



Customer Service

CIN: 11600





Learning Unit I: Customer Experience Management and Why it is Important

THE STRATEGIC IMPACT OF CUSTOMER SERVICE ON THE ORGANISATION



*A consistent theme of businesses thriving is a strategic emphasis on **enhancing revenue** by making **quality, innovation and customer responsiveness** the central values of their corporate cultures.*

- Research has shown that companies that have successfully accomplished this differentiation **charge more** for their products, **grow market share faster** and have a **better return** on sales than competitors who do not.
- On the other hand, businesses that **neglect** the service component are carrying the **needlessly high costs of bad service** through the active word of mouth of dissatisfied customers and **increasingly expensive advertising** and marketing to attract new customers.



CUSTOMER EXPERIENCE MANAGEMENT (CEM)

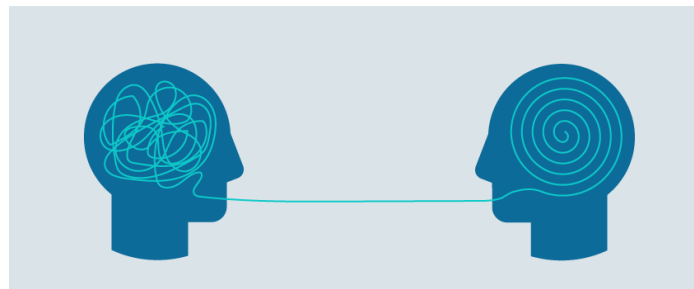


The concept of customer experience was first introduced by Pine and Gilmore in their 1998 Harvard Business Review article. They believe that successful businesses influence people through engaging, authentic experiences that render personal value (Pine and Gilmore 1998).

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- Customers receive some kind of experience, ranging from positive to negative, during the course of buying goods and services.
- As such, a supplier cannot avoid **creating an experience** every time it interacts with a customer.
- Customer's perception of an organisation is built as a result of their **interaction across multiple-channels**, not through one channel.
- Positive customer experience can result in increased share of wallet and repeat business.



CUSTOMER EXPERIENCE MANAGEMENT	CUSTOMER RELATIONSHIP MANAGEMENT
<ul style="list-style-type: none">• New approach• Customer focussed – needs and desires• Align business operations and processes to individual customer needs	<ul style="list-style-type: none">• Traditional approach• Enterprise focused – product, price, process• Manage customers for maximum business efficiency

CEM Systems

- The key feature of successful CEM implementations is their ability to manage multi-channel interactions. Customer experience solutions address:
 - ✓ the cross-channel (contact centre, Internet, self-service, mobile devices, brick and mortar stores),
 - ✓ cross-touch point (phone, chat, email, Web, in-person),
 - ✓ cross-lifecycle (ordering, fulfilment, billing, support, etc.) nature of the customer experience process.

ALIGNING PRODUCTS AND SERVICES TO A SPECIFIC MARKET SEGMENT



Customer base:

The total list of customers for a business, as well as the total number of potential customers with specific classification or buying characteristics.

Market segment:

A market segment is a subgroup of people or organisations sharing one or more characteristics that cause them to have similar product needs.



Market type:

What kind of market you are dealing with. This could make reference to e.g. export vs. local market.

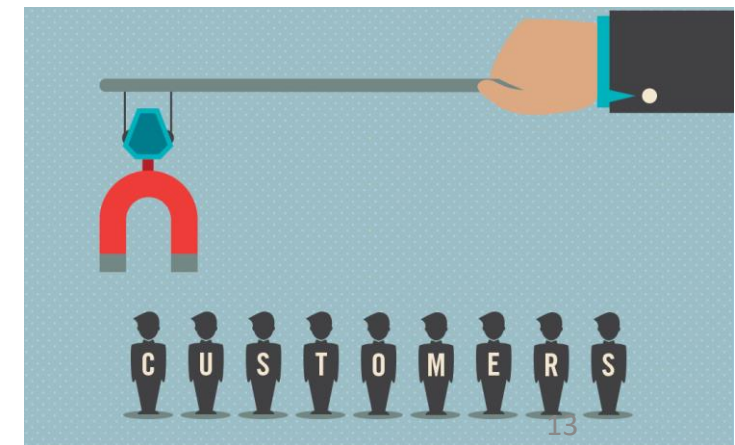
Product range:

How many products are on offer. E.g. different brands and types of canned food available for sale in a grocery store.

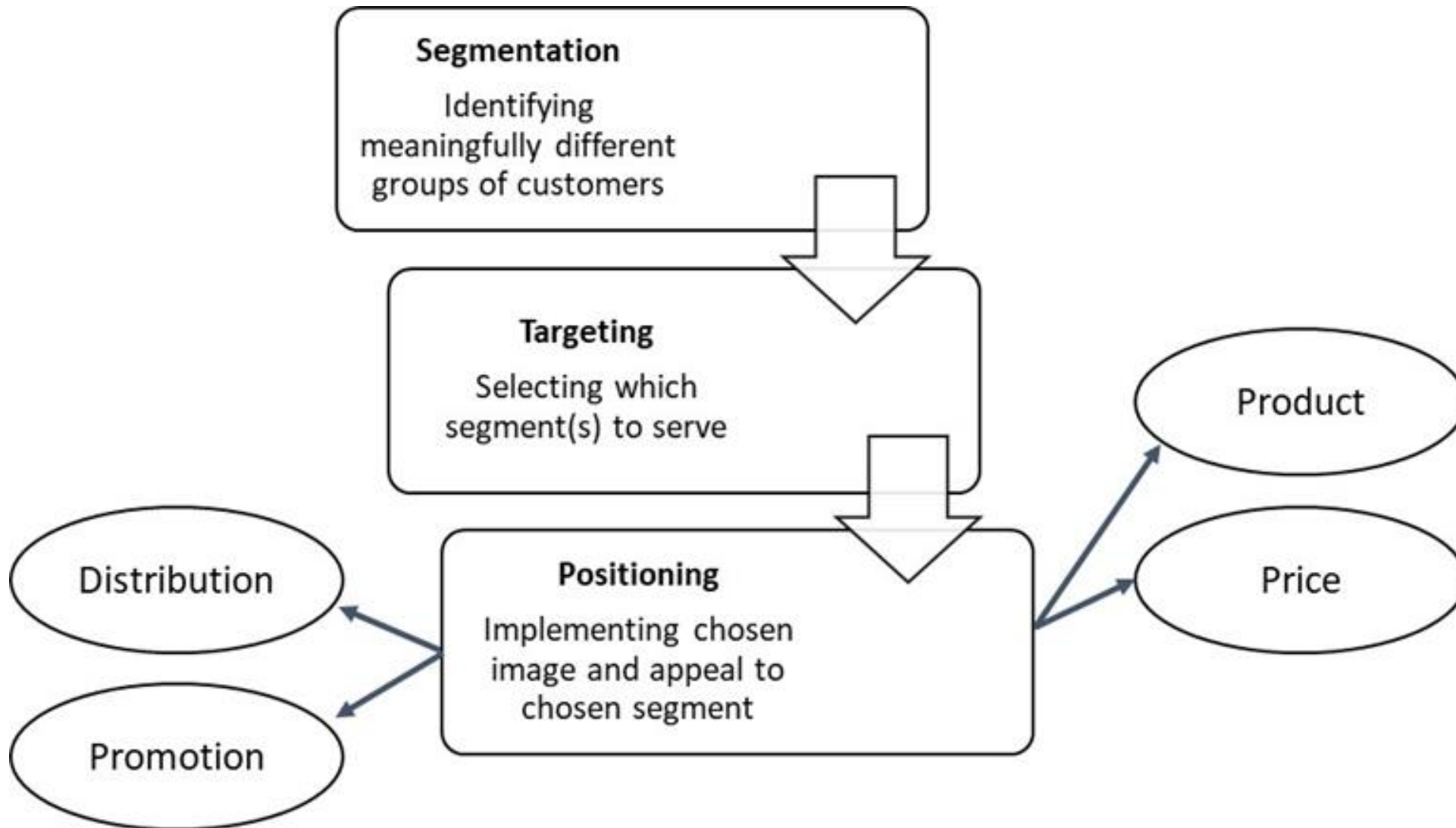


Segmentation, targeting and positioning together comprise a three stage process:

1. Determine **which kinds** of customers exist
2. Select **which ones we are best off** trying to serve
3. Implement our segmentation by **optimizing** our products/services for that segment and **communicating** that we have made the choice to distinguish ourselves that way.

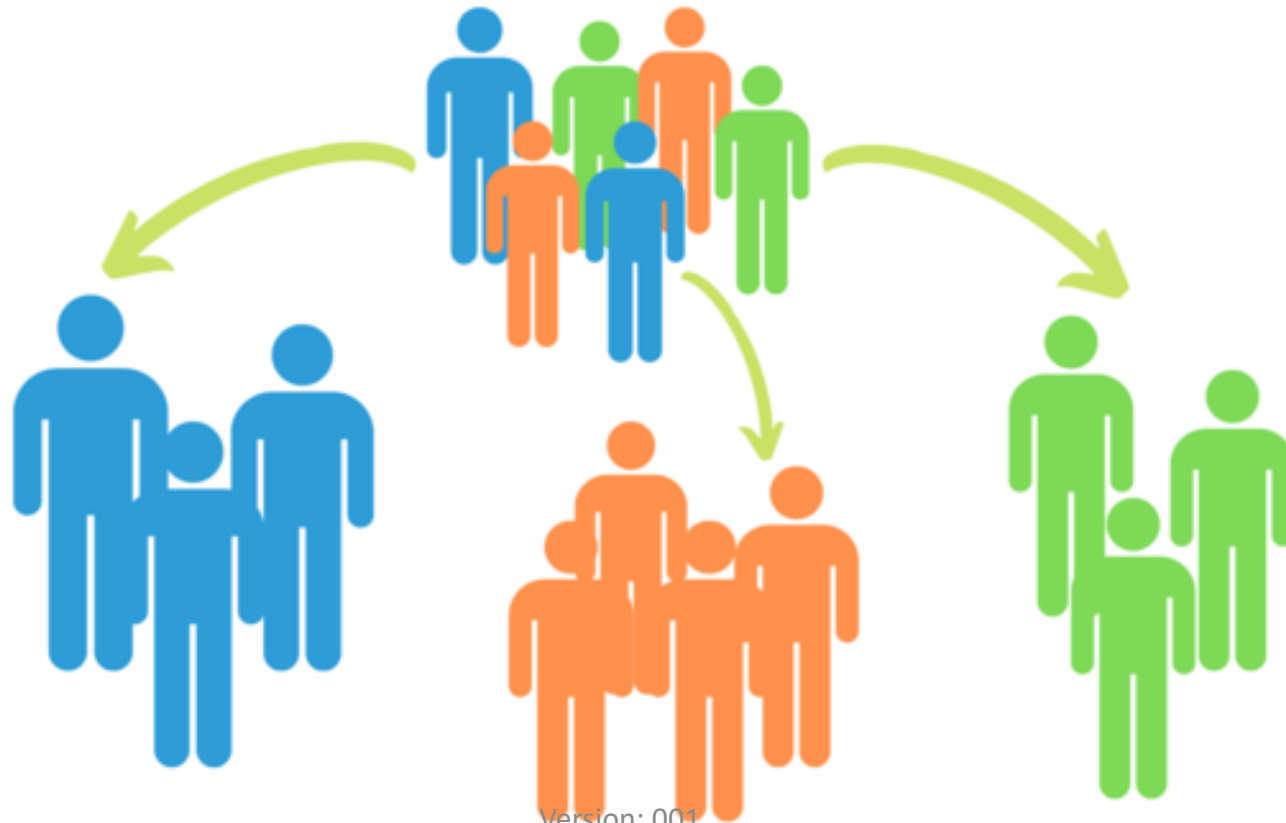






Segmentation

- Involves finding out what kinds of consumers with different needs exist.



Generically, there are three approaches to marketing:

Undifferentiated strategy,	Concentrated strategy	Differentiated strategy
<p>All consumers are treated as the same, with businesses not making any specific efforts to satisfy particular groups. This may work when the product is a standard one where one competitor really can't offer much that another one can't. Usually, this is the case only for commodities.</p>	<p>One firm chooses to focus on one of several segments that exist while leaving other segments to competitors. For example, Southwest Airlines focuses on price sensitive consumers who will forego meals and assigned seating for low prices.</p>	<p>Most airlines offer high priced tickets to those who are inflexible in that they cannot tell in advance when they need to fly and find it impractical to stay over a Saturday. These travellers—usually business travellers—pay high fares but can only fill the planes up partially. The same airlines then sell some of the remaining seats to more price sensitive customers who can buy two weeks in advance and stay over.</p>

Targeting



Deciding to **target** one or more segments our choice should generally depend on several factors.

1. How well are existing segments served by other manufacturers? It will be more difficult to appeal to a segment that is already well served than to one whose needs are not currently being served well.

2. How large is the segment and how can we expect it to grow?

3. Do we have strengths as a company that will help us appeal particularly to one group of consumers?

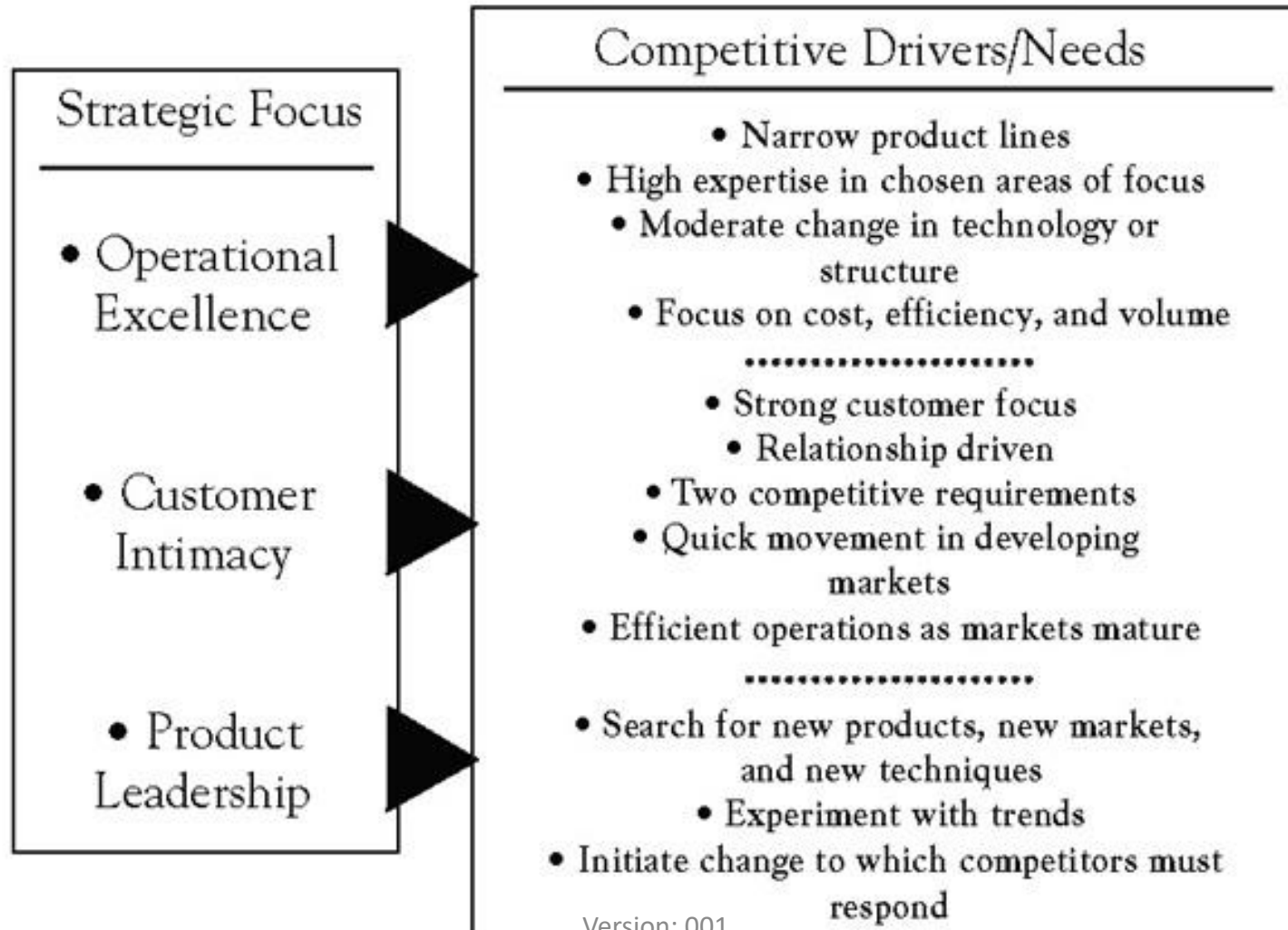
Positioning



Positioning involves *implementing* our targeting. For example, Apple Computer has chosen to position itself as a maker of user-friendly computers. Thus, Apple has done a lot through its advertising to promote itself, through its unintimidating icons, as a computer for “non-geeks.” The Visual C software programming language, in contrast, is aimed a “techies.”



Successful businesses fall into one of three categories:



NEW

OLD

Repositioning involves an attempt to change consumer perceptions of a brand, usually because the existing position that the brand holds has become less attractive.

Characteristics of Different Types of Markets



To position your business effectively, one needs to have a basic knowledge of market types:



Characteristics of Different Types of Markets

	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
Number of firms	very large	many	few	one
Type of product	standardized	differentiated	std or diff.	unique
Control over price	none	slight	considerable	considerable if not regulated
Entry conditions	no barriers	no barriers	large barriers	large barriers
Examples	wheat soybeans	restaurants retail stores clothing	automobiles air travel breakfast cereal	local phone and electric patented drugs



IMPLEMENTING A CUSTOMER RETENTION MANAGEMENT PROCESS



PERITUM
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Step 1: The Identification of Customers



Step 2: The Differentiation of Service

What is **Customer Lifetime Value**?

How to Calculate it?





Step 3: Interaction with Customers



Step 4: Customisation of Product, Services and Communication



Learning Unit 2: Define Who the Customer Is

Definition:

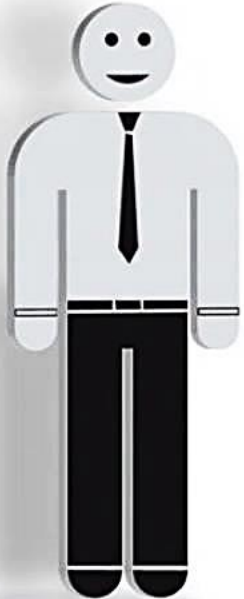
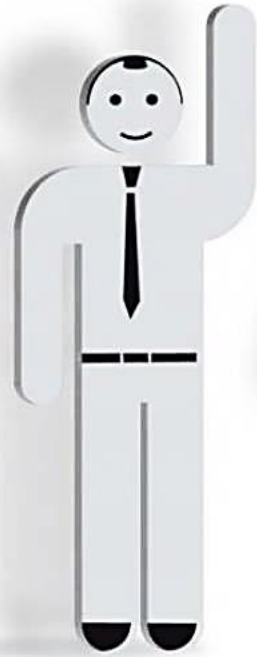
- A customer is anyone who **walks** into a shop or **phone** in.
- By making contact, a person has made a decision that indicates interest or need.
- The challenge is to turn the customer into a buyer by identifying and meeting this interest or need.

Identify the customer

Two Kinds of Customers

- External Customers
 - Clients, guests, patients...
- Internal Customers
 - Co-workers, everyone you depend upon, and people who use the output from your work

Buyers, Searchers and Browsers



Buyers:

Those who know what they want to buy are purposeful in their movements and confident in their tone. If they have a specific product in mind, they will usually be well informed about it.

Searchers:

Those who are undecided about what to buy will often look around at different items with interest. They may have a general idea of what they would like, but no specifics.

Browsers:

Those who have no particular need in mind are “just looking.” They have come to the store for entertainment.

CONSUMER BEHAVIOUR



- ***Consumer behaviour*** is the study of how people buy, what they buy, when they buy and why they buy.
- The study of consumers helps businesses and organisations improve their marketing strategies by understanding issues such as how.

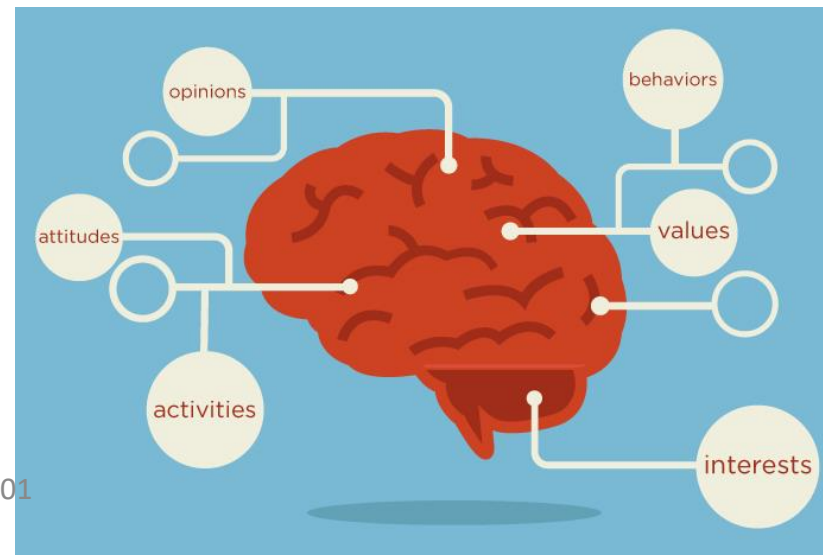
FOR SUCCESS
**THINK LIKE
A CUSTOMER**



The study of consumers helps businesses and organisations improve their marketing strategies by understanding issues such as how:

- How consumers **think, feel, reason and select** between different alternatives (e.g. brands, products);
- How the consumer **is influenced by his or her environment** (e.g. culture, family, signs, media);
- The **behaviour** of consumers while shopping or making other marketing decisions;
- **Limitations** in consumer knowledge or information processing abilities influence decisions and marketing outcome;

- How consumer **motivation and decision strategies differ** between products;
- How marketers **can adapt and improve** their marketing campaigns and marketing strategies to more effectively reach the consumer.
- Behaviour occurs either **for the individual or in the context of a group** (e.g. friends influence what kinds of clothes a person wears) or **an organisation** (people on the job make decisions as to which products the firm should use);





- Consumer behaviour involves the **use and disposal of products** as well as the study of **how they are purchased**;
- Consumer behaviour involves **services and ideas as well as tangible products**;
- The impact of consumer behaviour on **society** is also of relevance.

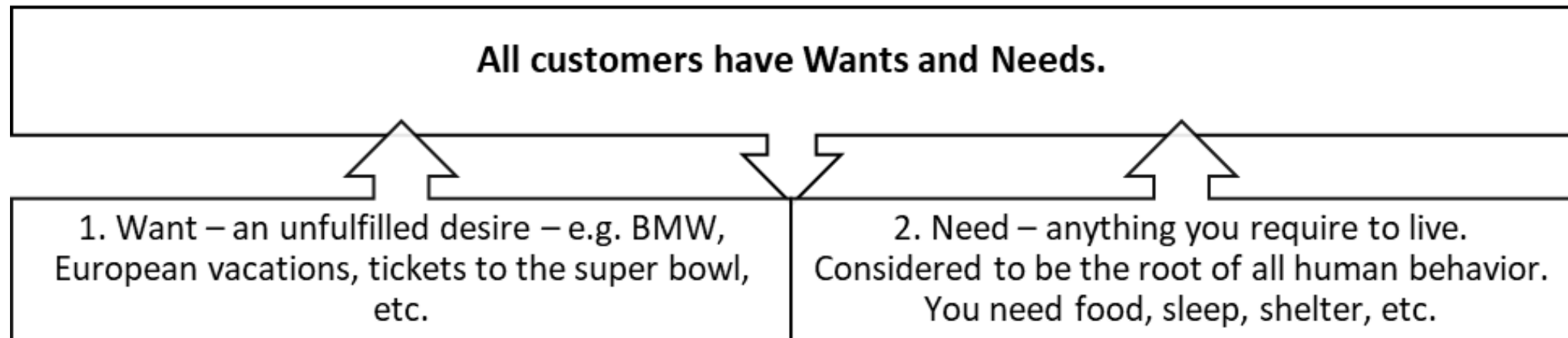


CUSTOMER BUYING MOTIVES AND BEHAVIOURS

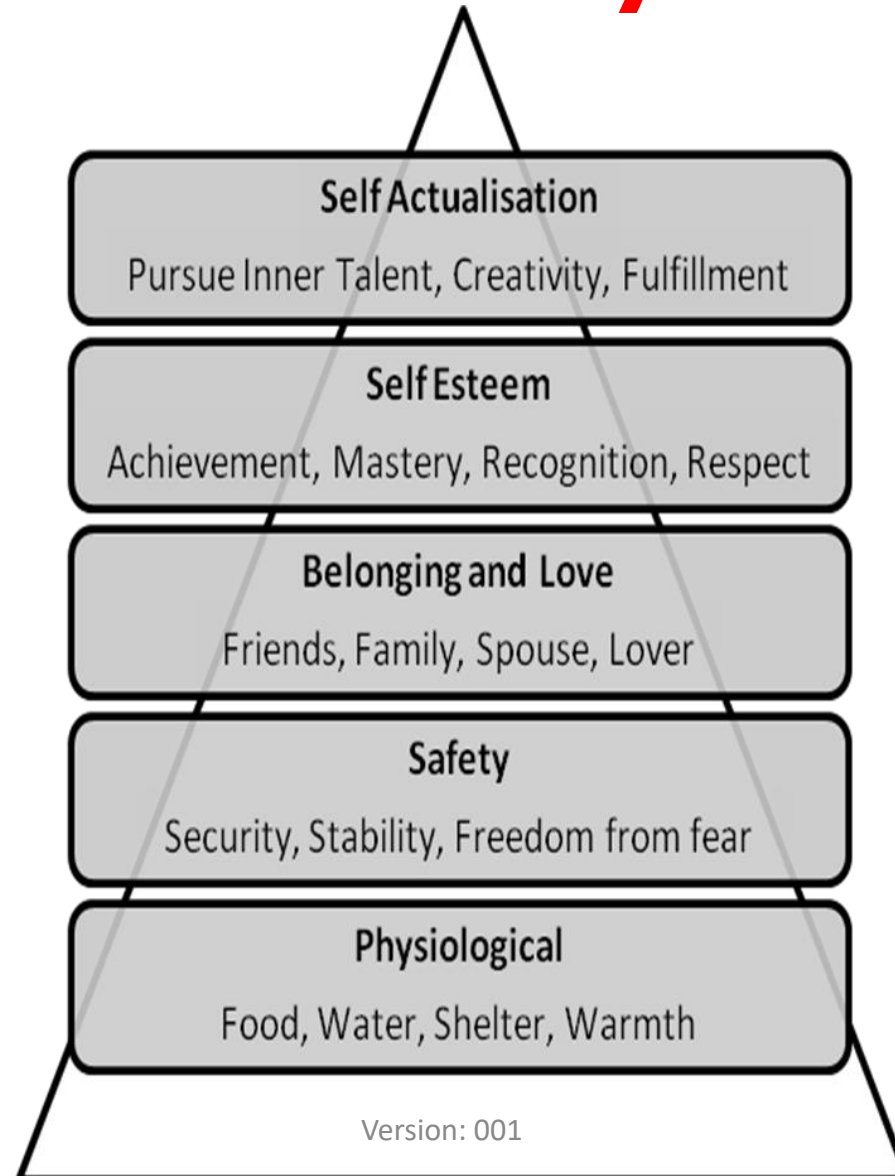
Definitions

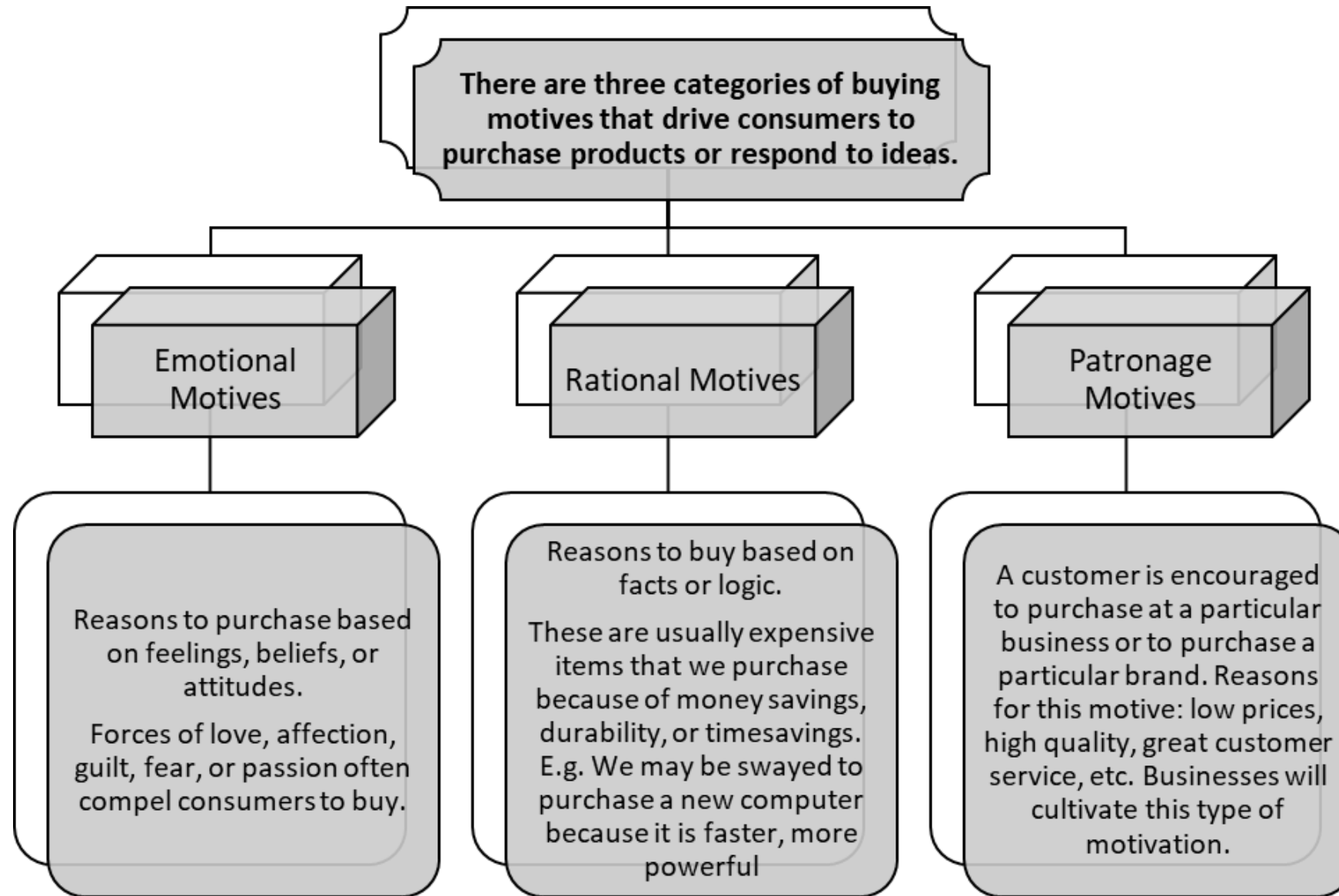
- **Consumer Behaviour:** the study of consumers and how they make decisions.
- **Final Consumer:** buys a product or service for personal use.
- **Business Consumers:** buys goods and services to produce and market **other** goods and services for resale.
- **Buying Behaviour:** describes the decision processes and actions of consumers as they buy and use services and products.
- **The Consumer Decision-Making Process:** a process in which consumers collect information and make choices among alternatives.

Customers Wants and Needs



Maslow's Hierarchy of Needs





There are five steps that a consumer goes through when making a purchasing decision.

1. Problem recognition

– consumers must recognize a need, desire, or problem.

2. Information search

– consumers gather information about alternative solutions.

3. Evaluation of services

– consumer evaluates the various alternatives to determine which is best.
Compare pros and cons etc

4. Purchase

– if a suitable alternative is available, consumer makes a purchase.

5. Postpurchase Evaluation

– consumer judges the satisfaction or dissatisfaction with the purchase.

Many internal and external factors influence our purchase decisions.

Personality – well defined enduring patterns of behaviour. Personality influences our purchases. Style, colour, conservative, flashy, etc.

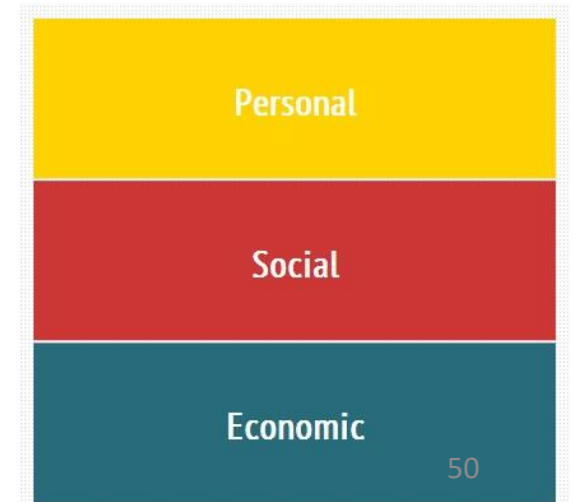
Social Class – refers to the lifestyle, values, and beliefs that are common to a group of people. Income level, neighbourhood, etc. This factor exerts a strong influence on your desire for a particular type or brand of product.

Cultural Environment – set of beliefs or attitudes that are passed on from generation to generation.

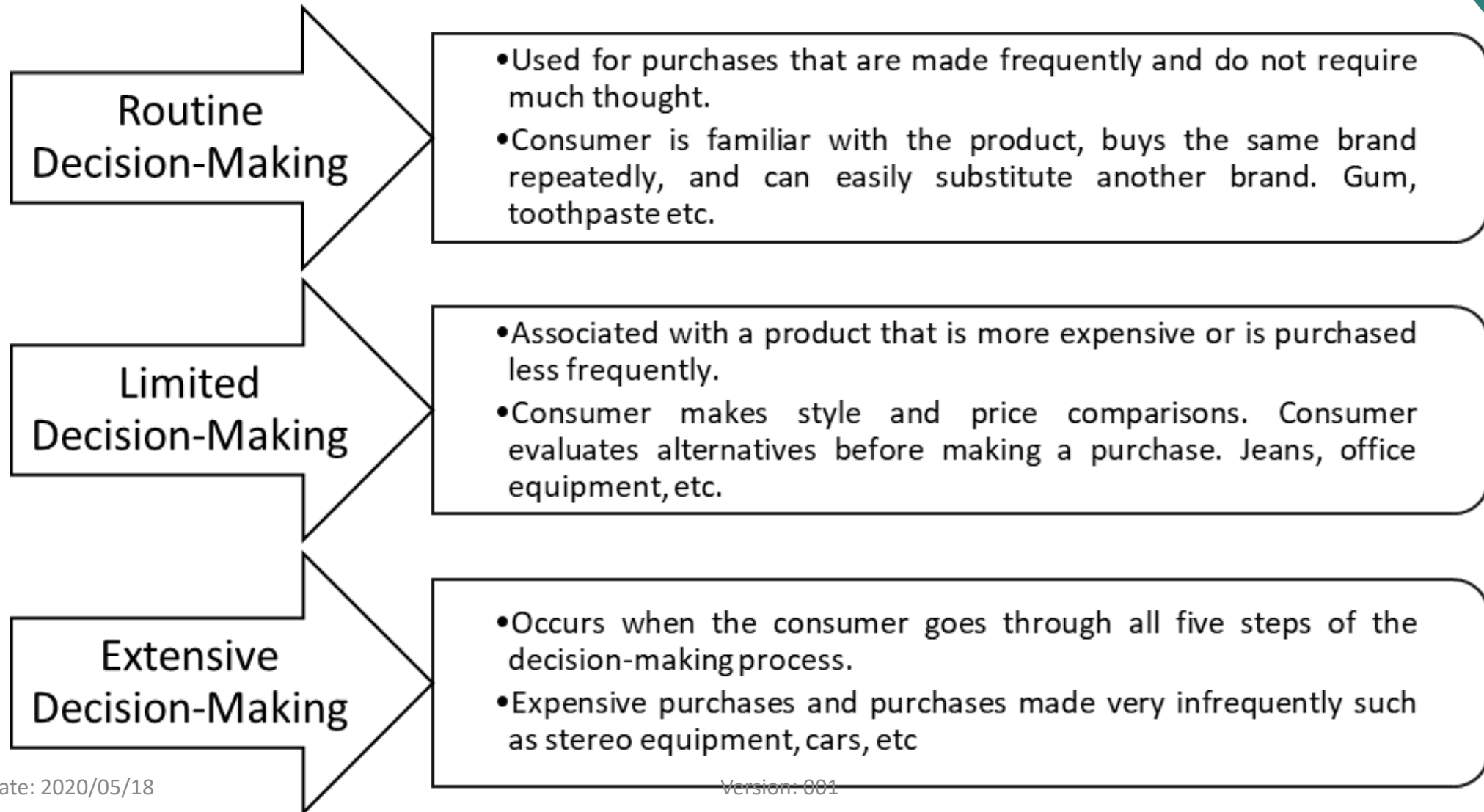
Reference Groups – groups or organizations from which you take your values and attitudes. Church groups, families, peers, etc exert influence over our purchasing decisions.

Types of consumer buying behaviour are determined by:

- Level of Involvement In purchase decision
- Buyers level of involvement determines why he/she is motivated to seek information about a certain products and brands but virtually ignores others.



TYPES OF DECISION-MAKING



What Your Customer Wants



Do You Know?

CUSTOMER NEEDS AND EXPECTATIONS

What Customers Want?



Speedy Service



Effort



Options



Be Understood



Confidentiality



Important



Positive Surprise



Satisfaction



Value for Money



Simplicity



Consistency



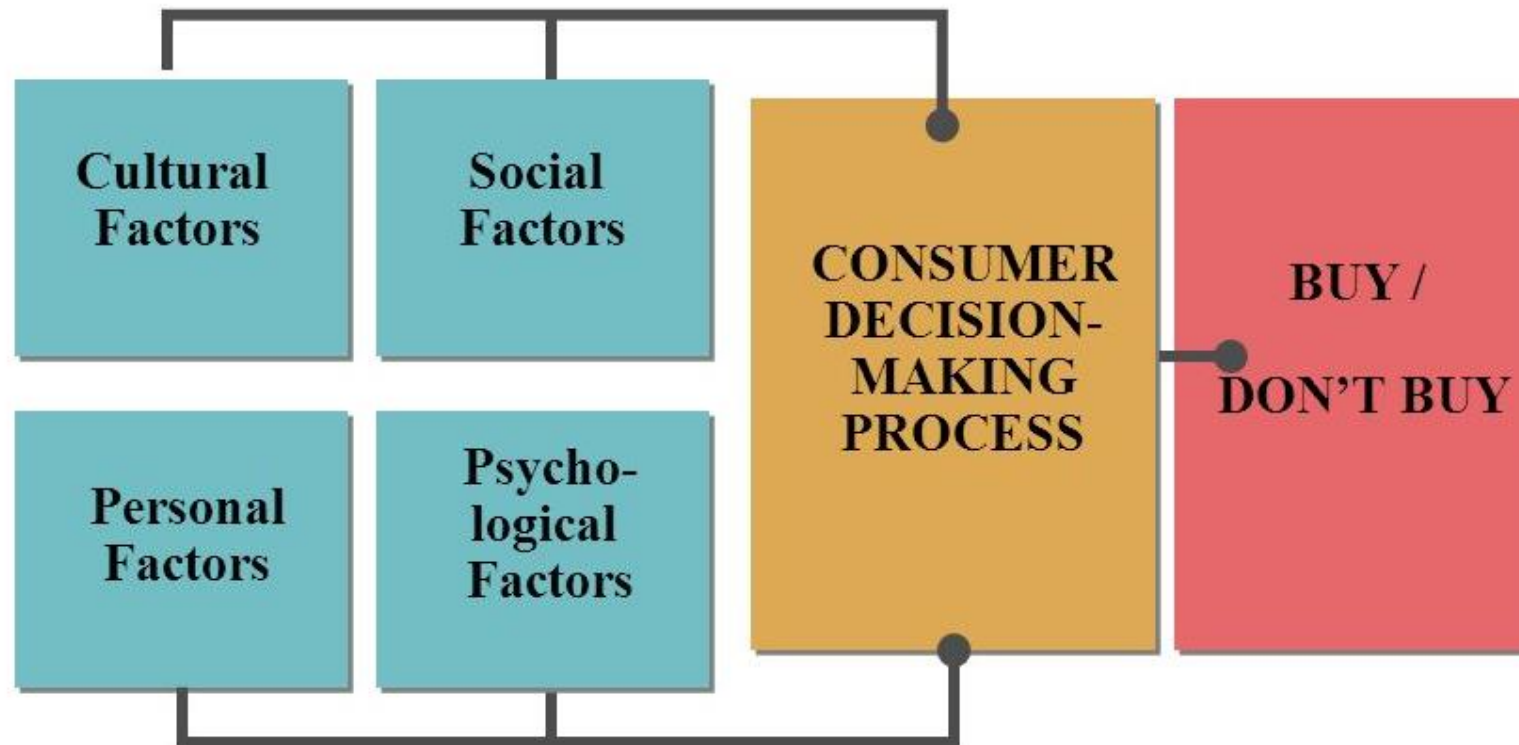
Reliable

See how your customer service standards rate against this brief, but comprehensive list of key customer expectations published by the Incoming Calls Management Institute (ICMI).

- Be accessible
- Do it right the first time
- Keep your promises
- Tell me what to expect
- Follow up
- Ensure I deal with trained and informed employees
- Do what I ask promptly
- Be responsive to what I need and want
- Treat me courteously
- Be socially responsible and ethical



Factors Influencing Buying Decisions



Personal, social, cultural and psychological factors that influence customer behaviour and responses:

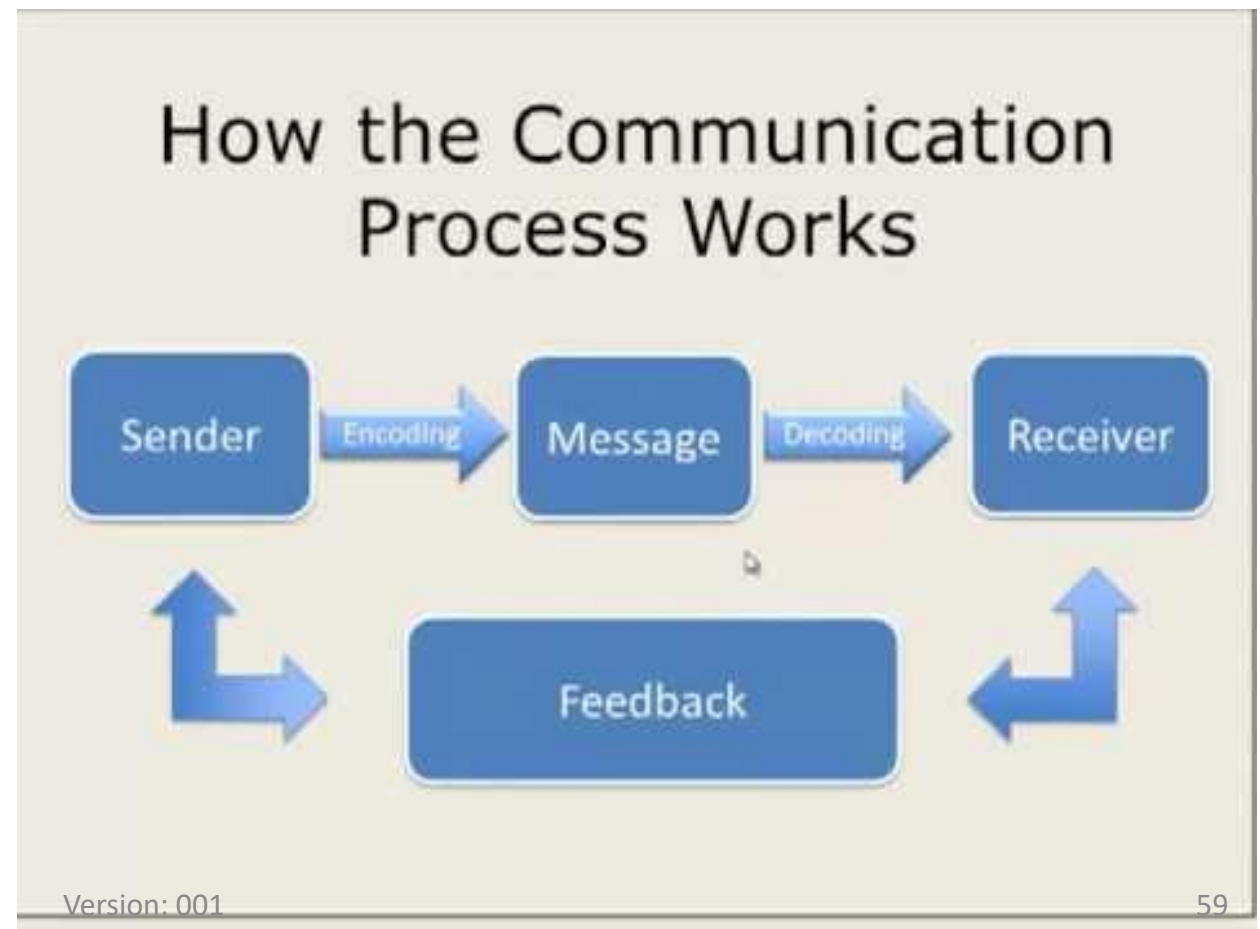
Cultural	Social	Personal	Psychological
<ul style="list-style-type: none"> • Culture • Subculture • Social class 	<ul style="list-style-type: none"> • Reference groups • Family • Roles and Status 	<ul style="list-style-type: none"> • Age and Lifecycle stage • Occupation • Economic situation • Lifestyle • Personality 	<ul style="list-style-type: none"> • Motivation • Perception • Learning • Beliefs and Attitudes

COMMUNICATE EFFECTIVELY WITH CUSTOMERS



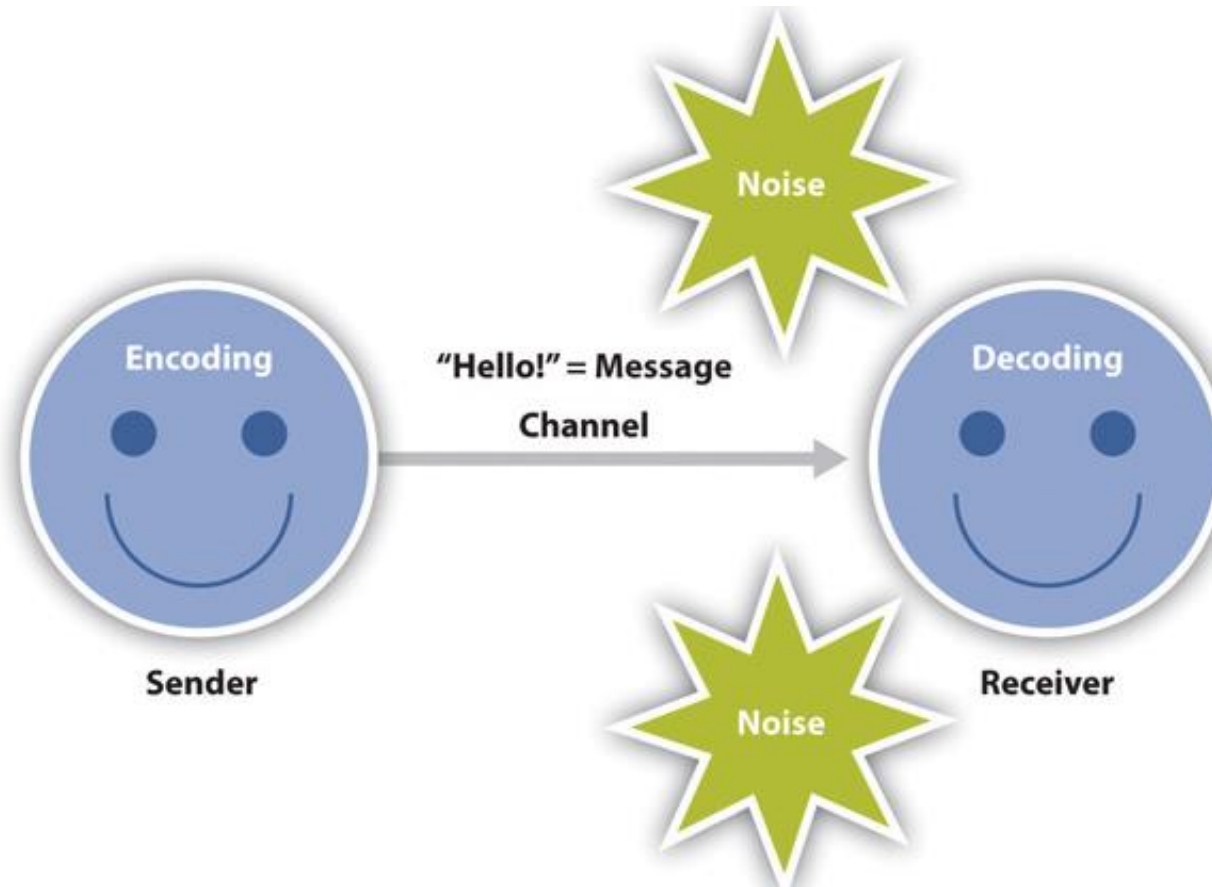
The Process Of Verbal Communication (SMCR Model)

- Sender
- Message
- Receiver



Five factors that influence the sender

- Communication skills- must have understanding of verbal and non-verbal communication
- Attitude – determines how we transmit messages
- Knowledge – will have an influence on our ability to communicate effectively
- Position of sender and receiver in social system – similar, lower or higher positions
- Culture – will also determine how we communicate



- **Message:** content and treatment of the message
- **Receiver:** add meaning to the message

THE DIFFERENCES IN COMMUNICATING WITH INDIVIDUALS VS. GROUPS.

It is important to remember that there is a difference between communicating with **an individual and communicating with a group.**

- Individuals are driven by their own motivations.
- Groups either experience peer pressure or are in conflict with the group dynamic.

Here are the most common ways that companies communicate with their customers:

- In Person
- Telephone
- Email
- The Web



CREATING AN EFFECTIVE CUSTOMER COMMUNICATIONS PROGRAM

- Determine your objectives
- Determine the frequency
- Plan to be consistent
- Decide on a format
- Develop an editorial calendar
- Talk to your customers like customers
- Take an educative approach
- Communicate on a one-to-one level
- Tie in a response device
- Focus on the benefits

Learning Unit 3:

Identify and formulate Standards for Service Excellence



WHAT IS SERVICE?



Definition:

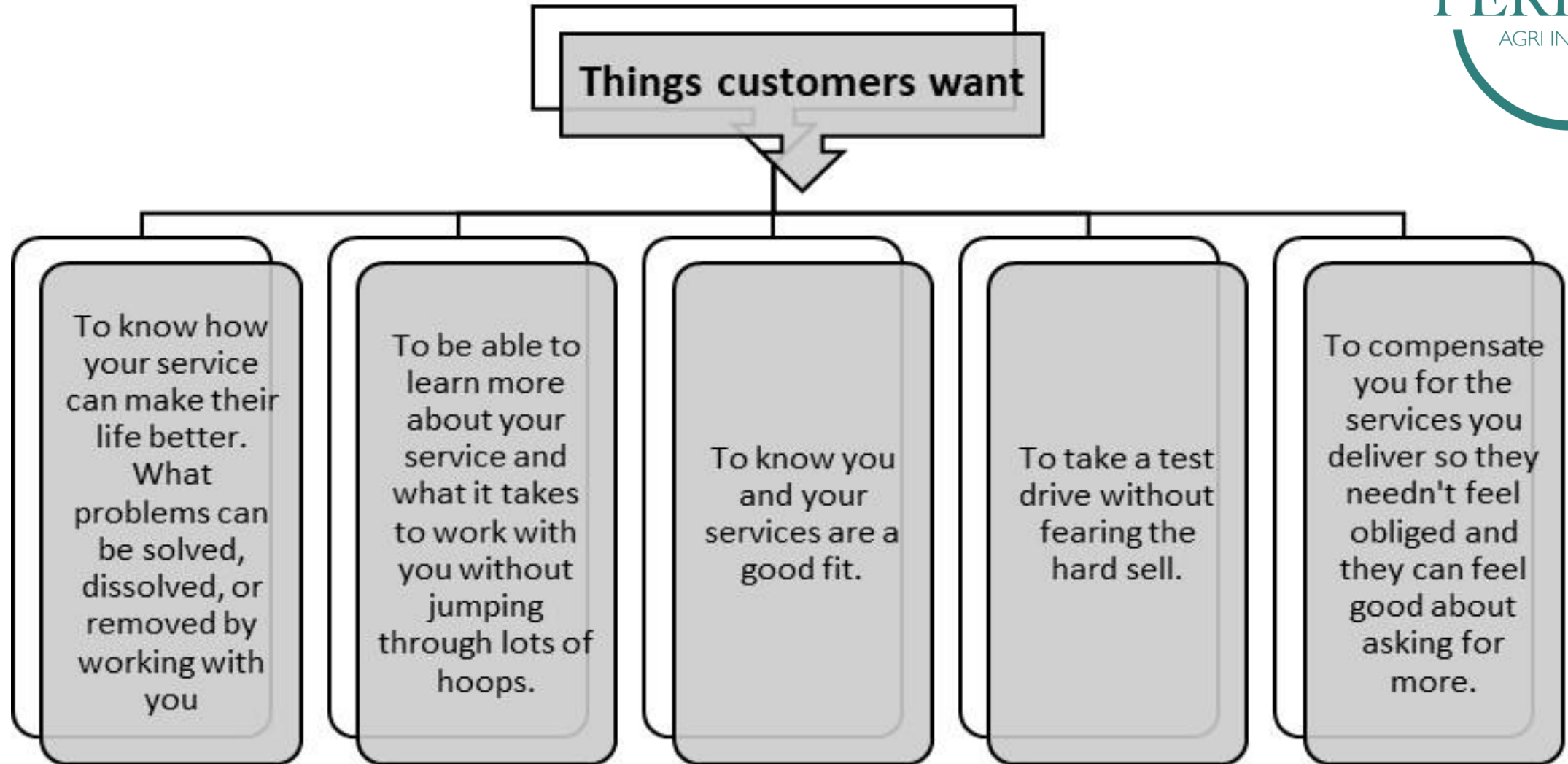
A service is a set of singular and perishable benefits:

- **delivered from the accountable service provider**, mostly in close co-action with his service suppliers,
- **generated by functions** of technical systems and/**or by distinct activities** of individuals, respectively,
- **commissioned according to the needs of his service consumers** by the service customer from the accountable service provider,
- **rendered individually** to an authorized service consumer at his/her dedicated request
- finally, **consumed and utilized by the requesting service consumer** for executing and/or supporting his/her day-to-day business tasks or private activities.

To enable your staff to render excellent customer service, you should ensure that you:

- ✓ Get to know your regulars
- ✓ Ask the customer
- ✓ Encourage complaints





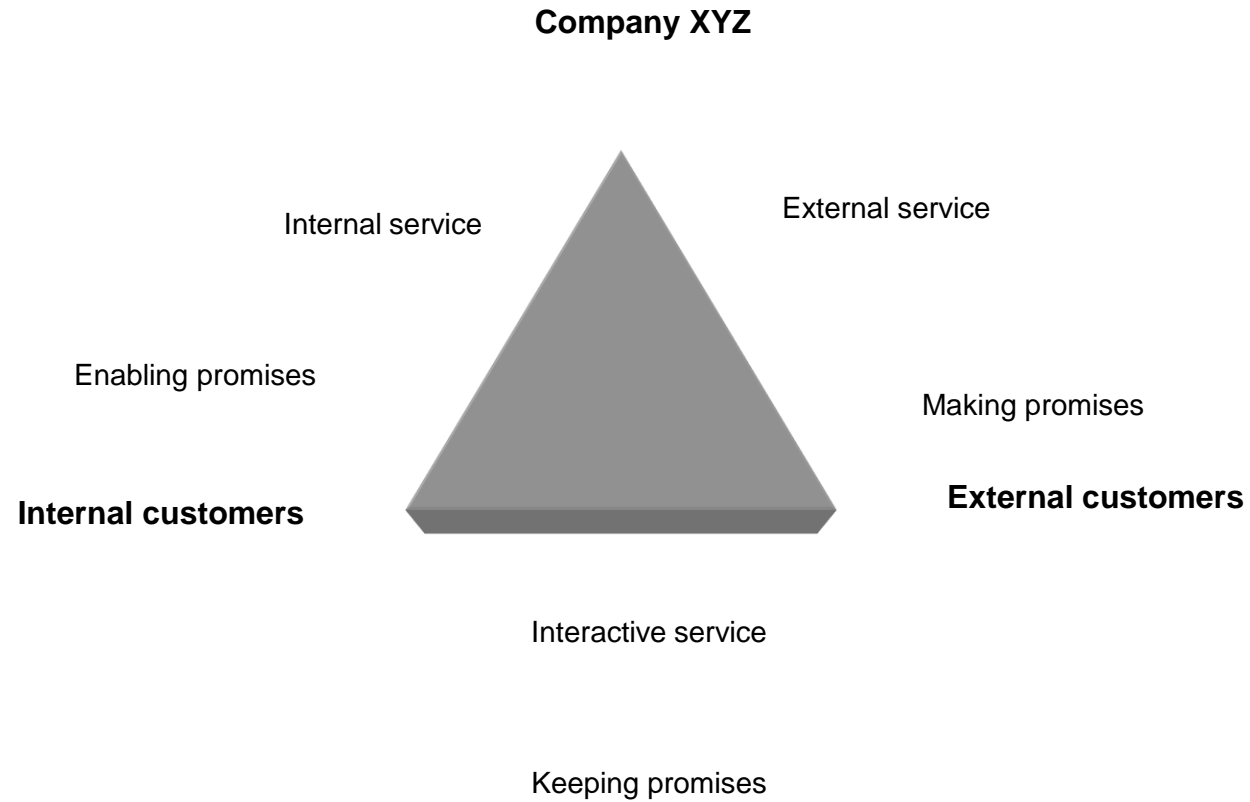


HOW TO DELIVER GOOD CUSTOMER SERVICE

- Be up front
- Be clear
- Show up
- Offer a test drive
- Make it easy



IMPORTANCE OF CUSTOMER SERVICE

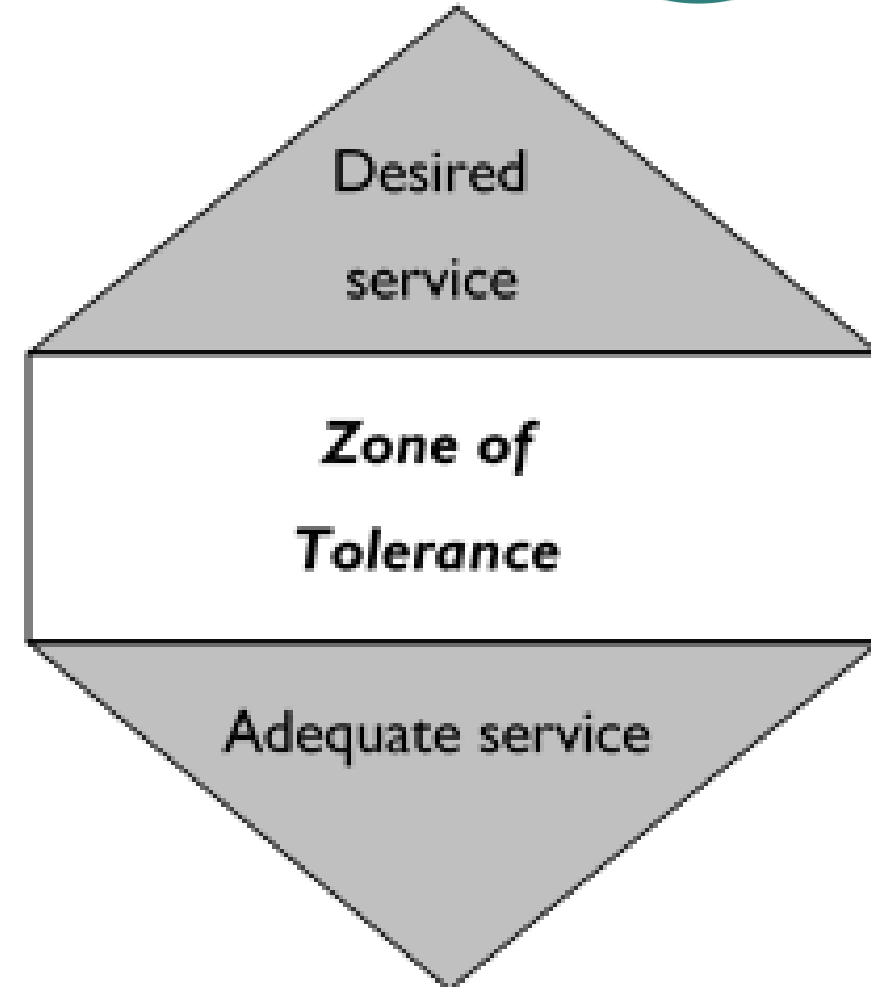


Types of Service:

Three types of activities need to be carried out successfully for a service to succeed:

- **External service** - where promises are made to customers via the traditional marketing activities such as advertising, sales and special promotions;
- **Internal service** - where promises are enabled by equipping the frontline service providers with the necessary skills, abilities, tools and motivation to deliver;
- **Interactive service** - where promises are to be kept during the “moment of truth” or when the customer interacts with the organisation and the service is produced and consumed.

Customer expectations



How customers perceive service

- Customers perceive service in terms of **the quality of the service and the satisfaction** they derive from the overall experience.
- A company puts its **image on the line** even in the most **casual** of encounters with customers.
- Whenever an employee comes into contact with a customer (internal or external), he or she creates an **impression** that can determine whether or not the customer **will continue to do business** with the organisation.
- Each meeting or encounter is a **vital moment to win or lose** business, based on how the company is perceived in terms of service and quality.

Customer Expectation Factors:

Four factors shape customer expectations.

- Explicit service promises – what you read
- Implicit service promises – what it actually looks like
- Word of mouth – what you are told
- Past experience – what you have experienced previously



Service is Only as Good as the Customer's Perception

These are our customers' top complaints:

- Promises are not delivered.
- Service was rude and inefficient.
- Feeling of being victimised by the business or operation.
- Delays and long waits.
- Lack of communication between parties and duties.
- Questionable business integrity or honesty.
- Feelings of being dismissed or discounted by the person.

The Service Formula

How do you provide service beyond expectations?

Preparation

+

Interaction

+

Follow-through

=

Service beyond expectations



CUSTOMER SATISFACTION



CUSTOMER SATISFACTION:

- Refers to the way in which customers **evaluate** a service in terms of it having **met their needs and expectations**.
- The customer may thus be highly satisfied, just satisfied or dissatisfied with the service.

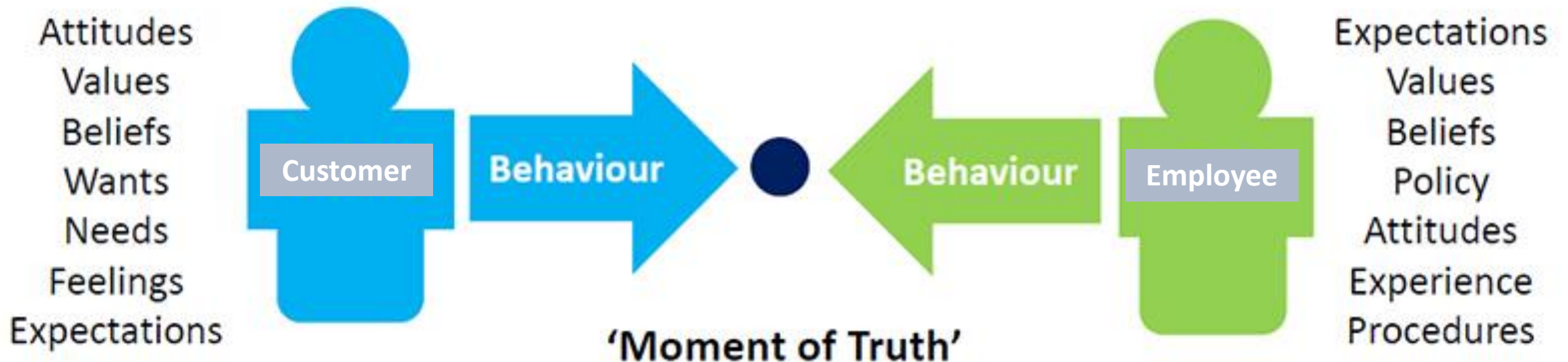


SERVICE QUALITY:

- Refers to the **various dimensions of service** a customer consider when evaluating service.
- The evaluation of these dimensions usually determines the customer's perception of quality being poor, acceptable or good.

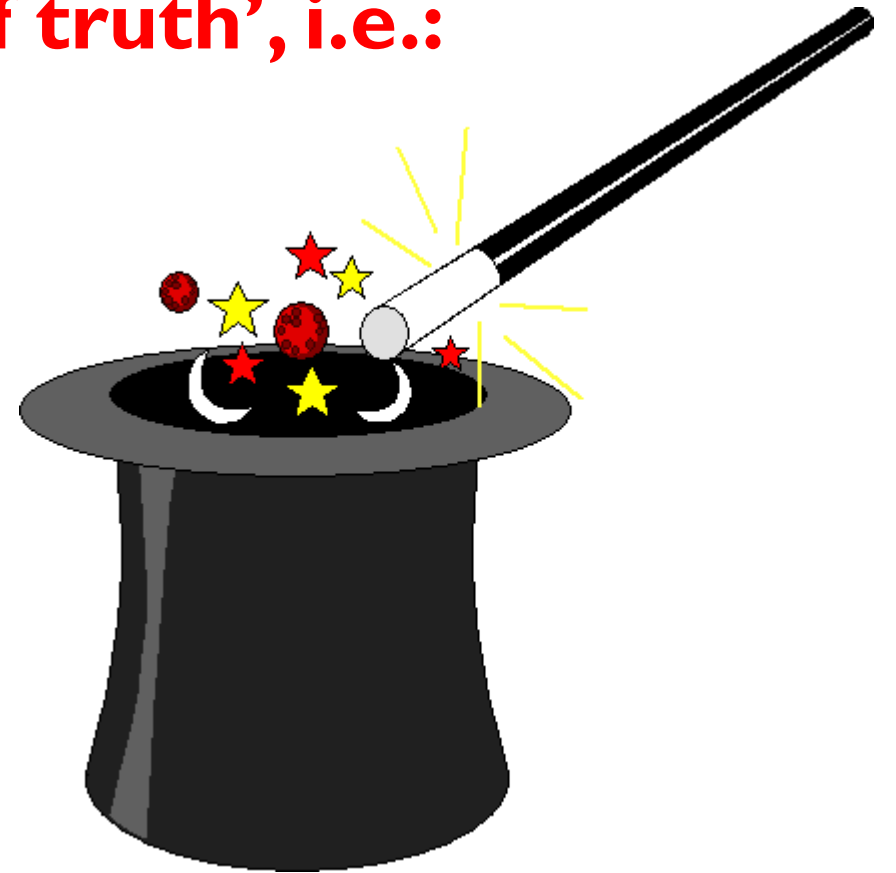


What are moments of truth?



There are two types of 'moments of truth', i.e.:

1. Moments of magic
2. Moments of misery



'Moments of Magic'

- Favourable moments of truth have been termed as 'moments of magic'.
- These are instances where the customer has been served in a manner that **exceeds his expectations.**

A close-up photograph of a person's hand holding a wooden wand, with a black robe visible. The wand is positioned as if casting a spell, with several small, star-like sparkles appearing around the tip.

**Moments
of
Magic**

When does a
**Moment
of
Misery**
occur?



‘Moments of Misery’

These are instances where the customer interaction has a **negative outcome**.

Assessments of Service Quality



Researchers have found that customers typically consider the following five dimensions (**TERRA**) in their assessments of service quality:

- **Tangibles** – what you can see and touch
- **Empathy** - Caring, attention
- **Reliability** - perform the promised service
- **Responsiveness** - willingness of employees
- **Assurance** - knowledge and courtesy of employees

TERRA means soil – the basis from where service quality can be grown!

How Do Customers Rate Service Quality

You should now have an understanding of how customer expectations are shaped and how their perceptions of service are formed. A combination of these two concepts will determine how they will rate the quality of your service.



We can use the following equation to illustrate:

Perceived service quality

=

Perceptions (P)

Minus

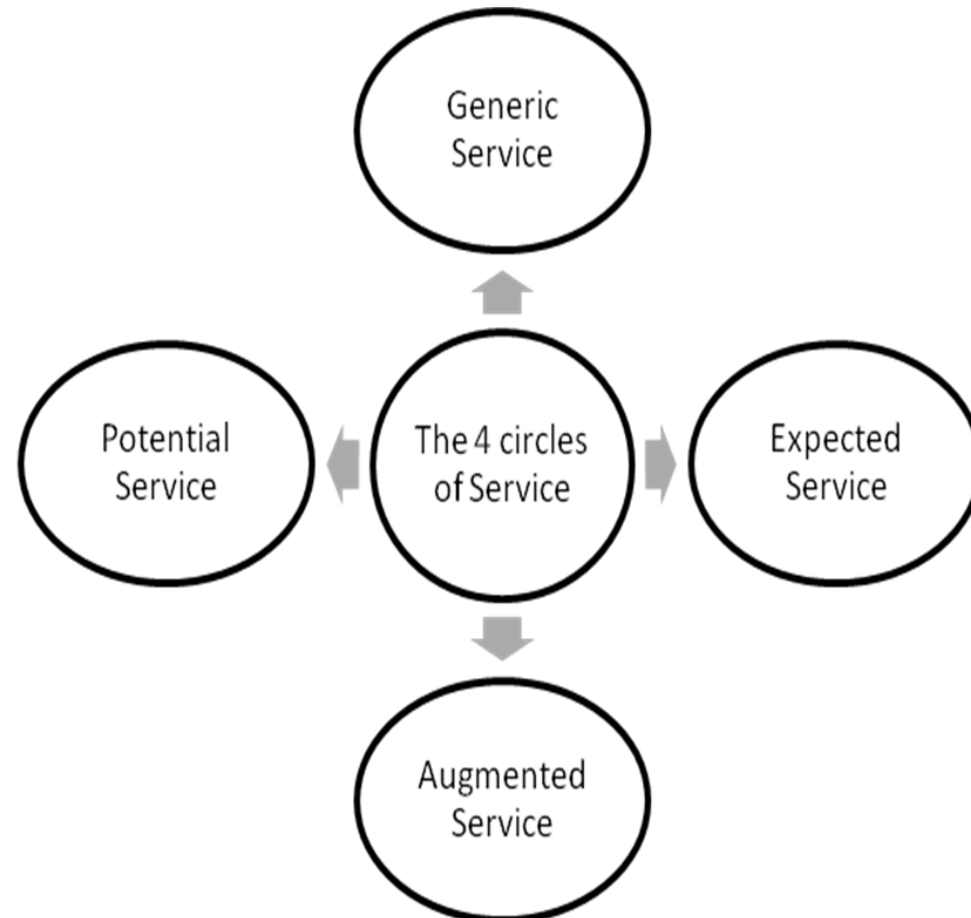
Expectations (E)

P > E: The customer is highly satisfied or surprised with the quality of service and the business managed to exceed the expectations.

P = E: The customer is satisfied with the service quality and the business managed to meet the expectations.

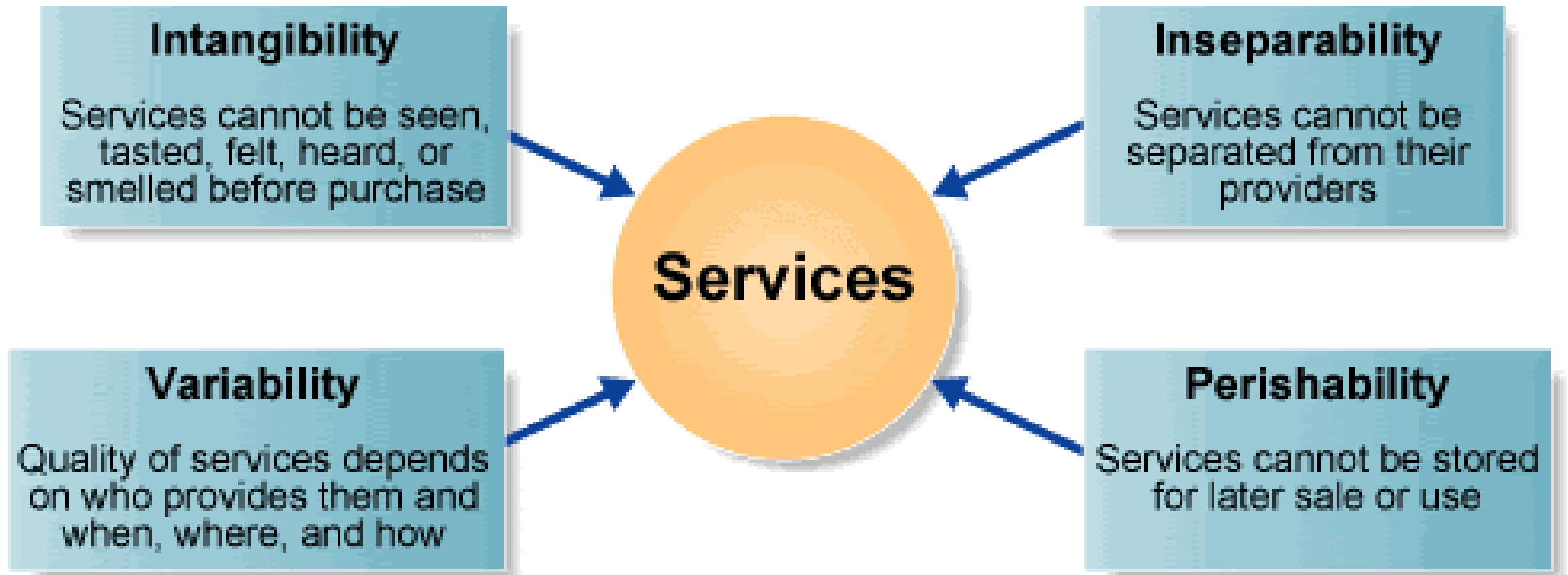
P < E: The customer is dissatisfied with the service quality and the business has disappointed the customer.

THE FOUR CIRCLES OF SERVICE



- **Generic Service** relates to what is **generally** done in the industry
- **Expected Service** refers to **the very minimum that the customer requires.**
- **Augmented Service** is defined as **doing it more, doing it better, or doing it faster than anyone else.**
- **Potential Service** is defined as **what makes you unique or different.**

Service Characteristics



Service Specification

- Service Consumer Benefits
- Service-specific Functional Parameter(s)
- Service Delivery Point
- Service Consumer Count
- Service Readiness Times
- Service Support Times
- Service Support Language(s)
- Service Fulfilment Target
- Maximum Impairment Duration per Incident
- Service Delivering Duration
- Service Delivery Unit
- Service Delivering Price

Service Recovery

Sometimes organisations lose customers or have a decline in customers because of something that went wrong and they have to come up with a “recovery strategy”.

The six steps
of recovery
include:

Offer a sincere apology.

Do something extra.

Involve customers in the solution.

Follow up.

Fix the problem, not the blame.

Ask for repeat business.



- A **satisfied** customer will tell **four or five** others about a pleasant brand experience.
- Deliver a **poor experience** and **seven to thirteen** others will hear about it.
- Another study's scary statistic: Unhappy customers will continue to voice their dissatisfaction for up to **23 years**.

An effective customer recovery program includes a two level processes that must be incorporated into customer service operations.

- 1. The first level consists of both apology and accountability.**
- 2. The second level is building integrated customer recovery capabilities in four areas.**
 - Upgrade skills
 - Easy to complain
 - Database of products and customer
 - Track and address complaints

Making sure that tools and methods used for customer service improvement are "fit for purpose"

1. Get personal
2. Deliver fine service



What are the **benefits** of having a productive business relationship with the customer?

- ✓ They think of you right away when they need help or solutions.
- ✓ You get mutual problem solving and mutual growth in profitability.
- ✓ Communication is much better.
- ✓ It's more difficult to get displaced by price.
- ✓ Time is used much more productively.



What do you do to help build strong relationships with your customers?

What have you found you need to avoid in maintaining good relationships?

Pg. 77 & 78 LG



Learning Unit 4: Measure and Continuously Improve Customer Service

Why monitor?

- If the **key aspect** of service delivery and quality is the satisfaction of customers, then we need to have some way of **measuring and monitoring** whether or not we are succeeding.
- There are times when, as an organisation, we think we are listening to customers but we do not gain a true picture. This can be because:
 - We only hear about the complaints – not the compliments.
 - A large percentage of dissatisfied customers **do not complain** and we are lulled into complacency.
 - We have a **different perception** about the complaint- thinking it is minor whereas in fact it is a major upset for the customer e.g. not getting their grants, but we get our salaries!

To measure we need knowledge and understanding

- To be competent at monitoring and solving customer service problems you need to know and understand:
 - ✓ Organisational **procedures and systems for dealing** with customer service problems.
 - ✓ Organisational procedures and systems for **identifying repeated customer service problems.**
 - ✓ How the successful resolution of customer service problems contributes to customer loyalty with the external customer and improved working relationships with service partners or internal customers.
 - ✓ How to negotiate with and reassure customers while their problems are being solved.

- **What Is Monitoring** – The process of **continually assessing** a project’s progress towards its objectives. Monitoring focuses on inputs, outputs and targets.
- **What is Evaluation** – Focuses on the **effectiveness** of a project etc. at a specific point of time. Focuses on the “outcomes” achieved in respect of the objectives.



What to Monitor and Measure

The target should be issues that are of most concern to the institution, those which are important to the customers.

- Are our customers getting what they need?
- Are the customer rights being adhered to?
- Is the service up to or exceeding the standards we have put in place?
- What is the costs of poor quality?
- Are problems, which happen frequently, having a substantial impact when they occur?
- Customers' quality concerns
- What value is being added? If we discontinued this activity or service, what would the impact be on the customer?
- What are the costs in adding this value?

How to measure Customer Service



The importance of measuring customer service:

Customers are not only buying your products. They also buy expectations. They expect that the product they buy will be according to the promises made by you and the manufacturer. They expect that it will work and if not, that you will replace it. How you handle the customer during this transaction will also determine whether the customer will return again.

Service as a product

If you find it difficult to attach a value to service, see it as a product:

- ❖ A service is produced as soon as it is delivered
- ❖ A service is delivered the moment you have contact with a customer
- ❖ You cannot revoke a service if it was of poor quality
- ❖ Service is subjective. Every customer has his/her own idea of what is good service

Formula for the measuring of customer service

- How many employees handle a customer before the end of the transaction?
- How many employees handle the customer after the transaction is completed?
- If a transaction is stopped because of poor service, what is the minimum and maximum worth money wise that is lost by the organisation?
- What is the average lost? (Count the minimum and maximum together and divide by two)
- If a dissatisfied customer tells it to 5 potential customers, what will the potential lost be? (Multiply the average by 6).
- Divide the total lost by the total of employees before, during and after the transaction.

Measure your customer service levels by statistics

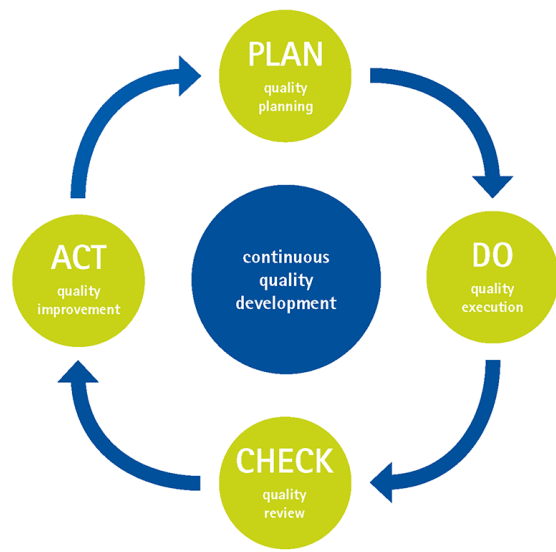
- Where possible, put systems in place to assess your performance in business areas which significantly affect your customers' satisfaction levels.
- Identify Key Performance Indicators (or areas) (KPIs) which reflect how well you're responding to your customers' expectations.
- Put internal systems in place whereby you can gather information regarding your customer service performance.



For instance, you might track:

- Sales renewal rates
- Number of queries or complaints about your products or services
- Number of complaints about your employees
- Number of damaged or faulty goods returned
- Average order-fulfilment times
- Number of contacts with a customer each month
- Volume of marketing material sent out and responses generated
- Time taken from order to delivery





Measuring Customer Satisfaction By Means Of Research

Market research is a form of business research and is generally divided into two categories:

- Consumer market research
- Business-to-business (B2B) market research, which was previously known as industrial marketing research.

Market research uses the following types of research designs:

- Based on questioning
- Based on observations



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OBSERVATION

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Questionnaires can be administered in three ways:

1. Personal Interviews
2. Telephone interviews
3. Mail surveys



Here are a few of the possible **dimensions** you could measure:

- ✓ Quality of service
- ✓ Speed of service
- ✓ Pricing
- ✓ Complaints or problems
- ✓ Trust in your employees
- ✓ Closeness of the relationship with contacts in your firm
- ✓ Types of other services needed
- ✓ Your positioning in clients' minds

Other ways to collect information in order to measure customer satisfaction:

- Satisfaction Surveys
- Focus Groups
- Client Advisory Groups
- Service Audit





GUIDELINES FOR EFFECTIVE CUSTOMER SERVICE MEASUREMENT



- Begin with Your Service Strategy
- Measure Your Service Frequently
- Ask Customer-based Questions
- Ask Fair Questions
- Collect Group and Individual Data
- Watch the Competition
- Make the Result Visible
- Make Sure the Results are Employee-Friendly
- Make Sure the Results Are Believable
- Make Sure the Results Are Used

Areas of Importance for Customer Surveys



- Timing
- Flow
- Accommodation
- Anticipation
- Communication
- Customer feedback
- Organisation and supervision

Seven Standards to check for customer satisfaction regarding our Personal Dimension

1. Appearance
2. Attitude
3. Attentiveness
4. Tact
5. Guidance
6. Selling skills
7. Gracious problem solving



Create an Employee Feedback System

- An employee feedback system is an organised way of noting employee job performance behaviour and sharing that information with the employee.
- It is a system whereby you and your employees can mutually check on the quality level of customer service as performed by the employee.



An employee feedback system that supports quality customer service focuses on:

- **Customer Service Behaviour:** An employee service feedback system must focus on what the employees do, how they act and what they say to produce defined, observable and measurable results. It is not a time to dwell on intangible personality characteristics. The behaviours that you are after must be job related and reflect your quality customer service standards.
- **Sharing Information:** Make sure that all information regarding employee customer performance is positively, readily and openly shared with employees to reinforce positive customer service behaviour.

Mutual Give and Take of Ideas:

An employee feedback system that supports quality customer service must allow and nurture a two-way exchange of ideas and perceptions between the manager and customer-service employees.



PERFORMANCE MANAGEMENT



Performance management is the process of **planning, implementing, monitoring, improving and sustaining** the efficiency and effectiveness of organisations, teams and individuals.

Performance management is the responsibility of all stakeholders (shareholders, executive management, line management, human resources, unions and employees).



An organisation's performance planning typically occurs in four plans:

1. **Strategic plan** – performance requirements over the next 3-5 years
2. **Business plan** – performance priorities for the next year
3. **Division/department/team plan** – the role of these entities in achieving the goals in the business plan
4. **Individual performance plans** – what each person (staff or manager) will achieve in the next year.

Key Performance Area

- A performance area or key performance area (KPA) is a measure of [performance](#).
- It is the answer to the question: "What is really important to different [stakeholders](#)?"
- KPAs are typically tied to an organization's strategy using concepts or techniques such as the [Balanced Scorecard](#).



Balanced Scorecard

Balanced Scorecard is a strategic [performance management](#) tool for measuring whether the smaller-scale operational activities of a company are aligned with its larger-scale objectives in terms of vision and strategy.



Steps in the Performance Management process

- Step 1: Formulate KPAs and developing a performance agreement for individual staff
- Step 2: Formulate objectives
- Step 3: Consult and agree on performance standards with individuals and teams
- Step 4: Provide feedback on performance

Provide Feedback to Customer Service Employees

- Provide daily verbal feedback
- Post measures of individual and group customer-service productivity
- Conduct periodic performance appraisals based on measurable / observable quality



Equipping Staff to Provide Effective Service



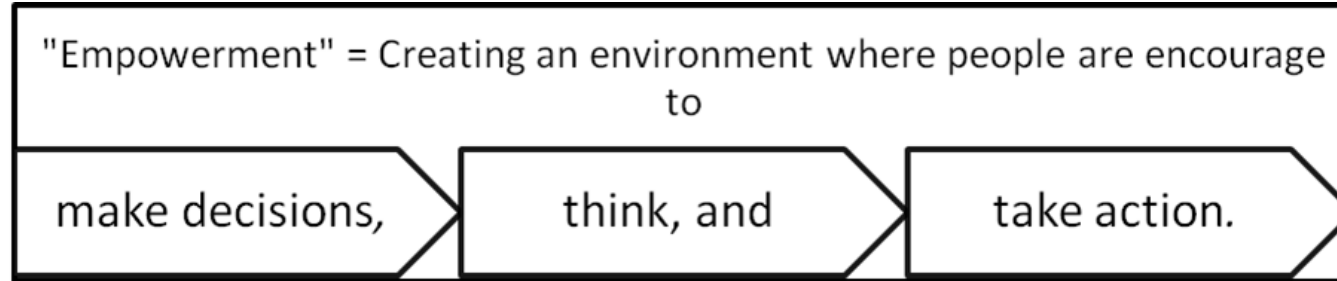
- ❖ The commitment and involvement of staff is essential to customer service.
- ❖ To achieve this, you need to take a number of actions:
 - Provide information at all levels
 - Improve co-operation across all departmental functions
 - Improve the quality and attitude of your people by actively
 - Encourage people who have taken their own customer care initiatives



Customer loyalty is built on quality service and the key to that is the quality of people:

- Recruiting people who are **motivated** to succeed through achievement
- Provide staff with **continuous specialist** and quality training to develop their own personal skills
- Ensure that staff **understands the customers' requirements** for the highest standards of service
- Empowering staff to **make decisions** and **act independently** when problems arise can have huge benefits for the company





The three benefits of empowerment are:

A. Faster response for customers.

B. Employees are more satisfied with their job.

C. Employees interact more with their customers.

The three benefits of of empowering people include:

A. Share information.

B. Train and educate.

C. Create boundaries.

Examples of empowered front-line employee actions in terms of customer service:



- Reduce of charges or penalties.
- Give discount coupons.
- Give gift certificates.
- Approve the expense online.
- Correct the data supplied by the customer, instead of sending the paperwork back and forth.
- Refund cash to the customer for goods returned.
- Taking a decision on if a problem comes under warranty or not and committing the repair work.



Internal Communication Audit

HOW?

The audit concentrates on three key questions:

1. What is the level of awareness of customer service issues within the company?
2. How consistently is customer service messages presented?
3. How effectively do customer service communications support the sales process?





Internal Awareness of Customer Service Issues

- Customer service communications cut across traditional company boundaries, impacting on perceptions of the company as a whole and on perceptions of individual departments.
- Important that customers' service messages are understood and presented consistently throughout the company.

Use the following indicators to determine awareness:

- Identify key internal audiences for customer service communications.
- Assess level and effectiveness of internal customer service communications.
- Interview selected people from:
 - Marketing and communications staff;
 - Departmental managers;
 - The sales force and
 - Corporate PR and communications staff.

Consistent Presentation of Customer Service Messages

Use the following indicators to determine frequency of messages:

- Measure how consistently customer service messages are communicated.
- Identify mechanism for controlling communications consistency.
- Review published material.
- Interview communications managers / authors.



Effective Support of the Sales Process

Use the following indicators to determine effective support:

- Measure the contributions of customer service programmes to the sales process.
- Awareness of customer service support material.
- Use and value of support material.
- Perceive sales support requirements.
- Interview with sales force and sales managers.
- Audit of customer service programmes.
- **Develop model of sales process / deliverables.**



Staff Improvement Programme



- Targeting Key Staff
- Motivation and Commitment to Service
- Training for Quality Customer Service
- Reporting Progress

There are two ways of gathering information:

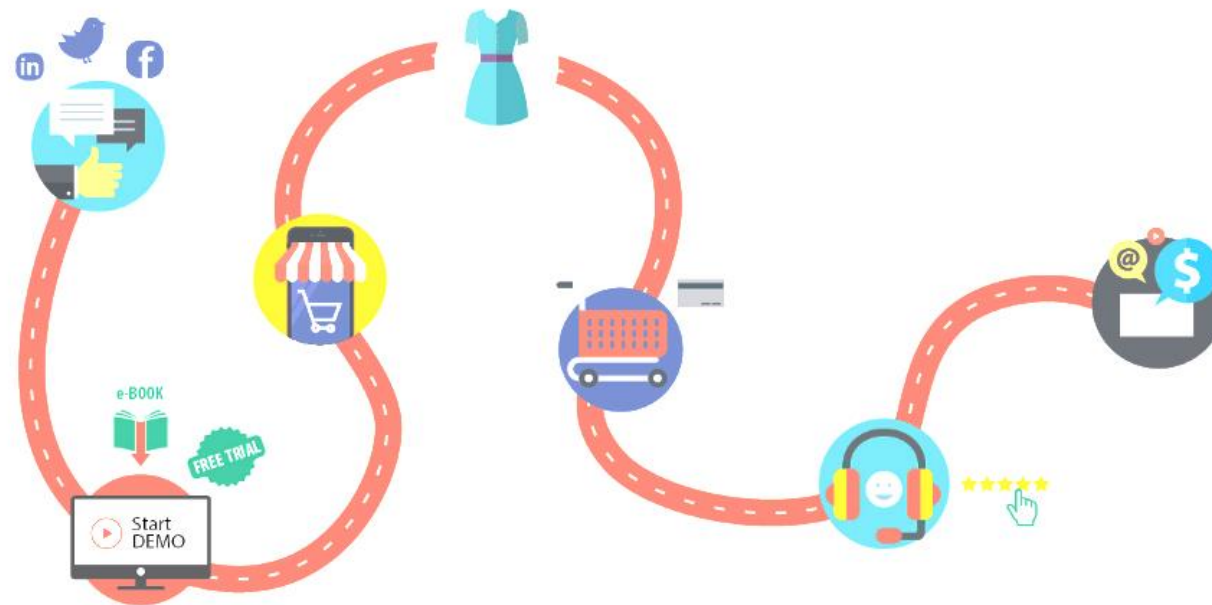
- **Listen**
- **Ask questions**



Learning Unit 5: Selling Techniques to 'Close the Deal'

Steps in the Sales Process

The **sales process** refers to a sequential series of actions by the salesperson that leads toward the customer taking a desired action and ends with a follow-up to ensure purchase satisfaction.



This selling process involves the following basic steps

STEP 1: PROSPECTING – THE LIFEBLOOD OF SELLING

STEP 2: THE PRE-APPROACH

STEP 3: APPROACH

STEP 4: PRESENT YOUR OFFERING

STEP 5: TRIAL CLOSE

STEP 6: DETERMINE AND MEET OBJECTIONS

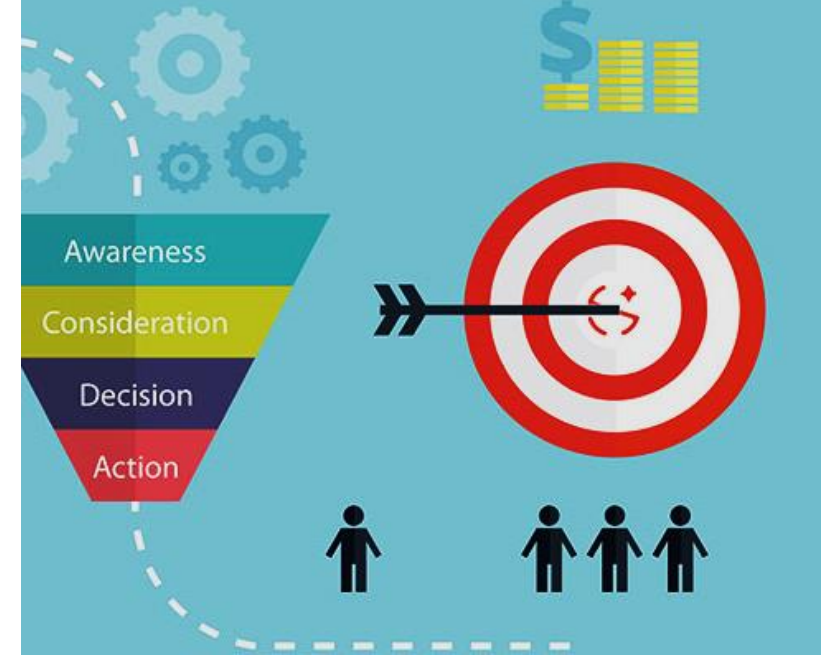
STEP 7: CLOSE

STEP 8: FOLLOW UP



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Prospecting is the lifeblood of selling



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Alternative Method: The Sales Process

- Assisting the Customer
- Service encounters can be:
 1. **Phone in:** Customers place orders and make inquiries by phone.
 2. **Walk in:** Direct contact between the customer and an employee.
- Regardless of the type of encounter, it should be a memorable, convenient and pleasurable experience for the customer.



I. Phone in Customers

- A customer who telephones instead of visiting a store is most likely a buyer who knows exactly what they want.
- They do not want to waste time travelling to the store to find out about the products price and availability.
- You should accommodate with prompt and efficient service.
- You are likely to be rewarded with a quick and easy sale.
- Key to quality service over the phone is good attitude and quick response.



Don'ts

- Never eat, drink or smoke while speaking over the telephone.
- Give a customer a bureaucratic bounce.
- Let the phone keep on ringing.
- Put the customer on hold without notice.
- Take bad messages.



Basic Contact Pattern Steps for Dealing with Phone-In Customers:

Step	Action
1	Greet and announce yourself
2	Acknowledge customers opening statement
3	Verify need
4	Fact Finding – get detail
5	Leave the line
6	Return to line
7	Presentation / explanation
8	Closing statement

2. Walk-in Customers

Step 1: Initial Contact

Step 2: Identify and Confirm the Need

Step 3: Respond to Customer Requests

Step 4: Conclude the Service



Principles to conclude service experience

Principle 1: You must have a sense of urgency to prepare the bill or processing the merchandize to show the customer your focus and appreciation for their time.

Principle 2: On receiving payment you must thank the customer in a friendly and positive manner.

Principle 3: You must verbally ask the customer if they are completely satisfied with the products and service.

Principle 4: Make sure the customer receives all value-added products, which is available like mints or presents. Alternatively, if there are any fliers available with specials, it must be distributed to the customers.

Principle 5: The customer must be greeted with a friendly, professional “Thank you, enjoy your day, goodbye”.

Principle 6: A positive “come again” hint is the applicable way to invite the customer back when they leave, to seal the deal.

Principle 7: The moment the customer has left the business, you must take a moment to reflect on the interaction and measure yourself.



The End