



Customer Service Programme



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Customer Service Programme



What it is

Customer service is what your business delivers to achieve customer satisfaction. Some businesses deliver physical products and may not see themselves as being a service business. However, their customers still measure the business on the service that they experience both pre-sale and after-sale. So customer service is an increasingly important part of a business activities.

A customer service programme consists of standards and training. All staff follow these standards to ensure that service is maintained at the necessary level to keep your customers happy.

Why it is important

The goal of customer service is customer satisfaction. Customer satisfaction is what the customer feels subjectively and sometimes irrationally. There is all the difference in the world between a customer being 'satisfied' and being 'not dissatisfied'. Most businesses would be quite happy if their customers scored them 5 or 6 out of 7 on satisfaction. However, research by Xerox showed that these customers were 5 times more likely to go to a competitor than a customer scoring a 'completely satisfied' 7.

Marketing has moved from 'transactional marketing' to 'relationship marketing'.

- Transactional marketing focused on attracting new customers and simply getting the sale
- Relationship marketing focuses on getting customers and keeping them in the longer term using a combination of marketing, quality and customer service

Excellence in customer service, using the idea of relationship marketing, can help you to retain customers. This means:

- They are less likely to go to your competitors in the increasingly competitive markets where customers have more choice than ever
- As satisfied customers, they will recommend you to others, resulting in an increase in new business. It is said that it costs up to 10 times as much to win a new customer than to keep an existing one
- They are less likely to tell other people of bad experiences. Customers experiencing poor service are likely to tell up to 20 people about their experience, which is not a good advertisement for your business. This may deter others from even trying you out, and so you will not get the chance to impress them, even with the best or most innovative products and services
- By focusing your attention on the customers that have the highest potential lifetime value, you can improve profitability
- Your staff will have a 'feel good' factor because of the environment and atmosphere that leads to happy customers. This can help to attract further new customers over time

What you should do

Marketing is about identifying, anticipating and satisfying customer needs. It applies to customer service delivery as well as to the products and services you offer. To introduce a customer service programme, you need to take 3 main steps -

1. Identify which of your external customers are the most valuable.
2. Identify your internal and external customers.
3. Find out what level of service customers want.
4. Develop customer service standards and a programme to provide customer satisfaction and help build loyalty.

Step 1 - Identify which of your external customers are the most valuable

Identify which of your external customers are most profitable. This may help you to put them into groups. This helps you to do two things:

- Prioritise the level of customer service you offer
- Develop a profile so that you can target more new customers in the profitable groups. The lifetime value of different customer groups will differ, as will the expectations of these groups

For further tips on how to identify your most valuable customers, see our 10-minute 80-20 Rule. For further tips on putting your customers into groups, see our 10-minute How to grow through new and existing customers.

Step 2 - Identify your internal and external customers

Identify all 'internal customers' involved in getting your product or service to the end customer. Ensure that they all understand the impact they have on others in this 'chain' and are able to put themselves in the shoes of other employees .

The person who buys your product or service (the 'external customer') is not the only customer. The service given to other

departments within your business will also impact on the level of service given to the external customer, so it is important to identify all 'customers' in the chain.

For example, the chef in a restaurant is a customer of the supplier of ingredients for his recipes. He relies on the supplier for the quality of the food and a prompt delivery. The chef is also a customer of the waiter who gives him an order. The order needs to be communicated accurately so that it is prepared to meet the needs of the end customer. When the food is ready, the waiter then becomes the customer of the chef – the chef relies on him to serve the end customer promptly with the meal he has prepared.

Step 3 - Find out what level of service customers want

Carry out customer satisfaction surveys with all external customer groups to identify an appropriate service level for each. If you have just a large customer base, use just a sample in each group. Since different service requirements have resource and cost implications, carrying out separate surveys will allow you to focus your attentions where they will be most profitable.

Areas to check include:

- Quality of service
- Accuracy of service
- Promptness of response
- Satisfaction with facilities – eg parking, opening hours, payment methods available, etc
- Staff attitude and behaviour
- Complaint handling

Carry out staff satisfaction surveys of internal customers to identify issues that are important to your staff. This works on the principle that happy staff make happy customers.

Step 4 - Develop customer service standards and a programme

Develop customer service standards that reflect the findings of the above surveys. Even if you are a very small business, even a few basic standards will contribute to customer service. You could start by asking those employees who deal with customers regularly, such as receptionists, to write down what they do already as a foundation.

Some pointers to help:

- Involve customers and staff in developing the standards
- State standards clearly and document them
- Ensure all standards link to company goals
- Check them back against your survey findings
- Make all standards achievable and easy to understand
- Give all standards and the programme the support of all your management team
- Communicate standards clearly to all involved on an ongoing basis
- Once the standards are established, develop a culture in which deviation from the standards becomes unacceptable
- Reviews standards on a systematic basis to make sure they are still relevant and appropriate
- Add new standards as necessary with the full approval of all staff involved in delivery
- Produce service standards that are clear, concise, measurable and achievable. For example,

Some points to remember are:

- Involve the whole of your team in setting service standards
- Include the personal dimensions of customer service in the standards such as appearance, body language, tone of voice, tact, advice given, problem solving approach used, attentiveness, etc
- Deliver a personalised service wherever possible. Train staff to use the customer's name in all communications with them
- Train all employees in communication skills, and to handle customer complaints positively. Complaints should be considered opportunities to keep a customer by changing something to improve customer service
- Rate the behaviour of your customer service staff in each of the above areas and give training where appropriate
- Consider rewarding staff for significant contributions to customer service. Rewards do not need to be costly but, once a programme is in place, it must be maintained to be meaningful and credible. Such schemes help to maintain the motivation and interest of staff. 'Employee of the Month' schemes, where the photo of the employee is displayed prominently and the employee given half a day off with full pay are one way of giving an incentive at a relatively low cost

Initial draft	Better
Customers should be acknowledged on entering the Reception area	Customers should be acknowledged within 30 seconds of entering the Reception area
Incoming calls should be answered promptly	All incoming calls should be answered within three rings

What to do now

A Customer Service Programme needs to be managed, maintained and reviewed. Surveys need to be carried out systematically – this is not a ‘one-off’ exercise. Put a plan in place to ensure that your Customer Service Programme works in the long term.

Your customer has a right to:

- Professional, courteous and prompt service
- Expect competent and well-trained staff
- Expect attention to detail
- Fair prices for quality products and services
- Open channels of communication for feedback
- Your full and undivided attention when they choose to do business with you
- Appreciation for their continued custom

Make sure they get it!

Look for ways to add-value to your service. For example, a hairdresser may offer a discounted cut after five appointments, or a garage may offer to collect the car for its regular service. This type of service makes you more memorable than the competition and helps to retain your customer.

What you need to know

If you want to take forward some of the ideas described here, listed below are some keywords (shown in italics) that you can use to search for further information on this website or in various marketing texts.

- *Relationship marketing* and the role of *customer service* in it
- The *internal customer* as distinct from the external or end customer
- *Customer surveys*
- *Staff satisfaction surveys*
- *Setting service standards* that are appropriate to your target customers
- Systems for gathering *customer feedback* – positive and negative – and using it to improve practice on an ongoing basis

Where to find out more

For more on customer service, try looking at

www.customernet.com -

The Customer Service Network facilitates meeting others, benchmarking, improving processes and implementing improvements in customer service.

www.instituteofcustomerservice.com -

The Institute of Customer Service (ICS) website. The ICS is the professional body and the National Training Organisation for Customer Service and people involved in customer service.

www.thecustomerframework.com -

The Customer Framework helps large organisations become more profitable through more effective and efficient customer management.

An example in practice

Nichols Foods

180 Heros

Customer Champions:

Nichols Foods is a medium-sized company employing 180 people with a customer base of 600. Manufacturing and selling beverage ingredients for use in the Foodservice, Retail and Vending markets is their core business. The top team:

- Set out to enthuse everybody in the business about customer service excellence
- Develop partnerships to add value to service offers
- Formalise and measure cross-functional working communication

Insight:

In highly competitive undifferentiated business to business sectors, growth has been achieved by creating a more enthusiastic customer culture than that of competitors.

The strategy is to grow the business by nurturing customers, differentiating the product offering, particularly through service and staff behaviour, and by focusing on the share of the customers business and not the share of the market.

Innovation and Improvement:

The product is seen as Service Excellence. The Company's processes are therefore designed to:

- Engage all the Company's staff in understanding the Company's goals and delivering these
- Add value to customers' operations through services including training and general business advice

Customer Culture:

All employees get an equal share of profits and non-manager can win holidays in Florida. "Oscars" are awarded for Customer Service, and a sense of fun is designed into the business, but achievement of growth and customer retention remains the largest single incentive. Important communications are sent to employees at home including video updates and internal newspapers. Regular e-mails review how they are doing.

Measurement:

Employee satisfaction surveys are used to shape the business, e.g. does the employee understand the goals of the firm? Are they customer focused? Is there pride in their work? Do they work as a team? Etc. Internally, the Company measures the things that count, those things that impact most on the delivery of the key drivers of customer satisfaction.

All formal measurements are through the eyes of the customer and include product and delivery performance, innovation, sales team attitudes, responsiveness and general perceptions.

Profitability:

During the course of the last five years, the Company's trading results have seen a more than doubling of both sales and margin performance with growth curves showing no signs of falling.

Consider the following –

Question	Answer
How did the company ensure staff were motivated to deliver excellent customer service?	Top management set out to enthuse everyone to deliver service excellence and they formalised crossfunctional communication.
How do they reward staff without destroying the team approach that exists?	All staff get an equal share of the profits as well as an opportunity to win individual prizes. This can develop healthy competition to offer the best service without this becoming destructive.
How is internal communication managed?	Important communications are sent to employees. homes regularly. They also use internal newsletters and email to update staff.
What does the company monitor through research and feedback?	The company monitors employee satisfaction as well as customer satisfaction.

Finding out more

Visit

www.cim.co.uk/marketingresources

gives more useful advice for small businesses wanting to build on their marketing knowledge.