

# Chapter 1

## Championing Customer Service

### *In This Chapter*

- ▶ Sorting out old service principles and new practices
- ▶ Sticking to real customer-service values in person and online
- ▶ Evaluating how your level of service stacks up

**I**n the old days, nobody wrote books about service. It was simply a way of life. The pace of business was slower, and people had more time to talk and listen to one another. Mr. and Mrs. Smith could go to their corner grocery store to buy a pound of Muenster cheese and count on a warm welcome, friendly service, and familiar faces.

Then came the Great Depression. Price, always an important factor, became even more important, and life was about survival. Quality and service — never high on Abraham Maslow's hierarchy of needs — disappeared from everyday life and was reserved for the rich and famous. In the more prosperous 1940s, consumers began to consider value in addition to price as part of the service equation. By the 1960s, quality became important, with most customers willing to pay more for higher quality products and services. The era of convenience began in the 1970s with quick and easy foods, stores, banks, and so on. Today, all of these characteristics have converged; consumers want a competitive price, good value, convenience, and customer service — and they want it yesterday!

In this chapter, we introduce you to the tools and core values you can use to become a winner at providing good customer service. We even show you how to implement and maintain personal service in the often impersonal world of online business. Finally, to get you started on the right foot, we provide you with a short self-evaluating questionnaire, so you can determine what level of service you're currently achieving and what you can do to improve.

## *Benefiting from the Evolution of Customer Service*

Since the 1970s, a variety of business movements have influenced what people know about making themselves and their companies customer friendly. In this section (and throughout this book), we highlight the best, time-tested ideas and show you how to make them work for your business.

Regardless of whether your business is large or small, domestic or international, online or off, the ideas and strategies contained in this book can help you use the wisdom of the past decades and current times to make your business a winner at the service game now and into the future.

### *Total quality management*

During the 1980s, *customer service* and *quality improvement* were the buzzwords of the moment, and *TQM* (total quality management) became the most popular acronym since BLT. TQM, which was implemented to enhance customer service by delivering quality products, helped bring about modern manufacturing techniques. The idea is that you can gain the edge over your competitors by establishing optimal production processes, conforming to standards, and empowering members of your staff to blow their whistles when they spot any defects.

One of the most empowering tools to come out of the TQM movement is the idea of *quality groups* or *problem-solving teams*. These are groups of people who gather over a defined period of time (say once a week) to work on a specific problem. Using an agreed upon problem-solving method, they work to determine the core causes of and best possible solutions for the problem. In Chapter 9, we offer you a complete step-by-step process for using quality groups in your own organization.

### *Moments of truth*

On the heels of TQM's moment of fame, Jan Carlzon, who was the CEO of SAS Airlines, quietly published his book *Moments of Truth* (Ballinger Publishing Company, 1987). It's an account of how the airline, under Carlzon's leadership, asked what influenced its passengers' perceptions of service. What the airline found was that perceptions of service depended on how customers remembered discrete encounters they had with the airline. These encounters — or moments of truth — can be either memorably positive experiences or memorably negative experiences. Each kind of encounter plays a critical part in an

individual customer's future purchasing decisions. For example, a two-minute phone conversation can influence a customer's opinion about the entire enterprise — even more so than a two-hour flight!

The moment-of-truth approach still lives on because its premise can be applied to any business, large or small, and to any medium, such as voice mail, e-mail, and so on. The moment-of-truth method of thinking about customer service still holds up, because no matter what service or product you provide, your customers are, more than ever, making quick judgments based on fleeting contacts. Even though the quick judgment of your organization by customers may not seem fair, it, nevertheless, is customer logic.

For example: Imagine that a customer receives an e-mail from your company that has no greeting and sports several spelling mistakes. The sloppiness and carelessness of the e-mail, for many customers, can signify that your staff members aren't professional, your company doesn't care, and the quality of your product is questionable — and nobody wants that!



Customer perception is reality, and service excellence, to a large degree, is managing your customers' perceptions and expectations. In Chapter 7, we show you how you can determine and enhance your company's most significant moments of truth.

## Sharing the market

Flash forward to the '90s, and *share of market* became the hot button in business/customer relations. Around this time, the speed of business began to increase exponentially. Fax machines, overnight delivery, and the Internet were beginning to present new customer-communication opportunities. E-mail soon joined the established channels of communication like the phone, regular mail, and the fax machine.

As technology advances by leaps and bounds, more and more magazine articles and business books are devoted to the *new* idea of developing deeper relationships with customers. Viewing each sale as a transaction is short-sighted. Customers are, after all, a finite commodity. Instead, you need to use every customer touch-point as an opportunity to establish a dialogue and create customer loyalty. Doing so makes sense, because acquiring a new customer after all costs five times more than keeping a current one — so why not increase efforts to retain established customers?



By listening to your customers and providing them with the services and products they really want, you can gain and keep your share of the market. Check out Part III of *Customer Service For Dummies* for simple, yet highly effective strategies you can put in place to keep your customers happy and coming back for more.

## *In-focused versus customer-focused*

Nowadays, quantity is being replaced by quality. Every interaction with a customer or potential customer is an opportunity for gathering feedback, searching out needs, and implementing changes that can make your organization more customer centric. For service champions, the idea of converting *transaction buyers* (customers whose sole purchasing criterion is price and who have no vendor loyalty) into *relationship buyers* (those who value a long-term vendor partnership) is possibly the most important service development since Carlzon's moments of truth.

Simply put, a customer-focused company is one that listens to the needs of its customers and then does whatever it can to satisfy those needs. In-focused organizations care little about the needs of their customers and focus on what is convenient and expedient to them. Because customer-focused companies have more respect for and more understanding of their customers, they foster more customer loyalty, garner more positive word-of-mouth from their customer base, and enjoy a high level of service initiative from their staff. Part I of this book tells you everything you need to know about how to transform your organization from in-focused to customer focused.

## *CRM: The latest and greatest in customer service*

CRM (customer relationship management) is the acronym that customer-service professionals are using today. CRM is simply the marriage of process and technology for tracking every contact point that customers have with your organization.

Many companies believe that the CRM strategy is the digital key to becoming customer centric in a fast-paced world. For small- or medium-sized enterprises, CRM can smack of hype or be too confusing to really understand. However, if you dig deep enough, valuable lessons can be learned from CRM — lessons that can improve your bottom line, such as discovering specific and often unspoken customer needs that enhance both loyalty and sales.



Head to Chapter 21 for a complete discussion of CRM. We tell you what to take from CRM and what to leave behind. We extract and simplify the key elements so you can move beyond the acronym-of-the-month to the real, cutting-edge issues. New technology presents new opportunities and new challenges that will, no doubt, impact your business's ability to provide great customer service in the years ahead.



We're not suggesting that you ignore changing markets or new ways of serving them. We simply believe that embracing today's latest and greatest doesn't mean waving goodbye to everything useful from the past and forgetting everything you already know about making customers happy.

## *Standing for Real Values — Even in the Virtual World*

If you look through the shelves of your local bookstore or search for the keywords “customer service” on your favorite bookseller’s Web site, you’ll find a long list of titles to choose from, including the one you’re now reading! The books spell out customer-service strategies for making it in today’s high-tech world. However, service strategies — like the seasons — come and go. Ultimately, the success of your enterprise has more to do with your core values (and a commitment to delivering them) than it does with the latest and greatest business trends.

Amid the hubbub caused by new and better technology, businesses that differentiate themselves as customer centric are the ones that will see online service as an exciting opportunity for delivering their *existing* values of service, quality, and excellence to a wider group of customers. The root of these values is a genuine customer-care attitude that compels companies to create a feeling of closeness with their customers and use technology to design systems with their customers’ concerns and convenience in mind. Even in this fast-paced, technology-driven world, the timeless aspects of human relations still apply.

### *Valuing customer loyalty*

Numerous studies highlight one key to business success: developing customer loyalty. When it comes to e-commerce, the cost of enticing customers to use your online service is expensive at the front end and light at the back end. In other words, the longer you keep your e-customers and the more loyal they are, the more lucrative they become!

Placing a greater emphasis on customer loyalty isn’t a new phenomenon — even though many books and magazines seem to trumpet loyalty as though it were a recent innovation. Adapting your customer satisfaction efforts to a digital world is easier when your company already values customer loyalty and has experience creating it.

## *Building relationships*

Many years ago, service gurus counseled senior executives to create customer-centric organizations. Becoming customer centric often meant moving away from an intense focus on product development to placing an equal amount of emphasis on relationship development. After all, even great products fail occasionally, and a strong bond between company and customer can overcome most problems.

If you're a business owner today, you still need to develop trusting relationships with your customers. The differences between today's business world and the business world of the past are the tools that you have at your disposal. A courteous voice on the telephone and a friendly face across the counter still are important; they're just so expensive nowadays that they have to be rationed. Replacing these luxuries are software and hardware that can be as rewarding to your customers as they are to your company's bottom line when they're designed, integrated, and used with a focus on customer service.

## *Staying close to your customers*

Customers rarely describe doing business over the Internet as a warm and fuzzy experience. The absence of face time is, for many, the downside of today's Internet-heavy service environment. And yet, never before have businesses had the opportunity to be in such close and direct contact with their customers. The Internet enables your company to be in direct communication with all of your customers — regardless of where they reside on the planet — as long as they have an Internet connection.

You can assess individual customers' needs, apologize, say thank you, ask for input, and suggest new products or services suited to each one of them rather than to an entire demographic group — all online. Think of the Internet as a direct line to your customers and a new, exciting opportunity for any company that knows the value of listening and staying close to its customers.

## *Making it personal*

In a wired world, your company must find ways to communicate a caring attitude through computer screens and digital technology. The field of e-business technology uses sophisticated software programs to track inventory, accept payments, trace deliveries, predict customer needs, and send thank-you notes. In short, it attempts to automate the personal touch — thus making the most efficient use of your human resources by minimizing human interaction. At the same time, e-business technology offers fast, convenient, and personalized service.



Ultimately, though, investing in e-business software solutions doesn't guarantee the personal touch — people like doing business with people. That doesn't mean that customers don't like quickness and convenience; they obviously do. But they also crave a human who can help them when they have a question or concern that doesn't fit into the templates of an online help desk. Best-in-class companies demonstrate their caring attitudes by using technology to support their relationships with people. They don't use technology to replace human relationships, but rather only to enhance them.

## *Mirror, Mirror on the Wall: Taking an Honest Look at Your Service*

Remember when you were a kid and your parents took you to see *Snow White and the Seven Dwarfs* for the first time? Snow White's evil stepmother stood in front of her mirror and asked, "Mirror, Mirror on the wall, who's the fairest of them all?" Even though you were only a kid, you knew that if that mirror was smart, only one answer could be right: "You, my queen, are the fairest in the land."

Unlike the wicked queen — who had a hard time facing reality — your survival in today's business world depends on you telling the truth about your strengths and weaknesses as a service provider. After all, you have to know where you are before you can move forward. To that end, we provide you with a paper mirror — a questionnaire highlighting key service criteria that mark individuals who are service winners.

Taking this evaluation can help you discover the quality of service you provide as an individual and give you a good place from which to start improving. Congratulations, you and your company are on the way to being service stars!

### *Self-evaluation questionnaire*

Use the following ten questions to find out whether you're delivering bronze-, silver-, or gold-level customer service. Stepping back and objectively assessing yourself helps you determine your personal service strengths and shows where you may need to devote some extra attention.

Use the following numbers to rate your response to each question.

- 0 = Rarely
- 1 = Sometimes
- 2 = Often
- 3 = Almost always

- \_\_\_ When having a conversation with a customer, do I give him or her my complete attention and avoid doing other activities (working on the computer, writing unnecessarily, doing a crossword puzzle, and so on)?
- \_\_\_ Do I make eye contact when speaking with a customer to show that I am paying attention?
- \_\_\_ When speaking to a customer over the phone, do I make an effort to use inflection in my voice to convey interest and concern?
- \_\_\_ Do I pick up the telephone by the third ring?
- \_\_\_ When I need to put a customer on hold, do I ask his or her permission and wait for a response before doing so?
- \_\_\_ Do I avoid technical jargon and use language that the customer can understand?
- \_\_\_ When I cannot provide my customer with exactly what he or she wants, do I suggest options and alternatives?
- \_\_\_ Do I sincerely apologize to the customer when a mistake has been made by me or my company?
- \_\_\_ When a customer is voicing a complaint, do I remain calm and understanding — even if I think he or she is wrong?
- \_\_\_ Do I view customer complaints as an opportunity to improve service rather than as a problem that is taking up valuable time?
- \_\_\_ **Total score**

## *So, how's your service?*

Add together the scores you gave to all ten questions and then look below to see how you did. If you scored:

- ✓ **0-12 points:** You're at the **bronze level**.
- ✓ **13-22 points:** You're at the **silver level**.
- ✓ **23-30 points:** You're at the **gold level**.

For specifics about what your score means and where to go from here, find the description of the level you achieved in the sections that follow and read on.

### ***Bronze level***

Scoring at this level doesn't mean that you don't care about your customers. We find that a score in the bronze level is caused by one of the following three reasons:



- ✔ You're a newcomer to the service field and are still discovering the ins and outs of dealing with customers. If this statement applies to you, then using the information in this book can help bring you up to the silver level and higher.
- ✔ You're a seasoned service provider, but you may have become a little rusty on some of the basics that you once practiced. Refresh yourself on the basics by attending a customer-service training program.
- ✔ The last reason has to do with job suitability. Through the years, we've met certain people who just don't enjoy dealing with customers or helping others solve problems. Nothing is wrong with them; they just work better by themselves. If this situation applies to you, you may want to consider changing jobs or changing the focus of the job you're now in.

### ***Silver level***

You have a solid understanding of the basics, but you're not using them consistently. The probable reason for your inconsistency is that you're overwhelmed by the functions of your job. On good days, you give good service, and on bad days, you give bad service. The key is to become more consistent. Remember that regardless of the time you spend with a customer (be it a 30-second phone call or a one-hour meeting) and regardless of how busy you are, you always have a personal choice about the attitude you project. It takes about 30 days to form a new habit, so make a point of practicing the items covered by the questionnaire every time you deal with a customer — especially when you don't feel like it.

### ***Gold level***

Congratulations! You're a professional at providing service. You seem to have a firm understanding of the basics and are ready for bigger and better challenges. To continue to grow, consider the following suggestions:

- ✔ After you've finished evaluating yourself, get another perspective by having a co-worker you know and trust evaluate you. He or she may see areas for improvement that are blind spots to you.
- ✔ Go beyond the basics of service. Educate yourself in the more sophisticated service skills by learning to take initiative (see Chapter 7).



We suggest that you go through this questionnaire a second time and replace the word *customer* with the words *staff member*. Doing so can help you evaluate how well you're treating members of your staff as customers.

