

SIRXPDK001

**ADVISE ON
PRODUCTS
AND
SERVICES**

SIRXPDK001

Advise on products and services

Release 1

Learner Guide

Aspire Version 1.1



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Before you begin

This Learner Guide is based on the unit of competency *SIRXPDK001 Advise on products and services*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at:

www.training.gov.au.

How to work through this Learner Guide

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

Feature of the Learner Guide	How you can use each feature
Learning content	Read each topic in this Learner Guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples	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
Numeracy skills to:	<ul style="list-style-type: none">▪ interpret pricing information.

What do you already know?

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

Topic	Key outcome	Rate your confidence in each section
Topic 1: Develop product and service knowledge	1A Identify and access sources of information on products and services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Interpret information on availability, features and benefits	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Compare products and services and update knowledge	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2: Respond to customer requests	2A Answer customer questions with current and accurate information	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Clarify customer information needs and explain products and services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Source additional information when you don't know the answer to a customer's question	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 3: Enhance the information provided to the customer	3A Identify situations where additional information may assist the customer	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Advise on alternative products and services when an item is not available	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Recommend complementary products to customers	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident



Topic 1 | Develop product and service knowledge

- 1A Identify and access sources of information on products and services
- 1B Interpret information on availability, features and benefits
- 1C Compare products and services and update knowledge

1A Identify and access sources of information on products and services

It is imperative for employees working in frontline customer service and sales roles to have knowledge about the products and services they are selling.

To provide accurate and current information to customers, you must have good knowledge and be able to respond to customer requests for information. You will first need to identify where to find reliable information and then access these sources of information regularly to keep your product knowledge up-to-date.

Types of products and services

A 'product' can be anything that when offered to a customer for their attention, acquisition (purchase), use or consumption that will satisfy a need or want. The definition of a product is not limited to tangible goods such as items you purchase. A 'product' by this definition can also be a service, event or tourism destination.

Depending on the type of the organisation or business context where you are employed, you may be working with different types of products and services. Here are some examples:

Consumer products	<ul style="list-style-type: none"> ▪ convenience products that customers buy frequently – such as fast food, toothpaste, supermarket items etc. ▪ shopping products that customers buy less frequently and take more effort to compare in terms of style and quality – such as clothing, furniture, appliances ▪ specialty products that customers often have a strong brand preference for – such as luxury designer goods
Industrial products	<ul style="list-style-type: none"> ▪ materials and parts such as raw materials (cotton, livestock) or natural products (iron ore, timber) used in the manufacture of other products ▪ capital items such as equipment (generators, elevators), portable tools, office equipment. ▪ supplies to operate equipment (paper, lubricants), maintenance items (paint, brushes)
Services that cannot be stocked or stored.	<ul style="list-style-type: none"> ▪ offerings such as banking, retail, travel, entertainment, education and training services and many other categories ▪ business services – such as window cleaning, legal advice, etc. ▪ support services – such as home maintenance, cleaning, personal care, support to find accommodation, etc.

Sources of information on products and services

Find out what sources can best provide you with information about products and services.

To gain knowledge about the products and services provided by your organisation you will need to do some training with a supervisor or an experienced colleague. During the training you will be shown how and where to access information. The information you need may be in hard copy, such as a brochure or label on a sample product, or may be accessible online from the company's database, website or intranet site. You may need to access this information when there are:

- changes in prices, such as during a sale
- new features introduced to an existing product or service
- products or services that are removed and no longer on offer
- new products or services are being introduced.

Depending on your job, you may need to look up information about products or services from the internet or research details about the company's competitors, such as the types of products and services they offer, or their prices.

With experience, you will be able to identify where to go to get the information you need. You will be able to look up information in 'real time' as the customer waits and provide them with what they want to know.

There are many different places to source information on products and services.

Brochures and e-catalogues	Publications provide product details such as features, descriptions, price, quantity/weight, availability, customer reviews and delivery information.
Product packaging	Information printed on boxes, labels or wrapping may include operating instructions provided by the manufacturer. For example, in Australia, it is a legal requirement to list ingredients of food products on their packaging.
Price lists	These outline unit prices and additional fees such as delivery, pre-order, etc. and discounts for a bulk buy. Price lists sometimes show different pricing levels for customer segments, for example, special rates for travel agents.
Technical specifications or instructions	This type of information may be presented in a user manual or specific brochure. These specifications may include instructions on how assemble a product, how it should be used, and things to avoid, such as risks associated with use of electricity or batteries around children.
Inventory control databases	Information stored in the organisation's internal information system can be used to track goods through the supply chain and manages shipping, receiving, warehousing and returns. This provides information on stock available and when a new delivery of stock will be arriving.

Industry publications	Industry associations publish industry research data about specific product categories, performance of competitors and new service trends.
Manufacturer websites	Websites provide general information about the features and benefits of the product or service, as well as locations of the service, technical and operating instructions and other sales information.
Social media and advertising channels	Information from competitors may be available on social media channels such as Instagram or Facebook and blogs and may contain details of products, special promotion pricing etc.
Speaking to a company representative	Information can sometimes be gathered by speaking to someone on the phone, via a helpline, or at the point of purchase (POP) by staff or customer service representatives in-store.
Universal product code (barcode) or QR code	A basic inventory-tracking system consists of software and a barcode scanner or mobile device. Barcodes work with a scanner that reads the symbols and converts them into information about the item's origin, price, type and location. QR (quick response) code is an optical label that contains information about the item or service delivery.

You may also obtain information from:

- your own experience using the product or service
- what has been provided by past and current customers
- what has been provided by your supervisor and other team members
- an industry peak body or promotional session provided by a manufacturer or service provider.

Industry information events

Industry events are a useful way to build on your knowledge because of the opportunities they provide to speak with others working in the same industry.

Types of industry information events:

- In exhibitions and trade shows, a range of suppliers and manufacturers present their products and services, provide demonstrations and answer questions.
- Sales conventions and conferences are where sales teams discuss best practice and ways to access and promote features and benefits to customers.
- Information sessions conducted by government departments provide information about changes to legislation, such as service provision regulations.
- Industry seminars conducted by an industry body or association are places to meet and discuss nominated topics related to customer and sales service.

Accessing information online

Some ways of accessing information online about products and services are listed below:

Use search engines and key search words	Using specific search words will increase your chances of locating the required information. If your search term is too broad, it will take some time to narrow down your search and find specific information.
Participate in online forums	Search for social media sites of industry peak bodies, customer feedback provided by competitors or other organisations and observe different views or feedback from customers on products and services.
Subscribe to e-newsletters	Subscribe to relevant e-newsletters to learn about new products and services coming onto the market.
Attend professional training	Research professional development seminars or information sessions to find out about new product launches or product demonstrations.
Search internal and external sales data	Ask your supervisor to share some data with you regarding the company's top or bottom selling products or services, as well as consumer service trends or feedback from customers.
Become a member of the industry association	Associations provide detailed information and services to their members. Some industry information, such as competitor lists or price lists may be password protected.

Reliable and current information

When obtaining information online, you need to scrutinise it and make a judgment about its objectivity and reliability. Make sure you:

- ask your industry or manufacturer contact to recommend reliable sources
- speak to your supervisor and other team members about the sources of information they recommend
- check the date of the information to ensure it is current and therefore valid, for example that price lists or technical specifications are up-to-date
- know who's posting – look at the author of online reviews or posts to identify potential bias, such as a company promoting their own product or service or using quotes from 'made up' customers on their social media platforms.

Example

Accessing information on services

Gina is a travel consultant working in a small travel agency called TravelMart. The agency sells holiday packages to so-called 'grey nomads' – senior customers who prefer to book directly with the agent. These customers nearly always have a firm budget and purchase travel health insurance when they make a booking.

Gina likes to be able to provide her customers with the latest information and be able to answer their questions with confidence.

Gina needs to keep up to date with information on flight departures and arrivals, local tour options (including cancellation rules) and travel insurance options and exclusions. She uses airport and airline company codes and safety and risk information in her quotes to customers.

TravelMart uses a computer reservation system, that is a reliable source for information. Gina uses it to search for information on schedules, discounts and promotional packages for her customers.

For travel insurance, she identifies a partnering organisation, TravelCover, that specialises in travel insurance for seniors. Gina finds specific information on cover for medical expenses and medical conditions.

Practice Task 1

Question 1

Which of the following statements are correct? Select yes or no for each one.

- | | | |
|--|-------|------|
| a) Product knowledge is an attitude to used to gain the trust of the customer. | » Yes | » No |
| b) A product is anything that can be offered to customers for purchase, use or consumption to satisfy a need or want. | » Yes | » No |
| c) To find out about the products and services provided by your organisation, you will usually need to do some training. | » Yes | » No |
| d) You will need to update your knowledge of products and services when prices change, i.e. during a sale or when there is a price increase. | » Yes | » No |
| e) You need to check the date of information found online to confirm it is the most current. | » Yes | » No |

Question 2

Which of the following sources can be used to find information on products and services?
Tick all that apply.

- Operating instructions on product packaging
- Using a scanner on a bar code to access information on the origin, price, type and location of a product
- Asking a customer to tell you the price a competitor charged for a service they recently used
- Obtaining technical information from a manufacturer
- Tracking the availability of goods through the supply chain by using the company database
- Attending a trade show and recording a demonstration of a product to show to customers

Question 3

List at least three actions you could take to find information on products and services.

1B Interpret information on availability, features and benefits

You will need to be able to interpret the information you collect about products and services so you can accurately communicate it to customers.

Interpreting the information will, in part, mean being able to summarise it so you can meet the needs of the customer.

When interpreting information to meet customer needs, consider:

- the purpose of the information – is it a quote? an instruction for use? a list of the features or benefits of a product?
- what would be the relevant information with the right amount of detail so the customer is not overwhelmed by information and facts, or left wanting?

Here are some examples of interpreting information to suit a customer's needs:

- describing a product without the use of technical jargon
- interpreting the terms and conditions of a contract and explaining it in clear language.

Customers are more likely to be satisfied with the information they have been given if you deliver it with confidence. Having sufficient product knowledge is essential so that you are able to communicate accurately and persuasively.

Product knowledge includes having a good understanding of its features, benefits and availability – when it can be supplied.

Features	Features are characteristics that a product has or a service can perform. They include size and colour and also relate to the design or specifications. For example, an oven may have a self-cleaning feature or convection function.
Benefits	Benefits are what the customer will get out of the features of a product, and are considered to be the true reason for a customer's purchase. They include safety, performance, convenience or time-efficiency. For example, the benefits of a self-cleaning oven are convenience and time-efficiency for the user.
Availability	This concerns the dates or bookings that firmly lock in a date and time for delivery of a product or service. It includes details about the location where the delivery of service will take place, or the availability of staff to deliver the service.

Features of products and services

Customers use information about the features of a product or service to compare or differentiate between one product and another. Customers want to know about features so they can evaluate the value of a product or service before making a decision to purchase.

Common features of products include:

- style and design
- brand
- packaging
- source or origin
- materials or ingredients
- care and handling requirements
- warranties and guarantees
- shelf life (use by date)
- storage requirements

Although services can be classified as a type of product, they differ from tangible products because:

- most services cannot be inventoried or stored – customers need to wait for service to be delivered
- services create a customer experience and don't necessarily give them any *thing*
- services vary in quality according to the skill of the person providing them
- some services are co-delivered with customers, for example, self-checkout in supermarkets or personal service during a haircut or when receiving a beauty or massage treatment.

Common features of services include:

- limited capacity, such as maximum seating in a restaurant, or at an event, meeting or health appointment
- scheduling, such as a time and duration required to deliver the service
- variations in service standards as determined by staff training and experience
- different communication methods, such as social media, use of apps, signage, venue design etc.
- processes to book, make arrangements for, or confirm a service, such as booking online for a hotel or using an app for your tickets to an event
- guarantees of the service being delivered to a level of satisfaction.

Product Features

Product style and design

The terms 'product style' and 'product design' are often used interchangeably but they have a different meaning.

Product style describes the appearance of the product. The appearance may attract the attention of a customer but may not necessarily make the product perform better. Appearance can include shape, size and colour.

Product design contributes to the product usefulness and creates customer value. For example, a well-designed gardening tool makes it easier to use, such as a special grip, or offers multiple functionality, such as coming with several attachments.

Branding

A brand is a name, sign, symbol or design, or a combination of these, that identifies the manufacturer or seller of a product or service. It is a meaningful feature of a product that helps buyers to identify products and develop brand loyalty. From the customer's point of view, buying recognised brands can elevate their perceived status. Customers use brands to assess value and to compare product quality and pricing.

Packaging

Packaging refers to containers or wrappers of products. Excellent packaging can be part of the attraction of a product, such as the sophisticated and beautifully designed iPhone packaging, and poor packaging may put customers off and lead to lost sales.

Innovative or environmentally sustainable packaging is now more popular and can become a competitive advantage by improving customers' perception of the brand.

Product labelling

Labels are a key feature of most products. They help to market the product by allowing customers to differentiate it from competitors' products, and they communicate important information including:

- ingredients
- materials used in the manufacture
- product use (care and handling)
- storage requirements
- use-by date

Businesses must ensure that products supplied to consumers have labels that contain certain kinds of information, depending on the product, and meet information standards and labelling requirements.

Legislative requirements that apply to product labelling include:

- Country of Origin Food Label Information Standard 2016
- Industry specific requirements such as the Food Standards Code
- labelling requirements for imported and exported products
- Competition and Consumer Act 2010

For more information on these legislative requirements, have a look at the Australian Government website aspirelr.link/labelling-products.

Product source or origins

Many consumers want information about where their food comes from. In Australia, country-of-origin (COO) information must be provided for most foods offered for retail sale.

COO information identifies the country or countries where the product has been manufactured, and sometimes also includes information about the production, design or brand origin of the product.

The key COO claims for food products sold in Australia are listed below:

Grown in	This is a claim commonly used for fresh food and describes where the product, or the ingredients for the product were grown. It can also be used for multi-ingredient products.
Produced in	This is a claim commonly associated with processed food and describes where the ingredients come from and where processing has occurred.
Made in	This is a claim about the manufacturing process involved in making the food.

Source: ACCC (2021) www.accc.gov.au/consumers/groceries/country-of-origin

Some examples from the Australian Competition and Consumer Commission are included below:

	<p>A loaf of bread that is labelled 'Made in Australia from at least 80% Australian ingredients' means that the bread was baked in Australia using predominantly Australian ingredients.</p>
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	<p>A carton of eggs that is labelled 'Grown in Australia' means that the eggs came from Australian-raised chickens.</p>
	<p>A packet of pasta that is labelled 'Product of Australia' means that the pasta was made from scratch in Australia using only Australian ingredients.</p>

Ingredients

Product ingredients can also be identified from the product label. This is aimed at customers with food sensitivities or who do not use certain ingredients for ethical reasons, as well as the general population who simply wish to know what they are eating and minimise the amount of sugar, or the kinds of artificial preservatives they consume, for instance.

Cosmetic products must comply with the mandatory standard for cosmetic ingredient labelling, which requires cosmetics to have a list of ingredients. For example, Product Safety Australia requires that alcohol-based hand sanitisers display the amount of alcohol contained in the product shown as a percentage (%) by volume per volume (v/v) on the product container or in the list of ingredients.

Some products must include warnings about the product use, for instance:

- 'Keep out of reach of children'
- 'For external use only'
- 'If ingested, seek immediate medical attention'
- 'Flammable – keep away from fire and heat'
- 'Discontinue use of skin irritation occurs'.

Labelling of ingredients is mandatory for many industries that are selling or manufacturing:

- food products
- cosmetics, including 'natural' cosmetic products
- chemical products
- therapeutic goods and active pharmaceutical ingredients.

The Australian Government has mandatory standards for cosmetic ingredients labelling, food ingredients labelling, active pharmaceutical ingredients, and imported products.

'Use by' and 'best before' dates

The two kinds of date marking used in products are the 'use by' date and the 'best before' date. These date labels indicate how long food can be kept before it begins to deteriorate or may become unsafe to eat.

According to the Food Standards Australia and New Zealand, the food supplier is responsible for including a 'use by' or 'best before' date on food. Foods cannot legally be sold after the 'use by' date because they may pose a health or safety risk. Foods that have a 'best before' date can legally be sold after that date, provided that the food remains fit for human consumption.

Shelf life

Shelf life is defined as the length of time a product may be stored without becoming unsuitable for use or consumption.

When product is perishable or has a finite service life, this information needs to be conveyed to the consumer.

Perishable products	Finite service life
<ul style="list-style-type: none"> ▪ Foods ▪ Pharmaceuticals ▪ Cosmetics ▪ Some chemicals 	<ul style="list-style-type: none"> ▪ Batteries ▪ Fire extinguishers ▪ Personal devices (such as distress beacons)

Shelf life depends on the product, for example, foods that have a shelf life of two years or longer, such as canned foods, do not need to be labelled with a 'best before' date.

The concept of shelf life is applicable to multiple product categories, such as cosmetics or pharmaceuticals. For medical drugs, shelf life is the period of time from the date of manufacture that a drug product is expected to remain within its approved product specification while stored under certain defined conditions, for example, 24 months.

Storage requirements

Perishable or dangerous (for example, inflammable) goods require special storage conditions.

If specific storage conditions are required in order for a food product to keep until its 'best before' or 'use by' date, this information must be included on the label, such as 'This yoghurt should be kept refrigerated'.

For other products, storage requirements may give rise to warnings, such as:

- 'Keep away from heat or ignition sources'
- 'Isolate from non-compatible goods'
- 'Store in a temperature-controlled environment'

Care and handling

Product handling refers to the safe use of a product, including directions for manually moving, lifting or carrying the product. It includes how to hold and secure bulky items, for example, when transporting building materials.

It is the responsibility of sales and customer service staff to provide accurate product or material-handling information to keep customers safe.

Examples of handling instructions may include:

- ‘Remove packing material from the area prior to handling’
- ‘Secure any loose cabling to the equipment prior to handling’
- ‘Never install equipment that appears damaged’
- ‘Wash the garment before use’.

Handling requirements apply to a wide range of products, for example:

Food produce	Safe handling instructions <ul style="list-style-type: none"> ▪ This product was prepared from inspected and passed beef ▪ Follow the following safe handling instructions: <ul style="list-style-type: none"> – Keep refrigerated or frozen – Thaw in the refrigerator – Store raw meat separately from other foods – Wash hands, boards and utensils thoroughly after handling raw meat
Clothing	<ul style="list-style-type: none"> ▪ The product was made in Bangladesh. ▪ 80% POLYSESTER/20% ELASTANE ▪ Care instructions: <ul style="list-style-type: none"> – Hand wash only – Use mild soap – Do not leave wet – Dry in shade or away from direct sunlight

Warranties and guarantees

Warranties give recourse to consumers if there are any problems with the goods and services they buy. Under Australian Consumer Law (ACL), consumers have specific rights regardless of any other warrantee, or lack of one, provided by the supplier or manufacturer.

Australian Consumer Law guarantees that all goods:

- are of acceptable quality
- match the description, sample and demonstration model
- are fit for their disclosed purpose
- come with a clear title, unless otherwise stated
- do not have undisclosed securities
- covered by an express warranty will have spare parts and repairs available for a reasonable amount of time after purpose.

Consumers are also guaranteed that services will be provided with due care and skill and completed within a reasonable time.

The following warranties can be offered in addition to a consumer's rights under ACL:

- **Manufacturer's warranty** promises that goods or services will be free from defects for a certain period of time, and that defects will entitle the customer to repair, replacement, refund or other compensation.
- **Express warranty** is a promise about the quality, state, condition or performance that suppliers make, and is more relevant to the product expectations.
- **Extended warranty** promises that suppliers should make it very clear exactly what it offers the customer, over and above the rights they already have under consumer guarantees.

A customer can seek a remedy if they buy something that doesn't meet these guarantees. This remedy might be a refund, a repeat service or compensation for the reduced value of the service.

Providers of services must guarantee that they will take due skill and care, that the service is fit for purpose, and that it will be finished in a reasonable time, as outlined below:

Take due care and skill	This involves taking care to avoid loss or damage and to meet a professional level of skill or knowledge. For example, if a customer hires a house painter who fails to remove old and flaking paint before applying the new paint, the painter has not taken due care.
Fit for specific purpose	This means that the service fulfils the result for which it is intended. For example, a customer gets his hair coloured and the hairdresser gives the instruction to not to wash his hair for 24 hours. The customer follows the instruction, but the colour still washes out a few days later. The hairdresser hasn't offered a service that is fit for purpose, and the customer is entitled to a remedy.
Finished in a reasonable time	This applies to the supply of services at the agreed time or within a 'reasonable' time. A 'reasonable' time will depend on the type of service, however, most contracts should set out when work will start and end.

Examples adapted from Queensland Government: www.qld.gov.au/law/laws-regulated-industries-and-accountability/queensland-laws-and-regulations/selling-your-products-and-services/guarantees-warranties-and-refunds/consumer-guarantees-your-services-must-meet

Benefits of products and services

'Features tell and benefits sell'.

The customer needs to be provided with information about the value of each feature and the potential benefits of it.

Below are examples of talking about features and translating them into benefits:

Product features	Possible benefits
Functionality	Suitable for its purpose (it does what it says it will do) Ease of use Comfort
Origins	Feel-good-factor: supports local industry, helps the environment, profits benefit a social change project, or the product is Australian made
Quality	Peace of mind – customers can be confident it will work
Product delivery	No hassle – delivery that is organised, is tracked and doesn't take long
Price	Affordability or 'value for money' perception
Maintenance	Durability – it will last after multiple uses or long-term use

Based on Business Government of Queensland: www.business.qld.gov.au/running-business/marketing-sales/sales/skills/know-product

Consider the following example of how the features of a smart phone can be used to list benefits to customers:

Product features	Product benefits
<ul style="list-style-type: none"> Water resistant up to 6 meters for 30 minutes New ceramic shield and super retina XDR technology Display is 460ppi which can display up to 1200 nits of HDR content 5G connectivity 	<ul style="list-style-type: none"> Phone will not be damaged if accidentally dropped into water Ceramic shield provides increased durability Camera improvements allow the user to take quality photos at night Convenience of faster speeds in 5G areas

Availability of products and services

Having products and services available to customers when they want them is critical to business. A lack of availability may result in dissatisfied customers and lost sales.

When product availability is high, customers feel confident that their needs can be fulfilled. This helps to maintain customer loyalty and retention.

Service delivery can vary depending on many factors including geographic location. For example, customers in remote areas of Australia were advised that telecommunication services would arrive in 2021 and that 5G internet coverage would be available to 75% of the country's population.

Providing a customer with a 'best guess' on the availability of a product or service is never recommended. Conduct a thorough investigation and provide an accurate and honest response so as to avoid misleading customers.

Check product or service availability by:

- accessing warehouse reports on the quantity of stock in different warehouses
- checking the product inventory list report
- using real-time inventory-management software that shows a 'real' picture of the inventory
- checking websites for product availability in different locations using post codes
- checking websites for service disruptions that may impact availability or delivery
- checking with a supervisor or other staff member.

Example

Interpreting information about product features

Aaron is a sales manager at furniture manufacturing company MoreSpace. Customer service teams respond to customer requests for product information and specifications such as sizes and materials used in the manufacture. For example, for a fold out twin XL bunk bed they might provide closed and open measurements, building materials and finishing colours and fabrics etc.

Part of Aaron's role is to train team members to be able to explain features and benefits to customers. For example, a storage compartment in the bedframe saves space and will 'make it easier to keep toys off the floor', a unique pivoting mechanism allows one bed to be hidden to save on space, and a soft opening mechanism that allows bedding to be changed easily.

Another important role for the customer service team is to provide accurate information about the availability and delivery dates of items. MoreSpace prides itself on customising each piece of furniture, which means the lead-time for a finished product can vary between 12 and 16 weeks, and the price will vary depending on the finish materials the customer chooses.

To ensure customer satisfaction, the team must check availability of the item and confirm the availability of surface materials that are supplied by other manufacturers. They use online stock information by entering the product name or article number. The stock-management software refreshes every 45 minutes, meaning that the stock information on the website may sometimes differ from the internal inventory database.

Practice Task 2

Question 1

Which of the following statements relate to interpreting information on features, benefits and availability of products and services? Tick all that apply.

- Features of a product or service relate to the characteristics of performance such as its design.
- Interpreting information for a customer will help them differentiate between similar products or services.
- Knowing about the benefits of a product or service will influence the customers decision to buy.
- The customer should be provided with as much information as possible that can be found about a given service, so they can decide what they need to know.
- Customer service is about interpreting relevant information with the right amount of detail to answer the customer's question.

Question 2

List at least five common features of products and five features of a service.

Question 3

Draw a line to match each product feature to its description.

- | | |
|------------------------|--|
| » Use by date | » Use of product such as moving, lifting or carrying it |
| » Shelf life | » Instructions and conditions to keep a product until its use by date |
| » Care and handling | » The length of time the product can be stored without becoming unsuitable for use or consumption |
| » Storage requirements | » A date guide as to how long food can be kept before it begins to deteriorate or may become unsafe to eat |

Question 4

Which of the following statements about warranties and guarantees are correct? Select yes or no for each one.

- | | | |
|---|-------|------|
| a) A manufacturer's warranty promises that goods will be free from defects for a certain period of time. | » Yes | » No |
| b) Australian consumers have specific rights regardless of any other warranty provided by the supplier or manufacturer. | » Yes | » No |
| c) Providers of services do not have to guarantee the professional knowledge of a person providing the service. | » Yes | » No |
| d) An express warranty is the same as extended warranty. | » Yes | » No |

Question 5

Draw a line to match the following product origin claims with their definition.

- | | |
|--------------|--|
| » COO | » A claim about the manufacturing process involved in producing the food |
| » Product of | » A claim regarding where the produce or ingredients were grown |
| » Made in | » A claim that the product was made in the specific country from scratch using only local ingredients |
| » Grown in | » The country or countries of manufacture, production, design or brand where the article or product comes from |

Question 6

List at least two product types that must label their ingredients.

Question 7

Which of the following statements relate to checking product or service availability?
Tick all that apply.

- It's important to access warehouse reports.
- Check the website for a disruption to services to ensure a product can be delivered on time.
- Use a real-time inventory database where possible.
- Ask your customers to look for a product on the shelves.
- Read customer reviews online to gather feedback.

1C Compare products and services and update knowledge

Comparing features and benefits of products allows you to determine which one would best suit your customers' requirements.

Products and services can be evaluated by putting together information from various sources and comparing their different features and benefits. This information can be used to assist customers to make a decision by giving them the best opportunity of choosing the product that will meet their specific needs.

Comparing products and services

The way you go about the task of comparing products and services will depend on various considerations.

Consider your approach by answering the following questions:

- Is the purpose of the comparison to select the best price or benefits for an existing customer?
- What are the customer needs or requirements, and which product or service will meet those needs?
- Is the comparison between product or service options from the same producer/provider?
- Is the comparison to compare your company's offering with the competitor's offerings?

Below is a four-step process that can be used in a comparison:

1. Select products and service for comparison

Identify and make a list of the products or services for comparison. The choice of products or services for analysis can depend on the purpose of the comparison such as the needs and priorities of the customer.

2. Access information on all the selected products or services

Summarise the features of each option, such as product functionality, brand and price. Information on competitors' products may be available on their website or by making an enquiry with the company.

3. Rate each product and service options

- └ Allocate a rating to the features of each product or service. This could be rating of each feature (for example, 1 to 5) or a simple yes/no checklist.

4. Rank the options

- └ Rank the options according to their suitability (from highest to lowest priority). Make recommendations according to the customer needs. For example, your customer may be looking for a specific functionality or particular terms of delivery.

Using comparator websites

An easy way to compare products and services is to use a comparator website.

Comparator websites generally compare products sold by a range of suppliers, and frequently include multiple products offered by the same supplier. Examples include:

- Trivago, Wotif or Expedia for accommodation
- WebJet for flights and accommodation deals
- Getprice for electronic goods such as phones, computers, health and beauty products, clothing and fashion, office suppliers, sports and travel and many other products
- Compare the market for insurance, energy prices and accommodation and other products and services.
- iSelect for health insurance.

The ACCC cautions people when using comparator websites and provides advice to help people avoid pitfalls. Comparator websites may:

- not compare all the offers or products in the market
- have commercial relationship with or receive financial inducements from listed businesses
- be owned and operated by the same business that sells the products being compared
- have offers added or removed, for example, by placing restrictions on how many products can be sold in a period of time, meaning that some products listed may not be available
- compare the headline price only and not disclose additional fees and charges.

Tips on how to use comparator websites:

- Check what's on offer across a range of comparator websites.
- Check if there is a commercial relationship that can influence the website's recommendations.
- Check that the website tells you the identity of the business that operates it.
- Consider ranking options by 'benefits' or 'value' rather than 'price'.
- Check whether the offer identified on the comparator website is still available on the service provider's website.
- Make sure you calculate the total cost, as the lowest headline price may not equate to the lowest final cost.

Adapted from ACCC (2021), www.accc.gov.au/consumers/online-shopping/comparator-websites

The ACCC recommends government-operated and free-to-use comparator websites designed to provide users with industry-wide information, for example:

- Australian Energy Regulator: aspirelr.link/energy-made-easy
- The Commonwealth Ombudsman: aspirelr.link/private-health-gov

Creating a comparison checklist

You can create your own simple checklist to see the differences between a range of products or services.

For example, a simple table can be used to compare two products. Simply use a tick or cross to indicate the features available.

Features	Service 1	Service 2
Acceptable price	<input type="checkbox"/>	<input type="checkbox"/>
Available	<input type="checkbox"/>	<input type="checkbox"/>
Functional	<input type="checkbox"/>	<input type="checkbox"/>
Good quality	<input type="checkbox"/>	<input type="checkbox"/>
Able to be maintained	<input type="checkbox"/>	<input type="checkbox"/>

Comparing price lists

You might find that there are different price lists available for the goods and services offered by a company.

Retail pricing usually refers to the RRP (recommended retail price) of a product which is the price recommended by the manufacturer for selling the product to an end-user.

The ACCC states that when prices are advertised or promoted, products and services must clearly display a 'single price' and include all taxes, duties and extra fees.

The **wholesale price** is what is charged by the manufacturer or business owner to the retailer. Wholesalers sell products in bulk and therefore charge a lower price per item. Make sure you know whether you're dealing with a retail or wholesale customer when accessing pricing information.

Price lists can be obtained from sources such as:

- a company's price list reports
- product detail reports
- inventory databases
- sales reports
- retailers' or manufacturers' websites
- sales representatives.

Product variants

Product manufacturers and service providers often provide variations on their basic products, for instance, garments usually come in more than one size/colour and a beautician will offer various options for their basic services.

Before doing a comparison it is necessary to understand the structure of products or services.

Product range	Product line
A product range is a set of products or services provided by the same company and is sometimes referred to as the 'product mix'.	A product line is a group of related products produced by one manufacturer. They are often products that are intended to be used for similar purposes or to be sold in similar types of shops.

For example, a coffee brand may offer a premium coffee line, a mid-range line, an instant coffee line and a coffee capsule line with different product variants (medium roast, dark roast, decaffeinated) and package size options.

Product or service range

To provide accurate advice to a customer, you may need to compare products or services from the same line or range. This is especially relevant to services such as telecommunications, travel, insurance, repairs, and others product categories.

For example, a video conferencing app may be freely available at the basic service level, but be missing some features desired by a customer. The missing features may not be clear until you make a comparison with another company offering a similar deal.

Services have different features from products and so there may be different options or variants you need to consider when collecting information:

Product	Service
<ul style="list-style-type: none"> ▪ Colour ▪ Size ▪ Style ▪ Functionality ▪ Packaging ▪ Installation ▪ Warranty 	<ul style="list-style-type: none"> ▪ Terms of service (duration, frequency) ▪ Locations ▪ Subscription ▪ Inclusions and exclusions ▪ Support services

Update your knowledge on the product and service range

In the competitive environment, it is essential to maintain and regularly update your product knowledge.

While some customers do their own research in-store to check products, prices and reviews using their smart phones, many customers prefer to seek advice from sales staff. This highlights the need to have reliable and up-to-date information available to customers about the range of products and services available from your organisation.

The following questions can be used to identify gaps in your product knowledge:

- Can you explain product features to customers and translate them into benefits that will suit their needs?
- How confident are you in talking to your customers and answering new questions?
- How satisfied are customers after an interaction with your company?
- How many customers return for further information or support?

Customer satisfaction is founded on the principle of understanding the needs of the customer and helping them to solve their problem by providing them with competent advice.

Developing and updating your product knowledge will allow you to speak with confidence to customers and industry professionals. For instance:

- in sales, product knowledge helps you to overcome a customer's objections and explain the value of your product in comparison to a competitor's

- in customer service, knowledge gives self-assurance and helps you to prepare for unexpected situations and inquiries.

To help build and maintain your professional competence and success, take up opportunities to update your knowledge on the range of products and services available.

Learning opportunities

Professional training

- Participate in professional development opportunities such as information sessions, seminars and product demonstrations.
- Enrol into qualification courses or online training.

Talk with colleagues

- Use informal meetings to talk to other team members or experienced sales staff about their experience with products and customer needs.

Talk to customers

- Ask them about their experience with the service and ask for feedback.

Participate in industry networks

- Join an industry association or professional group.
- Participate in professional events and build your network of experts.
- Volunteer for activities that will provide you with opportunities to better understand your industry

Research

- During quiet periods, read manuals or catalogues, browse websites and check out new products, newsletters or updates.

Role-play

- Collaborate with your team and role-play sales or product complaints situations, then reverse the roles.

Example

Comparing products based on product information

Tim is an experienced sales consultant in a small hardware store. His clients are local tradespeople who value personal service and want to support their business community. Tim takes pride in his ability to provide professional advice and retain his customers despite fierce competition. A recent inquiry was made regarding worksite radios from a builder who wanted a compact and convenient, portable worksite radio for under \$150 that was tough and could handle some water and rough treatment.

Tim selected three brands for comparison and made a checklist comparison so he could compare specifications such as battery requirements/charging capacity, weight, speakers, durability and other features. Three products matched his client's requirements. Tim recommended one brand from the others because of its light weight and overload protection, as well as a handle and wheels, which allowed it to be moved without lifting it. In addition, the product had been tested by the manufacturer to withstand damage common on a worksite: one of the client's key criteria.

Tim sold this radio to the builder and made a mental note to ask him for some feedback on it when he next returned to the store.

Practice Task 3

Question 1

Which of the following statements relate to the importance of being able to compare features of products and services? Tick all that apply.

- Identifying training needs for staff so they can provide high standards of service
- Finding the best price for a customer
- Matching the benefits of a product with a customer's needs
- Identifying the advantages of one product over another from the same provider
- Comparing competitors' products with your own products

Question 2

Number each step from 1 to 6 in the order you would follow to compare products and services.

- Rate product features
- Make recommendations according to the customer needs
- Identify products
- Summarise product features
- Identify customer needs
- Rank product options

Question 3

Draw a line to match each pricing-related term to its definition.

- | | |
|-------------------|--|
| » Price list | » The price of an item to be sold to a retail customer. Often this is the price recommended by the manufacturer. |
| » Wholesale price | » A unit price that includes all taxes, duties and extra fees |
| » Retail price | » The rate charged by the manufacturer or seller to the retailer |
| » Single price | » A list of prices for goods and services provided by a manufacturer or seller |

Question 4

Which of the following statements relate to the opportunities you might seek to update your product knowledge? Tick all that apply.

- Talk to customers about their service experience
- Undertake professional training
- Check the reliability of product information sources
- Role-play situations in which customers ask difficult questions
- Use quotes from customers on a competitor social media platform

Summary

- Customers require accurate and current information. You must have good product knowledge and be able to respond to their requests for information.
- To find out about the products and services provided by your organisation you would need to do some training with a supervisor or an experienced colleague.
- Depending on your job, you may need to look up information about products or services on the internet, or research the types of products and services or prices being offered by your company's competitors.
- A wide range of sources can be used to develop and update your product knowledge. These include internal company sources such as brochures, inventory databases and on-the-job learning opportunities.
- Industry events are a useful way to build on your knowledge because of the opportunities they provide to speak with others working in the same industry.
- Customers use information about the features of a product or service to compare or differentiate between one product and another.
- Customers want to know about features so they can determine the value of the product or service before making a decision to purchase.
- Providing a customer with a 'best guess' on the availability of a product or service is not recommended. Give an accurate and honest response to avoid misleading customers.
- There are many occasions when specific or technical information needs to be communicated to, and interpreted for, customers.
- To translate product features into benefits, explain how the product feature can assist in meeting the customer's need. Remember that customers buy products to solve their problems.
- To compare products and services, compile checklists, use price lists and comparator websites. Be mindful of the pitfalls of using automated comparison generators, as outlined by the ACCC.
- Many customers prefer to seek advice from sales staff in stores than to do their own research. This highlights the need to have reliable and up-to-date information about the range of products and services available.

Learning Checkpoint 1

Develop product and service knowledge

Part A

1. Which of the following are the examples of product features? Tick all that apply.

- Colour
- Brand
- Packaging
- Time efficiency
- Convenience

2. Draw a line to match each feature to its potential benefit.

- | | |
|---------------------|-----------------------|
| » Repairs included | » Ease of use |
| » Low price | » Customer confidence |
| » Functional design | » Affordability |
| » Quality materials | » Durability |

3. List at least three sources of information that you could access to check a product price.

4. Which of the following activities help to develop product knowledge? Select yes or no for each one.

- | | | |
|--|-------|------|
| a) Talking to team members about products and services | » Yes | » No |
| b) Subscribing to industry e-newsletters | » Yes | » No |
| c) Attending information sessions to gather information such as changes to legislation, or service provision regulations | » Yes | » No |
| d) Comparing products with the competitors' offers | » Yes | » No |
| e) Reading industry reports on consumer trends | » Yes | » No |

5. Suggest two things to consider when providing information to customers about the availability or their product or service.

6. Which of the following are the pitfalls to look out for when using comparator websites? Tick all that apply.

- Comparator websites may have commercial relationships with sellers.
- They can be difficult to use because they are automated.
- They may be owned or operated by the same business that is selling the product or service.
- They may have offers showing that are no longer available.
- There may be undisclosed fees and charges associated with their offerings.
- There are too many choices of products and services being compared.

7. Give at least two examples of information related to handling and care requirements.

8. Select true or false for each of the following.

- | | | |
|---|--------|---------|
| a) Foods that have a 'best before' date can be legally sold after that date. | » True | » False |
| b) Product storage information is included into labelling and cannot be changed. | » True | » False |
| c) Interpreting product information is, in part, about explaining technical specifications and abbreviations. | » True | » False |

Part B

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

Case study

Jemma is a newly employed customer service consultant at a furniture store that sells imported wood furniture, including dining tables, cabinets and chairs with soft furnishings.

Ali is a customer looking to purchase a set of armchairs for his lounge and selects a product with wooden legs and armrests upholstered in colourful fabric. The label says that they are 'Australian made' but it doesn't indicate in the product information which wood has been used in their manufacture. Ali also needs information on the guarantee conditions and wants to know if they can be delivered to his home. He approaches Jemma and she provides him with the following answers:

- The product is labelled 'Australian made' and is therefore made in Australia.
- The product comes with a manufacturer's warranty but an extended warranty is recommended for an additional six months from the purchase date.

Ali hesitates to make a purchase and decides to search online for more options. Jemma senses that she hasn't satisfactorily answered his questions and thinks that she may need to improve her product knowledge.

1. What does 'Australian made' mean? Did Jemma provide correct and sufficient product information?

2. How could Jemma make sure she provides the correct information to the customer about an extended warranty?

3. Suggest at least three ways Gemma could update her product knowledge.



Topic 2 | Respond to customer requests

- 2A Answer customer questions with current and accurate information
- 2B Clarify customer information needs and explain products and services
- 2C Source additional information when you don't know the answer to a customer's question

2A Answer customer questions with current and accurate information

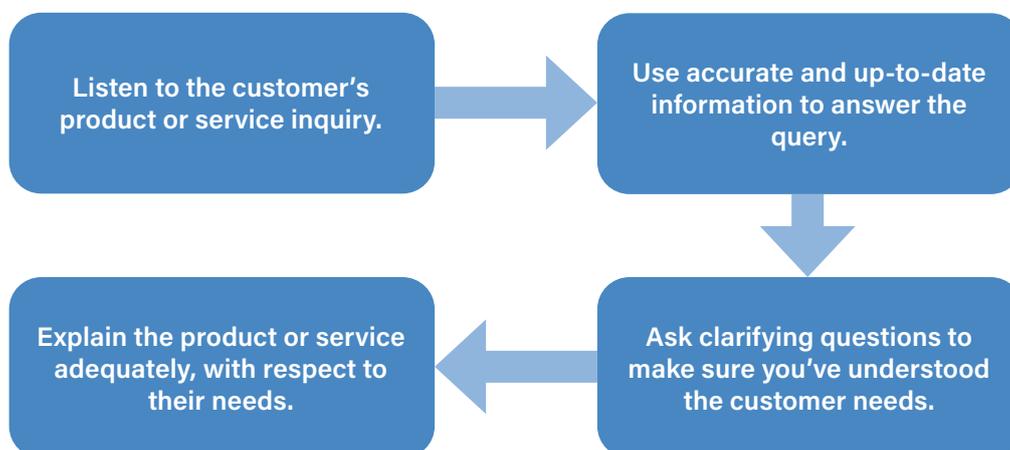
For the sake of your business and out of courtesy to customers, it's essential to respond to their queries with accurate information and to communicate effectively.

Replying to customer questions requires that you listen properly and hear what they need and provide information that is most relevant to meeting their needs.

The most common questions from customers relate to features of products of services, such as:

- price
- quality
- location of stock or availability
- supplementary services such as delivery, installation, after-care, etc.
- safety and performance
- country of origin.

A process used to respond to questions is illustrated in the chart below:



Information about products and services must be:

- accurate – correct and without errors
- current – up-to-date.

Customers take into account many factors when they are comparing products and services and considering the features and benefits of each. They often rely on information provided by customer service or sales personnel to make a final decision. For the customer, the decision-making process requires investment in the following resources:

Time	<ul style="list-style-type: none"> Time spent searching or purchasing a product or service Possible extra lead-in time for a customer's specifications Possible bookings in advance, such as for travel, restaurants, personal health care, etc.
Financial	<ul style="list-style-type: none"> Money to spend on the product or service Perception of value for the price additional costs such as inspections, delivery, after-care or insurance
Emotional	<ul style="list-style-type: none"> Anticipation of waiting for a product or service to be delivered Expectations of performance and benefits Emotional risk of making a wrong decision

Organisational policies and procedures

It is the responsibility of staff to have knowledge of, or be able to refer to, industry and consumer regulations, and the relevant policies and procedures of the organisation they work for.

Policies and procedures are guidelines for decision-making. Policies are developed to reflect a company's values in line with current legislation and procedures are the actions that carry out what is stated in a policy.

Examples of organisational policies and procedures that relate to advising customers on products and services, are provided below:

Pricing policies	<p>A pricing policy will outline a set of principles by which a company will set and manage the prices of its good or services.</p> <p>The purpose of the policy is to ensure uniformity across an organisation and compliance with legal obligations.</p> <p>Pricing policies may provide guidance to staff on:</p> <ul style="list-style-type: none"> communicating fees and charges for services calculating additional fees, such as for delivery calculating fees and charges for services.
Payment policies and procedures	<p>A payment policy deals with the rules regarding payment of invoices and aims to avoid misunderstandings and complaints from customers.</p> <p>It clarifies:</p> <ul style="list-style-type: none"> acceptable payment type, accepted such as cash, credit cards or bank transfer terms of invoice payment, such as when a payment is expected, any taxes that are added etc. conditions for lay-by, lease or after-pay.

Service cancellation policies	<p>Cancellation policies detail the process, timeframe and fee the organisation may charge for a cancellation, for example:</p> <ul style="list-style-type: none"> ▪ a fixed-cost fee for a late cancellation ▪ a percentage of the cost of the cancelled service. <p>Note: a cancellation policy could also be part of a payment policy and procedure.</p>
Product return policy	<p>According to Australian legislation, a customer is only entitled to a refund or replacement for a major problem with a product covered by consumer guarantees. However, some companies have 'change of mind' policies that allow a customer a refund, exchange or a credit note. Return policies may include limitations such as:</p> <ul style="list-style-type: none"> ▪ no refunds on sale items ▪ no change-of-mind refunds after 7 days.

Organisational policies and procedures will have different names across different businesses and industry areas. Here are some examples related to interactions with customers:

Code of ethics or code of conduct or customer service charter	<p>This sets out an organisation's ethical guidelines and outlines best practice for staff integrity and professionalism. It details what would be acceptable and unacceptable behaviour and may state the actions that would result from the code being breached by a staff member. It underpins an employee's day-to-day decision-making and actions towards colleagues and external stakeholders such as customers.</p>
Customer service procedures	<p>A customer service procedure outlines the standards expected of staff when responding to customer requests, including:</p> <ul style="list-style-type: none"> ▪ acknowledging the request for information ▪ responding to phone calls within 20 seconds and personal visits within five minutes ▪ responding to email enquiries within 24 hours ▪ defining guidelines of 'unreasonable' requests and how to deal with them.
Customer service policies	<p>Customer service policies guide interactions between staff and customers. A policy will outline expected standards of service when responding to customers' inquiries, including in-person, by phone, email, webchat, social media or written communication.</p> <p>They apply to customer requests and set principles for:</p> <ul style="list-style-type: none"> ▪ treating customers with respect ▪ providing a range of service options ▪ providing clear and accurate information ▪ giving consistent advice ▪ responding to complaints promptly.

Legislation that needs to be taken into account

Legislation underpins organisational policies and procedures relevant to products and services. The main legislation is the *Competition and Consumer Act 2010* (the CCA) specifically the section on Australian Consumer Law (Schedule 2 of the CCA).

- The main authority that enforces these laws is the Australian Competition and Consumer Commission (the ACCC). You can read more about the role of the ACCC here: aspirelr.link/accc
- Each state and territory has a department that can provide information for that locality. You can search for these on the web, for instance:
- NSW Fair Trading
- Consumer Affairs Victoria
- Consumer and business Services – South Australia.

Australian Consumer Law (ACL) is Commonwealth legislation that protects consumers. It outlines the rights and responsibilities of customers when they are purchasing items and paying for a service. It also sets the rules for business interactions with customers.

Examples of how a business must comply with the ACL are as follows.

- If a customer asks for an itemised bill, it must be provided, free of charge.
- If goods or services are sold for greater than \$75 (excluding GST), the customer must be provided with a receipt.
- Receipts must identify the supplier details, ABN and/or ACN, details of what was supplied, the date of supply and the price.
- If the product or service does not meet a consumer guarantee, i.e. if goods are not of acceptable quality, customers have the right to ask for a refund, replacement or repair where the goods or service are under \$40,000.
- If there is a problem with the product or service, customers have the right to ask for compensation for damages and loss if the suppliers could have reasonably foreseen the problem.
- Companies cannot have a store policy that overrides consumer guarantee rights.

As part of consumer law and fair trading laws, the ACCC regulates consumer guarantees provided by ACL.

Consumer guarantees are a set of rules that apply to goods and services purchased by consumers under the ACL.

Warranties are assurances given by a manufacturer and cover goods (products) only.

ACL provides a set of rules to ensure consumers are treated fairly. Below are examples of business dealings covered by this area of legislation:

Consumer's rights and obligations	Australian Consumer Law requires businesses to provide consumer guarantees for most consumer goods and services they sell.
Warranties	There are different types of warranties that businesses can offer to consumers. These warranties do not override or limit consumer guarantees and the consumer may be entitled to a repair, replacement or refund even if a warranty hasn't been specifically offered.
Repairs or spare parts	When consumers take their goods to be repaired, it's not always clear that certain items, such as mobile phones, may lose stored data during the repair process. In this instance, a repair notice must be provided to the consumer by any business before accepting goods for repair.
Unfair and illegal business practices	Some sales practices are illegal. These include: <ul style="list-style-type: none"> ▪ referral selling (persuading a consumer to purchase something by promising benefits contingent upon people that customer refers, also purchasing it) ▪ pyramid schemes (persuading consumers to join because of promised benefits that are more to do with recruiting new people than selling real products) ▪ unfair contract terms such as allowing one customer to exchange a product but not another ▪ unconscionable conduct (including unequal bargaining strength where the stronger party uses undue influence, pressure or unfair tactics) ▪ accepting payment without intending to supply.
Gift cards	Rules for gift cards cover areas such as gift card expiry, no post-supply fees, changes to gift card supplier, and penalties.
Product safety	All consumer products must be safe and meet consumer guarantees under ACL. Sellers must ensure that products or product-related services comply with relevant mandatory standards before they are offered for sale.
Setting prices	<ul style="list-style-type: none"> ▪ Businesses have rights when setting the prices of their goods and services but they must be set independently of their competitors. ▪ The displayed price must be clear, accurate and not misleading. ▪ A surcharge may be added for payments made using a credit, debit or prepaid card, but it must not be excessive.

Different consumer guarantees apply for goods compared with services:

Consumer guarantees applying to goods require that the product:	Customer guarantees applying to services require that the service:
<ul style="list-style-type: none"> ▪ is of acceptable quality (safe, lasting, without faults) ▪ is fit for purpose ▪ matches the description ▪ matches any sample or demonstration model ▪ satisfies any express warranty ▪ has a clear title ▪ has no hidden securities or charges ▪ has spare parts and repair facilities reasonably available for a reasonable period of time. 	<ul style="list-style-type: none"> ▪ be provided with due care and skill is fit for any specified purpose (express or implied) ▪ be provided within a reasonable time (when no time is set) ▪ adheres to any contract for its supply that states when the services be provided and the date they will be completed will be reasonably delivered, where 'reasonable' will depend on the nature of service and other relevant factors (such as weather, if performed outdoors).

Source: ACCC, www.accc.gov.au/business/treating-customers-fairly/consumers-rights-obligations

The Competition and Consumer Act 2010 (CCA) also covers relationships between suppliers, wholesalers, retailers and consumers. The ACCC regulates mandatory industry codes that are prescribed under the Act.

The Competition and Consumer Act 2010 covers:
<ul style="list-style-type: none"> ▪ product safety and labelling, ensuring that labels meet CCA requirements and include mandatory information such as: <ul style="list-style-type: none"> – country of origin, according to the Country of Origin Food Labelling Information Standard 2016 – industry specific requirements such as Food Standard Code – labelling requirements for imported and exported products ▪ unfair market practices such as pyramid selling, referral selling, and others ▪ price monitoring, i.e. the ACCC monitors costs, prices and profits in domestic air passenger traffic ▪ industry codes such as: <ul style="list-style-type: none"> – Dairy Code of Conduct – Electricity Retail Code – Franchising Code of Conduct – Horticulture Code of Conduct – Food and Grocery Code of Conduct – Unit Pricing Code ▪ industry regulations – airports, electricity, gas and telecommunications.

For example, the Unit Pricing Code is a mandatory industry code that applies to grocery retailers and online retailers but excludes smaller retailers (having less than 1000 square meters of floor space).

According to the Unit Pricing Code, a retailer must display a unit price for each grocery item and the price must be prominent, legible, unambiguous and in close proximity to the item.

The Code, however, provides an extensive list of grocery items that are exempt from these requirements. You can see a full list here: [aspirelr.link/accc-unit-pricing-code](https://www.aspirelr.link/accc-unit-pricing-code)

You can find more information on the ACL here:

- [aspirelr.link/consumer-law-gov](https://www.aspirelr.link/consumer-law-gov)
- [aspirelr.link/aus-consumer-law](https://www.aspirelr.link/aus-consumer-law)

Answering customer questions

When providing information to customers, make sure you are not misleading them, even by mistake. You must provide accurate and up-to-date information about products and services and comply with all legal requirements.

Correct and up-to-date information helps to build trust and leads to a positive customer experience, which leads to customer satisfaction and repeat purchases.

Advice provided to customers based on incorrect specifications, out-of-date prices or availability will lead to confusion, lost sales or claims for a refund.

Responding to questions about price

Information on prices must be current at the time of the sale of physical products.

This means:

- clearly stating the price or delivery quote with a valid date
- providing promotional pricing information that indicates the limited period of time it can be applied, or details about the quantity of units that must be purchased to be eligible.

Information on services can be more complex and service pricing may vary according to a number of variables such as:

- type of organisation (corporate, government or not-for-profit)
- type of industry (telecommunications, travel, hospitality, healthcare)
- level of customisation required, and cost associated with tailoring the solution
- type of customer (individual or a business entity/wholesaler)

To ensure accuracy and currency of information:

- check when the information was compiled or published
- check any version number there may be on the file or publication
- check real-time information as can be found online or from a website or supply chain database
- contact a supplier directly to verify information
- use reliable sources of information such as industry, government websites, the ACCC or the department involved in supplying goods.

Example

Addressing customer needs

Johan needs a new fridge and decides on a large double-door model. He browses websites to look for options and finds a stainless steel refrigerator with an ice & water dispenser that he really likes. The fridge costs \$3,799 and has a 2-year manufacturer's warranty. The website indicates that the product cost includes delivery by the store. As this is an expensive item for Johan, he has more questions about the delivery. He wants to know if any damage occurred in transit would be covered by the manufacturer's warranty.

Peter is an experienced sales consultant who has current product knowledge. He reassures Johan that according to Australian consumer law, the store has an obligation under the consumer guarantee to supply a product of acceptable quality. Peter explains that if the product arrives damaged it would not meet the 'consumer guarantee' of acceptable quality (being 'safe, durable and free from defects'). Peter advises Johan to take a photo of the product if such a situation arises.

Unfortunately, upon delivery Johan notices that one of the fridge handles is cracked. He contacts the store, and emails photos of the new fridge. Peter handles the issue and agrees that the product has a major problem, thus, Johan can choose either a refund or a replacement product. Johan is impressed with the professional service of the store and orders a replacement product, the same model that he really likes.

Source: Consumer Affairs Victoria www.consumervic.gov.au/products-and-services/problems-with-a-product/products-missing-or--damaged-in-transit

Practice Task 4

Question 1

Number each step from 1 to 4 in the order you would follow to respond to customer requests for information.

- Provide a detailed explanation of the product or service
- Listen to the customer's inquiry about the product or service
- Ask clarifying questions to fully understand the customer's needs
- Answer their questions

Question 2

Which of the following statements relate to the accuracy and currency of information you are giving about products and services? Tick all that apply.

- Information on prices should be placed in a prominent position close to the product.
- Information is marketed for the company only.
- Information doesn't need to list consumer guarantees.
- Information indicates to consumers where there are exceptions so they will not be misled.

Question 3

Which of the following considerations are relevant to the pricing of products and services?
Tick all that apply.

- Type of organisation
- Type of industry providing the service
- Level of customisation required for a customer
- Country of manufacturing
- Type of label and packaging

Question 4

Which of the following might be included in a policy about responding to customers' queries?
Tick all that apply.

- Treating customers with respect
- Procedures for responding to emergencies
- A commitment to respond to inquiries within 24 hours
- Procedures for recording minutes of meetings
- Template for invoices
- Conditions for payment

Question 5

Provide two examples of organisational policies or procedures that apply to product or service pricing.

Question 6

Provide three examples of how businesses must comply with Australian Consumer Law.

Question 7

Select true or false for each of the following statements:

The Competition and Consumer Act (CCA) has specific requirements for food products. » True » False

The CCA includes requirements for industry codes. » True » False

The CCA provides a full list of grocery items for which the Unit Price Code applies. » True » False

2B Clarify customer information needs and explain products and services

When receiving a customer request for information, listen carefully so you can understand exactly what is being asked.

To ensure you understand what the customer is wanting, ask yourself the following questions:

- Is the customer asking for general information about the service or service provider?
- Does the customer need a problem solved or are they evaluating options?
- Is this a new inquiry or is the customer checking the accuracy of information from other sources?

Clarifying customers' needs matters because:

- the business of selling and customer service is about meeting those needs
- when they are not properly identified and addressed, customers will take their business elsewhere
- assuming what a customer wants based on other clients' inquiries may be the wrong approach
- sometimes customers are not sure of what they want. By asking the right questions, listening and offering solutions a business can provide customer service that will minimise complaints.

Clarifying customer needs

The key principle is clear communication that meets the expectations of the customer.

To fully understand what the customer needs, you must ask questions.

Examples of what customers want from an inquiry or request for information might be:

- empathy and understanding of their situation, for example, a problem or urgency
- transparency in customer relationships, for example, being honest when a service or product cannot be delivered on time
- courtesy and respect in allowing them time to explain their issue
- open communication, demonstrated by attentive listening and giving information in a clear and concise way.

Interpersonal communication skills that will be most effective when seeking to understand customers' needs are:

- asking good questions that draw out more information, unearth a specific need or concern and lead to better understanding of the situation
- active listening that allows the customer to explain their need or concern and feel confident they are being heard.

Watch a video about how a small business owner identified her customer's needs here: aspirelr.link/identifying-customer-needs

Questioning and active listening skills

Clarifying customer needs involves asking questions and then listening.

Listening and asking questions are fundamental interpersonal communication skills. In a customer service and sales environment, these skills are used consecutively: while listening helps the salesperson to understand the customer, further questioning assists in gathering more relevant information from customers about their needs.

Listening effectively

Listening to a customer is probably the most important aspect of dealing with queries over the phone or face-to-face. Good listening skills can save time and help establish stronger business relationships. Unfortunately, some people are so eager to talk to a customer and supply them with information that they don't listen to the customer's request.

Being properly listened to can have a powerful effect on customers.

Listening carefully

When you listen actively to customers, you:

- show that they are important and worthwhile
- demonstrate that you are interested in them and their issue
- help to reduce emotions such as anger
- assist them to develop trust and confidence in the relationship.

Not listening carefully

If you do not listen properly to customers, you run the risk of misunderstanding what they are saying, which could result in providing the wrong information.

When people don't listen carefully, they are likely to:

- hear only part of what the other person is saying
- hear information incorrectly
- assume they know what the other person is going to say and interrupt or complete their sentence, or stop listening
- forget what the other person has already said.

Improve your listening skills

No one is a born listener. You can learn and apply strategies to improve your listening skills.

Here are some tips on how to listen effectively to customers.

Take notes	<ul style="list-style-type: none"> ▪ It is sometimes difficult to remember everything a customer says, especially if the conversation is long. Always record the important points being discussed and the action that will be taken. This can be used for reference later on. ▪ Taking notes shows the customer that you are listening to what they are saying.
Removing distractions	<ul style="list-style-type: none"> ▪ Do whatever it takes to reduce distractions when listening to others. ▪ It is always hard to listen well if there are distractions. It can be helpful to use headphones when taking phone calls.
Take time to listen	<ul style="list-style-type: none"> ▪ Think about a time when you were trying to communicate an important message and the listener was busy or distracted. Did you feel as if they were giving you sufficient attention? ▪ Customers need assurance that they are being listened to and understood. When speaking face-to-face, build that assurance by nodding appropriately and telling them that you understand, if you do. ▪ You can also ask the customer to repeat essential details, such as document particulars or invoice numbers. On the phone, repeating words or using phrases such as 'yes', 'uh huh', 'I agree' or 'of course' has a similar effect. These expressions are often referred to as 'verbal nods'.

Listen fully	<ul style="list-style-type: none"> Every piece of communication gives a clue about how a person thinks and feels. A wise person will also hear what is going on. For example, if a person with a doctor's appointment has been waiting a long time, he may ask the receptionist, 'Am I ever going to see the doctor?' If the receptionist is listening carefully, she will hear that the patient is trying to communicate that he is frustrated and stressed that he has waited so long. Her response should seek to empathise with and ease the patient's frustration.
Listen to what is <i>not</i> being said	<ul style="list-style-type: none"> When a person is upset, they will leave out vital parts of information. If you are dealing with an upset customer, always ask questions to find out the information that may be missing.
Do not make judgments or get defensive	<ul style="list-style-type: none"> Always listen to your customers, regardless of their age, where they come from, what they look like or how they sound. The same applies when a person is critical or emotional. The best form of defence is to listen without any reaction. This will help to get the conversation back on track.
Listen in silence	<ul style="list-style-type: none"> Keeping quiet while the other person speaks is a good sign that you are listening. However, this does not mean you should be silent for long periods of time. Good listening skills are shown by not interrupting and responding after the person has finished talking.

Look at body language

Listening and understanding customers involves paying close attention to not only what they say, but also what is conveyed through body language.

Watch your customers' body language. Look at how they stand, their gestures and their facial expressions. They may not be saying anything, however, by focusing on their body language, you can often pick up whether they are happy or unhappy, impatient, relaxed, inquiring, decisive, angry, frustrated, confused, clear, and so on.

Here are some body language cues to pay attention to:

- voice, pace of speech, tone and volume
- appearance
- facial expression
- eye contact
- posture
- the way they move
- the gestures they make.

Asking questions

Customers may have difficulty explaining what they want to know, may not know the right words for things, and may not know which service or product they want. Customers may also be difficult to understand due to language issues or poor sound quality, if using the phone. On the flip side, they may also have difficulty understanding what you are saying.

Asking questions will clarify whether:

- you have understood what the customer has said
- the customer has understood what you have said
- you have correctly identified what the customer needs.

Questions can be classified as 'open' or 'closed'. They are used in different situations to elicit different kinds of information.

Here are the definitions and examples of closed-ended and open-ended questions.

Closed-ended questions

These are questions that can be answered with 'yes' or 'no' or in very few words. They are used to start a conversation and obtain routine details from the customer. For example:

- Have you used our products before?
- Are you paying by credit card?
- Would you prefer a 10.30am or 2.30pm appointment?

Open-ended questions

These questions are useful for obtaining more information and focusing on what the customer wants. They require a person to explain or describe what they want in more detail and usually begin with 'what', 'how', 'why', 'when', 'where' or 'tell me about ...'.

For example:

- How can I help you?
- How do you keep track of your customers at the moment?
- Why are you looking to change providers?
- What kind of food would you like served at the reception?
- What are some places you have listed on your bucket list?
- Could you tell me a bit more about the products you are using at the moment?

Clarifying what you have heard

By clarifying what you believe you heard a customer say, you reduce the risk of there being any misunderstanding.

To confirm what you think you have understood of the customer's needs, you will need to apply different types of questions and questioning techniques.

To address customer's understanding in a polite and patient manner, you can use non-directional language and transform questions into statements, for example, *'It sounds as if by "terms of reference" you may mean "terms of payment"?'*

Remember to use a friendly tone of voice and open body language so you avoid sounding demeaning or patronising.

Skilled questioning will enable you to better assist your customers and recommend a solution to their problems in a timely manner. After you have identified the customer information needs, do not be afraid to ask multiple closed questions. This may help you to expedite the solution and save time in the long run. Along with open-ended and closed-ended questions there are also probing and funnelling questions that are useful when seeking to clarify or obtain more information.

Probing questions	Funnelling questions
<ul style="list-style-type: none"> Probing questions ask for more detail and can be used effectively when listening to the customer. For example, you may need to verify a specific detail of the information that a customer is inquiring about, and ask: <i>'Where exactly did you find this price advertised?'</i> 	<ul style="list-style-type: none"> Funnel questions are similar and are used to narrow down the answer to a specific point, such as identifying the preferred option. For example, <i>'Out of these internet options which one would you want to know more about?'</i>

Example

Ask questions to identify customer needs

Michael works for an events management company that organises seminars and conferences for businesses. A customer, Sondra, phones to request a quote for a two-day seminar for her firm, which is bringing together 20 of its representatives from around the country.

Michael explains the various options and costs associated with:

- venues – their capacity, location and accessibility
- equipment available for hire
- availability of technical support
- catering
- services offered by the company, such as travel and accommodation arrangements, sourcing keynote or after-dinner speakers, printing agendas and session handouts, and arranging for a trade exhibition at lunchtime.

Michael asks Sondra a number of questions to ensure that the image he has of this seminar is similar to the one she envisages. He finds out:

- the purpose and subject of the seminar
- when it will take place
- where the client would like the seminar to be held – for example, a beach resort, city convention centre, rooms in an educational institution or local council buildings
- what style of after-dinner speaker would suit the seminar attendees – humorous, motivational or business-focused
- what equipment will be needed
- the style and price of catering required.

The answers to these questions provide Michael with a deeper understanding of Sondra's needs. Focusing on Sondra's responses prevents him from wasting time offering her unsuitable services and helps Sondra create a successful occasion.

Clear communication

A key communication skill is to be able to explain matters in a clear and concise way.

Those who communicate well can tell when their explanation isn't being understood and know how to put it differently so their audience can better understand.

Clear communication involves:

- using plain language
- speaking clearly
- using and understanding non-verbal communication
- understanding the communication context
- eliminating or overcoming communication barriers

Understanding the communication context involves identifying who needs the information, when the information is required (is it urgent or not), and the purpose of communication (is it a general enquiry or is the customer weighing up several options).

In your role you may need to clearly communicate:

- details about the features and benefits of goods and services, such as technical specifications
- information about service availability or special deals
- pricing, quotations, inclusions and exclusions
- reasons for charges that have been included in a quote
- costing considerations for services
- booking conditions
- terms and conditions (deposits, instalments, conditions of sale)
- technical specifications

Plain language

Communicating in plain language (or plain English) involves:

- avoiding using slang words or jargon, or any company-specific terminology
- clarifying any areas that you or your customer are not sure about
- pronouncing words clearly
- using clear and straightforward phrasing and active language.

Guidelines for using plain language are listed below:

Use everyday words	<ul style="list-style-type: none"> • Use short words when possible. • If you need to use specialised words, explain what they mean. • Avoid buzzwords such as '24/7' or 'going forward'.
Keep sentences short	<ul style="list-style-type: none"> • Structure your sentences under 25 words. • Try to keep sentences short if responding in writing. • Break up sentences with full stops.
Use active voice	<ul style="list-style-type: none"> • Use the active voice rather than passive voice for clarity – for example, rather than saying 'it will be done by the company', say: 'I will do it'. • While the active voice is often preferable, there are some instances where you may choose the passive voice, for instance, instead of saying: 'we will close your account if you do not pay us today', you may prefer to say: 'This account will be closed if it is not paid today'.
Avoid wordy phrases	<ul style="list-style-type: none"> • Use only as many words as you need to get the message across. For example, replace the phrases 'in advance of' and 'in the event of', with 'before' and 'if'.
Be specific	<ul style="list-style-type: none"> • Rather than using abstract ideas, provide concrete details. For example, when describing or explaining reasons for a product price increase, rather than saying 'a period of unfavourable conditions affected product availability' say, 'extended draught and rising water costs affected productivity'.

Avoid acronyms	<ul style="list-style-type: none"> Acronyms are words formed from the first letters of other words. Spell them or explain them. For example, if you need to explain that a product needs to be returned by close of business, say 'close of business' not COB.
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Adapted from Tasmanian Government (2016), Communicate Clearly: A Guide to Plain English

To communicate in plain language, try to eliminate unnecessary words or 'fillers' that overload your sentences and weaken your message, such as: *like, sort of, kind of* and *I guess*.

Avoid words that may be misinterpreted and lead to misunderstanding, such as: *a little, a lot, not too much* and *as soon as possible*.

Some examples of unnecessary words cluttering a communication message are listed below:

Filler words	Potentially misleading words
<ul style="list-style-type: none"> This is <i>sort of</i> solution that <i>I guess</i> you could live with until the repairs are finished. <p>You may wish to paraphrase: 'you may find this to be a satisfactory temporary solution.'</p>	<ul style="list-style-type: none"> <i>We will get back</i> to you with the information <i>asap</i> <p>Say instead: 'we will call you withing the next 12 hours with the information you requested'</p>

Overcome communication barriers

Customers can sometimes face barriers in their communication. This could be as a result of:

- distractions such as disruptive children in the background, a noisy rooms, etc.
- emotional barriers – for example, a customer finding it difficult to express themselves clearly due to stress or anger
- physical barriers when they cannot see your gestures and body language
- physical disabilities
- cultural or social differences
- spoken English as a second or additional language

Examples of techniques to overcome communication barriers:

Customers from non-English-speaking backgrounds	Customers who are hearing impaired
<ul style="list-style-type: none"> ▪ Ask them to find someone else in their family to translate or offer English support. ▪ Speak slower but at a comfortable pace. ▪ Listen carefully and give feedback to show you understand. ▪ Use visuals where possible, such as a picture or diagram. 	<ul style="list-style-type: none"> ▪ Get the customer's attention before talking. ▪ Look at the person as you talk. ▪ Speak slower but at a comfortable pace. ▪ Do not exaggerate your lip movement or voice as this may distort your speech and make it harder to understand. ▪ Use written or visual clues.

Example

Solving customer problems

Sophie works in local pizza shop PapaGino. PapaGino's loyal customers usually order online but some customers prefer ordering over the phone and they often have questions about the toppings and pricing.

PapaGino charges a flat rate of \$2 for each additional topping, however, there is a 10% surcharge on Sundays and a 15% surcharge on public holidays for pizzas, which is not applied to the delivery fee. Minimum order for free delivery is \$25 and a regular delivery fee is \$5. The company advertises special offers and each offer has a code and an expiry date.

One Sunday night, Sophie picked a phone call from a new customer Jacob who wanted an extra-large traditional pizza + garlic bread + soft drink special offer advertised for \$24. Jacob asked which type of cheese PapaGino uses. Sophie explained they use mozzarella and accepted the order and advised the customer he will need to pay \$31.40.

Jacob sounded shocked and questioned Sophie if the price included the delivery, and if so, why. Sophie listened to the customer and explained to him that a special offer was \$24 and the Sunday surcharge was \$2.40 which is not included into the special offer. Therefore, she added a regular delivery charge of \$5. Jacob sounded disappointed, and Sophie asked if he would like to add extra topping of mozzarella for \$2 which would entitle him for a free home delivery. Jacob was happy with the solution, and Sophie confirmed his order for \$28.60, which included free delivery. She confirmed that the total price included the \$24 special offer plus \$2 for extra mozzarella topping which totals to \$26 and includes free delivery. She explained that a 10% surcharge is added on Sundays, therefore, the final price to customer that Sunday was \$26 + \$2.60 surcharge which totalled \$28.60.

Practice Task 5

Question 1

Which of the following statements about different kinds of questions are correct? Select yes or no for each one.

- | | | |
|---|-------|------|
| a) Closed-ended questions can be used to quickly identify a customer's needs. | » Yes | » No |
| b) Open-ended questions are useful to clarify information from a customer. | » Yes | » No |
| c) Probing questions can be used to find out more information from a customer. | » Yes | » No |
| d) Funnelling questions always require a yes or no response | » Yes | » No |
| e) Clarification is a two-way communication where a message is further explained. | » Yes | » No |

Question 2

Select true or false for each of the following:

- | | | |
|---|--------|---------|
| Clarifying customer needs involves asking a lot of questions and employing active listening skills. | » True | » False |
| When listening to a customer, you should be formulating your response in your mind so you can demonstrate your product knowledge. | » True | » False |
| Showing empathy is about courtesy in customer service and not about answering customer's questions. | » True | » False |

Question 3

Which of the following techniques relate to clear communication? Tick all that apply.

- Using everyday words and avoiding slang
- Relying on body language to communicate a message
- Considering communication barriers that may exist
- Using industry terminology to demonstrate product knowledge
- Using acronyms to save time

2C Source additional information when you don't know the answer to a customer's question

There may be situations where a customer asks a question that you do not know the answer to.

The best approach when you don't have information at hand is to tell the customer that you will need to check or follow up.

To provide accurate, current information, you need to know the facts. It can damage the relationship with a customer if you guess or pretend to know the answer and provide inaccurate information. This can turn away customers and harm the organisation's reputation.

When you don't know the answer to a question, you need to source additional information, redirect the customer or seek assistance from a senior colleague.

Finding additional information on products and services

Seeking additional information for a customer can help to secure a sale by assisting the customer to make a decision.

The need for additional product information will vary according to the product or service type and the particular needs of the customer. When a product or service is new to the market, customers are likely to more questions about its features or use.

Customers may request information about:

- the brand, size or quality of materials it's made from
- the ethics of the manufacturers production processes and sourcing of ingredients
- pricing and promotions
- service conditions (the so-called 'fine print')

Some product information will not be included on the product label if not required by law, for example:

- details of where individual ingredients or components were grown or produced
- a non-country place of origin claim, such as 'Made in Byron Bay'
- a claim about ownership of the business, such as 100% Australian owned.

To find out more about product marketing and advertising information rules and requirements visit the ACCC Advertising and Selling Guide: [aspirelr.link/accc-selling-guide](https://www.accc.gov.au/aspirelr.link/accc-selling-guide)

The following table shows possible sources of information you can consult when you don't know the answer to a question.

Information you need to find	Source of information
Origins of ingredients or components	To find information about where food ingredients were grown or manufacturing components were produced, contact the supplier or manufacturer
Product certification or rating	To find information on product certification such as 'organic' or 'biodynamic' check: <ul style="list-style-type: none"> ▪ Australian Standards online, for example, Australian Standard 6000-2015 Organic and biodynamic products ▪ ACCC or other government websites that specify requirements for certification ▪ government websites for energy savings rating or environmental rating ▪ industry certification websites.
Ownership of business	To find out who owns the business that is selling or manufacturing the product: <ul style="list-style-type: none"> ▪ check the Australian Securities and Investment Commission (ASIC) if the company is registered in Australia ▪ search online for international manufacturers.
Compatibility of product with other brand products	To find out product or device compatibility (for example, compatibility of a PC with a new scanner or printer): <ul style="list-style-type: none"> ▪ consult with an IT department ▪ check an internal database for detailed technical specifications ▪ search online for information.
Promotional pricing	To find out the conditions of cash-back promotions or a product range price reduction: <ul style="list-style-type: none"> ▪ check the list of exclusions online and the fine print in advertisements ▪ scan the product code, such as a QR code, for pricing ▪ check the internal database that states prices in real-time ▪ consult with your store manager or an experienced colleague ▪ refer to the relevant policy or procedure.
Information on service conditions, including terms for 'reasonable' or 'unlimited' use	Customers may request specific information explaining terms of services, such as 'unlimited' downloads when purchasing internet delivery services. To find out this information: <ul style="list-style-type: none"> ▪ check the service specifications such as data speed for unlimited downloads.

Information you need to find	Source of information
Product use	<p>To assist customers to find product-use applications so they can select the best product option:</p> <ul style="list-style-type: none"> ▪ search for product user guides ▪ search for YouTube videos ▪ look up DIY (do it yourself) guides (such as home projects) ▪ search for video guides on how to select products ▪ look up the product with the consumer advocacy group CHOICE here: aspirelr.link/choice

Ask the right person

When you are unable to locate the information a customer has requested in a timely manner, seek assistance from your colleagues. These situations provide a valuable learning opportunity and will improve your product knowledge.

Colleagues may be:

- co-workers in your team who have specialised knowledge or more experience than you
- team leaders who can advise of changing in-store policies such as lay-by procedures
- experts and specialists in other departments such as IT, supply chain or marketing development
- senior managers who can authorise transactions or expedited delivery.

Some customer requests may need to be authorised by a supervisor or manager. For example, fast-tracking delivery to a loyal customer may require re-prioritisation of the schedule and permission from a manager to make this change.

Colleagues can also be a valuable source of information for:

Internal policies and procedures	<ul style="list-style-type: none"> ▪ Product or service delivery process ▪ Definitions of terms of reference ▪ Processes for calculating fees and charges ▪ Explaining in-store policies
Application of price reductions	<ul style="list-style-type: none"> ▪ Calculating 'cash-back' pricing in accordance with legislative requirements ▪ Explaining disclaimers or limitations ▪ Explaining 'conditions apply' statements

Expert advice	<ul style="list-style-type: none"> • Technical advice to customers with uncommon and specific inquiries such as device compatibility, connectivity and product testing • Expert advice or testimonials, for example, about travel destinations or bookings.
Use of databases	<ul style="list-style-type: none"> • Guidance in navigating internal customer service systems • Guidance in using internal databases such as inventory lists • Guidance in accessing supply chain data.

In some instances, customers will ask for information about products or service that your organisation does not offer. Make sure you ask the customer enough questions so you can be sure you understand their needs before telling them you are unable to assist them.

Example

Addressing customer queries

Anna works in a local health shop called HealthFood, which sells organic and free-range produce from local suppliers. The store sells different brands of eggs at a premium price.

Jessie visits the store and intends to purchase a dozen eggs from a local farmer. She can see 'free range' eggs packaged with a label saying that chicken are 'free to roam' and 'raised outside'. Pictures of healthy-looking chickens on green grass reinforce these claims. Other packages have labels saying 'organic' and 'certified organic'. Jessie can see marked price differences between the brands, including that the 'certified organic' eggs are 20% more expensive than the 'organic' ones. She asks Anna for more information to help her to make an informed buying decision.

Anna checks the supplier information and identifies where the produce comes from. Although both suppliers are local, one of them has not obtained organic certification and therefore labels their product simply as 'organic'. She gives the information to Jessie but Jessie is not satisfied with her answers.

Anna gets online and checks certification requirements as per the Australian Department of Agriculture regulations. She finds that organic certification is not legally required for a product supplied in Australia to be described as 'organic', however, businesses must be able to substantiate any such claims. Businesses may also choose to become certified by an organic certification body, with certification standards based on the National Standard for Organic and Biodynamic Produce. This standard is owned by the Department of Agriculture, Water and the Environment and is mandatory for products intended for export. To get certified, businesses need to undergo a rigorous process. Jessie now feels clear about the difference and is happy to choose the cheaper 'organic' eggs.

Practice Task 6

Question 1

Which of the following actions might you reasonably do when you do not know the answer to a customer's question? Tick all that apply.

- Put the customer on hold while you call a product information line
- Redirect the customer to another staff member
- Call the customer back after you have contacted the supplier
- Refer the customer to a manager or supervisor
- Provide information on a substitute product instead

Question 2

Provide at least two suggestions as to where you could find additional information on promotional pricing.

Question 3

Draw a line to match the following examples of a customer request with the right action.

- | | |
|---|--|
| » Can you change the terms of service? | » Ask a team member. |
| » Is this product compatible with brand X? | » Ask for authorisation. |
| » Can I have this delivered urgently to a customer? | » Ask a manager to explain the policy. |
| » How can I check the inventory to find supplier information? | » Ask an expert from another department. |

Summary

- Replying to customer requests for information requires you to listen attentively and hear what they *really* need, and to provide accurate information that is most relevant to them.
- Being 'accurate' means the information is correct and without mistakes, and being 'current' means the information is up-to-date.
- It is a responsibility of staff to provide accurate information and to abide by legislative requirements and organisational procedures.
- The key legislation that protects customers is Australian Consumer Law. It covers a wide range of business areas, including consumer rights, warranties, unfair business practices, product safety and setting prices.
- The main authority that enforces these laws is the ACCC (Australian Competition and Consumer Commission).
- In a customer service and sales environment, listening and questioning skills are used consecutively: listening helps you to understand the customer, and further questioning allows you to gather more specific information about the customer's needs.
- To provide accurate and current information, you need to know the facts. It can damage the relationship with a customer if you guess or pretend to know the answer and provide inaccurate information.
- When you are unable to locate the requested information in a timely manner, seek assistance from your colleagues.
- Referring to others for help and information provides you with a valuable learning opportunity and will improve your product knowledge.

Learning Checkpoint 2

Respond to customer requirements

Part A

- Which of the following statements about Australian Consumer Law (ACL) are correct? Select yes or no for each one.
 - ACL requires businesses to provide consumer guarantees for consumer goods but not services. » Yes » No
 - Referral selling is an illegal sales practice that promises benefits to a consumer that may not be realised. » Yes » No
 - Businesses also have rights when setting prices of their goods and services. » Yes » No
 - Businesses cannot charge the customer a fee for making a payment by credit card. » Yes » No
 - Prices displayed must be clear and accurate, and not mislead customers. » Yes » No
- List at least two examples of organisational policies or procedures that are relevant to interactions with customers.

3. Which of the following relate to pricing policies or procedures? Tick all that apply.

- Principles for recommending fees and charges
- Guidelines for handling 'unreasonable' requests
- Conditions for after-pay
- Guidance for calculating fees for product customisation
- the organisation's code of ethics

4. List at least three active listening techniques that you could use to identify a customer's need for information on the features and benefits of a product.

5. Briefly describe three types of questions and how they can be used for clarifying information.

6. Draw a line to match each term related to communication with its example.

- | | |
|---------------------------|--|
| » Using the passive voice | » 'A customer service consultant will contact you within 24 hours.' |
| » Avoiding acronyms | » 'To use this service, you will need to call us on 1300 XXX XXX and provide your account number.' |
| » Using the active voice | » Referring to a company's full name rather for example, '50+ sunscreen is endorsed by Australian Cancer Council (ACC).' |
| » Being specific | » 'The parcel will be delivered sometime in the next two weeks.' |

7. Draw a line to match each communication technique with its definition.

- | | |
|----------------|---|
| » Paraphrasing | » Making an idea clear by describing it in more detail |
| » Listening | » Using two-way communication to resolve any misunderstanding |
| » Explaining | » Paying attention to the meaning of what is being said |
| » Clarifying | » Restating the meaning using other words |

8. Provide examples of two sources you could use to find information not provided on a product label.

Part B

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

Case study

Scriptum is a small local retailer that sells coffee-to-go, and a small selection of food, cookbooks and flowers. Kostas has just started at Scriptum and previously worked for a large retailer in another state.

Mandy drops into Scriptum because she urgently needs to buy a present for a friend's housewarming. She is not certain about what to buy and thinks perhaps a cookbook would be good. She wants to see how she can fit it into budget but can't see the prices for books and flowers. She asks Kostas and he mumbles something and locates a pricelist in a draw and starts scanning it.

Mandy is not impressed. She notices gift cards at the counter and has the idea to get a gift card for \$20 and some flowers, but then she wonders how long the gift card can be used for. Kostas is not sure about that either and goes off to check with the store owner.

Mandy thinks she would prefer to shop at another bookstore.

1. Prices of books were not displayed clearly in the shop. What is the piece of legislation that covers unit pricing? Was the store contravening this legislation by not showing the prices of the books and flowers? Explain your answer.

2. Kostas did not know the answer to Mandy's question about the gift card. Identify one thing that Kostas did correctly and suggest where he could have sourced answers to Mandy's questions.

3. List one current and accurate piece of information that Kosta could have provided Mandy about gift cards?

4. Suggest three ways Kostas could have improved his interaction with Mandy's with regards to her requests for information.



Topic 3 | Enhance the information provided to the customer

- 3A Identify situations where additional information may assist the customer
- 3B Advise on alternative products and services when an item is not available
- 3C Recommend complementary products to customers

3A Identify situations where additional information may assist the customer

Sometimes customers benefit from additional information to assist their decision-making.

Additional information on products and services can provide customers with the confidence to make a purchasing decision.

Customers have different needs, motivations and values that influence their purchasing decisions. Having the right kind of information can influence their behaviour in a mutually beneficial way and assist them to make choices, for example:

- the desire to get a good deal will motivate customers to ask for price comparisons or accept 'value for money' options
- a commitment to environmental protection may determine a customer's decision to buy a more expensive but environmentally friendly product.

Buying situations

A buying situation is the set of circumstances surrounding a purchase and is determined by the quality of information, the customer's experience, and the availability of products or services.

There are three main types of buying situations:

Straight rebuy	Modified rebuy	New buy
<ul style="list-style-type: none"> • A customer engages in the routine purchase of a familiar product. • This situation does not require much effort from a customer. 	<ul style="list-style-type: none"> • A customer is buying a similar product to one they've bought before, with a difference that may include a change of specification of the product or service, or getting it from a different seller or service provider. • This buying situation involves more effort than a straight rebuy. 	<ul style="list-style-type: none"> • A customer is purchasing a new product or service and is not familiar with its effectiveness. • Before making a purchase, they put effort into considering the cost, features and benefits, and other specifications.

In a modified rebuy situation, customers may need more information so they can evaluate different manufacturers or service providers, and look at the different prices.

In a new buy situation, customers may want more time to research the product or service because of the higher financial and emotional risk. The customer will make a decision based on information they are given on different brands and products, so they can narrow down their choices to a few preferred options and then compare prices, features, benefits, availability etc.

Post-purchase situations

Post-purchase behaviour is the final stage in a buyer's decision to purchase. They will assess their satisfaction with the product or service and may need more information to:

- assess the overall appeal and positive attributes of their purchase decision
- learn more about how to use the product
- seek reassurances about their choice.

To prevent a change of heart or 'buyer's remorse', businesses sometimes offer additional information to meet these needs and attempt to solve any problem or concerns.

Information that may be beneficial to the post-purchase situation:

- product use, instructions and technical advice
- product and service features and their benefits
- product care tips and maintenance requirements
- return and exchange policies
- other customer reviews and testimonials

Some customers may want additional information about the future of product or service delivery. For example:

- If an internet provider is planning to extend its 5G network, this may impact the customer's decision to buy the most recent smart phone model.
- If a product seller is implementing a new delivery system that will expand their delivery area, providing customers with a map showing projected service areas can be an important piece of information.

Individual customer behaviour factors

Customer behaviour refers to the buying habits and character traits that influence their purchase decisions. Emotions, attitudes, motivations and preferences all influence purchasing behaviour. These, in turn, govern a customer's desire for additional information. If a salesperson or customer service employee can recognise these traits, they may find an appropriate situation to provide additional information to meet the customer's need.

Customer traits	Description	Example
Variety seeking	<ul style="list-style-type: none"> Customers purchase a different product not because they are dissatisfied but because they like trying out new products. Customers may be willing to try new product applications. 	<ul style="list-style-type: none"> DIY (do it yourself) guides may enhance their willingness to buy.
Preferred method of payment	<ul style="list-style-type: none"> Different methods of payment may appeal to customers and encourage buying decisions. 	<ul style="list-style-type: none"> Afterpay payment could be important to customers who budget expenses carefully. PayPal payment facility may be important to customers who perceive credit card payment as risky or prefer to use a savings account online.
Perceived user status	<ul style="list-style-type: none"> Some customers purchase products for benefits associated with self-esteem or social status. Customers are likely to buy products that will enhance their perceived status or esteem. 	<ul style="list-style-type: none"> Purchasing toothpaste for teeth whitening, which will improve appearance Some brands communicate status, such as those promoted by celebrities.
Celebrations or occasions	<ul style="list-style-type: none"> Purchasing something for a celebration, and especially a rare occasion, often causes customers to search for more information. 	<ul style="list-style-type: none"> Anniversary celebrations Birthdays, especially 'the big 0' birthdays Graduation Special events such as engagements or weddings
Frequency of use	<ul style="list-style-type: none"> Some customers are 'first-time users' or the so-called 'defectors' who decide to switch from one provider or brand to another. They want to see a benefit or reason for the change. 	<p>Customers may seek:</p> <ul style="list-style-type: none"> Technical specifications Customer feedback or reports.
Motivation and values	<ul style="list-style-type: none"> Ethical considerations can influence decision making: <ul style="list-style-type: none"> impact on the environment ethical use of labour in production animal welfare and product testing on animals ethical sourcing of ingredients 	<ul style="list-style-type: none"> Environmentally friendly product and packaging Traced origins of product ingredients Carbon emissions from product manufacture and use.

Customers who are willing to learn and who actively seek information are often willing to explore multiple products and their uses. Video learning content on 'how to' or buying guides may encourage customers to investigate and seek information on new products or services.

You can find an example of a product buying guide here: aspirelr.link/good-guys-buying-guide

Example

Providing additional information

Since COVID, Martha has been working from her home office and decides to buy a coffee machine. She searches online for information and discovers that there are three different categories of coffee machines: manual, automated and capsule coffee machines.

Martha eliminates the capsule machine type due to environmental concerns about plastic pollution. She reads a couple of product buying guides and decides to go for an automated coffee machine. Martha is finding it challenging to choose the model based solely on the product description, however. She visits a store and talks to Josh, who shows impressive product knowledge and suggests a capsule machine. Martha asks Josh to move to another model and gives her reasons for not wanting a capsule machine. Josh identifies an opportunity to share information on the energy ratings of coffee machines, now he has understood Martha's motivation to protect the environment. He finds out more about energy ratings than is included into the product descriptions, looks at the government website: aspirelr.link/energy-rating and advises Martha on the benefits of a specific product. Martha is satisfied with the additional information, it helps her to come to a decision, and she purchases an automated coffee machine for her home office.

Practice Task 7

Question 1

Rank the following customer buying situations from 1 to 3 according to the effort required from a customer (1 most involving, 3 least involving):

- Modified rebuy
- Straight rebuy
- New buy

Question 2

Give two short examples of situations where additional information may assist customers in their buying decisions.

Question 3

Which of the following are factors that may influence a customer's need for additional information? Tick all that apply.

- Frequency of product use
- Availability of new products or services
- Ethical considerations
- Preferred method of payment
- Product availability
- Digital literacy

3B Advise on alternative products and services when an item is not available

Product unavailability may impact long-term customer relationships.

To maintain client satisfaction and provide a positive customer experience, you might find it appropriate to offer a customer an alternative or a substitute product to satisfy their needs.

Although these two terms are often used interchangeably, there is a subtle difference between them:

Alternatives	Substitutes
<ul style="list-style-type: none"> Alternatives are products or services that meet the same customer need but have different functions or features. An example is electric heaters and split-system air conditioning systems, which meet the same need to heat a living space but have different functions. 	<ul style="list-style-type: none"> Substitutes are simple replacements for other products or services, and have mostly the same features and functions. Coke and Pepsi are substitutes, although the desire to substitute one for the other may depend on the customer's brand loyalty.

Product unavailability

A common reason for suggesting an alternative product or service is that a product is out of stock or a service is unavailable for a reason such as a staff member being on leave.

Temporary unavailability	<ul style="list-style-type: none"> Temporary unavailability may be caused by disruption in the supply chain (such as during COVID19), increased demand, a drop in manufacturing capacity or other circumstances, which can be rectified in a relatively short period of time (1 – 4 weeks).
Seasonal unavailability	<ul style="list-style-type: none"> Seasonal unavailability comes down to a business decision based on costs such as warehousing of stock. For example, some food or clothing product ranges may not be available in summer or winter.
Discontinued or out-of-stock products	<ul style="list-style-type: none"> Some products may be discontinued due to a drop in demand or low profitability, or a business decision based on competition. For example, some sellers may decide to focus on a new product rather stocking exactly the same product as a competitor and competing on price. Sometimes manufacturers decide to stop making certain items due to difficulties in obtaining materials, new technology or other reasons.

Influences on customer decision-making

Whether or not customer will accept an alternative depends on personal reasoning, for example:

Price	Customers have their perception of value, and place a certain value on each product or service. For example, if a preferred beer brand is unavailable in a pub, a customer may accept a substitute based on what the other drink is worth.
Features	Similarity of product features such as style and design, ingredients or country of origin may be a sound reason for accepting a substitute or alternative. If style is the critical feature for a customer, a similar product of the same style could be accepted, such as a fashion bag.
Quality	Perceived quality of an alternative product may affect the customer's decision to buy. If a substitute product is of a lower quality than the first preference, its lower price may be a determining factor, however.
Location	Customers may accept an alternative product or service based on the location where it is provided. For example, watch batteries can be replaced in a location that is closer to the customer. However, if an expensive watch requires authorised dealer's servicing, quality of service will be a determining factor for an alternative service location.

In some circumstances, a product feature or specification may become a substitute for a preferred option, for example:

- a different colour of clothing
- a larger size of home décor item
- a different material (steel, wood, ceramic).

For services, examples of alternatives may include:

- buying an airline ticket with another airline
- staying in a different 5-star hotel
- selecting a different product-delivery method.

Provide advice on alternatives

When you are suggesting alternative products and services, always begin with the needs of the customer.

Alternative or substitute products can often be found and offered to a customer when their first preference is unavailable. The crucial thing is to select other options that equally meet the customer's needs.

Examples of different customer needs are listed below:

Cost	An alternative or substitute product may be cheaper. For example, if the customer wants a type of outdoor chair to satisfy their need for occasional outdoor seating, they may accept an alternative product and choose a cheaper option.
Functionality	If a customer is looking for a type of electric bulb because it fits their lamp, they can choose an alternative brand that also fits. A substitute product will have the same functionality.
Use of materials or ingredients	When a customer needs a specific ingredient or material, an alternative product may not be acceptable. For example, a plant pot made of plastic would not meet their need for a natural material. However, a customer may purchase a ceramic pot if a terracotta pot is not available.
Convenience or accessibility	The need for accessibility may be satisfied by different modes of transport. A customer with a physical disability may choose an accessible taxi service (an alternative) if train services are temporarily cancelled.
Mobile communication	A customer's need for a mobile communication device can be satisfied by a substitute mobile phone brand or a different service provider.
Entertainment	The need for entertainment can be satisfied by alternative activities. Going to the cinema may be replaced by going to watch a live performance.

Tips for recommending product alternatives:

- Offer an explanation as to why the product is unavailable or why the company cannot fulfil the order.
- Present an alternative by describing its features, benefits and similarities.
- Offer the customer information on the product (its use, delivery, care, etc.)
- Back up your advice with other customer's favourable reviews and testimonials.

Example

Offering substitute medications

Pain relief tablets available for purchase from a pharmacy are an example of substitute products because they perform an identical function. Two or three products may have the same active ingredient – paracetamol – but different packaging and price. Paracetamol is a chemical substance known as an analgesic that reduces pain.

If a customer's preferred pain relief product is unavailable, pharmacists may advise the customer on a substitute product based on its active ingredient. Pharmacies may also suggest a generic product produced by the pharmacy, even if the preferred product is available, as it is a cheaper option.

Example

Informing customers

Jeff is a sales consultant in a cleaning specialist shop CleanIt. The company sells a wide range of vacuum cleaners and related products, including vacuum cleaner bags, carpet shampoos, vacuum belts, and vacuum cleaner parts.

Natalie has run out of her vacuum cleaner bags and visits CleanIt to get some more. Unfortunately, the shop is temporary out of stock of her preferred brand 'hygiene vacuum bags 20 pack' and Jeff offers a replacement product that is compatible with Natalie's vacuum cleaner. The alternative product is not classified as a 'hygiene bag' but comes in the same size, is recyclable and comes in packs of five. Natalie follows Jeff's recommendation and decides to trial the substitute product, as it is cheaper. Jeff asks if Natalie would like to subscribe to the shop's mailing list so she will be informed of new products and services. She agrees to subscribe.

Practice Task 8

Question 1

Give two reasons why a product may be unavailable.

Question 2

What would be a substitute or alternative product for each of the following products or services.

» Take-away meal

» Hardcopy book

» Exercise class in a gym

» Travel overseas

» Attending face-to-face classes as part of a course

Question 3

Identify a customer need and a preferred product, and suggest an alternative or substitute product that will meet their need. E.g. Need: style; preferred product: Nike sneakers; substitute product: Vans sneakers.

3C Recommend complementary products to customers

Offering complementary products or services should enhance the customer experience and can increase sales.

Complementary goods are products that are used together or bought in addition to each other. These may be recommended in the post-purchase situation (after a customer has made a purchase decision).

While a substitute product tends to replace the preferred product because it serve the same function, a complementary product or services adds value. For example, shoe polish enhances the value of the main item (a pair of shoes) by making them last longer. However, if a complementary product cannot be used without the main item, its perception of value may be decreased, along with the demand for the complementary item.

A few examples of complementary products and services are listed below:

Mobile phone	<ul style="list-style-type: none"> ▪ Accessories such as phone cases, screen protectors, phone stands, etc. ▪ Extended warranty
Spectacles	<ul style="list-style-type: none"> ▪ Anti-reflection coating ▪ Lens wipes ▪ Cases
Watercolour paints	<ul style="list-style-type: none"> ▪ Watercolour paper ▪ Brushes ▪ Artist's easel
Shoes	<ul style="list-style-type: none"> ▪ Shoe polish, waterproof protection spray, shoe freshener, etc. ▪ Shoe horn, shoelaces
Holiday booking	<ul style="list-style-type: none"> ▪ Airport transfer services ▪ Travel insurance ▪ Pre-booked excursions

Special offers and promotions

Special offers give the customer the chance to save money and receive a special benefit. Special offers may also include product bundles or kits. Product bundling is when several individual goods or services are sold together as a combined package for a lower price than if they were sold individually.

Common examples of product bundles include:

- meals at fast food restaurants in which you can buy a burger, fries and a drink
- shampoo and conditioner sets
- two-for-one deals on grocery items
- telecommunication services bundles such as a mobile phone plan plus unlimited data.

The higher total cost of the purchase means selling product bundles is more profitable for the business, however, sales staff should avoid 'pushing' product bundles if they do not meet the customer's needs.

Consumer sales promotions are often used by businesses to introduce a new product or to boost sales and usually only last for a limited time. The limited offer can be used to encourage the customer with the idea that they might miss out.

Common sales promotion tools include:

Common sales promotion tools:

- small samples of a product that give you a trial amount of a product, for example, beauty creams, perfume, mini-packs of food, etc.
- rebates such as cash-back, for example, \$500 cash back after purchasing a \$4000 fridge
- coupons or certificates
- an invitation to a promotional or special event

Product lines

To meet changing customer needs, businesses often expand their product range by developing new products, and remaking existing products and services.

A product line is a group of related products of the same brand. For example, well-known shoe manufacturers will offer several product lines, such as adult running shoes and clothing, kids shoes, and accessories such as sports bags, socks and hats.

Companies add new product items to give customers greater choice and protect their business from competitors' offerings. Additions to the existing product line are called line extensions.

The most common examples of product line extension are found in supermarkets. These are variations of existing brand offerings, for example:

- different flavours of ice-cream
- different sized bottles of skin care products, such as travel size, for convenience
- different perfumes of cleaning products

Customers perceive a benefit from product line extensions because they:

- provide more variety and choice
- allow them to buy new products of the brands they trust
- allow them to keep up with trends.

For businesses, product lines and extensions help to meet changing customer needs or market trends. A growing demand for environmentally friendly packaging materials and ingredients is a good example. Manufacturers may be able to take advantage of technological developments to offer improved performance. When making a recommendation to customers, you can align a product range with what's trending in the market or on social media.

One example of an international company that identifies trends and customer's changing needs can be found here: aspirelr.link/trend-hunter

Microsoft offers a list of tips for retailers on ways to make product recommendations to customers. For instance:

- suggest accessories to products, for example, 'Don't forget batteries for your remote'
- show customers best-sellers or top-rated items
- offer bundles and offer discounts such as: 'buy the entire product kit and save 20%', or say 'customers frequently buy these items together'
- personalise your recommendations to loyal customers based on past purchases by saying: 'since you already have this, you may also like this'
- if relevant, recommend products for upcoming events, for example, 'prepare for the New Year's celebration with these products'
- suggest complementary products at checkouts.

Adapted from Microsoft Retailer Guide 2019, www.hso.com/uploads/2019/08/The-Modern-Retailers-Guide-to-Product-Recommendations.pdf, accessed 15 April 2021.

Example

Assisting customers

Stefano moves into a new rental property and needs to get the internet connected. He checks offers online but is not sure which of them would be most suited for him as a renter. He visits a service provider's retail outlet to get some more information. Sales consultant Roohi suggests a package that includes Netflix movies for \$74.99/month, which works out cheaper than buying the internet service and the entertainment subscription alone. Stefano enquires about the internet speeds, especially in the evenings when there are many users and it slows down data transmission. Roohi recommends another package for \$89.99/month, which includes the same internet service plus Netflix movies and guarantees a considerably faster typical speed in the evenings. Stefano evaluates the price difference and the value he would get and decides to buy the more expensive package. He often has friends dropping in after work and this offer is most likely to satisfy his needs.

Practice Task 9

Question 1

Which of the following are benefits of selling complementary products? Tick all that apply.

- It makes shopping more exciting for the customer
- It adds value for the customer, such as a lower price per item for buying a bundle
- For the business, it helps increase sales
- It allows out-of-date products to be sold
- It adds more choice and options for consumers

Question 2

Provide an example of a product for each of the following:

» Complementary product

» Product bundle

» Product lines

» Line extension

Question 3

Select true or false for each of the following.

Complementary products perform the same function and the main product item. » True » False

Complementary product cannot be used without the main product. » True » False

Product lines are developed by manufacturers to serve changing customer needs. » True » False

Special offers give customers the chance to receive a special benefit. » True » False

Summary

- A buying situation is an opportunity to provide additional information to help customers to make decisions about products and services.
- In the post-purchase stage, additional information that may assist customers could include technical advice, product care tips, and return and exchange policies.
- Individual customer behaviour will influence the type of additional information a customer will want/require. This includes their need for variety and choice, preferences for methods of payment and their personal or ethical values.
- When products or services are not available, alternative products can be offered to provide positive service experience and maintain customer satisfaction. Alternatives are products and services with different functions or features that service the same customer need.
- A substitute product or service is used as a straight replacement for another product, as they have mostly the same features and function.
- Products and services can be unavailable for several reasons, such as supply chain issues, limited/seasonal availability or because they have been discontinued.
- Complementary goods are products that are used together or bought in addition to each other. Recommending a complementary product may enhance customer experience and add value to the main purchased item. An example is watercolour paints, and special brushes and paper.
- Special offers and promotions are an opportunity for customers to save money or receive a special benefit, however, meeting the customer's need should always guide you when making product recommendations.
- Businesses often expand their product range to meet changing customer needs by developing new products, and remaking existing products and services.

Learning Checkpoint 3

Enhance information provided to the customer

Part A

1. Draw a line to match each term about buying situations to its definition.

- | | |
|------------------|---|
| » Post-purchase | » A routine purchase that does not require much effort from a customer |
| » New buy | » Buying a similar product with a different specification |
| » Straight rebuy | » Purchasing a new product, and thus having little knowledge of its effectiveness |
| » Modified rebuy | » The time when a customer would assess their satisfaction with a product |

2. Draw a line to match each of the customer need on the left, to the alternative product on the right (one need is repeated).

- | | |
|---------------|--|
| » Style | » A customer purchases another brand of batteries for the same price when the preferred brand is not available |
| » Function | » A customer purchases a different brand of fashion bag in the same style |
| » Cost | » A customer buys newspaper in a petrol station because the nearest milk bar is closed |
| » Cost | » A customer purchases Home Brand bottled water his usual cheap brand is not available |
| » Convenience | » A customer purchases a robot vacuum cleaner from another supplier |

3. Draw a line to match each term with definition.

- | | |
|--------------------------|---|
| » Line extensions | » Products used together or bought in addition to each other |
| » Product line | » Several individual products sold together as a package at a lower-than-individual price |
| » Complementary products | » A group of related products of the same brand |
| » Product bundles | » Added variations to a group of products of the same brand |

4. List three kinds of special offers or promotions.

Part B

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

Case study

Jason and Julia have always wanted a wood fire heater and decide that this is the right time to buy one. By looking online, they find one they like that costs \$1,299. It is made of quality materials and they feel it would bring a cosy atmosphere and complement their lounge room.

They visited a store to inspect the item but this model is out of stock due to increased seasonal demand. The sales consultant, Amalia, asks Jason and Julia about their requirements for a heater, such as the climate where they live, why they are looking for a new heating system and the floor space of the area they want to heat. She advises that although their preferred heater is temporarily out of stock, another model made of even better quality materials and with the capacity to heat a greater area is available for \$1,499. Jason and Julia hesitate and Amalia offers some additional information. She quotes an independent customer review: 'Have had this fireplace for a whole year now and it's a great unit, haven't had any issues so far. It's very efficient with the wood burning all night (midnight to 6am).'

The couple decide that the more expensive heater will suit their needs as the design is very similar and there isn't a great price difference. They decide to buy the alternative model. At the checkout, Amanda suggests a four-piece tool set with a stand that has a poker, tongs and a pan and broom to sweep out the grate. Jason and Julia have the set added to their invoice.

1. How did Amalia identify Jason and Julia's requirements as to what they wanted in a heater?

2. Identify the type of buying situation for Jason and Julia?

3. Suggest two customer needs that Amalia aimed to meet by offering them an alternative heater?

4. Give one reason why Amalia offered the fire accessories during the sale to Jason and Julia.

5. What additional information did Amanda provide to Jason and Julia that assisted them in making a purchase?

