

Customer service resource

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Three really important questions...

What factors do customers consider when deciding to do business with you?
Why do customers buy more than once from you?
Why do customers leave you, and take their business elsewhere?

Three keys to service success

Make every decision with the customer in mind
Build a strong culture of service
Manage each 'moment of truth'

Source: Ford and Heaton

Three determinants of repeat purchase

Product/service quality
Problem resolution
Account management

Source: Hart and Johnson

Three myths about customer satisfaction

I can tell when my customers are satisfied
My customers would tell me if there was a problem
My staff keep me informed about customer satisfaction

Source: Arthur Bell

Three really awkward questions

If your company disappeared tomorrow to whom would it matter and why?
Which of your customers would miss you and why?
How long would it take for another firm to step into the void?

Three 'r's of customer service

| | |
|------------|--|
| Retention | Convenience Product quality and fit Satisfaction with problem resolution |
| Repurchase | Ease and simplicity of transaction Transparency Trustworthiness |
| Referral | Emotional connection |

Three 'r's of loyalty

Relevance to the customer
Rewards to the customer
Retention of the customer

Source: Wansink and Seed

Three types of customer

Promoters Committed customers that spread positive word of mouth

Passives Regular but not enthused customers

Detractors Dissatisfied customers within a range

Source: Fred Riechheld

Three corporate customer service competencies

Listening and communicating
Reliability; consistency; fairness; respect; courtesy and dependability
Solving problems

Source: Parasuranam

The three types of customer every organisation needs most

Current customers worth retaining
Others' customers that should be won
Lost customers that should be regained

Three levels of customer service

The expected level
The desired level
The unanticipated level

Three secondary positive effects of customer loyalty

Revenue grows as a result of repeat purchases and referrals

Costs decline as a result of lower acquisition costs and from the efficiencies of serving experienced customers

Employee retention increases because job pride and satisfaction increase, in turn creating a loop that reinforces customer loyalty and further reducing costs as hiring and training costs shrink and productivity rises

Source: Frederick Reichheld

Three brave questions for customers

What are we doing that you like?
What should we do that we are not yet?
What are we doing that needs to be done better?

Source: Denton

Your values: three types of customer

One third will identify with, and embrace your values
One third will not agree, but still remain loyal
One third will be apathetic

Source: Ben Cohen

Four customer service promises

We will convince our valued customers to stay with us
We will win the customers we want to attract
We will be customer centred in our approach and attitude
We will develop a brand with clear customer benefits

Four tough customer questions

Who is your customer?
Who is not your customer?
What do your customers value?
What are your results with customers?

Source: Peter Drucker

The PACT model of customer service

P rocess
A ttitude
C ommunication
T ime

Source: Krishna

Four things customers want

Reliability
Responsiveness
Assurance
Empathy

Source: Marketing Science Institute

The four zones of customer service:

Recommendation
Normality
Tolerance
Rejection

Source: David Freemantle

The buying cycle

Shopping
Purchase
Ownership
Replacement

The four 'R's of customer focus

Recruitment
Retention
Recovery
Retrieval

Four strategic customer service rules

See the 'big picture', and how customer service fits into this
Establish an authentic connection with each customer rendering timely, accurate and thorough service
Value and respond to unique customer needs
Extend a hand to repair and strengthen relationships with customers who are upset or angry

Source: Darlene Russ-Eft

Four types of organisation in terms of customer service

Naturals
Aspirants
Followers
Laggards

Source: Clutterbuck Clark and Armistead

Four ways customers judge value

The Price of the product or service
The Quality of the product or service
The degree of Innovation offered by the product
The Service provided to customers

Source: Ray Miller

Four factors that really build a loyal customer base

Products that are clearly differentiated from those of the competition
Higher-end products where price is not the primary buying factor
Products with a high service component
Multiple products for the same customer

Source: BusinessTown.com

Four ways to really improve customer service

Get management in direct contact with customers
Get customers involved in creating customer standards
Get employees involved in planning and implementing customer service standards
The leadership must show everyone customer service is a priority

Source: Kevin Stirtz

The Four 'I's of customer service

Investigate
Identify
Implement
Improve

Source: Yasin and Youas

Four lessons learned from customer-focused organisations

The best future customer is usually an existing customer
A need to really focus on the customers you really need to keep
Both and databases need to be built
Put competitive advantage before cost

Source: Clutterbuck and Goldsmith

Four questions that help establish market impact

Do we anticipate the needs of our customers?
Do we offer products and services which have a distinctive edge over our competitors?
Do we meet the demands of our customers precisely and accurately?
Do we exceed the expectations of our customers because we do all of the above so well?

Source: Steve Smith

Four determinants of customer loyalty

Past satisfaction with a brand
Perceived risk associated with a purchase
Costs of changing brands
Availability of substitutes

Source: Javalgi and Moberg

Four absolutes for customer service improvement

- A long term approach to customer service
- The passionate commitment of the top team
- A substantial investment on getting it right first time
- A positive attitude throughout the organisation

Source: David Freemantle

Four specific types of disloyal customer

- Disengaged
- Disturbed
- Disenchanted
- Disruptive

Five musts for measures

- What does each of my customers want?
- How can we design systems and processes that can respond quickly to what they want?
- Measures must help understanding and performance of the system
- Measures must relate to what customers value
- Measures must be in the hands of the people doing the work

Source: Spitzer

The ASAP service recovery model

- A pologise
- S ympathise
- A ccept responsibility
- P repare to take action

Source: Lydia Ramsey

The five dimensions of service

- Reliability: the ability to perform the promised service dependably and accurately
- Responsiveness: the willingness to help customers and provide prompt service
- Assurance: the knowledge and courtesy of employees and their ability to convey trust and confidence
- Empathy: the caring, individualised attention provided to the customer
- Tangibles: the appearance of physical facilities, equipment, personnel and communications materials

Source: Tom Peter

Five levels of customer bonding

Preferential
Favouritism
Commitment
Referential
Exclusive

Five types of customer in terms of buying a product or service

| | |
|----------------|-------|
| Innovators | 2.5% |
| Early adopters | 13.5% |
| Early majority | 34.0% |
| Late majority | 34.0% |
| Laggards | 16.0% |

The RATER customer service model

R eliability
A ssurance
T angibles
E mpathy
R esponsiveness

Source: Parasuraman et al

The service-profit chain

Profit and growth are stimulated primarily by customer loyalty
Loyalty is a direct result of customer satisfaction
Satisfaction is largely influenced by the value of services provided to customers
Value is created by satisfied, loyal, and productive employees
Employee satisfaction, in turn, results primarily from support services and policies that enable employees to deliver results to customers

Source: Jerome & Kleiner

Five key questions

What do your customers want?
What would delight them?
How are you doing at the moment?
How does the way you operate prevent you delighting your customers?
What are the best organisations doing?

Source: Robert Evans

The LEARN service recovery model

L isten
E mpathise
A pologise
R eact
N otify

Source: Andrew O'Driscoll

Five central concepts to the Japanese understanding of customer satisfaction

Customer satisfaction must be the primary management objective
Customer satisfaction strategy must heavily emphasise customer interfaces
Customer satisfaction must be measured and assessed regularly
A constant effort is needed to enhance customer satisfaction
Customer satisfaction enhancement must be management-led

Source: Kenzi Mizuguchi

Five things customers want

Ability to deliver service accurately and consistently
Willingness to provide prompt service
Expertise and courtesy of employees
Empathy and individualised attention
Professional appearance of the facility, equipment and employees

Source: Allred and Addams

Five levels of customer loyalty

Bonding: Can anything else beat it?
Advantage: What is it good at?
Performance: Is it satisfactory?
Relevance: Does it meet my needs?
Presence: Do I know about it?

Five principles of Customer Relationship Management

Challenge the process
Inspire a shared vision
Enable others to act
Model the way
Encourage the heart

Source: J Galbreath

Five ways to manage angry customers

Don't let them get to you
Listen, and show you are listening
Stop saying sorry
Empathise – genuinely!
Build rapport without concessions

Source: Alan Fairweather

Five parts to the IDEAS benchmarking model

| | |
|---------|--|
| Inquire | Investigating possible areas for benchmarking |
| Decide | Select one area |
| Expand | Exploring key features of the chosen area - causes, effects and possible solutions |
| Analyse | Seeking expert opinion |
| Specify | Interpreting results to focus on the way forward |

Source: Webster and Chen Lu

Five essentials for customer service

Do what you say you will.
Make what matters to the customer your priority
Find ways to improve
Make positive personal contacts with the customer
Have well trained and motivated staff who work well together

Source: Macaulay and Cook

Five core leadership values for customer focus

| | |
|-------------|---|
| Customers | Demonstrate flexibility in responding to customer demands |
| Employees | Build supportive relationships with direct reports rather than remain distant and impersonal |
| Teamwork | Work to ensure that all team members fully understand each other's roles |
| Empowerment | Delegate authority to enable direct reports to make decisions and take actions in a timely manner |
| Quality | Encourage people to find ways to prevent problems before they happen |

Source: Allan Church

Five steps to customer happiness

Put customers first and identify your number one
Stay close to customers and update your data
Group customer needs and customise offers
Pay close attention to fine details
Communicate positively and not just to sell

Source: Tony Jacowski

Five customer service mistakes to avoid

Don't:
Place a customer on hold endlessly
Ever be perceived as being rude to a customer
Ignore a problem
Make customers jump through hoops for an exchange or refund

Source: Russ Mate

Five parts to the FRIES model

F riendliness
R eassurance
I nformation
E xtras
S implicity

Source: Charles Kingsmill

Five biggest customer service blunders

- Making customer service a training issue
- Blaming poor service on employee demotivation
- Using customer feedback to uncover what's wrong
- Reserving top recognition for splashy recoveries
- Competing on price not service quality

Source: Paul Levesque

Five musts for measures

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- Measures must relate to what customers value
- Measures must be in the hands of the people doing the work

Source: Spitzer

Five parts to the Customer Service Excellence model

- Customer insight
- Organisational culture
- Information and access
- Delivery
- Timeliness and quality of service

Five myths about complaints

- Getting few complaints means high customer satisfaction
- You should keep complaints to a minimum
- Complainers are your enemies
- Customers who complain are whiners or troublemakers
- Handling complaints increases your costs

Five negative forces on customer loyalty

- Disposable employees
- Job surfing careerists
- Fickle customers
- Fast money speculative investors
- Short term managers

Five parts to the customer FIRST model

F ocus
I nnovation and change
R esponsibility
S traightforward
T eam success

Six parts the LISTEN customer service model

L isten to people and take them seriously
I nspire confidence
S upport with information and personal responsibility
T ake ownership and deliver on promises
E xplain what can and can't be done
N otify of progress off issue sand outcomes

Source: Sussex Police

Six actions to create and deliver high quality service

Promote teamwork
Create combined institutional memory
Increase organisational flexibility
Learn what customers really value
Ensure management practices foster a customer-driven culture
Train everyone to be customer-competent

Six critical lessons about customers - by Milliken

The things that matter most to customers aren't what we thought they were
Our customer's needs and demands are changing and rising
Our competition is not standing still - they are improving
Our customer's perceptions, however strongly felt, may not be based entirely on facts - but that doesn't matter
If we improve something, let our customers know
Price is never, ever the most important thing to our customers

Source: Milliken - C Jeanes

Six steps to customer service excellence

Drop everything when the customer calls
Do a little extra – every time
Keep your promises
Address problems immediately
Follow up on problems and questions
Personalise communications

Source: Aaron Turpen

Six steps to remarkable service

Connect with your customer
Discover what they want
Know what you can do
Do it well
Follow up
Thank them

Source: Kevin Stirtz

Six customer types

Apostle
Loyalist
Defector
Mercenary
Hostage
Terrorist

Source: Jones and Sasser

Six common causes of complaints:

Unmet expectations
Limited choices
Frustration
Delays
Unprofessional manner
Difficulty getting in touch

Six myths about complaints...

If customers don't complain, we're doing a great job
Losing one customer won't hurt us
By making it hard to complain we won't be bothered by petty problems
We can always attract new customers
Even if we satisfy complaining customers they won't come back
Customers who complain are just troublemakers

Six issues around managing complaints...

Why do customers complain?
Why *don't* customers complain?
How are complaints discouraged?
How can complaints be encouraged?
How should complaints be handled?
Why must complaints be managed well?

Exceeding customer expectations means...

Anticipating needs and anxieties
Suppressing irritation
Establishing specific expectations
Sustaining genuine interest
Remembering specific individual details
Providing real after sales service

Components of lifetime value

Acquisition costs
Base profit
Per-customer revenue growth
Diminishing operating costs
Referrals
Price premium

Source: Frederick Reichheld

Six keys to developing customer skills

- Like what you do
- Learn to adjust your perceptions
- Work on rapport, and be likeable
- Avoid conflict
- Be reliable, responsive and credible
- Never stop learning

Source: Jill Homer

Six ways to be customer-driven

- Develop a customer-driven culture
- Create a customer-committed workforce
- Leadership by example
- Know your customers and your business
- Know and profit from your competitors
- Be distinctive

Source: P Holden

Six things customers don't want when complaining

- To be ignored
- To be made to feel guilty for complaining
- To have to fight to be heard
- Excuses or justification
- To be passed from one person to another
- To wait an unacceptable amount of time for their complaint to be resolved

Source: Cook and Macaulay

Six customer service lessons

- Critical significance of a customer strategy
- Select the right people
- Develop, motivate and lead the right way
- Establish effective service delivery processes
- Integrate continuous improvement
- Ensure managers are truly the key change agents

Source: Susan and Derek Nash

Six customer service essentials

- Drop everything to respond to a customer
- Do a little more than is expected – every time
- Keep your promises
- Address customer problems immediately
- Follow up when seeking to resolve problems
- Personalise all communications with customers

Source: Aaron Turpen

Six aims of CRM

- Reduced operating costs
- Increased propensity to buy
- Enhanced customer and company image
- Add value to the customer relationship
- Enhanced ability to target
- Track customer behaviour profitably

Six loyalty factors

- Product usage
- Purchasing habits
- Feelings
- Attitudes
- Personality
- Demographics

Source: Wansink and Seed

Six ways to keep customers loyal

- Find out what customers want and provide this for them
- Be honest, open and keep your promises
- Practice what you preach, preach what you practice
- Nurture and care for your employees
- Don't inundate with nil value customer contacts
- Focus effort on customers worth the attention

Source: Richard Hill

The negative value spiral

Standards drop
Poorer customers cost more and yield less
So prices rise and service is cut to save money
Good customers then perceive less value
Defections surge
Earnings plummet

Source: Frederick Reichheld

Seven steps to customer loyalty

Always say thank you
Follow-up to be sure you're doing a good job and that the product is working satisfactorily
Offer a guarantee
Spoil your customers
Keep in contact
Treat them with respect
Display integrity in all your business dealings

Source: Nan Yielding

The PERFECT customer service model

P olite
E fficient
R espectful
F riendly
E nthusiastic
C heerful
T actful

Source: Video Arts

When handling complaints don't...

Abandon the customer
Get defensive
Pass the buck or drop others in it
Make promises you can't keep
Assign blame to others
Take it personally
Give cause for further irritation

Seven reasons for CRM Failure

- Focusing solely on technology
- Losing sight of customers
- Ignoring customer lifetime value
- Lack of management support
- Undervaluing data analysis
- Underestimating change management
- Inflexible business processes

Source: Sudhir Kale

Seven ways to 'wow' customers

- Get promising – and keep them!
- Be a genuine enthusiast
- Create lasting first impressions
- Be a problem solver – take responsibility
- Provide real value for money
- Be their friend – work on relationships
- Call them after they have bought

Seven steps to target customers

- Review and rank your client base
- Get rid of customers that don't fit your profile
- Listen to customers, provide what they want
- Put yourself in the customer's shoes – think as they do
- Decide whether or not to offer tiered customer service
- Mobilise your entire team
- Own your problems, own your customers

Source: Robin Johnston

Seven ways to get serious about customer service

- Roll out the red carpet for everyone
- Take time to know your customer
- Go out of your way to ensure they are happy
- Notice what the customer sees
- Be easy to do business with
- Work on everything the customer experiences
- Make service excellence the heart of the business

Source: Eric Garner

Seven ways to make customers feel important

Please use my name
Make me feel one of the 'chosen few'
Ask for my advice – and take it seriously!
Respect my time – don't waste it
Surprise me, exceed my expectations
Apologise, and mean it when you are wrong
Listen to me and accept my perceptions of you

Source: Kevin Eikenberry

Eight components of quality

Performance
Features
Reliability
Conformance
Durability
Serviceability
Aesthetics
Perceived quality

Source: Ho and Cheng

Eight ways to handle difficult customers

Don't take it personally
Remember you are good at your job
Write down their complaint or concern
Get your management involved
Debrief with someone else – get it out of your system
Learn and use stress management techniques
Accept that some customers see you as a target
Learn from it all – do things better next time

Source: Neen James

Eight critical steps to a customer service culture

Customers are the reason for work, not an interruption to work
Train, train, and train some more
Empower your staff to serve
Make service personal
Say 'yes' even when you most want to say 'no'
Offer solutions
Recognise staff for outstanding service
Ask your customers what they think of you

Eight essentials for customer retention

Keep your promises
Manage first impressions
Make yourself easy to do business with
Constantly evaluate frontline treatment of customers
Solve problems
Manage fine details
Enfold customers in your business
Follow up – maintain dialogue

Source: Zemke

Nine positive thinking patterns for customer facing employees

I have the best job in the world
It is fun looking after my customers
I love it when they ask me to help them
It gives me a buzz to fix problems
I always try to please them
I meet many interesting customers
I can't wait to get to work
The more customers the better
Customers make me feel good

Source: David Freemantle

Nine golden rules of customer service

Bring 'em back alive – don't lose profitable customers
Have the right systems to give consistency of service
Underpromise, overdeliver
When the customer asks, the answer is always 'yes'
Every employee has authority to handle complaints
No complaints? Something's wrong!
Measure everything
Salaries are unfair – pay according to contribution
Show respect, be polite, and mean it!

Source: Carl Sewell

Nine signs of real customer service

- Be accessible
- Respond swiftly
- Listen to your customers
- Treat your customers with respect
- Never argue with, or contradict a customer
- Honour your commitments
- Do what you say you will do
- Be honest
- Admit when you have made a mistake

Source: Debbie LaChusa

Nine ways to handle an angry customer

- Acknowledge the other person's anger quickly
- Make it plain you are concerned
- Don't hurry them, be patient
- Keep calm
- Ask questions, explore thoroughly
- Get them talking about solutions
- Agree on a solution
- Fix a schedule
- Do what you say you will

Source: Tom Hopkins

Nine ways to make a difference

- Keep your promises
- Be truthful at all times
- Make available key senior people's contact details
- Create expertise on all products and services
- Ask customers how you are doing and pass it on!
- Select high quality people and reward them well
- Be creative about finding customer solutions
- Don't be a slave to technology
- Talk to your customers – meet them too!

Source: Mike Faith

Ten things to look for in a customer facing employee

- A genuine liking of people
- An enjoyment in working for, and servicing others
- A strong social need
- An ability to feel comfortable with strangers
- A sense of belonging to a group or place
- An ability to control feelings
- An ability to show empathy and sensitivity
- A general sense of trusting others
- High level of self esteem
- A track record of competence

Source: Mouwawad and Kleiner

The 10 components of the SERVQUAL customer service model

- Reliability
- Responsiveness
- Competence
- Access
- Courtesy
- Communication
- Credibility
- Security
- Tangibles
- Understanding/knowing the customer

Source: Parasuraman et al

Ten commandments of customer service

- Know the customer is boss
- Be a good listener
- Identify and anticipate needs
- Make customers feel important and appreciated
- Help customers understand your systems
- Appreciate the power of 'yes'
- Know how to apologise with good grace
- Give more than expected
- Get regular feedback
- Treat employees well, it will reflect in the service given

Source: Susan Friedmann

Ten top customer service tips

- Hire people with a positive service attitude
- Make the customer's time with you a positive experience
- Keep all employees well informed on what is going on
- Make every decision with the customer in mind
- Empower all employees to do the right thing
- Make customers an agenda item at every staff meeting
- Continually seek to improve and add value
- Create a climate of excellence
- Continually do the unexpected
- Never let an untrained employee have customer contact

Source: Margo Chevers

Thirteen customer retention and recovery key performance indicators

- Churn - by value and volume
- Net present value
- Customer tenure
- Lifetime value
- Share of wallet
- Repurchase rates
- Acquisition costs
- Labour turnover in key jobs
- Pareto profit analysis
- Retention of complainants
- Same cycle comparisons
- Time to profitability
- Segmented defection rates

Customer retention and recovery fourteen key issues

- Long term desire and interest
- Information up to the job
- Measures that mean something
- Analysis of retention and churn
- Quality of sales
- Management policies and practices
- Competence of key people - especially frontline
- Service recovery - not just complaint handling
- Recruitment, development and reward of staff
- Targeting customers that must be kept
- Focused, not blind marketing
- Value added, proactive contact
- Share of wallet - getting more of total spend
- Value creation drives profit

“If growth is what you are after, you won’t learn much from complex measurements of customer satisfaction and retention.

You simply need to know what your customers tell their friends about you”.

Source: Frederich Riechheld

“Once an organisation establishes a desired level of customer value, failure to maintain that level can be dangerous”.

Source: Butz and Goodstein

“Increased customer loyalty is the single most important driver of improved long-term financial performance”

Source: Jones and Sasser

“Profit is indispensable of course, but it is nevertheless a *consequence* of value creation, which along with loyalty, makes up the real heart of any successful long-lasting business”

“Since the only way a business can retain customer and employee loyalty is by delivering superior value, high loyalty is a certain sign of solid value creation”

Source: Frederich Reichheld

“It is simply not possible to build or maintain a healthy business without learning how to get the right customers. In most businesses, the customers most likely to sign on are precisely the worst sort of customers you could possibly find”

“It is hard to concentrate on customer quality when gaining quantity is so much easier”

Source: Frederich Reichheld

“Customers will never pay more for any more for anything than the value it creates for them”

“The fact is, every defection is the result of inadequate value. And since value is ratio of quality to price, price is always a factor in defection”

“We discovered some years ago that raising customer retention rates by five percentage points could increase the value of an average customer by 25 to 100 percent”

Source: Frederich Reichheld