BSBOPS404

IMPLEMENT CUSTOMER SERVICE STRATEGIES

BSBOPS404

Implement customer service strategies

Release 1

Learner Guide

Aspire Version 1.1

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· Foundation skills
· LLN and employability skills (non-competency)
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Before you begin

This Learner Guide is based on the unit of competency *BSBOPS404 Implement customer service strategies*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this Learner Guide

This Learner Guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the Learner Guide you need to read, and which Practice Tasks and Learning Checkpoints you need to complete. The features of this Learner Guide are detailed in the following table.

Feature of the Learner Guide	How you can use each feature
Learning content	Read each topic in this Learner Guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples	These highlight key 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.
Summaries	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 provides definitions for each foundation skill.

Foundation skill area	Foundation skill description
Reading	▪ Reviews textual information and comprehends details that relate to the interests or requirements of the client and organisation
Writing	▪ Creates a range of formal texts using structure, grammar and clear and specialised language to describe customer needs, maintain information and support a particular position
Oral communication	▪ Uses pace, intonation, intelligible pronunciation and listening and questioning techniques to interact effectively with others
Numeracy	▪ Recognises and interprets numerical information and performs calculations on familiar mathematical information
Enterprise and Initiative	▪ Recognises and applies organisational protocols and meets expectations associated with own work
Teamwork	▪ Uses a range of strategies to establish a sense of connection and build rapport with customers ▪ Collaborates with others contributing knowledge and skills to achieve joint outcomes
Planning and organising	▪ Applies formal and logical processes when planning and implementing tasks ▪ Applies standard procedures when responding to familiar problems within own work context
Technology	▪ Uses digital technologies to access, organise, present and store information relevant to own role

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: Advise on customer service needs	1A	Identify organisational customer service objectives and needs	❑ Confident ❑ Basic understanding ❑ Not confident
	1B	Assess customer requirements	❑ Confident ❑ Basic understanding ❑ Not confident
	1C	Diagnose problems with service delivery	❑ Confident ❑ Basic understanding ❑ Not confident
	1D	Develop options to improve service delivery	❑ Confident ❑ Basic understanding ❑ Not confident
	1E	Recommend improvements in customer service delivery	❑ Confident ❑ Basic understanding ❑ Not confident
Topic 2: Support implementation of customer service strategies	2A	Consult with stakeholders to develop service strategies	❑ Confident ❑ Basic understanding ❑ Not confident
	2B	Assess service strategies against objectives	❑ Confident ❑ Basic understanding ❑ Not confident
	2C	Allocate budgetary resources to fulfil customer service objectives	❑ Confident ❑ Basic understanding ❑ Not confident
	2D	Resolve customer difficulties and complaints	❑ Confident ❑ Basic understanding ❑ Not confident

Topic	Key outcome	Rate your confidence in each section
Topic 3: Evaluate and report on customer service	3A Review stakeholder satisfaction with service delivery	❑ Confident ❑ Basic understanding ❑ Not confident
	3B Report the changes necessary to meet service objectives	❑ Confident ❑ Basic understanding ❑ Not confident
	3C Prepare recommendations for future client service strategies	❑ Confident ❑ Basic understanding ❑ Not confident
	3D Monitor systems and reporting procedures for changes to customer satisfaction	❑ Confident ❑ Basic understanding ❑ Not confident

Topic 1 | Advise on customer service needs

1A   Identify organisational customer service objectives and needs

1B   Assess customer requirements

1C   Diagnose problems with service delivery

1D   Develop options to improve service delivery

1E   Recommend improvements in customer service delivery

1A Identify organisational customer service objectives and needs

Customer service is the term given to the assistance, advice and support an organisation offers its customers. It encompasses a range of specific communication skills, such as listening actively, explaining clearly, questioning and summarising information, showing empathy and being cheerful and positive.

The overall aim of customer service is to meet a customer's needs and exceed their expectations. If this can be accomplished, then your organisation will have many satisfied customers for years to come and achieve its organisational goals. This aim may sound simple in theory, but it is more difficult to achieve in practice.

Having satisfied customers doesn't happen just by having great product knowledge, being friendly to customers or resolving complaints. It requires a comprehensive customer service system. Policy, procedures, technology, equipment and people all must work together to achieve the desired levels of customer satisfaction.

Customer service objectives

Customer service objectives are based on the goals of the organisation, and explain what needs to be achieved in the customer service plan. The strategies are the actions needed to achieve the objectives.

Customer service objectives are specific to every organisation: the organisational goals, structure, the organisation's strategic plans, products and services, marketing strategies, target audience as well as existing customer service policies and procedures. Other elements may relate to relate to legal consumer and WHS requirements, confidentiality and security, and ethical standards.

By defining what you intend to achieve at the beginning, you'll be able to keep your service strategies focused and effective.

Ultimately customer service objectives must support the business's goals.

Examples of business goals:
· Develop a positive online and face-to-face presence in the local market that ensures trust and confidence in our brand.
· Establish and maintain a culture within the workforce that regularly demonstrates the principles of community and delivers outstanding service to our stakeholders.
· Achieve a positive cashflow the end of the first trading year.
· Achieve a minimum member base of 1000 customers by the end of the first year of trading.

SMART objectives

The organisation's customer service objectives are the most important consideration when developing customer service strategies. All areas within the organisation must be working together with the end goal in mind. Hence, customer service strategies must have clearly defined objectives that explain exactly what needs to be achieved. The way in which you draft your objectives is important. Service objectives that are vague, unrealistic or misguided are a formula for disaster for customer service teams.

Objectives should always support the broader organisational goals and be written according to the SMART framework:

- Specific in nature, with details as to what exactly needs to be achieved in the plan
- Measurable by using quantifiable terms such as percentages, numbers, time frames and other metrics, and motivational, ensuring team members are inspired to achieve the results needed
- Achievable yet challenging to ensure the business has a target that can be met within the set time frames
- Relevant to organisational vision and broader business goals
- Time-bound including a final closure date for the objectives.

Example

Customer service objectives

Smart Co. produces a range of electronic and communication goods to consumers. Their management team has just finalised their customer service objectives, which are set out below:

- Achieve an industry customer service recognition award for product quality and service delivery by December 2021 through the national association.
- Decrease our customer complaints by 15 per cent by the end of July 2021.
- Achieve an average quality rating of 95 per cent with post-sales customers, based on our survey results of at least 100 respondents.
- Resolve 90 per cent of all customer issues and complaints at the first point of contact.

Customer service policies and procedures

Customer service objectives must support the business plans and goals, as well as customer service policies and procedures. Many organisations have formalised policies and procedures in place that operate as guidelines for all staff when they are interacting with internal and external customers. There are many reasons why organisations formalise customer service policies and procedures.

Purposes of customer service policies and procedures can include:
▪ making sure internal and external customers are treated consistently and to the desired standard
▪ ensuring that customer service staff act in a certain manner every time they are dealing with customers
▪ making sure that customer service staff know what steps to follow in all situations, particularly when customers are unhappy or have complaints
▪ ensuring that customer service staff deliver service in a manner consistent with the organisation's overall goals and objectives
▪ making sure that staff know who is responsible for certain products or services.

Customer service department functions

Customer service department team members need to be consulted when establishing strategies and objectives as they can provide valuable insight into the needs of customers and the goals of each function. Depending on the structure of the organisation, customer service departments may perform the following functions.

Conflict resolution	Handling escalations and improving the product or service based on customer requests
Account management	Liaising with customers throughout their lifetime with the company, nurturing relationships and advocating for the customer's best interests within the organisation.
Loyalty and awards	Designing and implement programs to encourage future patronage from customers through incentives and retention-based initiatives.
Customer support	Providing guidance to customers who have purchased the product, helping them navigate any issues or questions, including technical knowledge.

Customer service roles and responsibilities

Department managers, team leaders and team members who work in the various areas of customer service have specific responsibilities to assess current service levels, match them to customer needs and provide advice to their team members concerning opportunities to improve customer service delivery.

Here are some of the typical duties and responsibilities of customer service staff.

Learn

- who the organisation's internal and external customers are
- what customer service needs are by analysing data
- the outline and key specifics of the organisation's customer service charter and organisational policies and procedures.

Communicate

- constructive advice to internal and external customers
- to resolve customer complaints
- to staff how services could be further improved
- about customer service opportunities.

Implement

- a customer service audit
- new customer service strategies
- regular reviews.

Coach, mentor and train

- colleagues in customer service skills
- through training sessions for groups when necessary.

Customer service principles

Customer service is usually an important customer need and customers will have expectations about it. Organisations that meet and exceed these expectations are likely to provide customers with satisfactory experiences, increasing the likelihood of keeping the customer's business. These organisations will have explicitly or informally adhered to basic principles of customer service, which cover customers' expectations and needs in four broad categories:

- expectations of staff
- expectations of the product or service
- expectations of convenience
- expectations of the work environment.

The degree to which an organisation's customers will have their expectations met will vary depending on the nature of the organisation, the products/services it offers and the customers it identifies as its primary target market.

An organisation's customer service principles may include the following:
- The environment will be safe, accessible, clean and compliant with WHS legislation and regulations.   - Use effective communication at all times.   - Identify and understand customers and their needs.   - Products will be of good quality, available, described and priced accurately and reasonably.   - Purchasing a product or service will be convenient for a customer, after-sales service will be available and there will be a complaints resolution process.   - Identify and correct when customers' needs are not met.   - Maximise customer satisfaction when interacting with all customers.   - Staff will be pleasant, efficient and knowledgeable and will listen to customers.   - Strengthen customer loyalty and service.

Customer service standards

Customer service standards are similar to principles in that they explain the ground-level practical guidelines for meeting quality requirements, as well as defining the expected behaviours of staff that need to be followed to achieve the customer service objectives.

Here are some examples of general customer service standards.

Speed of service	Outline the specific standards expected by the organisation in serving customers and responding to their enquiries. For example: - Customers who enter our store must be approached for service within 60 seconds of entry. - All in-bound phone calls must be answered within 15 seconds and all customer queries handled within seven minutes. - Email enquiries from customers must be forwarded to the relevant person within the organisation and answered within two business days.
Ordering, delivering	Outline the standards set for the time frame within which customer orders must be processed. This defines the total time allowable between when the customer places an order and when they receive the product/service. For example: All customer orders must be delivered within 10 business days from the time the order was placed.

Customer accessibility	Provide information about how customers can contact the organisation and during what hours. For example, the organisation may state that it can receive queries from customers via: ▪ a website ▪ an email address for customer enquiries ▪ a business phone number (and the hours of operation) ▪ a fax number (and the hours of operation) ▪ a postal address or PO box.
Business hours	Outline the hours the organisation is open for business and the hours during which customers can contact it.
Responsibilities	Outline which person, team or department is responsible for which areas of customer service. This is particularly important for larger organisations where collaboration between people or departments is required when serving customers. For example, the charter could state which person, team or department is responsible for: ▪ receiving customer enquiries ▪ serving customers in the ordering process ▪ taking customer orders ▪ processing customer orders ▪ resolving customer complaints and disputes.
Pricing policy	Outline the organisation's overall pricing policy. This is usually done broadly in terms of where the business prices itself in the market (high-end vs low-end) and may include a commitment to guarantee the lowest cost or to match or beat competitors' offerings.
Refunds policy	Provide details about the circumstances under which the organisation will allow customers to return or exchange items and under what conditions refunds will be issued. This needs to be clear and specify things like the time frame in which products can be returned, any purchase amount limits that apply, staff/manager approval required, and presentation of receipt conditions.
Guarantees/ warranties	Outline information about guarantees and warranties the organisation provides on its products and services. These need to be specific and clear to meet legal guidelines and provide the customer with an accurate view of any conditions or restrictions that may apply to prevent misunderstandings later on.

Customer needs

A customer need refers to anything tangible or intangible that the person must receive when dealing with the organisation. From the point of view of the customer, their needs are what make or break the deal.

Customer needs must be central to the process of developing customer service objectives. They are the 'must-haves' or the 'deal-breakers' that determine whether or not they are interested in buying goods or services from a business.

These needs can take many forms and will differ from one customer to the next. One customer may purchase a particular product because it is the cheapest, whereas other customers may purchase a different product because it performs better, it is more convenient to purchase or 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 customers have in most purchasing situations.

Performance	The customer has a need for the best performing product/service regardless of its cost or how difficult it is to purchase.
Economy	The customer has a need for the product/service that provides the greatest benefit relative to the cost – which product/service provides the most 'value for money'. This sometimes means the cheapest product/service available, but not always.
Convenience	The customer has a need for the product/service that is most convenient to purchase and access in terms of time and effort.
Safety	The customer has a need for the product/service that gives them the most safety in terms of performance and also reassurance that it will fulfil its intended purpose, even though it may be more expensive or not the most socially appealing.
Aesthetics	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/service that gives them the most social benefit and gratification. The customer needs the product/service because it is 'cool' or fashionable at that time. Fashion and fad items are good examples of products with high levels of social acceptance.
Customer service	The customer has a need for the product/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, just because the organisation offers the best customer service.

Practice Task 1

Question 1

Write a customer service objective to match a fashion retailer's organisational goal.

Organisational goal	Customer service objective
To become a leader in fashion retail in Australia with brands that appeal to people who care about quality, innovation, value and sustainability	

Question 2

Large organisations have a more complex structure of customer service departments. Draw a line to match each customer service function in the organisation to its correct description.

>> Customer support

>> Loyalty and awards

>> Conflict resolution

>> Account management

>> Handling escalations and improving the product or service based on customer requests

>> Liaising with customers throughout their lifetime with the company, nurturing relationships and advocating for the customer's best interests within the organisation.

>> Designing and implementing programs to encourage future patronage from customers through incentives and retention-based initiatives.

>> Providing guidance to customers who have purchased the product, helping them navigate any issues or questions, including technical knowledge.

Question 3

Give three examples of differences of Aldi and David Jones Food customer needs.

Question 4

Which of the following statements relate to principles of customer service? Tick all that apply.

○ Staff will be pleasant, efficient and knowledgeable and will listen to customers.

○ Products will be of good quality, available, described and priced accurately and reasonably.

○ Purchasing a product or service will be convenient for a customer, after-sales service will be available and there will be a complaints resolution process.

○ Purchasing a product or service will be convenient and always accessible for a customer.

○ The environment will be safe, accessible, clean and compliant with WHS legislation and regulations.

Question 5

Draw a line to match each of the statements with the type of customer service standards.

» Standard of customer experience   » Establishing a clear understanding of expected performance in specific transactions

» Standard of service process   » Making each customer feel they are the most important

» Standard of service process   » Giving each customer the time they desire to solve problems and make decisions

» Standard of service process   » Making each moment special

» Standard of customer experience   » Increasing efficiency and safety for customers

» Standard of customer experience   » Creating consistency in service delivery across all staff and locations

1B Assess customer requirements

The marketing concept of business states that an organisation must fully understand who its customers are and be totally aware of their needs and expectations.

All business decisions and strategies of an organisation must be made based on their customers. This will ensure the organisation offers products and services that meet and exceed customer expectations and fulfil their needs.

Organisational structure

The structure of an organisation outlines the reporting lines and the arrangement of different departments.

Some organisations meet the challenge of delivering quality customer service by setting up special departments responsible for ensuring customer satisfaction. These might be customer service teams, client contact units, customer hotlines or help desks, which respond to customers' questions, complaints or problems. Their job is to attempt to resolve each customer service issue. Other organisations may have customer service teams whose main task is to contact customers and ask them for their opinion of the organisation's customer service. Some organisations empower teams that have customer contact to assume responsibility for all customer service issues, including gathering feedback on satisfaction levels.

Most organisations have a structure that may look similar to a family tree. This example is a simple organisational chart for a marketing company where the customer service team works in the client services department of the organisation.
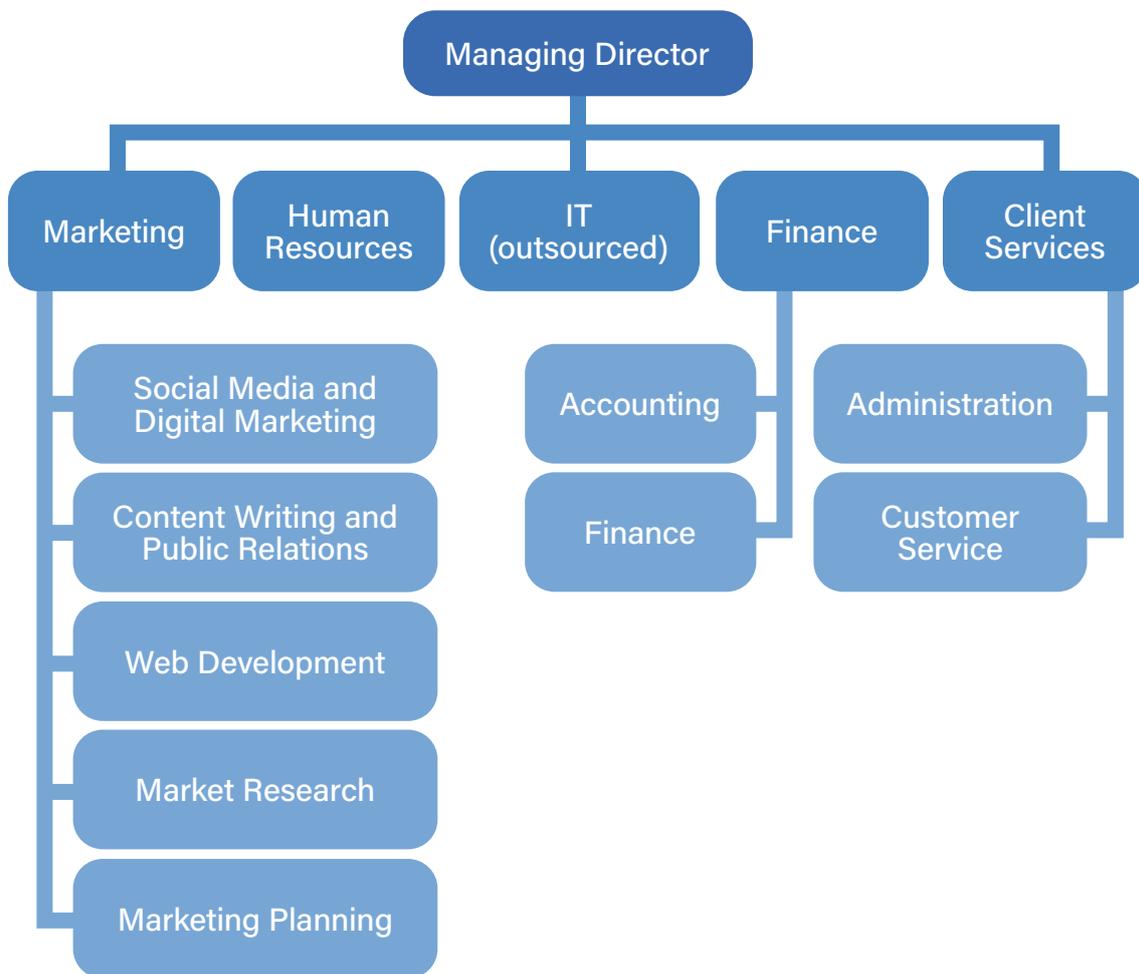
Customer requirements

Customer requirements represent the expectations and preferences for purchasing products and services.

Customers will have needs and requirements that need to be identified and addressed in customer service strategies. Customer requirements include the customer's preferences and perceived feelings of being unsatisfied or deprived of something, ultimately leading them to taking action to meet this need by purchasing a particular product or service. In attempting to have their requirements fulfilled, customers develop expectations of products/services that must be met before the customer will make a purchase.

Organisations must clarify customer needs and requirements to ensure they are offering what customers expect and have the customer service policies, procedures and strategies in place for satisfying them. Customer service needs may change, so organisations must ensure they have a good understanding of their client groups and use appropriate communication techniques to continually assess their needs.

Organisations need to know the following information about their customers:
- How would customers prefer to interact with them; for example, by phone, in person, receiving information via mail or online?   - What areas of the organisation's performance are customers least satisfied with; for example, the way goods are delivered, the timing of invoices?   - How do their customer service techniques and performance compare with competitors? For example, they may offer express delivery.   - What type of after-sale support do customers need; for example, after-sales phone support or better instructions to help them assemble their products?   - Who are the different groups of clients and what different types and levels of customer service do they need?

Types of customers

To provide customers with the exact kind of service they require, some companies invest significant resources in building a client profile. This narrowing of the customer base allows companies to work smarter by focusing their energy and resources to maximise returns.

In identifying your organisation's customers, it is important to note that the concept of customer service extends beyond those people who purchase your products and services. Customers can come from several different groups of people. Here are four examples of common customer types.

External customers

These are most commonly consumers, although other businesses can also represent your external customers.

Internal customers

A large organisation can have customers within the organisation who depend on you and your team to provide customer service.

Third parties

These may be suppliers, creditors and government agencies who do not necessarily purchase your products/services, but with whom the organisation has a business relationship.

Business acquaintances

Individual members of the public who come into contact with your organisation, its products and services and/or its communications with the public. These people may not necessarily purchase but there is a relationship between them and the organisation; for example, people making an enquiry.

Segmentation

No two customers are the same – they have different 'profiles'. However, the total pool of all potential customers in a market can be broken down into smaller sub-markets or segments of similar customers. Most organisations will focus their resources and efforts on targeting only a few of these segments and will usually attempt to segment customers along key variables. The first is a geographic variable: where the customer lives or operates.

Examples of geographic variables are:

- continent
- country
- state
- region
- city/town
- suburb.

Demographic variables

Demographic variables are the personal characteristics of the customer. For certain products, the customer's age will be reflected in demand for the product and customer service requirements. A retail outlet in an area with an ageing population will provide good service if staff know which products will suit older customers; for example, mobile phones that are simple to operate will have more appeal to most customers.

> **Customers might be characterised by:**
>
> - age
> - gender
> - marital status and family size
> - occupation
> - education level
> - income level and socioeconomic group
> - religion
> - nationality.

Psychographic and behavioural variables

Psychographic variables include a person's personality type, their personal values and attitudes and their lifestyle. These variables will clearly influence certain choices, such as whether to purchase an item that is claimed to have a lower impact on the environment. Because customers have different preferences, some will prefer the convenience of using technology, such as the internet, while others will prefer talking to a customer service officer face-to-face or over the telephone.

Essentially, customers will purchase the product or service that they perceive will best meet their needs. Behavioural variables often relate to an individual's habits.

> **Common behavioural variables are:**
>
> - benefit sought by purchasing a particular product/service
> - where the customer prefers to purchase from
> - level of brand loyalty
> - product usage rate – how often the customer buys the product/service
> - purchase rate – how many units of product/service the customer purchases each time they buy
> - when the customer prefers to purchase.

Service expectations

Customers expect that products and standards meet general standards, although compromise is possible if conditions vary. There is some variation of product and service standards between countries and customers generally recognise a relationship between price and quality.

Customers have expectations of products/services that may include:
- a good selection of products/services available and not just one option   - products/services of good quality being available   - stock being available   - clear and relevant product and service recommendations   - demonstration products/services being available   - clear and accurate descriptions and instructions being available   - polite, professional and respectful service   - accurate and clear pricing information and signage   - reasonable and competitive prices.

Convenience expectations

Most of these standards are commonly observed by organisations. However, as technological change and other changes take place, some standards are dropped and others take their place.

Customers show a preference for an organisation that has convenient opening hours and locations.

Other things that customers appreciate and expect include:
- fast checkout and short sales-processing times   - signage that assists the customer in serving themselves   - help and servicing available and in a variety of mediums; for example, phone, online   - systems in place to swiftly resolve problems and disputes   - easily understood and convenient returns and refunds policies   - customer financing and deferred payment (e.g. lay-by) options available   - shipping, postage, delivery and installation available where appropriate   - after-sales servicing and repairs.

Work environment expectations

Customers expect that the organisation's place of business will be clean and tidy to a degree suitable for the relevant industry (for example, different standards would be expected between a retailer and a mechanic's garage). Customers need a workplace to be orderly and organised to access and move around the premises easily.

An organisation that is compliant with WHS legislation and codes of practice will ensure that its locations are safe and free of workplace hazards and risks to staff and customers.

Customer satisfaction surveys

Customer satisfaction surveys, questionnaires and feedback forms can be used to assess customer service needs as they provide customers with an opportunity to either compliment or complain about the organisation's customer service. They may be provided with the product or service, mailed to the customer or left in a conspicuous place such as on a shop counter. Many car rental companies place a feedback form on the dashboard of their vehicles to attempt to get feedback from customers. Other businesses provide a postage-paid envelope to customers to increase the chances of receiving completed forms. Online feedback forms are increasingly being used to allow customers to provide feedback more conveniently. A typical online feedback form will include form fields for the customer's name and contact details and a space for comments.

Customer complaints log

Many organisations will log customer complaints, whether customers have chosen to complain in writing or verbally.

Some customer complaints logs only capture patterns in complaints, while others also include space to record outcomes. Here is an example of an analysis of complaint forms.

Analysis of complaint forms 1 June to 8 June			
Date	Complaint	Complaint made by	Complaint directed at
3 June	Salesperson could not provide sufficient information.	Member of public (not regular customer)	Salesperson
6 June	Goods were not delivered on time.	Corporate agency	Distribution company (an outsourced service)
8 June	Information required for customer was not available in time.	Colleague	Colleague

Feedback form

A feedback form that a customer fills out on paper or online may include space for their comments and a variety of questions. Here is an example of the types of questions that might appear on a customer feedback form.

Georgie's Gifts		
Thank you for purchasing our product. We would appreciate it if you could take a few minutes to answer the following questions.		
1. Where did you find out about our product?		
	Yes	**No**
2. Were you satisfied with the customer service you received?	❑	❑
3. Were you served promptly?	❑	❑
4. Did the salesperson explain things clearly to you?	❑	❑
5. Did they listen to your request?	❑	❑
6. Do you think the salesperson had comprehensive knowledge of the product?	❑	❑
7. Are you satisfied with the product?	❑	❑
8. Would you purchase the product again?	❑	❑

Customer interviews

Customer interviews are similar in principle to surveys and feedback forms but are usually performed to analyse a particular issue, as opposed to eliciting general feedback on a continual basis. Interviews can elicit qualitative information from customers that may not be obtained from a customer completing a survey or feedback form on their own. They enable two-way communication and feedback that provides greater depth and understanding than a one-way survey, feedback form or questionnaire.

Effective communication techniques

Customer interviews can be performed in person or via the telephone. Having well-developed interpersonal skills is essential when interacting with customers, especially during interviews. Initially, you need to establish a rapport with the customer to assist them to articulate and address their needs.

Effective communication techniques
▪ Listen carefully and actively. Give feedback, nod your head and ask appropriate questions.
▪ Respect the customer's viewpoint.
▪ Adjust the way you speak to the customer; for example, speak clearly and with simple vocabulary if your customer has difficulties with English.
▪ Customers with a hearing impairment will appreciate it if you modify your pace and face them when you are speaking.
▪ Pay attention to your intonation (how your voice rises and falls after statements and questions) as this can help listeners know how to respond.

Informal customer feedback

Informal feedback on customer service needs can be obtained every time there is an 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 could spend a few minutes answering a few questions about the service offered. Customers will often be 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, especially if effective communication strategies are used.

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 advice. In some instances, a customer may have difficulty expressing themselves and may need you to prompt them with additional questions or rephrase what you are saying. Avoid using technical words they may be unfamiliar with.

Effective communication strategies
Ask open questions that allow customers to provide in-depth answers on what their needs are.
Use closed questions to guide customers towards issues of concern with customer service.
Summarise and paraphrase customer feedback to review what customers have said and to confirm you have understood what they have told you.

> ## Example
>
> ### Improve customer service
>
> Melina is the supervisor of a team of quality control staff at a factory that packages bulk consumer items, such as personal care products, into smaller packages for sale in supermarkets and other stores. The team conducts quality audits.
>
> Melina is getting a lot of phone and email queries from internal customers, asking her when her report figures will be available. Sales staff want the figures so they can advise their customers. Around the end of each month, an accounts team member will also contact her asking for a work-in-progress report so they can complete end-of-month invoices and statements.
>
> Melina decides that she will create a work-in-progress report on the last working day of each month and send it to the managers of the accounts department and the sales department. They in turn request that their staff not contact Melina regarding progress as they will forward them her report.
>
> This way both teams can keep their clients up-to-date and Melina will not receive dozens of phone calls each day from salespeople who all have the same question.

Use digital technology

Different types of business technology enable staff to collect, compile and distribute information on customer service needs and expectations in particular ways. If the organisation has a website or social media presence, these may be used to collect customer feedback on products. An intranet provides a good medium for presenting statistics, documents or reports that are for general internal distribution. Organisations may subscribe to business software, such as a customer relationship management (CRM) program.

Standard business technology requirements might include:
- computers   - photocopier/scanners   - printers   - binders   - shredders   - telephones   - email.

Online services

As well as bricks and mortar stores, consumers can now easily access goods and services via company websites. This has changed the way businesses interact with their customers, as they have the option of instant chat via websites, sending digital queries, and logging support tickets online. Customer service is no longer limited to long call queues and telephone hold music.

What digital technology can provide
• When combined with fast, remote connections, it allows organisations to provide prompt, reliable service.
• Support staff can access centralised product and customer databases online.
• Support staff are able to readily access purchasing, ordering or client account details remotely.
• Customers can carry out complete transactions, from ordering and payment to warranty registration.
• Businesses with well-developed and informative websites are able to transact with customers locally.
• Businesses have affordable, accessible alternatives in the way customer profiling is managed.
• Customer-monitoring activities can be outsourced.

Example

Customer service technology

Maria takes many phone calls from clients each day, some are sales, some are customer service, some are administration-related. She uses a hands-free telephone headset, so she is also able to type customer information and access records on her computer at the same time. Her voicemail system captures missed calls.

Maria receives a customer complaint and calls her team leader Jo to discuss it.

Jo suggests that Maria creates a new file on the problem and assembles all the information relevant to the client's issue. She asks Maria to use Outlook Calendar to arrange a time they can meet.

Maria accesses the client's records electronically. She opens the organisation's database management system and then prints out the relevant information. She accesses other information related to the customer's product using the organisation's intranet.

Jo and Maria meet and discuss the problem by phone with the interstate product manager, putting him on loudspeaker. Together, they work out a resolution that will satisfy the client.

A phone call and email provide the client with a form to fill out.

Once the issue is resolved, Maria updates their record in the database. In the meantime, Jo works on a report created using organisational electronic forms and templates. The report is emailed to the product manager and kept on the organisation's shared folders on the computer server where others can access it.

Practice Task 2

Question 1

Which of the following statements relate to customer profile characteristics? Tick all that apply.

○ Geographic variables such as country, state, region, city/town and suburb

○ Demographic variables such as age, gender, income level, occupation, education level, and ethnicity

○ Psychographic variables such as lifestyle, values and personality type

○ Socioeconomic trends such as unemployment rate

○ Purchasing behavioural variables such as frequency of buying

Question 2

List two types of customers and give one practical example of customer requirement for each.

Question 3

For each customer service expectation give one example of a customer service standard and a requirement to meet customers' expectations.

Customers in computer store expect staff are helpful and have product knowledge.	
Customers of luxury hotels expect to experience superior ambience and seamless service.	

Question 4

List three features of an organisational business structure or products that may affect customer service delivery.

Question 5

List three examples of customer information sources you could use to understand customer service needs.

Question 6

A customer contacts a health insurance agency and says she wants healthcare cover. Write three questions that a customer service representative could ask to clarify the customer's requirements.

Question 7

Identify three ways you can use technology to clarify customer requirements.

1C Diagnose problems with service delivery

Customer service needs that have been identified must be further analysed in order to diagnose any customer service problems that exist and areas in which the organisation can improve.

To effectively understand whether customer service gaps or mismatches exist in your organisation, you will need to undertake a thorough customer service review to identify and diagnose issues. Reviews should be based on gathering reliable information about customer issues and satisfaction levels

Reviews could use the following techniques:
• using customer complaint forms • asking suppliers to comment on service levels • using customer experience feedback surveys • asking industry bodies to comment on service levels.

Performing a customer service audit

A regular customer service audit can give an organisation up-to-date information about how satisfied customers are with customer service performance. 'Audit' is a term used to describe a process whereby procedures, practices and records are closely examined and checked to ensure they meet certain standards. It reviews the organisation's customer service performance by analysing the business from the customer's perspective. A customer service audit is a review of the way services are delivered by an organisation.

A customer service audit includes:
• the quality of current customer service • what customers complain about the most • how well staff work as a team • how customer service can be improved • how the organisation's service compares with that of its competitors • how easily an organisation's customers are able to use its systems.

An effective audit

The organisation performs a customer service audit by observing staff in action talking with customers, gathering and analysing information from customer feedback and complaint forms, conducting surveys, issuing questionnaires and asking third parties (such as industry bodies or suppliers) to comment on service levels.

To be effective, audits should be conducted regularly. Some organisations have developed a formal customer service audit checklist to help with their implementation.

A customer service audit may examine:
• communication with customers
• promptness with orders, deliveries, etc.
• flexibility within each situation
• provision of information
• handling of problems
• provision of feedback.

Customer service issues

Information relating to service issues is usually documented and stored in a manual and/or on an organisation's intranet. These policies and procedures on how to manage service issues greatly affect how customer service staff interact with their customers. As such, the policies and procedures that are already in place will need to be referenced and kept in mind when proposing strategies and improvements to customer service. A proposal you have may be in conflict with existing procedures, meaning that either the proposal or the procedures will need to be altered.

An analysis of the organisation's customer service policies and procedures is an effective means of diagnosing issues in customer service performance. Policies and procedures guide how customer service staff interact with customers; therefore, there may be an issue with the guidelines themselves rather than the staff who are merely following them.

Here are the standards found in most organisations that cover customer service policies and procedures.

Policies and procedures relating to appearance and manner of service

- appearance of store or workplace
- dress codes for staff
- how to greet or approach a customer
- speed of service required
- sales methods and techniques
- method of responding to customer enquiries

Policies and procedures relating to pricing, purchasing and delivery

- pricing and discounting policy
- terms of payment and payment options
- credit terms and application process
- order processing
- delivery options and availability

Policies and procedures relating to after sales

- refunds, returns and exchanges policy
- method for handling customer complaints
- guarantees and warranties applicable

Example

Audit based on observable behaviour

In this audit of a holiday resort, measurements are entered into the 'scale' column according to the following measures: N/O = not observed, 0 = below average, 1 = average, 2 = above average.

When information is captured this way on a regular basis, scores attained in different months can be compared and the resort can act on aspects that are not scoring well. This information could be captured via a mystery shopper or on-the-spot checks.

Here is an example of how an observable behaviour might be measured.

Measure	Service	Scale	Comments
Timeliness	Guests are greeted within two minutes of arrival.		
Flow	Baggage is placed in the reception waiting area.		
Accommodation	Requests for special services are noted and met where possible.		
Anticipation	Guests are informed of dining, recreation facilities and other services without having to enquire.		
Communication	Guests are informed of payment requirements and check-out procedures. Staff ask questions politely and respect the customer's privacy.		
Tone of voice	Staff are relaxed and friendly.		
Body language	Guests are greeted with a welcoming smile and staff make eye contact when talking to them.		
Attentiveness	Attention is paid to the needs of parents with children or guests with other particular needs.		
Tact	Requests are dealt with in a friendly, supportive manner.		
Guidance	Maps and advice on recreation areas and safe swimming beaches are provided.		
Problem solving	Complaints or dissatisfaction with service are resolved quickly.		
Customer service charter	Staff are familiar with, and consistently apply, the standards.		

Analysing customer feedback

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 customers expect.

Customers of a hotel can rate room cleanliness highly, but rate family-friendliness poorly. The marketing coordinator of the hotel, who receives the completed feedback forms, can create a spreadsheet that captures all customer feedback in a very concise form and allows them to see if measures to correct problems have been effective.

Here is an example that illustrates the use of hotel information to capture and analyse customer feedback.

	This month's average score	Last month's average score
Room cleanliness	5	3
Friendliness of staff	4	4
Available facilities	5	5
In-house movies	4	4
Family-friendly	3	2
Business-friendly	5	4

Further analysis of customer feedback

Different kinds of forms seek different information for different purposes. Customer feedback forms might ask different questions to produce data about different aspects of a customer's experience.

Here are three methods that can be used by an organisation when seeking customer feedback.

Advertising

Ask the customer where they found out about the product. This can tell an organisation where their advertising dollars are producing results.

Customer satisfaction

Ask whether staff were prompt, were knowledgeable, explained things clearly and listened. This can indicate where training needs to be provided.

Product satisfaction

Ask whether customers were satisfaction with the product or service. This can indicate where improvements should be made.

Example

Analysing customer feedback

After receiving customer feedback from completed feedback forms, the marketing coordinator of a cleaning-product business presents the information in a way that makes it possible to compare responses. Each box represents the number of customers that responded.

Question	Response			
Where did you find out about the product?	TV 56	Internet 18	Newspaper 34	Friend 4
Were you served promptly?	Yes 67		No 45	
Did the salesperson explain things clearly to you?	Yes 86		No 26	
Did the salesperson listen to your request?	Yes 37	No 0	Did not respond 75	

Question	Response			
Do you think the salesperson had a comprehensive knowledge of the product?	Yes 31	No 67	Did not respond 14	
How satisfied are you with the product?	Very 23	Satisfied 57	Not satisfied 2	Did not respond 30
Would you purchase the product again?	Yes 23	Probably 28	No 6	Don't know 55

Analysing qualitative feedback

Feedback received during telephone calls, face-to-face discussions, emails and letters can be collated 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 numerical or quantitative data. However, the sort of 'free form' or qualitative feedback offered in letters or meetings can be extremely valuable as it allows customers to say exactly what's on their mind without restricting them to categories or grading scales.

A hotel, for example, might be told, 'I ordered room service and on both occasions the meal was not hot when it arrived. I asked for a replacement meal and was provided it both times, but this should not have happened', or 'Thanks for organising two adjoining rooms for us and our kids – it was great' or 'I would like to have seen more vegetarian dishes on the menu'.

Here is a series of actions that can be taken to respond to feedback.

Respond to feedback	
1	**Sort feedback** Sort feedback into different groups; for example, those relating to food, to housekeeping, to front-desk management.
2	**Communicate** Pass on information to relevant managers; for example, feedback relating to food would be conveyed to the hotel's chef, a compliment about room arrangements would be passed on to the front-desk manager.
3	**Log data into spreadsheet** Enter the data into a spreadsheet in different categories, such as catering, housekeeping and front of house.
4	**Present information** To improve service delivery and keep track of things they are doing well, managers of the hotel meet monthly. Information collated and presented by the marketing coordinator is presented in summary form by managers, discussed and used to set performance goals for teams.
5	**Review and change the feedback forms** As the choice and standard of food seemed to be an issue, the marketing coordinator could change the feedback forms to include a section on the standard of food offered.

Analysing service delivery

An organisation can also analyse the actual delivery of services offered, using similar methods to those used when gathering customer feedback: observation, interviews with staff members and surveys. Often this step compares what should be delivered against what is actually delivered. For example, a customer service team may have a policy of answering all incoming phone calls within 30 seconds. Observation may reveal that this objective is not being met.

Analysis of service delivery can be very informative when it is compared to feedback from customers. The earlier example of the hotel showed how feedback forms were used to gather customer feedback on the services offered. The hotel also has a regular audit that staff members conduct among themselves. Each team has a list of key responsibilities and goals for these. For example, the housekeeping team's list is shown below and is based on the work they do when cleaning each guest room. Every month housekeeping supervisors randomly audit 10 rooms that have been cleaned and check each room against this list, checking the cleanliness of different areas against standards.

Examples of cleanliness goals
▪ Floors vacuumed: no visible dirt or items on the floor
▪ Bed made: no wrinkles, fresh linen, and six pillows on each bed
▪ Bathroom cleaned: used bleach in sink, new toilet roll, fresh soap, shower curtain clean and dry, and eight new towels
▪ Room tidied: desk and bedside tables tidied, guest's personal items folded and placed in drawers, curtains opened
▪ Mini-bar restocked: all items refreshed

Practice Task 3

Question 1

Which of the following techniques help to gain insights to identify problems with customer service? Tick all that apply.

○ Using customer complaint forms

○ Asking suppliers to comment on service levels

○ Using sales volume data analytics

○ Using customer experience feedback surveys

○ Asking industry bodies to comment of service levels

Question 2

A customer purchased an item online but decided to return it saying that it did not meet their expectations. Write three questions that a customer service representative could ask to identify problems with customer service delivery.

Question 3

Identify one method of checking service delivery to identify problem areas other than asking for customer (or third-party) feedback.

Question 4

Which of the following are sources of client information? Tick all that apply.

- ◯ Customer satisfaction surveys
- ◯ Customer complaint log
- ◯ Customer feedback forms
- ◯ User focus groups on product features
- ◯ Customer interviews on a specific service issue

Question 5

Which of the following strategies are effective in diagnosing problems with customer service delivery? Select 'Yes' or 'No' for each one.

a) Analyse customer's concerns and complaints to identify the emerging patterns.

» Yes   » No

b) Share collected information on customer complaints with other stakeholders in the organisation .

» Yes   » No

c) Register customer feedback about organisational customer service policies.

» Yes   » No

d) Set assessment guidelines, principles or criteria before accessing and discussing customer feedback data.

» Yes   » No

1D Develop options to improve service delivery

Identifying gaps or mismatches in service delivery represents an opportunity for the organisation to improve its customer service strategies and build relationships with customers.

When you understand your customers, their needs and expectations and what you are currently delivering, you can identify the areas where service is not up to standard.

The next step involves devising strategies and advising on options you believe will lead to an improvement in customer service and the meeting of customers' needs. The objective of such advice and strategies is to be effective and must adhere to a number of organisational requirements.

Considerations when developing options to improve customer service
- The organisation's underlaying goals and objectives are the most important consideration when developing customer service strategies and improvement options.   - Customer service policies and procedures operate as guidelines for staff in developing improvement options.   - Organisational resource levels are an important consideration in developing options for customer service improvement.

Options for improving customer service

Organisations face many issues that limit customer service success. Examples include product unavailability, lack of staff training, system breakdowns, poor management, ineffective systems and human error.

The problem diagnosis process will clarify the root causes of services issues. Firstly the problem is diagnosed, then options are developed to solve the problem, and lastly the best option is chosen to resolve the problem. Following this process, when exploring options for improving customer service delivery, it is essential that you are able to focus on the root causes of each issue and address these problems at the source.

Here are some examples of strategies aimed at improving customer service performance.

Customer interaction	- Provide training in communication, interpersonal skills. - Use videos to show correct techniques. - Brainstorm ideas at staff meetings.

Customer database	• Purchase a specialised software application, and train staff in its use. • Provide more detailed information on customer contacts. • Designate a person responsible for keeping the database current.
Inefficiencies	• Provide options for improved customer service.
Product/service knowledge	• Update promotional brochures/catalogues. • Provide training.
Customer feedback	• Develop/improve feedback sheet. • Develop a website. • Improve the method of recording and analysing feedback.
Environment	• Ensure easier physical access for customers. • Have signs available in various languages.
Competitors	• Identify your key competitors, including what they do well and not so well. • Define your organisation's key points of difference in the market. • Focus on your strengths and providing outstanding value, rather than price matching.

Customer service charter

A best practice strategy to improve the overall level of customer service in your organisation is to implement a customer service charter.

A customer service charter may begin with a statement of the organisation's underlying principles towards customers and why it feels it needs a charter. Generally, the purpose of the charter is to specify and clearly state the customer service standards expected by the organisation and its employees, to effectively act as a service promise to customers. In order for the charter to be useful and accessible to customers and staff, the document needs to be written in plain, simple language.

The customer service charter does not have to go into too much detail about who the organisation's customers are; a general outline of who the organisation believes are its target customers is enough.

What is a customer service charter?

A customer service charter is primarily aimed at meeting the customer service needs of the organisation's customers. It does this by listing the service standards, attitudes and systems that must be in place to guide the customer service effort and the actions of staff. There may be separate service charters for internal and external customers.

How is it developed?

A customer service charter is generally developed as an exercise involving all staff and is further refined by a specific team responsible for its development and implementation. Frontline managers should be familiar with an organisation's customer service charter as a framework for developing and maintaining an acceptable level of customer service.

Benefit to the organisation

The organisation's commitment to customer service is made clear when a charter is developed. Staff can be clear about their customer service responsibilities and duties. This is important for customer service teams, sales teams, others who have a lot of direct customer contact, and staff who are new to dealing with external clients. Customer service can be measured against these standards.

Benefit to customers

Staff can be clear on how different types of customer interactions should be managed, which minimises the risk of customers not being attended to quickly or professionally.

Contents of a customer service charter

The contents of the organisation's customer service charter will vary depending on the nature of the organisation, the industry it operates in (for example, retail or wholesale) and who its customers are (for example, internal or external, consumers or businesses). By accessing the online customer service charters of a range of organisations, you will see a variety of examples.

Five core sections of a typical customer service charter

- customer service principles/purpose of the charter
- development of customer service standards
- communication with customers
- opportunities and channels for customer feedback/complaints
- customer service and privacy

Example

Customer service charter

Here is an example of information that might appear on a customer service charter.

Key element	Shared behaviours	How do we demonstrate the shared behaviours?
Communication	To communicate effectively we will: ▪ listen carefully to each other ▪ clearly communicate the needs and expectations of work provided ▪ provide open and honest two-way communication between staff ▪ give and receive feedback.	We will: ▪ make time to listen ▪ keep each other informed with regular progress reports ▪ communicate in a supportive and constructive way ▪ communicate clearly, consistently and without judgement ▪ provide opportunities for feedback.
Behaviour	To behave appropriately we will: ▪ behave with integrity and in an ethical manner ▪ take pride in what we do ▪ acknowledge problems and errors, and correct and learn from them.	We will: ▪ always model the desired behaviours as an example to others ▪ ask ourselves if it is the right thing to do for the right reason ▪ act promptly and do what we say we will do ▪ strive to do our best in every interaction ▪ take ownership of problems and complaints ▪ act quickly to solve problems.

Key element	Shared behaviours	How do we demonstrate the shared behaviours?
Provide professional, courteous service	Providing professional, courteous service will mean: • identifying ourselves when we communicate with customers • listening to and clarifying a customer's needs • keeping the customer informed regarding the progress of their enquiry.	We will: • always include contact details on written correspondence • introduce ourselves with first and last name and provide a business card for follow-up • listen actively to the customer, check understanding of their needs/problems, take notes if appropriate and confirm the action to be taken • be wary of making assumptions regarding customer identity, needs, concerns or expectations • make sure we keep our promises to customers regarding feedback, progress and outcomes.

Legal requirements

In situations where there are legal requirements affecting the customer service your organisation provides, any option for improving customer service must not be in breach of these legal requirements. These legal aspects could include privacy issues relating to collecting customer details, anti-discrimination or access and equity.

Here are examples of legal requirements relating to customer service that must be followed in different industries.

- Clothing articles must display washing instructions.
- Children's nightwear must have fire safety labels.

- Staff who prepare or sell food must be aware of the correct handling, storage and cooking methods.

- Stock traders and financial advisors need to work strictly within laws applying to financial services.

- If contracts are involved, as in real estate sales, customers might be given a cooling-off period.

- Privacy policies outline confidentiality of customers and rules for collection of customer information for internet-based businesses.

- Ethical guidelines of the organisation or in a self-regulated service industry are required.

Work health and safety

Work health and safety guidelines have the same effect as legal requirements when devising any proposed strategies aimed at improving customer service. These requirements are enforced rigorously by government and are in place to minimise workplace injuries not only to staff, but also to customers, suppliers and visitors. These guidelines must be considered when implementing customer service strategies.

For example, a fast-food restaurant would pay particular attention to slippery floors; supermarkets must take extra care with the positioning of display items; and recreational facilities must advise customers of safety procedures when using equipment.

Practice Task 4

Part A

Question 1

Which of the following organisational requirements need to be considered when developing options to improve customer service? Select 'Yes' or 'No' for each one.

a) An organisation's underlying goals and objectives are the most important consideration when developing customer service strategies and improvement options. » Yes » No

b) Customer service policies and procedures operate as guidelines for staff in developing improvement options. » Yes » No

c) Organisational resource levels are an important consideration when developing options for customer service improvement. » Yes » No

d) Knowledge of product storage methods is not an organisational requirement related to customer service delivery. » Yes » No

Question 2

List at least three examples of legal requirements in any industry that are related to customer service.

Question 3

List the five core sections of the customer service charter.

Question 4

List five approaches that can be used to improve customer service options.

Part B

Read the case study and answer the questions that follow.

Case study

Smart Tools Pty Ltd is a medium-sized hardware retail store providing an online shopping option and competing in a household hardware product category. The demand for online shopping is growing, and staff are not always able to update all product images online due to time constraints.

Customers of Smart Tools complain that the returns process is difficult or limited. The store requires an original receipt upon return and offers a product exchange only. During the last three months, the number of complaints increased by 20 per cent.

Question 1

Suggest at least two options for improving customer experience or reviewing a retail returns process.

Question 1

Suggest two potential changes in the organisational returns policies that could improve the returns process.

1E Recommend improvements in customer service delivery

Information about service improvements must be regularly promoted to customer service teams and managers. This ensures everyone involved in the organisation is constantly aware of the importance of customer service so that continuous improvement is always on their radars.

Depending on your role within your organisation, you will have a level of authority and responsibility for promoting customer service improvements. This may be for a team, department or the entire organisation.

Gathering verifiable evidence

Continuous improvement means an ongoing commitment to getting better in the area of product and service delivery. The intended result should be an improvement in customer service and ultimately customer satisfaction.

It is important to understand that improvement does not happen overnight – it's a daily progression that takes time and is heavily dependent on making evidence-based decisions that will bring value to the organisation.

A progressive organisation will proactively seek verifiable evidence to gain customer insights. It will incorporate objective information and data about customer satisfaction in any decisions that impact on product and service delivery performance.

> **Verifiable evidence to gain customer insights and identify service issues include:**
>
> - conducting empathy interviews to tap into customers' underlying needs
> - analysing website or search-engine data on customer traffic or trends of search keywords
> - collating and analysing online customer product reviews
> - gathering and analysing customer feedback from surveys and complaints
> - monitoring staff customer service performance.

Promoting improvements to customer service

It is important to ensure all service team members and relevant managers are aware of any changes to customer service policies, procedures or charters. In addition, it is essential to promote the importance of great customer service and continuous improvement.

When promoting improvements to customer service, explain the objectives of the change and what the organisation is hoping to achieve by implementing the improvements.

Key factors when promoting improvement of customer service delivery in the organisation:

- building customer loyalty
- exceeding customer service expectations
- measuring customer experience by specific indicators such as CES (customer effort score)
- ensuring comprehensive product knowledge by customer service staff
- improving customer confidence in the brand
- solving customer complaints.

Making recommendations

To ensure recommendations are clearly identified and communicated to the right people, at the right times, you need to develop a process. By having a process with clear steps and actions, you can develop better recommendations and communicate more effectively, which will lead to better support from the people who are affected by the changes.

Follow this process when recommending improvements to service delivery:

Identify the problem and specific customer need
(or organisational customer service objective)

Provide description pf options for improvement

Identify evaluation criteria

Evaluate options based on the identified criteria

Select the best option (using selection criteria)

Justify your recommendation

> **Example**
>
> ## Communicate service improvements
>
> James is the customer service manager at BK Sporting Goods, an organisation that imports and sells a range of equipment to gyms around Australia. He has received 10 complaints from customers that a particular type of weights bench is prone to tipping over.
>
> James investigates the issue using a detailed analysis process that involves a product audit and thorough consultation process. As a result of the process, the product is recalled and replaced with a different model. James promptly communicates the recall to the sales team so it can take immediate action and issue replacement equipment to the relevant customers who have purchased the faulty model. He communicates by:
>
> - calling an urgent team meeting with all sales and service staff to explain the issue and the resulting actions
> - emailing a summary of the issue and recall procedure to the sales and customer service team
> - posting the full report about the audit and the recall procedure on the company intranet
> - sending the supplier the report who is required to rectify the issues within 30 days.

Practice Task 5

Question 1

Identify three key factors to be considered when promoting improvement of customer service delivery in an organisation.

Question 2

Write one recommendation of how to promote customer service delivery for each organisational service goal.

Customer service goal	Recommendation for improvement
Increase customer loyalty.	
Exceed customer service expectations.	
Provide excellent customer service at each customer touchpoint.	

Question 3

Which of the following techniques relate to methods of verifiable evidence to gain customer insights? Tick all that apply.

◯   Observing product users in their natural environment

◯   Conducting empathy interviews to tap into customers' underlying needs

◯   Analysing website or search-engine data on customer traffic or trends of search keywords

◯   Collating and analysing online customer product reviews

◯   Watching customers buying the product to gain insights into the decision-making process

Question 4

Number each step from 1 to 6 in the order you would follow to recommend a service improvement option in the organisation.

◯ Evaluate options based on the identified criteria.

◯ Justify your recommendation.

◯ Identify the problem and specific customer need (or organisational customer service objective).

◯ Identify evaluation criteria.

◯ Provide description of options for improvement.

◯ Select the best option.

Summary

- The overall aim of customer service is to meet a customer's needs and exceed their expectations. If this can be accomplished, then your organisation will have many satisfied customers for years to come and achieve its organisational goals.

- Customer service objectives are based on the goals of the organisation, explaining what needs to be achieved in the customer service plan. The strategies are the actions needed to achieve the objectives.

- A customer need refers to anything tangible or intangible that the person must receive when dealing with the organisation. From the point of view of the customer, their needs are what make or break the deal.

- In identifying your organisation's customers, it is important to note that the concept of customer service extends beyond those people who purchase your products and services. Customers can come from several groups of people including external customers, internal customers, third parties and business acquaintances.

- To effectively understand whether customer service gaps or mismatches exist in your organisation, you will need to undertake a thorough customer service review to identify issues.

- Reviews should be based on gathering reliable information about customer issues and satisfaction levels, based on verifiable and objective data.

- A regular customer service audit can give an organisation up-to-date information about how satisfied customers are with customer service performance.

- A best-practice strategy to improve the overall level of customer service in your organisation is to implement a customer service charter. The purpose of the charter is to specify and clearly state the customer service standards expected by the organisation and its employees. The charter effectively acts as a service promise to customers.

- To ensure recommendations are clearly identified and communicated to the right people, at the right times, you need to develop a process that explains how to develop better recommendations and communicate more effectively.

Learning Checkpoint 1
Advise on customer service needs

Part A

1. Kmart Australia Ltd is an Australian-based chain of affordable retail stores owned by Wesfarmers. The company operates stores across Australia and New Zealand. Kmart's vision is to provide families with everyday products at the lowest prices.

    Prepare a profile of Kmart target customer in your geographical area.

2. Kmart strives to achieve high volume sales and efficient operations in multiple stores across Australia in supplying families with everyday products.

    Write one example of a customer service objective, one matching customer service standard and three examples of customer expectations.

Organisational customer service objective	Customer service standard	Customer expectations

3. Outline five core principles of customer service.

4. Which of the following strategies can be used by a customer service team to assist customers to identify their needs? Tick all that apply.

    ◯   Listening and questioning when appropriate to do so

    ◯   Informal feedback

    ◯   Feedback forms

    ◯   Customer complaints

    ◯   Product manufacturer feedback

5. Identify at least two challenges related to customer service that a large organisation faces compared to a small business.

Part B

Read the case study and answer the questions that follow.

Case study

Amy leads a team of 10 customer officers at a telecommunication company, ConnectionOne. The company is successful and growing fast, and Amy feels her team is stretched trying to do their best.

Amy was delegated a task from her senior manager, Asma, to identify specific problems with customer service delivery in the mobile-phone sales department. The company sells a wide range of mobile-phone accessories.

The target customers of ConnectionOne are young professionals who are early adopters of technology and are frequent buyers of novelty accessories. Some online reviews indicate that the customers are unsatisfied with the availability of products and the support waiting times.

ConnectionOne is competing with other key national telecommunication service providers. The company is working towards improving customer service experiences and needs to update its customer service policy and standards.

Asma asked Amy to conduct a customer service audit to diagnose the problem with service delivery, and present her recommendations.

1. Suggest three examples of sources Amy could use to collect verified client information on customer service.

2. Propose one method Amy could use to review the data to assess client satisfaction.

3. Using the case study, identify two customer service expectations. For each of these customer expectations, suggest a technique to assess customer requirements, and a potential problem with a service delivery.

Customer service need/expectation	Communication technique/s to assess	Organisation's performance in meeting need/ expectation	Problem areas/ issues to be addressed

4. Propose at least three approaches Amy's team could take to improve customer service options.

5. Identify two techniques Amy could use to draw insights from information collected from customers to develop options to improve customer service delivery.

6. Propose a structure that Amy could use to propose her recommendations for improvement to Asma. Briefly explain each step using the context of the case study.

Topic 2 | Support implementation of customer service strategies

2A   Consult with stakeholders to develop service strategies

2B   Assess service strategies against objectives

2C   Allocate budgetary resources to fulfil customer service objectives

2D   Resolve customer difficulties and complaints

2A Consult with stakeholders to develop service strategies

The purpose of implementing customer service strategies is to increase the quality of service provided to customers. This serves to differentiate the organisation from competitors and meet the service needs of customers.

After analysing your customers' service needs and requirements, the next step is to consult with key stakeholders to develop strategies to improve service delivery.

Customer service strategies are the actions and initiatives that aim to improve customer service problems and overall performance. Strategies aim to explain how the organisation will choose to compete, be it on product excellence, efficiency or client focus.

There are many different aspects involved in developing customer service strategies, such as creating customer service objectives, assessing customer and stakeholder needs, hiring and retaining the right employees, setting goals for customer service, training employees in service skills, and rewarding and recognising good service.

The customer service strategies must be based on the organisation's goals and the types of customers that your organisation serves, including their specific needs and requirements.

The main benefits of implementing customer service strategies include:

- achieving the organisation's customer service objectives
- providing a consistent customer experience
- developing a loyal customer base
- acquiring positive customer reviews
- predicting customer needs, which allows you to plan organisational customer service resources.

Consulting key stakeholders

Consultation is a two-way process of ongoing communication between the key parties involved in customer service delivery.

Consultation is the process of engaging stakeholders and openly discussing information and exchanging opinions and concerns. This is a key part of a customer service strategy to ensure all relevant parties are consulted. It aims to ensure that the people who are impacted by or have an influence on customer service strategies are involved in the process and have sufficient information to make well-informed decisions.

Most large companies, and many smaller ones, have specialist customer service divisions you may need to consult. People in these areas can advise you on company policies, procedures, customer service issues and legislative requirements. They can also assist in planning your budgets and resources, and may even offer some creative solutions to meet customer needs.

> **Key stakeholders you may need to consult with when developing customer service strategies include:**
>
> - customer service representatives
> - customer service line management
> - senior management, including your supervisor
> - other departments and colleagues
> - organisational committees
> - customers
> - suppliers
> - external organisations.

Consulting customer service representatives and managers

Regardless of the type of organisation, for any customer service strategy to be effective it must have the support of the customer service managers, teams and representatives who will ultimately be responsible for delivering the improved service to the customer. Here are two examples of such service representatives and their roles in the management of customer service standards.

> **Customer service representatives**
>
> These are the people at the coalface, those who most help to shape customers' opinions on the organisation's customer service performance. As such, they will have unique insights into customer service based on their interactions with customers. These insights could prove valuable in formulating any strategy.
>
> It is fundamental that these people be notified of the details of the strategy you are proposing so that they can provide feedback and have input into the strategy. These are the people who will invariably be affected the most by any service improvement strategy, so consulting them to increase their sense of ownership and degree of acceptance is vital if customer service representatives are to implement the strategy effectively when interacting with customers.

The line management of the customer service team, who are responsible for managing customer representatives, must have customer service strategies promoted to them as their belief in, and acceptance of, the strategy will directly influence how their customer service representatives view and accept any proposed changes. If the customer service manager is offside with your strategy, then it will be difficult to get the customer service representatives to embrace the strategy and implement it.

It is also essential that customer service managers have direct input into any proposed changes, as they will have invaluable insights into how customer service can be improved and the feasibility of any suggested strategies you have come up with. They will have knowledge of important areas because they occupy a prime vantage point in the organisation by servicing its customers.

Consulting senior management

The organisation's senior management, including your supervisor, may need to be consulted to authorise any customer service strategy you propose. It is unlikely, except for very small projects, that a customer service strategy you devise will be able to be implemented without the approval of the organisation's senior management.

As well as providing approval, senior management can provide a holistic viewpoint to assess your strategy and whether it is feasible, given the organisation's resources and whether it is consistent with the organisation's overall goals and objectives. Often employees at lower levels will consider a strategy only from their own or their department's viewpoint, so senior management can better determine how the strategy will fit within the organisation's operations.

Consulting other departments, colleagues and committees

It is likely that you will need to consult and seek input from other specialised service departments in the organisation regarding the feasibility of customer service strategies and time frames. Seeking input is also helpful in preparing the ground to promote the strategies after they have been developed.

Other departments and colleagues

The budgets or circumstances of other departments and organisations may allow or disallow the changes you wish to implement. Some strategies you thought were excellent may have to be ruled out because other departments do not have sufficient resources to help implement them. Sometimes the skills of other teams are needed.

Organisational committees

Organisations may have various committees in place that are made up of colleagues from throughout the business. Examples include work health and safety (WHS) committees, fundraising committees and social committees. A proposed customer service strategy may require input from these groups.

Seeking input from suppliers and external organisations

For organisations that provide a product for customers, as opposed to a service, the input of suppliers as stakeholders may need to be incorporated into customer service strategy development. Any strategy that requires alterations to supply will need to be discussed with suppliers prior to implementing the strategy to assess its viability. Examples of this include where the organisation seeks to alter order cycles, times, amounts or special orders for customers.

In addition to customers and parties within your organisation, there may be third-party organisations that require input into the customer service strategy and notification once strategies have been implemented. Examples of these stakeholders include trade unions, industry bodies, government departments and advisory boards. For example, if your organisation seeks to extend shopping hours on weekends due to demand from customers, government regulations regarding weekend trading hours would need to be consulted, as would the relevant union/s to ensure an extension of trading hours would not be in breach of any workplace contracts or awards.

Consultation methods

When communicating with different individuals and groups, it is essential that you are mindful of appropriate methods. For example, how you consult with customer service team members will be different from how you consult with senior management. It is important to use the correct method, or combination of methods, for your target audience that meets their requirements, in particular ensuring they have the time and resources to participate in the consultation process.

Methods of consulting with stakeholders include:
• formal presentations • emails, company memos, staff meetings and training sessions • policy and procedures manuals • press releases • regular company newsletters • customer information sessions • updates on company website • advertising on TV, radio, newspaper or online • promotional handouts, brochures or flyers.

Describing customer needs and solutions

By giving attention to each of the following phases during the consultation process, you can be confident that the issue you have identified is being presented clearly, and relevant staff have an opportunity to contribute to solutions and decisions. This also makes it more likely that the proposed changes will be supported during their implementation.

Describe customer needs	• Provide staff with a customer service goal. Explain what your customers want from your organisation's customer service and then compare this to what you are currently delivering. • Highlighting this discrepancy will demonstrate to staff that change is needed to satisfy customers. The performance of competitors should also be discussed, as it shows where the organisation needs to compete more effectively.
Describe the implication of inaction	• Clearly state what is likely to occur if nothing is done to improve existing customer service practices; for example, loss of customers, decrease in sales and potential for job losses. • This will assist staff in accepting that something needs to be done and help them relate the issue to how they can help. If possible, link the consequences of inaction to the company's objectives or customer service charter.

Describe a range of possible solutions	• You must list the various options that exist to address the customer service issue. This shows that you have analysed the situation extensively. Explain the different solutions available and their benefits and disadvantages. • Ensure that any costs are explained fully and the relative cost of each option is clear.
Recommend a solution	• Finally, make a case for the solution you believe is best. This decision will be made with input from relevant sources. As you and your team are so close to the issue and familiar with the topic, your opinion and recommendations will be wanted and valued by those who are listening to you or reading your report.

Example

Describe and recommend solutions

We have two viable options to choose from to resolve our current customer dissatisfaction with incoming call response times. Hiring a new full-time staff member is too expensive at present.

The first option is to appoint a part-time staff member to relieve existing staff during lunchtime and breaks so our response time does not increase, as it does now, at these times. This will not address the problem overall but will manage the busiest times we are experiencing currently. This will cost $25,000 per annum for salary and on-costs.

The second option is to review the current workload of call centre staff and determine how they are spending their time – perhaps we could minimise non-phone call activities, such as photocopying, by redeploying support staff to assist the call centre team. The cost of this would need to be determined following the review, and the costs of the review itself will also need to be taken into account.

We recommend that the first option because it would serve as an interim measure while more information is gathered about the problem and the costs of conducting a review of call centre staff workloads are calculated. Although it does not resolve the issue of customer dissatisfaction with response times generally, it will allow us to increase customer satisfaction in the short-term with the prospect of rationalising workloads and eliminating this problem in the future.

Challenges of stakeholder consultation

When working within large organisations, there are challenges to using consistent communication when consulting with internal and external stakeholders due to a variety of product lines and a complex business structure.

Although relevant individuals and groups will vary according to the organisation, you need to select an appropriate consultation method that suits the needs and preferences of your stakeholders, and use communication skills to effectively consult with your stakeholders, whether you are dealing with customers, colleagues, management personnel, suppliers or external organisations.

Some challenges faced in the consultation process include:
- variation in performance between different customer experience teams within the organisation   - time-consuming communication of customer requirements to multiple suppliers   - resources required to collect the input and interpret the data collected   - availability of stakeholders   - lack of time and resources to effectively gather the information that you need.

Importance of teamwork

Teamwork can be a valuable skill when developing customer service strategies. The term 'silo syndrome' is a business metaphor explaining some of the common problems businesses have when segregated parts operate independently within the organisation. Silos prevent departments, teams and sections from communicating or working together with the rest of the business.

Customer service strategies can be created and used at all levels of business, but it is more meaningful if every team and department is aligned in their endeavours, and is cooperating and communicating with each other by sharing information and resources. Businesses that work effectively together to develop improvement strategies will remain ahead of their competitors in the area of service delivery.

The importance of teamwork
- The better the team works together, the better they are able to provide the best quality service.   - When team members collaborate, they can achieve joint outcomes and customer satisfaction.   - Teams' input into customer service strategies brings knowledge required to build customer relationships and loyalty.

Practice Task 6

Question 1

List at least three benefits of implementing a customer service strategy in the organisation.

Question 2

Which of the following stakeholders would organisations need to consult when developing customer service strategies? Tick all that apply.

○ Senior management of the organisation

○ Customers

○ External stakeholders such as suppliers

○ External stakeholders such media

○ Organisational committees such as the whs committee

Question 3

List three digital communication methods for consulting with stakeholders.

Question 4

Suggest one challenge of stakeholder consultation in a large retail organisation.

Question 5

Give three reasons why teamwork is important for supporting and implementing customer service strategies.

2B Assess service strategies against objectives

The purpose of implementing customer service strategies is to achieve the organisation's goals by improving service performance in a way that allows the organisation to stand apart from its competitors.

Customer service strategies should aim to address specific customer needs and issues that have been identified in the service delivery process. They must ensure strategic and organisational goals are achieved and the business remains competitive in the ever-changing marketplace.

When developing customer service strategies, focus on a number of key imperatives:
- the needs of the client - service delivery issues in meeting customer needs – both common and special cause variations - organisational imperatives – the needs and priorities of the organisation in delivering services to customers - product offerings and capabilities - utilisation of the internal resources, including people and technology - alignment to organisations vision, mission, values - the need to be flexible, realistic and ongoing.

Foundational customer service strategies

The kind of strategies your organisation develops to improve customer service issues will largely depend on the nature of the enterprise, its products/services and the customers themselves. In general, almost every organisation would want to include the following considerations in its strategies.

Courtesy and politeness	Courtesy and politeness are the cornerstones of all customer service strategies, and should feature in every customer service charter as the most fundamental service standard.
Timely delivery	Delivery of the product or service must be timely and realistic, according to what the organisation can provide.

Guarantee of quality	Product or service characteristics carry an inherent customer expectation of some degree of quality. It is a fundamental, reasonable expectation of any customer (as well as a legal requirement) that goods or service do what they claim to be able to do. No amount of price discount, refund or replacement can compensate the dissatisfied customer. Ensuring the quality of services or products is the safest long-term strategy.
Product availability	Product or service availability, like the guarantee of quality, is another fundamental of good business. If a good or service is advertised, customers will be disappointed if the organisation cannot deliver.
Organisational integrity	If your organisation is unable to provide the quality of product or level of service that it promises, then it is placing added, unwanted and unreasonable pressure on frontline staff who have to deal with dissatisfied customers. Effectively, if your enterprise does not measure up, then you are asking your team to defend the indefensible.

Assessing strategies based on service objectives

Customer service objectives form the goal posts for what needs to be achieved. The strategies are the actions needed to achieve the objectives.

Customer service strategies must be assessed against the service objectives to ensure they support and enhance the organisation's goals. The process of assessing strategies against objectives should be as clear, quantifiable and non-biased as possible. Service strategies and objectives that are vague, unrealistic or misguided are a formula for disaster for customer service teams. However, if the objectives meet the SMART criteria, the assessment process will be much easier and involve less subjectivity and variance.

Methods for assessing customer service strategies
▪ Evaluate customer service outcomes according to the customer service standards in the organisation.
▪ Compare the performance targets according to the customer service key performance indicators (KPIs).
▪ Assess customer service performance using customer experience criteria.
▪ Compare customer experience outcomes in specific areas according to industry benchmarks.

Example

Customer service strategies

Jennifer works as the customer service manager for a successful online clothing retailer. The market is now highly competitive and she is in the process of finalising a new set of customer service strategies for the next 12 months, following an extensive consultation process with her management and service team.

The team has developed the following strategies that are currently being presented to the board of directors for final consultation and approval:

- Implement a customer-communications program to maintain ongoing contact with customers using email and SMS technology.
- Develop a new client relationship management (CRM) system to develop a knowledge bank of customers and use this information to market tailored products and services to their needs.
- Develop and implement a new customer service policy and procedure that is based on best practice models, which includes redefining the customer service standards that are to be followed by staff.
- Change the refund and returns policy to be more customer-focussed.
- Empower service staff to have greater authority, flexibility and decision-making power to meet customers' needs and resolve issues at the first point of contact.
- Introduce a new customer rewards and recognition program for loyal customers.

Practice Task 7

Part A

Question 1

Draw a line to match each customer service objective to its most effective customer service strategy.

» Objective 1: to improve customer retention

» to improve customer online support processes

» Objective 2: to resolve customer complaints within two hours

» to provide timely notices to changes of customer service terms

Question 2

Give three examples of how customer service strategies can be assessed against customer service objectives.

Part B

Read the case study and answer the questions that follow.

Case study

A niche car insurance company, BeSure Pty Ltd, is a medium-sized organisation with a customer service objective to provide exceptional service to their customers and grow a loyal customer base. BeSure competes with other established insurance companies that have high financial capabilities and promote their brands aggressively in mainstream media.

The customer standard of BeSure is 'to get to know our customers, one by one'. In addition to the customer experience commitment, the company has developed the systems and data management capabilities and is very competitive. The key competitor of BeSure offers lower premiums, but does not always meet customer expectations of efficient service.

Question 1

Suggest two opportunities for BeSure to support or improve their customer service strategies.

Question 2

Select one identified opportunity and explain how you would assess it.
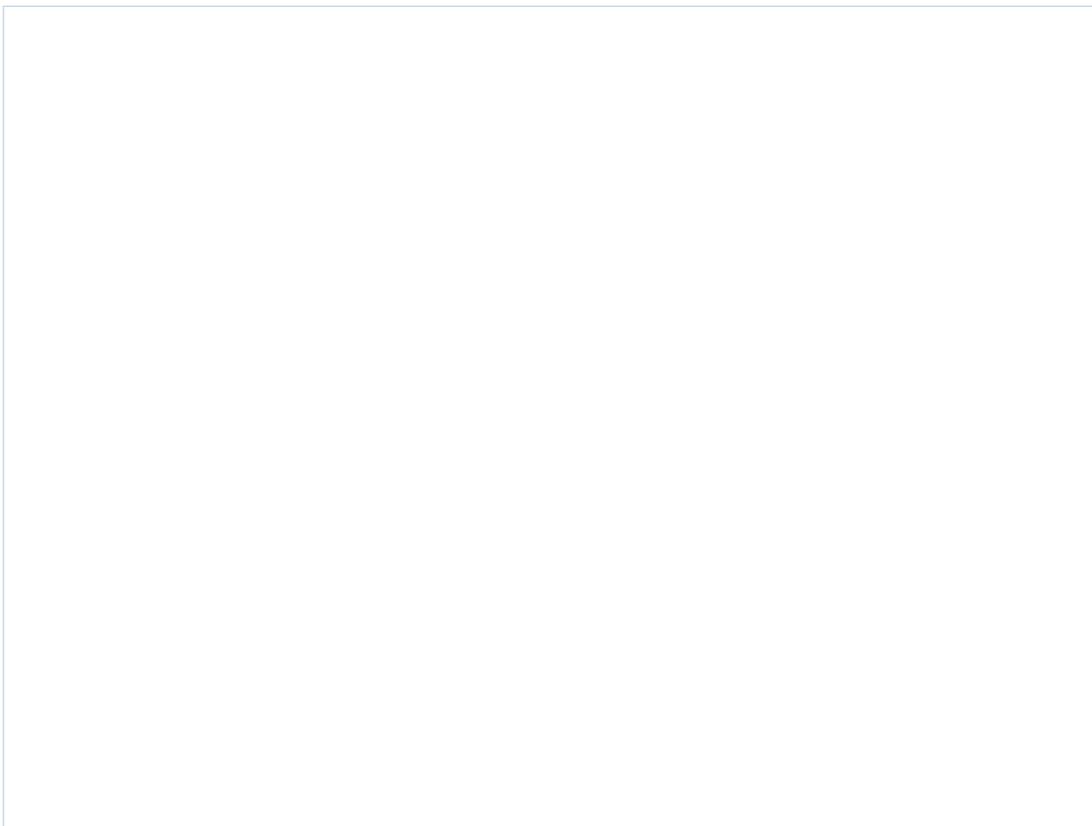
2C Allocate budgetary resources to fulfil customer service objectives

Budgets describe financial goals and explain how much money can be spent on new initiatives in order to achieve business objectives. They help to control expenses to ensure a suitable profit can be made.

Implementing a strategy to improve customer service may require you to identify and allocate budgetary resources. At times, it may also require you to recommend expenditure to support the implementation of customer service strategies. Budgetary resources include funds, staff and time.

This area of responsibility requires that you identify budgetary limitations and research your costs. Any training that is required to improve customer service should also be recognised as a cost in terms of time and money.

Factors to consider when making a budgeting recommendation to achieve customer service strategies and objectives include:
• the impact of the budget constraints on the success of customer service strategies
• the effectiveness of the proposed strategy and the budget necessary to implement it
• priorities in implementing customer service strategies
• other associated costs with the customer service strategy; for example, time off work during the training days and temporary staff requirements
• budgeting procedures in the organisation; for example, whether the funds will be drawn from the marketing or project management budget for the specific customer service strategy.

Customer service budgets

Every client organisation will have a budget that allocates a set of funds to each department or cost centre. The budget allocated to the achievement of customer service strategies is usually relevant to the market potential, size of the customer database and the overall operating budget.

Depending on the strategy, different budgets may be relevant. An IT strategy, for example, may be achieved with funds allocated from a project budget, while many other customer service strategies will be accounted for in a marketing budget.

Here is how one organisation might prepare its budgets.

Sales budget	An estimate of future sales, often broken down into both units and dollars; used to create the organisation's sales goals
Production budget	An estimate of the number of units that must be manufactured to meet the sales goals; also estimates the various costs involved with manufacturing those units, including labour and materials
Cashflow budget	A prediction of future cash receipts and expenditures for a particular short-term period; the cashflow budget helps the organisation determine when income will be sufficient to cover expenses and when there will be a need to seek outside financing or draw on capital reserves
Marketing budget	An estimate of the funds needed for promotion, advertising and public relations to market the product or service
Project budget	A prediction of the costs associated with particular internal projects that include labour, materials and other related expenses; often broken down into specific tasks, with individual task budgets
Management budget	Used to support specific management actions; can include budgets for stock levels, development budgets, contingency analysis, GST commitments, tax commitments.

Accessing available resources

In your role as a manager or supervisor, it will be your responsibility to access resources from the overall pool of resources from the entire organisation.

Organisations, particularly larger entities, typically implement procedures that managers and team leaders must follow to access resources from the budget. In your role you are competing against other areas of the business to receive resources from the organisation to implement your customer service strategies. The process for accessing these resources will vary depending on your organisation's funding procedures and the way implementation of the new strategy is being accounted for. A large organisation may have a training department, while a small one will not.

Here are descriptions of occasions when managers access funds for external training to improve customer service.

Make a business case

The manager of a hotel chain's customer service unit analysed customer feedback forms, which indicated that the phone manner of her staff needed to improve. She identified a suitable course and her manager advised her that the team's staff development funds could pay for it. She completed a business case because the cost exceeded $2,500. Her manager reviewed it, identified gaps in detail and asked her to resubmit it. He then approved the application and passed it on to the accounts manager, who signed off on the purchase. A cheque was raised and sent to the training provider.

Bill a training department

Jason is the supervisor of a sales team for a company that makes and sells tools, such as sanders, drills and nail guns, to large hardware stores where they are bought mainly by tradespeople. Jason and his team need to be retrained in customer service skills as part of an organisation-wide effort to improve the way all staff interact with customers and to exceed the standards set by their competitors. Jason is told that the training for his team, which would include attendance at a two-day conference, would be fully paid for by the organisation's training department and no additional expenses would be incurred against his team's learning and development fund.

Allocating available resources

Staff training and development is a common area to allocate resources to when attempting to improve customer service performance. Although this is one of the key areas in improving customer service, there are other areas that you could allocate resources to.

Organisations can divide budget resources into different areas when improving customer service and customer experience with the organisation. There are many areas that budgetary resources could be diverted to and it is your role to determine which of these areas will receive funds to implement your customer service strategy.

Here are some budget areas relating to staff and how expenditure in each area could affect customer service.

Existing staff	Budget allocated to this category could affect customer service by: - increasing the number of staff in other areas to reduce order turnaround times - increasing the amount of time staff have to prepare advertising material - rostering staff to cater for increased opening hours.

New staff	Budget allocated to this category could affect customer service by: • setting up computer, phone equipment or other tools and allocating work areas • providing uniforms • increasing staffing levels to reduce the amount of time customers wait for service.
Training and development	Budget allocated to this category could affect customer service by: • training staff in the use of new technologies (such as computer systems) • training staff who train others.

Allocating available resources to property, plant and equipment

Funds spent on property, plant and equipment may make the physical environment safer and more attractive, informative, appealing and accessible to customers and the staff who serve them. They can also allow for greater speed and efficiency in delivering customer service.

Here is how an organisation might allocate resources to property, plant and equipment.

Fixtures and fittings	Budget allocated to this category could affect customer service by: • installing a ramp to provide access for customers with a physical disability • installing a new waiting lounge so customers can wait for orders in comfort.
IT and stationery	Budget allocated to this category could affect customer service by: • better handling of customer enquiries to improve efficiency and minimise customer waiting times • printing new forms to reflect procedural changes (such as feedback forms) • printing improved promotional material to advertise new service levels.
POS equipment	Budget allocated to this category could affect customer service by: • purchasing scanning equipment and new registers to improve the accuracy and speed of transactions.
Safety standards	Budget allocated to this category could affect customer service by: • fixing broken floor tiles • installing improved floor plans showing exit routes.
Facilities	Budget allocated to this category could affect customer service by: • developing child-minding facilities • installing new toilets for customer use.

Maintenance	Budget allocated to this category could affect customer service by:
	• ensuring equipment is kept operational to ensure effective service delivery.
Merchandising equipment	Budget allocated to this category could affect customer service by:
	• setting up new displays to keep customers informed of new product lines.

Allocating available resources to systems, programs and communication

An organisation that runs efficiently with effective systems in place can deliver a better standard of customer service. These systems also contribute to the smoother implementation of changes within the organisation. Here is how an organisation might allocate resources to systems, programs and communication.

Policies and procedures	Budget allocated to this category could affect customer service by:
	• developing a more flexible returns policy
	• reassuring customers that the organisation complies with legal and ethical requirements.
Advertising	Budget allocated to this category could affect customer service by:
	• sending EDMs to customers with surveys, newsletters and advice regarding new products
	• setting up chat support in their website to give customers another means of contact
	• developing and printing brochures to improve customer knowledge of products.
Incentives	Budget allocated to this category could affect customer service by:
	• setting up a customer rewards program
	• starting staff awards for the delivery of excellent customer service.

Researching costs and budgetary limitations

Imagine you and your team have identified two possible solutions to a customer service issue you need to address. You have been asked by your own manager to recommend the best solution on offer. Part of this must include detailed information about the costs. You can't make a recommendation if you don't know which solution is more expensive.

Consider the impact of budget structures and limitations on the implementation and success of customer service strategies. The best customer service strategy may not be the most suitable for your organisation, given its budgetary constraints. For example, an excellent solution to handling incoming customer calls promptly could involve installing new computer-based telephone equipment and sophisticated computerised answering services. However, the cost may far exceed the amount allocated in the budget. For recommendations to be realistic and achievable, you must take budgetary considerations into account.

Example

Research costs

Conner, a customer service supervisor at a car servicing centre, decides to revamp the customers' waiting lounge. Here is his implementation plan:

- Compile a list of all the things that need to be purchased.
- Research the possible costs. Get quotes and use information obtained by others in the organisation.
- Submit the list to the purchasing department (one-off costs marked with an asterisk (*) and ongoing costs at a per annum rate).

Purchase new chairs and a coffee table.	$800*
Organise a water dispenser.	$400 p.a.
Paint the reception area.	$490*
TOTAL	= $1,690

The other part of the strategy for improving customer service is to implement customer service training for all employees. Conner makes a new list.

Training for office staff	6 people x $700 per person	$4,200
Training for mechanics	10 people x $300 per person	$3,000
TOTAL		= $7,200

The accounts manager allocates the lounge revamp to the annual 'Customer comfort' budget area. The training will be split between two budget areas: 'Staff development' and 'Customer service', as it could fall into either category. They go through the necessary paperwork and Conner submits it to his manager for approval.

Practice Task 8

Part A

Question 1

Which of the following statements about budget allocation to implement customer service strategies are correct? Select 'Yes' or 'No' for each one.

a) Budgetary resources include costs, staff and time. » Yes » No

b) Organisations typically implement procedures that managers must follow to access resources from the budget. » Yes » No

c) Spending money on property and equipment is not effective in improving customer service strategies. » Yes » No

d) Staff training is the most obvious area to allocate resources when attempting to improve customer service. » Yes » No

e) Merchandising equipment affects customer service quality. » Yes » No

Question 2

List three factors a customer service tam leader would need to consider when making a budgeting recommendation to achieve customer service objectives.

Part B

Read the case study and answer the questions

Case study

Jason is a customer service team leader in a real estate agency. He works in the head office and has been asked to supervise the makeover of a waiting lounge for clients. The armchairs and coffee table may need replacing, and his manager Sophie has suggested they may need some other new items to improve the environment in the lounge. Sophie has also asked Jason to find a training course for Alex, who has just started in the company and needs to learn new CRM software.

Question 1

Sequence all budgeting tasks that Jason needs to complete.

Question 2

Create a simple budget for Jason.

2D Resolve customer difficulties and complaints

A customer service issue is dealing with customers' unmet expectations. Customers with issues and complaints see their problems as important and want them resolved in an efficient and effective manner.

Research indicates that instead of actually complaining, around 90 per cent of dissatisfied customers will simply not do business with the organisation again. Therefore the actual complaints you receive from customers will represent only a minority of all customers who experience difficulties with your organisation and its customer service.

Organisations with good customer service strategies in place view customer complaints as opportunities rather than problems. When a customer identifies an area where the organisation has failed to meet a need, the organisation sets the wheels in motion for the problem to be acknowledged and resolved. This approach requires specific procedures for dealing with such customer issues.

A positive view on customer complaints

A positive view on customer complaints regards all customer interactions, whether complaints or compliments, as an opportunity to promote goodwill and increase customer satisfaction. Customer service charters will usually include statements that demonstrate a positive attitude to dealing with customer complaints, and positive attitudes can be identified among customer service team members and managers. Here is a selection of statements and views reflecting this attitude.

Positive statements and attitudes
'Customer satisfaction is our objective.'
'We welcome complaints. They help us to improve our service.'
'Customers who take the time to complain and give us their feedback should be thanked.'
'Customer complaints identified a gap in our organisation's service delivery. Now we know about it, we can work towards resolving it.'
'All customer contact is an opportunity to promote goodwill and to demonstrate the high levels of service our organisation is capable of.'
'Those who complain are giving us a second chance to keep their business.'

Customer difficulties and complaints

There can be a wide variety in the types of complaints organisations might receive depending on the organisation, the industry, the products or services offered, the types of clients and their expectations. Here are a number of common complaint categories.

Customer service

- waiting times
- politeness
- honesty
- level of empathy
- enquiries not being followed up
- dissatisfaction with the quality of service received from frontline or other employees in relation to a specific event

Product or service

- damaged or faulty goods
- products/services delivered not as described in terms of function or quality and/or not fit for the customer's intended purpose
- services rendered are faulty, insufficient in meeting the customer's needs, of poor quality or unfinished/incomplete
- poor product packaging
- parts or instructions missing from a product

Pricing, purchasing, delivery

- products not delivered, incorrect address or late delivery
- billing and payment errors; for example, overcharging
- service and administrative errors, such as issuing incorrect invoices
- labelling or advertising goods or services at an incorrect price
- warehouse or storeroom errors, such as incorrect packing of products
- inflexible purchasing conditions
- product not being available

Environmental

- difficult access to the organisation

Using digital technology

As part of the modern-day organisation, you will have access to a range of digital tools and equipment to communicate with customers, staff and management, and to resolve customer service issues with customers.

Technology has advanced at a rapid rate over the past 50 years and the workplace has never been as heavily reliant on digital technologies as it is today. The list of software and hardware technology that can be applied to customer service and complaints management is almost endless. There is a range of digital tools and IT equipment available, each with its own purposes and functions that allows you to manage customer service issues.

Types of digital technology that can be used to deal with customer complaints include:

- computer or mobile apps to register a complaint
- virtual assistant to respond to questions about the complaints procedure
- chatbot technology to speed up the process of enquiry
- messaging services to advise of the status of the complaint
- recording complaints against the customer's record using a client relationship management system (CRM).

Handling and resolving difficulties and complaints

Organisations need to have set procedures in place for staff to follow when dealing with customer difficulties.

Doing this provides the organisation with many benefits. For example, complaints are resolved as quickly as possible, staff are confident when handling complaints as they have set steps to follow, and all customers are treated the same when their complaint is being resolved.

The purpose of having complaint procedures is to try to minimise the damage to the organisation when a customer complains; this also aims to retain their business in the long-term.

Examples of the characteristics of an effective customer complaints system
▪ Complaints are resolved quickly with clear deadlines for when each stage of the process must be completed.
▪ Procedures are relatively straightforward and easy for both staff and customers to understand.
▪ The complaints procedure should be documented so staff have a guide to follow when interacting with complaining customers.
▪ Customers should be made fully aware of how to lodge a complaint.
▪ Complaint details are written down and recorded for future reference and follow up.
▪ Recorded complaints are stored and analysed to identify trends and issues in customer service and areas for improvement.
▪ Customers are informed about the progress of any complaint they lodge.

Policies and procedures for customer complaints

Staff must be aware of policies and procedures for dealing with difficulties and complaints and be comfortable implementing them. This ensures they are comfortable handling customer complaints, thereby providing better service to customers who are upset at the organisation and increasing the chances of retaining their business.

Policies and procedures for customer complaints should clearly set out guidelines for the following matters.

Information requirements for customer complaint procedures
The expected standard of service
The approach the staff member should take with the customer; for example, accepting full responsibility
The types of issues the staff member can deal with themselves and the types of issues that should be referred to someone else
Procedures for returns and refunds, dealing with a service complaint, having products repaired, returning goods to suppliers, and goods under warranty or guarantee
Strategies to ensure the customer is happy with the solution; for example, offering a discount on their next purchase
How to deal with incorrect deliveries

Actioning a customer complaints procedure

When implementing a customer service complaint procedure, an organisation will need to deploy a variety of steps and strategies.

	Steps to successful complaint resolution
1	**Receive and log complaints.** Customers must be easily able to log complaints and staff should record all details for future reference and analysis.
2	**Investigate the complaint.** The staff member who took the complaint, the staff member who was responsible for serving the customer originally or the manager responsible for the staff member may investigate the complaint. All details of the customer's dealings with the business must be sought to determine exactly what happened.
3	**Declare to resolve the complaint.** The customer's complaint may not be able to be resolved immediately if you need to 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	**Solve the complaint.** After investigating the complaint, it will become evident what has happened. Now action by the organisation is required. 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 about what action will be taken by the organisation to resolve their complaint.
6	**Follow up with the customer.** It is important to follow up with the customer once the dust has settled to see how they felt their complaint was handled. If the customer is still unhappy with the outcome of your analysis, then you may need to direct them to an outside party (for example, an ombudsman).

Recording 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 and the analysis of any trends or issues in the organisation's customer service. When you have data on customer complaints, you can serve the customer better when responding to their complaint and identify ways in which the organisation's customer service could be improved.

Ensure all staff know the importance of recording a customer complaint. The way complaints are dealt with varies 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; sometimes it may be the responsibility of all staff to record the complaints or comments from customers and pass them on to the appropriate people.

Some organisations have a website that invites people to pass on comments and suggestions; others have complaint forms. Such a form can be used as a support mechanism to reinforce the complaint resolution procedure the organisation has in place.

Analysing complaints

Every time a customer brings an issue to your attention, it 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 to your customers. An analysis of the complaints or difficulties experienced is an essential step towards resolving the issues and improving the organisation's customer service.

Here are three examples of organisations that resolved the causes of customer dissatisfaction because they achieved an understanding what customers were complaining about.

Identify when complaints begin

Data on customer complaints at a dry-cleaning shop showed that the number of complaints about stains that had not been removed from clothing had tripled since May. That was the month when a long-time employee retired and a new staff member replaced him. Further investigation of the problem revealed that the new staff member needed additional training on stain removal. When this was completed, customer complaints returned to the usual low levels.

Complaints follow change

An accounting business kept track of the number and types of complaints they received from their clients. Typically there were just one or two complaints a month, which were easily resolved. The previous financial year, new taxation regulations came into place and the accounting business had seen a rise in the number of complaints, most of which were from customers who didn't understand why they hadn't received as much back in their tax as they did in the previous year. The company decided that they could help their clients by educating them about the new tax laws and began issuing a regular newsletter on issues such as this. The newsletter was a huge success.

Complaints lead to new process

Josh is the supervisor of a customer service team at a company that imports and distributes specialty foods from Europe. His team had received about 10 complaints a week from delicatessen and food store owners who had not received orders on time. As well as being able to pass this feedback on to the warehouse manager, who was responsible for the on-time delivery of orders and could address the cause of the problem, Josh needed to work with his team to develop a process that could help them manage this issue with customers.

Together the team came up with a process that they agreed to follow when calls on this issue were received. It included offering to courier any urgent items to their stores the same day and charging the store for the goods but not the courier service. Josh ran the process past the warehouse manager, who advised that he was in the process of resolving the problem and had appointed another delivery company. He anticipated that the costs of any courier services would not be significant as the new provider was starting within a week and had guaranteed on-time delivery. The process was written up and provided to all staff.

Best practice in customer complaint management

Customer service staff often deal with irate customers and difficult situations. When customers become angry, it is best that all staff follow clearly defined procedures and react in a professional manner. It is easy to become overwhelmed when dealing with irate customers so it is important that everyone is familiar with the organisation's specific policies and procedures. It is also vital that staff who deal with irate customers are trained in basic conflict management techniques.

Effective conflict management involves:
- acknowledging the customer's difficulty   - showing concern for the customer's feelings   - staying calm and listening   - using a suitable tone of voice and clear language   - supporting a company's position in handling issues related to customer satisfaction   - showing empathy and building a rapport   - projecting professionalism and not becoming personal   - making sure the customer confirms that they understand the problem   - rephrasing and paraphrasing the customer's statements to ensure understanding   - providing a clear resolution for the customer   - checking the customer has understood the arrangement.

Your organisation should have policies and procedures in place to ensure that customer dissatisfaction is addressed effectively based on best practice.

Best practice refers to the methods or systems in a particular industry that serve as the highest standard, or 'benchmark' way of doing things. In simple terms, best practice will result in more loyal customers for your business.

The most competitive organisations are constantly looking at innovative ways of meeting the needs and the expectations of their customers. Therefore, best practice is constantly developing and improving.

Best practice customer complaints management can include:
- using pre-determined conflict management procedures   - training staff in conflict management techniques   - recording all customer complaints in a register to analyse trends and identify improvement opportunities   - referring complaints to specific people who are more skilled to resolve complex issues   - adopting the principles of listening and empathising with all customers, regardless of their needs or issues   - replacing faulty or incorrectly delivered products in all cases.

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Example

A customer complaint resolution form

A customer complaint resolution form assists with the smooth processing of a customer complaint, can collect data that allows complaints to be categorised and analysed more easily, and can provide quality assurance in complaint resolution.

Customer complaint resolution form
Name of employee receiving complaint: Name of customer (company and individual): Contact details: Date:
Tick the box to indicate the major problem: ❑ Product was damaged.   ❑ Wrong quantity was delivered. ❑ Product was late/not delivered correctly.   ❑ Pricing was incorrect. ❑ Poor service from staff.   ❑ Invoice was incorrect.
Describe the complaint in detail:
Steps taken to resolve the issue:
How/when will the customer be kept informed of progress as the issue is resolved:
Check box to indicate that this plan has been followed as above: ❑ YES ❑ NO If no, explain why and list alternative action taken:

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Customer complaint resolution form

List managers/staff members alerted (if necessary):

List all employees involved in resolving the problem:

Date of resolution:

Name and signature of staff member responsible:

Practice Task 9

Question 1

List at least three categories of customer complaints.

Question 2

Give three examples of the features of an effective customer complaints system.

Question 3

Number each step from 1 to 6 in the order you would follow the implementation of a customer complaints procedure.

◯ Determine the solution action according to the organisational policies and procedures.

◯ Follow up with the customer to see how the complaint was handled.

◯ Log a complaint and record details.

◯ Declare to resolve a complaint when the complaint requires more time for investigation.

◯ Investigate the complaint.

◯ Notify the customer of the solution action.

Question 4

Which of the following statements relate to information requirements for customer complaint procedures? Tick all that apply.

- ◯ Conflict management training options

- ◯ The types of issues that staff members can deal with themselves and the types of issues that should be escalated

- ◯ Returns and refunds procedures

- ◯ The expected standard of service

- ◯ Budgeting for customer service improvement

Question 5

Which of the following statements are examples of best practices of handling customer complaints? Select 'Yes' or 'No' for each one.

a)	Customer complaints need to be recorded.	» Yes	» No
b)	The best way to handle a complaint is to listen to the customer.	» Yes	» No
c)	It is advisable to challenge complaints to avoid unnecessary costs.	» Yes	» No
d)	Complaints are nothing to be afraid of.	» Yes	» No

Question 6

Explain the communication approach and techniques you would use in handling a customer complaint.

Question 7

List three ways a company can use technology in dealing with customer complaints.

Summary

- Customer service strategies are the actions and initiatives that aim to improve customer service problems and overall performance.
- Strategies aim to explain how the organisation will choose to compete, be it on product excellence, efficiency or client focus.
- Consultation about service strategies is required to ensure business objectives are achieved. It is a two-way process of ongoing communication between the key parties involved in customer service delivery.
- Customer service strategies must be assessed against the service objectives to ensure they support and enhance the organisation's goals.
- The process of assessing strategies against objectives should be as clear, quantifiable and non-biased as possible.
- Implementing a strategy to improve customer service may require you to identify and allocate budgetary resources. At times, it may also require you to recommend expenditure to support the implementation of customer service strategies. Budgetary resources include funds, staff and time.
- A customer service difficulty is dealing with customers' unmet expectations. Customers with difficulties and complaints see their problems as important and want them resolved in an efficient and effective manner.
- Organisations with good customer service strategies view customer complaints as opportunities rather than problems.
- When a customer identifies an area where the organisation has failed to meet a need, the organisation sets the wheels in motion for the problem to be acknowledged and resolved.

Learning Checkpoint 2
Support implementation of customer service strategies

Part A

1. Give two examples of customer service strategies that would require customer notification.
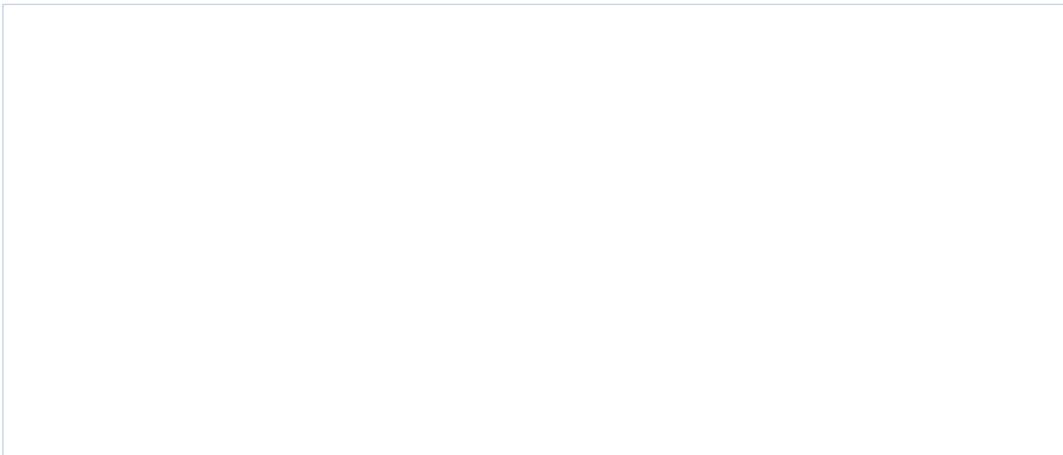
2. Compare communication approaches that you could use to consult with your team versus approaches you might use with senior management in developing customer service strategy.
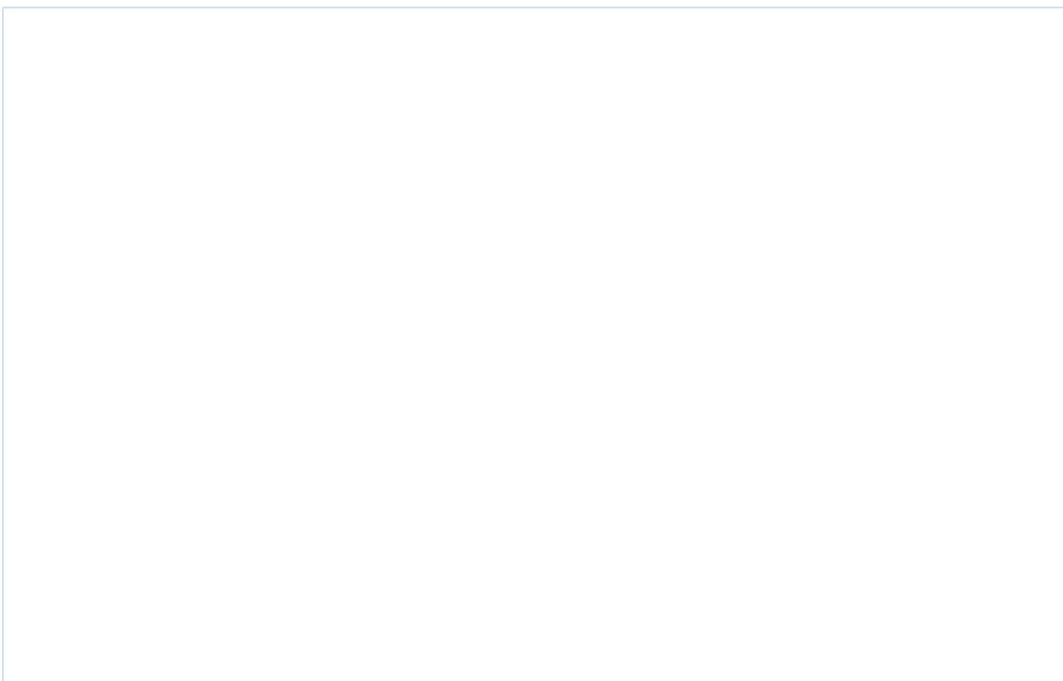
3. Give one reason why it is important to consult the team on customer strategy improvements.

4. Which of the following statements relate to documenting the improvement of customer service delivery? Tick all that apply.

○ Staff emails about the upcoming customer service training

○ Logging a customer complaint and interaction

○ Notifying customers in advance of changes in service delivery times

○ Responding to customers' angry emails

○ Using customer support platforms and software.

5. A customer complains that he was sold a product that did not meet his expectations. Give one example of a policy or procedure for resolving this customer's complaint.

Part B

Read the case study and answer the questions that follow.

Case study

Ali is a team leader of the gym chain High Performance Pty Ltd. This gym services a diverse customer base and is open 24 hours. Ali leads a team of six members who work in shifts, which may be problematic when trying to organise meetings and discuss customer service strategies.

Customer loyalty and relationship building is of paramount importance to High Performance, because customers expect to be part of the local fitness community and value personalised service.

The High Performance chain is partnering with other wellbeing industry players and is offering other value-added products, such as discounted massage and healthy meals delivery for loyalty program members. Currently the awareness of these products is low and Ali needs to find the way to communicate the value to their customers.

Overall, the company is proud of their good relationship with customers. In Ali's view, personal communication is most important to avoid complaints. He believes that resources need to be allocated to promotion rather than investing time in 'bureaucratic' procedures.

1. What is the key challenge for Ali's team in supporting customer service strategies? What does Ali need to do overcome it?

2. Suggest three strategies that Ali's team may employ to build rapport with customers.

3. Based on the information in this case study, write one example of a customer service objective for High Performance gym and propose one suitable customer service strategy for that objective.

Customer service objective	Customer service strategy to achieve the objective

4. Write at least two examples of customer service opportunities for the customer service objective in the table. Explain how these opportunities can be assessed.

The objective	Options/ Opportunities	Expected outcome	Cost of implementation /resources
Increase customer engagement by 20% and promote value-added services to existing loyalty program members during the next financial quarter.			

5. Suggest one procedure that Ali would need to develop to ensure best service standards. Explain the benefits of that procedure.

Topic 3 | Evaluate and report on customer service

3A Review stakeholder satisfaction with service delivery

3B Report the changes necessary to meet service objectives

3C Prepare recommendations for future client service strategies

3D Monitor systems and reporting procedures for changes to customer satisfaction

3A Review stakeholder satisfaction with service delivery

A major part of the customer service process is understanding whether or not your customers are satisfied with the strategies that you have implemented. Reviewing service delivery includes collecting verifiable data to regularly review customer satisfaction relating to all parts of your organisation's service delivery process.

Evaluating customers' satisfaction with an organisation's service delivery is an important step of the continuous improvement process. It involves assessing the effectiveness of strategies, determining how well the implementation of any new strategies was managed and identifying areas where further improvements can be made. By continually reviewing the effectiveness of the customer service strategies, the organisation can identify which practices to continue and where further improvements are needed.

Reviewing client satisfaction according to organisational requirements

The purpose of the review process is to see how well or poorly customers' needs and expectations are being met, and whether your customer service strategies are effective. If a product or service is not meeting the required standards, you need to make adjustments in the right areas.

Using results from customer feedback systems, management and team members are made aware of how the business is performing and whether the organisation's goals are being achieved.

Reviewing, assessing and reporting on service performance should be based on gathering verifiable data to ensure the business is headed in the right direction. This requires organisations to use quantifiable measures such as customer satisfaction scores (CSAT) to assess the level of customer engagement and satisfaction with the business's products and services.

Verifiable customer data includes:
• customer effort score (CES) measures how easy it was for the customer to get the service or product.
• net promoter score (NPS) measures how likely the customer would be to recommend the product and is an indicator of a customer's loyalty using a scale of 1–10.
• other overall customer satisfaction measures that indicate a customer's satisfaction with the product or service, including a perceived quality or reliability.

Net promoter score (NPS)

One method of collecting verifiable data is the net promoter score (NPS). It measures how likely the customer would be to recommend the product and is an indicator of a customer's loyalty using a scale of 1–10.

Customers that rate their experience at 6 points or below are known as 'Detractors', those that give a score of 7–8 are 'Passives', and those giving a score of 9–10 are 'Promoters'. An average score in the range of 8–10 is an ideal outcome for achieving ongoing customer satisfaction.

To calculate the NPS, subtract the percentage of Detractors from the percentage of Promoters (for example, if 50 per cent of respondents were Promoters and 10 per cent were Detractors, your net promoter score is 40).

Customer feedback systems

Customer service needs are continually changing. Customer feedback systems collect information about the way an organisation is perceived by its customers and should be collected in a targeted and deliberate fashion.

What customers deemed as acceptable in the past may not be the case today or in the future. To meet changing customer service needs, an organisation should continually review customer satisfaction by regularly analysing verifiable data. There is a need for constant review and assessment of what customers need and expect from an organisation's customer service and what they feel they are being delivered.

Customer feedback can provide answers to the following questions:

- Are customers satisfied and to what extent?
- What are customers' opinions about the service they receive?
- What do customers like about the service they receive?
- What do they dislike?
- Which complaints are most commonly made?
- What suggestions have customers offered?

Customer satisfaction surveys

As well as providing information about customers' current needs, customer satisfaction surveys can function as part of an overall and comprehensive customer feedback system. They are used to collect both qualitative and quantitative data on the organisation's customer service performance. A survey is commissioned as a project to seek feedback from a defined population of respondents (in this case, the organisation's customers or potential customers) and get their thoughts, opinions and attitudes on a range of issues related to the organisation and customer service in general. Hence, surveys can be used as a one-off or intermittently over a certain period; for example, every six months, using longitudinal surveys (consistent surveys measuring the same satisfaction criteria over time).

Survey questions are structured and standardised so every respondent answers the same questions in the same way. This reduces bias and ensures the feedback is more reliable and valid. The other main advantage of using surveys is their efficiency in collecting feedback from a large number of actual or potential customers.

Surveys can be administered by researchers or be self-administered. Here is more information about the two.

Researcher-administrated surveys

Questions in this type of survey are administered or read to the respondent by the researcher (or someone from the organisation). This has the advantages of the respondent having any confusing questions explained, appropriate responses can be given, there are fewer incomplete or missing responses, and the organisation has greater control over the data that is received. As such, researcher-administered surveys have a disadvantage in that they are susceptible to bias and leading of the respondent by the researcher, who can push or guide respondents to give certain answers.

Self-administered surveys

Self-administered surveys are also called questionnaires, where the respondent administers the questions to themselves in their own time. This is less expensive for the organisation and easier to coordinate, and can lead to more objective answers from respondents who feel less pressure than with a researcher present. However, the major disadvantage is that with nobody to assist them, customers may answer the survey incorrectly, not answer some questions or only partly answer some questions.

Customer feedback forms

In contrast to surveys, feedback forms are used on a continual basis and can be given to the customer at the time of purchase or through online feedback forms. Whereas surveys target respondents, feedback forms are completed voluntarily by customers, which can reduce the number of responses received.

Advantages of using customer feedback forms

The advantage of using feedback forms is that customers will typically provide very relevant information on customer service performance, as feedback forms are generally submitted by customers when they are dissatisfied and/or just after they have purchased or used your organisation's product/services. Therefore, feedback forms provide very relevant data. They can also include open sections where customers can provide feedback that has not have been covered in the previous questions. This is another advantage over surveys, which do not generally allow for unstructured responses.

Disadvantages of using customer feedback forms

A major limitation of customer feedback forms is that responses are limited solely to current customers of the organisation. Although this information is useful, organisations ideally seek feedback from potential customers who may not be purchasing from them, as their responses can provide useful insights into what the organisation needs to do to get their business. Another drawback is that only a small number of customers complete feedback forms, most of whom are dissatisfied as opposed to satisfied customers. This limits their applicability to the general customer base.

Customer interviews

Interviews can be conducted in different ways, such as in person or via telephone. Having a representative of the organisation conduct the interview enables the organisation to better control the feedback process and seek the information it requires, as the interviewer can guide and assist the customer through the interview process. Interviews also allow the organisation to explore particular issues in depth.

However, a major disadvantage of using customer interviews is that they are narrow in focus as they only solicit feedback from one or a few customers, whose responses may not be applicable to the general customer group. Customers may also be led by interviewers in providing responses or be reluctant to provide critical feedback due to the presence of the interviewer compared to the anonymity provided with feedback forms.

Further sources of customer and third-party feedback

Several other sources of feedback can be obtained from customers and other people who interact directly with the organisation. Here are some examples of methods that can be used to source customer and third-party feedback.

Focus groups	• A focus group brings together a group of customers or potential customers to seek their attitudes and opinions regarding the organisation and its customer service. A moderator guides the group through a series of questions, keeps the group on track and allows the group freedom when answering questions and interacting with each other.
	• Focus groups provide feedback from a customer-centric point of view. While the facilitator will have a list of questions or issues to analyse, focus groups are most effective when customers have the freedom to explore issues the organisation may not have thought of raising.
Toll-free numbers	• Feedback hotline numbers allow customers to call free of charge to register any queries, complaints or issues they may have.
	• Toll-free numbers are an effective way of allowing customers to have their issues listened to and resolved. As such, hotline numbers represent a part of effective customer service by giving customers an easily accessible channel for communicating with the organisation. Hotlines also provide customers with a platform to discuss any issues they have, compared to surveys and interviews where the questions are fixed and focused on particular issues.
Suggestion boxes	• Although they are most commonly used in retail organisations, suggestion boxes can also be used by service-related businesses and placed at reception areas or in the lobby. Variations of the traditional box with an opening where customers can put in their suggestions are common, such as on the back of placemats at a restaurant or on a company website.
	• The benefit of using suggestion boxes is that customers typically provide feedback immediately after (or during) their interactions with the customer service officer, meaning they are effective in understanding how the customer feels during the customer service process.
	• They provide the respondent with a sense of detachment and freedom to express opinions they would be reluctant to voice in person, particularly when the suggestion box allows customers to respond anonymously.
Mystery shoppers	• Predominantly used by retail organisations, mystery shoppers are professional shoppers hired by an organisation to monitor the customer service in their stores.
	• They pose as a genuine customer seeking to make a purchase and will usually have a list of prearranged questions and issues to test on customer service representatives, who must address these concerns and respond accordingly.
	• After interacting with staff and making a purchase, the mystery shopper completes an assessment report, which is returned to the organisation for review and analysis of its customer service performance.

Third-party feedback	• Feedback can come from stakeholders who are involved with the organisation in some way, such as consultants, suppliers, contractors or industry bodies. These stakeholders can be asked how satisfied they have been with the way the organisation conducts business with them, including aspects such as attention to their needs, communication, dealing with issues and difficulties, negotiations and prompt payment.
	• Although these stakeholders don't purchase the organisation's products and services, they do interact with the organisation and are therefore in a position to provide opinions on customer service performance. They will also be a valuable and independent source of information on how customers perceive the organisation at large and its reputation in the industry.

Secondary research data

There are many reliable forms of customer service performance data that already exist within an organisation. This is secondary data that was originally collected for another purpose, but is also useful for providing an analysis of customer service performance.

Secondary research can include:
• net sales figures and sales growth
• market share
• number of product refunds, returns and exchanges
• number of cancellations of services
• number of customer complaints received
• customer waiting times
• number of clients on the organisation's books
• staff turnover and absenteeism and staff performance appraisal data
• quality assurance data.

Managing the feedback process

When collecting feedback on your organisation's customer service and satisfaction, there are many decisions to make as you think about what information you would like to gather and how you are going to do it.

Motivating customers to respond to your requests for feedback is often difficult, possibly because they don't believe their complaints will be taken seriously. Also, many customers only contact the organisation if they are upset and have a complaint to make, and many customers do not have time to complete a feedback form or survey.

Here are some questions and ideas to help you manage this process and receive meaningful results.

Comparing data	Has the information been collected and analysed in the past? If it has, design a survey or structure interview questions based on the existing information or old surveys so the data can be easily compared.
Responses required	How many responses will you require to get enough meaningful data? Remember that 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.
Explain and reward	If you are going to send information out in hard copy, such as with a survey or feedback form, you should also send a letter explaining what it is for. You may also need to offer customers something in return for their opinion and time such as a gift voucher or $20 credit on their account.
Choose customers	If you are planning on monitoring feedback over time (for example, each quarter), decide whether you want to contact a different group of customers every time or if you will send surveys out to the same customers. Depending on what you are measuring, this could affect your results.
Choose questions	If you are trying to decide what information you need to find out, prioritise the data you want to collect and then design questions for each area. Test whether the questions you have written will give you the information you need by giving a sample to a colleague for their opinion.
Measurable feedback	Decide whether you want customers to rate service performance across criteria that you set, such as courtesy of staff, product knowledge or complaint resolution. If so, consider having customers rate your team from 1 to 5 (1 being poor, 5 being excellent). 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.
General feedback	Decide 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 to other organisations you work with'. This type of feedback can be valuable when you want to find out which aspects of your service delivery are below accepted industry standards or to work out where improvements can still be made.
Capture feedback	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 to write up a report on general feedback. Consider why the information is being gathered and then work out how the data should be best stored for analysis and review purposes.

Excellence in managing customer feedback

Two sisters, Rebecca and Kirsten, established a small event business in Hobart after they had gained considerable experience in the event management industry.

Kirsten explains their customer service delivery processes: 'After each event we send out a bespoke thank you card and gift for the person we've been dealing with. We also send an online survey that is quite detailed and focuses on the quality of our service. Surveys are followed up and we may make a personal call to collect them – it's another way to keep us at the top of their minds. We send a personalised letter to them after we've reviewed their survey, based on the feedback they have given us, acknowledging areas where we can improve and thanking them for compliments.

'We keep a database of responses and compile monthly feedback reports. We analyse it and use it to develop and improve customer services and products. We also use it to set standards we work towards achieving. For instance, we ask customers to rate us on attention to detail as it is such a key aspect of event management. Last month our scores were an average of 8/10. This month we want to get 9/10 and have come up with some ideas to help us do that, like making helpful lists for customers to review.'

Practice Task 10

Question 1

List at least three methods that can be used to review customer satisfaction.

Question 2

Which of the following techniques don't provide verifiable data on customer service satisfaction? Tick all that apply.

○ 'Social mention' of brand names on social media

○ Customer effort score (CES)

○ Net promoter score (NPS)

○ Overall satisfaction (attitudinal) measures

○ Product category growth data

Question 3

Which of the following statements relate to the review of customer satisfaction with service delivery? Tick all that apply.

○ Assessing the effectiveness of customer service strategies

○ Identifying areas for further improvements

○ Assessing the management of the implementation of customer service strategies

○ Profiling the customer base

○ Measuring customer satisfaction

Question 4

Which of the following statements are correct? Select 'Yes' or 'No' for each one.

a) The purpose of the customer feedback systems is to meet changing customer needs.　　》 Yes　　》 No

b) Customer feedback surveys are verifiable data that can be used to measure customer satisfaction.　　》 Yes　　》 No

c) To be able to measure customer satisfaction, survey questions need to be adjusted with every survey.　　》 Yes　　》 No

d) Secondary data is not a reliable source to measure customer satisfaction.　　》 Yes　　》 No

e) Quantitative customer feedback is more reliable than qualitative feedback in measuring customer satisfaction.　　》 Yes　　》 No

3B Report the changes necessary to meet service objectives

Once the verifiable customer data has been collected and reviewed, the next step is to identify and report on customer service improvement opportunities to ensure the organisation's service objectives are achieved. This process forms an important part of the continuous improvement cycle.

As a result of reviewing customer satisfaction with service delivery, you should be able to identify any developing problems that could have a negative impact on customer satisfaction and propose changes that could be put in place to resolve satisfaction problems and prevent future problems from arising. Organisational guidelines, policies and procedures clarify exactly what is expected of you and your team and how current practices may not be meeting expected standards.

Identifying required changes

The level of service performance and overall customer satisfaction can be verified by collecting verifiable data – this means data that is accurate, current and reliable. Changes to customer service strategies can be determined by comparing verifiable data to the required standards and KPIs. From here, you can identify exactly where the gaps exist. The changes that you introduce should address the key gaps in performance, at the source.

> **The required changes to customer service strategy implementation may be identified by monitoring:**
>
> - customer satisfaction measures (indicators) compared to service standards
> - the number of product returns
> - changes in customer orders and sales results
> - attitudinal shifts in customers' perception or behaviour by analysing longitudinal surveys
> - the risk to achieving service objectives by measuring customer service performance
> - staff performance indicators or a demand for other resources.

Reporting changes to designated groups and individuals

After identifying the necessary changes in customer service practices and strategies, there are several people and groups you may need to report to.

Groups affected by customer service change may include:
• customer service representatives • customer service line management • senior management/your supervisor • other departments and colleagues within the organisation • organisational committees • customers • suppliers • external organisations.

Purpose of reporting change

Once you have identified the changes to service strategies that need to take place, these must be reported and discussed with other groups or individuals, depending on the nature of the organisation you are in. You need to select an appropriate method that suits the group to report the change. A staff meeting, formal presentation, training session, press release, memo, promotional handout, advertisement or other form of communication could be the most appropriate.

Report changes to an individual or group under the following circumstances:
• They (or their team) will need to change the way they are doing things. • They have authority to approve the actions you are proposing. • They need to know of your intentions so their own actions complement or support (not undermine) the new process or steps you are putting in place. • They need to release or approve funds. • They need to communicate your proposed change to their own teams or other stakeholders. • They need to check that your proposed actions are within organisational guidelines and any rules or laws that apply to your industry. • Their feedback may be useful in determining implementation plans. • You need their help to educate your team or others within the organisation about the benefits the proposed change will bring.

Planning for changes

When planning for changes to be made to customer service strategies and reporting to designated groups and individuals, it is important to develop a plan for implementing the changes. Often, doing this will reduce uncertainty within the organisation because all groups and individuals will be aware of what is happening, when and what action is required by them.

A key part of this process is developing a time frame for implementation that outlines each of the steps required to implement the change and the due dates for completion. For example, a plan may identify 30 August as the date when support materials for a customer service change are developed, before they are distributed on 1 September and start being used by the customer service team on 2 September.

Each step must be analysed later to identify tasks within each one.

To make and report product changes in the organisation, follow this process:

1. Inform staff of the new product changes.

2. Provide staff with training and support materials.

3. Provide timeline information for the planned change.

4. Explain to staff what assistance they will get.

5. Review staff knowledge of new product specifications.

6. Provide follow up training or assistance.
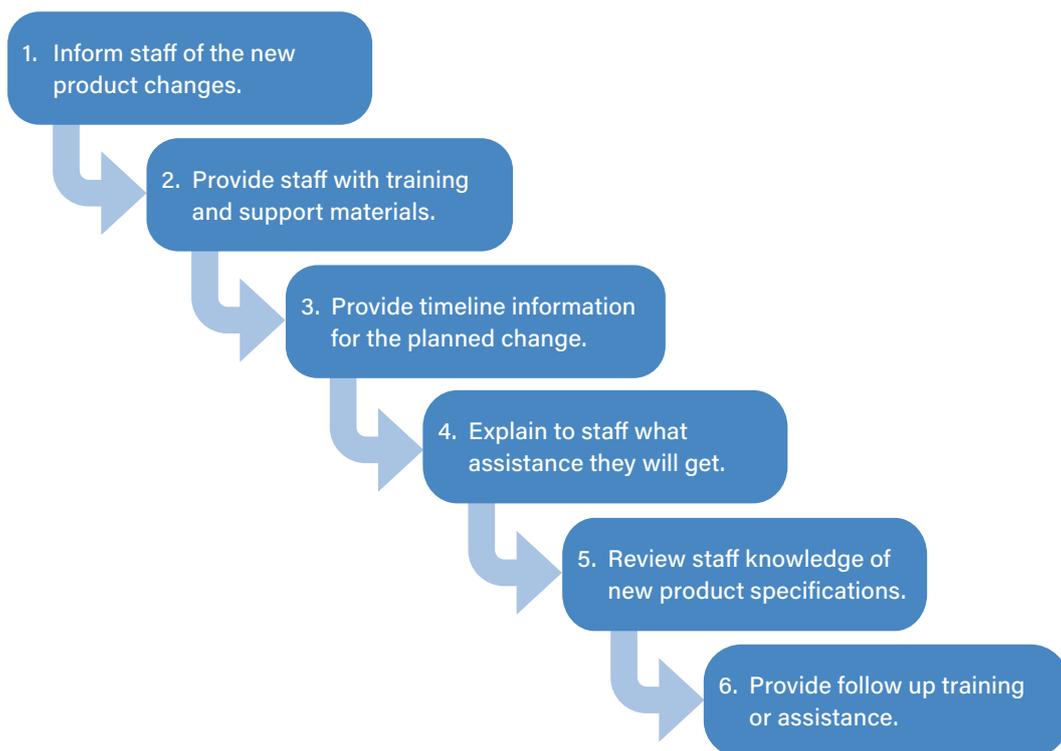
Implementing actions

After a broad plan has been developed, the implementation plan must also go into further detail and specify the exact actions that make up each step in the process of implementing the change. The more specific the plan, the better you will be able to plan each activity, monitor its progress and organise resources for carrying out the plan.

Here is an example of the types of information found in an implementation plan.

Change being made	How the change is implemented
Implementing new software	1. Purchase software. 2. Consult other managers and specialists. 3. Organise installation dates and training sessions. 4. Inform staff why new software is being purchased. 5. Tell them when it will be implemented and when they will need to attend training. 6. Install software and run training sessions. 7. Provide staff with new procedures and documentation. 8. Assist staff as they adjust to the new system.
Changing the customer service budget	1. Inform staff of cutbacks in the customer service budget and what this will mean (for example, save on stationery orders, no gift vouchers for unhappy clients). 2. Explain why this is happening. 3. Invite group discussion so the impact of the new budget is understood, and how challenges will be met can be debated and agreed on. 4. Explain any new procedures and rules. 5. Ask for their cooperation and thank them. 6. Explain how performance will be monitored.
Changing products	1. Inform staff of new product changes. 2. Provide them with training and support materials. 3. Explain that they are expected to know the new information by a certain date and why. 4. Explain the assistance they will receive to do this. 5. Review staff knowledge of new product specifications within a set time. 6. Provide follow-up training and assistance if necessary.

Make a temporary change to customer service

Danielle is the accounts team leader at the head office of a national electrical and appliances retailer. Her team has recently begun receiving complaints from some store managers because the daily price updates that should have been updated in the system before close have not been consistently applied, which confuses customers when the pricing in store doesn't match the advertised prices on the website.

Danielle's team is puzzled. They have been supplying the correct pricing to the web team for updating in store as well as online. Danielle learns from the IT manager that some stores are part of a national IT overhaul that is underway, which explains the glitches of information in the system. Danielle explains the situation to her team. They discuss what changes could be made to solve this issue.

It is decided that they will email the updated pricing to the stores, so they can quickly verify their pricing is correct in the system before stores open each morning. They can then do manual pricing updates where necessary. Danielle phones the store managers and tells them the cause of the problem and what her team is doing to provide them with their usual high level of service, despite the IT challenges.

The issue has also now been flagged as urgent with IT, and it is logged that the digital product information and pricing updates are not working for every store. While Danielle and her team do a workaround, the IT system upgrade is fast-tracked.

Practice Task 11

Question 1

List three stakeholders you would need to advise of changes required to meet customer service objectives.

Question 2

Give two examples of techniques to identify the required changes in the customer service strategy implementation.

Question 3

Number each step from 1 to 6 in the order you would follow to make and report product changes in the organisation.

( ) Explain to staff what assistance they will get.

( ) Provide follow-up training or assistance.

( ) Inform staff of the new product changes.

( ) Provide time line information to staff for the planned changes.

( ) Provide staff with training and support materials.

( ) Review staff knowledge of new product specifications.

3C Prepare recommendations for future client service strategies

The outcomes from your review processes must be documented in a written report to ensure all improvements are recorded for follow-up and can be presented to management for consideration.

As customer service management is an ongoing process, the organisation needs to continually identify improvements to customer service strategies. From these reviews you will need to develop recommendations and report on improvements to service performance.

The types of recommendations you could make are numerous. They may focus on correcting trends or one-off issues, removing certain products from sale, providing training to service teams or implementing new strategies to address a gap relating to customer needs.

Recommendations depend on many things, including:
▪ customer satisfaction and the needs of the organisation's customers   ▪ organisational objectives, customer service standards and procedures   ▪ budget allocations or resources available   ▪ physical environment (feasibility of changes)   ▪ staff skills, knowledge and training requirements   ▪ your own customer service performance   ▪ your team and organisation's customer service performance.

Gap analysis

Identifying the gap between desired and actual customer service performance provides the basis for determining improvements and change management requirements.

A gap analysis is a three-step process that compares the current state or situation against the desired state or situation. When used as part of a customer service review strategy, a gap analysis helps to identify what changes are required in order to address the issues at the source. Once these gaps have been identified an organisation can then determine how it will modify its service strategies.

Identify customer strategy requirements	- customer service objectives, standards and KPIs - specific tasks and customer service procedures - customer relationships - communication and engagement processes
Identify the current state	- Do current strategies meet planned requirements? - Do current relationships support implementation of current strategies? - Do current communication and engagement processes and key messages need modification to reflect the strategies?
Identify gaps	- What is the gap between the goal and the current state? - What steps are required to bridge the gap? - Can it be achieved at once or will multiple steps be required?

Quality of recommendations

The depth and effectiveness of your recommendations and advice on future directions in customer service strategies will be influenced by the volume and quality of data gathered from the feedback process that your organisation uses. Detailed, comprehensive data will provide you with a clear picture of the kind of pathways you can follow to address customer service issues and make improvements. The key is to ensure that you can verify and support your recommendations with direct evidence. Whatever recommendations you make, it is important to be able to justify them by matching the actions to the underlying customer service issues, rather than making superficial or piecemeal changes that will not be successful in the longer term.

Here are some examples of the areas in which you can make recommendations to improve customer service within an organisation.

Staffing

- specific training courses for staff
- changing budget allocations to divert more resources to customer service
- role restructuring for staff
- employing additional staff or moving staff to different areas within the organisation

> Organisation
>
> - changing organisational structure and responsibilities for customer service between different roles and departments
> - changing and developing customer service policies and procedures
> - purchasing new equipment and technology for use in customer service
> - changing or renovating the appearance of the organisation's premises
> - developing advertising campaigns
> - improving point-of-sale equipment and procedures
> - establishing customer loyalty programs

Monitoring your own performance

In addition to looking at ways your organisation can improve, you must also consider your own performance with customer service and identify ways you can increase your skills and knowledge and progress your career. Check your skills against performance standards specified in the organisation's customer service charter. Managing your own learning requires you to regularly monitor and review your strengths and weaknesses, identify whether there are any skill gaps and consider how you can seek learning opportunities.

Be aware of your organisation's professional development program as you may be able to access short courses or those leading to a qualification. Seek advice from your manager and observe how experienced colleagues deal with customers. Take advantage of offers to attend customer service seminars or workshops. There may be the opportunity to work with a mentor.

Key principles of writing recommendations

There is no one-size-fits-all format when it comes to writing customer service recommendations and reports. However, you will need to ensure your report is professional, clear and concise, and communicates the key issues and recommendations of your findings.

The following five key requirements of report writing should be followed to ensure you produce quality customer service recommendations to your stakeholders:

1. Accurate

- Report factual information only.
- Be aware of feelings that may destroy objective descriptions.
- Make distinctions between fact and hearsay, fact and opinion, and fact and conclusions.
- Be clear about the meaning of words.
- Avoid jargon if the audience may not understand it.
- Clarify all abbreviations.
- Pay attention to grammar.
- Proofread the report and rewrite as needed.

2. Complete

- Completeness is achieved by reporting all the information as per the request.
- When in doubt, include the information. Information that appears irrelevant to the investigator may be relevant to the reviewer.
- In most cases, the only information the reader will have will be the information in the report.
- Avoid partially stated facts that can be misleading and misinterpreted.
- Explain why certain information is lacking or incomplete.
- Provide a detailed explanation of the possible source of additional information.

3. Concise

- Avoid unrelated, incidental and non-essential information and details.
- Avoid adjectives, wit, sarcasm, flowery expressions and repetition.
- Use singleness of thought and purpose. A good report will give the reader a clear idea or picture of the results.
- Use headings, paragraphing, sentence structure, indentations, underlining, and capitalisation to emphasise and give weight and/or visibility to information the audience deems important.

4. Impartial

- Report the material and evidentiary facts without addition or subtraction.
- Do not conceal or withhold information.
- Do not assume.
- Do not conclude.
- Maintain an unbiased and open mind about the results.
- Avoid becoming emotionally involved in the process.

5. Structured

- Arrange the contents of the report in discrete sections to facilitate the reader's review and understanding of the report.
- Write in chronological order.
- Avoid ambiguous sentences and vague statements.
- Apply the following key sections:
    - Title
    - report title
    - who the report is attention to
    - date
    - who compiled the report
    - Introduction –
    - what was reviewed and evaluated
    - the review process
    - data collection methods
    - Findings
    - presentation of the information and evidence including successes and service delivery issues
    - objective analysis of the critical aspects of service delivery strategies
    - key outcomes as a result of the review
    - Results
    - conclusions
    - recommendations

Collaborating with service team members

Collaborating with service team members can be a helpful process when identifying and recommending improvements to service strategies. It involves discussing organisational and customer needs and service objectives with relevant customer service team members, and sharing information about how the strategies are currently addressing these requirements.

Service team members are the people working directly with your organisation's customers on the frontline every day, and as such, they have an in-depth level of understanding about customers' needs and requirements. They have the ultimate responsibility of building rapport with customers and achieving the customer satisfaction outcomes.

A collaborative process not only promotes engagement and buy-in with service team members, but can also be instrumental in generating better ideas and options for implementing the proposed service strategy changes. The views and perspective offered through collaboration can yield previously unconsidered ideas and provide new ideas for engagement and interaction with your organisation's customers.

Example

Develop a recommendation to improve service delivery performance

Vision

The organisation's vision is to be recognised by customers as a leading retailer of exclusive products.

Overview

Recent analysis of customer feedback has indicated that there has been an increase in the number of customers reporting dissatisfaction with the quality of our products.

Objectives

Investigate cause with suppliers and decide whether they should be retained as suppliers and whether the items should continue to be stocked. Our customer service department is to complete this research by the end of February and present findings to the team leaders' meeting scheduled for 3 March.

Customer definition

Dissatisfied customers fit in the 25–44 age group and complaints have mainly come from female customers.

Customer feedback

Our record of customer complaints shows that 35 people in the October to December quarter complained that there has been deterioration in quality of the products. Approximately two-thirds of these complaints have been received by customer service staff who handle refunds.

Gap analysis

Customer service staff report that they have difficulty explaining the decline in quality of the products, particularly to customers that have been loyal to this brand of product for some time. The staff say that providing customers with a refund is not resolving the issue adequately.

Improvement strategies

In the interim, remove stock from shelves and provide customer service staff with direction on speaking to customers about the plan and the time line for when products of satisfactory quality will be available.

Communication processes

Customer service and warehouse team leaders need to be briefed and asked to pass information on to their teams as soon as possible through team meetings. Customers will need to be informed of the temporary withdrawal of the products through signage and the catalogue on our website. A meeting needs to be scheduled ASAP with our major suppliers.

Time lines

Week beginning 15 February: brief team leaders, who are asked to inform all affected staff by the end of the week and record the plan in team meeting minutes.

Hold a meeting with suppliers 22 February. Report the discussion to the retail manager.

Decision about whether to retain suppliers and implications (sourcing alternatives?) to be discussed at team leaders meeting on 3 March.

Affected staff to be informed of decision and implications through team meetings.

Budget

There will be an impact on sales revenue in the short-term. The products have average sales of $2,500 per week, with a profit margin of 20%.

Summary

- We need to respond to the decline in the quality of products that are no longer meeting customer expectations, as evidence by a high number of customer complaints – 35 in the December quarter.
- Customer staff report that the issue is not being resolved through issuing refunds.
- Recommend investigating the cause with suppliers and making a decision as to whether to continue supplying these products or investigate stocking substitutes.

Practice Task 12

Part A

Question 1

Identify two key areas that a team leader needs to monitor in evaluating customer service.

Question 1

List three areas that need to be considered when preparing recommendations for future directions.

Part B

Read the case study and answer the questions that follow.

Case study

A large retail organisation has conducted a customer evaluation project and a gap analysis to identify areas of underperformance. The outcomes of the evaluation and suggested improvement strategies are captured below:

Organisational vision: to be recognised by customers as a leading retailer of exclusive products

Gap analysis objective: to identify problems and identify solutions

Recent analysis of customer feedback has indicated that there has been an increase in the number of customers reporting dissatisfaction with the quality of our products.

Dissatisfied customers fit in the 25–44 age group and complaints have mainly come from female customers. Record of customer complaints shows that 35 people in the last three months complained that there has been deterioration in quality of the products. Approximately two-thirds of these complaints have been received by customer service staff who handle refunds.

Customer service department is to complete research and present findings to the senior management. For this, they need to investigate cause with suppliers and decide whether they should be retained as suppliers and whether the items should continue to be stocked.

Customer service staff reported that they had difficulty explaining the decline in quality of the products, particularly to customers who have been loyal to this brand of product for some time. Providing customers with a refund is not resolving the issue adequately, they said.

Improvement strategies suggested:

In the interim, remove stock from shelves and provide customer service staff with direction on speaking to customers about the plan and the time line for when products of satisfactory quality will be available.

Customer service and warehouse team leaders would need to be briefed and asked to pass information on to their teams as soon as possible through team meetings. Customers will need to be informed of the temporary withdrawal of the products through signage and the catalogue on our website. A meeting needs to be scheduled ASAP with major suppliers.

There will be an impact on sales revenue in the short-term. The products have average sales of $2,500 per week, with a profit margin of 20 per cent.

Question 1

What technique was used to evaluate customer satisfaction? What technique was used to identify the problem?

Question 2

Prepare conclusions and recommendations for customer service changes.

Question 3

Give an example how a customer service team can collaborate to build rapport with customers and achieve customer satisfaction.

3D Monitor systems and reporting procedures for changes to customer satisfaction

Reporting and record keeping are important parts of customer service management because of their impacts on measuring customer satisfaction.

After you have reported on service delivery improvements, it is essential to maintain accurate records within the reporting system.

As part of the process of evaluating and reporting on customer service, the organisation should have systems and procedures in place for the continual collection of data and feedback on customer service and satisfaction. Where can you get information on how satisfied customers are? Much of this data and feedback will come from information sources that you are familiar with, such as customer satisfaction surveys, customer feedback forms, toll-free feedback numbers and secondary research.

The organisation should implement and install feedback mechanisms, but these tools are useless unless an effective system is developed to continually collect information, analyse it and distribute the results to the relevant people within the organisation to use as the basis for decision-making.

Characteristics of a data collection and reporting procedures

The systems used to continually collect information on the organisation's customer service performance and customer satisfaction must have several characteristics if they are to be effective.

First, modern management and information collection must use digital technology. Outdated paper-based systems no longer meet the demand for the organisation to have the right information at the right time. Although the collection of data can be a manual process, as with collection methods such as customer surveys or mystery shoppers, manual data should be entered into IT systems for storage and analysis.

Technology to monitor and report on customer service includes:

- websites and online feedback forms
- statistical packages and spreadsheets to analyse the 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.

Here are more characteristics that a data collection and reporting system needs to have.

Accuracy	While data must be collected on customer service, it is imperative that all data collected is accurate. Reliable decisions on customer service strategies can only be made when they are founded on accurate and reliable information.
Timeliness/accessibility	The data collection and reporting system for customer service performance must make information easily accessible so that staff and management can access it at relevant times. While some information must be restricted and protected, information systems must be set up to provide members of the organisation with ready access to the information they need.
Clarity	The information collected and processed must be easily understandable for those who will be receiving it. The way it is formatted and written should not make it difficult to interpret.
Storage	Customer satisfaction information must be stored reliably and safely so that it can be referenced in the future to identify trends in customer service and compare results over time. The use of IT systems is preferable to paper-based systems as they allow for the safe and efficient storage of large amounts of data that can be easily accessed.
Consistency	When analysing the organisation's performance in customer service and satisfaction, it is important that the information collected 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 concept of customer service satisfaction is not static. What customers want and need, and how they feel change over time. Information must be continually collected. Decision-making needs to be based on current circumstances.

Following organisational procedures

Changes to customer service strategies must be documented as part of your organisation's information management and record-keeping systems. You must ensure documents and reports are filed according to workplace policies and procedures so that the organisation has a valid record of its planning and operational processes.

Improvements, evaluation reports and other recommendations relating to customer service can be used for future reference and to show compliance with relevant legislation, such as the Privacy Act and consumer laws.

Organisational procedures related to recording or reporting customer satisfaction include:

- information security procedure including IT security
- privacy policies
- ethical conduct in research and data collection policies
- procedures for monitoring and measuring customer satisfaction
- file naming and storage protocols.

Example

Electronic record-keeping policy

Purpose

To establish a process and framework for record keeping and information security that ensures:

- our intellectual property and other confidential information is protected from loss, theft and unauthorised access
- information stored on our networks is protected and retained for internal and external audit purposes
- information stored in electronic formats is easily identifiable and retrieved for the purposes of maintaining a productive workplace and meeting the needs of our internal and external customers
- use, collection and storage of business information complies with legislation.

Policy

Information regarded as personal or sensitive information as defined by the *Privacy Act 1988* (Cwlth) must be retained and secured on our networks using a systematic process. Evidence of business communications and transactions with internal and external customers must be retained and secured on our networks using a systematic process. Failure to comply with this policy and its procedures will result in disciplinary measures.

File naming and storage procedure

- Electronic files that must be retained for business purposes must be saved on the network in the 'G:\ Drive' using the most appropriately named folder or sub-folder, according to the nature of the information contained within the file.
- File names must include a brief description of the content, the author and date of creation.
- File extensions must be checked prior to saving and filing documents on the network.
- The creation of new folders in the network must only be authorised by the Office Manager.

> **Information security procedure**
>
> - Staff are required to take all reasonable actions when working with electronic files to prevent loss of materials and ensure documents and files can be easily identified and retrieved to meet business needs.
>
> - Usernames and passwords must not be provided to other staff members, customers or external parties.
>
> - Computers must be logged off prior to any meal or rest break and turned off prior to finishing a shift.
>
> - Information regarded as confidential, personal or sensitive must not be present on a computer screen at any time when the staff member is not present at their workstation.
>
> - Staff are responsible for ensuring firewalls and security software applications installed on their computers are operating correctly and to report any issues to the IT department immediately upon becoming aware of the problem.

Practice Task 13

Question 1

List two methods of using technology to monitor customer service delivery.

Question 2

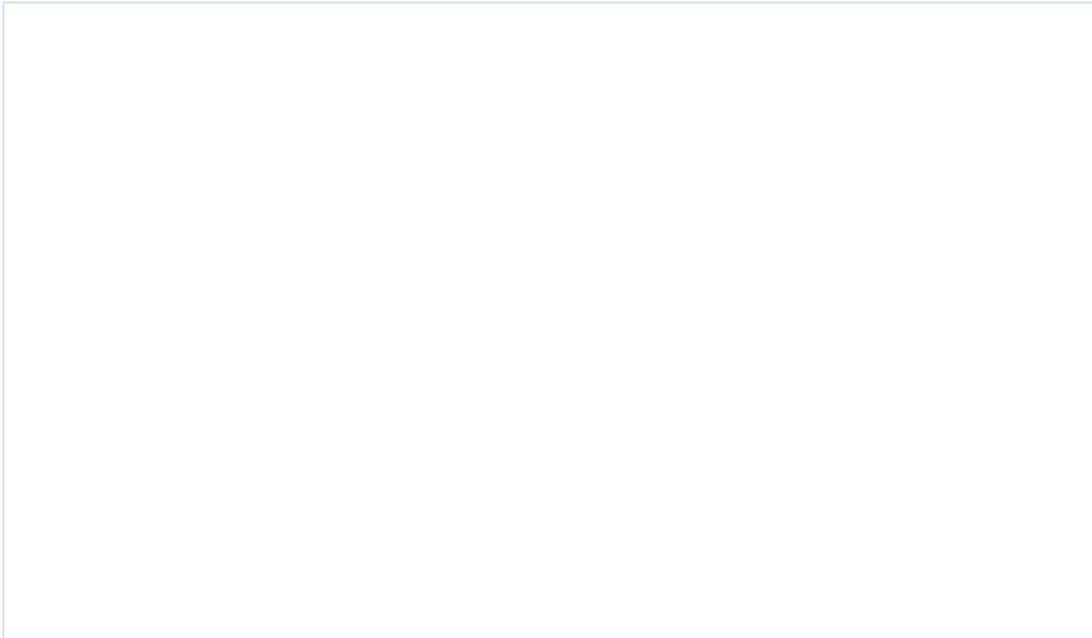List three characteristics of effective customer data collection and reporting systems that could be used for decision-making.
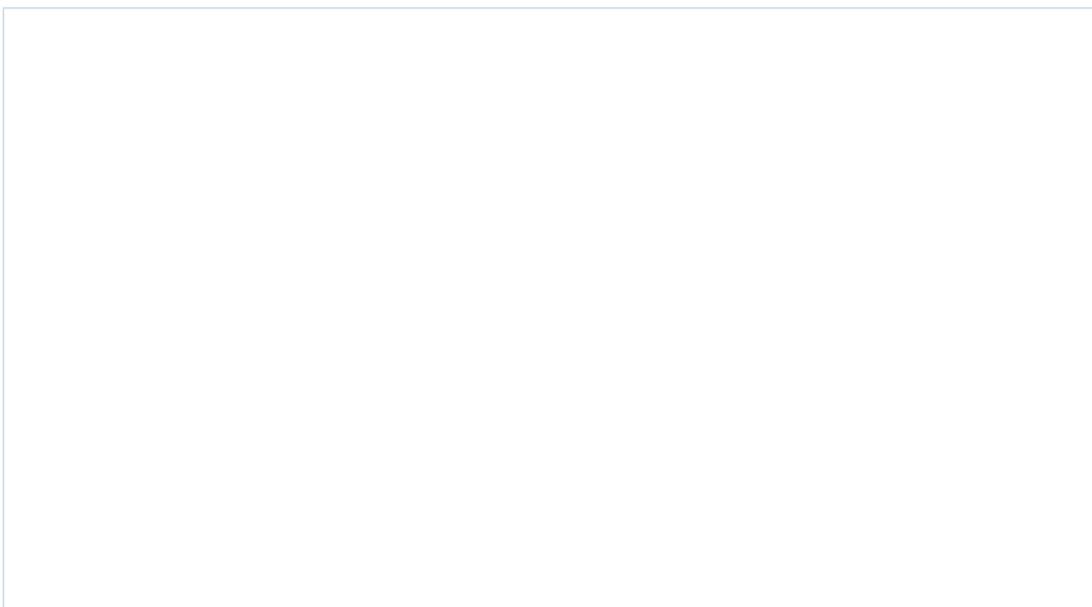
Question 3

Give two examples of organisational procedures related to recording or reporting customer satisfaction.

Question 4

Give an example of monitoring changes to customer services.

Summary

- As customer service management is an ongoing process, customer service strategies and performance need to be continually monitored, reviewed, evaluated and adjusted accordingly.

- As well as having steps in place for customers to provide feedback at their own discretion, organisations must also have systems in place to proactively review customer satisfaction levels on a continual basis.

- The organisation must review and evaluate its customer service performance by implementing feedback mechanisms such as surveys, feedback forms, interviews and mystery shoppers.

- The collection of customer service performance information enables the organisation to evaluate its overall customer service performance and understand how customers perceive the organisation, its products and its customer service.

- Analysis of customer service and satisfaction will lead to the identification of specific areas for change in your customer service strategy.

- In planning to implement changes to the customer service strategy, it is important to report to designated personnel and your team to get their input, approval and support for the proposed changes.

- Systems are required to record the performance of customer service strategies that have been implemented, in order to provide evidence of and assess their effectiveness. Management can use this information when reviewing customer service performance and identifying areas for improvement.

- Effective systems for recording and reporting on customer service performance have several characteristics, including the use of technology, accuracy, timeliness and accessibility, clarity and storage of information.

Learning Checkpoint 3
Evaluate and report on customer service

Part A

1. Give two examples of organisational requirements related to the review of stakeholder satisfaction with customer delivery.

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2. Give two examples of verifiable data that can be used to measure customer satisfaction.

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3. Which of the following relate to techniques for identifying the required changes in customer service strategies? Tick all that apply.

    ○ Monitoring changes in staff training demands in the organisation

    ○ Gap analysis

    ○ Customer satisfaction index (CSI)

    ○ Longitudinal surveys

    ○ Competitors' loyalty programs

Part B

Read the case study and answer the questions that follow.

Case study

Tammy is a team leader of a fast-food chain, Salad Haven. Salad Haven is a new growing company that wants a break into a competitive and lucrative fast-food market. Earning customer trust and loyalty is vital.

Tammy's business associate Josh designed an app to measure customers' post-purchase experience, requesting them to answer the after-service question: 'On a scale of 0 to 10, how likely is that you would recommend Salad Haven to your friends and family?'

Tammy's team is working hard trying to secure an uninterrupted supply of fresh vegetables. The challenge is to maintain the same menu. Currently, some fresh vegetables are supplied only once a week and they quickly run out of leafy greens, especially kale. Some health-conscious customers told service bar staff they found it disappointing. Another unhappy customer posted a photo of a queue at Salad Haven on social media.

Tammy's objective is to create a base of loyal customers and to achieve the net promoters score (NPS) of 80 in the first six months of operation.

She asked Josh to recommend her some customer strategies to achieve her goal.

1. What is the NPS? Explain what Tammy needs to do to achieve it.

2. What method other than an app can Tammy use to identify changes needed to meet her customer service objective?

3. Write two questions for a feedback survey that would help Tammy to identify necessary changes.

4. Write a conclusion and three recommendations Josh could make based on the scenario in the case study.

5. Which stakeholders other than Josh and customers should Tammy consult? Give one example.

6. Give three examples of how Tammy should lead her team to achieve their customer service objective.

7. Give two examples of procedures that Salad Haven would benefit from implementing. Briefly explain the benefits of the procedures.

8. What would Tammy's team need to monitor if Salad Haven pursues the goal to create a loyal customer base and launch a new ordering app?