**Customer Service - Introduction**

Broadly speaking, customer service can be defined as:

**"The way a business looks after its customers"**

Customer service has to be a **team effort** and not just the responsibility of employees who deal with the public directly.

Providing good customer service is a vital part of managing a business. Most customers have the option to go elsewhere if the quality of customer service is lacking. On the other hand, good customer service is a source of competitive advantage.

Good customer service leads to **customer satisfaction**. Satisfied customers are more loyal and profitable. Dissatisfied customers take their money elsewhere – and tell their friends about the poor service they have received.

**Customer satisfaction**

The following ideas are usually considered to be fundamental in achieving customer satisfaction:

**The product**or **service** must meet customer needs & wants – i.e. it must be of good **quality**

**Sales and promotional activities** need to create a positive experience for the customer. For example, the attitudes of employees who make contact with customers should be positive and professional

**After-sales service** should also be positive and appropriate (e.g. user training, help lines, servicing). Customers often need reassurance after they have bought something that they have made the right choice, or help in using a product properly.

Customer expectations of good customer service also play a part in customer satisfaction. These expectations typically include factors such as:

* Safety and security
* Clear and accurate information
* Legal rights to be upheld
* Impartiality and objectivity
* Complaint, enquiry and suggestion procedures
* Special needs catered for (e.g. disability access)
* Ethical delivery

# Customers

A customer is anyone who receives a product – either a good or a service – from an organisation. In most situations the customer will have to pay to obtain the product, but this is not always the case. For example, students are increasingly referred to as the 'customers' of the schools and colleges that they attend, but the majority of students do not pay directly for the educational service they receive.

**Internal customers**are members of staff or outside suppliers that contribute towards the service provided to external customers. They include:

* Colleagues
* Managers/supervisors
* Staff in other functional departments

Good customer service to internal customers will help to establish good working relationships between colleagues, managers and staff teams. These relationships are important if the business is to function effectively. For example, working in a pleasant environment where staff are supportive of each other can keep staff turnover and absenteeism costs to a minimum.

**External customers**, on the other hand, are the people who we more usually associate with the term 'customer', i.e. the people that actually buy or use an organisation's products and services.

A key point to remember is that there are many occasions in which a business comes into contact with external customers. It is not just about the moment a transaction takes place. Points of customer contact take place:

* When a customer is enquiring about the product
* Taking a customer order or payment
* Delivering a product
* When handling a complaint or problem
* When making repairs or doing maintenance
* Providing after-sales care

# Benefits of Good Customer Service

Successful businesses tend to provide a high level of customer service which results in high customer satisfaction.

The potential benefits to the firm from providing a consistently high level of customer service include:

**Increased sales** – more likely to try out other products/services too

**Customer loyalty** –more likely to be a source of repeat business and to recommend the business to friends and family

**Enhanced public image** – helps build a brand and provides protection if there is a slip-up in customer service

**More effective workforce** – satisfied customers help create a positive working environment

It should be evident from the points made above that the benefits of good customer service are interrelated, i.e.

Satisfied customers will lead to more sales from their own repeat business and from the new customers generated by their recommendations

A positive public image will generate more sales by attracting new customers

Staff who deliver good customer service receive their customers' appreciation and are further motivated to offer good customer service and so on

# Improving Customer Service

Businesses need to regularly monitor the quality of service provided in order to assess and evaluate the degree to which they are meeting (and, hopefully, exceeding) the needs and expectations of their customers.

A common method used by many businesses to do this is known as **benchmarking**. This involves comparing the standards achieved by the business against known industry levels for key service criteria.

Another important method of assessing service quality is to look at **customer feedback**. It is important for businesses to obtain as much feedback as possible from customers. It is worth remembering that feedback can be **positive** as well as **negative,** and it is just as useful to know what the business is getting right as it is to know what it is doing wrong!

There are several ways that a business can encourage customers to provide feedback:

* Make it easy to complain: e.g. free phone number; complaint forms
* Customer service feedback forms
* Train staff to listen carefully / look for problems
* Reward customer feedback with incentives (e.g. discounts, special offers, entry into prize draws)
* Thank customers when they submit complaints

Don't forget too that customer feedback can be:

***Positive:***

* Information from satisfied customers
* Confirms business is doing something right / well
* Encourages & motivates staff

***Negative:***

* Information from unhappy customers
* Vital indicator about what may need to be done to gain and keep hold of customers
* Often obtained from customer complaints
* It is often said that the worst customer is an unhappy customer who doesn't tell you about it

Gathering data on customer service is not an end in itself. This data must now be analysed and conclusions must be drawn and presented to the relevant parties, i.e., all the people involved in delivering customer service. Clearly, senior managers who have ultimate responsibility for devising corporate strategy need accurate and up-to-date information in order to make effective decisions but staff who deal with customers directly may also benefit from knowing what they are getting right as well as what they are getting wrong!