BSBPRO301
Recommend products and services
Release 1

aspire
learning resources

BSBPRO301
Recommend products and services

Release 1

Learner guide

Aspire Version 1.1

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Contents

Before you begin

This learner guide is based on the unit of competency *BSBPRO301 Recommend products and services*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

Feature of the learner guide	How you can use each feature
Learning content	Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations.
Practice tasks	Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	Key learning points are provided at the end of each topic.
Learning checkpoints	There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.

Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	• Interprets, understands and compares textual information about products and services from a range of sources
Writing	• Uses clear and specific language to develop documents for different audiences in accordance with organisational requirements
Oral communication	• Provides recommendations using language appropriate to the purpose and audience
Numeracy	• Extracts and evaluates meaning from data to calculate actual costs against budget and impact of promotional activities
Navigate the world of work	• Understands and follows organisational policies and procedures relevant to own role
Get the work done	• Plans and implements tasks required to achieve required outcomes • Analyses information in order to decide on appropriate advice or recommendations • Evaluates outcomes of decisions to identify opportunities for improvement

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome		Rate your confidence in each section
Topic 1 Develop and maintain knowledge of products and services	1A	Understand the industry in which your organisation operates	❑ Confident ❑ Basic understanding ❑ Not confident
	1B	Use documentation to understand and compare the organisation's products and services	❑ Confident ❑ Basic understanding ❑ Not confident
	1C	Document and maintain products and services information according to organisational requirements	❑ Confident ❑ Basic understanding ❑ Not confident
	1D	Use your knowledge to improve quality	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 2 Recommend products and services	2A	Ensure recommendations are in line with organisational requirements	❑ Confident ❑ Basic understanding ❑ Not confident
	2B	Give recommendations that emphasise client needs	❑ Confident ❑ Basic understanding ❑ Not confident
	2C	Verify and present evidence in support of recommendations	❑ Confident ❑ Basic understanding ❑ Not confident
	2D	Structure recommendations to identify benefits	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 3 Advise on promotional activities	3A	Provide clear and accurate advice on promotional activities	❑ Confident ❑ Basic understanding ❑ Not confident
	3B	Present appropriate promotional materials	❑ Confident ❑ Basic understanding ❑ Not confident

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Topic	Key outcome	Rate your confidence in each section
Topic 3 Advise on promotional activities	3C Keep within budget	❑ Confident ❑ Basic understanding ❑ Not confident
	3D Analyse customer feedback	❑ Confident ❑ Basic understanding ❑ Not confident
	3E Evaluate promotional activities	❑ Confident ❑ Basic understanding ❑ Not confident

Topic 1
Develop and maintain knowledge of products and services

The core function of most organisations is to develop, maintain and distribute products and services. To do this effectively, organisations must monitor and review their business activities. This means systematically examining and analysing the products and services offered to make sure they are high quality and meet customers' needs. In order to stay competitive, organisations must monitor their competition by comparing products and services, researching market trends and examining what is happening locally and internationally in their industry.

Collecting data, researching, and providing advice and information about relevant products and services help an organisation to plan strategically for the short and long term. As an employee, you should increase your knowledge of your organisation's products and services so you can offer advice and suggestions on ways to improve them.

In this topic you will learn how to:

1A Understand the industry in which your organisation operates

1B Use documentation to understand and compare the organisation's products and services

1C Document and maintain products and services information according to organisational requirements

1D Use your knowledge to improve quality

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1A Understand the industry in which your organisation operates

In today's fast-paced and competitive business world, an organisation needs to provide services and products that meet customer needs and move with marketplace trends. As an employee, you need to have up-to-date knowledge of the organisation's products and services. You must also be aware of what your customers want and the products and services that are offered by your competitors.

Being aware of your responsibilities helps you to improve your performance. You may be a customer service officer who interacts directly with customers; you may be responsible for supplying information to the sales team; or you may deal with customer complaints. Regardless of your role, you must understand your organisation's products, services, policies and procedures. You also need a broad understanding of the industry it operates in, including the legislation, regulations and codes of practice that apply to your workplace. This knowledge will help you to suggest improvements to work practices, products and services.

Understand your role

Your role may require you to actively and regularly research your organisation's products and services and to examine industry trends. You may be expected to provide information and advice to your supervisor and other senior managers on how to improve the development and distribution of your organisation's products and services. To do this, you must broaden your understanding of the organisation's products and services and compare them with those offered by your competitors.

Understanding an organisation's products and services involves:

- researching and analysing sales data
- researching competitors and industry trends
- documenting information from marketing data, consumer reports, etc.
- preparing reports and offering recommendations
- applying this knowledge to improve your own work performance.

Know your industry and organisation

Being familiar with the industry your organisation operates in helps you to be confident and perform well in your role. Important industry information you may need to know is provided below.

Industry sector

The goods or services that your organisation supplies defines the industry sector it operates in, such as hospitality, information technology, transport, health, construction or sport.

Business model

Retail, wholesale

Products, services

For profit, not for profit, cooperative

Customer/client base: business to business (B2B), business to consumer (B2C), business to government (B2G)

Organisation structure

Business ownership or organisation structure:

- owned by one person or a partnership
- a cooperative (building society, credit union), government-owned (education, health) or a franchise (owned by individuals but operated under the same rules and regulations)
- run by a board or shareholders.

Regulatory environment

Regulations that affect the way the business operates.

Organisation size

The size of the organisation:

- small (1–30 employees)
- medium (31–79 employees)
- large (more than 80 employees).

Find industry information

Information from a range of contacts in your industry can prove valuable. Finding out what is happening in a particular industry by talking with industry people is called networking.

Taking part in ongoing research into your industry improves your knowledge of products and services, and this allows you to provide advice and information that may help with development and distribution in your own organisation.

The following sources provide excellent opportunities for researching industry information:

Contacts

Industry contacts are the people and groups you make contact with while doing your job and researching your industry. Making contacts outside your industry is also useful, as you will gain a new perspective. You can build your knowledge through:

- attending conferences to hear qualified speakers give presentations on current issues, trends and statistics
- joining associations to access member-only content such as newsletters, workshops and research reports
- accessing industry skills councils (ISCs) to learn about the state of your industry, such as training needs, industry trends and changes in the regulatory environment.

Suppliers

Your workplace may have authorised suppliers – approved traders that meet your organisation's selection criteria in relation to products, services, delivery and quality. Authorised suppliers are a good resource for information that supports your organisation. They may provide this information in person (telephone support, product seminars, site visits) or via their websites, catalogues and brochures.

Media

Most organisations subscribe to magazines, journals and newspapers. These publications can be circulated to staff members with relevant information flagged. National business publications, such as the *Australian Financial Review* and *Business Review Weekly*, provide current discussion on a range of business topics. State and local newspapers provide discussion of topics that may affect your business, such as changes in regulation or local issues or events.

Industry publications from associations and suppliers often contain valuable statistics and other information that can be used to maintain knowledge of the industry and products and services.

Research bodies
Many professional research companies publish reports based on their research into particular industries. Well-known organisations include the National Centre for Vocational Education Research (NCVER) and the Australian Bureau of Statistics (ABS). You can use their reports to identify emerging trends and to understand where your organisation is placed in relation to its competition in the industry. Much of this information is now available online.

Understand legislation

When recommending products and services, you need to be sure that you are aware of your job role and personal responsibilities, including the limits of your position. Among your responsibilities is the requirement to follow the legislation or guidelines that apply.

Your organisation should have embedded relevant legislation and other practices into its policies and procedures, so if you follow these, then you are meeting your workplace obligations and complying with the law. However, when you are recommending products and services, always check to ensure you have considered what is required of your position.

You don't have to know all the details of the legislation, but you do need a general understanding of your legal obligations, as your organisation can be held liable for any difficulties that arise if you have not followed procedures correctly. Here is some of the legislation that should be considered.

Australian Consumer Law
This is the collective name that refers to state and territory consumer rights legislation, which is now uniform across Australia. It states that: • businesses must not make false, misleading or deceptive claims about products or services   • customers are entitled to a refund, exchange or repair if a product or service is faulty, not fit for purpose or does not match the description they were given.   There are a range of provisions relating to contracts, guarantees, pricing and other aspects. You will need to become familiar with the provisions that apply to your organisation. You can read further on consumer law at your state or territory consumer affairs department website.

Anti-discrimination legislation

Anti-discrimination legislation is contained in a series of Commonwealth and State Acts that require workers and employers to treat everyone the same regardless of age, gender or background. This law also requires organisations to make reasonable adjustments to accommodate customers or employees with a disability. Commonwealth Acts include:

- *Age Discrimination Act 2004*
- *Australian Human Rights Commission Act 1986*
- *Disability Discrimination Act 1992*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984.*

Codes of practice and ethical principles

Codes of practice and ethical principles can be workplace based or developed by a professional association; for example, the Australian Retailers Association Scanning Code of Practice ensures the interests of customers are protected when purchasing scanned items in a retail store.

Codes of practice are often voluntary, but may be a condition of membership for an industry body. Consumers may prefer to deal with an organisation that subscribes to an industry code of practice as it shows commitment to a certain standard.

Privacy laws

Privacy laws are contained in the *Privacy Act 1988* (Cth) and described in 11 privacy principles. Privacy law regulates the ways in which organisations may collect, store, disclose and otherwise use customer information.

Work health and safety (WHS) laws

Work health and safety (WHS) laws are state based, but essentially impose the same requirements on employers and workers to create a safe and healthy workplace. Employers have an obligation to comply with safe work regulations regarding work practices, training, safety equipment, bullying, discrimination and other relevant aspects.

Employees are required to comply with the WHS requirements in their workplace, such as wearing personal protective equipment (PPE). They must also alert their employer of incidents or risks, and do their best to ensure that they and their colleagues work safely.

Industry-specific legislation

Many industries are governed by specific legislation. For example, financial services legislation applies to organisations in the banking, finance or insurance sectors. The nature of your job role will determine what legislation you need to know about and the level of detail required.

Keep ahead of your competitors

Most organisations want to lead in their particular field. They want to stand out from the competition by offering a unique product, a faster service or a lower price. To stand out from your competitors, you should continually aim to improve your products and services by adopting the following strategies.

Analysing your organisation's product and services history

It is important to know about discontinued products and services in order to recommend newer, more appropriate, ones. This information gives you the opportunity to:

- inform customers of the benefits of the organisation's new product lines or services
- impress them with your commitment to meeting their needs.

Comparing your products and service with your competitors

In a competitive marketplace, it is not enough to track your own performance. You need to understand your competitors and identify your organisation's strengths and weaknesses. You can do this by:

- attending trade fairs, conferences, seminars or functions to see what your competitors are offering and where they are headed
- receiving industry newsletters that detail the projects and achievements of your competitors
- analysing market share
- soliciting feedback from customers
- accessing competitors' websites to get the latest information about their pricing, products and projects.

Identify new markets

To remain competitive and viable, an organisation must identify new and emerging markets.

Your role may involve research to:

- keep up with new products and services
- identify trends
- understand market forces
- find out what customers want
- identify future needs
- keep up to date with technology and adopt improved methods of doing business.

Embrace change

You can help to protect your market share by being innovative and embracing change.

Technological changes since the 1990s, such as personal computers, photocopiers and printers, email, the internet, electronic funds transfer, mobile phones and devices, have revolutionised how offices are staffed, structured and organised.

Changes to the global economy affect businesses locally. New markets open up; products, services and even whole industries become obsolete. Under globalisation, capital moves more quickly and more often to exploit labour markets and consumer demand.

Examples of common changes and their consequences are shown here.

New business operations	**New technologies**
An effect may be that:	Effects may be that:
• e-commerce allows financial transactions to take place over the internet.	• existing technology is made obsolete • staff can work off-site or remotely.
The consequences may be:	The consequences may be:
• increased sales due to ease of purchase • decreased face-to-face interaction with customers.	• increased investment in new technology to keep abreast of changes • a need for staff with different skill sets.

Global trends	**Fashion**
An effect may be that:	An effect may be that:
• television and mass marketing create demand for certain goods.	• the demand for new items constantly changes.
The consequences may be:	A consequence may be:
• increased need to research trends • increased need to anticipate new directions.	• increased need to research customer requirements.

Find information about new products and services

Organisations need to identify what products and services may be needed in the future and assess how to react to the changes.

Authoritative information about trends and market forces can be sourced:

• at trade fairs

• online, through websites, blogs and social media

• in industry publications

• in newspapers, radio and television

• through media releases.

Practice task 1

1. What are three important pieces of information you may need to know about the organisation you are working in?

2. Explain how each of the following sources provide opportunities for researching industry information:
   - Conferences
   - Authorised suppliers
   - Professional bodies and industry associations

3. Why is it important to regularly research products and services?

1B Use documentation to understand and compare the organisation's products and services

The products or services offered by an organisation, including the associated costs, delivery options and marketing, determine its success or failure. For example, an organisation with excellent customer service and fast distribution cannot succeed if there is no demand for the products it sells.

If you are going to assess your organisation's performance, you need detailed knowledge of its products and services and you need to compare them with competitors and market trends. You should access accurate documentation on products and services to broaden and deepen your knowledge. The more you know, the better you can provide accurate information to others.

Know your products and services

It is important to fully understand the characteristics of the products and services your organisation offers. The characteristics of product and services are outlined here:

- Type and range of products and services
- Cost
- Payment options
- Availability
- Packaging and delivery options
- Replacement and refund policies
- Promotional material
- After sales support

Type and range of products and services

Some organisations sell a wide range of products. For example, a music store may stock CDs, DVDs, MP3 players, headphones and sound systems. Other organisations concentrate on one type of product, such as shoes, but stock a wide range. Some organisations offer products and services. For example, a sports store may stock products such as clothes, shoes, equipment and training videos and offer services such as equipment hire and personal training.

When selling a product, you need to know exactly what the product does and what it comes with, such as attachments or consumables. You may also need to know about warranty, servicing and other provisions that are included in the price.

When selling a service, you need to know exactly what the service includes and what customers have to pay for. For example, the price of a night's accommodation at a hotel may include valet parking and internet access, but entry to the hotel gym and spa area attracts an additional charge. You also need to know the conditions of the service, such as check-in and check-out times.

Features and benefits

Features are the characteristics that define a product or service. Benefits are the advantages the product or service offers the customer. For example, an air bag is a feature in a car; the benefit is that air bags are proven to reduce passenger injuries in the event of an accident.

Sometimes, less is more – customers don't want to pay for features that they won't use. For example, companies such as Nokia continue to have strong sales of non-smart phones because there are customers who want a simple mobile phone that makes and receives calls without the cost or complication of a camera, internet access or GPS.

Features are usually easy to detect and describe; benefits are trickier because you can't immediately see them. The features and benefits of products or services generally set them apart from the competitors' products and services. You can use sales figures, marketing data or you can research new trends to identify the features and benefits that customers want.

Here are some examples of possible features and benefits to consider.

Features:	**Benefits:**

- Capabilities
- Performance
- Size
- Colour
- Attachments
- Options
- Support that comes with the product, such as free training
- Cost

- Convenience
- Financial savings
- Security
- Safety
- Peace of mind
- Current technology
- Desirable image

Cost

The cost of a product is essential to its marketability. An organisation may offer a range of products or services at various price points. Employees in an organisation need to be familiar with the pricing structure as well as pricing policies and procedures. For example, you need to know if there has been a recent price increase. Some organisations list the prices on an order form or in a catalogue.

The following information is important when comparing an organisation's costs with its competitors' costs. Cost may explain why a product or service is selling or not selling. Research can help determine whether cost is a major factor.

Important information relating to the cost of a product or service
• The price for a single item
• The price for a bulk purchase
• Discounts and special offers such as early bird prices or a discount for groups of 10 or more
• How the payment for services is calculated such as hourly rates or a set fee
• Additional costs for handling and delivery
• Costs involved in returning a product or cancelling a service
• How the price has been calculated, including discounts or special offers, and goods and services tax (GST) if applicable
• The total amount that the customer is to pay

Discounts, special offers and loyalty programs

To attract consumers, organisations offer special deals to promote a product or service. As an employee, you need to be aware of the organisation's current offers, promotions and discounts. Sometimes offers are made when a customer buys a product. For example, buy one pair of shoes and pay half price for a second pair.

Some organisations have customer loyalty programs, such as frequent flyer points and membership discounts.

It is a good idea to keep information about special offers close at hand so you can remember them and promote them to clients.

Here are examples of what discounts, special offers and other options may entail.

Discounts

You need to be familiar with how your organisation promotes its discounts. For example, they may advertise on TV, in trade journals, local newspapers or on social media.

Organisations may provide a variety of discounts including:

- seasonal discounting such as taking 10 per cent off winter stock in July
- reductions on specific items such as taking 20 per cent off a superseded model
- discounts for booking early
- discounts for customers in the organisation's loyalty or membership program
- discounts through a contracted supplier arrangement
- discounts for groups.

Special offers

An organisation may offer a special deal to promote a product or service such as:

- buy one, get one free
- join now and get one month of membership free
- one month's free trial to new customers
- attachments at no extra cost
- free installation
- complementary products or services.

To gain an advantage over competitors, organisations may offer add-ons or value-added products or services at no extra cost to the customer, such as a help desk service with a computer purchase, free lessons with a sewing machine purchase or a starter kit of consumables.

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Loyalty programs and memberships
An organisation may set up a customer loyalty program or membership option to encourage repeat business or create a sense of belonging. For example, a store loyalty program could offer customers a voucher every December to the value of 10% of their purchases during the year. Membership of a non-profit organisation such as a zoo or art gallery could entitle patrons to free entry and a monthly newsletter reporting on the work the organisation is doing with member contributions.

Payment options

A range of payment options is essential as clients have different payment preferences. Common methods of payment are cash, cheque, postal order, credit card, EFTPOS, bank deposit, electronic funds transfer and direct debit.

The payment options will be affected by how the transaction is carried out (telephone order, invoice, in-store purchase).

The payment could be one off, such as paying cash for a meal in a restaurant, or continuing, such as setting up a monthly direct debit to pay for car insurance.

Organisations may offer payment plans that allow customers to pay by instalment, as well as lay-by, leasing, hiring or 'rent to own' arrangements.

You must adhere to organisational guidelines, policies and procedures with regard to payment options. It is important to inform clients and customers fully when they are entering into a financial transaction. Ask your supervisor or manager if you are unsure.

You and your customer need to be clear on:

- the amount to be paid
- when payment is due
- what the payment covers; for example, delivery, installation
- when the service commences and what the billing period is
- the method/s of payment accepted, and whether any of these attract a surcharge or affect processing times
- interest, late fees, discounts for prompt payment, etc.
- the terms and conditions of the transaction.

Payment and handling methods

Organisations use different payment and handling methods to suit their operations and their customers. Some industries or sectors favour certain payment and handling methods for historical reasons, as that is the way things were done in the past, and their financial systems are set up in a certain way.

Generally, payment can be carried out by directly purchasing the product or service and paying immediately using one of the payment methods just discussed. Another option, which is common in business-to-business (B2B) transactions, is for the customer to open an account with the company supplying the goods or services. The customer places orders, and the supplier sends the goods or provides the service with an invoice. The customer has a certain time to pay the amount due, often seven days or by the end of the month.

'Cash on delivery' (COD) is another option, when the customer pays the invoice on the spot in order to take delivery of the goods. (Nowadays, payment methods equivalent to cash can also be used.)

Online payments

More and more organisations are offering customers the option of paying for goods and services online. Customers may have an account with a password to log on to the website, allowing them to view and edit their account information; or they may choose to make the transaction as a guest, with their information retained only to fulfil their order.

Online transactions can be made using a credit card, but there are other options, such as using a third-party service such as BPAY or PayPal.

Online payment is convenient but it does carry issues of security and confidentiality.

It is extremely important to be aware of legal and ethical requirements when dealing with customers' private information. You need to abide by your organisation's policies, procedures and code of conduct.

Read your organisational guidelines to ensure you fully comply with legal and ethical requirements and understand the payment options available, so you can explain them thoroughly to customers.

Information on the organisation's payment terms is usually made available on its website and by request in hard copy.

Customers need to be assured that:

- the organisation has its own or a third-party secure server
- the information provided will be used only to process the order (unless specified otherwise)
- a receipt will be emailed to confirm payment.

Availability

Knowing the availability of an organisation's products and services is necessary to provide good customer service. Availability – and the way you deal with it – will affect whether something sells.

In terms of products, good stock management is the key. Some products may be held in stock, while others may have a waiting time of days or even months. For example, parts may have to be ordered from overseas or a product made to customer specifications. Sometimes a single item is available immediately but a bulk order will take longer. A product may only be available in certain areas or at certain branches.

The availability of services is dictated by staffing and facilities. For example, a customer wants to organise a quote but all your sales people are booked up for the next fortnight; or a course is full and the next intake is not for three months. Scheduling is also important. For example, if an organisation does not offer services outside business hours, it could be losing customers.

You need to have information on why a product or service is not available. Customers are often willing to wait if they think your product or service is superior to your competitors', or if they feel loyalty to your organisation due to good customer service experiences.

Ways of dealing with availability problems include:

- suggesting an alternative product or service that is available straight away
- offering a way to get the product sooner, such as a rush order with a surcharge or courier delivery instead of regular post
- putting the customer on a waiting list and phoning if there is a cancellation
- offering compensation for an unexpected delay, such as free shipping
- rethinking the way the organisation manages its stock or offers its services in the long term.

Packaging and delivery options

Packaging and delivery should be treated as a key element of the sales procedure. Packaging may be an important part of the overall presentation of a product. For example, an organisation may use a distinctive branded box, extra padding to keep the product safe, or environmentally friendly materials. These features may help to sell your product to customers.

Delivery methods vary in speed, security level and, of course, cost. You need to inform the customer of the options available, including tracking, signature requirements and insurance. Find out how urgent orders are processed in your organisation and what additional costs are involved.

Deliveries should be clearly addressed and labelled (for example, if a package is fragile or contains dangerous goods). An invoice, receipt or packing slip should be included.

In terms of services, scheduling is important. Delivery of a service may require the customer to be present. For example, they will need to be at home if curtains are to be fitted. If the service involves training courses or demonstrations, the client needs to know the time, location and duration.

Staff members providing services should be well presented and punctual. They should issue the customer with a receipt, certificate or other appropriate documentation once the service is complete.

Refer to your organisational guidelines to ensure you are aware of your responsibilities with regard to packaging and delivery.

Replacement and refund policy

Most organisations have policies and procedures for handling replacements, refunds and giving credit. These policies and procedures must be in line with Australian Consumer Law.

To provide good customer service, you need to know your organisation's policies and procedures for dealing with returns, refunds, credit notes, wrong deliveries, change of mind and cancellations.

Generally speaking, if a mistake is made by the organisation, then the organisation bears the cost of fixing it. For example, if a customer is sent the wrong item, the organisation will pay for that item to be returned and replace it as soon as possible with the item the customer ordered.

Refund conditions should be clearly explained to the customer prior to purchasing or booking. This could be done verbally, on a sign at the point of purchase or on a registration form.

The following information on statutory rights is a summary only. For more details, visit your state or territory consumer affairs department website.

Statutory rights	Organisational policies
• These are the basic rights set out in Australian Consumer Law. They apply to every consumer transaction, and must be upheld by all organisations.	• The offers, guarantees or warranties offered by your organisation are part of your customer service. These are made in addition to, and do not affect, your customers' statutory rights.
• Consumers are entitled to a refund, repair or replacement on products that are faulty, not fit for purpose or not as advertised.	• The terms and conditions imposed by your organisation are set out in your replacement and refund policy, terms of service and other documentation.
• Customers are entitled to a refund, re-do or other compensatory measures if services are not carried out carefully, in a reasonable time or as requested, or if the service causes damage.	• It is illegal for an organisation to state any terms or conditions that contravene customers' statutory rights.

Promotional material

An organisation may have promotional material that you need to know about. For example, a cosmetic company's promotion may include an offer for a complimentary lipstick with every perfume purchased in May. Knowing where information is stored will keep you up to date on promotions and help you respond to customer inquiries quickly, which is providing good customer service.

An organisation's promotional material may include:

- catalogues
- price lists
- brochures
- videos
- samples and demonstration models
- newspaper, television and radio advertisements
- web pages (in house) and social media posts
- online advertisements (on external websites).

Source product and service information

To maintain knowledge of your organisation's products and services and make comparisons with other products and services, you may need to obtain data from various sources and documentation, including the following.

Sales figures	To understand how products and services are performing, you could examine the sales data for each month, including sales figures and the breakdown of where and how sales are made. Depending on the type of business activity carried out, the data may show the: • top-selling product or service • least-sold product or service • state that has purchased the most products • product or service that is improving in sales • product or service that is declining in sales.
Marketing data	You may need to access your organisation's marketing strategy in order to check how the marketing campaigns have affected sales. This helps to determine whether marketing or promotional strategies are successful. For example, an organisation may target a particular state with an advertising campaign and then check the sales figures to see if sales increased in that state. The correlation between the improved sales figures and the marketing strategy is an important indicator for the organisation. Marketing information may also include data about the organisation's market share. Some organisations record their market share and use sales figures and other data to continually graph their position.
Colleagues	Colleagues can provide important and current information. The organisation's salespeople, who are in regular contact with customers, can supply sales figures, anecdotal information from customers and suppliers, and make suggestions on how a product may be improved, updated or modified. Salespeople are in a good position to understand how the product or service is being received in the market.
Organisation reports	An organisation's business plan and operational guidelines indicate the direction in which the organisation is headed. These documents can be compared with industry trends, sales figures, customer comments and the economic climate. You could then provide feedback to the appropriate people if a change of direction is needed.

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Customer feedback	Survey and questionnaire results, online reviews, information gathered from telephone conversations, conferences, trade fairs and industry meetings, all types of formal and informal feedback, can help to provide a picture of what the customer thinks about your products or services.
	List your organisation's products and services and match them against your competitors', comparing type, cost or payment terms. Ask yourself:
	• Are your products cheaper?
	• Does your organisation have less variety?
	• Do the competitors offer more add-ons such as free installation or gifts?
	• Does your organisation have equally attractive special offers?
	An organisation can use this type of analysis to:
	• promote the benefits of its products and services
	• position itself in a particular area of the marketplace
	• improve its offerings.

Practice task 2

Study this flyer, then answer the questions that follow.

Tents R Us

Now is the winter of our discount tents!

SALE

July only

30–50% off all tents and sleeping bags

30% off all jackets (excluding GORE-TEX®)

20% off GORE-TEX® jackets

Buy now for next summer's camping capers!

Apply for a store card to receive an additional 5% off all purchases, including sale items.

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1. Why offer people an extra 5% discount for signing up for a store card, instead of just adding that 5% to the main offers?

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2. As an employee, how would you find out about your organisation's discounts and special offers?

3. Explain how comparing your organisation's discounts, special offers and options with your competitors' may help you make suggestions to management for improving the organisation's products and services.

4. What sources will help you maintain knowledge of your organisation's products and services and make comparisons with your competitors?

1C Document and maintain products and services information according to organisational requirements

You must carefully document any information you collect about products and services according to your organisation's requirements. This ensures the appropriate people can easily access the information.

Your organisation will have guidelines, policies and procedures for compiling this information. For example, you may need to prepare a weekly or monthly report for a specific person such as the person responsible for a particular product. You may also be required to present this information at a staff meeting.

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Know how to document and maintain information

There are many important aspects to consider when documenting information and then with on-going maintenance of this information. These aspects are described below.

Timeliness

Imagine if you spent a lot of time collecting information and preparing a report, and then discovered that your manager needed the material for a meeting that was held last week.

Make sure you know the deadline for any information you are asked to prepare. If you are preparing something on your own initiative, make sure it will be useful before you invest a lot of time or effort.

Knowing where information is stored and locating it quickly is essential for preparing documents on time.

Confidentiality

Some of the information you collect may be confidential. For example, access to company sales figures may be limited to senior managers. Be aware of what information is confidential and how you should handle it. Your organisation's policies and procedures should reflect all legislative requirements. Always follow your organisation's policies and procedures regarding privacy and security.

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Presentation

Use organisational templates and formats for presenting information. Follow guidelines and conventions for setting out documents and data. For example, if your organisation is a multi-national, staff may be asked to use US English settings in reports.

Appropriateness

Avoid gathering information or making a recommendation about a product or service that is irrelevant or contrary to your organisation's policies, goals, objectives, plans, systems or processes.

Useful areas to focus on are:

- competitive features of products or services
- product and service trends
- distribution process
- feedback
- sales records
- production costs.

Distribution difficulties, poor quality products, unstable economic conditions and adverse government policies can all affect customer satisfaction. This information is important to collect as it may inform the development of future products and services.

Filing and storage

Make sure you follow the correct filing and storage procedures and have a clear understanding of how to document information.

1. Find out the policies and procedures in your organisation.
2. Consider the following questions:
   - What is the information you are collecting?
   - What is the document's aim?
   - Who will receive the document?
   - What is your time limit?
3. Choose which sources you are going to use to find information.
4. Compile your document in the format required by your organisation.
5. Maintain and store the information so it is accessible:
   - Do you need to file the report electronically, on paper, or both?
   - Should the file path be listed on the document?

Practice task 3

1. Why is it important to understand an organisation's policies and procedures before preparing the information you have gathered?

2. Explain why you need to pay attention to the following aspects when documenting information.

   • Timeliness

   • Confidentiality

   • Organisational requirements

1D Use your knowledge to improve quality

You should use the knowledge you have gained through research and experience to improve the quality of your work and the organisation's products and services.

Your role and responsibilities will affect how you do this.

For example, if you work in stock handling and distribution, you need to be aware of aspects such as discounts, packaging, delivery details and costs. If you are an assistant in a financial team, you need to understand payment processes, sales statistics and the refund policy.

Improve your performance by knowing about products and services

The following information shows how you can improve in different work roles by knowing the organisation's products and services.

Receptionist
• Use your new skills and knowledge to help customers when they call to inquire about a product or service. Tell them about add-ons, special offers or after-sales support that is relevant to their needs. • Keep product information at hand so you can provide information immediately. For example, keep a product catalogue by your telephone, or have a 'frequently asked questions' document complete with answers at your workstation. Make sure you regularly update all information. • When callers or visitors have a more complex query, complaint or inquiry, use your knowledge to make sure they speak to the right person in your organisation straight away.

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Administrative assistant

- File information gathered from a range of sources so all staff members know where to find it. Information may include newsletters, conference material, industry publications, consumer reports, research data and website details.

- Keep your filing up to date and make sure all staff are familiar with the material on file. Some organisations circulate incoming material to staff members on a regular basis. If your organisation does not already have a process in place, introduce a circulation system to ensure appropriate staff receive the material.

- Maintain a database of product and service information to supply colleagues with appropriate information when requested. Update it regularly.

- Be familiar with the type of information that comes into your organisation, so you can supply information as requested.

Practice task 4

Read the case study, then answer the questions that follow.

Case study

Sarah works in customer service in a company that wholesales electrical appliances. The company holds a wide range of products and she finds it difficult to remember the features of every brand and model. Retailers often call to ask her questions about particular brands and whether new products or updated models are due to be released.

Sarah needs more information to answer questions quickly and better ways to gather that information. She consults the product manager, who gives her a spreadsheet with a summary of all products' features and benefits. Sarah reads the document and places it near her phone.

Sarah continues to extend her product knowledge by reading the organisation's website and catalogues. She also monitors the most popular brands' websites and social media feeds for new product releases.

1. How did Sarah try to improve her work performance?

2. What are the consequences of not having product information at hand?

3. How can you use the information you research to help improve your work performance?

Summary

1. You need to be aware of your role and responsibilities in understanding your organisation's products and services.

2. You need to understand your organisation, and the industry it operates in, in order to perform successfully.

3. Knowing and comparing competitors' products and services gives organisations a competitive edge.

4. Keeping up with emerging and associated products and services is essential for business success.

5. You should document information in a suitable format and make sure other staff can access it.

6. Use your organisational knowledge to find solutions to everyday problems to improve your work performance.
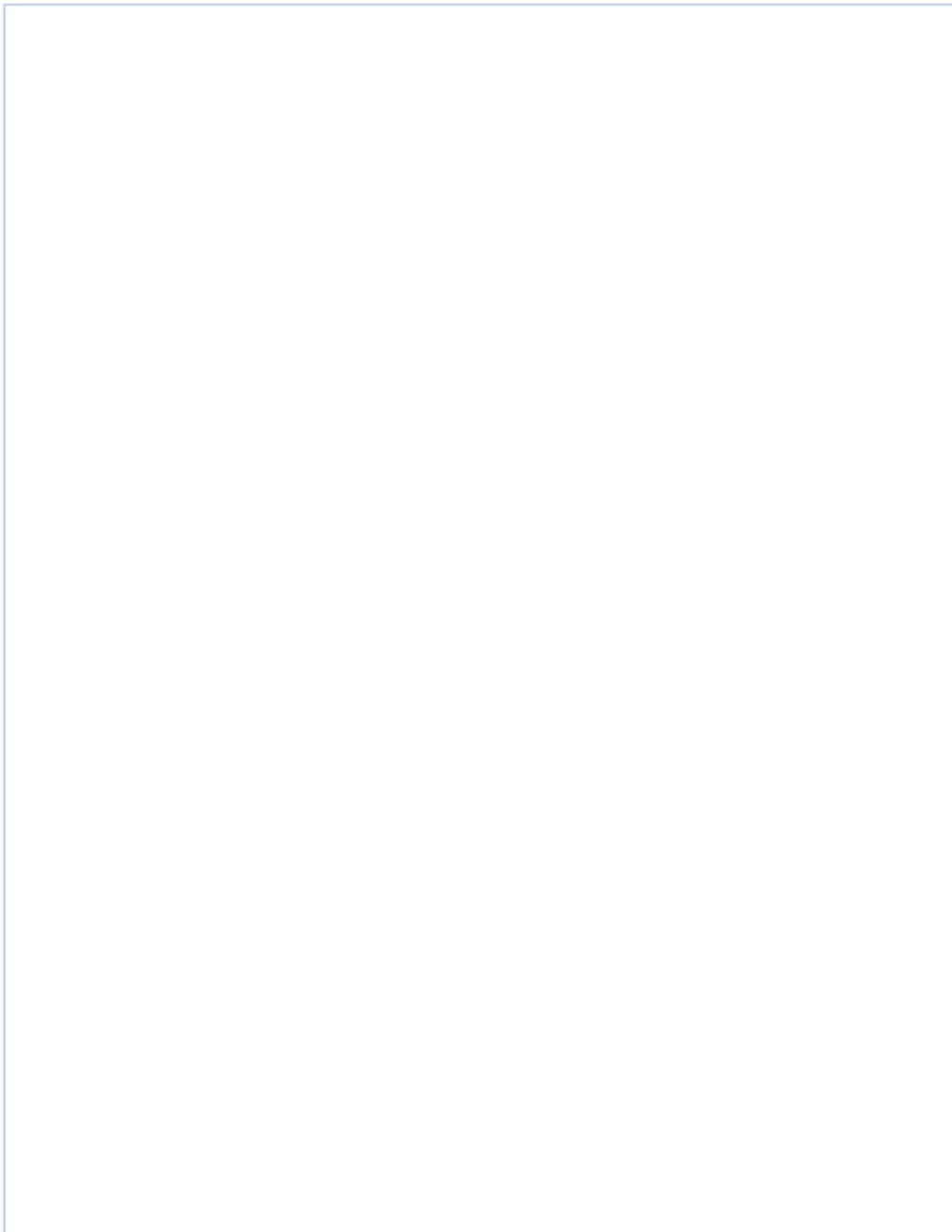
Learning checkpoint 1
Develop and maintain knowledge of products and services

This learning checkpoint allows you to review your skills and knowledge in developing and maintaining knowledge of products and services.

Part A

1. Describe how you could use the knowledge you have gained from this topic to improve your work performance.

2. Use your own workplace or choose an organisation you are interested in, to answer the following questions.

   a) Describe a range of sources that you could use to research an organisation's competitors.

   b) Who are the organisation's major competitors?

   c) What competing products or services do they sell?

d) Describe the trends in the industry.

e) List the sources of information about industry trends and market forces.

f) Give examples of trends and market forces specific to the organisation you work in or have chosen.

3. Explain how you would document the information you collect about an organisation's products and services.

4. How can you ensure the documentation complies with the organisation's requirements?

5. Use information collected in your workplace, or one you can research, to complete this task.

   a) Collect workplace policies and procedures relating to:

   - privacy

   - discrimination in the workplace

   - work health and safety (WHS).

   Briefly outline how each guides the way you work and interact with colleagues and customers.

b) Explain why it is important that you comply with legislative requirements when recommending products and services.

Part B

Read the case study, then answer the questions that follow.

Case study

Simon works in customer service for a business that sells paint. He is responsible for making sure that customers buy the paint that suits their job best. He spends a lot of time answering customers' inquiries on the telephone and he finds it difficult to remember the many types and brands of paints. Simon must also be aware of complementary and emerging products.

Simon asks his colleagues for help and also uses the marketing data and manuals supplied by each paint brand. However, he realises that the information he needs is in too many places and formats. He is spending too much time searching through marketing brochures and instruction manuals before he can advise customers.

Simon decides to develop a resource that lists all brands and ranges of paint. He wants to include categories such as finish (low sheen, gloss), application (indoor, outdoor), paint type (acrylic, water based), product features and benefits (quick drying, low fume), complementary products (primer, applicators) and emerging products. With the approval of his manager, Simon takes some time to collect the information he needs from a range of sources and collate it in a spreadsheet. The spreadsheet allows the user to see the attributes of each paint range at a glance. It also makes it easy to compare ranges.

Simon distributes a copy to all his colleagues who answer customer inquiries.

1. What was Simon's problem?

2. What was his solution to the problem?

3. What did he need before he could develop the new document?

4. How could Simon's work colleagues benefit from the document?

5. How would the new product document benefit customers?

6. How did Simon improve the quality of his work performance?

Part C

Read the case study, then answer the questions that follow.

Case study

Uma works for a company that sells and fits carpet. She answers customers' questions in the showroom and on the telephone. The industry is very competitive and every month there are new offers advertised by all the carpet companies that operate in the area. The promotions and advertising officer at Uma's company comes up with special offers and designs advertisements to promote them in local newspapers, on billboards and on the company website.

One day a customer calls and asks for the price per metre of Berber carpet, including fitting. Uma tells the customer the price. The customer then asks whether this includes the 20 per cent discount he has seen advertised in The Weekly News. Uma is unaware of the discount and can't answer immediately. She asks the customer to hold while she checks with her manager, but he says he is in a hurry and hangs up before she can give him any further details.

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1. If you are handling customer inquiries, what are the consequences of not being aware of special offers?

2. How could Uma have found out about the special offer?

3. What do you think is the best way of remembering promotions and special offers?

4. How do you think that knowing where to find information can improve the quality of your work performance?

Topic 2
Recommend products and services

To remain competitive, organisations need to continually improve their products or services. With a classic product or service, it may be the payment options, delivery methods or promotional activities that need to be updated.

As an employee, you can contribute to this process. But first you need to understand the industry, the organisation's place in the industry, the products and services it offers, the market trends and your customers' needs.

In this topic you will learn how to:

2A Ensure recommendations are in line with organisational requirements

2B Give recommendations that emphasise client needs

2C Verify and present evidence in support of recommendations

2D Structure recommendations to identify benefits

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2A Ensure recommendations are in line with organisational requirements

It may be your responsibility to scrutinise product development, service provision, sales performance and distribution processes to identify areas for improvement. You will need to carry out research in these areas and analyse the information you receive.

To achieve this, you may need to:

- examine and understand the organisation's overall goals and objectives
- research, analyse and identify sales trends
- research competition and industry trends
- align the organisation's goals with the trends you have identified.

Recommend improvements

After you have collected all the necessary information, you may be expected to make recommendations to management on how to improve the organisation's products and services. Management may expect you to provide the reasons for your recommendations along with the evidence you have gathered to back up your recommendations. This needs to be done according to your organisation's requirements; for example, recommendations may need to be made in a report, or provided in a meeting with management. Ensure you understand your organisation's policies and procedures for doing so.

When preparing recommendations for management, remember to:

- document information from marketing data, customer feedback and surveys, sales reports, industry reports and other authoritative sources
- ensure that your recommendations are evidence based and in line with your organisation's requirements.

Know your organisation

Make sure you are familiar with your organisation's strategic objectives and the goals your team has set. These will show whether your recommendation is consistent with the organisation's vision and its short- and long-term needs.

Take the time to understand the organisation's culture, promotional strategies and branding. For example, if your organisation sells food and promotes itself as health conscious, a recommendation to sell a product high in fat or sugar would not be in line with the organisation's vision. You should also consider the organisation's budget. Management is unlikely to approve a recommendation that is too costly in relation to the budget. The recommendations you make must be in line with an organisation's requirements.

You must have a clear understanding of how to comply with your organisation's requirements with regard to recommending products and services. You must also know how to present your recommendations in the most appropriate format. For example, you may decide to present your evidence using a graph that shows new trends in music sales or you may use customer survey reports to show your customers' preferences for new services. Then you may prepare a written report to outline your recommendations.

The most important thing to remember is that all information you develop to present to management must be in accordance with organisational requirements.

Practice task 5

Read the case study, then answer the questions that follow.

Case study

A small clothing company sells various men's and women's fashion online. The company distinguishes itself in the market by providing clothing to their customers at very competitive prices. This is achieved by keeping production costs and delivery charges low.

Lately, some customers have been complaining that their purchases are arriving late, or not at all. Judy decides to make a recommendation to management. She believes the company should use local couriers to deliver the orders. They have guaranteed same-day delivery. However, using the local couriers will increase the overall price of the goods by 15 per cent.

1. Is Judy's recommendation in line with organisation's marketing philosophy?

2. Has Judy looked at all the possible options before making her recommendation to management?

3. Do you think management will take on Judy's recommendation? Why or why not?

2B | Give recommendations that emphasise client needs

You need to collect accurate and up-to-date information about your customers before you can make recommendations about their needs. You should look at the needs of individual customers and then identify customer groups with similar needs or patterns of buying.
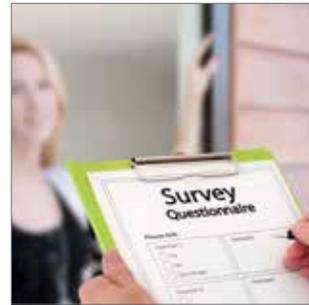
Make recommendations based on customer needs

To make recommendations based on customer needs, you must understand the demographics of your existing customer base and/or your target customers. Demographics are social statistics used to describe common characteristics of particular groups such as potential customers or an existing customer base. Typical demographic data relates to age, gender, location and income.

For an organisation to target its customers' needs successfully, it must examine the nature of its existing customer base or potential customers in this way. The characteristics of an organisation's customers must be clearly identified.

Important questions to ask about your customers or potential customers include:

- Who are they?
- Where do they live?
- What are their specific needs?

Analyse sales data and market share

Before you can make a recommendation to management, you need to know how to interpret your organisation's sales figures and market share information as shown here.

Sales figures	Market share information
Sales figures show how well the organisation's products or services are selling. They could show the number of units sold and at what prices. They could also show the sales in various categories, and at various locations.	Market share is the organisation's individual sales as a proportion of the total market sales. This information identifies the portion of the market your organisation holds in relation to its competitors. For example, in a market with annual sales of $1 million, if your organisation had sales of $100,000, you would have a 10 per cent market share.

Example: Analyse market share

In this example, management at Builders' Bonanza can see from this pie chart what percentage of the market they currently hold and compare this with their major competitors.
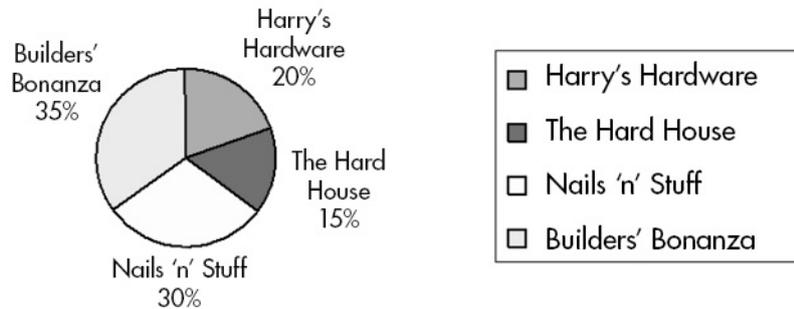
Use sales figures and market-share statistics as evidence

You can use sales and market-share figures as evidence when making recommendations. For example, if sales figures show a particular brand of clothing is selling well, a recommendation may be to increase the order for that brand. If an organisation's market share is small, a recommendation may be to increase promotions to attract new customers. Ask the sales and/or marketing departments for the sales and market-share figures you need.

Remember you can always ask your manager to help you find the information you need.

Gather evidence

You need to consider the type of evidence to collect before you make your recommendations to management.

Before making a recommendation, you should:

- research your competitors and market share
- analyse sales figures
- analyse customer feedback via questionnaires and surveys.

Look at the issues

Before making recommendations to management about ways to improve products and services, you need to familiarise yourself with the issues that are currently affecting customer satisfaction and address these issues in your recommendations. These issues are outlined here.

Product issues	Recommendations about products and services should contribute to an organisation's profitability and success. Recommendations on product and service issues may help to:
	• develop a new product or offer a new service based on customers' requests
	• develop a niche market
	• expand promotional activities; for example, by developing a website
	• expand offerings; for example, by offering online ordering
	• target marketing campaigns to specific areas such as a particular state, customer demographic or industry
	• target specific groups to identify current and future needs.
	Recommendations must clearly indicate the benefit to the organisation and the customers. For example, a new service must meet customer needs, increase sales, position the company in a more favourable trading position, capture a new market or increase current market share. A diagram is a good way of summarising recommendations.
Problem/ fault issues	You may be required to make recommendations to solve production and service problems and faults. Find out exactly what problems an organisation is experiencing.
	Recommendations that address production and service problems and faults should lead to better customer service and increased profits. After collecting evidence you may recommend:
	• reducing or removing certain products from your range
	• upgrading the technology in the organisation
	• adding extra service staff
	• re-negotiating delivery contracts
	• accessing an improved product from suppliers
	• developing a new product
	• providing a new service
	• mapping a new direction
	• negotiating with other companies for a possible alliance.

Distribution issues	How effectively an organisation distributes its products affects its success. The quality of the delivery and courier services an organisation uses and how they impact on the cost of products are issues that may need to be addressed. For example: • Change product and service attributes to provide more value to the customer. • Align pricing with competitors where possible, while noting that a decrease in price may not increase sales revenue if competitors are willing to match the price cut. • Increase the number of places where a product or service is available. • Intensify distribution in existing places.

Practice task 6

1. What are three questions an organisation should ask when identifying customer needs and characteristics?

2. List three types of evidence to collect before you make recommendations to management.

3. What is the difference between sales figures and market share information?

2C | Verify and present evidence in support of recommendations

In order to make appropriate decisions and recommendations, you must be able to provide management with supporting evidence. This simply means showing them the reasons for your recommendation. You need to ensure your recommendations are practical, feasible and based on objective facts, rather than your subjective feelings about product and service issues. If you clearly convey your ideas to management and provide evidence that supports your recommendation, your recommendation is likely to be successful.

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Verifiable evidence

Evidence is data or information that is used to support a finding or recommendation. If a piece of evidence is verifiable, that means it can be checked to ascertain its reliability. For example, you may state that sales in your industry totalled $5 million in 2014, with your sources being the Australian Bureau of Statistics and a report from the industry association.

Anecdotal evidence is when people tell you about incidents, or things they have heard. For example, 'My plumber told me that Harry's Hardware is in trouble'. It is a weak type of evidence, as it is often based on rumour and atypical experiences. Because it is not verifiable, it should not be used to support recommendations. However, anecdotal evidence could give you a promising lead to investigate. For example, 'Last week three customers mentioned to me that they were thinking of switching operating systems'.

Types of evidence you can analyse to support your recommendations for products and services include:

- sales figures and market-share data
- customer feedback
- projections showing future trends.

Support of recommendations

Recommendations should be accompanied by comments from customer surveys, sales figures, returns or complaint records, sales projections, analysis of competitors' products and services, and other relevant evidence or examples.

If you made a recommendation for the development of a new product or service, you should provide the following supporting evidence:

- Results from customer surveys
- Sales figures and trends
- Product trends
- Market share
- Evidence of local and international directions
- Analysis of comparable products or services from competitors

Use evidence to make recommendations

Different types of evidence can be used to make recommendations for different types of issues as shown here.

Faulty products	**Services not meeting customers' needs**
Evidence to support can be found by: - analysing customer feedback - reading internal data about workplace difficulties such as production downtime statistics - communicating with colleagues. Recommendation may be to: - retrain staff on the production line - incorporate random testing into the process.	Evidence can be found by: - analysing customer feedback - reviewing sales figures - analysing market share - researching competitor products. Recommendation may be to: - provide add-on services - develop new services based on customers' feedback.

| **Sales slump**	**Workplace injury**
Evidence can be found by: - analysing economic conditions - reviewing government policies Recommendation may be to: - cut back on production staff - increase use of technology in production.	Evidence can be found by: - analysing work health and safety policies and procedures and relevant legislation, regulations and codes of practice - reviewing and comparing statistics on workplace injuries to look for patterns. Recommendation may be to: - retrain on equipment use - replace existing equipment.

Practice task 7

Read the scenario, then answer the questions that follow.

Scenario

You work for an organisation that sells laptops and tablets. Changes in technology has caused a downturn in sales for some products. Your organisation needs evidence to understand the problem and find solutions.

This grap**h** shows the sales of laptops and tablets from 2010 to 2013.

Sales figures
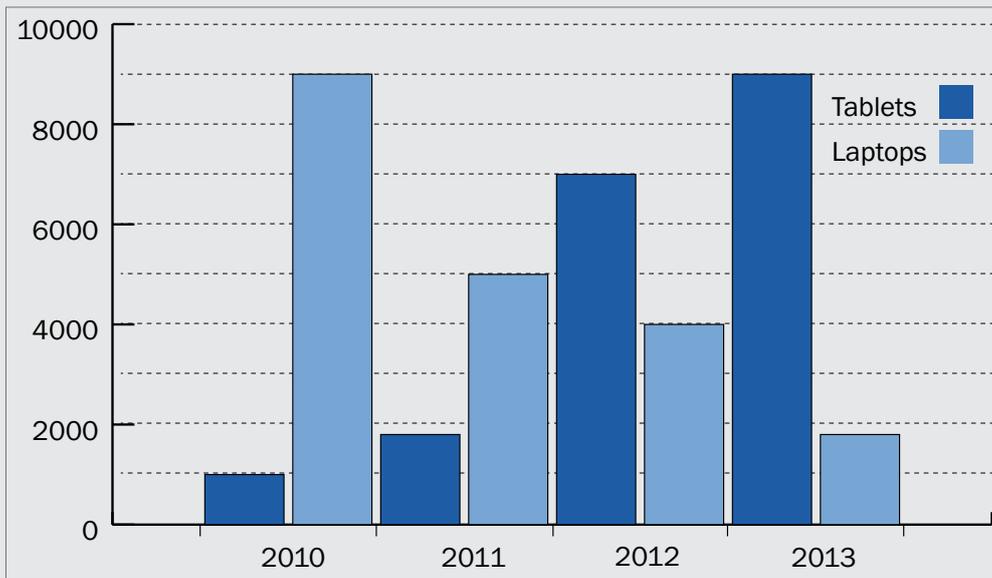
1. How has the sale of laptops and tablets altered over the period indicated in the graph?

2. How could the history of sales influence recommendations made to management?

3. Why do you think it's important to analyse evidence before making a recommendation?

2D Structure recommendations to identify benefits

Recommendations should be clearly structured to identify how any problems or issues will be overcome. Management will more willingly embrace recommendations that demonstrate, with evidence, that the outcomes will benefit the organisation. This could be by taking advantage of a future opportunity, or avoiding a future problem.

Strategies that can deal with potential problems are more successful than reactive or post-problem responses. Management may even consider a merger or an alliance with another organisation, if the benefit to the organisation was that future problems could be avoided.

To convince management that your recommendations are viable, you must identify the benefits.

To identify benefits, you can use:

- industry research and statistics
- articles from newspapers and industry journals
- figures demonstrating worldwide trends
- examples of how other organisations have overcome similar difficulties.

Example: recommendations and benefits

This example outlines a process for dealing with a distribution problem, showing how the recommendation would benefit the organisation.

Issue	Evidence	Recommendation	Benefit to organisation
Distribution problem	Evidence gathered by: - analysing customer complaints - interviewing distributors - reviewing courier services - analysing customer surveys.	Recommendations include: - improving distribution services by offering online ordering for customers - keeping a file on the services and costs of other distribution organisations - choosing other subcontractors that can provide our organisation with quality service.	Benefits to the organisation include: - a better, more efficient distribution process - contingency planning for future distribution problems - improved customer service.

Practice task 8

Read the case study, then answer the questions that follow.

Case study

Trinh works for a legal firm that uses a courier service to make urgent deliveries of documents. After receiving three complaints about deliveries in one month, Trinh's manager asks her to investigate the situation. First, she contacts the clients who had complained to find out exactly what the problem was. She then checks customer complaint records for the past year to see whether similar problems had been recorded. Trinh finds evidence that 20 deliveries were late or not received; 18 of these problems were the fault of the courier service.

Trinh contacts their account manager at the courier firm to discuss the problem and find out why their service had deteriorated. She finds that the courier service has a high turnover of staff, which leads to retraining difficulties. Trinh compiles a list of other courier companies, contacts them and obtains a summary of their services. She chooses a new courier company based on price and reliability. She then writes a report outlining her findings, her recommendation and the benefits to the organisation.

1. What research did Trinh do before she made a recommendation?

2. What do you think would be the outcome of Trinh's recommendation?

3. What could be the consequences of not making recommendations once this service difficulty had been identified?

4. How does Trinh's recommendation benefit the organisation?

Summary

1. Product and service knowledge is necessary before you can make recommendations.

2. Customer knowledge ensures recommendations are accurately targeted.

3. Recommendations need to show clear benefits to organisations and customers.

4. Collecting evidence is necessary before you can make suitable recommendations.

5. Present your information and recommendations in a suitable format, such as a written report, presentation, graphs, charts or diagrams.

6. Understanding production and service difficulties will help you make recommendations to solve problems.

Learning checkpoint 2
Recommend products and services

This learning checkpoint allows you to review your skills and knowledge in recommending products and services.
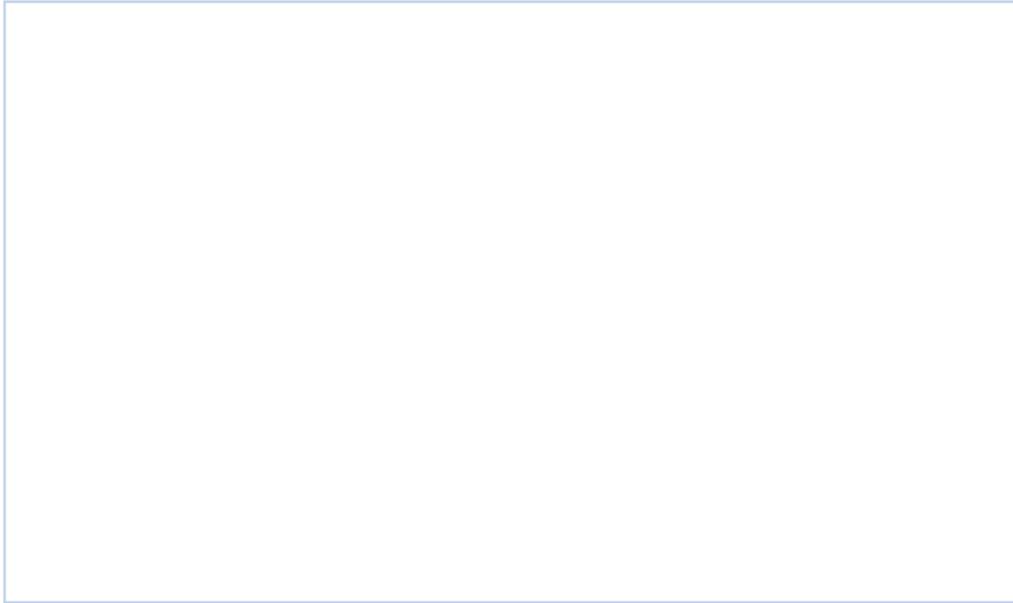
Part A

1. When making a recommendation about your organisation's products and services, what information is important to include? List at least two pieces of information you must include. Explain why these are important.

2. Research you have conducted indicates that your organisation is not keeping accurate, up-to-date customer records. The evidence you have shows there are not enough people trained to enter the information. Also the available computers are very old and most cannot handle the complex customer database.

    a) What recommendations would you make to management?

b) What evidence would you use to analyse the situation and make your recommendations?

c) How would the recommendations benefit the customers and the organisation?
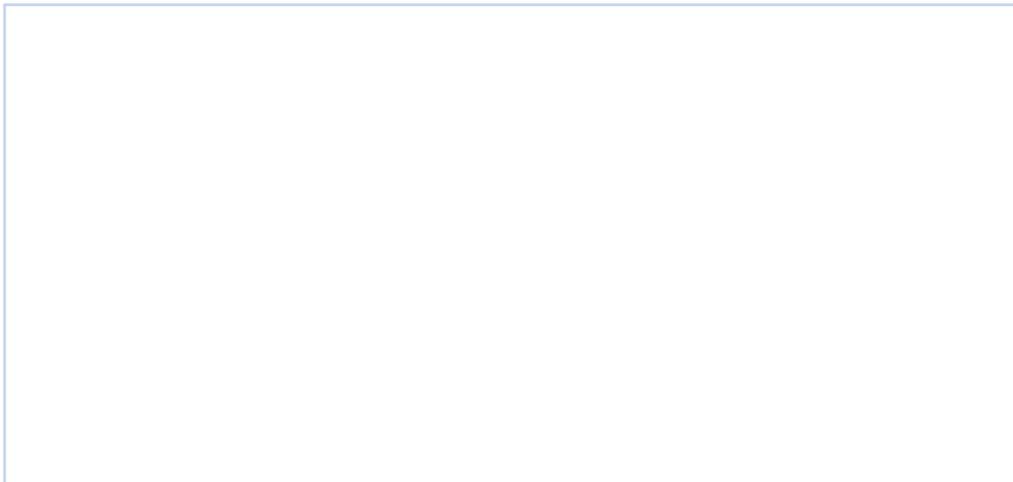
3. Describe types of evidence that you could use to support your recommendation.

4. What might happen if your recommendation was not accompanied by accurate and appropriate evidence?
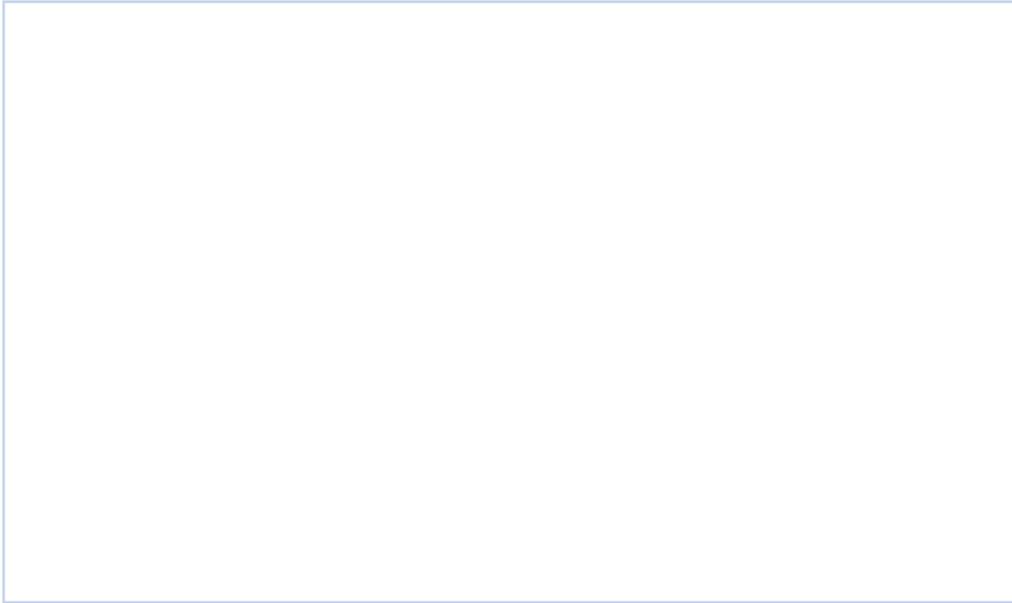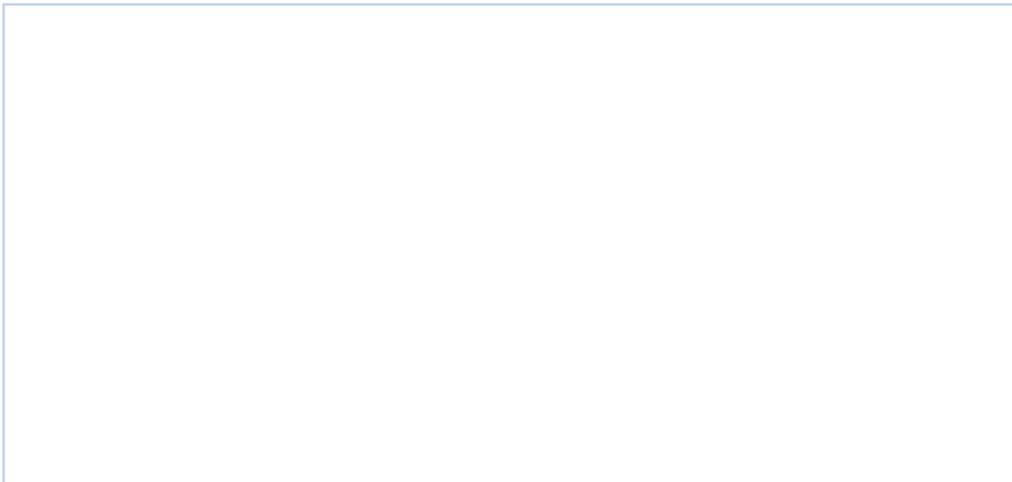
Part B

Read the case study, then answer the questions that follow.

Case study

Chi works for a company that retails sports clothes. Its market share has dropped from 25 per cent to 20 per cent in the past year. Market research shows that this is because their competitors are attracting more customers in the 18–24 age bracket. Chi is asked to make a recommendation to attract more young people to their stores. Chi compiles a customer questionnaire for young customers to find out how the company can offer them a better service. Below is a summary of the findings from his questionnaire.

Customer survey report: target age 18–24

Customer complaints:

- Don't stock the brands we want
- Range of sports shoes is too limited
- Don't stock football club jumpers
- Don't have fashionable brand-name sports clothes
- Too much of the shop is taken up by golf clothes and clubs

1. Look at the problems customers have highlighted and think of solutions. What recommendations would you make to management to get more young people in the door? Make notes to record your ideas.

2. Use your notes to write a report outlining your recommendations. Clearly show your recommendations, evidence used to back up your recommendations and benefits to customers and the organisation.
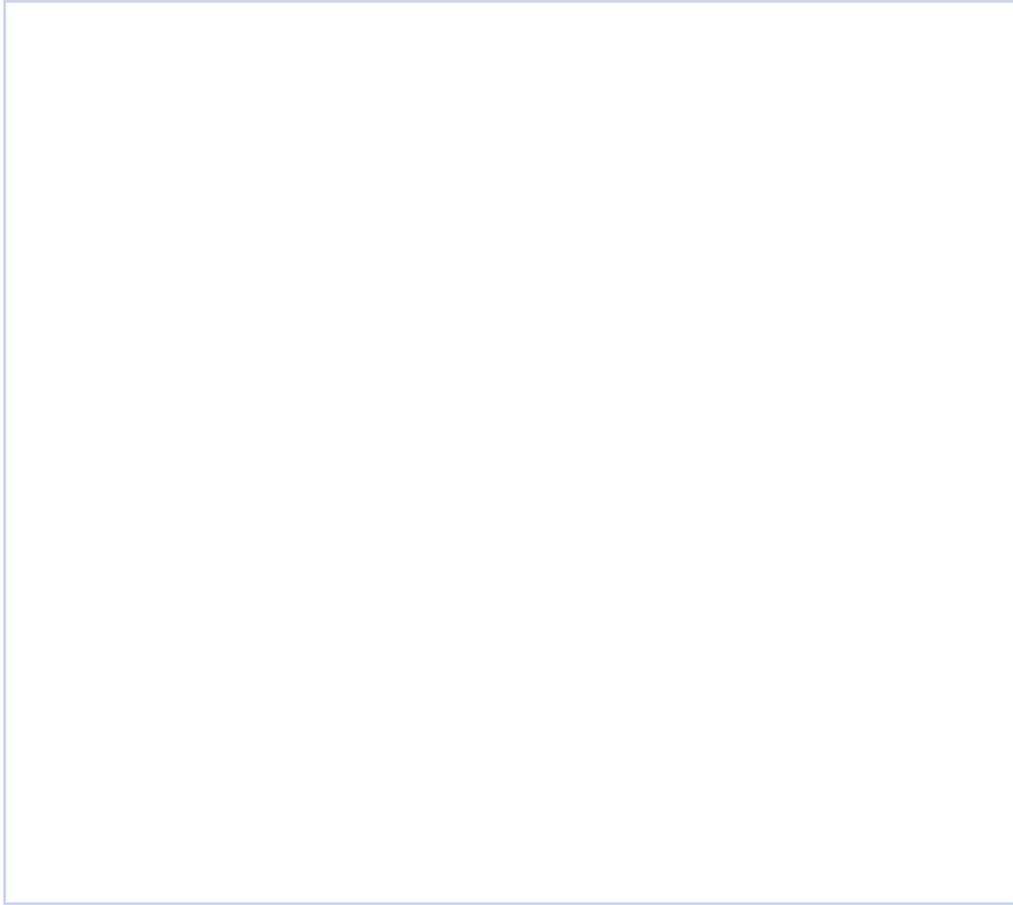
Topic 3
Advise on promotional activities

An organisation's promotional activities are designed to inform a wide range of people about its products or services. Promotional activities need to attract as many customers as possible for as little outlay as possible. To do this, an organisation should offer a variety of promotions. For example, many organisations have a website, advertise in newspapers and run television commercials. You must evaluate your customers' reactions to the organisation's promotional activities. You should also compare your promotions with your competitors' promotions and identify industry trends. Research can help you with this.

To advise on effective promotions, you need to understand the range of promotional activities, the most suitable promotional materials and your organisation's budget.

In this topic you will learn how to:

3A   Provide clear and accurate advice on promotional activities

3B   Present appropriate promotional materials

3C   Keep within budget

3D   Analyse customer feedback

3E   Evaluate promotional activities

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3A Provide clear and accurate advice on promotional activities

Promotional activities generate interest in an organisation's products or services. The information you gather from customers, colleagues and organisational data can be analysed and used as evidence before offering advice on the type of promotional activity the organisation may use.

When you make a recommendation about the type of promotional activity that could be undertaken, you need to supply sufficient evidence to support the recommendation. For example, if you suggest that the organisation host a product showcase event for existing customers, you need to demonstrate that existing customers will attend and that they are likely to place orders. Additionally, the event must be within budget and consistent with your brand image.

Choose promotional activities

Organisations can choose from a wide range of promotional activities. Promotions can take the form of direct mail, telemarketing, client functions, television or radio advertising, catalogues, exhibits, media announcements, newspaper inserts, social media campaigns, online advertisements, in-store displays, sponsorships, product endorsements and special events. Purchase incentive promotions include discounts, samples, gifts, rebates, coupons and contests.

The promotional activities available to you will depend on the size of the organisation, its marketing budget, the type of product or service it wants to promote and the target customer. The effect of the activities needs to be evaluated as soon as they are completed so the organisation can assess whether the activity was a success or not.

Media announcements

Many organisations use newspapers, television and radio to announce or advertise a new product or service. Media announcements can be effective, but they can also be very expensive.

To use the media effectively, information about the products and services must be worthwhile and timely. When preparing a promotion or advertisement, keep the information brief, clear and straightforward.

The organisation should have a process in place to record whether it receives more inquiries immediately after the media announcement. Customers who call should be asked if they saw or heard the information from the media announcement. Analysing the effect of the announcement is essential to deciding whether that kind of promotional or advertising activity will be used again.

Examples of media include:

- local, state or national newspapers
- newspaper supplements
- trade journals and magazines
- industry newsletters
- radio programs.

Client functions

Client functions are opportunities to show customers that the organisation values them and would like to offer them something. What form this takes depends on the organisation. Some may offer reductions for one evening to existing customers. Some organisations combine a lunch with a special demonstration of a product or service. Large organisations may provide tickets to networking events where managers promote what they have to offer.

You should have a debriefing session with the appropriate people after the function to see if it achieved its goals. In your debriefing session, you should determine:

- if the attendance figures were acceptable
- if the presentation was effective
- whether there was increased interest or commitment to purchase by clients.

Alternatively, you may ask the attendees to complete an evaluation form.

Product and service launches

A product or service launch provides the perfect promotional opportunity. It can range from an elaborate launch with invited dignitaries and media coverage, to a less-formal gathering. To encourage attendance, plan well in advance and provide accurate, informative material with the invitation. Sending a letter of invitation to guests with an RSVP is a good way of knowing how many guests you can expect. Sometimes organisations send samples in advance to show clients what the launch is about. At the launch, order forms should be made available to customers to encourage an immediate purchase. A discount may be offered on orders made at the launch.

The success or otherwise of a product or service launch may not be immediately apparent. For example, for some clients, the launch may have been a fact-finding mission – the company's representative who attended the launch will take the information back to their office and consult with management. On the other hand, if order forms are available with the offer of a discount for those orders placed at the launch, you may be able to identify the level of demand for the new product or service.

Mail-outs

Posting information to customers is often a cost- and time-efficient way of informing people about your organisation and its products and services. Mail-outs are a good way to target your customers as they can be sent to a specific demographic. For example, if an organisation has evidence that most of its customers live in a certain location, they can target that neighbourhood. You can contact a large number of people by sending a promotional letter, a brochure, an order form or an information flyer. Correspondence can be personalised by mail-merging names from a customer database. Organisations that are new to an area may choose mail-outs as a way to introduce themselves.

A good way to analyse the effect of a promotional mail-out is to prepare a feedback sheet identifying the aim of the mail-out, the date it was sent and the customers it was sent to. You can then add a column that indicates the number of customers who respond either by contacting the organisation or making an order.

Your customer database may allow you to analyse the effect further. You may be able to see which demographics the mail-out worked best on – over 60s, stay-at-home parents, or residents of certain suburbs, for example. This will allow you to target these demographics in future campaigns.

Website promotions

Using websites and social media (such as Twitter, Instagram, Facebook and YouTube) to promote products and services is becoming essential. Customers use the internet to research and purchase products or services. Increasingly, they also use it to communicate with businesses and express their opinions. Most websites provide opportunities for customer comment, suggestions and ideas.

If your company does not have an attractive 'online presence' you may lose sales to your competitors who do.

Think of your website as a shop display window or advertising hoarding. Refreshing or adding to content regularly is important. For example, if you are promoting a certain product or service, your website can have a page or a pop-up window dedicated to the promotion. This can be removed when the promotion is over.

A website is often the best way to promote your organisation to an international market. A company's website address should be promoted whenever possible such as on business cards, brochures or on the side of business vehicles.

Blogs and articles that relate to your products and services are a good way to draw prospective customers to your website. They also give regular customers an incentive to visit your site again, as they know they will find new information. If this strategy is to work, the articles must provide useful information, not just promote your products or services.

Websites generally include:

- company information
- price lists
- product descriptions
- services offered
- an online ordering or booking system
- blogs and articles.

Website feedback

The number of website visits can be tracked. This is a useful strategy as an organisation can identify how many people have visited their site over a specific period. Further data can be obtained by asking patrons to supply their details such as name, organisation and job position. This allows the organisation to identify people and where they are from. This information can then be added to the customer database.

Another important way to assess your website is through user testing. This involves asking a representative sample of users (not staff members) to perform typical tasks on your website, such as finding the price of a product or booking a service.

Remember that fancy graphics are less important to customers than good information and ease of use. A website should look professional, contain up-to-date information, and be free of spelling and grammatical errors. Photographs should be of good quality, and should illustrate your products or services clearly.

All customer comments and suggestions made on the website should be documented, categorised and presented to the appropriate people. Your job may be to ensure follow-up action is completed. Remember to consult your workplace policies and procedures on access and equity when placing important customer information online. You may need to provide this information in another form to your customers who don't have online access.

Trade fairs

A trade fair is when similar organisations get together and exhibit their products or services to potential customers. Trade fairs are a good way to learn about competitors, get face-to-face customer feedback and promote products and services. Such events attract a wide audience of interested people who may not have had the opportunity to hear about your organisation or what it offers. Before you sign up for a space at a trade fair, you need to find out the demographics of the attendees, the cost of participating and what else the fair offers. To prepare for a trade fair, you may need to put together presentation packs to give to customers.

Any organisation representatives who attend a trade fair should be asked if they felt their time was well spent. There should be space on the attendance record for visitors to record their comments. Order forms should also be available at the booth. All forms should be analysed, collated and presented to the appropriate people.

It is a good idea to keep an attendance record of your organisation's booth. This allows the organisation to track:

- the number of people who visit the booth

- where they are from

- which products and services they are interested in

- the questions they ask.

Practice task 9

Think of the promotional activities undertaken by your organisation or an organisation you are familiar with, then answer the following questions.

1. Does the organisation use a wide range of promotional activities or does it use the same activity for all promotional and marketing endeavours?

2. How successful do you think the activities are?

3. If you suggested that your organisation should host a product showcase event for existing customers, what are three things you need to demonstrate?
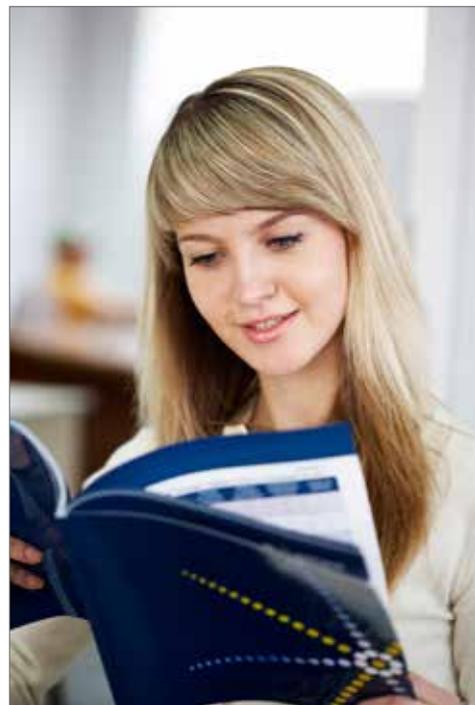
3B Present appropriate promotional materials

The purpose of promotional material is to inform the public of an organisation's products and services. The type of promotional material you employ will depend on the size of the organisation, the nature of its business and the advertising budget. There are various people you may need to enlist to help you prepare promotional materials. For example, advertising agencies, designers, writers and printers.

Here are some commonly produced promotional materials:

- Flyers
- Brochures
- Order forms
- Promotional letters
- Catalogues
- Newsletters
- Presentation packs
- Blog/social media articles

Appropriate promotional materials

The promotional material must match the promotional activity. For example, it is a good idea for an organisation to have a presentation pack for representatives who attend trade fairs. This is a good way to introduce customers to promotional material. If the organisation wants to target people in a certain geographic area, it may choose to mail flyers to every home in that targeted area. An organisation wanting to launch a new product or service may choose to write a promotional letter to invite selected guests. If an organisation wants to target existing customers, it may put promotional information into a newsletter that is emailed to customers on their database. Or if an organisation wants to promote a whole range of products or services, it may put together a catalogue.

When planning a promotional activity, make a checklist of the resources required. For example, for a product launch, list all the materials and documentation needed such as samples of the new product, company brochures, promotional flyers, price lists, catering and order forms. The organisation may also choose to display some of its other products.

Regularly monitor the promotional material produced by your competitors. You should monitor and compare your products or services with your competitors' to ensure you know exactly what they are offering and how you can compete with them on your own terms.

Practice task 10

Match the promotional activities in these tables to the most appropriate promotional materials by drawing a line from one to the other.

Promotional activity	Promotional materials
Trade fair	Promotional letter of invitation
Targeting prospective customers in one area	Newsletter
Product launch	Flyers
Targeting existing customers	Catalogue
Promoting the whole range of an organisation's products and services	Presentation pack

3C Keep within budget

All promotional activities have a budgetary allowance and you must work within this when planning promotions. Make sure you are familiar with the type of activities your organisation regularly conducts. Keep a record of the activities undertaken and the costs involved. It's also a good idea to develop a list of the organisations that assist you to produce your promotional materials. Keep the details of your preferred service providers nearby together with information about the type of service they offer.

Working within your organisation's budget is essential. Remember, the function of promotional activities is to raise revenue, not create debt. For example, it would be ineffective to suggest an expensive product launch followed up with advertisements placed in major newspapers, if you work for a small organisation with a limited promotional budget. The launch and advertising may cost more than the increased sales from the promotions.

Budget evaluation

Compiling a list of the promotional activities and strategies and placing them in order of usefulness to your organisation may be helpful, especially with regard to cost-effectiveness and the possible number of customers reached. You can then consult this list when your work group is considering new promotional strategies. Be prepared to discuss the advantages and disadvantages of each option.

Organisations generally outline their marketing strategies in their business plan. You may only be able to advise on promotional activities that have already been agreed in your organisation's business plan. For example, an organisation may have budgeted for one large marketing function in June, to be supplemented throughout the year with mail-outs to customers and press releases.

Make sure you know whether your organisation has a marketing strategy in its business plan, and that you are familiar with your organisation's policies and procedures for approving marketing strategies.

Practice task 11

Read the case study, then answer the questions that follow.

Case study

Arnold works for a company that manufactures high-quality furniture. He is asked to advise on which promotional activities would be best for selling a new range of expensive lounge-room furniture. Arnold is given a budget for the promotion. He works out what kind of customers the product would appeal to and decides to target professional families and people furnishing city apartments.

He chooses newspapers, a radio station and a television channel that appeals to the demographic he is targeting. Arnold employs an advertising company to develop advertising material for the types of media he has chosen. Arnold also decides to have a product launch for the new lounge-room furniture. He selects a venue and a caterer to provide refreshments. He invites television personalities and the media. He prints brochures and posts them out to invited guests. Arnold also sends newsletters to existing customers offering them a 10 per cent discount on the new range of furniture if they purchase in the following month.

All of Arnold's promotional activities go ahead, but he exceeds the budget he was allocated by more than 100 per cent. Afterwards he analyses the promotions to see the effect on sales. The organisation's sales figures jumped 50 per cent, but the costs for the product launch and the advertising company took a large proportion of the profit.

1. How could Arnold have controlled the cost of his promotional activities?

2. Which activities do you think were most suitable to the campaign?

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3. Suggest another way Arnold could have promoted the furniture in a cost-effective way.

4. Why do you think it's important to have the budget allocation before you advise on promotional activities?

3D | Analyse customer feedback

Organisations need to know what customers think of their products or services. Customers are the ones who use the product or service and only they can tell you how useful the product is or how successful the service is. A satisfied customer is an organisation's best advertisement, but a dissatisfied one has the potential to cause harm by telling others about a bad experience. Customer feedback can give an organisation a good indication of the success of a promotional activity and can indicate the type of promotional activity that needs to be undertaken.

Many organisations use an electronic customer-management system or database. This enables them to record information about individual customers including any complaints or comments they make. Analysing customer feedback is an important task. Positive and negative feedback provide an opportunity for an organisation to develop. For example, negative feedback on a promotion may lead to a product or service being redeveloped. Positive feedback may lead to greater distribution and promotion of the product or service.

Customer surveys

Surveys allow you to ask customers detailed questions and get their opinions about the organisation and what it sells. Many organisations distribute customer questionnaires with each product or service. A reply-paid postcard for registering a purchase with a brief survey is often included with small electrical appliances, for instance. Questionnaires are often distributed at conferences, seminars, trade fairs, meetings and information sessions. They seek customers' opinions on a range of issues, including the level of satisfaction with the product or service. Analysis of surveys can provide a guide to what promotional activities would best suit the target customers.

These days, many organisations encourage customer feedback on their website, via social media platforms or by emailing customers a link to an online survey.

Every customer feedback situation is unique. Designing a customer survey is a good place to start getting an idea of what kinds of questions to ask and the overall structure of the survey. You are going to need to put some thought into designing the specific questions appropriate to your situation.

Informal feedback and complaints

If you are in regular contact with customers, you are likely to receive informal feedback every day. Most organisations have a process in place for dealing with this type of feedback. You may be required to tell your manager or make an entry in a feedback ledger so others can read the comments. Remember your organisation's policies and procedures in relation to confidentiality when dealing with customer information. You need to be aware of who is authorised to access customer information.

Customer feedback can be obtained face to face or over the telephone. Some people prefer to speak directly to a salesperson or customer-service officer to give feedback. Conversations often produce more detailed information because they are less formal than questionnaires.

When the customer pays for a product or service, the product should work correctly or the service received should be as promised. Ideally, the customer will be satisfied.

However, problems do occur and should be responded to immediately. Some large organisations have dedicated complaints staff. Smaller organisations may have a complaints record that is completed whenever a customer complains. Service complaints should be recorded with details of the customer, the problem and the action taken.

An organisation should answer complaints promptly and aim to solve the customer's problem. Quick resolutions to customer complaints help improve an organisation's reputation. Ignoring complaints can result in loss of business.

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Returned goods

The frequency of goods being returned is a useful indicator of the quality of an organisation's products and the distribution process. If goods are returned because they are faulty, this indicates that better quality control is needed. If customers did not receive what they ordered, had to wait longer than expected, or had their order damaged in transit, this indicates that better distribution systems are needed.

Most organisations have a returns policy, which allows for goods to be returned or services to be refunded within a certain period of time if the customer is not satisfied. This is in addition to customers' statutory rights (their rights under consumer protection law).

It is important to find out why goods have been returned. Organisations usually ask customers to fill in a 'returns card' in hard copy or online when making a return. This information will indicate whether there is a problem with a particular product. It allows the organisation to improve its processes.

In the case of services, an organisation should collect information on why customers are not renewing a subscription or membership when the customer indicates that they do not want to continue with the service.

How an organisation responds to problems affects how the market perceives it. If your customer service is excellent, this quality should be highlighted in your promotional activities.

An organisation's record of returned goods should indicate:

- which goods are returned
- why the goods are returned
- the rate at which goods are returned.

Lapsed customers

Contacting customers who have not purchased products or services for a period of time can revive their interest in your organisation. Customer contact records (maintained on an electronic database or paper-based filing system) enable you to identify lapsed customers. Customer contact records should indicate the purchaser's name and business (if applicable), what they purchased, how much they purchased, how often they purchased and their last purchase date.

By contacting these customers, you may learn why they have ceased to deal with your organisation. Were they unhappy with the quality or the customer service? Have their needs changed? Did they find a better price or range elsewhere?

This information will give you ideas for promotional activities. These could include inviting lapsed customers to a function highlighting your products and services, sending out brochures and current order forms, or arranging for a salesperson to visit to talk about any problems or demonstrate new products and services.

You could also contact customers to promote after-sales care, add-ons or upgrades. This is particularly useful for big-ticket purchases. For example, if a customer had their house carpeted a year ago, you could contact them to promote your carpet-cleaning service.

Quality assurance

Quality is an essential ingredient in building successful organisations. Products and services need to show value for money and potential customers also need to have assurance that the products will be of high quality. You should refer to your workplace's quality assurance policies and procedures to help you evaluate the organisation's overall performance.

The organisation's policies and procedures are set in accordance with the organisational goals and they set the minimum standards for all products and services.

Your workplace policies and procedures should set out:

• presentation standards for products or services

• delivery standards for products or services

• overall organisational strategic goals

• processes for handling customer complaints.

Practice task 12

Explain how each of the following customer feedback sources can affect promotional activities.

1. Customer surveys

2. Returned goods

3. Lapsed customers

3E Evaluate promotional activities

All promotional activities must be evaluated to find out how successful they were. Organisations need to know whether they have gained new customers, increased sales, increased the awareness of the organisation's products and services, and kept within their budget. Successful activities may become a regular part of an organisation's marketing plan.

The results should be looked at in the weeks and months following the activity to determine its effect. Your job, in consultation with the person responsible for marketing and promotional activities, may be to keep an accurate account of each activity your organisation undertakes. You may need to identify the activity, the costs involved and the results. Such a record can help the organisation to decide what activities it may undertake in the future.

The following sources of information should be evaluated:

- Customer feedback from feedback forms, face-to-face conversations, telephone calls, website comments
- Number of visits to the organisation's website, shop or showroom
- Number of inquiries, orders or bookings generated
- Employee feedback, such as comments from observation, discussions between staff and customers
- Costings
- Business reports, such as sales reports or annual reports

Practice task 13

Read this evaluation extract, then answer the questions that follow.

Date	Activity	Cost	Results	Comments
27/05/15	Mail-out to customers on monthly specials	2,000 at 60 cents = $1,200	Sales for June increased by 1%	Achieved target
04/07/15	Booth at trade fair	$2,500 for stand $250 for continuous video $500 for information packs	Poor response Fewer inquiries than expected	Probably wrong target audience Do more research next time to determine type of attendees and attendance numbers
05/08/15	Advertisements in two newspapers	$750	Sales for August increased by 5%	3% better than expected result
02/09/15	Flyers distributed to five suburbs	$2,000 for printing	No increase in sales figures	Had a lot of phone responses, but so far no sales Could possibly have sales in future
05/10/15	Products and services catalogue	$5,000 for printing	2% increase in sales figures for October	Achieved target Has generated a lot of inquiries from customers

1. Which promotional activity generated the highest increase in sales figures?

2. Which activity needs more planning to achieve a better result?

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3. Which activities are likely to generate future sales?

4. If you were advising on future promotions, which activities would you repeat?

5. Why is it important to evaluate promotional activities?

Summary

1. Analysing customer feedback is vital before you can give advice on promotional activities.

2. Promotional activities generate interest in an organisation's products or services.

3. Promotional activities must suit the organisation, its products and services and its size.

4. Be aware of the budgetary allowance for a promotional activity.

5. Always evaluate the effect of a promotional activity.

Learning checkpoint 3
Advise on promotional activities

This learning checkpoint allows you to review your skills and knowledge in advising on promotional activities.

Part A

1. List the types of feedback an organisation could receive from its customers.

2. Explain why it is important to monitor and assess the effect of a promotional activity.

3. Describe two ways you could evaluate a promotional activity.

4. Describe the advantages of a promotional mail-out.

5. Suggest two disadvantages of a promotional mail-out.

6. Why is it important to understand the budget available for promotional activities?

Part B

Read the case study, then answer the questions that follow.

Case study

Moira works for a large company that designs and sells environmentally friendly products. She is asked to advise on a promotion to generate new customers. Moira is given a budget and told not to overspend. She analyses existing customer feedback and discovers from surveys that customers had voted the water-saving taps their favourite product. Moira decides that this successful product is suitable to attract new customers.

Moira develops an advertisement stating the organisation's mission statement to create a cleaner environment and outlining all the features and benefits of the efficient tap. She adds a picture and includes information about other environmentally friendly products. Moira then contacts local and national newspapers and chooses an advertisement size to suit her budget. She also designs a questionnaire to be given to every customer who enters the store. If the customer enters their contact details to go on the company's mailing list, they will be entered in a draw to win one of 20 tap sets.

Moira collects the questionnaires daily and assesses the effectiveness of the promotion. She discovers that 30 per cent of customers are coming to the store because they had seen the advertisement and 25 per cent of these new customers are making purchases. Ninety percent are giving their details to enter the competition and be placed on the company's mailing list.

The benefits to the company are increased sales and wider exposure. The promotion is considered a success and the management team decide that Moira's strategy will be used for future campaigns.

1. How did Moira decide which product to promote?

2. How did Moira make her advertisement suit the company's aims?

3. How did Moira work within her budget?

4. What was the impact of the promotion?

5. What decision did the management team make when it evaluated the promotion?