

Contributing to the Service Culture

"Your earning ability today is largely dependent upon your knowledge, skill and your ability to combine that knowledge and skill in such a way that you contribute value for which customers are going to pay."

—BRIAN TRACY

CHAPTER

2



LEARNING OUTCOMES

After completing this chapter, you will be able to:

- 2-1 Explain the elements of a successful service culture.
- 2-2 Define a service strategy.
- 2-3 Recognize customer-friendly systems.
- 2-4 Implement strategies for promoting a positive service culture.

2-5 Separate average companies from exceptional companies.

2-6 Identify what customers want.

To assist you with the content of this chapter, we have added additional review questions, activities, and other valuable resource material at www.mhhe.com/customerservice.

IN THE REAL WORLD RETAIL—BEN & JERRY'S ICE CREAM

Ben & Jerry's Homemade, Inc. is one of the twentieth century's fabled success stories. The company was founded in 1978 by two childhood friends—Ben Cohen and Jerry Greenfield. The two met in gym class on Long Island in 1963 and have been lifelong friends since.

Being children of the 60s, both Ben and Jerry concluded that college was a wise decision. This epiphany was driven in no small part by the fact that Vietnam was at a high point and the military draft was in full swing.

The two conducted extensive, yet rudimentary, research. Among other things, they visited libraries, stood on the corner and counted foot traffic, and brainstormed a lot. With their newly acquired knowledge, they decided to open an ice cream store. This decision was based on the realization that it was a simple business that did not require large amounts of start-up capital or experience. Also, Jerry had worked in his college cafeteria scooping ice cream, while Ben had several jobs driving an ice cream truck and managing freezer boxes for an ice cream company (counting product and loading/unloading trucks). With such in-depth experience, the two were destined to succeed in the ice cream business.

After searching for a location, facility, and equipment for their new enterprise, they settled on a rundown gas station building in Burlington, Vermont. Realizing that they had much to learn about the ice cream industry and would need more investment capital to get their business off to a sound start, they sought additional industry knowledge. Before they applied for a small business loan, they decided to enroll in a correspondence course on ice cream making from Penn State University. Since they could not afford the tuition (\$5), they split the cost and sent in one fee, then jointly completed the mail-in materials.

From the beginning, Ben & Jerry's embodied the 60s "for the people" philosophy. Their free-wheeling, let-it-all-hang-out personas helped them succeed by endearing them to their local customers. They capitalized on the image that they were just two guys trying to make it in the business world. By developing

a "people's ice cream" concept and using high-quality, locally produced ingredients, they built a loyal customer base. They also used low-cost, unorthodox marketing strategies, which continue to this day. For example, they priced their ice cream so the ordinary person could afford it (originally 52¢ per cone). Next, they started a free outdoor movie festival where they projected movies onto the outside wall of their store in the summer. They also started a tradition in which anyone can get a free ice cream cone on Ben & Jerry's anniversary date. The latter promotion is still in effect and each year they give away nearly half a million free cones nationwide.

The business philosophy of Ben & Jerry's is summed up in its Mission Statement, which comprises three parts: a Social Mission, a Product Mission, and an Economic Mission. (www.benjerry.com/activism/mission-statement/). As a result of Ben & Jerry's philosophy, the organization's community involvement and philanthropy through its Ben & Jerry's Foundation have brought international recognition over the years. In 1988, the company was awarded the Corporate Giving award for donating 7.5 percent of its pretax profits to nonprofit organizations. Also in that year, Ben Cohen and Jerry Greenfield were named Small Business Persons of the Year and received their award from President Reagan at the White House. From the beginning of their operation, Ben & Jerry's emphasis has been on quality products, affordable pricing, and supporting the local community. These factors have served the company well and gave a sound base for what has become a multimillion-dollar, international organization.

To get to the point that they are today, Ben and Jerry have used many unique marketing strategies and an approach that business should be fun and "real." From scraggy beards, jeans, and pith helmets, the two have strived not to be the typical corporate executives in a traditional work environment. As in the beginning, employees at



www.benjerry.com

Ben & Jerry's still enjoy a casual working environment where fun and activities are commonplace.

Some of the unusual marketing approaches used by Ben & Jerry's include

- Outdoor movie festival with free ice cream.
- Free ice cream cones for mothers on Mother's Day.
- Carnival-like performances by Ben and Jerry in which Ben (aka Habeeni-Ben-Coheeni) is carried aloft on a board, dressed in a bed sheet. Once on a stage, he assumes a trancelike state in which his body becomes rigid and he is suspended between two wooden chairs. At that point, Jerry places a cinder block on Ben's stomach and proceeds to smash it with a sledgehammer.
- The Cowmobile (an RV) that travels around the country to major locations and events distributing free ice cream samples.
- Pictures of Ben and Jerry that appear on their packaging with the phrase "two real guys."
- Sponsorship of the Newport Folk Festival in Newport, Rhode Island.
- Elvis Day celebration (on Elvis Presley's birthday).
- Products with unusual and memorable names (e.g., Cherry Garcia, Zsa Zsa Gaboreo, Rainforest Crunch, Noriegnog, and Peace Pops).
- The One Sweet Whirled Campus Tour of colleges and universities. The intent of the initiative was to raise the awareness of young people about global warming and the need to reduce CO₂ release.

In 2000, Ben & Jerry's was acquired by British-Dutch multinational food giant Unilever. Although the founders are still engaged with the company, they do not hold any board or management position and are not involved in day-to-day management of the company. Their efforts are more focused on the promotional aspects, "waving the flag" and speaking at events, and staying involved in philanthropic ventures.

Ben & Jerry's franchises and PartnerShops can be found in 27 different countries with nearly 500 in North America (United States and Canada). The latter types of franchises are ones in which Ben & Jerry's provides special incentives to qualified nonprofit organizations that open ice cream scoop shops. They are part of Ben & Jerry's social initiative to help nonprofit organizations generate revenue and to provide training in the food industry to otherwise unemployable young people.

Keeping up with pop culture is something that Ben & Jerry's has done from its inception. In 2012, the company introduced its own version of Greek frozen yogurt to tap into the societal trend to eat more healthy foods like yogurt. Also, it continues to work toward fostering a better world through partnerships with various environmental organizations and movements.

Think About It

Visit the Internet and library to learn more about the Ben & Jerry's organization. Based on what you learn and read above, answer the following questions and be prepared to discuss your responses in class.

1. Do you have personal experience with this company? If so, describe your impressions.
2. How does this organization differ from other similar successful companies of which you are aware?
3. How is this organization similar to other successful companies of which you are aware?
4. What does Ben & Jerry's do that encourages customer support and loyalty?
5. Does the organization do anything that might cause a negative impression in the mind of customers? Explain.
6. Would you want to work for this company? Why or why not?

Quick Preview

Before reviewing the chapter content, respond to the following questions by placing a "T" for true or an "F" for false on the rules. Use any questions you miss as a checklist of material to which you will pay particular attention as you read through the chapter. For those you get right, congratulate yourself, but review the sections they address in order to learn additional details about the topic.

- _____ 1. Service cultures include such things as policies and procedures.
- _____ 2. To remain competitive, organizations must continually monitor and evaluate their systems.
- _____ 3. Advertising, service delivery, and complaint resolution are examples of customer-friendly systems.
- _____ 4. To better face daily challenges and opportunities in the workplace, you should strive to increase your knowledge, build your skills, and improve your attitude.
- _____ 5. Some of the tools used by organizations to measure service culture include employee focus groups, mystery shoppers, and customer lotteries.
- _____ 6. By determining the added value and results for me (AVARFM), you can develop more personal commitment to service excellence.
- _____ 7. Use of "they" language to refer to management when dealing with customers helps demonstrate your commitment to your organization and its culture.
- _____ 8. Communicating openly and effectively is one technique for working more closely with customers.
- _____ 9. Even though you depend on vendors and suppliers, they are not your customers.

- _____ 10. Business etiquette dictates that you should return all telephone calls within four hours.
- _____ 11. Your job of serving a customer should end at the conclusion of a transaction so that you can switch your attention to new customers.
- _____ 12. Customers want value for their money and effective, efficient service.

Answers to Quick Preview can be found at the end of the chapter.

LO 2-1 Defining a Service Culture

CONCEPT Many elements contribute to a service culture.

What is a **service culture** in an organization? The answer is that it is different for each organization. No two organizations operate in the same manner, have the same focus, or provide management that accomplishes the same results. Among other things, a culture includes the values, beliefs, norms, rituals, and practices of a group or organization. Any policy, procedure, action, or inaction on the part of your organization contributes to the service culture. Other elements may be specific to your organization or industry. A key point to remember about service culture is that you and every other employee plays a key role in communicating the culture of your organization to your customers. You may communicate the culture through your appearance, your interaction with customers, and your knowledge, skill, and **attitude**. The latter element is crucial in your success and that of your organization. As a service provider, if you take a job just to have a paycheck without buying into the service culture and supporting the goals of the organization, both you and the organization will lose. For you to be successful in the service industry (or any other for that matter), you must take ownership of your roles and responsibilities and show commitment to doing the best you can every day that you go to work. Even further, you must project a positive attitude when you are not at work as well. Think about the number of times you have heard friends “bad mouth” their boss, organization, products, and services. Did their attitude toward their job inspire you to want to patronize their workplace or apply for a job there? If you were to take the same approach in sharing information about your organization or the people in it, there can be a negative effect on you and the organization. Such actions can lead to lost customers and revenue that goes to pay salaries and benefits, and to provide the tools and environment necessary to conduct business and deliver effective customer service. What you do or say around others in any environment sends a powerful message about you, your level of professionalism, and your organization. If you cannot support your employer, quit and find a job where you can. To do less is being unfair to yourself and your organization.

Culture also encompasses your products and services, and the physical appearance of the organization’s facility,

service culture A service environment made up of various factors, including the values, beliefs, norms, rituals, and practices of a group or organization.

attitude Emotional responses to people, ideas, and objects. They are based on values, differ between individuals and cultures, and affect the way people deal with various issues and situations.



Organizations that have a solid customer service culture that projects a customer-focused attitude typically generate positive feedback from their customers. *What can you do as a service provider to contribute to your organization’s service culture?*

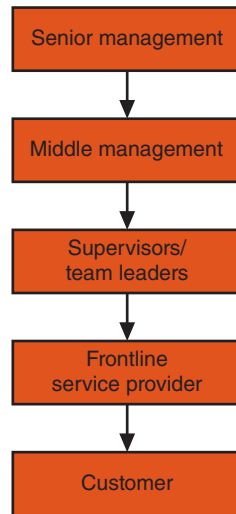


FIGURE 2.1 Typical Hierarchical Organization

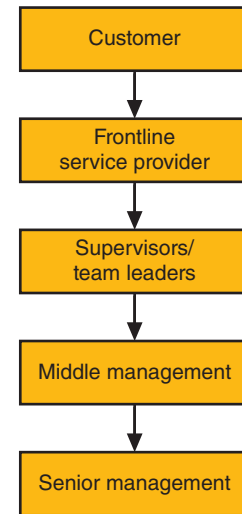


FIGURE 2.2 Customer-Centric Organization

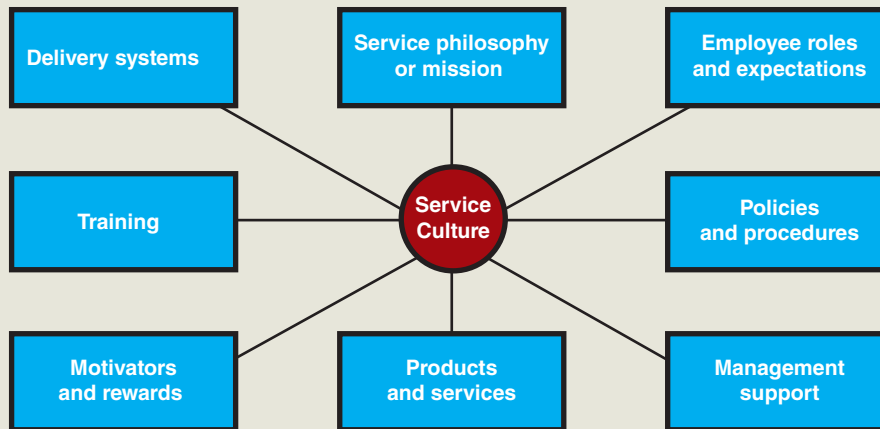
equipment, or any other aspect of the organization with which the customer comes into contact. Unfortunately, many companies are top-down-oriented (with upper management at the top of their hierarchy and customers as a final element or afterthought) or product-centered and view customers from the standpoint of what company products or services they use (Figure 2.1). Successful organizations are customer-centered or **customer-centric** and focus on individual needs (Figure 2.2).

customer-centric A term used to describe service providers and organizations that put their customers first and spend time, effort, and money identifying and focusing on the needs of current and potential customers. Efforts are focused on building long-term relationships and customer loyalty rather than simply selling a product or service and moving on to the next customer.

An organization's service culture is made up of many facets, each of which affects the customer and helps determine the success or failure of customer service initiatives (Figure 2.3). Too often, organizations overpromise and underdeliver because their cultural and internal systems (*infrastructure*) do not have the ability to support customer service initiatives. For example, suppose that management has the marketing department develop a slick piece of literature describing all the benefits of a new product or service provided by a new corporate partner. Then a special toll-free number or website is set up to handle customer responses, but no additional staff is hired to handle the customer calls or current service providers are not given adequate information or training to do their job. The project is likely doomed to fail because adequate service support has not been planned and implemented.

In the past, organizations were continually making changes to their product and service lines to try to attract and hold customers. Often this has been their primary approach to customer satisfaction. Now, many major organizations have become more customer-centric and stress relationships with customers. They realize that it is cheaper, and smarter, to keep current customers rather than subscribe to a revolving-door approach of continually trying to attract new customers to replace the ones that they lost to competitors. Advertising campaigns often reflect this new awareness as companies try to communicate that they are focused on their customers.

Many elements define a successful service organization. Some of the more common are shown here.



Service philosophy or mission: The direction or vision of an organization that supports day-to-day interactions with the customer.

Employee roles and expectations: The specific communications or measures that indicate what is expected of employees in customer interactions and that define how employee service performance will be evaluated.

Delivery systems: The way an organization delivers its products and services.

Policies and procedures: The guidelines that establish how various situations or transactions will be handled.

Products and services: The materials, products, and services that are state of the art, are competitively priced, and meet the needs of customers.

Management support: The availability of management to answer questions and assist frontline employees in customer interactions when necessary. Also, the level of management involvement and enthusiasm in coaching and mentoring professional development.

Motivators and rewards: Monetary rewards, material items, or feedback that prompts employees to continue to deliver service and perform at a high level of effectiveness and efficiency.

Training: Instruction or information provided through a variety of techniques that teach knowledge or skills, or attempt to influence employee attitude toward excellent service delivery.

FIGURE 2.3

Elements of a Successful Service Culture

The following are some familiar slogans used by companies in their promotional materials:

“You can do it; We can help”—Home Depot

“Like a good neighbor”—State Farm Insurance

“When you’re here, you’re family”—Olive Garden Restaurants

“You’re in good hands”—Allstate Insurance Company

“We’ll leave the light on for you.”—Motel 6

“Think what we can do for you.”—Bank of America

SERVICE PHILOSOPHY OR MISSION

Generally, an organization’s approach to business, its **mission** or its **service philosophy**, is driven from the top of the organization. Upper management, including members of the board of directors, when appropriate, sets

mission The direction or focus of an organization that supports day-to-day interactions with customers.

service philosophy The approach that an organization takes to providing service and addressing the needs of customers.

Street Talk Don't Over-Commit. Deliver When You Promise.

A boss once criticized me because I told a manager I could not guarantee something that day. She wanted me to say I would do it when I knew I could not. I do not do that. If I cannot do something they request, I tell my manager (my internal customer) when I can get it done and then work 24/7 if I have to in order to meet the deadline. I also tell managers that this process works two ways . . . I remind them if I need something and they remind me if they are waiting on something for me.

ANNE WILKINSON

mission statement An organization's mission statement defines its purpose or objectives and *how* it will attain them. It is committed to writing and is publicly shared with employees and customers.

vision statement A vision statement communicates an organization's values and purpose and explains *what* the organization wants to be.

There are many factors that influence service outcome when dealing with customers. *What role do you play in the customer-provider relationship and what might you do to improve your performance in the future?*

the vision or tone and direction of the organization. Without a clearly planned and communicated vision, the service ethic ends at the highest levels. This is often a stumbling block where many organizations falter because of indecision or dissension at the upper echelons.

Most successful organizations have written **mission and vision statements** that answer the questions of "What does the organization do?" and "Why does the organization exist?" Mission statements should always tie back to the vision statement and should be incorporated into the infrastructure (e.g., HR policies and procedures) and service culture of an organization.

Leadership, real and perceived, is crucial to service success. In successful organizations, members of upper management make themselves clearly visible to front-line employees and are in tune with customer needs and expectations. They also "walk the talk" and continually drive and communicate the mission and vision

of the organization through their words, actions, and decisions. Ultimately, these measures set the tone for a more ethical, productive, and customer-conscious organization. If all employees are aware of what their organization stands for, how it accomplishes its mission, and where it is headed in the future, they can play a crucial role in creating a service culture that strives to identify and meet customer needs, wants, and expectations. Part of ensuring that everyone in the organization is working toward the same goals is to ensure that all policies, infrastructure, and actions support the mission and vision statements. For example, performance appraisals should have language that addresses how supervisors, managers, and employees are doing at addressing established goals and objectives and actions taken to uphold ethical standards. Additionally, all individual and department goals should be tied to the organizational mission and goals.



Although it is wonderful when organizations go to the trouble of developing and hanging a nicely framed formal mission or vision statement on the wall, if they are not a functional way of life for employees, they serve little purpose.

EMPLOYEE ROLES AND EXPECTATIONS

Many tasks and responsibilities are assigned to frontline service providers. People who perform direct customer support functions are some of the most crucial in an organization. That is because customers and other people contact them for information, compliments, and complaints and to purchase products and services.

Depending on your job, the size and type of your organization, and the industry involved, the **employee roles** and **employee expectations** may be similar from one organization to another, and yet they may be performed in a variety of different ways. Such roles and expectations are normally included in your job description and in your performance goals. They are updated as necessary during your tenure in the job position. Where goals are concerned, you are typically measured against them during a given performance period. Subsequent decisions on any rewards for which you are eligible are made based on your performance and your organization's policy.

As a service professional, you are the “face” of your organization in interactions that start with a customer contact. Your primary function is to listen actively and gather the information needed in order to make a decision on what course of action is needed to best serve the customer in any given situation. This typically requires a polite, professional demeanor and effective and efficient answers to questions or resolutions to problems.

Rumba

For you and your organization to be successful in providing superior service to your external and internal customers, your roles and expectations must be clearly defined and communicated in terms of the following characteristics, sometimes referred to as **RUMBA** (**R**ealistic, **U**nderstandable, **M**easurable, **B**elievable, **A**ttainable).

Customer Service Success Tip

Meet with your supervisor to discuss your organization's service philosophy and mission statement and what your role is related to helping accomplish this. If there are policies or other standards in place that make your job difficult or impossible to successfully achieve, propose and discuss possible alternatives. Make sure that you have researched the options that you plan to propose and have examples of situations and organizations in which they have been successful. Also, approach the discussion from a positive, proactive approach rather than from an emotional, negative one in which you appear to be simply complaining or making excuses for performance that is not meeting current standards.

employee roles Task assignments that service providers assume.

employee expectations Perceptions about positive and negative aspects of the workplace.

RUMBA An acronym for five criteria (realistic, understandable, measurable, believable, and attainable) used to establish and measure employee performance goals.

Realistic Your behavior and responsibilities must be in line with the reality of your particular workplace and customer base. Although it is possible to transfer a standard of performance from one organization, and

**WORK IT OUT 2.1**

Organizational Culture

Think about your own organization's service culture or, if you're not actively working as a customer service professional, the culture of an organization with which you are familiar.

1. What do you believe the service philosophy of this organization to be? Why?
2. Are there things that make the organization unique? If so, what are they?
3. What factors (positive or negative) about employee performance in this organization stand out in your mind?
4. Are there factors about the culture that detract from effectiveness? If so, what are they?
5. If you were managing this organization, what service culture aspects would you change? Why?

even industry, to another, modifications may be necessary to fit your specific situation. For example, is it realistic that all customer calls must be handled within a specified time period? Many managers set specific goals in terms of “talk time” for their customer service representatives. Can every angry customer be calmed and handled in a two- to three-minute time frame? If not, then a standard such as this sets up employees for failure.

After a performance goal has been set for you, evaluate it fairly and objectively for a period of time (possibly 30 days). This allows time for a variety of opportunities to apply it. At the end of the specified trial period, if you think the goal is unrealistic, go to your supervisor or team leader and discuss modifying it. In preparation for this discussion, think of at least two viable alternatives to the goals. Also, recognize that performance goals are often driven by organizational goals that may be passed down from upper management. Although they might be modified, it may take some time for the change to come about, so be patient. Ultimately, if the goal cannot be modified, do your best to perform within the established standard so that your professional image does not suffer.

Understandable You must have a sound understanding of your performance goals before you can act appropriately and effectively, just the way you need to understand how to do your job or how to communicate with others in the workplace. You should first try to participate in the establishment of your performance goals and those of your department or team. To do this, set up a meeting with your supervisor or team leader to discuss goals. Once goals are in place, you and everyone else affected must have a clear understanding of them so that you can effectively reach the assigned goal. If questions or doubts exist about a goal or your role in accomplishing it, make sure to clarify your understanding with a supervisor or team leader since you will ultimately be held accountable

if you fail to reach a performance goal. This may impact professional opportunities and personal earning potential.

Measurable Can your performance be measured? The answer is yes. Typically, factors such as time, productivity, quantifiable results, revenue, and manner of performance (how you accomplish your job tasks in terms of following an established step-by-step formula) are used to determine your accomplishment of goals. In a production environment, or in certain sales environments, performance can be measured by reviewing the number of products made or sales completed. In a purely customer-focused environment, **service measurement** can be in terms of factors such as talk time on the telephone, number of customers effectively served, customer feedback surveys and satisfaction cards, and letters or other written correspondence—or, on the negative side, by customer complaints.

service measurement Techniques used by organizations to determine how customers perceive the value of services and products received.

Ethical Dilemma 2.1



Assume that your organizational philosophy states in part that your purpose is “to provide quality products at a competitive price in a low-pressure customer atmosphere.” Even so, your supervisor establishes a goal that requires you to have “x” number of sales per shift as an outbound sales representative. Based on your research, this number is two more than the typical industry average for a salesperson during a work shift. You recognize that to achieve this goal, you will have to be more “persuasive” than you usually are when dealing with customers or than you feel comfortable in doing.

1. What ethical issue(s) do you face in this situation?
2. How might these impact service delivery?
3. What impact might this situation have on your performance?
4. How might this situation be addressed?

See possible responses at the end of this chapter.

Whatever the measure, it is your responsibility to be sure that you know the acceptable level and do your best to perform to that level. If something inhibits your performance, or if organizational obstacles such as conflicting priorities, overburdening multiple assignments, policies, procedures, equipment, or other employees stand in your way, you should immediately discuss the difficulties with the appropriate authority.

Believable For any goal to be attained, it must be believable to the people who will strive to reach it and to the supervisors or team leaders who will monitor it. The biggest issues in developing goals are to make them worthy of belief and faithful to the values of the individual and organization, and to ensure that they make sense and tie in directly with the established overall departmental and organizational goals. Too often, employees are given assignments that are contrary to the ultimate purpose or mission and overall values or beliefs of the organization. This can create confusion about what is important and the direction to be taken and ultimately can impact the level of trust that service providers have with their supervisor and/or organization.

Attainable Given the right training, management support, and organizational environment in which the tools, information, assistance, and rewards are provided, you can attain your goals. The determining factor, however, is you and your attitude toward achieving agreed-upon levels.

Managers should always attempt to set up win/win situations in which you, your organization, and, ultimately, the customer benefit from any service encounter. However, you should be aware that in the “real world” this does not always happen—systems break down. In such cases, it is up to you to ensure that service continues to be delivered to customers in a seamless fashion. They should not hear about internal problems, and, quite honestly, the customers probably do not care about these problems. They should be able to expect that the products and services they paid for are delivered when promised, in the manner agreed upon, and without inconvenience to them. Anything less is unacceptable and is poor service.

Employee Roles in Larger Retail and Service Organizations

As customers have matured in their knowledge of service standards and what they expect of providers, they look for certain qualifications in those who serve. They gain knowledge from numerous sources that help them be more savvy in their dealings with businesses (for example, *Consumer Reports* magazine; Internet research; and television shows such as *20/20*, *Dateline*, and *60 Minutes*). Many times, these customers become sticklers about service and when they do not get the level of service they expect, they take their business elsewhere and/or take legal action. In some cases, they might give the organization a second chance by complaining. This benevolent initiative, allowing organizations to “fix themselves,” is often done as a test. If you or your peers fail, several things can occur. You may not only lose a customer, but you may also “gain” an onslaught of negative word-of-mouth publicity that can irreparably damage an organization’s image as a whole, and yours specifically.

Customers expect service employees to typically have at least the following qualifications and competencies in both large and small organizations:

- Broad general knowledge of products and service.
- Interpersonal communication skills (e.g., verbal, nonverbal, and listening along with cross-gender and cross-cultural communication).
- Technical expertise related to products sold and serviced.
- Positive, customer-focused, “can-do” attitude.
- Initiative.
- Motivation.
- Integrity.
- Loyalty (to the organization, to products, and to customers).
- Team spirit.
- Creativity.
- Sound ethics.



Employees of both small and large organizations contribute to their service cultures through interactions with customers. *What are some things that they can do to project a positive service image?*

- Time management skills.
- Problem-solving capability.
- Conflict resolution skills.

Such skills and capabilities are crucial, whether you are operating a cash register, polishing a car, handling a returned item, repairing a sink, questioning a crime witness or suspect, coaching an executive or technical manager (for example, a consultant who offers seminars on enhancing interpersonal skills), or dealing with a negative situation (for example, a shoplifter or disgruntled customer). If you fail to possess and/or exhibit any or all of these factors, the end result could be a breakdown in the relationship between you and your customer, with ultimately negative repercussions.

Employee Roles in Smaller Retail and Service Organizations

The growth of small businesses since the early 1990s skyrocketed, especially women- and minority-owned businesses, until the recession hit. Many small business entrepreneurs started out of necessity (because of layoffs or downsizing) or out of frustration caused by limitations within a larger structure (lack of promotion opportunity, low salaries, actual or perceived discrimination, poor management, or continual changes). As a result of the recession, hiring by small business owners dropped because they either did not need more employees, were unsure that sales would cover costs, and had major concerns with having to pay for healthcare and deal with other government policies.

Even so, the growth of sole proprietorships (one-owner businesses) and small businesses has an upside in that they provide more choices for customers. On the downside, this growth also created problems for people

making the transition from large to small organizations. This is because, in addition to having to possess all the qualifications and characteristics listed earlier, employees in small businesses perform greatly varied tasks. Typically, the human resources and technical systems they might call upon for support are limited. If something goes wrong, they cannot “bump the problem upstairs,” nor can they obtain immediate, on-site assistance. This often causes customer frustration or anger.

The types of jobs that fall into this struggling category run the gamut of industries. Some examples are

- Administrative assistant (freelance)
- Accountant
- Consultant
- Automotive mechanic
- Computer technician
- Salesperson
- Caterer
- Tailor
- Personal shopper
- Office support staff
- Hair stylist
- Masseuse/masseur
- Office equipment repairperson
- Office cleaning staff
- Child care provider
- Gardener
- Electrician and plumber
- Electronics repairperson
- Visiting nurse or nurse consultant
- Driver
- Temporary worker

To stave off failure and help ensure that customer needs are identified and satisfied, owners and employees in such establishments must continually strive to gain new knowledge and skills while working hard to deliver a level of service equal to that offered by the bigger organizations. The public is generally unforgiving and, like an elephant, has a long memory—especially when service breaks down.

If you work in this type of environment, look for opportunities to provide stellar service and really go out of your way to practice your people skills. Get back to the basics of how to effectively deal with people—listen, ask questions, provide feedback, communicate well—and do not miss an opportunity to let your customers know that they are special, that you are there to serve their needs, and that you appreciate them.

Employee Roles in Nonprofit Organizations

An option to working for a for-profit company is to seek employment in a nonprofit organization. Even though revenue generation is not the primary goal in such organizations, money is a significant force. Without donations, grants, and other fund-raising efforts, these organizations cannot provide the crucial services, products, and deliverables to their customer/client base (often lower-income and older people or others who have few other alternatives for attainment of needed items and services). In such organizations, administrators, staff, and volunteers provide a wide degree of services and support. Unless these workers maintain a cheerful, positive, and professional attitude, revenue and service levels might plummet. They must never forget that everyone with whom they come into contact is either a potential donor or recipient of products and services.

**WORK IT OUT 2.2**

Think about the two return policies in Figure 2.4.

What is your reaction to policy example 1? Why?

What is your reaction to policy example 2? Why?

The following qualifications and competencies are very helpful for anyone working in a nonprofit environment.

- Specific knowledge of the organization and products and services it provides.
- Interpersonal communication skills.
- Positive, customer-focused “can do” attitude.
- Initiative.
- Motivation to succeed.
- Integrity.
- Commitment to others.
- Volunteer spirit.
- Team orientation.
- Sound ethical attitude.
- Time management skills.
- Problem-solving ability (ability to think “outside the box”).
- Entrepreneur spirit (ability to work in an environment in which free thinking and creativity are encouraged and needed).

Policies and Procedures

Although there are a lot of local, state, and federal regulations with which you and your organization must comply, many policies are flexible. For example, if you go to your bank to deposit a fairly large check that exceeds the maximum amount the bank will accept, the teller may inform you that there will be a seven-day hold put on the check until it clears the sender’s bank. In this case, you might petition the branch manager and possibly get this period modified since you are dealing with a “bank” policy.

Many customers negatively meet organizational culture directly when a service provider hides behind “company policy” to handle a problem. The goal should be to respond to policy customer requests and satisfy needs as quickly, efficiently, and cheerfully as possible. Anything less is an invitation for criticism, dissatisfaction, potential customer loss, and employee frustration.

Return policies in a retail environment are a case in point. Even though customers may not always be “right,” they must be treated with respect and as if they are right in order to effectively provide service and generate future relationships. An effective return policy is part of the overall service process. In addition to service received, the return policy of an organization



Owners and employees in sole proprietorships must work hard to deliver service equal to that given by larger organizations. *How can an owner make his or her organization special or different?*

is another gauge customers use to determine where they will spend their time and money. The return statements shown in Figure 2.4 were received by the author of this book in the past and send specific messages about the organizational culture of both organizations. Notice the tone or service culture that radiates from each example. Think about your “gut” reaction as a customer when you read both policies.

Organizations often hang up fancy posters and banners touting such claims as “The customer is always right,” “The customer is No. 1,” or “We’re here to serve YOU!” But at the moment of truth, when customers come into contact with employees, they frequently hear, “Please take a number so we can better serve you,” “I can’t do that,” or (on the phone) “ABC Company, please hold—CLICK.” Clearly, when these things occur, the culture is not customer-focused and service has broken down. The important question for organizations is, “How do we fix our system?” The answer: make a commitment to the customer and establish an environment that will support that commitment. That’s where you come in as a customer service professional. Through conscientious and concerned assistance to customers, the organization can form a solid relationship with the consumer through its employees.

Ethical Dilemma 2.2



Your organization’s return policy stresses that “Our goal is your total satisfaction,” yet you have been told by your supervisor that returns cost the organization money and negatively impact her quarterly bonus. For that reason, she has instructed you and other employees that you should find a reason not to accept returns and provide refunds whenever possible (e.g., a package was opened, it has been more than seven days since purchase, a receipt is not provided, or the item is being discontinued and the manufacturer will not take it back). She has even suggested that you lie to a customer or make up an excuse rather than accept a return. Further, she instructed you that all returns and refunds must be approved by her, yet when she is paged over the intercom, she typically does not respond and leaves you and other service employees to face an escalating negative customer situation.

1. How does such a service atmosphere potentially impact customers? Employees?
2. What message does this approach to service say about the organization?
3. What are potential outcomes of such practices by the supervisor?
4. What can you and other employees do to address the situation?

PRODUCTS AND SERVICES

The type and quality of products and services also contribute to your organizational culture. If customers perceive that you offer reputable products and services in a professional manner and at a competitive price, your organization will likely reap the rewards of loyalty and positive “press.” On the other hand, if products and services do not live up to expectations or

Policy 1

To err is human; to return is just fine . . .

Already read the book? Pages printed upside down? The package arrived bruised, battered, and otherwise weary from the trip? Actually, the only reason you need to return an item bought from us is this: You're not satisfied . . .

Having the chance to talk with our customer helps us learn and improve our service. It is also an opportunity to demonstrate the [organization's name] customer policy: **YOU'RE RIGHT!**

Policy 2***Return policy***

Returns must meet the following criteria:

1. Books must be received within thirty (30) days of the invoice date. Please allow one week for shipping.
2. Books must be received in salable condition. Damaged books will not be accepted for credit.
3. Refunds will not be made on videotapes and software unless they were defective at the time of purchase. Please notify [organization's name] of any such defects within ten (10) days of the invoice date.

Return shipping information

Returns must be shipped to [organization's name and full address].

Any returns not shipped to the above address will not be credited and FULL PAYMENT for shipping will be the responsibility of the shipper.

All charges incurred in returning materials, including customer's charges, if any, are the responsibility of the shipper.

Ensure that your returns are not lost or damaged.

Comments and feedback

We value your opinion! If you need to return any of the enclosed material, please take a minute to let us know why. Your comments and suggestions will help us better meet your needs in the future.

FIGURE 2.4

Sample Return Policies

Customer Service Success Tip

To get the information you need, you may have to take the initiative. Your customer does not want to hear you say, "Nobody showed me how," "I can't," "I don't know," or "It's not my job." Remember what you read earlier about seamless service. Here are some questions you might ask your supervisor related to job responsibilities:

- What are my exact duties? (Get a copy of your job description in writing, if possible.)
- What are your expectations of me?
- How do I handle [name specific] situations?
- Who should I see about _____?
- Where are [materials, policies, equipment] located?
- Who is in charge when you are not available?
- What is my level of authority?

promises, or if your ability to correct problems in products and services is deficient, you and the organization could suffer adversely.

MOTIVATORS AND REWARDS

In any employee environment, people work more effectively and productively when their performance is recognized and adequately rewarded.

Whether the rewards are in the form of monetary or material items, or a simple verbal pat on the back by the manager, most employees expect and thrive on some form of recognition.

As a way of managing your own motivation level, it is important to remember that there will be many times when your only motivation and reward for accomplishing a goal or providing quality service will come from you. The reality is that every time you do something well or out of the ordinary, you may not receive a financial or any other kind of reward for it. On the other hand, many companies and supervisors go out of their way to recognize good performance. Many use public recognition, contests, games, employee activities (sporting or other events), financial rewards, incentives (gifts or trips), employee-of-the-month or -year awards, and a variety of other techniques to show appreciation for employee efforts (see Figure 2.5). Whatever your organization does, there is always room for improvement and you should take time to make recommendations of your own on ways to reward employees.

FIGURE 2.5
Types of Employee Rewards

Organizations are getting creative in their efforts to recognize and reward positive service practices. By using incentives, they can reward positive behavior and encourage repeat actions by the employee receiving the reward and their peers. The following are some typical forms of recognition being used by various organizations:

Compensation

Commissions paid for representatives or sales staff members who successfully up-sell or encourage customers to buy new or additional products or services are one form of compensation. A tiered system is often used where higher percentages are paid based on the number or level of sales made by the employee during a given performance period. Another form of compensation is a guaranteed annual raise when an employee meets or exceeds established service standards—for example, number of dissatisfied customers or members “saved” when they contact the organization with an issue and threaten to defect to a competitor (e.g., cable, phone, or lawn care customers). Another example of how incentives or awards apply can be found in most call centers. Representatives are often compensated based on meeting standards like “call or contact time” (how long they were on a call or interacted with a customer) or numbers of calls or customers handled in a given period of time.

Flexible Time or Time Off

In a stressful world where many people now value time with their families, many organizations are becoming more lenient in their approach to allowing employees time off to take care of personal activities or just relax.

There are different ways that companies institute flexible work schedules depending on an organization’s structure, size, and mission:

- Flexible start and end time for the workday (based on approved scheduling).
- Compressed workweek (e.g., four 10-hour workdays with an additional day of the week off).
- Telecommuting, where employees work part of their week from home and the other portion in their office or other designated worksite.
- Project- or results-oriented scheduling, where employees have no set number of hours per week but must reach an established level of productivity or meet required deadlines for project completion.
- Two or more part-time employees sharing a job and required to work specific days/hours.

Many small businesses use a flextime strategy to attract qualified workers and compete effectively for talent that they might not otherwise be able to afford. Larger organizations use flextime as a way to enhance employee morale.

Of course like any other policy, there are downsides to flextime. When companies use this work strategy heavily, employees and supervisors may lose a degree of regular contact,

and it adds to the burden of scheduling for supervisors. Additionally, some employees do not handle flextime well and disciplinary issues arise that might actually cause an employee to become disgruntled and morale could suffer for them and their peers.

Employee Recognition

One of the easiest and least expensive means of rewarding employees is to acknowledge them as people and applaud their accomplishments. Ways to accomplish this can cost little or no money. There are many inexpensive and effective ways for supervisors to recognize their staff. Some of these include

- Having a buffet breakfast or pizza party once a month to celebrate employees' birthdays that occur during the period.
- Giving a round of applause for accomplishments.
- Giving a handwritten note or card from the CEO or other high-ranking member of management along with a gift card.
- Passing around a "floating trophy" of some sort that is retained by the employee who meets an announced performance goal during a specific period and then moves on to the next person during the following period.
- Providing employee-of-the-month parking spaces for the person who excels and meets established criteria for the slot. This often means an indoor parking spot or one closer to the building entrance.

The important thing about rewards is that they be perceived as being given fairly and in a timely fashion near the completion of an event that precipitated the reward.

FIGURE 2.5

(Concluded)

MANAGEMENT SUPPORT

You cannot be expected to handle every customer-related situation that develops. In some instances, you will have to depend on the knowledge and assistance of a more experienced employee or your supervisor or manager and defer to his or her experience or authority. A key role played by your manager, supervisor, and/or team leader is to provide effective, ongoing coaching, counseling, and training to you and your peers. By doing this, supervisors can pass on valuable information, guide you, and aid your professional development. Also, it is their job to be alert to your performance and ensure that you receive appropriate rewards based on your ability to interact effectively with customers and fulfill the requirements of your job. Unfortunately, many supervisors have not had adequate training that would enable them to provide you with the support you need. They were probably good frontline service providers, with a high degree of motivation, initiative, and ability. As a result, their management promoted them, often without providing the necessary training, coaching, and guidance to develop their supervisory skills. In other instances, they may be as overwhelmed with job responsibilities as you are. Even they may recognize the importance of coaching and intend to do so; they may simply not have the time.

If you find that you are not receiving the support you need, there are some things you should consider doing in order to ensure that you have the information, skills, and support to provide quality service to your customers.

Strive for Improvement

Customer service can be frustrating and, in some instances, monotonous. You may need to create self-motivation strategies and continue to seek fulfillment or satisfaction. By remaining optimistic and projecting a can-do image that

**WORK IT OUT 2.3**

Managing Customer Encounters

Take a few minutes to respond to the following questions. Then your instructor may group you with others to discuss responses.

1. Have you ever witnessed or experienced a customer service situation in which a supervisor or manager became involved in an employee-customer encounter? If so, what occurred?
2. How do you feel the supervisor handled the situation?
3. Could the supervisor's approach have been improved? If so, how?

makes customers enjoy dealing with you, you can influence yourself and others. Smile as an outward gesture of your “I care” philosophy. Many self-help publications and courses are available that can offer guidance in this area.

The reality in many of today's work environments is that organizations have downsized and are struggling to come back from the worst economic recession in recent memory. This has impacted productivity, revenue, employee morale, customer perceptions, and overall societal values. The new business norm is what it is today for many organizations and their employees. The result is that employees and their supervisors are learning to adapt to the changing face of customers related to their needs, wants, and expectations. That means that you on an individual level must step back and analyze your job and role in the service culture so that you can better prepare to meet the challenges and opportunities that you will surely encounter.

Look for ways to improve your skills and to raise the level of service you provide to your customer. Whether it is through formal training, mentoring, or simply observing positive service techniques used by others and mimicking them, work to improve your own skills. The more you know, the better you can assist customers and move your own career forward.

Look for a Strong Mentor in Your Organization

Many organizations have realized that to provide succession planning for the future, they must create a system whereby frontline employees, junior supervisors, and managers or future leaders are guided in their personal and professional development by those with more expertise, tenure, and contacts. This is going to become even more crucial in the future because of the coming “brain drain” in which thousands of older workers will retire and exit the workplace in virtually every industry and type of organization. When they go, they will take decades of experience and knowledge and leave behind a huge gap in many organizations, especially those that have not created an effective exit strategy or prepared others to step into key roles and positions. One viable strategy is to put into place a strong organizationally sponsored and supported mentoring program.

If your organization does not have a system in place to pair newer employees in the profession with those more knowledgeable and skilled, try to find someone who is a superior customer service professional and get to know him or her. As your relationship grows, become a sponge and soak up

as much of his or her knowledge as possible. Additionally, do an Internet search for professional organizations that cater to your profession (e.g., customer service representatives, call center representatives, sales professionals, or whatever your job title). Often they offer networking opportunities on a regular basis locally where you can attend meetings to hear guest speakers who share their expertise in the field. Through such events, you can likely identify other professionals who are looking to share best practices and information while growing their knowledge and skills.

Mentors are people who are well acquainted with the organization and its policies, politics, and processes. They are well connected (inside and outside the organization), communicate well, have the ability and desire to assist you (the **protégé**), and are capable and experienced. Ask these people to provide support and help you grow personally and professionally. Many good books on the topic of mentoring are available. Figures 2.6 and 2.7 list some characteristics of a mentor and protégé.

Avoid Complacency

Anyone can go to work and just do what he or she is told. The people who excel, especially in a service environment, are the ones who constantly strive for improvement and look for opportunities to grow professionally. They also take responsibility or ownership for service situations. Take the time to think about the systems, policies, and procedures in place in your organization. Can they be improved? How? Now take that information or awareness and make recommendations for improvements. Even though managers have a key role, the implementation and success of cultural initiatives (practices or actions taken by the organization) rest with you, the frontline employee. You are the one who interacts directly with a customer and often determines the outcome of the contact.

When searching for someone to mentor you, look for these characteristics:

- Willingness to be a mentor.
- Experience in the organization or industry and/or job you need help with.
- Knowledgeable about the organization and industry.
- Good communicator (verbal, nonverbal, and listening skills).
- Awareness of the organizational culture.
- Well-connected inside and outside the organization.
- Enthusiastic.
- Good coaching skills and a good motivator.
- Charismatic.
- Trustworthy.
- Patient.
- Creative thinker.
- Self-confident.
- Good problem solver.

Since mentoring is a two-way process, you should make sure that you are ready to have a mentor. You should have the following characteristics:

- Willingness to participate, listen, and learn.
- Desire to improve and grow.
- Commitment to working with a mentor.
- Self-confidence.
- Effective communication skills.
- Enthusiasm.
- Openness to feedback.
- Adaptability.
- Willingness to ask questions

mentors Individuals who dedicate time and effort to befriend and assist others. In an organization, they are typically people with a lot of knowledge, experience, skills, and initiative, and have a large personal and professional network established.

protégé Typically less-experienced recipients of the efforts of mentors.

FIGURE 2.6

Characteristics of an Effective Mentor

FIGURE 2.7

Characteristics of a Successful Protégé

**WORK IT OUT 2.4**

Training for Service

Take a few minutes to think about and respond to these questions. Once you have responded, your instructor may form groups and have you share answers.

1. What type of skills training do you believe would be valuable for a customer service professional? Why?
2. What types of training have you had or do you need to qualify for a service position?

Some people might throw up their hands and say, “It wasn’t my fault,” “Nobody else cares; why should I,” or “I give up.” A special person looks for ways around roadblocks in order to provide quality service for customers. The fact that others are not doing their job does not excuse you from doing yours. You are being paid a salary to accomplish specific job tasks. Do them with gusto and pride. Your customers expect no less. You and your customers will reap the rewards of your efforts and initiative.

EMPLOYEE EMPOWERMENT

empowerment The word used to describe the giving of decision-making and problem-resolution authority to lower-level employees in an organization. This precludes having to get permission from higher levels in order to take an action or serve a customer.

Employee **empowerment** is one way for a supervisor to help ensure that service providers can respond quickly to customer needs or requests. The intent of empowerment is a delegation of authority where a frontline service provider can take action without having to call a supervisor or ask permission. Such authority allows on-the-spot responsiveness to the customer while making service representatives feel trusted, respected, and like an important part of the organization. Empowerment is also an intangible way that successful service organizations reward employees. Often someone who has decision-making authority feels better about himself or herself and the organization.

Customer Service Success Tip

If your supervisor empowers you to make decisions, that means he/she trusts your ability to handle various issues. Do not take this trust lightly. Before taking action, stop, weigh alternatives, and then resolve the situation to the best of your ability in order to send a message of competency and professionalism.

As a service provider, think of customer situations in which you have to get approval from a supervisor or manager before making a decision or taking action to serve your customers. If you feel having to do so is causing a delay in serving your customers, approach your supervisor and suggest having decision-making authority given to you.

Some examples of possible empowerment situations include the following:

- A cashier has to call a supervisor for approval of a customer’s personal check.
- A cable television installer has to call the office for approval before adding a hookup for another room.
- A computer technician cannot comply with a customer’s request that she make a backup CD-ROM of her hard drive before running a diagnostic test because policy prohibits it.
- A call center service representative does not have the authority to reverse late payment charges on the account of a customer who explained that he was in the hospital for three weeks with surgery complications.

- A bank representative cannot waive returned check fees even though she acknowledges the bank created the error that resulted in bounced checks in the first place.
- An assistant cruise purser cannot correct a billing error until the purser returns from lunch.
- A volunteer coordinator must check with the director before allowing a volunteer worker to implement a new process that she recommends to expedite service delivery to a client.

TRAINING

The importance of effective training cannot be overstated. To perform your job successfully and create a positive impression in the minds of customers, you and other frontline employees must be given the necessary tools. Depending on your position and your organization's focus, this training might address interpersonal skills, technical skills, organizational awareness, or job skills, again depending on your position. Most important, your training should help you know what is expected of you and how to fulfill those expectations. Training is a vehicle for accomplishing this and is an essential component of any organizational culture that supports customer service.

Take advantage of training programs offered by your organization. Check with your supervisor and/or training department, if there is one. If you work in a small company or nonprofit organization, have a limited budget for training, or do not have access to training through your organization, look for other resources. Many communities have lists of seminars available through the public library, college business programs, high schools, chambers of commerce, professional organizations, and a variety of other organizations. The Internet also offers a wealth of articles and information in the form of free podcasts or YouTube training videos on a variety of topics. Go to www.YouTube.com and search for "customer service training" and see what comes up. Tap into these resources to gain the knowledge and skills you will need to move ahead. Also, your training and skill level will often determine whether you keep your job if your organization is forced to downsize and reduce staff.

KNOWLEDGE CHECK



1. What are the elements included in a successful service organization?
2. What does the acronym RUMBA stand for and how does it relate to your service roles and expectations?
3. What part do rewards and management support play in successful customer service?

Trending NOW

Social media are impacting organizational culture as never before. Tech-savvy customers are reaching out to organizations and communicating with those who have adopted technology and created a social presence on sites like Pinterest, Facebook, and Twitter to gather informa-

tion, communicate complaints, and post compliments. This inexpensive means of connecting with current and potential customers is reducing costs and enhancing product and service awareness, while potentially generating revenue for forward-thinking organizations.

LO 2-2 Establishing a Service Strategy

CONCEPT A service provider helps determine approaches for service success.

The first step a company should take in creating or redefining its service environment is to make sure it knows who its customers really are and how it plans to attract and hold those customers. Many organizations do not even consider this crucial step when creating a business plan or developing their culture.

Next, the organization should periodically conduct an inspection of its systems and practices (e.g., policies, procedures, service and product delivery mechanisms, customer care strategies, and practices for identifying potential customer dissatisfaction in advance and correcting it) to decide where the company is now and where it needs to be in order to better serve customers and to be competitive in a global service economy. The manner in which internal (co-workers and supervisors) and external (anyone outside the organization) customer needs are addressed also should be reviewed. For example, are surveys, focus groups, or customer-provider meetings/forums conducted?

It is not just your organization's responsibility to ensure the success of customer service. As a service professional, you have to be familiar with the organization's goals and work toward helping make them successful. A simple way to accomplish this is to give thought to your role in the service process and continually reevaluate what you do on a daily basis when dealing with customers. If you have a positive experience, recognize what made it so and strive to repeat that behavior with other customers. If something went wrong when serving a customer, objectively evaluate the situation and decide what role, if any, you played in a less-than-successful outcome. If you determine that you could have done better, decide on a more positive approach for the future. If you are unsure how to prevent a recurrence of the service breakdown, ask advice from co-workers or your supervisor.

As a service provider, you should do your part in determining needed approaches for service success. From the perspective of a customer service professional, ask yourself the following questions to help clarify your role:

- Who is my customer?
- What am I currently doing, or what can I do, to help achieve organizational excellence?
- Do I focus all my efforts on total customer satisfaction?
- Am I empowered to make the decisions necessary to serve my customer? If not, what levels of authority should I discuss with my supervisor?
- Are there policies and procedures that inhibit my ability to serve the customer? If so, what recommendations about changing policies and procedures can I make?
- When was the last time I told my customers that I sincerely appreciated their business?
- In what areas of organizational skills and product and service knowledge do I need additional information?

LO 2-3 Customer-Friendly Systems

CONCEPT System components are advertising, complaint resolution, and delivery systems.

A service culture starts at the top of an organization and filters down to the frontline employee. By demonstrating their commitment to quality service efforts, managers lead by example. It's not enough to authorize glitzy service promotional campaigns and send out directives informing employees of management's support for customer initiatives; managers must get involved. Further, employees must take initiative to solve problems and better serve the customer. They must be alert for opportunities and make recommendations for improvement whenever appropriate. Only in these situations can changes and improvements in the culture occur.

TYPICAL SYSTEM COMPONENTS

Part of the effectiveness in serving customers can be accomplished through policies and practices that say, "We care" or "You're important to us." Some **customer-friendly systems** that can send positive messages are advertising and complaint or problem resolution.

Advertising

Advertising campaigns should send a message that products and services are competitive in price and that the quality and quantity are at least comparable to those of competitors. Otherwise, customers will likely go elsewhere. An advertisement that appears to be deceptive can cost the organization customers and its reputation. For example, if an advertisement states that something is "free" (a cup of coffee; a buy-one, get-one-free item; tire rotation; or a consultation), but somewhere in the advertisement (in small print) there are restrictions ("with a purchase of \$20 or more," "while supplies last," "if you buy two new tires," or "if you sign a one-year contract"), then it may be viewed as deceptive. To prevent misunderstandings as a service provider, make sure that you point out such restrictions to customers when they call or ask questions. If you notice that an advertisement sounds a bit "tricky," inform your supervisor immediately. Possibly the ad was not proofread carefully enough before it was printed and/or aired. Remember, you have a vested interest in your organization's success. Take ownership.

Complaint or Problem Resolution

The manner in which complaints or problems are handled can signal the organization's concern for customer satisfaction. If an employee has to get approvals for the smallest decisions, the customer may have to wait for a supervisor to arrive (a supermarket cashier has to call for a manager to approve a check for \$10, but when

customer-friendly systems
Refers to the processes in an organization that make service seamless to customers by ensuring that things work properly and the customer is satisfied.

Customer Service Success Tip

Unhappy people are still your customers or potential internal or external customers when they contact you at work. Your goal should be to try and appease them so that they return for future products or services. If you fail at this goal, you and your organization will potentially suffer financial and prestige loss.



The best way to create a service culture is to get everyone in the organization involved in planning and brainstorming. Everyone should be encouraged to share ideas about how and where internal changes need to be made and to be more responsive to customer needs. *How do you think these ideas can be shared most effectively?*

the supervisor arrives, he or she doesn't even look at the check before signing and walking away). This can lead to customer and employee frustration and irritation and makes the organization, and the service provider, look inept.

As a service professional, you should make recommendations for improvement whenever you spot a roadblock or system that impedes provision of service excellence.

SERVICE DELIVERY SYSTEMS

service delivery system The means by which an organization effectively gets its products and services to customers.

Customer Service Success Tip

Successful customer service results from relationships that you forge with others. By taking the time to slow down and let your customers take the lead and discover what they need or want, you increase the opportunity to better meet or exceed their expectations. In doing so, you are contributing to a positive service culture and helping secure your organization's reputation as a customer-focused entity.

Service delivery systems are a combination of people, technology, and other internal and external elements that make up your organization's method of getting its products and services to customers. Your organization must determine the best way to deliver quality products and service and to provide effective follow-up support to its customers. There should be an ongoing and continuous reevaluation of system success to ensure that it keeps up with the changing needs of your customers. As part of that system, everything that you do is crucial in positioning your organization to be the "go to" source for the types of products and services that are offered to current and potential customers. This includes the way information is made available to customers, initial contacts and handling of customer issues, sales techniques (hard sell versus relationship selling), order collection and processing, price quotations, product and service delivery, processing of paperwork, invoicing, and follow-up. Customers should not have to deal with internal policies, practices, or politics. They should be able to contact you; get the information they need; make a buying decision, where appropriate; and have the products or services they have selected flawlessly delivered in a timely, professional manner. Anything less is poor service and may cost your organization in terms of lost business, customers, or reputation. These concepts also apply to your dealings with your internal customers who request information or services.

Customers also expect value for their money. Part of this is professional, easy-to-access service. For example, if you are in a retail organization and do not have a toll-free number with online customer support, extended hours of operation, top-quality merchandise, and effective resolution of problems, your customers may rebel. They can do this by complaining, speaking negative word-of-mouth publicity, writing letters to consumer advocacy groups (television or radio stations; Better Business Bureaus; local, state, and federal government agencies), and/or going elsewhere for their needs. Additionally, if your company's website is not kept up to date (or if your company has no web presence), or if the website is difficult to navigate, customers may go elsewhere. Customers want to quickly "click" for their information. Websites that are hard to navigate or that take a long time to load up will often be abandoned by customers.

There are many ways available for delivering service to customers. Two key factors involved in delivery are transportation modes (how products and services are physically delivered—by truck, train, plane, U.S. Postal Service, courier, or electronically) and location (facilities located centrally and easily accessible by customers). The location can be crucial to nonprofit organizations and medical or dental care providers since many clients or patients do not have access to dependable transportation. They often have to depend on friends, family, and public transportation to access services and products.

Direct or Indirect Systems

The type of delivery system used (direct or indirect contact) is important because it affects staffing numbers, costs, technology, scheduling, and many other factors. The major difference between the two types of systems is that in a direct contact environment, customers interact directly with people, whereas in an indirect system their needs are met primarily with self-service through technology (possibly integrated with the human factor in customer contact/call centers) integrated with Internet services.

There is a delicate balance in selecting a service delivery system. This is because each customer is unique and has personal preferences. While many prefer a hands-off self-service approach, others resent it and often view it as a loss of caring. Many banks discovered this fact in recent years. They saw technology as a cost-saving strategy to deliver service. Branches were closed as money was spent to upgrade automated phone systems and add automatic teller machines (ATMs). Many customers rebelled. The result is that companies like Chase Bank are now increasing their branch locations and retrofitting their branches and ATMs. Other banks are looking for ways to send a message that they are customer-oriented. For example, BankUnited, which was in receivership as a result of failed financial policies during the recession, has gone on to be listed by the FDIC as one of the most profitable banks in Florida, where it is headquartered. Some of their turnaround and growth is an emphasis on reaching its customers and providing customer-friendly service. The organization focused on opening new branches across the state and started a process called “bank on wheels” where they sent mobile branches, in the form of large, specially equipment recreational vehicles, into remote areas not served by their brick-and-mortar branches. These mobile branches include ATMs, walk-up tellers, flat-screen video, a small lobby, and two office spaces to meet with employees. Customers are able to get most of the services available in a standard branch. In addition, like many organizations, these companies use automated attendant phone systems that allow callers to speak or manually enter information with their telephone touchpad.

Figure 2.8 shows some ways by which organizations are providing service to customers and prospective customers.

Third-Party Delivery (Outsourcing/Offshoring)

In recent years, as companies strive to reduce costs, increase profit, and stay ahead of the competition, an interesting trend has occurred. Many companies are eliminating internal positions and delegating, assigning, or hiring outside (third-party) organizations and individuals to assume eliminated and newly created roles (call center customer support functions, human resource benefits administration, accounting functions, and marketing) for an agreed-upon price (normally without the extra cost of benefits). Typically, outsourced (within your country) and offshored (outside your country) positions are noncore (e.g., call center support, manufacturing, or product design/development). Many third-party providers and the jobs outsourced or offshored are located in India, Mexico, Pakistan, Philippines, and a number of other developing nations where the labor supply is large and the wages and cost of doing business are much lower than

FIGURE 2.8

Direct and Indirect Service Delivery Systems

Many industries are using technology to provide service that has traditionally been obtained by a customer going to a supplier and meeting face to face with an organization's representative. The following lists compare the traditional (direct) and technological (indirect) approaches.

| Direct Contact | Indirect Contact |
|------------------------------------|---|
| Face to face | Toll-free telephone number |
| Bank tellers | Automated teller machines or online banking |
| Reservationists (airlines, hotels) | Online computer, smartphone, or tablet reservations |
| Front desk staff (hotels) | On-screen, in-room television checkout and bill viewing |
| Ticket takers (theme parks) | Ticket scanning kiosks |
| Customer service representatives | Online viewing or telephone automated attendant to provide balance or billing information (credit card companies) |
| Lawyers | Telephone tip lines or e-mail |
| Photo developers | Self-service film kiosk or Internet transmission of digital images |
| Supermarket clerks | Online ordering and delivery |
| Towing dispatchers | In-car navigation and notification systems |
| Cashiers | Self-service checkout cash registers |

they would be in a developed nation. For example, major U.S. companies like American Express, Citigroup, Microsoft, and others have found this strategy of exporting job assignments and processes to other countries to be a lucrative practice. They save millions of dollars in taxes and revenue by distributing call center and service functions outside their own borders.

This practice of outsourcing jobs to a third party provides multiple benefits while also bringing with it some downsides. On the positive side, companies can save money by

- Eliminating large ongoing salaries.
- Reducing health benefits, retirement, and 401(k) payments.
- Avoiding the need to purchase and update computers and related equipment and a myriad of other equipment.
- Increasing workforce size without necessarily doing likewise to the budget.
- Bringing in new, fresh expertise, ideas, and perspectives from outside the organization.

And, on the negative side:

- Long-term employee expertise is lost.
- Employee loyalty to the organization suffers.
- Succession planning opportunities and the potential to groom and hire from within an enculturated workforce is reduced.
- The organization's reputation in the eyes of local citizens is potentially tarnished due to sending jobs away.

- The morale of the “survivors” (employees whose jobs were not eliminated) is potentially adversely affected.
- Managing becomes more complex.
- Customers must deal with “strangers” with whom they cannot build a long-term relationship because their provider may be gone the next time they call or stop by.
- Response time in getting a job or task completed may increase because of distance or other factors.
- Quality of work is not always up to expectations internally or for customers (e.g., dealing with service representatives who have hard-to-understand accents or do not fully understand the customer’s culture or expectations).

An alternate cost-saving measure that many organizations have adopted is the practice of redesignating job positions as either part time or shared by two employees who are both part time. As a result of their status, these employees do not qualify for all benefits because of the number of hours they work. Another common strategy is to fill positions with “temporary” employees contracted through a temporary staffing agency that assumes responsibility for staff benefits like healthcare. All of this is done in an effort to reduce rising employee costs (especially benefits) while providing the necessary customer support.

TOOLS FOR SERVICE MEASUREMENT

In a customer-oriented environment, it is important for organizations to constantly gauge their service effectiveness as perceived through the eyes of their customers. There are many ways to find out how well you and your peers are doing in serving customers. Once the results of organizational self-assessments are obtained, they will likely be shared with you and other employees in an effort to determine ways to reduce shortcomings and enhance strengths. If your supervisor fails to share such results, simply ask. Again, you have a vested interest in improvement and if he or she forgets to include you in the improvement loop—or intentionally omits you—you should take the initiative to demonstrate that you do care and are concerned with customer service delivery. From a selfish standpoint, having this developmental knowledge will allow you to identify resources and work toward improving your knowledge and skills. By doing so, you self-empower and make yourself more marketable inside and outside the organization.

Here are some of the typical techniques or tools available to organizations for customer service data collection:

- *Employee focus groups.* In such groups, you and others might be asked to comment or develop ideas on various topics related to customer service or employee and organizational issues. Although you will be providing interesting and valuable insights from your own perspective, remember that your views may differ significantly from those of your customers. For this reason, if your ideas are not implemented, do not be discouraged. Overriding organizational and customer issues to which you are not privy may be the reason.

Among other responsibilities, customer service professionals make a point of communicating their company's commitment to service in face-to-face interactions with customers. *What skills does a customer service representative need to create a positive service culture when talking with customers?*



- *Employee opinion surveys.* Such surveys are often done yearly to gain employee perspectives on how well policies, procedures, management, technology, and other systems perform.
- *Customer focus groups.* Like the employee groups, these forums provide an opportunity to gather a group of customers (selected geographically; demographically by factors such as age, sex, race, income, or interests; or randomly from lists). Customer focus groups are brought together to answer specific questions related to some aspect of product or service.
- *Mystery shoppers.* These people may be internal employees or external consultants who pose as customers in on-site visits, over the telephone, or online to determine how well customers are being served.
- *Customer satisfaction surveys.* This type of survey can be written or orally administered. It could be something as simple as an employee or manager chatting with customers at a restaurant and gathering their feedback, or it could be something more formal. Customers are sometimes asked to complete a brief questionnaire at the end of their service transaction. Some organizations do follow-up telephone satisfaction surveys; others put their surveys on their website and encourage feedback. Customers are often enticed to participate in a survey through the use of gifts, prizes, and discounts.
- *Customer comment cards.* Many food service and hospitality businesses use these simple cards to get immediate reactions and comments from customers after a visit. They are also used in doctors' and dentists' offices, nonprofit organizations, government offices, and anywhere else where managers really care about what their customers and clients think.
- *Profit and loss statements or management reports.* These reports are invaluable in spotting trends or dramatic changes in profits or losses that might indicate or lead to a service breakdown.

- *Employee exit interviews.* These interviews are typically administered by the human resources or personnel department, or, in smaller organizations, an officer or owner might informally ask questions of a departing employee. Such information can identify trends or concerns. Departing employees often feel that they have nothing to lose and will candidly provide valuable feedback about management practices, policies, and procedures, and a multitude of other organizational issues.
- *Walk-through audits.* Create a checklist of service factors (for example, responsiveness, friendliness, and so on) for supervisors or managers to use as they walk through a store or service facility to view the operations from a customer's perspective.
- *On-site management visits.* These visits provide firsthand observation of service practice and allow interaction between managers, employees, and customers. They are especially helpful when there are off-site workers (at construction sites or branch offices), operations consulting projects, or in-home services (such as plumbing). A side benefit of these types of visits is that they show the organization is committed to fulfilling the customers' needs.
- *Management inspections.* As a follow-up to employee service delivery, many organizations often have supervisors or managers follow up on service performed by checking the work or asking the customers how they liked the service or product received (e.g., at a carwash after the cleaning of a vehicle). Sometimes, these checks are done over the telephone or via the Internet.

Street Talk Get Permission from Customers

Whenever I call anyone, the first thing I ask is, "Is this a good time to talk?" If they say no, I follow up by asking when would be a better time to talk. I realize that they have other commitments. I think because of this, it increases the chances that they will get back to me. Additionally, when I e-mail people (mainly in my group), I ask about how their evening or weekend went and I strive to remember what they say so it doesn't seem to be superficial.

ANNE WILKINSON

KNOWLEDGE CHECK



1. Why is it important for an organization to periodically conduct inspections of its systems and practices?
2. In what ways can an organization demonstrate that its policies and practices are customer-friendly and show that the organization cares for its customers?
3. How do service delivery systems tie into the culture of an organization?
4. What are some of the measurement tools used by organizations to collect service data?

LO 2-4 Twelve Strategies for Promoting a Positive Service Culture

CONCEPT To perform effectively as a customer service professional, you will need a plan.

Here are 12 strategies for service success.

1. Partner with customers. Probably the most important strategy for an organization to adopt in order to create a positive customer-centric service culture is to form a solid relationship with its customers. After all, customers are the reason you have a job and the reason your organization continues to exist. With that in mind, you should do whatever you can to promote a positive, healthy customer-provider relationship. This can be done in a number of ways, many of which will be addressed in detail in later chapters. Here are some simple techniques:

- Communicate openly and effectively.
- Smile—project a positive image.
- Listen intently, and then respond appropriately.
- Facilitate situations in which customer needs are met and you succeed in win/win situations helping accomplish organizational goals.
- Focus on developing an ongoing relationship with customers instead of taking a one-time service or sales opportunity approach.

2. Explore your organization's vision. By working to better understand the focus of the organization and asking yourself, “What’s the added value and results for me?” (AVARFM), you can develop your own commitment to helping make the organization successful. An example of AVARFM might occur when a new policy is implemented that requires you to answer a phone by the third ring.

A “mystery caller” system is in place as a means of monitoring compliance. Also, to each employee who meets the three-ring standard, rewards are given. You now have a reason or added value associated with compliance.

3. Help communicate the culture and organizational vision to customers—daily. Customers have specific expectations. It does no good for the organization to have a vision statement with a future objective in mind if you do not help communicate and demonstrate it to the customer. Many companies place slogans and posters throughout the workplace or service area to communicate the vision. Although these approaches reinforce the message, a more effective means is for you to deliver quality customer service regularly. Through your attitude, language, appearance, knowledge of products and services, body language, and the way you communicate with your customers, they will feel your commitment to serve them. You will read more about techniques for presenting yourself professionally in later chapters.

4. Demonstrate ethical behavior. The **ethics** of your organization are intertwined with its culture. **Ethical behavior** is based on values—those of the society, organization, and employees. These values are a combination of beliefs, ideologies, perceptions, experiences, and a sense of what is right (appropriate) and wrong (inappropriate) and are demonstrated through your words and actions and those of your peers and supervisors. All aspects of organizational and employee conduct come into focus when ethical or moral issues arise. It is how you and others around you handle problems or other situations that arise on a daily basis that paint a picture of the organization’s overall ethical values, and, in some cases, your own.

Successful demonstration of ethical behavior is often determined by the values of the customer and how he or she perceives your behavior, and

ethics The term comes from the Greek word “ethos,” meaning character. Ethics is involved with right and wrong or good and evil and is illustrated by the way one responds to situations or acts.

ethical behavior Acting in a manner that sends a message of positive morality and good values when confronted with a customer situation or problem.

the customer often holds you and your organization to high standards. Thus, it is crucial for you to be aware of your words and actions so that you do not inadvertently send a negative ethical message to your customers.

How do you know which values your organization holds as important? Many times, they are communicated in an employee manual distributed during new hire orientation. Sometimes they are emblazoned on a plaque on the wall, possibly as part of the mission or philosophy statement or next to it. However, the reality test or “where the rubber meets the road” related to your organization’s values comes in the day-to-day operational actions of you and your organization.

From an ethical standpoint, it is often up to you and your frontline peers to assess the situation, listen to your customers’ requests, scrutinize your organizational policies and procedures, consider all options, and then make the “right” decision. This decision is fair—to your customer and your organization—and it is morally and legally right. The 1999 movie *The Insider* (with Al Pacino and Russell Crowe) epitomized the issues of ethical behavior. The movie is based on the true story of a tobacco industry insider who blew the whistle on his company, which publicly denied the harmful side effects of smoking. Even though the man stood to lose everything, possibly even his life, he acted out of conscience in an effort to help others. Another movie, *Erin Brockovich*, demonstrated what can happen if unethical behavior is not immediately caught and corrected by an organization. In that movie, Pacific Gas & Electric (PG&E) dumped chemicals into the soil and water of Hinkley, California, for years. They then covered up the pollution even though many of the local residents developed serious health problems and died. The company even paid medical bills for some residents to give the appearance of a good corporate neighbor. Ultimately, Erin was able to piece together the details while working for a small legal firm; the subsequent lawsuit resulted in the largest class-action lawsuit payment in history at the time and severe damage to the reputation of PG&E.

The key to ongoing customer relations is trust. Without it, you have no relationship and cannot win customer loyalty.

- 5. Identify and improve your service skills.** Take an inventory of your interpersonal and customer service skills; use the strengths and improve the weaker areas. By continually upgrading your knowledge and skills related to people, customer service, and products and services offered, you position yourself as a resource to the customer and an asset to the organization. There is a list of different websites offering various behavioral style surveys at www.mhhe.com/customerservice if you wish to pursue learning more about yourself. Some sites periodically offer a shortened or beta test version of surveys they develop.
- 6. Become an expert on your organization.** As the frontline contact person with customers, you are likely to receive a variety of questions related to the organization. Typical questions involve organizational history, structure, policies and procedures systems, products, or services. By being well versed in the many facets of the organization and its operation, related industry topics, and your competition, you can project a more knowledgeable, helpful, and confident image that contributes to total customer satisfaction.

Customer Service Success Tip

One way to better position yourself for success in your organization is to become known as a service champion. Go out of your way to learn policies, procedures, and your corporate culture, then become an advocate for demonstrating ethical behavior, meeting organizational goals, and helping co-workers to do the same.



As a frontline contact with customers, you will be asked a variety of questions about the company and its products. *What skills will you need and what information should you give customers in this situation?*

Customer Service Success Tip

Even if your organization does not have a formal policy regarding returning calls, business etiquette dictates that you return all calls and do so within 24 hours or by the next business day. Even better, do so by the close of the business day if possible.

7. Demonstrate commitment. As an employee with customer contact opportunities and responsibilities, you are the organization's representative. One mistake that many frontline employees (and many supervisors) make in communications with customers is to intentionally or unintentionally demonstrate a lack of commitment or support for their company and a sense of powerlessness. A common way in which this occurs is with the use of "they" language when dealing with customers. This can be in reference to management or policies or procedures; for example, "Mrs. Howard, I'd like to help but our policy (they) says . . ." or "Mrs. Howard, I've checked on your request, but my manager (they) said we can't . . ."

An alternative to using "they" language is to take ownership or responsibility for a situation by telling the customer what you can do, not what you cannot do. Customers are not interested in internal strife or procedures; they want to have their needs satisfied. To try to involve customers in situations that are out of their control and that do not concern them is unfair and unwise. Positive language and effort on your part can reduce or eliminate unnecessarily dragging the customer in. Here's one approach: "Mrs. Howard, I'm terribly sorry that you were inconvenienced by our mistake (policy or omission). What I can do to help resolve this situation is . . ."

- 8. Work with your customer's interest in mind.** Think to yourself, "If I were my customer, what type of service would I expect?" Then, set out to provide that service.
- 9. Treat vendors and suppliers as customers.** Some customer service employees view vendors and suppliers as salespeople whose only purpose is to serve them. In fact, each contact with a vendor or a supplier offers a golden opportunity to tap into a preestablished network and potentially expand your own customer service base while providing better service to existing customers. People remember how they are treated and often act in kind.
- 10. Share resources.** By building strong interpersonal relationships with co-workers and peers throughout the industry, you can develop a support system of resources. Sometimes customers will request information, products, or services that are not available through your organization. By being able to refer customers to alternative sources, you will have provided a service, and they are likely to remember that you helped them indirectly.
- 11. Work with, not against, your customers.** Customers are in the enviable position of being in control. At no time in recent history has the cliché "it's a buyer's market" been more true, and many consumers know it. To capitalize on this situation, many organizations have become very creative and proactive in their efforts to grab and hold customers. One large Colorado-based national supermarket, Albertson's,

developed a series of commercials touting “Albertson’s—it’s your store” and stressing that corporate efforts were focused on customer satisfaction. Your efforts should similarly convey the idea that you are working with customers to better serve them.

- 12. Provide service follow-up.** Providing follow-up is probably one of the most important service components. Service does not end when the service encounter or sale concludes. There are numerous follow-up opportunities to ensure that customer satisfaction was attained. This can be through a formal customer satisfaction survey or telephone callback system or through an informal process of sending thank-you cards, birthday cards, special sale mailings, and similar initiatives that are inexpensive and take little effort. Think of creative ways to follow up, and then speak to your supervisor about implementing them. These types of efforts reinforce service commitment to customers and let them know that you want to keep them as your customers.

KNOWLEDGE CHECK



1. In your opinion, what is the most important strategy for communicating a positive service culture? Why?

LO 2-5 Separating Average Companies from Excellent Companies

CONCEPT Ask questions to determine the service environment in a company in which you seek employment or are currently employed.

Whether you are currently working in an organization or are seeking employment, the following factors can demonstrate an organization’s level of service commitment. They also can be used as a basis for questions you might ask supervisors or interviewers in order to determine what type of service environment exists.

- Executives spend time with the customers.
- Executives spend time talking to frontline service providers.

TRENDING NOW

Self-service is in vogue in the twenty-first century. In a world driven by instant gratification, customers expect that they can have what they want when, how, and where they want it. Interactive voice response systems, web-based e-commerce, and self-help interactive touch-screen kiosks have shown customers that they can be served without having the annoyance of standing in long lines or sitting on hold waiting for the “next available agent.” With the advent of technology

that can speak to and understand customers, provide visual images, transact business processes, anticipate what customers want based on choices they make on a touch screen, and much more, people have come to expect that every organization will use the latest technology in its business activities. Organizations that fail to embrace and invest in equipment and software that meet customer wants and expectations will fall by the wayside.

- Customer feedback is regularly asked for and acted upon.
- Innovation and creativity are encouraged and rewarded.
- Benchmarking (identifying successful practices of others) is done with similar organizations.
- Technology is widespread, frequently updated, and used effectively.
- Training is provided to keep employees current on industry trends, organizational issues, skills, and technology.
- Open communication exists between frontline employees and all levels of management.
- Employees are provided with guidelines and empowered (in certain instances, authorized to act without management intervention) to do whatever is necessary to satisfy the customer.
- Partnerships with customers and suppliers are common.
- The status quo is not acceptable.

KNOWLEDGE CHECK



1. How can you determine what type of service environment exists in an organization when speaking to supervisors or interviewers?

LO 2-6 What Customers Want

CONCEPT Customers expect effective, efficient service and value for their money. Customers also expect certain common things that service providers can furnish.

what customers want Things that customers typically desire but do not necessarily need.

Most customers are like you. And **what customers want** is value for their money and/or effective, efficient service. They also expect certain intangible things during a service encounter. Here are seven common things that customers want and expect if they are to keep doing business with you and your organization:

1. **Personal recognition.** This can be demonstrated in a number of ways (sending thank-you cards or notes or birthday cards, returning calls in a timely fashion, or taking the time to look up information that might be helpful even if the customer did not ask for it). A simple way to show recognition to a customer who enters your work area, even if you cannot immediately stop what you are doing to serve him or her, is to smile and acknowledge the person's presence. If possible, you might also offer the customer the option of waiting, having a seat, and so on.
2. **Courtesy.** Basic courtesy involves pleasantries such as “please” and “thank you,” as there is no place or excuse for rude behavior in a customer service environment. Even though customers may not always be right, you must treat them with respect. If a situation becomes too intense and you find yourself “losing it,” call upon someone else to serve that customer. This is especially important in stressful environments where customers are truly suffering and not likely to be in the mood for poor attitudes or delays (e.g., hospital waiting rooms and doctors’ or dentists’ offices).
3. **Timely service.** Most people don’t mind waiting briefly for service if there is a legitimate reason (as when you are waiting on another customer or

obviously serving another customer on the phone), but they do not like to spend what they believe is undue amounts of time waiting to be served.

Your challenge as a customer service professional is to provide prompt yet effective service. It is important to remember that customers value their time as much as you and your managers/bosses do.

Work diligently to stay on schedule and at least explain when delays do occur so that the customer understands the reason for the wait (e.g., in a doctor's office when scheduled appointments are running behind because of a medical emergency or the doctor was delayed while in surgery). If extensive delays are likely to occur, offer the customer an option of possibly rescheduling. Customers probably will not want to, but the gesture of allowing them some decision in the situation is psychologically soothing in many cases.

4. **Professionalism.** Customers expect and should receive knowledgeable answers to their questions, service that satisfies their needs and lessens effort on their part, and service personnel who take pride in their work. You can demonstrate these characteristics by exemplifying the ethics talked about earlier, and the communication behaviors outlined in later chapters of this book.
5. **Enthusiastic service.** Customers come to your organization for one purpose—to satisfy a need. This need may be nothing more than “look around.” Even so, they should find a dedicated team of service professionals standing by to assist them in whatever way possible.

By delivering service with a smile, offering additional services and information, and taking the time to give extra effort in every service encounter, you can help guarantee a positive service experience for your customer.

6. **Empathy.** Customers also want to be understood. Your job as a service provider is to make every effort to be understanding, and to provide appropriate service.

To succeed in the service profession, you must be able to put yourself in the customer's position or look at the need from the customer's perspective as much as possible. This is especially true when customers do not speak English well or have some type of disability that reduces their communication effectiveness.

When a customer has a complaint or believes that he or she did not receive appropriate service, it is your job to calm or appease in a nonthreatening, helpful manner and show understanding.

A common strategy for showing empathy is the **feel, felt, found technique**. When using it, a service provider is demonstrating a compassionate understanding of the customer's issue or situation. For example, a customer is upset because the product desired is not in stock. A service provider might respond by saying: “Mr. Philips, I know how you feel. I've felt the same way when I had my heart set on a specific item. Many customers have actually found that the alternative product I described to you has the same features and performs several other functions as well.”

Customer Service Success Tip

Before you can identify what a customer wants, you have to ask appropriate questions and then actively listen to their responses. In some cases, they may just want to browse; however, in others, they may have specific products or services in mind and likely would appreciate your assistance in locating them and helping the customer complete the transaction in a timely manner. Remember: When the customer talks, you listen. You cannot talk and listen at the same time.

feel, felt, found technique A process for expressing empathy and concern for someone and for helping that person understand that you can relate to the situation.

Street Talk Don't Interrupt Customers

If the customer is angry and ranting, let the customer complete the ranting before you speak and try to resolve the situation or ask a question. You need to keep wearing your smile and make sure you do not interrupt the customer. Trying to stop an irate customer will be fruitless. Let the customer get it off his or her chest and then you can try to address his or her needs.

ANNE HINKLE *HR Insurance Benefits Specialist*



WORK IT OUT 2.5

Your Customer Expectations

Now that you know what goes into making a customer environment “customer-friendly,” think about your own expectations when you patronize a company. Share your answers with others in the class.

Drawing on your own experiences, list four or five expectations that you feel are typical of most customers.



7. Patience. Customers should not have to deal with your frustrations or pressures. Your efficiency and effectiveness should seem effortless. If you are angry because of a policy, procedure, management, or the customer, you must strive to mask that feeling. This may be difficult to do when you believe that the customer is being unfair or unrealistic. By suppressing your desire to speak out or react emotionally, you can remain in control, serve the customer professionally, and end the contact sooner.

As an additional resource, there is a chapter on stress management available to you at www.mhhe.com/customerservice.



KNOWLEDGE CHECK

1. What do you believe is the most important strategy for communicating a positive service culture? Why?
2. What are some strategies for giving personal recognition to your customers?
3. How might you exhibit enthusiastic service to your customers?
4. What is the feel, felt, found technique and what does it potentially communicate to a customer?

Small Business Perspective



No matter what size organization you work for, having great leaders who are visionary and think from a customer perspective will make the organization successful. In small business, such leadership is crucial for success because such organizations do not typically have “deep pockets” with large amounts of expendable resources available. In such companies, every dollar counts. For that reason, it is very important that everyone from the owner or CEO down to frontline employees embraces the concepts that you read about in this chapter. All must go above and beyond what their job description requires and take personal ownership for the company every day. Employees and management must pull together to share knowledge and skills and create a customer-centric atmosphere.

Typically, employees in successful small companies tend to bond as “family” and really get to know one another. As a result, they are more likely to pitch in when

needed without an expectation of reward. This does not mean that if you work for a small company you should not expect to get paid for what you do. It simply means that by getting to know the strengths and areas for improvement of other employees and management, you can help fill gaps if you possess knowledge and skills that they do not have. In the long run, such behavior normally results in a higher payout for the organization because customers hear about you and are attracted to do business with the firm. When this occurs, revenue comes in that can fund salary increases, new equipment, and employee functions (e.g., family picnics and celebrations for special occasions or holidays).

In small organizations, effective communication and feedback are powerful and needed. Unlike many large organizations where you might be able to avoid someone and get assistance and information needed to do your job elsewhere, in a small organization, resources are limited and everyone has to do his or her part and work cohesively together. If a disagreement or misunderstanding occurs, you must work together to resolve and get past it, just as you should with your own family members.

Successful small business employees typically possess many of the following attributes:

- **Self-initiative or ability to recognize what needs to be done.** By identifying potential issues that need to be addressed and accomplishing them without a lot of direction or guidance from others, service providers in small companies aid the overall effectiveness of the organization and address customer expectations.
- **Strong powers of persuasion.** There may be no one else around when a customer calls or comes by your office in a small company. For that reason, you must be able to share an opinion, idea, or information in a convincing manner so that your customers believe and trust what you are saying. Strong oral, nonverbal, and written skills will often make the difference in whether you succeed when dealing with customers.
- **Flexibility.** Unlike larger organizations where there may be written policies and procedures and a Human Resources department to consult for various issues, small business employees often have to be able to “think on their feet” and come up with appropriate solutions when dealing with customers. This comes from having sound knowledge and skills related to products and service procedure.
- **Creativity.** There will be many times when working for a small business where you will have to come up with a solution to a customer question or issue on the spur of the moment. To do this, you must be able to use the products, services, and tools offered by the organization to best satisfy the needs or wants of your customers.
- **Problem-solving ability.** Since you will be working with limited resources in many instances, you must be able to gather data and information about a customer issue (see Chapter 3 for ideas on effective questioning), quickly analyze what you learned, and make an appropriate decision.

Before going to work for a small organization, read Chapter 6 and decide if you have the right temperament or behavioral style preference to succeed in such an environment.

Impact on Service

Based on personal experience and what you just read, answer the following questions:

1. What characteristics or traits do you feel that many employees in small companies lack that causes service problems? Explain.
2. From a service perspective, do you think it is better to work for a small company or large one? Why?
3. To what degree do you feel service providers in small companies differ from their large organization counterparts? Explain.

Key Terms

attitudes
customer-centric
customer-friendly systems
employee expectations
employee roles
empowerment
ethical behavior

ethics
feel, felt, found technique
mentors
mission
mission statement
protégé
RUMBA

service culture
service delivery systems
service measurement
service philosophy
vision statement
what customers want



Summary

Professional customer service helps highlight and define service culture. Everything customers experience from the time they contact an organization in person, on the phone, or through other means affects their perception of the organization and its employees. To positively influence their opinion, you must constantly be alert for opportunities to provide excellent service. Taking the time to provide a little extra effort can often mean the difference between total customer satisfaction and service breakdown.

Your role in helping create a positive service culture is to continually think like your customers and try to decide how you should best proceed in any situation in which you come into contact with them. Successful service providers have a plan and have strategies in mind for dealing with various issues. Through professional, proactive planning, you can demonstrate that you have your customer's best interest at heart while representing your organization ethically and in a manner that projects a positive attitude.

Review Questions

1. What are some of the key elements that make up a service culture?
2. How does management's service philosophy affect the culture of an organization?
3. How does RUMBA help clearly define employee roles and expectations? Why is each component important?
4. How can policies and procedures affect the customer's impression of customer service?
5. What questions should you ask yourself about your role as a service provider?
6. What are some indicators that a company has customer-friendly systems in place?
7. What are some of the tools used by organizations to measure their service culture?
8. What are some strategies for helping promote a positive customer culture?
9. What separates average organizations from excellent ones?
10. What are some typical things that customers want?

Search It Out

Customer Service and Organizational Culture

1. Log on to the Internet and research the mission statements of the following five organizations: (1) U.S. Department of Education, (2) USAA Educational Foundation, (3) Enterprise Rent-a-Car,

(4) Starbucks Coffee, and (5) Florida Hospital. You can locate information by going to available search engines (Yahoo.com, Bing.com, Google.com, AltaVista.com, Excite.com, or Ask.com) and typing in the name of the organization, then searching its site for "mission statement."

www.mhhe.com/customerservice

As you view each organizational mission statement, answer the following questions:

Are there shared values and beliefs evident in the different mission statements? If so, what are they?

As a customer/client, do you feel that the organization values you? Why or why not?

Does the focus of each mission statement seem to differ between types of organizations (e.g., government, nonprofit, not-for-profit, and for-profit)? Why or why not?

If you were writing each mission statement, what would you add or delete?

Be prepared to share your findings at the next scheduled meeting.

2. Conduct an Internet search of models that can be used to determine the cost of obtaining or retaining customers. See if you can find one specific to your industry or desired profession. Once you locate one that you feel is sound, calculate the cost of obtaining one new customer and share your research with classmates and your instructor.
3. Visit the student resource area for this book for additional resources and activities at www.mhhe.com/customerservice.

Collaborative Learning Activities

1. Service Culture

Along with assigned group members, go on a field trip to several local organizations before your next class meeting. Use Figure 2.3, Elements of a Service Culture, as a guideline to determine the level and quality of the service culture of each organization visited. Take notes and be prepared to share your observations with other groups when you return to class. As part of your note taking, answer the following questions about each organization:

- a. Did you notice any overt signs that indicated the organizations' cultural philosophy (mission or philosophy statements on walls)? If yes, what were they?
- b. In what way was service delivered and how did the delivery indicate the organization's philosophy related to customer service?
- c. What did the organization's products and services say about its approach to service (quality and quantity, availability, and service support)?
- d. What evidence did you see of management support for the service initiatives being used by employees?
- e. What indicators of motivators and rewards did you notice (employee-of-the-month or -year plaques; parking space for employee of the month; visible

indicators of rewards on employees' clothes or uniforms, for example, items such as pins or buttons)?

- f. Were there any indications that training of employees is occurring (employees have a consistent greeting or closing: "Thanks for shopping at _____")?

2. Promoting a Positive Service Culture

- a. Form equal sized groups.
- b. Select a group/discussion leader who will take notes and report back to the class.
- c. Review the 12 strategies discussed in this chapter for promoting a positive service culture.
- d. Individually, select the one that you believe you have the most opportunity to focus on as a service provider.
- e. Do a tally to count the number of choices for each strategy (1–12).
- f. Have each group member discuss why each made the choice he or she did and how he or she might implement that strategy.

Leaders from each group should report their tally and provide a general summary of the discussions to the class.

Face to Face

You and Your New Job in Customer Service

In the following case study, you are a new employee and are excited and happy to begin your position in customer service with United Booksellers. Read about the company and your role in customer service, and then answer the questions at the end of the case study.

Background

United Booksellers is the fifth-largest retailer of publications on the West Coast in the United States. It started 15 years ago as a family-owned bookstore in Seattle, Washington, and has grown to over 125 stores in seven states. The organization currently employs

3,000 employees, each of whom receives extensive customer service training before being allowed to interact with customers.

Recent issues of *Booksellers Journal* and *Publishers Select* magazine have heralded the quality service and friendly atmosphere of the organization. United Booksellers has been praised for the appearance of the facilities, helpfulness and efficiency of employees, wide selection of publications, and intimate coffee shops where patrons can relax and read their purchases over a hot cup of fresh cappuccino.

Your Role

As a new customer service professional with United Booksellers, you are excited about starting your job, which will require continual customer contact. As a child, you watched your siblings perform customer service functions at the local Burger Mania Restaurant

and always thought you'd like to follow their lead. Since you like people, enjoy a challenge, don't get stressed out easily, and have hopes of moving into management, you anticipate that this job should be just right for you. In this position, you'll be expected to receive new publications from publishers, log in receipts, stock shelves, assist customers, and occasionally work as backup cashier.

Critical Thinking Questions

1. Are there indicators of United Booksellers' service culture? If so, what are they?
2. If you were an employee, in what ways would you feel that you could contribute to the organizational culture?
3. If you were a customer, what kind of service would you expect to receive at United Booksellers? Why?

Planning to Serve

To better understand the role of service providers in helping establish and maintain a positive service culture, think about what you read in this chapter. Also, think about factors related to service cultures in organizations with which you are familiar. Make a list of

five to ten key culture elements. Beside these elements, create a list of strategies that you can/could take as a service provider to improve them if you worked in such an organization. Share your list with others in the class.

Quick Preview Answers

- | | | | | | |
|------|------|------|------|-------|-------|
| 1. T | 3. T | 5. F | 7. F | 9. F | 11. F |
| 2. T | 4. T | 6. T | 8. T | 10. F | 12. T |

Ethical Dilemma Summary

Ethical Dilemma 2.1 Possible Answers

1. What ethical issue(s) do you face in this situation?

The supervisor is putting employees in the awkward position of either making their performance goal or facing punitive actions and losing potential rewards. In pressuring customers, you might even alienate and lose them while generating negative word-of-mouth publicity that will hurt the organization in the future. Moreover, this practice can violate some basic principles of ethical behavior because it can damage trust between supervisors and employees and, ultimately, between customers and service providers and the organization. This

practice also defeats the part of the organizational philosophy that states, "in a low-pressure customer atmosphere."

2. How might these affect service delivery?

The customer is likely to receive less than stellar service because frontline service providers are going to feel pressured to hurry their service delivery. Additionally, service providers will potentially resent the supervisor, policy, and organization for creating a stressful work environment and/or withholding rewards on the basis of circumstances not always created by the employees. In the long run, employees may act out through tardiness, absenteeism,

and high turnover. This can lead to stressed-out supervisors and a revolving-door problem of rotating employees who require ongoing training, increased costs, and loss of expertise to the organization.

3. What impact might this situation have on your performance?

When employees feel that they are in a “no-win” situation or that their supervisor is not listening or being realistic, they often develop poor attitudes and their performance suffers. In a service environment, this often equates to customer complaints and lost business. In any event, if your performance wanes, you will likely receive disciplinary action and could ultimately be terminated or quit out of frustration.

4. How might this situation be addressed?

Supervisors should take a realistic look at the mission statement and philosophy of the organization. They should also benchmark against similar industry organizations to see what types of policies and procedures they use with similar service situations. Ultimately, they should work with employees to develop realistic standards for quality service delivery.

Employees should bring issues related to poor policies and procedures to their supervisor/team leader for discussion. They should take ownership of the issue rather than simply complaining to others about the stress and working conditions. It is possible that your supervisor is receiving pressure from his or her manager and is also frustrated but cannot voice that to you or other employees (since this would be unprofessional). If you perceive this to be the case, and you have a suggestion box or open-door policy, try presenting suggestions for improvement in a manner such that more senior people will hear and can potentially act upon them. Just remain professional in your approach.

Ethical Dilemma 2.2 Possible Answers

1. How does such a service atmosphere potentially impact customers? Employees?

Today’s customers are typically better educated and informed and have been bombarded with tips for dealing with poor service by articles, television news stories, and consumer advocates. They often know what their rights are, know who to contact when those rights are violated, and understand that they have many options for products and services if your organization cannot or will not deliver what they want or expect.

2. What message does this approach to service say about the organization?

When an organization promotes a message of “complete customer satisfaction,” then fails to deliver on that promise, it sends a message of dishonesty, unethical behavior, and lack of concern for customers. It also puts employees in a position of either having to defend the organization or lying to customers. Either option is a losing one for organizations and employees who come into contact with their customers.

3. What are potential outcomes of such practices by the supervisor?

They are certain to lose the respect of employees and their customers. Depending on whether they are acting on their own or with the blessing of management, they might be opening themselves up for disciplinary action and termination for violating organizational policy and for demonstrating poor leadership and bad judgment.

4. What can you and other employees do to address the situation?

In instances when supervisors are blatantly violating policy and putting you and the organization in a negative situation, you should immediately bring it to the attention of management. Of course, if you know that management condones such behavior, you likely are wasting your time and may only have one viable option—find employment in a reputable organization.