

Customer Service

Finding new customers is much more expensive than retaining existing ones. Customer service is more than just keeping customers happy. It's about revenue, because a lost customer means lost revenue and an unhappy customer can damage your reputation.

Some aspects of effective customer service are:

- ❑ Knowing your customer needs.
- ❑ Identifying your key service activities.
- ❑ Delivering superior service.
- ❑ Follow up.

In a competitive market place, it makes sense to aim to provide superior service. Customers base their purchasing decisions on the service they receive, not just price, quality and availability.

Build superior customer service into your business:

- ▶ *Incorporate customer service strategies into your business and marketing plan.*
 - ▶ *Develop a business vision that reflects your commitment to good customer service, and let your customers know about it.*
 - ▶ *Make sure everyone involved in your business shares your commitment.*
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What superior customer service means

Word of mouth referral is the most effective form of promotion. It costs nothing and carries a lot of credibility as it is based on personal experience.

Satisfied customers not only tend to return to buy again from you, but are also likely to talk positively about your business to others. A bad customer service experience is shared with around 10 other people, who are likely to tell another 10.

Superior customer service is service that exceeds your customer's expectations, and will make your business stand out from your competitors. To be effective, customer service must be consistently good in every part of your business. From the moment the customer thinks of purchasing right through to final sale, there are opportunities for the business to add customer service to the process.

Knowing your customers' needs

There's no point providing services that are not valued by your customers. It's therefore important that you develop a good understanding of their needs.

Some ways of achieving this are:

- ❑ Regularly ask your customers about your business services.
- ❑ Provide feedback forms for your customers to complete.
- ❑ Phone or visit customers at critical points eg after the initial sales, and ask if your product or service meets their needs.
- ❑ Consider using an outside agent to get feedback from your customers.
- ❑ Welcome customer complaints and manage these promptly and positively to avoid loss of customers and negative word-of-mouth.
- ❑ Keep a list of customer complaints to identify any patterns and the cause of dissatisfaction.
- ❑ Learn what your competitors are doing to achieve customer satisfaction.

Customer feedback is most effective when:

- ▶ You hear both positive and negative feedback.
- ▶ You obtain feedback regularly.
- ▶ The feedback is focussed on what the customer wants or doesn't want.

Identifying your key service activities

Every interaction you have with your customers offers you an opportunity to impress them and create a positive perception of your business. It is useful to identify those key service activities, so that you can review your performance and decide on what initiatives you can take to provide superior service.

Typical interactions include:

- ❑ Responding to phone calls.
- ❑ Providing product and service information.
- ❑ Taking customer orders and discussing service requirements.
- ❑ Sending follow-up documentation eg to confirm orders.
- ❑ Billing and managing payments.
- ❑ After sales service.
- ❑ Dealing with after sale complaints.

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Delivering superior service

Customer service check:

- ▶ *Do you tend to over promise and under deliver?*
- ▶ *Are there opportunities to improve your service?*
- ▶ *Do you know if your customers value your customer service initiatives?*
- ▶ *Do you have systems in place to deal with unhappy customers?*

More Information

SOURCES OF INFORMATION

Visit the NSW Department of State and Regional Development small business website for more information on marketing tools, and for more general business information:

www.smallbiz.nsw.gov.au

Contact the Office of Fair Trading to obtain a copy of "The Client Service Guide" on 13 32 20 or visit their website:

www.fairtrading.nsw.gov.au

WHO SHOULD I TALK TO?

Your local Business Advisory Service can offer you one on one advice on how to improve your customer service. It also offers low cost marketing workshops and business planning workshops. Call 1300 650 058

Consider some key factors that contribute to superior customer service.

Provide a complete experience

Step back and make sure that all your customer needs are met from the beginning to the end of the sales process. Make the customer feel valued, even after the sales process is complete eg by offering after sales help such as installation.

Reliable service

Deliver your products and services on time and as requested.

Accountability

Take full responsibility for providing high quality products and services. Make sure you honour guarantees/warranties on your products.

Efficiency

Deliver your product/service with minimum hassle for your customers.

Assurance

Create customer confidence in you through your professional approach and demonstrated knowledge of your product/service. Customers must be able to trust your word so always act on your promises.

Attention to detail

Attend to even the smaller details. Show you care and that you are prepared to provide individual attention to every customer.

Appearance

Make sure your image and appearance reinforces customer confidence in your services.

Keep in touch

Keep customers regularly informed on progress and developments – but make sure this is welcomed by the customer.

Recovery strategies

Put processes in place to allow you to recognise problems when they arise and take action to fix them.

Value adding

Explore how you can offer that little bit extra such as supplying complimentary products or services after the initial sale, or providing valuable follow up information.

Follow up

Your customer service initiatives don't have to stop when the sales process is complete. Following up with your customers can reap benefits through repeat purchase and referrals. However, any initiative you take must be seen by the customer to be value adding.

Initiatives to consider:

- Send thank you notes.
- Make follow up calls to check that the product or service has been satisfactory.
- Provide an e-newsletter or use email alerts for new products/services.
- Recognise customer achievements through certificates or awards.
- Make follow-up visits without necessarily making a sales pitch.