

CUSTOMER SERVICE GUIDE

There's a lot more to customer service than simply having a sign on your wall that says: 'The customer is always right'. For any business to be truly customer-focused, everyone from front-line staff to the chief executive should strive to meet and exceed service standards.

Customers are your business

You may offer a quality, well-priced product, but if a customer receives inferior service before, during or after the sale, future sales may be lost. Providing superior customer service in today's competitive marketplace is crucial. Quite simply, customers are your business and lost sales through poor service means you will lose money.

Customer satisfaction

Providing quality customer service means ensuring your customers are satisfied by consistently providing value in a way that is perceived as valuable by the customer.

To provide quality customer service you need to have a long-term focus. Aim to make quality customer service part of your business culture. Targets for service delivery and customer satisfaction should be included in the business plan and in employee job descriptions. Encourage employees to understand it's the customers who ultimately pay their wages.

Where's the cents in that?

Research and case studies have repeatedly shown many benefits can be achieved by quality customer service.

By keeping customers longer they will spend more with you over time. The cost of maintaining a customer's loyalty over time is also lower than the cost of gaining a new customer.

Poor service...low profit

If the service you provide is poor then you are actively driving your customers away. Not only that, it is estimated that a person with a complaint is likely to tell nine other people about their bad experience and name the company involved.

However, one of the nine is probably NOT you. Rather than lodge a complaint with the company involved, Australian customers are more likely to talk with their friends and 'talk with their feet' by taking their business elsewhere.

Providing only mediocre customer service also has its costs. Even when things don't go badly, it is estimated that around 12% to 16% of customers will still leave, because they were not totally satisfied with the service.

It is only through completely satisfying customers that true loyalty is built.

The benefits of quality customer service include:

- increased customer retention
- reduced marketing costs
- stronger position in the marketplace
- offers a competitive advantage
- increased job satisfaction and staff morale
- increased profits.

Role of management

Management must ensure the staff, processes, systems and policies are supportive of each other and focused on meeting customer needs. To provide quality customer service also requires examining what stops this supportive network from working, and a commitment to make necessary changes to end the blockages and problems.

Consider the following tips for good management:

- provide leadership and aim to make quality customer service part of your business culture
- create a customer service focus across your whole business
- display and follow a Customer Service Charter, which clearly outlines the quality of service to be expected by your customers
- ensure your systems and procedures, incentive programs and feedback mechanisms support the provision of quality customer service
- provide quality customer service to the people you rely on to meet customer needs (internal customers) as well as to paying customers (external customers)
- ensure a system exists to capture regular, reliable feedback from customers about their needs and your service
- welcome customer feedback and complaints as an opportunity to build relationships with your customers and improve your product and/or service
- actively encourage quality customer service and continuous improvement in everything your business does.

If you think implementing customer service is too costly or time-consuming, think again. It doesn't have to be. Walk in to any large bookshop and you will find a selection of practical 'how-to' guides on customer service that you can implement easily. Business Enterprise Centres also have resources and short courses to help you improve customer service.

Implementing customer service in your business can be relatively simple and cost effective.

Communicating with customers

To grow your business, you need to let your customers know what you do. What is your business? What is the product or service you are offering?

The initial information you provide is critical to building a relationship with the customer and must be clear, concise and honest. Information can be in a variety of forms including paper, audio, video or website. However, it must clearly explain what you offer. Unclear information may result in lost sales.

Here are some handy tips:

- use plain language and simple diagrams
- don't use technical language, abbreviations or jargon
- information should be accurate and concise, clearly displayed and able to be mailed
- update information regularly
- meet all legislative requirements.

Fair trading laws

The Australian Consumer Law sets the rules businesses must follow when selling goods or services to consumers.

Breaking the law could ruin your business reputation in the eyes of your customers, lending institutions and industry organisations.

<http://www.fairtrading.nsw.gov.au>