a wide range of possibilities. You could choose:

- a small business and a large business offering a similar product or service
- a business selling a product and a business selling a service
- a private sector business and a public sector organisation

You could theoretically choose your own school or college, although you would have to be guided by your teacher/lecturer.

stage 2 - analyse one of the organisations in more detail

The **second stage** of your assessment for Unit 5 requires you to be more analytical. You will need to choose one of the organisations which features in the first stage and carry out the following in relation to that organisation:

- evaluate the strengths and weaknesses of its customer service activities and make suggestions for improvements
- research and analyse the ways in which the chosen organisation maintains, monitors and then improves the quality of its customer service
- investigate the way in which current legislation affects the way in which customer service operates

In this chapter we will illustrate the elements of customer service with a Case Study of a large retail business (private sector). The next chapter uses a local authority Sports Centre (public sector) to illustrate quality standards.

stage 3 - present your findings

The **evidence** for your investigation should take the form of a presentation with speaker notes. You could use Powerpoint to present your evidence.

The notes that you have compiled when investigating customer service should support your submission and be accompanied by a detailed witness statement from your teacher/lecturer.

You will be allowed to work in pairs if you wish, but there should be evidence of your individual contributions.

Customers

what is a customer?

The traditional definition of a customer is:

someone who buys goods or services



a patient customer

A customer is someone who buys something, whether it is a magazine from WH Smith or a train journey from Virgin Trains. This person is a customer of a **private sector** business where a product or service is sold for profit. If a private sector enterprise loses its customers, it loses its sales, profit and in some circumstances its future.

Widening the definition further, the 'customer' culture is also applied to the **public sector** where you are a 'customer' if you borrow a library book or end up in hospital. Interestingly, business principles also apply here: if local doctors do not refer enough cases of, say, chest problems, to a certain hospital's chest division, either because of its location or reputation, that department may have to close and future patients – 'customers' – will be referred to another hospital.

The definition of a customer may therefore be modified to:

someone who obtains goods or services



another type of customer

When you are investigating organisations for your assessment, note that the term 'customer' may include any of the following examples:

- a student at a school or college
- a patient at a hospital
- a member of a gym
- a shopper at a supermarket
- a passenger on a bus
- someone booking a holiday

new and old customers

Some customers can be classed as **new customers** – the prospects that the marketing department of a business want to persuade to make a purchase. These are the people who will provide future income and profit and become part of a customer base which the marketing department will want to retain and develop.

An organisation such as a business must also look after its **existing customers**. It must make sure that these customers will come back and buy again, and buy more. This will lead to increased sales and profit.

Look at the statistics:

why do businesses lose customers?

- 1% die
- 3% leave the area
- 4% naturally float between businesses – they have no loyalty to any business
- 5% change because a friend tells them about other businesses which they say are better
- 9% find the products or services are cheaper somewhere else
- 10% just like complaining – they actually enjoy it!
- but the most important figure is:
- 68% go elsewhere because they are unhappy with the service that they were given

We will discuss the ways in which an organisation retains its customers later in this chapter, and also in the next chapter. The basic principles are to:

- keep in touch with them on a regular basis
- reward them for their loyalty

internal and external customers

The term ‘customer’ is commonly used to mean someone who buys goods or services. That person is clearly an **external customer**. What is less commonly appreciated is that when you work in an organisation there are people, departments and suppliers who are in effect your ‘customers’ whom you have to look after. These are **internal customers**.

Consider the following examples:

- the finance department of a business provides sales figures for the marketing department – which is then an internal customer
- a school reprographics department photocopies handouts for a teacher – who becomes an internal customer within the school
- a chef in a restaurant is an external customer of the supplier who provides him with food; the waitress who sends in orders from the restaurant to the kitchen is his internal customer; and the people eating in the restaurant are her external customers – there is clearly a long chain of customers here, all of whom must be kept happy and provided with good service

The concept of **external customers**, is more easily understood. In your assessment you will be investigating different types of organisation and different types of external customer. The ways in which they are looked after by the organisation will vary considerably. External customers can be classified in various ways:

- by age, eg children, adults, senior citizens
- by disability – eg customers with mobility problems
- by nationality – differing languages and culture

We will look at the needs of these customers in the next section.



Activity 24.1 – internal and external customers

As part of your assessment you will need to identify two contrasting organisations and identify the customers – both internal and external – of those two organisations.

In preparation for this you should:

- 1 Draw up a shortlist of two contrasting organisations on which you could base your investigations. State whether they are in the private or public sector and in what other respects they are different from each other.
- 2 Draw up a list of the different types of internal customers of the two organisations.
- 3 Draw up a list of the different types of external customers of the two organisations.

Suggestion: draw up all this data in the form of a table.

Customer Needs

Each different type of external customer will have specific needs which have to be looked after. As noted above, the requirements relate to issues such as age, disability and nationality.

customer age groups

Most age groups need no special attention as most people are fortunate in being able-bodied and mobile. Extra attention is needed where the customer is either very young or very old.

Employees need special skills and the right kind of personality when dealing with **children**. Children pose certain problems for businesses such as shops including:

- being a nuisance – they can be noisy and, if allowed to run riot, may damage goods on display



special care for the young

- they can unintentionally ‘steal’ items by picking them up
- they can get lost

For very young children a good investment for a business – especially in larger shops – is a crèche. It keeps children amused and safe while parents get on with the serious job of shopping.

At the other end of the age spectrum, very old people also require special care. They may need:

- seats to rest on
- patience on the part of checkout staff as they may be slow in paying and dealing with the shopping
- help with carrying purchases out to the car park

groups with particular needs

Other groups which impose specific requirements include heavily pregnant females and disruptive and anti-social individuals. The former may need a seat and help with shopping while the latter may need some physical assistance from security staff to help them to leave the premises.

customers with disabilities



a wheelchair lift in a store

Dealing with customers with disabilities (special needs customers) calls for a special level of care.

Customers with **physical disabilities** will need special facilities and staff will have to be very helpful to them. They may need lifts, ramps and special toilets if they are in wheelchairs.

Remember that if they cannot get to parts of the business because there are no lifts (or the lift entrances are too narrow) this may be an offence under the Disability Discrimination Act 1998, which came into full force in 2004.

Customers with **learning difficulties** are people who may have problems with carrying out routine transactions or instructions. They need a lot of help and support.

Another group of disabled people are the **hearing-impaired** and the **visually-impaired**. Some customers will be completely or partially deaf, so employees should speak clearly and face to face (so that the customer can read their lips).

Blind people and their guide dogs will often need help. Employees may be asked to accompany a blind person round a large store because he or she will not know the layout.

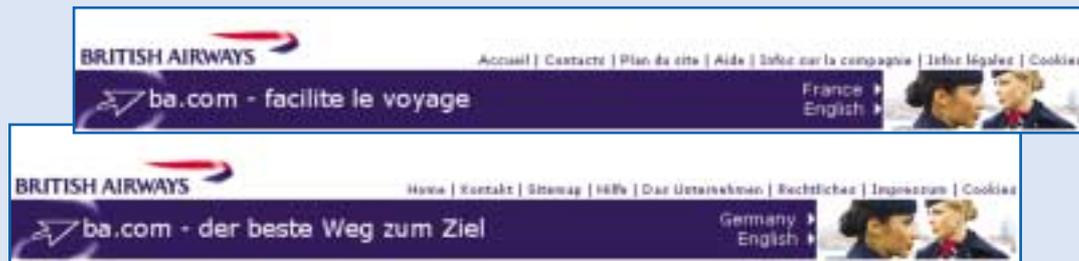
customers, languages and cultures

There are a number of situations where businesses will deal with people whose command of the English language is limited or non-existent. Examples include:

- tourist hot spots, eg hotels and ticket agencies in Central London
- urban areas in the UK where English may be a second language
- internet sites where the customer base is potentially global

In these situations, employees may well be taken on who have the appropriate language skills. In the case of websites used internationally, it is becoming common practice to be able to choose the language in which the information will be presented. The illustration below shows the British Airways website in both French and German. Visit www.ba.com

[ba.com](http://www.ba.com) - A MULTILINGUAL SITE



Businesses also need to be sensitive to different **cultures** and their customs. An example of this is the choice of food offered. Pork scratchings would definitely be off the menu in some areas.



Activity 24.2 – assessing customer needs

Visit two organisations. They could be the two organisations you have selected for your assessment or if you have not yet made a choice, they could be large shops in your area. In both cases investigate whether they allow for the needs of their customers in terms of providing facilities:

- 1 for children aged up to 5
- 2 for an old person with a walking stick
- 3 for someone in a wheelchair
- 4 for a person who comes in with white stick and a guide dog

If the organisations do not provide facilities for these customer types, suggest what action they could take to remedy the situation.

Customer Expectations

Organisations need to anticipate the needs of customers in a variety of different situations.

If the organisation is in the **private sector** selling goods or services, this means persuading the customer towards the buying decision, completing the sale so that the customer thinks that the right decision has been made, and then making sure the customer is satisfied with the purchase afterwards. This will help towards increasing sales and profit for the organisation.

If the organisation is in the **public sector** – a doctor’s general practice, for example – customers need to be ‘treated’ well so that government-set targets can be met, the customer is satisfied with the outcome and the medical practice awarded with points and rewarded accordingly.

One very simple (if cheesy) definition of effective customer service is:

effective customer service = having happy customers

There are three main stages in the creation of a ‘happy’ customer, all with a specific set of customer expectations. Central to all this is the ‘transaction’, which could be the sale of goods or services, having a filling at the dentist, or taking an exam or driving test.

stage 1: before the transaction takes place

This stage could include browsing around a shop, surfing through internet sites, booking an appointment and sitting in a dentist’s waiting room, or attending a driving test centre.

Take the case of a shop. The ways in which a customer can be put in a ‘buying’ frame of mind have been studied by psychologists and include:



special Sale offer – buy now!

- providing a relaxing, spacious environment, possibly with suitable ‘chill out’ music (although this can be a difficult choice to make)
- the ‘right’ smell (again psychologists have shown this to be very persuasive) – examples include the smell of fresh cooking ducted into a supermarket entrance, and coffee served in a bookshop which encourages shoppers to sit down, read and then to buy
- attractive and informative displays
- special offers – especially near the entrance where customers buy on impulse
- staff circulating on the shop floor ready to provide advice
- a customer service desk providing information and advice

Of course, not all organisations are shops, but the same principles apply to put the ‘customer’ in the right frame of mind. A website, for example, should be easy on the eye, informative and easy to navigate so that the customer will want to buy the product or service. A dentist’s waiting room should be a comforting and relaxing place with plenty to look at and read, and preferably out of earshot of the sound of the dentist’s drill.

stage 2: the transaction

In the case of an organisation such as a shop, an online retailer or a sports centre the transaction will be the purchase of goods or services: a tin of paint, a DVD or a game of badminton. This should ideally be a trouble-free experience. Again, take the example of a shop. A successful purchase – in terms of customer service – should ideally involve:



friendly service at the checkout

- a minimum of queuing
- friendly service from the checkout operator or sales assistant
- a variety of payment methods available
- secure payment arrangements (no-one apart from the customer should be able to see a PIN number being entered)
- the use of a loyalty card (eg Tesco Clubcard, Homebase Spend & Save) which will give the customer the satisfaction of knowing that points – and value – have been gained from the transaction
- giving out vouchers to set against future purchases
- help with the packing at the checkout if needed or ‘gift wrapping’ if it is a special purchase
- an unobstructed route out of the shop

The objective – whatever the organisation or type of transaction – should be a contented customer who will want to come back again.

stage 3: after the transaction

This stage is traditionally known as ‘after-sales service’. It is important that the customer knows two things:

- if anything goes wrong it will be put right
- the organisation has not forgotten about the transaction and will keep in touch with the customer to provide future benefits – eg special offers and store events (in the case of shops)– and that a **relationship** now exists between the customer and the organisation

This second point relates to the concept of **customer relationship management (CRM)** which is now considered to form the basis of good customer service.



a Homebase customer service desk - providing after-sales service

The place where complaints are heard and problems are ‘put right’ in a large retail organisation is the **customer service desk**.

If you examine the situation and the posters and equipment shown in the picture on the left, you will see that this desk provides in addition a wide range of ‘after-sales’ facilities including:

- provision of advice
- refunds for faulty goods
- exchange of goods
- a delivery service

The customer services desk is also where customer complaints are received and dealt with. Note that the customer services assistant here is friendly and welcoming. Disabled customers are also catered for – on the front of the desk to the left of the customer is a disabled customer writing surface which folds down through 90 degrees to wheelchair height.

Other types of organisation will all have their own version of ‘after-sales’ customer service. An online retailer, for example, is likely to have features on the website such as ‘Frequently Asked Questions’ (FAQ), order tracking (‘Where’s my stuff?’) and the opportunity to email or telephone with queries (‘Contact Us’).

As noted on the last page, the purchase (the ‘transaction’), is only the start of a customer relationship which an organisation will work hard to maintain and develop through loyalty schemes and mailings – all part of its marketing drive. These issues will be explained more fully in the next chapter.



Activity 24.3 – customer expectations

Visit two organisations. As in the Activity on page 440 they could be the two you have selected for your assessment or they could be a couple of large shops in your area.

- 1 Describe how they provide customer service before a transaction takes place (eg before a purchase is made).
- 2 Observe and describe the customer service provided as the transactions take place.
- 3 Describe in each case the ways in which customer service is provided after the transaction has taken place.

How Much Customer Service?

In the examples of customer service given so far in this chapter we have described fairly large and complex businesses operating in a very competitive environment. In some cases competition for customers can be so fierce that the level of customer service can help decide whether that business remains profitable, or stays in business at all.

But it must be appreciated that the levels of customer service – and customer expectations of customer service – will vary enormously from business to business, and this must be borne in mind when you are carrying out your assessment.

For example, if someone is buying a new TV he/she will need a great deal of information and expert advice in answer to questions like ‘What type of screen should I have? What channels can I get? Do I need separate speakers to create a home cinema effect?’ and so on. On the other hand, buying a litre of milk should not prove to be so much of a challenge.



Activity 24.4 – degrees of customer service

Describe the features of customer service you would expect in the following circumstances:

- 1 You buy a newspaper from a stall in the street.
- 2 You buy a wedding dress (male students should use some imagination here).
- 3 You buy a ticket from a bus driver.
- 4 You book a holiday with a local ‘high street’ travel agent.

What features of customer service would you expect to be common to all four situations?

Effective Customer Service?

the importance of customer satisfaction

The main objective of customer service is **customer satisfaction**. Customer satisfaction, as we will see in the next chapter, can be measured through questionnaires completed by customers. A ‘satisfied’ customer does not mean someone who has no complaints: a satisfied customer is someone who is genuinely happy with the service, the product and the whole experience of dealing with the organisation. As noted earlier, there is then a ‘feel good’

relationship which has been established with this customer. It is then up to the organisation to develop the relationship into profit, using the techniques of **customer relationship management**.

The advantages of this relationship are:

- happy customers are less likely to go over to a competitor
- they will recommend the organisation to other people – ‘You ought to shop there, the products are good value for money’
- they will not complain about the organisation to others – the statement ‘I’ll never go there again; they are rubbish’ is very bad news to marketing teams
- happy customers are likely to deal with the organisation regularly and contribute to profitability
- happy customers result in happy staff who in turn attract more customers

what makes effective customer service?

In the next stage of your assessment you will choose one of the two organisations you have decided to investigate. You will need to evaluate the strengths and weaknesses – the overall effectiveness – of its customer service activities and make suggestions for improvements.

What will you need to evaluate? The main areas you need to look at are:

- the staff
- the premises
- the quality and value of products or services

In the text that now follows we suggest aspects of customer service that you could assess in your investigations.

staff contribution to customer service



a smile and a uniform at Tesco

The contribution made to customer service by the staff can make or break an organisation. Many of these aspects may seem obvious, but it is when they are not present that the problems start:

- **general appearance** – tidiness and personal cleanliness and hygiene are important; a uniform can help to give a good impression but a strong dose of garlic or unwashed socks can do a lot of harm to customer relations
- **mood and expression** – a smile can make such a difference
- **attitude** – helpfulness can give a customer confidence
- **product knowledge** – staff ignorance and uncertainty put the customer off; if a staff member does not know the answer to a question, he/she should be able to find someone who does

Here are five great reasons for having teams.

Nobody can do it all

No single person has all the specialist skills and knowledge needed to run the store, so you have the team. Everyone in the store is part of the team – whatever they specialise in, wherever they work and whatever their job title.

Whether it's someone in the warehouse or a manager in the office, they all play a part – like a sports team where different players are expert in their own bit of the game. On their own they can't win, but when they work together it creates an extra dimension.

teamwork at Boots

Teamwork is an essential element of the effective functioning of any workforce. It relates to all functions of an organisation – not just customer service. Teamwork is currently a popular method of management. It encourages a democratic approach – ‘let’s talk about how to do this’ rather than ‘I want you to do it this way’. Through this, individual team members learn to take responsibility for what is going on and are motivated by success. Organisations encourage this approach to customer service, grouping its sales staff into ‘customer service teams’ and holding team meetings to discuss customer problems – complaints procedures and shoplifting, for example – and new product campaigns.

Customers can soon sense when teamwork is breaking down – for example, when staff members do not take responsibility for errors or problems and blame others. The statement ‘I am sorry it is not in stock, I will put one aside for you when it next comes in’ is more impressive than ‘I know – they are so slow in getting them here.’

Effective **staff training** is another essential element in providing a high level of customer service. In the Case Study on pages 449 to 450 we show how Homebase trains its staff to deal with customers.

the need for communication – face to face

Effective customer service relies on effective communication.

In this chapter we have used shopping to illustrate customer service because the retail environment is where most people come into contact with the main principles of customer service. Retail staff are trained to communicate with customers in order to present the required image of the business. For example:



how would you deal with this customer?

- speaking clearly and using polite phrases
 - ‘Can I help you?’
 - ‘How would you like to pay?’
- dealing with complaints and learning how to calm a customer down
- dealing with difficult customers who cannot be calmed down
- reading and using body language, knowing what it means when
 - a customer makes eye contact and smiles (you are making good progress)
 - a customer repeatedly looks at his watch and then at the exit door (he wants to get out – and quickly)



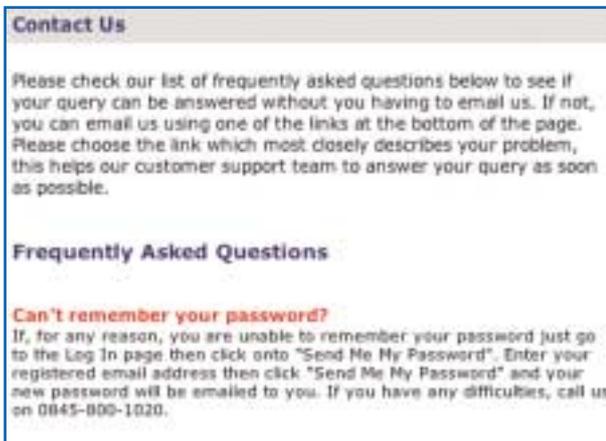
a call centre – specialised telephone skills

the need for communication – the telephone

Some organisations, eg holiday companies, carry out a substantial amount of business using the **telephone**, in which case training is given in telephone technique.

Some businesses specialise in telephone contact – **call centres**, for example – and you may find yourself making a telephone enquiry to your local bank which is answered and dealt with in India. This is a problem if you are calling to say that you have left your glasses in the bank branch.

Staff working in this environment will have to be well trained in telephone skills, although there is a tendency to rely on set ‘scripts’.



www.play.com – customer service by email and telephone

using email

Businesses which operate online are likely to communicate with customers by **email**, which is generally less formal than the traditional **letter** which is still widely used in customer service communications and requires very specific skills.

The problem with email communication is that although it is informal, it can also be impersonal. Sometimes email responses are automated – for example, a notification when goods have been despatched from an online shop. The information is useful but the personal touch has been lost.

effective use of premises

The layout and organisation of premises are important factors in welcoming customers and putting them at ease. Issues to consider when assessing the premises of, say, a supermarket include:

- is the layout logical and are the product areas well signed?
- is it tidy – or are there boxes lying around, blocking customer access?
- are the aisles wide enough?
- are special offers prominently placed – at the end of the display stands?
- are the display stands well stocked?
- if the customer needs a trolley, are they readily available and is the car park easily accessible?

assessing virtual premises

If you are assessing a non-retail organisation you will need to rethink these questions, but applying the same principles of layout, tidiness, accessibility and availability of the product.

For example, if you are analysing an online shop such as Amazon, you will need to assess features such as site navigation, clarity of page design, up-to-date content and ease of use of the online checkout.

the right product

An easily overlooked feature of customer service is the product itself. Returning to shopping again – is the product of high quality or does it provide value for money?

It all depends on what the customer expects. Some retailers pride themselves on high levels of **quality** – customers will expect to pay more for a Rolex watch or a Rolls Royce car. The objective of other businesses is to provide **value for money**, and, although claiming to provide a quality product, the quality of their goods may not always match those of their more expensive competitors. The ‘cheaper’ shops may also fall short on the quality of product information and after-sales service. As the common saying goes, ‘You get what you pay for.’ That is what the customer will expect and the shopping environment will reflect it.

customer needs and organisational needs

It must be remembered that the customer is only one of a number of **stakeholders** of an organisation. Stakeholders are people who have an interest in the business, eg shareholders, employees and suppliers. The objectives of customer service must tie in with the demands of these other stakeholders and not see them out of pocket. For example, a business in its drive to produce a high-quality product must not incur costs that will significantly reduce its profits and the dividend payments to its owner shareholders. On the other hand, a business that aims to provide good value to its customers must not drop its prices to attract customers and then expect its suppliers (who are also stakeholders) to foot the bill by dropping their prices as well. You may be able to think of examples of this practice.

a note on identifying customer service problems

In your assessment you will need to be able to identify customer service shortcomings. Activity 24.6 on page 451 helps you to do this. First, however, read the Case Study on the next two pages which illustrates good practice in customer service. Osborne Books is very grateful to Homebase for their help in compiling this study.



Case Study – customer service at Homebase

the background

Homebase is the second largest DIY brand in the UK. It has a clear strategy for growth, building on its strong position in the DIY market and expanding into home furnishings to meet the rising demands of increasingly sophisticated customers.



a Homebase store

Homebase offers approximately 40,000 DIY, home and gardening lifestyle products with a growing emphasis on design and décor, including an own-brand range as well as branded and designer-led labels.

Homebase has nearly 300 stores in the UK and the Republic of Ireland, employing over 17,000 staff in the UK who are trained to a high level, ensuring they have a thorough product knowledge, including how to use items, and a good understanding of features and benefits. Homebase serves over 1.5 million customers a week.

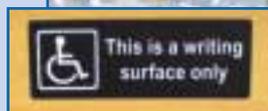
customer service – premises & products

The Homebase brand is characterised by a fresh green and yellow colour scheme which predominates in its premises, which are light and airy with wide aisles, providing a relaxing and welcoming shopping environment.

The service desk is a focus of customer service provision. Customers can obtain information, home deliveries, refunds and exchanges from the staff here. Disabled customers are well looked after with a wheelchair height writing surface and an amplification device for people with hearing problems.

Homebase also provides value-for-money products and runs numerous promotions, prominently placed at strategic places on the shop floor.

The Homebase brand is characterised by a fresh green and yellow colour scheme which



a Homebase service desk with facilities for the disabled

customer service – staff and staff training

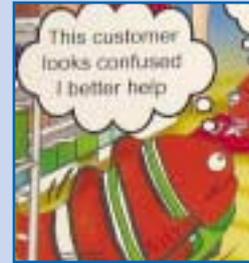
The Homebase staff offer friendly and informed customer service. The training programme they undergo encourages an active approach to helping customers, the objective being that the customer will leave the store happy and come back again.

Dealing with customers is based on a four-stage approach, illustrated by four cute fishy posters pinned up in the Homebase staff room.

- 1 **'be ready'** – look out for customers needing help and anticipate their needs (see above)
- 2 **'be there'** – be available to help when help is needed
- 3 **'be helpful'** – use communication skills to find out what the customer needs and then fulfil that need, or pass the customer to someone who is able to help
- 4 **'be remembered'** (illustrated below left) – this is an important objective – to get the customer to remember the good service given so that he/she can tell others and also come back to shop again. This then establishes the highly valued customer 'relationship'.



Staff are asked to 'commit' to these four stages by writing a commitment statement and their name on a form and pinning it up on the staff room wall below the posters. An extract from this form is shown below.



Activity 24.5 – customer service at Homebase

Read through the Homebase Case Study and answer the questions that follow. Visit a local Homebase store if you are able to, and make notes on what you see to reinforce your answers.

- 1 How does Homebase plan its premises to provide a customer-friendly environment?
- 2 What is Homebase's policy on product promotion to customers, and why does this appeal to customers? How is this seen in the Homebase stores? Are there any other ways (not mentioned in the Case Study) in which Homebase carries out this policy?
- 3 How does Homebase train its staff in customer service skills? Why is it so important to Homebase that it is remembered by customers?



Activity 24.6 – how effective is the customer service?

Part of your assessment requires you to evaluate the strengths and weaknesses of the customer service activities of one of the organisations you have investigated and to suggest improvements that could be made.

This will involve a thorough investigation of the organisation concerned. The evidence you should gather to obtain highest marks will:

- present a **wide range** of customer service activities rather than just a few
- link the customer service activities where possible to the **aims and objectives** of the organisation (see the Mission Statement, if there is one)
- focus on the **strengths** and **weaknesses** of the customer service provided so that you can come to a reasoned judgement when you suggest improvements (you can use a SWOT analysis)
- state which activities you think are the **most important** and give weight to these in your argument

The object of this Activity is to prepare you for this investigation and evaluation. You will then be able to make an informed judgement about possible improvements.

The following list of tasks is a suggestion only:

- 1 Identify the areas of the organisation where the customer service 'message' is put over. These will obviously vary from organisation to organisation but could include:
 - **premises** – design and layout and facilities for all types of customer (the term 'premises' can include shop, office or website)
 - the **products** or **services** provided – whether they fulfil the aims of being high quality or value products/services
 - the **staff** themselves – the means of communication used, the skills needed and the staff training provided.
- 2 Make a checklist of these areas for investigation, related to the organisation being investigated.
- 3 Find examples of evidence of these customer service features, making the range as wide as possible.
- 4 Against each item note down any significant strengths or weaknesses. For example, a strength would include the provision of facilities for the disabled in a shop; a weakness would be staff who were not prepared to approach customers to offer help.
- 5 Against each item which has a weakness, note down any improvements you can think of, eg extra staff training in communication skills.

The **organisation** of this data will be an important factor. Based on the checklist (see 2 above) you could set up a table in Word or a spreadsheet with separate columns headed 'Examples of customer service', 'Strengths', 'Weaknesses', 'Improvements'.



CHAPTER SUMMARY

- A 'customer' is someone who is provided with goods and services by the private sector or the public sector – by a supermarket or a dentist.
- Customers can be classified in a variety of ways.
- New customers are valuable to an organisation as they bring extra sales or activity; existing customers must be looked after to ensure that they stay.
- External customers are people outside the organisation which provides the goods or services; internal customers are employees or departments within the organisation who depend on other employees or departments.
- Customers have very specific needs which have to be looked after: for example, customers in dependent age groups (children, old people), people with disabilities, people with language difficulties and different cultural backgrounds.
- Effective customer service will result in happy customers.
- Effective customer service means fulfilling customer expectations in three distinct stages: before the transaction (eg encouraging the customer to buy), during the transaction (eg during the payment process), and after the transaction (eg the after-sales service).
- The aim of providing good customer service is to establish an ongoing customer relationship in which the satisfied customer will come back again and recommend others to do the same.
- In order to achieve customer loyalty, the organisation will need to keep in touch with the customer and reward his or her loyalty. This is the basis of customer relationship management (CRM).
- The level of customer service offered will vary according to the nature of the transaction, eg buying a newspaper, having hair styled.
- Effective customer service relies on the customer service 'message' being put over through the premises, products and staff of the organisation.
- Effective customer service relies on the staff of the organisation being well trained, working as a team and using a wide range of communication skills.
- Customer service within an organisation must tie in with its aims and objectives. The focus on customers should not adversely affect other stakeholders such as shareholders and suppliers.



KEY TERMS

customer	a person or organisation that obtains goods or services
internal customer	a person or department within an organisation that is dependent on another employee or department
external customer	a person or organisation outside the organisation that obtains goods or services
customer service	turning a customer into a satisfied customer
customer care	providing customer service
customer satisfaction	a 'feel good' factor which affects both customer and staff and which encourages the customer to come back again
customer service desk	the counter in a shop or other organisation open to the public which offers all features of customer service: advice, refunds, exchanges, lodging of complaints
customer relationship management (CRM)	the process of establishing a relationship with an existing customer and then developing that relationship and customer loyalty through regular contact and the provision of customer benefits
teamwork	organising the staff so that they work as members of a coherent team, each member taking responsibility for what the team does and sharing in the rewards for achievement
stakeholder	a person or organisation which has an interest in a business