

CHAPTER 1: WHAT IS CUSTOMER SERVICE?

OUTLINE

- I. Customer service is important!
 - A. The importance of customer service is at an all-time high!
 - B. Customers are more sophisticated than ever before!
 - C. Customer service is in style!

- II. What is customer service?
 - A. Customer service is anything we do for the customer that enhances the customer experience.
 - B. The customer's satisfaction is our goal.

- III. Understanding satisfaction.
 - A. Customer satisfaction is the customer's overall feeling of contentment with a customer interaction.
 - B. Customer satisfaction recognizes the difference between customer expectations and customer perceptions.
 - C. Satisfaction may develop quickly or over a period of time.
 - D. Our job is to reduce the customer's stress.
 - E. Examples of customer service:
 1. Receipt lookup or "return by" date on store receipts.
 2. Calling the customer by name.
 3. Easy return policy.
 4. Updated map of the area or Global Positioning System (GPS) in rental cars.
 5. A doctor calling you back to see how you are feeling after a professional visit.
 6. On-time delivery.
 7. Courtesy and enthusiasm.
 8. Owner's manuals and frequently asked questions online
 9. Showing the customer you care.
 10. Excellent follow-up.
 11. Empathy in handling complaints and questions.
 12. Well-explained instructions.
 13. Illustrations of encouragement.
 14. Suggesting a less expensive option.
 15. Package carry out.
 - F. Why is excellent customer service so rare?
 1. Excellent customer service requires:
 - a. Spending money.
 - b. Taking action.
 2. Excellent customer service requires developing the skills to be successful.
 3. Organizations must assess their current levels of customer service.
 4. Policies may need to be updated.
 5. Employees must be empowered to make decisions to benefit customers.
 6. Technology can facilitate our ability to provide excellent customer service.
 7. Organizations must periodically measure customer satisfaction.
 - G. The five needs that every customer has:

1. Service.
 2. Price.
 3. Quality.
 4. Action.
 5. Appreciation.
- H. External and internal customers:
1. External customers are the customers with whom we do business outside our organization.
 2. Internal customers are the people with whom we work throughout our organization.
 - a. Our internal customers should be just as important to us as our external customers.
 - b. By satisfying our internal customers, we are creating an excellent foundation to begin meeting our external customers' needs.
- I. Customer attributes:
1. Customer attributes are customer characteristics that allow them to be categorized according to demographic, psychographic, or firmographic information.
 2. Demographic information: includes characteristics like age, income, marital status, education, stage in the family life cycle, whether they own or rent their home, sex, zip code, occupation, household size, mobility patterns ethnic background, religion, etc.
 3. Psychographic information: focuses on lifestyle, mode of living, needs, motives, attitudes, reference groups, culture, social class, family influences, hobbies, political affiliation, etc.
 4. Firmographic information: includes characteristics about a company like how many employees they have, the kind of business they are in, whether they are retail, wholesale, or a service provider, their hours of operation, etc.
- J. The cost of losing a customer:
1. We lose the current dollars that our business relationship created.
 2. We lose the jobs that our client or clients provide.
 3. We lose our reputation.
 4. We lose future business.

OPPORTUNITIES FOR CRITICAL THINKING—ANSWERS

1. What is the definition of customer service?
Customer service is anything we do for the customer that enhances the customer experience.
2. List 5 examples of customer service.
Five examples of customer service:
 1. ***Receipt lookup or “return by” date on store receipts.***
 2. ***Calling the customer by name.***
 3. ***Easy return policy.***
 4. ***Updated maps of the area or Global Positioning System (GPS) in rental cars.***
 5. ***A doctor calling you back to see how you are feeling after a professional***

- visit.*
6. *On-time delivery.*
 7. *Easy to use and functional web site.*
 8. *Owner's manuals and frequently asked questions online.*
 9. *Showing the customer that you care and illustrating courtesy and enthusiasm.*
 10. *Excellent follow-up.*
 11. *Empathy in handling customer complaints and questions.*
 12. *Well-explained instructions.*
 13. *Illustrations of encouragement.*
 14. *Suggesting a less expensive option.*
 15. *Accessibility when and where the customer wants it.*
3. What are the 5 needs that every customer has?
The five needs that every customer has are:
1. *Service.*
 2. *Price.*
 3. *Quality.*
 4. *Action.*
 5. *Appreciation.*
4. Explain why it is necessary for customer service providers to maintain positive relationships with both internal and external customers.
Both internal and external customers assist us in providing excellent customer service. Internal customers can facilitate the flow of work and help to create a more positive work environment. External customers are our links with the public at large. They provide the revenue to keep us in business.
5. How is technology enhancing the provision of excellent customer service?
The use of technology is greatly facilitating the provision of excellent customer service. Customers use technology in their own lives, and they expect businesses to use technology also. Technology can speed up formerly slow processes.
6. Relate customers' expectations about price to their expectations of service.
Most customers expect a high level of service for a moderate price. This may not always be easy to provide, but because of limited financial resources, customers will seek out the best service/price combination that they can find.
7. Is the loss of current dollars the only concern when a customer is lost?
No, the loss of dollars must be combined with the loss of jobs, reputation, and future business.
8. List the ways you can become a better customer.
Individuals can become better customers by exercising their rights as customers, writing compliment and complaint letters, filling out comment cards, answering truthfully when someone asks how your experience was, and by expecting the same level of service from ourselves.
9. Write your own philosophy and definition of customer service.

Compose your own philosophy of customer service.

10. Define contentment.
Contentment is the state of being satisfied.

CHAPTER 1 SELF-TEST

1. The customer's overall feeling of contentment with a customer interaction is referred to as:
 - a. scope of influence.
 - b. customer reinforcement.
 - c. customer satisfaction.
 - d. none of the above.
2. The use of technology and current information _____ the provision of excellent customer service.
 - a. minimally enhances
 - b. has neutral benefit to
 - c. greatly facilitates
 - d. none of the above
3. Your secretary, the mailroom attendant, and your co-workers are all referred to as your _____.
 - a. external customers
 - b. internal customers
 - c. secondary customers
 - d. co-dependents
4. Which of the following is not an example of customer service?
 - a. owner's manual and frequently asked questions online
 - b. empathy in handling customer complaints
 - c. the lowest price in town
 - d. on time delivery
5. Customer service is:
 - a. specifically price oriented.
 - b. our personal vision of the results that will come from our experience.
 - c. anything we do for the customer that enhances the customer experience.
 - d. entirely knowledge based.

ANSWERS TO CHAPTER 1 SELF-TEST

1. c
2. c
3. b
4. c
5. c