

BSBCUS402

Address customer needs

Release 2

Learner guide

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Aspire Version 1.1

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BSBCUS402 Address customer needs Release 2

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Before you begin

This learner guide is based on the unit of competency *BSBCUS402 Address customer needs*, Release 2. 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	<ul style="list-style-type: none">• Interprets textual information obtained from a range of sources and determines how content may be applied to individuals and to organisational requirements
Writing	<ul style="list-style-type: none">• Prepares written reports, up-to-date procedures and other workplace documentation that communicate complex information clearly and effectively
Oral communication	<ul style="list-style-type: none">• Clearly articulates customer's needs using language suitable to diverse audiences and employs listening and questioning techniques to confirm understanding
Navigate the world of work	<ul style="list-style-type: none">• Recognises and applies organisational protocols and meets expectations associated with own work
Interact with others	<ul style="list-style-type: none">• Selects and uses appropriate communication techniques to establish and maintain positive working relationships• Establishes connections and shares information with others who can contribute to effective work outcomes
Get the work done	<ul style="list-style-type: none">• Develops and implements plans for routine and non-routine tasks recognising the importance of aligning goals and expectations to achieve outcomes• Recognises and takes responsibility for addressing predictable and non-predictable problems in own work context• Uses digital systems to organise and store information relevant to own work

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 Assist customer to articulate needs	1A Ensure customer needs are fully explored, understood and agreed	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Explain and match services and products to customer needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Identify and explain to customers their rights and responsibilities	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2 Satisfy complex customer needs	2A Explain possibilities for meeting customer needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Assist customers to choose services and products to satisfy their needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Determine and prioritise preferred actions	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2D Identify difficulties in customer service delivery and take appropriate actions	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 3 Manage networks to ensure customer needs are addressed	3A Establish effective regular communication with customers	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Establish networks to ensure appropriate customer referrals to products and services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Establish procedures to ensure referrals are made according to customer needs	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3D Establish procedures to ensure decisions about customers are based on current information	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic	Key outcome	Rate your confidence in each section
Topic 3 Manage networks to ensure customer needs are addressed	3E Maintain records of customer interaction	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic 1

Assist customers to articulate their needs

A successful salesperson understands the concept of customer service, who their customers are, what the customers' concerns may be and how to help them articulate their needs. Effective salespeople are good communicators, have well-developed interpersonal skills and have knowledge about the products and/or services they sell. In addition, they have strong numeracy skills, can solve problems as they occur and have good working knowledge of the various laws and regulations that govern business services and retail practices in Australia.

In this topic you will learn about:

- 1A Ensure customer needs are fully explored, understood and agreed
- 1B Explain and match services and products to customer needs
- 1C Identify and explain to customers their rights and responsibilities

1A

Ensure customer needs are fully explored, understood and agreed

One of the first things a good salesperson should do is interact with a potential customer at the earliest possible opportunity, to make them feel welcome and valued. Immediately recognising the customer conveys the message that they are important and their business is valued.

This is generally followed by an appropriate greeting and a conscious effort to develop a meaningful rapport. To do this well, you need good communication skills, solid product/service knowledge and, most importantly, a positive attitude. It is much easier to satisfy existing customers than to have to go out and replace them.



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Address customer needs

One of the factors that determines the success or failure of a business is the quality of its customer service. In any competitive environment, a high standard of service is essential. Organisations need to identify who their customers are and use a range of strategies to fully explore customer needs. Only when customers' needs have been fully explored can a business start to meet them effectively.

Customers purchase both goods (products you can see or touch) and services (actions you cannot necessarily see or touch, but that make life easier or more profitable).

These days, you may not have face-to-face contact with the customer. The purchase may take place over the telephone or online without direct contact between the salesperson and the customer. Whatever the situation, salespeople still need to understand the client, determine their needs and follow good work practices, laws and codes of ethical behaviour when dealing with customers.



Satisfy complex customer needs

Customers' needs are diverse and constantly changing. Fashions, tastes and preferences vary from one season to the next and are not always the same in different regions or countries. Some customers are well informed about the product or service they wish to buy, while others rely on advice at the point of sale.

As a salesperson, you need to be well equipped to help customers make the best choice for their needs. To do this, you need product knowledge and customer knowledge. When conducting complex negotiations, you need to record information accurately and in detail. You should identify and record exactly what product or service is being provided, the price and the conditions of sale.

Although most sales are routine and unexceptional, you will sometimes need to deal with difficult transactions, situations and customers. Salespeople should have strong communication, problem-solving and conflict-resolution skills. Providing outstanding customer service is a salesperson's key objective in spite of obstacles or difficulties.

Manage networks to ensure customer needs are addressed

Sales and marketing are based on establishing and maintaining relationships. This requires good communication skills and understanding of the communication process. Developing and maintaining appropriate networks support your sales efforts and extend your scope of knowledge about products or services.

Keep up to date about products or services with information from customers, suppliers and manufacturers. It is also important to keep comprehensive and accurate records. This is usually done by using an automated customer relationship management (CRM) system, which can greatly enhance an organisation's capacity to maximise its relationships with customers.



You also need to be able to work within a legal and ethical framework and in accordance with your company's rules, policies, procedures and expectations.

Who is a customer?

The customer is not always the consumer; for example, consider a scenario where a parent and a five-year-old child are in an ice-cream shop together. Are the customer and the consumer the same in this instance?

There are many different types of customers and it is important that you know who they are. Here is some information about types of customers.

Types of customers

- People with regular, routine requests such as standing orders – these are often referred to as your 'bread and butter' customers
- People who buy either online or over the phone – you may never meet these customers face to face, so you may need to use different communication strategies with them
- People within your organisation – large organisations often have different departments and divisions that must buy goods and services from each other
- People with different social, cultural or ethnic backgrounds from your own – you may need to be flexible with your communication techniques
- Unwell, drug-affected or emotionally distressed people – you may need to use conflict-resolution strategies and be aware of work health and safety risks to you or others
- People with varying physical and mental abilities – be patient, respectful and flexible in how you communicate with people with differing abilities
- Regular and new customers
- People who buy on behalf of others

Greet the customer

No one particular greeting is the most suitable, because customers and contexts differ. However, some common guidelines are standard for acknowledging, greeting and connecting with customers.

Here is an overview of some of the common standards for acknowledging customers.

Acknowledging the customer

You should acknowledge the customer at the first available opportunity. For example, if you are attending to a customer when another potential customer enters the store, make sure you acknowledge them also. This may be as simple as a smile, a nod or saying, 'I'll be with you shortly'. The important thing is that the customer feels noticed.

Addressing the customer

Your organisation may have policies for when and how you should address the customer. This procedure is easier if the organisation attracts an identifiable segment of the market. For example, a surf shop attracts mostly younger people who are interested in surfing. Many customers entering a surf shop would share common values and ideas.

Connecting with the customer

Connecting with the customer is the act of finding some common ground on which to build rapport and empathy. It is important at this point to be natural and sincere, because contrived, insincere comments or behaviour may have the opposite effect of alienating the customer.

Common ground

Creating the right customer connection is vital to a successful sales process. If you are unable to connect with your audience, then it is likely the sale will not proceed. After greeting your customer, you should seek to find some common ground with them. Small talk can support the connection process; topics such as pets, the weather and sport are often useful for creating that common ground or connection.

You also need to be aware that people and situations are not always what they seem, so be very careful when making assumptions about customers.

Topics that help create common ground include:

- customers' children
- an outstanding or unusual item of clothing or hairstyle (compliments only!)
- the weather
- a significant news item
- a major sporting event.

Verbally communicate with the customer

Your vocabulary or choice of words is also important and takes into account your perception of the customer's social, cultural and ethnic background. This is the process of heuristics; that is, the mental shortcuts we make on the basis of experience. For example, a Caucasian person checking into a hotel in Asia will often be addressed in English rather than Mandarin, Japanese or Indonesian, because the hotel receptionist associates certain physical characteristics with speaking a certain language.

Certain words, expressions or phrases may be integral to building rapport with customers, along with use of a technical or specific vocabulary relating to the product or service. Choose appropriate language to help you establish a connection with the customer. With some customers, being able to 'talk the talk' is an important part of establishing your credibility and that of your organisation. Addressing the customer should be a priority; the sooner verbal contact can be established, the better.

Here are some aspects to consider when addressing customers in your speaking voice.

A speaking voice
Be clear
Sound like you are interested and enthusiastic to help
Be spoken at the appropriate volume
Be well modulated
Always have the appropriate tempo

Determine customer needs

A good salesperson has highly developed and effective communication skills that facilitate positive interaction with customers. Communicating effectively with your customers ensures you can determine their shopping or buying needs.

Communication skills include the ability to:

- write and speak clearly and logically
- speak with an engaging voice
- ask effective questions
- take turns; that is, listen as well as speak
- use active listening strategies
- use positive body language and posture
- observe and interpret customers' body language and nonverbal cues
- read and understand written instructions and other documents
- write clearly and succinctly for a specified audience.

Customer needs

Why do customers choose to buy a particular product or service? How do they decide which brand to buy and from which organisation? Essentially, customers purchase the product or service that best meets their needs.

A customer need can take many forms. In fact, customer needs are many and varied, and will differ from one customer to the next. One customer may purchase a product because it is the cheapest, whereas another customer may purchase a different product because it is better performing or more convenient to purchase or because they feel an affinity for the brand.

While the potential list of customer needs is endless and will vary markedly depending on the nature of the industry and product/service in question, there are several core customer needs that arise in most purchasing situations.

A need for great customer service

The customer's desire for great customer service is probably their most important need and will greatly determine which product or service they purchase and from which organisation.

Here is an overview of some typical expectations that customers have and the reasons for these.

What the customer needs from the product/service	Description
Performance	The customer has a need for the best-performing product or service, regardless of its cost or how difficult it is to purchase.
Economy (value)	The customer has a need for the product or service that provides the greatest benefit relative to the cost of the product/service – the most 'value for money'. This often means the cheapest product/service available, but not necessarily.
Convenience	The customer has a need for the product that is most convenient to purchase and access in terms of the time and effort they are required to put into the whole transaction.
Safety	The customer has a need for the product or service that gives them the most safety in terms of performance and reassurance that the product/service will fulfil its intended purpose, even though it may be more expensive or not the most socially appealing.
Aesthetics (appearances)	The customer has a need for the product that looks the best, even though it may not actually be the best product in terms of performance, practicality or value.
Social acceptance	The customer has a need for the product or service that gives them the most social benefit and gratification. The customer needs the product/service because it is fashionable at that time.
Customer service	The customer has a need for the product or service that has the greatest level of customer service and support. The customer may even purchase a more expensive product and/or one of lesser quality to competitors' offerings because the organisation offers the best customer service.

Explore customer needs

If the customer's need is not immediately apparent, you may need to go through a process to establish what this might be. There are many reasons that a customer's need may not be recognised immediately. The customer may appear to be indecisive or unsure about which product or service will best suit them.

There could be several products or services that fill the same need. In some instances, the customer might need additional details about a product or service before they communicate that the product meets their needs. In times of financial difficulty, the customer can appear anxious due to the price of the product or service. In another instance, you may miss out on closing a sale because you are unable to provide the customer with the servicing and warranty details they are seeking.



Clarify customer needs

In a retail environment where every customer is a prospective sale, you need to be able to explore their needs with clarity and as soon as possible. Clarify the customer's needs then and there.

To do this, you need high-level communication and interpersonal skills.

Being an effective communicator means you must be able to:

- speak clearly and audibly and use vocabulary the customer understands
- use positive body language and appropriate gestures
- maintain eye contact and an appropriate physical distance
- try not to allow the conversation to digress for long periods
- respond to the customer's verbal and nonverbal messages.

Barriers to effective communication

There are many barriers to communication that may impede or distort the information given or received by either party. If you can think back to a time when you last had a communication issue with someone, it was most likely because they (or you) were inattentive or distracted.

Some customers may have a poor grasp of the language the sales attendant is using, for example. Therefore it is essential that the use of slang, idioms, jargon or colloquial sayings is limited and that unfamiliar vocabulary (perhaps of a technical nature) is only directed to industry-specific situations.

Confusion due to a mismatch between verbal language and body language can also create barriers to effective communication.

Problem-solving strategies

Salespeople should be ready to deal with communication barriers and apply problem-solving strategies accordingly. They may need to adapt their communication styles or approaches; for example, by using physical demonstrations or images to give and receive information, and by checking that the customer understands the information.

Salespeople need to be flexible, patient and understanding when dealing with customers and show a genuine interest in and enthusiasm for meeting their needs.



Questioning

Questioning a customer is the easiest way to start interacting with them, establish rapport and find out what they need. Questioning is a multi-layered process that involves determining what information you want to obtain, the most appropriate types of questions to ask and what the responses are likely to be. There are two main question types: closed questions and open questions.

Here are some types and examples of questions that can be used to interact with customers and determine their needs.

Question type	Description	Examples
Closed question	Usually elicits only a yes/no answer	May I help you? Do you like the wine? Have you seen the menu? Would you like some more? Are you new here? Can I get you a smaller size?
Open question	Intended to elicit a detailed response	How may I help you? Where would you like that delivered? When would you like to book that for? Why are you returning the item? Who did you speak to? Which store was that? What seems to be the problem? Can you explain ...? Can you describe ...? Tell me about ...?

Ascertain customer needs

When asking questions to clarify a customer's needs, use a mix of open and closed questions. Understanding exactly what the customer needs helps you to offer appropriate products and services. It also helps you to describe the features of your products as benefits to the customer.

Examples of questions you may ask are:

- When will you use the product?
- How often will you use it?
- What is your (approximate) budget?
- Who will be using the product?
- Will you need any related products?

Policies and procedures for customer service relationships

Your organisation may have its own policies and procedures for how to communicate with customers. These policies and procedures have been written to ensure you meet the organisation's requirements, practise good business and know your ethical and legal obligations. Always follow your organisation's policies and procedures.



Example: customer interaction

The following example shows customer interaction procedures for Nicki's Surf Shop. These procedures help employees interact effectively with clients and determine customer needs.

Rules for customer interaction at Nicki's Surf Shop	
When a customer enters the store	<ul style="list-style-type: none"> • Smile and nod and/or greet the customer. • Offer assistance. • Ask several questions to find out exactly what they want. • Help them choose products and offer alternatives. • Show them a range of similar products if appropriate. • If they try on clothes, ask them if they need another size or colour etc. • Compliment their choice of product/s. • Keep them interested in a range of products for as long as possible. • Let customers know about sale items and discounts and/or related products. • Don't allow clients to leave the shop without talking to them. • Whenever possible, talk 'surfing'.
When a customer phones	<ul style="list-style-type: none"> • Don't let the phone ring more than five times. • Answer in a friendly voice. • Say 'Hello, Nicki's Surf Shop, this is (your name) speaking'. • Acknowledge the customer if you know them personally. • Ask how you can help them. • Ask several questions to find out exactly what they want. • Listen carefully and check details if necessary. • Take notes and check contact details. • If you can't help them, take their phone number and offer to have a manager call them back. • Thank them for calling. • Don't place a customer on hold unless it is unavoidable.

Practice task 1

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

Case study

Yolanda has just started a part-time sales job in the cellar-door outlet of a winery about 50 kilometres south of Adelaide. The outlet sells bulk and estate wines that have been fermented and bottled on site at the 140-year-old winery. It also sells olive oil and other olive products from the adjacent olive grove and press, and these are also processed on site. It has wine tasting and a restaurant that serves lunch and platters to accompany the wine tasting throughout the day. The customers are typically international and interstate tourists with a serious interest in wine and/or olives. Day trippers from Adelaide also come to taste wines, have lunch and replenish their cellars.

continued ...

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1. Describe the background knowledge Yolanda needs about:

a) The products

b) The customers

c) The region and history

2. Describe the manner Yolanda should adopt when dealing with the customers.

3. List some of the key phrases/questions she could use to help her connect with her customers.

1B

Explain and match services and products to customer needs

Modern organisations typically offer a wide range of products and services, some of which may appear similar. Employees need to know their organisation's full range of products and services – in detail – so they can explain these to customers. Product knowledge should include their technical aspects, as well as their applications and suitability for different uses and purposes.

Employees should also clarify customers' needs and preferences in order to recommend the most suitable product or service. Some customers are very clear about the product they want, but others may need the salesperson's help and direction when choosing a product. In these instances, the salesperson must ask questions, clarify information, offer alternative products or seek help from other employees or management.



Learn about products and services

To learn about your organisation's products and services, you need a satisfactory level of literacy, numeracy and information and communication technology (ICT) skills. When working in a sales position, it is paramount that you can understand a range of written material about products, such as manufacturers' instructions, safety information and cleaning or care instructions. Also it will be beneficial if you can interpret this material and relate the information to customers.

Depending on your position within the sales team, it may be a requirement of your role that you can analyse sales data, graphics, tables and charts. When dealing with sales data, you are likely to encounter situations where you need to access and manipulate computer-based data and material, as well as using email and the internet for a range of communication functions.

Product and service knowledge

Your product and service knowledge should be broad enough that you can propose alternative products and services to the customer and detailed enough that you can propose variations within a limited product and service range.

For example, salespeople in a camping store need to know about the broad range of sleeping bags available (the different sizes and prices) and details about each type (temperature ratings, materials used, weight, waterproof ratings and reviews).

In general, the more technical or specialised a sales role is, the more likely that formal training will be needed.

Here are some ways that retail employees can learn about products and services.

Ways to update product and service knowledge

- Formal training prior to employment
- Product training provided by suppliers
- In-house training provided by the employer
- On-the-job learning
- Experience gained over time

The decision-making process

Some purchases are routine and made every day, while others may only be made once or twice in a lifetime. Compare buying staples such as bread, milk or fruit with buying a new house or a new car.

The significance of the purchase will affect the amount of thought or consideration the customer gives to the decision. For example, many people take months to buy a new house and may look at dozens of properties. However, most people would simply buy milk or bread without giving the purchase much thought.

Market research tells us there is an identifiable set of processes that most customers go through while making a purchase. Here are some examples of the processes that a customer may go through in making a purchase.

Processes that a customer undertakes in making a purchase

Recognition that there is a need, a deficit or a problem

Environmental scanning – searching for information

Comparison of the available alternatives

Purchase of the selected product

Evaluation of the selected product or service after purchasing

Suggest alternatives

You can help customers search for the information, compare the available alternatives and purchase their chosen product or service. Take care you do not pressure customers into making unwanted purchases. There is a big difference between suggesting more appropriate alternatives based on what the customer has told you and pressuring them to buy more expensive products.

There are many stories about the honesty and integrity of salespeople and their dealings with customers; for example, some occupations have reputations for a sales-at-any-cost culture. However, sustainable modern organisations need to build their businesses on more solid foundations.



To address customer needs effectively, your product/service knowledge must be current and you should have established networks so you can provide the customer with the information and support they need to make their purchase decision. You should have the communication skills to interpret product/service features and sales data, read a range of print-based documents, summarise this information and present the information to suit the customer's needs.

Example: wine experts

Here is an example of how sales employees need specific skills and knowledge to explain and match available products and services to customer needs.

Sommeliers are wine experts who work in fine dining restaurants offering advice to customers who wish to match their food with a suitable wine. This is a specialist role and the best sommeliers undergo a formal training program in a TAFE or private RTO. Sommeliers need a blend of technical and interpersonal skills. They need to understand food and its preparation and presentation in exclusive hotels and restaurants and also have detailed knowledge of wine. This includes different labels and varieties of wine, the wine regions of Australia and the world, the merits of different wine vintages, and the climatic and geographical factors that affect wine quality.

The fundamental skills and knowledge for being a sommelier can be taught in a formal training program and these are supplemented through on-the-job experience.

Sommeliers also need to have well-developed interpersonal skills; for example, knowing when to engage the customer in conversation and when to withdraw and allow the customer to enjoy the meal and their own company.

The sommelier must also have appropriate presentation skills. Appearance and dress must fit the image of the establishment and its products. This also contributes to the total experience of high-quality service and professionalism.

Practice task 2

Read the scenario, then answer the questions that follow.

Case study

Imagine that you are the manager of a small residential building and construction company inducting an inexperienced junior sales employee. You have noticed that communicating with customers is sometimes a challenge for new, inexperienced sales staff.

1. List four tips you would give this employee to ensure their communication with customers is of a high standard and effective in meeting the customers' needs.

2. Why is it important for employees to explain and match available services and products in order to meet customer needs?

1C

Identify and explain to customers their rights and responsibilities

All Australian customers have rights and responsibilities that are defined and protected by a framework of laws, regulations and codes of practice. Legislation and guidelines are intended to safeguard customers when they buy products and services.

Salespeople must fulfil these obligations and provide customers with accurate and sufficient information so the customers can provide informed consent when purchasing goods or services. Organisations and their salespeople need to be able to provide each and every customer with information about the products and services they sell.

Here are some examples of the information they need to provide.

Organisations and salespeople should provide:

- information about the quality of the product
- a clear label or title that accurately describes the product
- the model, size or version purchased that matches the label or advertising
- backup services, parts and warranty conditions that are available and readily honoured
- product safety information
- a product that is suitable for its stated or intended purpose

A salesperson's rights and responsibilities

As an employee, you need to know your own rights and responsibilities, as well as those of your customers. Customer rights and responsibilities are set out in the *Competition and Consumer Act 2010* (Cth), which is designed to ensure that businesses operate in a fair and ethical manner and give customers protection and confidence when dealing with businesses.

Organisations should comply with all relevant legislation for two reasons: to avoid losses that might be incurred if a dissatisfied customer were to take legal action, and to develop a reputation for ethical and fair trading in order to improve their market position. Satisfied customers lead to more satisfied customers.

Your organisation's policies and procedures will be based on the legal framework, so if you follow your organisation's policies and procedures, you are complying with legislative requirements. This section outlines some of the key legislation and requirements you need to consider when providing quality sales service.



Inform customers of their rights and responsibilities

Federal and state laws, and company policy and guidelines, will influence your contact with customers. To ensure that you meet your responsibilities when selling a product or service, you must be able to describe the product or service as accurately as possible, which includes clearly explaining the organisation's after sales service and warranty policies and procedures.

Remember to treat customers the way you would like to be treated (equally) and honour your organisation's exchange and refund practices.

Here are three ways you can comply with a consumer's purchase rights.

Describe products accurately

It is unlawful to make false claims about a product or service, so do not overstate or exaggerate a product's capacity or capability. You would be breaking the law if you told a customer who was buying a small, basic air-conditioner that the product could function as a heater as well – if this were not the case.

After-sales service

If there are certain conditions that may void a warranty, such as misuse of the product, you must clearly explain these. For example, new cars sold in Australia come with a warranty but this is rarely unconditional. If the owner of the car put oil instead of coolant into the radiator, this would void the warranty because the owner had disregarded the manufacturer's instructions.

Treat customers equally

It is unlawful to take advantage of a vulnerable customer. For example, for customers with hearing or sight impairments, you should select a communication medium that enables them to clearly understand the information being given. It may also be necessary to ensure that someone with limited English language skills fully understands the conditions of a transaction.

Explain exchange and refund policies

Ensure customers are clear about the conditions related to product exchange or refunds; there is a difference in customer rights when exchanging faulty or otherwise unsatisfactory products, as opposed to simply changing their mind.

For example, Jane buys a new leather sofa from a warehouse and the conditions of the purchase include delivery. When she removes the plastic from the sofa, she notices a large tear in the leather and contacts the warehouse. They acknowledge that the product is faulty and arrange to replace it as soon as possible.

However, if on consideration Jane decided that the sofa did not match her existing furniture, she would not necessarily be entitled to an exchange or refund.



Legislation that affects business operations

The role and responsibilities of a salesperson are influenced by relevant legislation, standards, codes of practice and work principles. Your organisation's policies and procedures will have been written in line with these laws and guidelines.

For more information about particular legislation, visit the ComLaw website at: www.comlaw.gov.au.

Australian consumer law

The key piece of legislation relating to retail services is the Australian Consumer Law (ACL), which replaced 20 different state, territory and Commonwealth laws. This law commenced on 1 January 2011 as part of the national law for fair trading and consumer protection, the *Competition and Consumer Act 2010* (Cth). It applies to all states and territories and to all Australian consumers and organisations.

The ACL is enforced and administered by the Australian Competition and Consumer Commission (ACCC), or by the Australian Securities and Investments Commission where financial services are involved. The ACCC ensures there is fair trade and competition in the Australian marketplace so that consumers, organisations and the community all follow and benefit from the law. Organisations must comply with the ACL to fulfil their legal obligations.

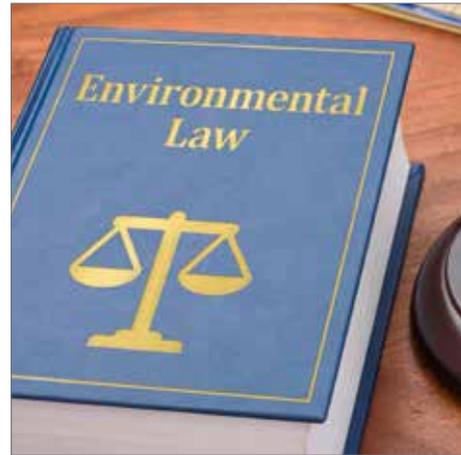
For more information about the ACL, visit the Australian Consumer Law website at: www.consumerlaw.gov.au.

The Australian Consumer Law includes:

- a national unfair contract terms law covering 'standard form consumer contracts'
- a national law guaranteeing consumer rights when buying goods and services
- a national product safety law and enforcement system
- a national law for unsolicited consumer agreements covering door-to-door sales and telephone sales
- simple national rules for lay-by agreements
- new penalties, enforcement powers and consumer redress options.

Environmental legislation

Customers (including the general public) have the right to a safe environment that does not negatively affect their health and wellbeing. *The Environment Protection and Biodiversity Conservation Act 1999* (Cth) provides a legal framework for protecting and managing environmental issues. For example, this law protects important animals and vegetation, ecological communities and areas deemed important to history and heritage. This Act ensures organisations do not have a negative impact on air quality, water quality, national parks, built environments or the environment in general.



There are also laws governing the importation of foodstuffs, plant material, dead or live animals, certain chemicals and drugs, as well as a range of other substances. These laws are intended to preserve Australia's environment and protect it from many of the diseases and pests that are prevalent overseas.

Anti-discrimination legislation

There are laws at both Commonwealth and state/territory levels that protect customers from discrimination based on their cultural or linguistic background, religion, age, gender or disability.

It is important that sales employees understand the seriousness of any infringement of this legislation and provide service in a non-discriminatory fashion. There are many anti-discrimination laws in Australia.

Commonwealth anti-discrimination laws include:

- *Age Discrimination Act 2004* (Cth)
- *Disability Discrimination Act 1992* (Cth)
- *Racial Discrimination Act 1975* (Cth)
- *Sex Discrimination Act 1984* (Cth)

Privacy legislation

As electronic commerce becomes more popular, consumers are increasingly concerned about customer confidentiality and security. Many customers are reluctant to provide details such as surnames, addresses, phone numbers or credit card details for fear of having their privacy and security violated. For example, many consumers are reluctant to provide credit card details online or over the phone and some people will not even provide phone numbers for online polls or surveys for fear of their details being used by an organisation to solicit business in the future.

For these reasons, it is important to have procedures in place for maintaining customer confidentiality and security. More importantly, these procedures need to be enforced, meaning that any proposed customer service strategy you devise must consider these requirements. For example, if you devise a strategy to email customers to alert them of promotions or sales before the general public, then you must check that they authorised you to do this when they provided you with their email addresses.

Work health and safety legislation

Work health and safety (WHS) legislation and regulations aim to ensure the health, safety and welfare of workers and others in a workplace. Organisations and their workers must take every reasonable precaution to protect customers from harm.

When legislation changes, organisations must update their policies and procedures and provide documentation, information and training to their employees. For example, most states and territories have transitioned from individual state or territory laws for health and safety to a new national law, the *Work Health and Safety Act 2011* (Cth).



Example: WHS rights and responsibilities

The following is an example of the rights and responsibilities of workers and customers as stipulated by the *Work Health and Safety Act 2011* (Cth).

Duties of workers and others in workplaces

- Take reasonable care for their own health and safety
- Take reasonable care that their acts or omissions do not adversely affect the health and safety of other persons
- Comply with any reasonable instruction that is given by the person conducting the business or undertaking, to allow the person to comply with this Act
- Cooperate with any policy or procedure of the person conducting the business or undertaking relating to health or safety in the workplace

Practice task 3

Read the scenarios, then complete the tasks that follow.

Scenario 1

Imagine you work in a hardware store and a customer wishes to return a lawnmower that they purchased last week for a cash refund. The customer claims that the product is faulty, but you can see from damage to the blades that it has been misused.

Scenario 2

Imagine you are the manager of a real estate agency and have shown a rental property to a young woman. A young male colleague who began working in the agency the previous week asks you for her phone number and email address, saying he'd like to invite her to a party.

1. Read Scenario 1. Write down what you would tell the customer to advise them of their rights and responsibilities.

2. Read Scenario 2. Write down what you would tell your colleague and the reasons for your response.

Summary

1. Recognise and greet a potential customer at the earliest opportunity.
2. Effective communication and skilful use of questions help determine customer needs.
3. Learn as much as possible about your organisation's range of products and services.
4. Customers make decisions in a variety of ways, but can often be assisted by knowledgeable sales employees with good communication skills.
5. Honesty and personal integrity are good for business.
6. There is an extensive legal framework that protects both the customer and the organisation from unlawful, unethical and dangerous conduct.

Learning checkpoint 1 Assist customers to articulate their needs

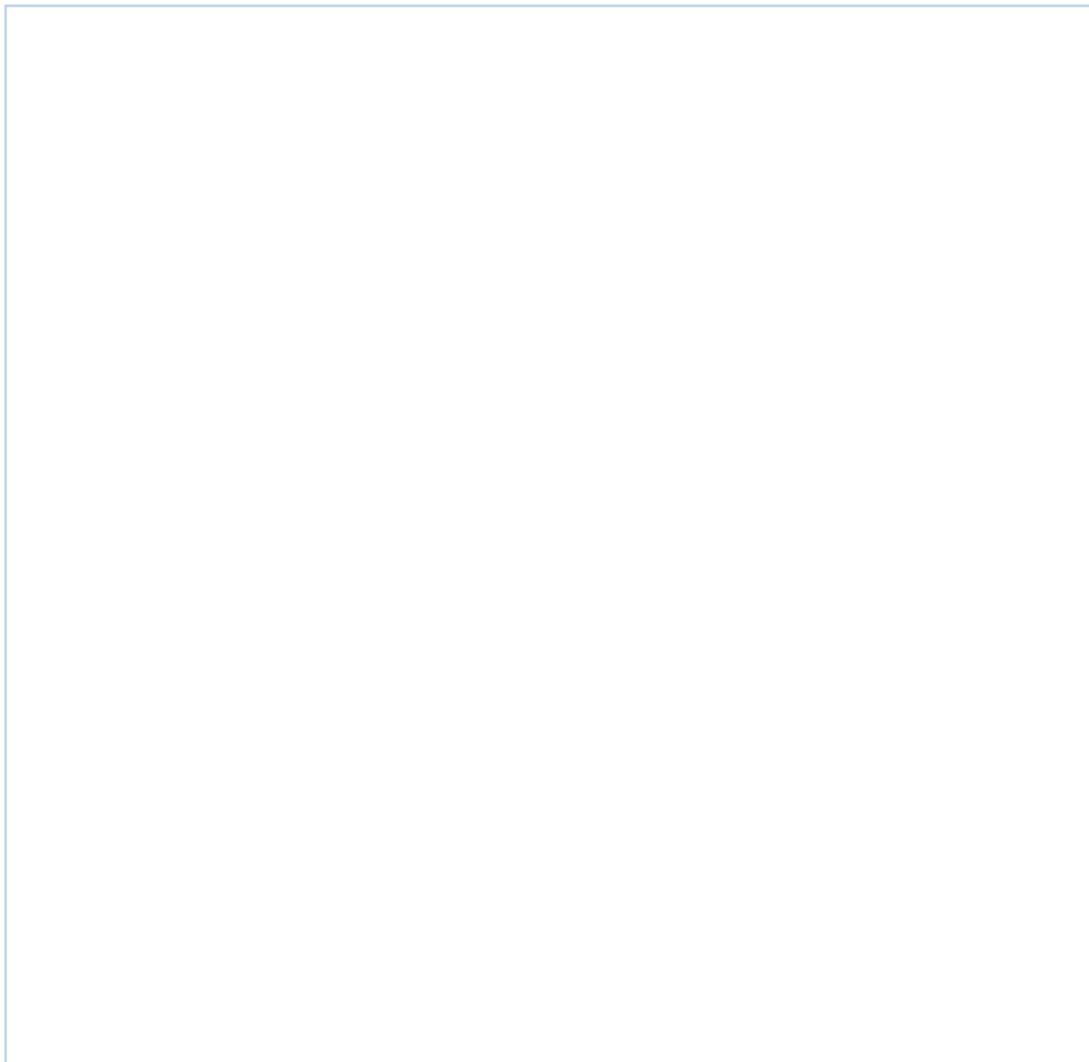
This learning checkpoint allows you to review your skills and knowledge in assisting customers to articulate their needs.

Part A

Imagine you have started work as a sales account manager in a large publishing company that bases its reputation on providing good customer service. You are asked to prepare a short report for management outlining how staff should communicate with customers in order to fully explore and address their needs.

Your report should address:

1. Acknowledging the customer
2. Talking with the customer
3. Recommending products and services
4. Communicating on the phone



Part B

Imagine you have just started work in a travel agency that deals mostly in the family holiday market. As part of your induction, the manager asks you to develop your own personal learning plan to learn about the agency's products and services, as well as your prospective customers' needs.

What information would you need so you could effectively explain and match available services and products to customer needs? You should consider information about:

1. Products
2. The company
3. Customers
4. Yourself

Part C

Use the following table to briefly explain:

- why each piece of legislation is important
- how it can affect your daily work.

Provide an example of how each piece of legislation may affect the customer's rights and responsibilities.

Name of legislation	Why it is important	How it can affect your daily work	How it may affect customers' rights and responsibilities
Anti-discrimination			
Privacy laws			

Name of legislation	Why it is important	How it can affect your daily work	How it may affect customers' rights and responsibilities
Environmental laws			
Fair trading laws and <i>Competition and Consumer Act 2010</i> (Cth)			
Warranties and refunds			

Topic 2

Satisfy complex customer needs

There are many different types of customers and sales scenarios. Your role as a salesperson involves identifying any underlying needs and motivators the customer may have. To do this successfully, you need a range of different communication techniques. Customer needs can be considered complex if there are specific cultural or language requirements, they are not familiar with the particular technical aspects or terminology, or there are numerous stakeholders and processes involved in the purchasing decision. Customer needs may also be considered complex if the purchase cost is very high, complicated technology is involved or information is highly sensitive such as for some government or defence contracts.

In this topic you will learn how to:

- 2A Explain possibilities for meeting customer needs
- 2B Assist customers to choose services and products to satisfy their needs
- 2C Determine and prioritise preferred actions
- 2D Identify difficulties in customer service delivery and take appropriate actions

2A

Explain possibilities for meeting customer needs

It is sometimes said that a customer's main priority is to buy a solution to a problem they have. The customer also wants to feel good about the proposed solution to the problem; that is, the product or service you suggest.

By getting to know your customers personally, within professional parameters, you can better meet their needs. These needs are often driven more by emotion than logic, so keep channels of communication open so you are well placed to meet these needs.

Such complex customer needs require the salesperson to develop strong, trusting professional relationships over an extended period of time. The sales process may be long and detailed. Where obstacles occur, you need to be able to identify them, describe their nature, and propose an appropriate and effective course of action to deal with them and so meet the customer's needs.



Identify complex customer needs

The key to identifying any customer needs is listening carefully. Focus your attention on the customer and concentrate on what they are saying. Note their choice of words, tone and pace of voice, overall body language and general demeanour. As you gain experience, your judgment in this area will improve. However, do not assume too much about the customer; always clarify information and do not base your judgments on stereotypes.

On some occasions, a customer's need is quite simple and has only one logical solution. For example, a customer wants to buy a low-fat ice-cream, so the salesperson shows them which ice-creams are low-fat and asks which flavour they would like.

However, the customer may have a complex problem with a range of possible solutions. Consider a mortgage broker talking to a couple wanting to buy a home. The broker could suggest a range of home loan products, each with advantages and disadvantages; for example, the loan could be principal and interest, or interest only; it could be fixed or variable interest; a simple no-frills loan or one with redraw and other facilities. Several meetings may be required before the details are finalised and a decision is made.



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Example: customer decision-making

Here is an example of the steps involved in a customer's decision-making process and how you can help meet their needs.

Steps	What is involved
1. The customer perceives a problem or a need.	The first stage of the consumer decision-making process is the gap between their current state and their desired state. There may be active problems (those they are aware of) and inactive problems (problems that have not yet occurred to them).
2. The customer tries to find a solution or seeks expert assistance from the outset.	Customer needs may be met by a variety of brands or by one particular brand or product.
3. The customer searches for information.	The search may begin with friends, family or colleagues and then progress to marketing sources such as advertisements, websites or salespeople.
4. The customer describes the problem to a salesperson.	The customer describes their preference to the salesperson; this may include price, brand, components or ingredients.
5. The salesperson asks questions to further frame the problem and obtain information the customer may have neglected to mention.	Use open questions to elicit information from the customer about the potential purchase. The better you get to know the customer's requirements, the easier it is to meet them. You may also be in a position to anticipate future needs.
6. The salesperson may need to consult other employees before presenting a total solution if the problem is both complex and technical.	For complex purchases, you may need to talk to a range of people who are part of the sales network. Customers may need information about the organisation's systems and procedures to understand any delays or issues that may affect the sale or delivery.
7. The salesperson presents a solution to the customer.	Apart from the desire to feel valued and significant, customers require a solution, not an excuse or procrastination. 'Yes' is a powerful word and usually leads to repeat or ongoing business.

Communication with customers

An organisation must describe the communication principles it will follow with regard to communicating with customers about changes to operations or issues that will affect the customer. For example, communication with customers may be required when prices rise, stores/locations close, policies change, the business moves premises or customer service policies and standards change.

Customers of your organisation develop expectations of your customer service based on past business dealings. Hence, any change to business operations that alters how you interact with customers can cause serious concern and disruption to them. In these circumstances, it is important to promote the strategy to customers and possibly seek their input.

Customer service changes that require customer notification include:

- removing weekend deliveries; ensure customers understand the change and do not expect weekend deliveries anymore
- changing payment terms from 28 to 14 days; advise customers and gauge their response before implementing this strategy
- changing prices; advise customers to prevent misunderstandings in the future and over/undercharging.

Business customers

Business customers can potentially be more lucrative than personal or private customers. How businesses purchase goods and/or services depends on their organisational culture; if a business is a high-volume customer, it is worth your trouble to understand their culture.

Always find out what has given rise to a business customer's problem, their business needs and what it will take to provide a solution. Developing a solution may be a significant coup for your organisation and may lead to continued business.

Here is information about business purchases.

Straight rebuys

These are standard purchases or repurchases often made by a single person in an organisation, and are generally low involvement. They may be bought using a standing, regular order. Examples include tea and coffee supplies, stationery, printer cartridges and so on.

Modified rebuys

These are changes to a previous purchase that may be the result of more thought or effort, or the result of several people's input, such as a decision made by a committee or board of directors. A modified rebuy may mean a change to delivery conditions, volume or the product itself.

New purchases

These are where an organisation buys goods or services for the first time. This is typically a high-stakes purchase and a significant opportunity for sales employees. Sales employees who have knowledge of their company's range of products and services can function as consultants in this scenario.

Personal customers

Personal customers may also exhibit some of the same characteristics as business customers. There are people who buy milk and a newspaper from the same shop every day or have coffee from the same cafe every morning.

Here are some ways to categorise the personal needs of your customers.

The need to be understood

If the customer asks for a cappuccino, they obviously do not want a latte. If you are unclear about what the customer wants, you may need to clarify the request.

The need to feel welcome

Greet the customer, perhaps make some conversation and then clarify what they want. This may even be along the lines of asking, 'The usual?' Make sure the customer believes you are pleased to see them – grumpy sales employees alienate customers.

The need to feel important

A primary need for most customers is to feel important. The act of spending money triggers a psychological desire for importance; in some cases, this is a mini adrenaline rush. You can help customers feel important by remembering things about them and providing excellent service.

The need for comfort

This is both a physical and a psychological need. Salespeople can provide comfort by making purchases as stress-free as possible. You can do this by giving the customer enough information to make a purchase they are happy with and providing good customer service.

Product and service knowledge

To meet customer needs, you need in-depth working knowledge of your organisation's products and services. While there will be occasions when you need to seek advice or help from a more experienced or senior colleague, you must be able to provide most of the answers most of the time.

Make sure you can provide answers to the 10 most frequently asked questions without hesitation. A confident, knowledgeable manner puts your customer at ease and facilitates the transaction. However, if you don't know, don't bluff – especially with high-stakes purchases.

In the case of a complex sale to a business customer, you may need to involve other members of your organisation in order to develop a comprehensive solution. You may also need to liaise with a range of suppliers to ensure delivery of the correct components, parts or ingredients.



Features and benefits

When explaining your product or service to a customer, it is important to make this relevant to their needs. Customers are really interested in how a certain product's features will benefit them. For example, a refrigerator may have a large capacity, excellent energy efficiency and a long warranty period. For the customer, this means they will have plenty of room without higher energy bills and peace of mind that any breakdowns will be covered.

When you describe the feature, link it to the benefit for the customer. Try using the phrase, 'Which means that ...'. For example, 'This fridge has a five-star energy rating, which means that you'll spend less on electricity than with a three-star fridge with smaller capacity.'

Be honest about the features and benefits of your product. If there is a genuine disadvantage with your product, try to overcome this by stating the advantages as benefits and hope that these will outweigh any relative disadvantages. This method can sometimes put the disadvantage into perspective for the customer. For example, 'This fridge is a little more expensive, but it's more energy-efficient so you'll save money over time and have more storage space as well.'

Organisation procedures and standards

If an organisation is serious about meeting and exceeding good customer service standards, then it needs a way to measure the quality of the services provided. Service standards and procedures need to be documented and easily accessible to all workers.

An example of a SMART organisational standard is a telephone policy. The phone should not be allowed to ring more than five times and all workers have responsibility for answering the phone.

Where standards do not comply with the SMART model, it is unlikely the organisation will be able to live up to them for any length of time.

S

Specific: Target and clearly define a specific area that you want to improve.

M

Measureable: Suggest an indicator of progress; quantify if possible. Determine how you will know the goal has been achieved.

A

Attainable: Agree what the goals should be and keep them achievable in the time frame.

R

Realistic: Identify what results can realistically be achieved given the available resources, knowledge and time.

T

Time framed: Specify when the result can be achieved; make sure there is enough time to achieve the goal, but not too much time.

Practice task 4

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

Case study

Maryanne called her telecommunications provider to make a complaint about a delay in having a landline phone connected in her new apartment. She used her mobile phone to call since she didn't have the landline available. She had just moved to the city and was job-hunting, so she needed the phone as a matter of urgency. Maryanne's call was answered by an automated service that presented several options for her to choose from. After making her choice, she was then put on hold, told that her business was important and made to listen to music for almost 15 minutes. Periodically, a pre-recorded message directed her to the company's website even though she had chosen the telephone as her preferred method of communication. She felt that she needed to explain her situation to someone and have action taken straightaway. Even if she had wanted to use the website, the internet had not been connected in her new apartment either.

Eventually Maryanne's call was answered by a customer service officer. Maryanne explained that she had gone through this process four days earlier and had spoken to an operator named Lena. The person to whom she was now speaking was difficult to understand and said they didn't know anything about Lena and she probably worked different shifts. As there was no record of the conversation with Lena, Maryanne was obliged to repeat the same information. She had now been on her mobile phone for almost 30 minutes and was conscious of the cost of the call. After she explained her situation to the operator, she was told there would be a delay of 10 days before a technician would be available, since all the technicians in her area were currently overbooked. When Maryanne expressed her displeasure at how her call had been handled, the operator replied with indifference that she could make a complaint on the company's website.

1. Describe the main deficiencies of the call centre in regard to the bad customer service given to Maryanne.

2. What actions should the call centre management now take to meet Maryanne's needs and ensure this kind of bad customer service does not happen again?

2B Assist customers to choose services and products to satisfy their needs

Once customer needs have been identified and explained, the next step in the sales process is helping customers to evaluate the service or product against their needs. Salespeople can add value here by demonstrating to customers the most effective way to use the product or by providing training, advice for use or ongoing support.

Customer needs may be complex and perhaps inconsistent with each other, so you need to exercise sound judgment to determine what the real message is. Customers use evaluative criteria to decide whether the costs they will incur are offset by the benefits they will gain in making the purchase.

Some customer choices are known as 'affective choices'. These are based on emotions and may be fairly random, in that they do not follow logical decision-making patterns. An example of an affective choice is choosing a particular coloured jacket or a certain drink at a bar. This type of purchase is primarily the result of your particular feelings or mood at the time of the purchase.



Provide advice to help customers choose

When advising on different products or service options, it is important to ensure your advice and strategies have the highest possible chance of being successful. Any advice or strategy you develop must be relevant, constructive, consistent, specific and, most importantly, realistic.

Here is an overview of these points.

Relevant

The advice or strategy you offer must be relevant to the customer and their identified needs. Advice should be clearly linked to resolving the customer service problem at hand. Explaining how product/service features will benefit the customer helps you be relevant and valuable in meeting customer needs.

Constructive

Advice should be constructive and may require the assistance and support of other people in the organisation. It is important to be positive when presenting information, advice and alternatives to the customer, to demonstrate you are striving to solve their problem.

Consistent

Any information or advice you provide must be consistent with the organisation's policies and procedures, and mission and vision statements. If in doubt, check with your supervisor.

Specific

You must explicitly state information about different products and services, what you can and cannot do for the customer, and how you are going to do this. Do not offer solutions that you or the organisation cannot produce, because this is misleading and unethical, and will only damage trust between you and the customer.

Realistic

Any advice or support you provide to the customer must be realistic in the sense that your organisation must be able to deliver it with current resources. As mentioned, do not offer or promise the customer any information, support or services you cannot deliver.

Listen to customers

Active listening means listening so that you convey your interest and understand the message fully. It is a key communication skill used for customer service. This is not a natural skill to some people, so it may need to be addressed through training and development activities.

Paraphrasing is a useful active listening strategy. This involves repeating the customer's comments in your own words to check you have the information right; for example, 'So, what you're saying is you need a phone plan that provides calls and texts, but not much data allowance, is that right?' However, avoid overdoing this as you may begin to irritate the customer.



Customers' buying signs

Other useful strategies include making eye contact when appropriate, nodding, using acknowledging words/phrases such as 'Yes' and 'I see', taking notes and asking relevant closed questions to narrow down product options.

Adapt your strategy to suit the customer interaction. You may vary your style based on the customer's age, gender or cultural background. It may also depend on the type of transaction. Your communication style will vary for each of these methods. Listening to the customer is the most important thing you can do when providing customer service.

The information that follows provides examples of different purchasing methods used by customers.

Different purchasing methods
<ul style="list-style-type: none">• Face to face• Online shopping• Telephone shopping• Mail order catalogue shopping• Voucher redemption shopping

Build trust

Trust is an important component of the sales relationship. Most of us would not go to a hairdresser if we did not trust them, for fear of emerging from the salon with a style we did not like. We would not eat at a restaurant if we did not trust its hygiene practices or take our car to a mechanic we did not trust.

You can build trust by being open and honest with your customers and consistently providing reliable, quality service. Customers are most likely to trust an organisation, and its products and services, if there is frequent interaction and the vendor exhibits consistent and predictable behaviours. Trust can also be instilled if the vendor gains a reputation for consistently fulfilling customers' expectations around product or service performance.



Be seen as an expert

The customer is more likely to feel confident in doing business with you if they perceive you as an expert. You can create and maintain this perception by improving your product knowledge and maintaining communications with regular customers. This encourages the customer to see you as a genuine partner and someone whose input is valuable in helping them evaluate service and product options.

Here are some aspects for organisations to consider if they wish to be seen as experts in their field.

Expert organisations
Provide new products or improvements
Offer industry trends and directions
Inform customers of legal or regulatory changes that may affect their business
Provide training or learning opportunities for employees
Participate in industry conventions, exhibitions or conferences

Cross-selling and upselling

Most organisations, if not all, are in business to sell services and products to their customers, so it is paramount that sales employees have the cross-selling and upselling skills to increase average customer sales. During the sales process and before closing it, you should be proactive in ensuring you are leading the sales situation into additional sales.

In practice, large organisations usually combine cross-selling and upselling techniques to enhance the value that the customer will get from the shopping experience. Exercise caution when cross-selling and upselling. There is a fine balance between helping customers meet their needs and pressuring them beyond their comfort level. Use your judgment and watch the customer's body language to help you find a balance.

Additional sales can be achieved if you:

- offer customers larger, more economical packages
- offer additional, complementary services
- introduce new products/services
- present special offers such as buy one, get one free
- consolidate a customer's business in your company
- satisfy a previously unstated need
- encourage the customer to bring forward a purchase they would otherwise have deferred.

Customer satisfaction

The customer's perception of any product or service is related to their overall level of satisfaction. Although many factors are important in ensuring overall customer satisfaction, perhaps the most important factor is the value-to-price relationship. If the customer feels they have received exceptional value for money, they will probably buy the product or service again or buy something else from the same vendor.

Here are the three main types of factors that affect customer satisfaction.

Product-related factors

- Value-to-price relationship
- Perception of quality
- Features and benefits
- Product reliability and durability

Service-related factors

- Validity of product warranty
- Responsiveness to problems and malfunctions
- After-sales service and righting of problems
- Exceeding the basic legal requirements

Purchase factors

- Experience, skill and calibre of sales employees
- Overall ease and convenience of the purchase

Customer dissatisfaction

Customer dissatisfaction, bad press and negative reviews can quickly damage an organisation's reputation. For example, social media now means that dissatisfied customers can quickly and easily tell their friends, who then tell others, creating negative advertising. Many customers simply do not return, instead finding other suppliers or vendors to meet their needs.



Organisational procedures and standards

Your organisation will have a set of procedures and standards that govern contact with customers. Your dealings with customers and clients will be governed by a variety of organisational policies, procedures and standards.

Here is an outline of some aspects that often govern customer interactions and connections.

Aspects governing customer service attributes
<ul style="list-style-type: none">• Workplace policies and procedures• Your job description• Customs and practices in your organisation• Codes of practice that pertain to the occupation, industry, service or product• Commonwealth and state/territory regulations and laws

Practice task 5

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

Case study

Rachael has built a small but successful specialty food and catering business in a suburb that has two large supermarkets nearby. Her business does not have the purchasing power that larger chain stores have. She works in the store herself and employs one full-time assistant, together with four casual staff who help with sales and deliveries during busy periods. Rachael and her assistants are always friendly, helpful and knowledgeable. They mostly prepare finger foods, continental smallgoods, cheeses and beverages at the high end of the price range for business meetings and special occasions. Standards of hygiene and cleanliness are impeccable and the food is fresh and attractively presented. Even though much of the gourmet food is expensive, employees have been instructed to provide samples to prospective customers such as local businesses. If a customer requests a product they do not stock, they endeavour to get it in as soon as possible.

Rachael's business practices include:

- regular specials
- combinations
- two for the price of one
- free tastings
- samples on request
- free product advice
- a monthly 'foodies night'
- support of local charities and sporting clubs.

continued ...

... continued

1. What other strategies could Rachael introduce to help her customers choose the most suitable products?

2. What are three things Rachael does well?

3. List three improvements you would make to Rachael's business practices.

4. Identify any threats that Rachael's business could face in the future.

2C

Determine and prioritise preferred actions

Any transaction can take many different directions; the more complex the transaction, the greater the range of possibilities. If you are working on a complex sale, you may need to explore several options and carefully consider their pros and cons. You may also need to consult with both the customer and your colleagues.

Remember that your ultimate goal is a win-win situation where the customer's needs are met and you make the sale. If you can assist the customer to add value in some way, you may also establish a long-term commercial relationship.



Communicate your preferred actions to the customer

Before a sale is finalised, you must ensure that you and your customer have reached a satisfactory understanding. You will need to do several things to successfully close a sale.

When closing a sale, you need to make sure that:

- the agreed price of the product or service has been ascertained
- any additional cost (tax, postage and handling, currency exchange etc.) has been communicated
- acceptable methods of payment have been established
- the date that payment is due is clear
- the date, time (may be approximate) and place of delivery have been clearly communicated
- the method of delivery has been established
- unloading arrangements have been made
- the quality of the product has been confirmed
- return or refund facilities have been sighted by the customer.

Document the sale

All of the relevant details are usually set out in a sales contract. In the commercial world where complex sales are transacted, these contracts may be drawn up by solicitors or other trained specialists. The details of some of these sales contracts may be confidential and known only to a few relevant company personnel.

In retail purchases, these conditions may be published on transaction receipts, or in the terms and conditions of sale on a company website. Under law, organisations must display their refund and exchange policy somewhere that customers can see it.

Practice task 6

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

Case study

Raul owns a cleaning company that he has built up over a period of time. He now has several ongoing contracts. One contract is with a medium-sized suburban primary school. The contract is negotiated and renewed annually, and was initially drawn up by a friend of Raul's who was studying business at university. The school principal signs on behalf of the school council and signs a cheque for Raul's company when invoiced once a month. The contract stipulates that the cleaning should be done five nights a week after regular school hours. The work is usually done by Raul's casual employees; their work performance is rarely checked, since Raul is busy expanding other business interests. The contract provides an overview of the cleaning services to be carried out as follows:

- Vacuum carpets
- Clean toilets and bathrooms
- Empty rubbish bins
- Empty recycling bins
- Replenish bathroom consumables
- Mop tiled areas
- Other cleaning as necessary

Teachers at the school have recently complained to the principal about the cleaning, in particular that the bins are not always emptied and they are unhygienic. Lights and heaters are often still on when they arrive in the morning and children are reluctant to use the toilets, complaining that they 'stink'.

1. Why do you think the cleaning standards have deteriorated at the school?

2. What actions should the principal take to improve the situation?

continued ...

... continued

3. Should the principal continue to pay Raul each month? Explain why or why not.

2D

Identify difficulties in customer service delivery and take appropriate actions

Excellent customer service is the key to maintaining a good reputation and the competitive position of a business. Nevertheless, this is not always easy and sometimes problems arise. Organisations need to have mechanisms in place to identify problems in customer service delivery, and systems to remedy these problems as soon as they are detected.

Identify customer service delivery problems

Identify any possible gaps between your customer's needs and what the organisation can deliver. Analyse this information to identify any customer service problems and improvement opportunities. If you know where the gaps are, you can put procedures in place to reduce future customer dissatisfaction.

The number of customer difficulties and complaints an organisation receives is one indication of the quality of its customer service. However, research indicates that instead of actually complaining, around 90 per cent of dissatisfied customers will simply not return. Therefore, the complaints you receive from customers represent only a minority of all customers who experience difficulties with your organisation and its customer service.

Organisations with good customer service programs in place view customer complaints as opportunities, rather than problems. A customer concern becomes an opportunity to develop and implement procedures to avoid the problem in future. This approach calls for specific procedures to be in place for dealing with such customer issues.



Example: customer connection

A positive view looks at all customer contact – whether complaints or compliments – as an opportunity to promote goodwill and increase customer satisfaction.

The following two extracts from customer service charters demonstrate a positive attitude to dealing with customer complaints.

Elsie's Home Repairs

- We welcome complaints. They help us to improve our service.
- We are willing to learn from our complaints.
- We encourage customers to complain if they are not satisfied with our service.
- We take our customers seriously.
- Our customers are always respected.
- We respond quickly to all customer queries and complaints.
- Customer satisfaction is our objective.

The Great Crepe Catering Company

Customers who take the time to complain and give us their feedback should be thanked, because they are identifying a gap in our organisation's service delivery that, now we know about it, we can work towards resolving. Existing customers should be treated with care – including those who complain – because these are people who have already decided to use our company's products or services. Those who complain are giving us a second chance to keep their business. All customer contact is an opportunity to promote goodwill and demonstrate the high levels of service our organisation is capable of. The customer's opinion should always be taken seriously and considered 'right', because it is their decision to purchase our products and services that keeps our business alive.

Types of customer difficulties and complaints

The types of complaints that organisations receive vary greatly, depending on the organisation, the industry, its products or services, the types of clients and their expectations. These days, complaints may arise from traditional service delivery methods or e-business dealings.



Complaints about traditional service delivery

Common customer complaints are usually focused on the customer service experience and can include the time taken to be attended to and the lack of politeness of the salesperson during the customer service experience.

Think back to the last customer service experience you had and ask yourself whether it was an honest experience. Was the salesperson genuinely interested in your needs? Did they show empathy? Were your purchase inquiries followed up? All of these are very important components of the customer service experience.

The following are other reasons that a customer may feel the need to complain about the service or product provided by your organisation.

A customer complaint can derive from:

- damaged or faulty goods
- products/services not being as described in terms of function or quality and/or not fit for the customer's intended purpose
- services rendered being faulty, insufficient to meet the customer's needs, of poor quality or unfinished/incomplete
- poor product packaging
- parts or instructions missing from a product
- products not being delivered or other delivery errors such as incorrect address or late delivery
- billing and payment errors; for example, overcharging or charging the wrong customer account
- chosen product not being available
- warehouse or storeroom errors, such as incorrect packing of products or wrong packing quantities
- dissatisfaction with the quality of service received
- inflexible purchasing conditions
- difficult access to the organisation.

Complaints from e-business dealings

The previous list contains complaints primarily related to traditional service delivery. E-business brings with it additional potential problems relating to the way customers and technology interact.

Your organisation will be able to resolve some of the problems that have led to customer complaints, but others will require the customer to seek external help. An organisation can identify and repair inactive links and other website faults if it regularly reviews and checks its website. Similarly, asking employees to review and comment on the website's functionality, or asking for customer feedback on the effectiveness of the website, may identify areas for improvement.

Customers may experience technological problems with:

- incompatibility of hardware or software
- difficulty accessing services
- time taken to access services
- inactive links
- website faults
- unfriendly website design.

Example: customer service delivery difficulties

A call centre has three viable options to choose from if it is to resolve its current customer dissatisfaction with incoming call response times.

The manager says, 'The first option is to hire an additional full-time employee, which would mean we could provide improved response times across the board. This would cost a total of \$48,000 per annum, which includes salary for the employee and other costs such as recruitment, insurances, training and equipment.'

'The second is to appoint a part-time employee to relieve existing employees during lunchtime and breaks so our response time does not increase, as it does now, at these times. This would not address the problem overall, but would manage the worst times we are experiencing. This would cost \$30,000 per annum for salary and on-costs.'

'Our third option is to review the current workload of call centre employees and determine what they are spending their time on – perhaps we could take steps to minimise non-phone activities, such as photocopying and other administrative work. This may involve appointing support employees to assist the call centre team to better respond to incoming calls. The cost of this would need to be determined following the review and the costs of the review itself would also need to be taken into account.'



Procedures for handling and resolving difficulties and complaints

Organisations usually have set procedures in place for employees to follow when dealing with customer difficulties, given that it is paramount these complaints are resolved as quickly as possible and that employees are confident in handling complaints.

Ultimately all customers need to be treated the same when resolving a complaint, no matter what the level of the problem. If employees understand and follow the organisation's complaint procedures, they can minimise the damage to the organisation when a customer complains. Prompt and professional action may mean you retain their business in the long term.

The following are examples of effective customer complaint systems and their characteristics.

Timely resolution

Complaints are resolved quickly with clear deadlines for when each stage of the process must be completed.

Simple procedures

Procedures are relatively straightforward and easy for both employees and customers to understand.

Written procedures

The complaints procedure is documented so employees have a guide to follow when interacting with complaining customers.

Transparency to customers

Customers are made fully aware of how to lodge a complaint.

Detailed records

Complaint details are written down and recorded for future reference and follow-up.

Regular analysis

Recorded complaints are stored and analysed to identify trends and issues in customer service and areas for improvement.

Timely feedback

Customers are informed as to the progress of any complaint they lodge.

Implement a customer complaints procedure

Any system the organisation uses to handle customer complaints should include the following six steps.

The six steps in handling customer complaints

1

Receive and log complaints

Customers must be easily able to log complaints and employees should record all details for future reference and analysis.

2

Investigate the complaint

The person responsible for investigating the details of the complaint may be the employee who took the complaint, the employee who was responsible for serving the customer originally or the manager responsible for the employee. This person must gather all details of the interaction to determine exactly what happened.

3

Develop a way to resolve the complaint

Sometimes the customer's complaint may not be able to be resolved immediately. The customer may have to wait while you investigate the details of their complaint. In such circumstances, it is important to reassure the customer that you will resolve the complaint and to take responsibility for doing so.

4

Resolve the complaint

After investigation of the complaint, it will become evident what has happened. Now action is required by the organisation. Determining what action to take involves consulting the organisation's policies and procedures.

5

Notify the customer of the solution

The customer must be notified as to what action will be taken by the organisation in resolving their complaint.

6

Follow up with the customer

It is important to follow up with the customer to see how they feel their complaint has been handled. If the customer is still unhappy with the outcome, you may need to direct them to an outside party (for example, a relevant ombudsman).

Use conflict management techniques

On some occasions, salespeople must deal with irate customers and difficult situations. When customers become angry, it is best that all employees follow clearly defined procedures and react in a professional manner.

It is easy for employees to become overwhelmed in these situations, so it is important that everyone is familiar with the specific policies and procedures of your organisation. It is paramount that employees who are dealing with angry customers are trained in basic conflict management techniques.

Aspects of conflict management require that you are able to:

- acknowledge the customer's difficulty
- show concern for the customer's feelings
- project professionalism and not become personal
- rephrase and paraphrase the customer's statements to ensure understanding
- provide a clear resolution for the customer
- check the customer has understood the arrangement.

Improve customer service processes

Once customer difficulties have been identified, it is important that employees are made aware of the problem. As a salesperson, you may need to demonstrate to support employees that a real issue is occurring and that the organisation must implement changes if it is to satisfy customers.

You can also discuss the performance of competitors and what they are offering customers in your industry, to show where your organisation needs to improve to compete effectively.

Clearly state to support employees what is likely to occur if nothing is done to improve existing customer service practices; for example, loss of customers, competitors winning business over your organisation, decrease in sales and potential job losses.

If you want to change customer service processes, you must also describe the possible alternative solutions clearly, why they should be considered and what their benefits and disadvantages are. Depending on the audience, you may recommend your preferred solution.

In any case, remember to always take action and identify the problem, echo the problem to other team members and be proactive in suggesting alternative solutions.



Practice task 7

1. What types of complaints does your organisation generally receive?

2. Identify any trends. For example, are most issues related to products or to customer service?

Summary

1. Customers may be personal or business customers, and may have simple or complex needs that you must identify and address.
2. Any information or advice provided to customers must be accurate and provided in a timely manner.
3. Identify areas of customer service difficulty and strive to overcome them.
4. Work with customers to clarify the nature of their problems and explore likely solutions.
5. Know your products and how they can meet customer needs.
6. Help customers choose products/services that best fulfil their needs.
7. Listen to customers, develop a relationship and build trust.
8. Take action to respond to customer service complaints about both traditional service delivery and e-business dealings.
9. Develop and implement policies and procedures for resolving customer difficulties and complaints.
10. Determine, prioritise and document an agreed course of action.
11. Use effective conflict management techniques where necessary.

Learning checkpoint 2

Satisfy complex customer needs

This learning checkpoint allows you to review your skills and knowledge in satisfying complex customer needs.

Part A

1. Explain the different ways you could communicate with the following customers:
 - a) A business customer whose monthly stationery order will be delayed
 - b) A retail customer who has submitted a complaint to the company website
 - c) A business customer who purchased a new computer system two years ago

2. Briefly outline the information you would provide to each of these three customers. Why is it important to adjust the communication method to the particular type of customer?

3. Explain why it is worth the expense of having a lawyer draw up a detailed contract for service delivery.

4. Explain in your own words at least three frequent causes of customer dissatisfaction and suggest some possible solutions.

Part B

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

Case study

Mike's Washers specialises in selling washing machines for business and household customers. The sales staff are highly trained in the features of different washing machines, including their:

- capacity
- water efficiency
- electricity efficiency
- warranties
- reliability.

Mike, the owner, is proud of the customer service that his staff offer. As well as the sales outlet, they have a service centre and an emergency repair service. Mike has recently introduced an extended warranty option, which is selling well. The following table summarises the details of the four most popular washing machines sold by Mike's Washers.

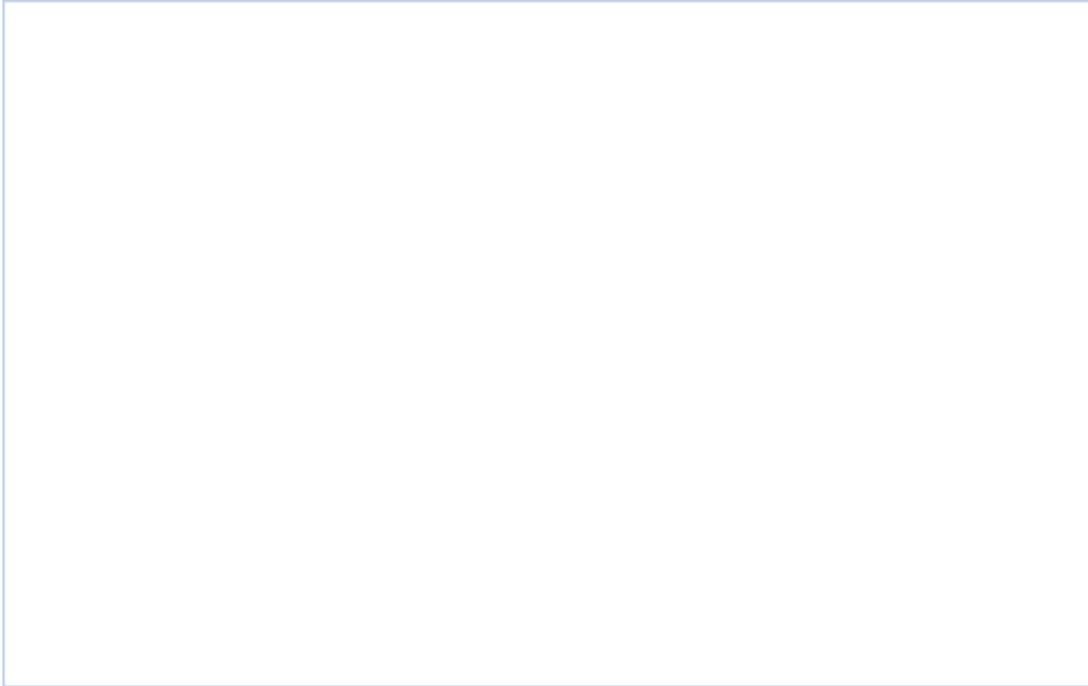
Feature	Machine 1	Machine 2	Machine 3	Machine 4
Price	\$850	\$1500	\$3000	\$1150
Warranty	2 years	4 years	3 years	2 years
Load type	Top	Front	Front	Top
Spin speed max	1000 rpm	1200 rpm	1400 rpm	1000 rpm
Water efficiency rating	2 stars	3 stars	3 stars	2 stars
Energy rating	2 stars	3 stars	3.5 stars	2 stars
Load capacity	8 kg	9.5 kg	12 kg	8 kg
Physical dimensions	670 x 1070 x 680 mm	700 x 1100 x 700 mm	750 x 1200 x 700 mm	700 x 1200 x 680 mm
Special features		Delayed start; electronic controls	Lint filter; fabric softener dispenser	Stainless steel finish; delayed start

1. What questions should a salesperson at Mike's Washers ask in order to identify the most appropriate machine for a customer? Why is this important?

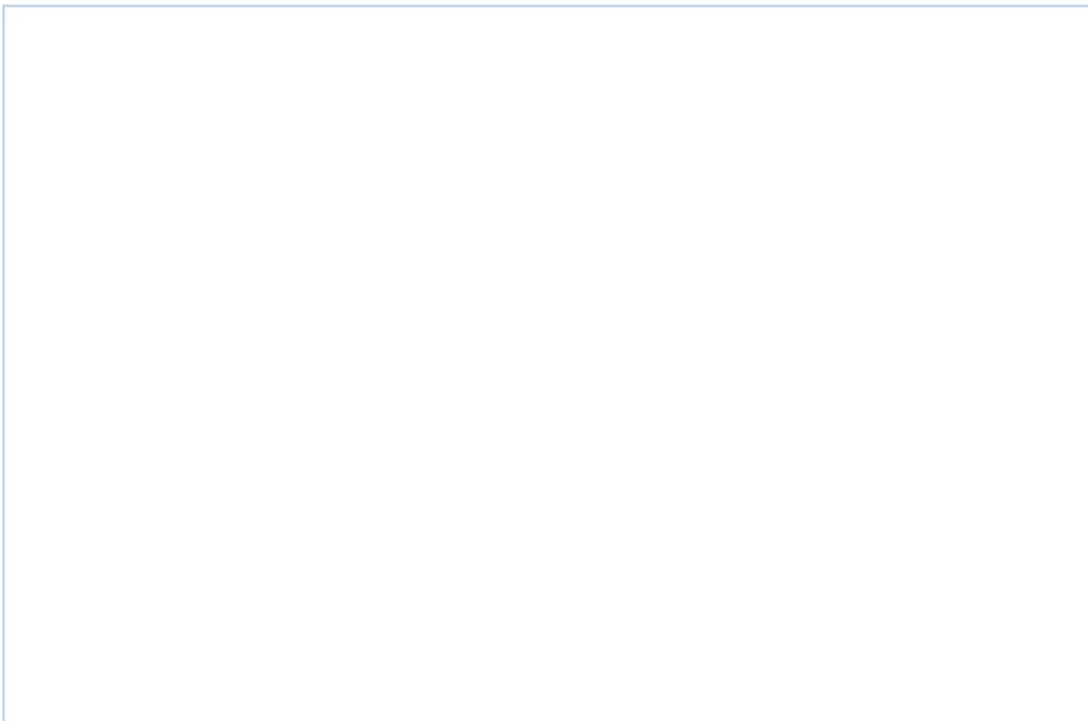
2. Review the table describing the four different models. Which model would you recommend to a:
 - student in a share house
 - family
 - laundromat?

For each case, give reasons for your choice and describe how you would help the customer make their choice.

3. Imagine you are a salesperson preparing a quote for a business that is interested in purchasing four washing machines from Mike's Washers.
- What information would you include in the quote?
 - What information could you include to encourage the business to choose Mike's Washers?
 - How would you provide the quote to the business customer? Why would you do this?



4. Describe three things that could go wrong when delivering an order to a business customer. For each item, describe the steps you could take to prevent this from happening.



5. Imagine you are working at Mike's Washers when you receive a call from an angry customer. They have just taken a load of washing out of their machine. The colours have all run together and some of the clothes are torn. The customer is blaming the washing machine for the problem and is threatening to post pictures on the Mike's Washers social media page. What would you say to the customer? What actions would you take to resolve the situation?

Topic 3

Manage networks to ensure customer needs are addressed

Few customer transactions are intended to be single acts of business. Therefore, one of the most important roles for salespeople is to establish, maintain and extend a network of clients or customers. This is common practice across a range of industries and professions, and is known as networking. Developing and maintaining networks is integral to success in the modern business world.

In this topic you will learn how to:

- 3A Establish effective regular communication with customers
- 3B Establish networks to ensure appropriate customer referrals to products and services
- 3C Establish procedures to ensure referrals are made according to customer needs
- 3D Establish procedures to ensure decisions about customers are based on current information
- 3E Maintain records of customer interaction

3A

Establish effective regular communication with customers

For sales professionals, every sale should be viewed as an opportunity to add to your professional network. However, for a customer to willingly offer contact details, they need to feel at ease with you as a salesperson, as well as with the organisation you represent. Putting them at ease is likely to make a customer receptive to communication, which, if handled correctly, can lead to the development of an ongoing business relationship.



Regular communication

Once you have established contact with a customer, you can reinforce this relationship via regular communication to maintain the connection. Be careful not to overwhelm the customer with too much communication, but offer links to specials or loyalty programs that will benefit them.

Regular communication also helps build rapport, which occurs when people have some common interests, beliefs or attitudes. For example, your children may go to the same school or play in the same sporting club. Building rapport helps establish a trusting professional relationship and a sense of loyalty between customers and salespeople.

The advantages of regular customer communication include:

- developing and maintaining a bond with customers
- creating a sense of loyalty
- having customers spread the good word – the best kind of advertising
- strengthening your brand identity
- putting you in a position to upsell or cross-sell
- having your organisation become a supplier of choice.

Methods of communication

Most businesses and organisations need to communicate with established customers. It is much easier to maintain existing customers than to be constantly seeking to replace them with new ones.

In the course of a year, you may receive communications from a range of organisations and services you have dealt with at some time in the past.

Here is a table that lists some common forms of communication you may receive from different organisations.

Business/organisation	Reason	Communication medium
Dentist	Time for six-monthly check-up	Letter
Bank	Review your loan	Letter
Credit card provider	New credit card offer	Letter
Vocational education provider	Discounted course offer	Email
Real estate agent	Keeping in touch to be first choice to rent/sell/buy property	Letter Christmas card
Lawn-mowing contractor	Thank you for your business	Calendar Fridge magnet
Clothing store	Special offers	Email
Supermarket chain	Special offers	Email
Airline	Discounted travel	Email
Pizza shop	New menu/special offers	Pamphlet in letterbox
New car dealer	Car service due	Letter and email
State member of parliament	Keeping in touch/policies	Letter Calendar

Other methods of communication

It is paramount to your success as a salesperson or manager that you are able to recognise and use a variety of communication methods to suit the diverse sales environment.

Here are several common types of business communication.

Methods of business communication
<ul style="list-style-type: none">• Information sessions, seminars or workshops to introduce new products or services• Telephone calls to keep in touch• A newsletter (electronic or postal)• Regular updates to a website with news and product information• Advertising in public media such as newspapers, magazines, television and radio• Membership club or rewards/loyalty club• Birthday offers• Discount vouchers• Doorknocking• Product samples/mementos/gifts• Sponsorship of local sporting or community groups

Effective communication

You can develop your communication skills by listening to experienced colleagues, practising your questioning and paraphrasing skills to gather information, and asking your supervisor or manager for feedback.

In some instances, customers may have difficulty expressing themselves, or they may need you to rephrase what you are saying or prompt them with additional questions. Remember to avoid using technical words they may be unfamiliar with.

Features of effective communication include:

- maintaining eye contact during face-to-face interactions (unless culturally inappropriate)
- giving the customer your undivided attention
- focusing on the customer, not yourself, when conversing
- using active listening techniques
- eliciting information from the customer using open questions where possible to gain more qualitative information
- handling confidential issues with care and sensitivity.



Privacy

Even though collecting and storing information about customers is an essential part of the sales role, you must be careful to protect your customers' privacy.

The *Privacy Act 1988* (Cth) covers how an individual's personal information is to be collected, used, shared with others or disclosed, stored securely and updated or kept accurate. It also provides guidelines about a person's rights to access their own information, use of a person's tax file number and how information about a person's credit rating is handled by credit reporting agencies and credit providers.

It is important to obtain informed consent from customers about the use of their personal information. Asking customers to opt in to an email newsletter is an example of obtaining informed consent to use their personal information, in this case, their email addresses.

If you are in doubt about privacy issues when dealing with customer information, consult a more experienced colleague or your supervisor.



Barriers to effective regular communication

There are several reasons that regular communication may not be effective. If barriers to communication occur, customers may become frustrated, bored or angry, and communication may break down. In many cases, if customers cannot understand the message or do not have rapport with the salesperson, the sale simply doesn't proceed. For example, if the communication channel is wrong, it is possible you will communicate the wrong message or no message at all.

When communicating as the sender, you need to ensure the other person can receive your message or method of communication. As examples, sending an email to someone who does not have a computer or speaking English to a non-English-speaking person are methods that are redundant in those instances. Another example of a barrier to communication is when you experience difficulty hearing a customer on the phone due to background noise.

Causes of communication barriers

Effective communication comes more naturally to some people than others; however, you can learn to overcome barriers to effective communication.

Here is more information about communication barriers.

Common causes of communication barriers with customers

- Insufficient number of employees to provide prompt service
- Inadequately trained employees
- The customer not being sufficiently respected
- A lack of internal communication within the organisation
- Employees not considering the appropriate level of formality
- Employees not identifying cultural issues related to the transaction

Use technology to understand customer service needs

Organisations need to use business technology and resources to ensure information about customer service needs is collected, processed, structured and presented in an effective manner. Business technology can help you analyse data collected on customers in order to identify trends in customer service needs, and to share and communicate this information with colleagues.

The best technology for you to use to collect and distribute information on customer service needs will depend on the resources you have available.



Online services

The internet and web-based delivery of products and services have radically changed the way consumers and businesses interact. Customer service has evolved from a face-to-face, over-the-counter experience and then telephone and call centre transactions to the point where consumers can now easily access goods and services via the internet.

Similarly, computer technology and the internet have revolutionised the way businesses can manage their dealings with customers. Web-based technology and fast, remote connections now allow organisations to provide prompt, reliable service from multiple sites. Support employees now have access to centralised product and customer databases online, and can readily access purchasing, ordering and client account details remotely.

Customers commonly carry out a complete transaction from their home or office, or from their smartphones, including identifying the product or service they want, ordering and payment, and even warranty registration.

This means that businesses with efficient, well-developed, up-to-date and informative websites are able to transact with customers locally, nationally and internationally. Web-based technology also provides businesses with affordable, accessible alternatives for managing customer profiling. Organisations can choose to outsource customer-monitoring activities or even access software such as SurveyMonkey to carry out their own research.

Example: web-based technology

Spreadsheet software can be used to chart annual customer complaint statistics and the reasons behind the complaints received. Tables, charts or graphs can be used to present this information and make data clearer and easier to understand.

This could enable you, for example, to identify that complaints have risen in the past year and the most common type of customer complaint is for late product delivery. Thus, you could identify that customers want shorter delivery times and you could take appropriate action.

Customer service databases or customer management programs, such as Maximizer, can be used to track customer interaction. You can also use such programs to print reports on specific data.

Practice task 8

1. List five ways you could establish effective regular communication with your customers.

2. Describe four things that could create a communication barrier with your customers.

3. How can organisational technology assist you in understanding your customers?

4. What are four features of effective communication?

3B

Establish networks to ensure appropriate customer referrals to products and services

Professional networks are built on rapport, so if you have the skills and attitude to communicate effectively with customers, you are well positioned to establish, maintain and expand on networks.

Your networks can be extremely useful when seeking, receiving or providing information to customers, suppliers and colleagues. For example, if you do not know the answer to a customer's question, chances are that someone within your network will. In this way, your networks can help you add value to the sales process.

The key to effective networking is identifying influencers. Influencers are people who are happy to support and promote you, your organisation and its products to others within and outside the organisation. This is because they are confident in your abilities and work practices, and because you may add value to their business.



Win-win situation

An example of a win-win situation is if a customer wants a particular product or service that your organisation can't provide; you could recommend or refer them to another business.

This is a win-win situation because:

- the customer's need has been met
- the customer is grateful for your help and therefore more likely to purchase from you in the future
- you have strengthened your business relationship with another provider and they are likely to reciprocate this action in the future.

Networks

You need to know how networks operate and how they can benefit your sales performance. Formal networks are common practice in the tourism, hospitality and travel industries, with various hotels, resorts, wineries, restaurants and airlines all establishing and promoting clubs to strengthen their own relationships with customers.

Here are several types of networks that can enhance your sales results and grow your customer base.

Referral networks

In a large or complex business, it is unlikely you will be able to meet every customer request. Even if you can't provide a product or service yourself, it is still possible to satisfy a customer by referring them to someone you know who can meet their particular needs.

Internal networks

In large organisations, it helps to develop a strong internal network. It may not always be possible to assist a customer directly if you do not have the necessary information or experience. In these situations, refer customers to a more experienced colleague, rather than risk alienating them and losing the sale.

External networks

In many industries, organisations tend to specialise and focus on their core products, services and markets, while outsourcing non-core activities to other organisations. Some organisations find the nature of their businesses means they often share customers with another organisation: both of them providing specific products or services that together satisfy the customer's needs.

Informal networks

Owners of particular businesses may not have a formal contract, but they may be friends or acquaintances who are aware of each other's services. Their relationship is non-competitive and all try to help each other. By doing so, they are able to offer a full service to the customer.

Formal networks

A more formal network may be a legal requirement in some industries. For example, when a patient visits a general practitioner (GP) for a complex or non-routine medical complaint, they are generally referred to a medical specialist. The specialist then decides on a treatment, medication or further action, possibly referring the patient on to yet another specialist for tests or additional treatment.

Organisational networks

Networks are a good way that organisations can maintain close relationships with customers and increase loyalty. Successful organisations often have clubs or other common interest groups to bring like-minded customers together. The American motorcycle company Harley-Davidson has an owners' club that portrays owning a Harley as a lifestyle, rather than simply a mode of transport.

Obtain and retain referrals

Referrals of customers (directed to you) may come from numerous sources. It is good practice when you are aware of a referral from a third party to thank or in some way acknowledge the source.

The best way to ensure continued referrals is to reciprocate where possible. Although some informal referrals may come your way without obligation, if you wish to set up a formal and systematic referral arrangement then you generally need to offer something in return. This could be a commission, a discount, shared use of facilities or a preferred supplier status.

Good referrals are extremely valuable and should not be treated lightly. Record the source of useful referrals and be sure to thank people and businesses that have assisted you.

Referrals can be obtained from:

- existing customers
- a professional or industry association
- a service or recreational club you belong to
- another professional you do business with
- a complementary business.

Example: partnerships and alliances

Many organisations wish to create more formal, sometimes legally binding partnerships with complementary organisations in order to provide a complete service to customers.

The following example outlines how a business uses its external networks to refer customers to other businesses.

The Boat Shed is a small business located on a marina that builds customised boats for sailing, fishing and waterskiing enthusiasts. It specialises in manufacturing the boats only, but often finds its customers require several related products and services. The Boat Shed regularly refers customers to a range of other businesses and organisations, including:

- a welder for trailers and tow-bars
- a marine supplies store for sails and other equipment
- an outdoor store for fishing tackle
- a map shop for marine charts
- the local yacht club.



Practice task 9

Read the scenario, then answer the questions that follow.

Scenario

You are the manager of a reception centre that specialises in occasions such as small conferences, weddings and special birthdays. A young couple has just booked your venue for their wedding reception. They ask you to help them organise the entire wedding day.

1. Why is it important to have established, maintained and expanded your existing networks in this scenario?

2. Describe how you would keep your networks up to date and accurate.

3. List the products and services these customers may need outside your organisation.

4. Explain how your referrals may benefit the customers, the organisation and the referred organisations.

3C

Establish procedures to ensure referrals are made according to customer needs

The contemporary business world moves at a frenetic pace. The economy ebbs and flows, disposable incomes vary and employment participation changes. Furthermore, businesses open and close, they change locations, and key people come and go. Customer preferences, together with patterns of purchase and consumption, are also continually changing.

All of these issues contribute to a dynamic situation that needs to be constantly monitored. As a result, sales professionals need to be familiar with basic market research in order to remain in touch with both customers and products.

Remember that products and services may include either products (such as a loaf of bread or a new car) or services (such as a haircut or financial advice), or a combination of both goods and services (such as the purchase and installation of a new kitchen). They may also include infrastructure such as buildings and their fittings and fixtures, and even private or public sets of benefits, such as community services and facilities that governments or private organisations want the public to use.



Record keeping

There are many reasons that organisations need to keep records. As businesses expand and grow, it becomes more difficult to keep track of customers and transactions. It is crucial to know who your customers are and what, when and how they are buying, so you need to ensure records are accurate and up to date.

Moreover, issues can occur when key sales employees leave an organisation. It is almost inevitable that they will take customer knowledge and key contacts with them, so organisations need to ensure their records are up to date and comprehensive.

Employees need to be assigned direct responsibility for record keeping in accordance with organisational policies and protocols. Access also needs to be controlled, because a range of employees may need access to different levels of information.

Records help provide better service

Keeping accurate and current customer records helps businesses provide better service.

Different methods of record keeping suit different purposes and have different features, as outlined in the following table.

Method of record keeping	Features
Hard-copy files	Easy to read Cannot be accessed remotely Require storage space
Spreadsheet software	Able to convert raw data into information Requires some training to use it
Customer database	Provides detailed information by customer Needs to be well managed and organised Needs different access levels granted to different users
Business management software	Dedicated computer software suited to small- and medium-sized organisations
Customer relationship management (CRM) software	Provides sophisticated information about customer transactions More suited to large organisations

Access to recorded information

In large organisations, a wide range of people require access to stored information and the ability to add or amend information as necessary. Most CRM systems allow different groups different levels of access; for example, sales employees may not be able to review customers' payment histories.

Another important reason to keep thorough and up-to-date records is that analysing past trends helps inform planning for the future. This is very important in industries where there are significant seasonal fluctuations in demand for products or services.

Here are a number of groups that typically need access to a database or CRM systems.

Groups that need to access CRM systems:

- Senior management
- Market research employees
- Applied marketing employees
- Sales employees
- Customer support staff
- Accounting and finance employees

Market research

Market research is a formal and organised process of gathering and recording data about the market, customers and competitors. The outcomes usually inform business strategy and are part of gaining an advantage over competitors.

Information can be gathered from either primary or secondary sources. Data for market research can be primary (gathered by you) or secondary (gathered by a third party and given or sold to you). Government websites are excellent sources of information and provide demographic statistics such as the population of a region and median incomes.

Gathering primary data usually involves talking to or observing a sample of people. Samples are used because it is not logistically possible to interview or observe all consumers. Ensure the sample is representative of the broader group whose opinions are being sought. Designing survey tools and techniques for this type of research is generally a specialist task and it is unlikely that an inexperienced or novice salesperson would be asked to design a research project.



Internal and external data

Most market research projects begin by analysing available secondary data. This data can be both internal and external to the organisation. Data analysis can be carried out in several ways and is dependent on what information is being sought. Again, this is a specialised task and most organisations wishing to conduct in-depth market research would commission a market research company to design the project and analyse the data.

The following are examples of internal and external data.

Internal data sources	External data sources
<ul style="list-style-type: none"> • Company annual reports • Sales and accounting records • Previous market research commissioned or carried out by the company 	<ul style="list-style-type: none"> • Government data, industry or trade or professional association data, industry reports • Books, academic journals, trade journals, professional journals • Magazine and newspaper articles

Analyse data for financial forecasting

As mentioned, sales employees are not usually required to carry out extensive market research projects. It is more common for sales employees to be asked to make predictions about future trends based on customer records.

To do this, you require reasonable numeracy skills in addition to your communication skills. Employees who are highly numerate can make informed predictions about future sales based on past results.

You can also undertake a process of financial benchmarking to ascertain how your organisation compares with competitors on a range of criteria. The more numerate you are, the more functions you can carry out with raw data. It is tremendously valuable for your organisation if you are able to produce accurate sales forecasts and probable customer-purchasing patterns.



Obtain current data

All financial forecasting and data analysis are based on obtaining comprehensive and accurate information. This information can be obtained from customer and product data and records.

In regard to customer data, organisations need up-to-date customer contact information to maintain regular communication. Understanding the drivers of customer purchases can provide a significant competitive advantage. This kind of information may be obtained from or about customers in a variety of ways.

Ways to obtain data from your customers include:

- observation
- questionnaires and surveys (phone/online/postal)
- customer membership groups
- focus groups
- suggestion boxes
- mystery shoppers and customer service reviews
- simply chatting with or spending time with customers; this can offer valuable qualitative insights.

Gather primary and secondary data

Here are examples of successful websites that make significant revenue through affiliate marketing programs and are often a great source of primary and secondary information.

Findgift.com

This is a shopping catalogue site where the customer can search through a variety of types of gifts and gather primary and secondary information.

ThisiswhymBroke.com

This website provides an online catalogue of creative, geeky and out-of-the-ordinary products.

Theawesomer.com

Standard articles as well as information on featured products can be found on this website.

Geekalerts.com

This website features and provides informative data on geeky or unusual products.

Inspirereview.com

This website reviews products from bestselling categories located on other websites.

Thehomegadget.com

This website finds and provides information on the coolest new gadgets and gifts for homeowners.

Prioritise sales options

It must be emphasised that having multiple sources of customer data will not necessarily meet sales requirements and often you will need to implement sales option strategies. Obviously the need to prioritise your sales options can occur at any given time on the retail floor. Prioritising sales options requires you to have the skills and ability to see which sales tasks are more important at a given moment and make time for these throughout daily operations.

Some tasks will incur more of your attention, energy and time. It is essential that you are able to focus on what is important – which will usually be at the expense of lower valued activities. For example, undertaking a replenishment task in a fashion store or unpacking stock when the store is busy and full of potential sales would be seen as low priorities.



Product information

Information about your organisation's products can also change quickly. New versions or models of products are continually released into the market, in many cases rendering existing products obsolete.

You need to be in constant contact with manufacturers and distributors to keep up with product changes. You also need to be aware of situations such as product recalls for faulty products.

Obtain accurate customer information

Sometimes it is hard to provide quality customer service because you are unable to obtain accurate information about customers. For example, cultural values may restrict access to certain groups in society, making it difficult to gauge their consumer behaviour. In this case, it may be possible to obtain information through the use of an intermediary.

It may also be difficult to find useful information about online or telephone customers due to the physical distance between the customer and the salesperson. In this situation, online or telephone surveys may be carried out.

There may also be confidentiality issues where it is not possible to have direct access to a consumer of particular products or services.

Maintain contact

Regular contact is the best way to ensure customer information is current. Use a range of communication techniques so you are able to reach customers by their preferred communication channel, such as email, printed mail or direct telephone contact.

You can obtain information about updates by internet research, reviewing updates from manufacturers and distributors, and cultivating relevant networks. Always consider the primary target customer market/s when developing strategies to improve customer service. If the communication is not relevant to these customers, then develop a more suitable one, rather than wasting resources.

Any marketing activity must be directed at meeting and exceeding the target customers' needs. There are many ways you can maintain contact with your customers. You may want to ask them to advise you of any changes to their personal details, such as their contact details. It is also a great idea to constantly research your product or service, so that you are readily able to share the latest product or service information with your customers.

Obtain customer feedback

The organisation must be clear about its approach to providing customers with the opportunity to raise complaints and provide other feedback. This includes the organisation's general philosophy in this area (how open it is to feedback and complaints), as well as the specific steps that customers may take.

Informal feedback on customer service needs can be obtained every time there is interaction with a customer. It may be as simple as asking, 'Were you satisfied with the service?' after a transaction or asking the customer if they would spend a few minutes answering some questions about the service offered. Customers are often frank and open when asked to comment in an informal, non-threatening manner and the organisation is likely to receive some honest responses. Feedback from customers can also be gathered from telephone calls, emails and letters.

When seeking informal feedback from customers on what they expect from customer service, it is important to adopt the following three effective communication techniques.

Open questions

Open questions allow customers to provide in-depth answers about their needs.

Closed questions

Closed questions guide customers towards issues of concern with customer service.

Summarising

Summarise and paraphrase customer feedback to review what customers have said and to confirm you understood what they have told you.

Analyse customer feedback

Analysing customer satisfaction forms, complaint forms, surveys, website surveys, market research questionnaires and other customer feedback will highlight issues of concern to customers and identify particular areas where customer service is not being provided at the standards your customers expect. Feedback received during telephone calls, face-to-face discussions, emails and letters can also be gathered and analysed by looking for trends in the comments made.

It can be more time-consuming to assemble information that comes in these formats rather than from numerical or quantitative data. However, the sort of 'free form' or qualitative feedback offered in letters or in meetings can be extremely valuable, because it allows customers to say exactly what is on their mind without restricting them to categories or grading scales.

Example: manufacturer's recall

Malcolm has always been interested in cars, but has never been able to afford a new one. After inheriting some money, he decides to buy a new four-wheel drive. After shopping around and getting a lot of information, he decides on a make and model and proudly drives it out of the showroom after paying cash for the full amount. As part of the transaction, Malcolm supplies his full contact details to the dealer and these are promptly entered into the customer database.

After one month, Malcolm takes the vehicle back for a complimentary service. However, several weeks later he notices the brakes don't seem to be working very well and there are spots of fluid on the driveway where he parks the car. A few days later, he receives an email and a letter in the post informing him that there has been a manufacturer's recall on this particular model due to a fault in the brake system.

Malcolm takes the car back to the dealership and the fault is rectified at no cost to him. He is also provided with a hire car to use while his own vehicle is in the workshop being repaired. He is very pleased with the repair work and the customer service provided, and recommends the car dealership to his friends, family and colleagues.

Practice task 10

1. List three websites that would be useful for gathering primary and secondary data, and state their marketing purpose.

2. Describe a time when your organisation had difficulty obtaining customer feedback. What did the organisation do to overcome this situation?

3D

Establish procedures to ensure decisions about customers are based on current information

Sometimes an organisation finds it necessary to make a referral to another organisation. Similarly, one department within an organisation may need to make a referral to another department. On these occasions, it is important to ensure the organisation or department to which the referral is being made is able to provide the goods or services required. Advertising a product or service and then not being able to provide it is not good business practice.

Salespeople need to be able to accurately predict customer needs. Although there will always be unexpected situations, successful organisations keep these to a minimum and are able to act quickly.

Referrals

There are both informal and formal referral systems. Informal referrals are usually ad hoc and based on casual discussions between the salesperson and customer. For example, if a tourist mentions their interest in birdlife to the hotel concierge, the concierge might suggest they visit the local zoo or wetlands. The guest generally appreciates the advice and feels a sense of loyalty to the hotel.

Formal referrals are based on recognised industry protocols or legal compliance. For example, if you visit a general practitioner (GP) for a minor complaint, they usually deal with it there and then. However, they may write a prescription for a pharmacist who can supply you with medicine or refer you to a medical specialist if the problem is complex or serious.

Benefits of referrals

The travel industry is an example of referrals being used for mutual benefit. When flying interstate or overseas, a number of associated goods and services are usually offered to the customer. Many of these services can be booked online when making the travel reservation. Generally, if what you require is unavailable, the program will make another suggestion.

For example, if the model of hire car you select is not available where and when you want it, you will be made another offer – sometimes at the same price as the original request if the substitute is more expensive.

Furthermore, these associated products and services may be offered at discounts to airline customers in order to secure their business, ensuring that everyone derives some benefit. Sophisticated and linked IT systems enable this type of business to exist and benefit all stakeholders.

Benefits of referrals:

- Insurance
- Discounts on accommodation
- Discounts on hire cars
- Discounts on tours and activities
- Discounts on onward flights with partner airlines

Loyalty schemes

Loyalty schemes are a popular system of referring customers to associated or partner businesses. Major supermarkets offer customers a range of discounts that are usually advertised on the back of the sales receipt. The supermarket potentially gains customers and the advertisers potentially gain additional business. These receipts often include fuel discounts and links to frequent-flyer schemes that also reward the customer.

The goodwill these schemes can create, however, is jeopardised if the promised good or service can't be provided by the partner business.

Product and service availability

The effect on a business can be negative if a product or service is recommended and then it can't be supplied. To prevent this situation from occurring, you need to make sure supply chains are reliable, relationships with suppliers are maintained and stock levels are accurately monitored.

In most large organisations, stock levels are monitored with an inventory management system that reduces the risk of running out of a particular item during a period of high demand.

Practice task 11

Read the scenario, then answer the questions that follow.

Scenario

Imagine that you have decided to open a nursery selling plants, shrubs and trees in an expanding outer suburban location.

1. Develop a list of the services and products you would be likely to refer your customers to.

2. What benefits would you expect the nursery to receive from each of these referrals?

3E

Maintain records of customer interaction

Maintaining records of customer relationships allows organisations to move from predominantly one-off transactions to repeat business over a longer time period. Customer involvement can be developed and enhanced.

Information technology has allowed more comprehensive and useful databases to be set up and maintained, adding meaning to customer relationship management.



Keeping records

The importance of keeping records has already been discussed. Any record-keeping processes should be explicitly set out in organisation procedural manuals or similar.

When keeping records, make sure all documents clearly state:

- when records need to be made
- what needs to be recorded
- where they must be recorded
- where records and back-up data are kept
- how records are kept
- who will have access to the records
- who will have overall responsibility for managing the system.

Customer relationship management

Traditional marketing is based on a single exchange or a one-off sale. Progressive organisations have moved towards customer relationship management. CRM focuses on customer retention, rather than just a single sale. It is about forging and maintaining long-term relationships that offer a high level of customer service and encourage high customer commitment and empowerment. The customer is seen as a partner and the organisation maintains frequent contact with them and encourages loyalty.

To do this, companies need mechanisms in place to gather, store and analyse customer information. This includes contact data and a history of customer business, including:

- products purchased
- volume or number purchased
- frequency of purchase
- location of purchase
- method and reliability of payment
- other relevant or useful comments.

CRM functions

Some small businesses manage their customer data manually, but most have moved towards automated systems. Small local systems are commercially available and they have reasonable capabilities for managing customer information and a range of tasks, including sales and marketing. They may also be able to centrally store all your client information, generate group emails or mail-outs, and classify customer communications.

Large businesses generally require a more sophisticated, powerful system that has a wider range of features and functions.

In general, CRM systems have these four classes of functions.

Data storage

This type of CRM provides storage of data about present, past and potential future customers, and has the ability to store supplier and partner information, as well as data on workers and contractors.

Customer support

This type of CRM stores information about activities related to customer support, such as marketing intelligence, customer behaviour patterns and activities relating to increasing customer business; for example, upselling and new introductions.

Centralising

This type of CRM is about centralising and standardising customer support activities to enhance internal communications and allow relevant workers to form a 'big picture' about any customer issue.

Tracking

This type of CRM assists employees in recording and tracking service requests, complaints and warranty issues.

Company policies and procedures

It is almost inevitable that as an organisation grows, there will be a greater need for systems, procedures and standardised policies. A sole trader operating a window-cleaning business may not need sophisticated CRM, but may still need a way to track appointments, payments and other details.

Large organisations require policies and procedures that are not open to vastly differing interpretations. Many factors may impact on these policies and procedures, both internal and external.

Here are some examples of internal and external company policies and procedure.

Internal	External
<ul style="list-style-type: none">• Answer the phone before it rings five times.• The initial contact person must follow through with a customer.• All customer inquiries must be logged/recorded.• Product complaints should be registered.• Key customer intelligence should be recorded.	<ul style="list-style-type: none">• A formal policy should be in place to report any instances of harassment.• Health and safety issues must be satisfactorily resolved.• Customer rights as per the law must be respected.• Complaints regarding equal opportunity or discrimination must be dealt with formally.• Privacy principles must be adhered to.

Quality and standards

Many organisations have a quality management system (QMS) in place that governs the way business is done. Many QMSs provide great detail about all work practices and set out explicit rules for employee and management conduct.

Businesses may also incorporate quality guidelines from external organisations into their work practices. For example, Standards Australia and the International Organization for Standardization (ISO) set, maintain and monitor adherence to accepted or endorsed standards across a range of industries. To obtain accreditation with Standards Australia or the ISO, a company must develop a rigorous set of policies and procedures, and demonstrate that it adheres to them. The value in doing this is that customers can be assured they are receiving a standard quality of product or service.



Codes of practice

It is important to keep abreast of developments with standards, as any changes may affect your business and customers. Codes of practice can offer advice on products and customer service. Although these are not law, they do provide very useful guidelines on conducting your business.

Here are descriptions of two economic viewpoints in relation to quality.

Opportunity cost

This is where an organisation grows its business through developing a reputation for quality in all of its undertakings; although this approach costs money to sustain, there are valuable and long-standing rewards.

Loss avoided

This is something that is strongly driven by compliance motivators and views minimum quality standards as essential in order to avoid litigation or unacceptable loss of customers.

Record complaints and difficulties

It is important that all details of a customer's complaint, including how it was ultimately resolved, are recorded for future reference, along with the analysis of any trends or issues in customer service. Having data on customer complaints allows you to serve the customer better in responding to their complaint, and identify ways in which the organisation's customer service may be improved. Ensure all employees know the importance of recording a customer complaint.

The way complaints are dealt with will vary between organisations depending on their size and the nature of their business. In some organisations there may be a specific department or team solely responsible for recording and handling customer complaints, or it may be the responsibility of all employees to record complaints or comments from customers and pass them on to the appropriate people.

Some organisations have a website that invites people to make comments and suggestions; others have complaint forms. The organisation may have a policy that the employee who receives the complaint is the person responsible for the issue until it is resolved to the customer's satisfaction. They may also use the complaint form as a support mechanism to reinforce the complaint resolution procedure they have in place.

Collect feedback on customer satisfaction

Every time a customer brings an issue to your attention, this should be recorded, the information reviewed and the findings used to improve customer service. For example, if several customers return the same item, you may need to look at the quality of that product and decide whether a better alternative is available to offer your customers.

Analysing the complaints or difficulties experienced is an essential step towards resolving the issues and improving the organisation's customer service.

Customer satisfaction surveys

These surveys are used to collect both qualitative and quantitative data for the organisation in regard to its customer service performance. Unlike feedback forms, which are used continually, a survey is commissioned to question a defined population of respondents (in this case the organisation's customers or potential customers) and obtain their thoughts, opinions and attitudes on a range of issues related to the organisation and customer service in general.

Surveys can be performed once only or intermittently over a certain period of time; for example, every six months. Survey questions are structured and standardised so every respondent answers the same questions in the same way. This reduces bias and the time required to collate results. Surveys are an effective way to solicit customer feedback from a large number of actual or potential customers at once.

Other methods for receiving customer feedback include:

- customer feedback forms
- customer interviews
- focus groups
- toll-free feedback numbers
- suggestion boxes
- mystery shoppers
- secondary research
- third-party feedback.

Other types of surveys

Surveys may be administered by either the researcher or the person completing the survey.

Here are examples of two types.

Researcher-administered surveys

Questions are read to the respondent by the researcher. This has the advantage of the researcher being able to explain any confusing questions, fewer incomplete or missing responses, and the organisation having greater control over the data received.

Self-administered surveys

These are also called questionnaires, where the respondent administers the questions to themselves in their own time. This is less expensive for the organisation, easier to coordinate and can lead to more objective answers from respondents, who may feel less pressure than with a researcher present.

Manage the feedback process

When collecting feedback on your organisation's customer service and satisfaction, there are several issues to consider. Think about what information you want to gather and how you are going to do it.

Here are some useful tips to help you manage this process and receive worthwhile feedback results.

Find previous information

Find out whether the information you require has been collected and analysed in the past, so you can compare previous information with the latest results. If yes, design a survey or structure questions based on the existing information or old surveys so the data can be easily compared.

Decide numbers

Decide how many responses you require to get enough meaningful data. Remember, some clients will not have the time or inclination to participate, so expect to approach more customers than you need. For instance, if you want 100 surveys completed, you may need to issue up to 300.

Communicate information

If you are going to send information out in hard copy, such as with a survey or feedback form, also send a letter explaining what it is for. You may also need to offer customers something in return for their time, such as a small gift voucher or credit on their account.

Plan and monitor

If you are planning on monitoring feedback over time (for example, each quarter), decide whether you want to contact a different group of customers each time or if you plan to ask the same customers over and over again. Depending on what you are measuring, this may affect results.

Prioritise and test

Prioritise the data you want to collect and then design questions for each area. Test whether the questions you have written will provide the information you need by giving a sample to a colleague for their opinion.

Motivate customers

Motivating customers to respond to your requests for feedback can be difficult: they may not believe their complaints will be taken seriously, they may only contact the organisation if they are upset and have a complaint to make, or they may not want to spend time completing feedback forms or surveys.

If you want customers to rate service performance across criteria that you set, such as the courtesy of employees, product knowledge or complaint resolution, consider asking customers to rate your team from 1 to 5. This type of feedback is a good way to monitor service delivery over a period of time against criteria that reflect the key responsibilities of your team or customer service areas.



If you want general feedback from customers about whether they think you are doing well, consider asking open-ended questions such as, 'What aspects of our service delivery do you believe we could improve?' or 'Please comment on how our customer service levels compare with other organisations you work with'. This type of feedback can be valuable when you want to find out where improvements can be made.

Use of technology

Always work out how results will be captured, recorded and analysed in the early stages of the review process. For instance, you may need to set up a database or spreadsheet that allows you to compare results over time or write up a report on general feedback that has been given.

Consider why the information is being gathered in the first place and then work out how the data should be best stored for analysis and review purposes.

The use of technology is essential in modern management and when collecting information. Outdated paper-based systems no longer meet the demand for the organisation to have the right information at the right time. While collecting of data can be a manual process (for example, customer surveys or mystery shoppers), manual data should then be input into IT systems for storage and analysis.

Technology used to collate feedback

When collating internal or external feedback, it is essential that an organisation uses technology to monitor and report on customer service. There are many types of technology that can help with collecting feedback information.

Types of technology that assist in collection of feedback include:

- websites and online feedback forms
- statistical packages and spreadsheets to analyse customer information collected
- email systems to share information easily between colleagues within the organisation
- databases to effectively store and analyse customer information and provide ease of access when searching in the future
- phone systems to allow customers to provide feedback
- point-of-sale equipment to record sales and profit levels.

Feedback considerations

Here are aspects of customer service feedback that should always be considered.

Accuracy

Customer service data must be accurate to be useful. Reliable decisions on customer service strategies can only be made when founded on accurate and reliable information. Hence, the use of technology in collecting and analysing data is preferable to manual systems that allow for human error.

Timeliness and accessibility

Customer service information must be available to the right people when they need it. Structure databases so they can provide different information to different groups of people, depending on their access authority.

Clarity

Information systems must provide reports and summaries in a format that is easy to understand for those receiving it, as even the best information on customer service performance is useless if the person receiving it cannot interpret it correctly.

Storage

Customer satisfaction information must be stored reliably and safely so it can be referenced in the future to identify trends in customer service and compare results over time. IT systems are therefore preferable to paper-based systems, as they allow for the safe and efficient storage of large amounts of data.

Consistency and comparability

When analysing the organisation's performance in customer service and satisfaction, it is important that information is recorded, stored and presented in a consistent manner and format. Doing this allows the organisation to compare customer satisfaction results over time to identify successful service strategies and areas for improvement.

Continuity

Effective systems continually collect customer service information. The concepts of customer service and satisfaction are not static. What customers want and need and how they feel change over time and information must be continually collected on these. Data collected from the previous year becomes outdated and irrelevant.

Practice task 12

1. Write a brief paragraph about your workplace or an organisation you are familiar with, including its key products and services and its target customers.

2. How does the organisation gather feedback from its customers?

3. Think about the target customer for this organisation. Is this method of gathering feedback suitable for this customer? Why do you think so?

Summary

1. Communication with customers should be regular and conducted through suitable channels with the overall aim of influencing the customers and securing future purchases.
2. Establish dynamic networks within and outside your organisation, as well as with customers, to strengthen loyalty and bonds between customers and the organisation.
3. Maintain and record customer and product or service information, ideally in a dynamic CRM system.
4. Ensure that when you are referring customers to a product or service, you are able to supply it. Use professional networks for referrals when you cannot supply a product or service.
5. Keep accurate and current records of all matters related to customer interaction in accordance with your organisation's procedures.
6. Use contemporary technology to provide optimum functionality in data management.
7. Be aware of and guided by all current legislation relating to customer service, customer rights and quality standards.

Learning checkpoint 3

Manage networks to ensure customer needs are addressed

This learning checkpoint allows you to review your skills and knowledge in managing networks to ensure customer needs are addressed.

Part A

1. Briefly explain the key organisational features of effective communication with customers.

2. Give examples of at least three different types of business networks and explain why they are important.

3. Briefly describe ways you can ensure you keep up to date as a salesperson. In your response, include strategies for keeping up to date on customer information, products and services, and compliance requirements.

4. Explain the advantages of developing strong links with suppliers.

5. Explain the possible consequences to an organisation of not having thorough records of current customer interactions.

Part B

Read the scenario, then complete the tasks that follow.

Scenario

Wheels in Motion is an expanding group of bicycle sales and repair outlets. You have recently been appointed the marketing manager for this business.

Until now, the owner has sent customers annual reminders for bicycle services using a spreadsheet. The expansion of the business means that this spreadsheet is not working effectively and new customers are often not being added. The data is collected on in-store forms that are then sent to head office.

There are several different groups of customers at Wheels in Motion:

- Commuters: people who mainly ride to work
- Hobbyists: people who use their bikes for short journeys now and then
- Fans: people who take regular long rides (road users and off-road users are in this group)

Each of the Wheels in Motion stores has a service manager for the repair shop and a sales manager. Because of the business's recent growth, the owner has appointed a group service manager and group sales manager.

1. List at least two types of regular communication you could establish with Wheels in Motion customers. For each type of communication, describe the communication method you would use and why.

2. List at least two referral networks that you could use at Wheels in Motion. For each network, describe why it could be useful. Think about internal and external networks and different customer types.

3. How could you make sure customer information is kept up to date? Write a work instruction for staff to use in updating customer information (you do not need to include software-specific information in your response).

4. List the different information you would collect about Wheels in Motion customers. Describe why you would collect each piece of information.

5. How would you collect feedback from Wheels in Motion customers? Describe at least two methods you would use and why you would use these.