

THE ART OF CUSTOMER SERVICE

How to deliver outstanding service to your customers

Competing by offering superior customer service is a classic business approach for many firms – especially retailers.

But what exactly is ‘customer service’ ? What’s involved if you want to use it as an effective strategy for competing and growing your business ?

The first thing to realize is that customer service does **not** simply mean getting your staff to smile more at your customers or their being extra friendly and polite. Of course, such behaviour is relevant and valuable but it is only a small part of what effective customer service is all about today.

Customer service is altogether a bigger concept.

It is a particular, **strategic** way in which you can choose to **differentiate** your business and make it stand-out better in your marketplace. It is an alternative to several other generic ways of competing that include, for example: focusing on a niche market, using low-level pricing, strong use of branding, focusing on higher-quality products, and use of technology in a significant or distinctive way.

Customer service refers to the various ways in which a business offers the opportunity for its customers to gain increased satisfaction from its *core* products and services in the form of extra facilities, information, or support and how it communicates and interacts with its customers.

With every type of business there is a core range of features, services and facilities that any player in that market is **expected** to offer. For a pharmacy store, for example, factors include a qualified pharmacist available, safe storage of medicines, a decent range of healthcare products to buy, a clean and tidy environment, and advice available about product choice.

Customer service is about ‘**topping up**’ this expected range of essentials with extra facilities, support and communications which go beyond the usual or core product/service proposition made to the customer. In this way, the store creates ***extra satisfaction*** on the part of the customer.

Types of customer service

Six key ways in which a business can offer enhanced customer service are:

- i) ***adding extra features or support services to core products or services***
(for example: a grocery store offering a choice of different strength or sizes of bag for wrapping up items bought in-store, a pharmacist offering a safe storage tin for keeping medicines at home, a health clinic offering book-able time slots or home-visits for personal consultations)
- ii) ***offering additional information, guidance, or advice to go with products or services*** (for example, leaflets on specific topics or a website with tips/guidance/self-assessment checklists or links to other relevant, supportive service providers)
- iii) ***enhancing the quality of communication at all points when there is contact with customers*** - the so-called “moments of truth”. This means, in particular, getting staff to improve their skills concerning listening, asking questions, thinking about what they say, speaking clearly, persuading and selling, handling queries or criticisms, and body language.
- iv) ***dealing with customers’ queries, comments and complaints better***. This means not just improving how staff handle customers who have queries but ensuring follow-up processes and policies are efficient and customer-centred
- v) ***making products or services more personalized or tailored to suit individual customers’ needs better***
- vi) ***enhancing the availability or accessibility of existing products or services***
(for example, by offering longer opening-hours or enabling customers to order some classes of product via the internet)

How customer service works

It is important to remember that customer service does not work by itself to drive customer satisfaction. It is but one part of the overall **product / service offer** or ‘package’ of things that a business needs to present to its customers and which must all work together to support each other.

If a business gets the overall package right, it will deliver customer satisfaction. But the aim should, of course, be to ‘delight’ customers not just satisfy customers. This means offering and delivering a package that exceeds not just meets customers’ expectations.

The area of customer service can often enable a business to ‘shine’ more sharply than other parts of the package – for example, products and core services offered - because it is a more flexible and **subtle** lever that offers many ways to come across differently to competitors and also it influences customers ***personally and emotionally***.

How much customers are impressed by a firm’s service depends crucially on how they rate the **quality** of that service. Unfortunately, service is not something hard and concrete that can be objectively and precisely measured. Instead, service is altogether intangible and subjective, so it is necessary to think in terms of customers’ **perceptions** of the service they receive.

Fortunately, research in the field of service quality has identified a range of key factors that most people consider when they try and assess a provider’s quality of service. These are:

- **Reliability** – how well your staff perform promised services dependably and accurately (i.e. how much trust you merit)
- **Responsiveness** – how willing your staff are to help customers and provide prompt service
- **Assurance** – how knowledgeable your staff are and how much they convey confidence
- **Empathy** – how much staff show a caring attitude and individual attention to customers
- **Tangibles** – the overall appearance and impression conveyed by your physical facilities, equipment and personnel

The central role of **personnel** in the majority of these factors is clear. Although certain aspects of service can be delivered by non-human means – for example, . product and health guidance information on a computer screen – staff do play a leading role in terms of how customers perceive your customer service. How you motivate, train and manage your staff is therefore important.

The other notable point from this list of factors is that, since service is intangible, customers do need and rely on **tangible cues** to help them judge service – both before and after delivery. Obvious cues include how well-dressed your staff are, what staff ask and how they ask, the style/cleanliness/tidiness of the store or service area and the provision of any written record or supportive information at the end of a service.

Planning and managing customer service

To achieve and consistently deliver outstanding customer service, there is a range of important preparatory steps and ongoing management tasks you should carry out.

The very first step required is clearly **identifying what types of customers you are actually going to target** with your high level of service. To do this you need to segment your customers into 'customer service' **segments** in terms of how much they value service (from 'a lot' to 'a little'). Note that these segments are not necessarily the same as your general customer-type (market) segments (usually defined in terms of characteristics like age, gender, or product needs), as some groups of customers may share similar expectations towards service even if they have different characteristics – e.g. in a health clinic or pharmacy store pensioners and young mothers both usually want provision, when needed, for plenty of time to talk to the pharmacist in-store.

Once customers have been segmented, the segments should, ideally, be tiered by their potential **income** value to your business and by the *cost* of serving them well. Then you are in a position to select those particular segments that are going to be worthwhile serving with a high level of service. Trying to serve more than one segment superbly is dangerous. If it must be done, make sure the segments and the services they expect are not radically different.

The second step in preparing to compete on customer service is to investigate and define exactly **what your targeted customers expect and want** in the way of customer service features and standards. You should also establish the order of **importance** customers attach to each of the service features identified. Don't be tempted into thinking you already know what customers want: you should never rely just on your assumptions.

Another area for management to get right is **communication** to target customers about what range and standards of customer service they should expect from your business. The key issue here is trying to manage customers' expectations *in advance* of using your services, so that they will be as close as possible to the actual levels of service they are likely to experience.

If expectations are raised too high in advance, the disappointment gap will inevitably cause dissatisfaction. It is far better to 'under-promise and over-deliver' than the opposite. Ensure the messages and promises you convey across all the communication tools you use are all carefully worded and consistent.

The fourth key area to get right concerns **people management**. The simple truth is that unless you have well-selected, well-trained, and well-motivated staff you will not achieve high quality customer service. In the first place, hiring staff who have the right attitude and type of personality suited to dealing with customers is important. Once in post, you need to invest in the ongoing development of their knowledge and skills – not just technical but crucial communication and selling skills.

Motivating staff calls for the use of both material rewards and psychological encouragement, including giving open recognition for good performance and providing opportunities for promotion. Reinforcing this should be an overall '**customer first**' culture in your business whereby it is clear to all staff from what they see and hear everyday that service matters hugely. Necessary qualities include a stress on team-work, frequent discussion between staff and the boss about customers and service, valuing innovation and learning, and everyone being flexible and adaptable to enable the business continually to evolve to serve clients better.

A fifth key factor in preparing to compete on customer service is to ensure you have an overall set of **systems and processes** in place that will effectively underpin and support the delivery of each area of your defined customer service. Also, establish firm measures and standards of performance (SOPs) to help monitor and manage your principal processes. Aim to design systems and define standards from the perspective of your target customers rather than with an 'inside-out' focus.

The final important measure you should take is to **keep track of what customers think of the service they receive from you** and, in particular, how satisfied they are. Seeking such feedback helps get over the issue that process measures are inherently operationally and internally-centred and, if you relied only on them, you would not be getting into your customers' heads enough. Best to use both process measures and customer satisfaction measurement together to give you an assessment of how well you are doing.

Some businesses think analyzing complaints received from customers is an adequate way to assess customer satisfaction. It is not, not least because most customers do not bother actually to make a complaint if they are dissatisfied. Instead, you need to investigate the opinions and satisfaction of a more complete and representative cross-section of your customer bases using a range of both informal and formal feedback tools, ideally including a periodic formal satisfaction survey (for example, by using an email or postal questionnaire). More about feedback methods in another article.

Good luck. Keep smiling – but do a bit more as well if you are **really** service-minded !