

## **Building Blocks for Superior Customer Service**

Here's a quick customer service question. Can you think of a recent buying experience that was less than satisfactory and left you complaining to family and friends? It's not that hard to do, is it? It seems we all have no shortage of stories to share wherein we, the customer, were ignored, mistreated, misunderstood or embarrassed.

Just last week I had the experience of a restaurant in Victoria refusing my dinner reservation for 14 people. The employee answering the phone stated emphatically that their reservation policy was a maximum of 12 people after 7 p.m. And, no, they couldn't adjust it to accommodate our group. This lack of flexibility and understanding left me feeling frustrated and angry. It was obvious that the restaurant had put its own needs ahead of mine, the customer. If we were not going to be appreciated for our patronage, it's hardly the sort of place where my 13 friends and I would want to spend our celebratory dollars.

Compare that to the service I received at the local Canadian Tire store where I purchased replacement windshield wiper blades. Before leaving for home, I casually enquired about general instructions on how to install them. The employee answered by taking a couple of minutes of his time and installing them on the spot, no charge. This type of service certainly went beyond my expectations and I remain a loyal customer.

Those two little anecdotes demonstrate the powerful effect that customer service has on either turning customers away or bringing them back again and again. As a franchise owner it's in your best interest to review your franchise customer service vision and program. Is it the positive contributor to your success that it should be? Although much has been written over the years about customer service, do not make the mistake of identifying it as a fad or trend that will be replaced by the next management guru's philosophy. Customer service remains, and will always remain, a relevant issue for business. More to the point, superior customer service will always be identified with successful businesses.

Successful customer service programs are built purposefully. Before a program can be built it is first necessary to have an understanding three issues: the nature of customer service; the way in which your customer service program is coordinated between franchiser and franchisee; and the importance of having a superior customer service program through which customer relationships are developed. Let's look at each one of these topics before moving on to discuss the building blocks that comprise a superior customer service program.

## **Let's Define Customer Service**

Before steps can be taken to implement and maintain a superior customer service program, it's vital for the franchise owner to understand what customer service is. It's more than just a friendly smile or speedy service. In fact customer service is much more all encompassing and needs to be more broadly defined. Simply put, customer service is the fulfilling of a customer's expectations, whatever they may be.

A customer's expectations revolve around the product, service or experience he or she is buying. This means a customer expects the product to provide the touted benefits. The service or experience is to be of the standard promised. A customer also expects a company to stand behind its promises and rectify any deficiency in the product or service. Any customer whose expectations are met is a satisfied customer. And a satisfied customer tends to be loyal customer with whom you can build a long-term relationship. We'll discuss the value of long-term customer relationships in more detail later.

## **Co-ordination of Your Franchise Customer Program**

There are some unique features of a customer service program within a franchise system. There is, generally, a clear delineation of responsibility between the franchiser and the franchisee. This helps to maximize the efficiency of the business system. An example is capitalizing on purchasing economies of scale available to the franchiser. When it comes to customer service the franchiser and franchisee share responsibility for the implementation of a superior program. For maximum positive impact on the customer and the bottom profit line it's important that the customer service effort between franchiser and franchisee is coordinated.

Advertising and employee training are two examples where coordination between franchiser and franchisee occurs. The production and purchase of advertising is assigned to the franchiser. Advertising creates customer expectations by telling them the type of buying experience they can expect if they purchase from the franchisee. The franchisee is responsible for the local buying experience and ensuring the customer's expectations are met.

The arrangement is similar with employee training programs. The franchiser is usually responsible for the programs and procedures for training employees. This should include comprehensive customer service training. The franchisee has the responsibility for hiring quality employees and monitoring the implementation of the local customer service program. This includes providing leadership by example as discussed later on.

## **The Importance of Superior Customer Service**

As individuals, customers continue to mature and change. Over time customers have become more experienced and sophisticated with their buying decisions. As greater demands are placed on individuals at home and at work, they, too, demand

more from the businesses they buy from. No longer are they satisfied with just competitive prices or quality products. Recent studies show that customers are also looking for quality service and personal attention. They are now expecting superior customer service to back up your product offering.

There are two reasons why superior customer service should be important to you, the franchise owner. Firstly, it's essential for your survival. Secondly, superior customer service is the secret to building long-term relationships with your customers. Let's examine each of these reasons in a little more detail.

### Survival

Superior customer service is a survival factor now in business. Customers have developed greater service expectations and will measure your service offering against their expectations and the service offered by your competition. You are in the business of attracting people to your products or services. So is your competition. If you expect to keep your customers happy and coming back it is imperative that your customer service plan and its execution be superior to the competition.

Distinguish your business rather than have it extinguished as a result of apathy towards your customers and their needs. Certainly keep abreast of what your competition is doing. But more importantly, protect your customer base. Get to know your customers by developing customer profiles and customer data bases.

### **Long-Term Relationships**

Superior customer service is the secret to building long-term relationships with your customers. Customers are looking for trusting, meaningful relationships where their needs are understood and met. You achieve this, in part, by providing service that is personal, consistent, and of high quality.

The value of life-long customers cannot be overstated. In fact any business concerned about efficiency, profitability and longevity should be focused on the development of long-term relationships with its customers. One of the overall goals of your organization should be to develop customers for life. Your very success depends on it. Why? Because there are many benefits that accrue to your business from long-term customer relationships.

From a cost perspective, life long customers will cost you less to service. They are familiar with your business, your policies and your products. Consequently, they have fewer questions and it takes less time to service them. In short, life long customers are generally your most efficient customers. The old adage is true: It costs less to keep an existing customer than to acquire a new one. Some studies have identified the cost differential as being as much as one-to-five.

From a revenue perspective, life long customers will generate a revenue stream that goes far beyond today's sale or even tomorrow's. Do the math and calculate a customer's lifetime sales value to your business. It'll impress upon you the value of

each and every customer and their importance to your continued success. Ironically, too, loyal customers are more likely than new customers to pay a premium for your product or service. This is because they have come to value your quality product offering and your quality customer service. New customers are not familiar with how you operate and often require a discounted price to draw them in.

A loyal, life long customer also becomes a word-of-mouth source of referral for your business. This is the most effective form of advertising as it has built-in credibility, the customer's. He or she takes a personal interest in your business and will actively promote it, all for free.

For the franchise owner the building of long-term customer relationships can be an extra challenge. This is an area that traditionally has been an advantage enjoyed by non-franchised, local businesses. They can deliver personal service by getting to know their customers on an individual basis and adjusting their business strategy to meet their needs. It's true that a franchise owner has less flexibility in the area of price, products and store layout. However, as a franchise owner, you still have control over many other factors that contribute towards positive relationships with your customers.

### **Building Blocks for Superior Customer Service**

Customer service involves a program of activities, whether performed intentionally or not. If you are thinking you should get around to implementing a program sometime soon you should be aware of the fact that you already have one in place. It just may not say something positive about your business. The real decision is whether you will have a program of customer service activities that actively builds and supports positive customer relations to the benefit of your business. You have a customer service program in place. The goal is to develop it into a superior one.

As mentioned above, customer service involves a program of activities. A superior customer service program is comprised of building blocks that support the overall goal of retaining customers for life. These building blocks can be identified with two distinct yet very connected groups: internal customers, or your employees, and external customers. A successful customer service strategy involves building a service culture that targets both groups.

Let's first look at the building blocks of superior customer service that are relevant to your employees and then discuss those that are important to your external customers.

## **Customer Service Program for Employees**

### ***Building Block #1***

Have a company mission statement that includes a statement about your customers.

Your mission statement lays out your business's vision and core values. It should include your core values as they relate to your customers. Ensure employees are taught your company's mission statement and understand it. Communicate in your mission statement the quality of customer service you expect for your customers from your employees. Make sure that employees understand the importance of superior customer service and that it is important to them too. Have team meetings to focus on company goals. Follow through by always having customer service number one on the agenda.

### ***Building Block #2***

Communicate your customer service program to your employees

A customer service plan has no value unless it is communicated effectively to employees. Spend time with your employees and clearly communicate to them how you expect them to treat customers. Superior customer service will not happen unless employees are told what is expected of them and how they are to achieve it. You need to explain the importance of superior customer service and the activities required of each employee to implement the program. Share measurement data and other results with all employees.

Communicate effectively by first listening to the ideas and concerns your employees may have. Think through your customer service program and ensure you can explain its purpose and activity steps in language that your employees understand. Choose your method of communication carefully. Be sensitive to their viewpoint and remember it is human nature for employees' reaction to be How will this affect me?

### ***Building Block #3***

Lead by example

Your leadership in providing superior customer service is essential. This includes how you treat both your employees and customers. Show your employees that you value and respect them. Be honest with them and earn their trust. Communicate clearly and stay open to suggestions for improvement. Be enthusiastic and positive. Your example of servicing customers will set the standard and have a greater impact on employees than any company mission statement ever will. Employees are in a position to observe your behavior and are quick to see inconsistencies between your talk and walk. They will also not generally give more than you give.

#### ***Building Block #4***

Celebrate and recognize employee achievement in customer service.

Use the positive feedback from your customer service program as a reason to celebrate with your employees. Give your employees a sense of accomplishment by acknowledging their efforts. Let them know their work has not gone unnoticed. Never underestimate the power of an appreciative word to employees. Give appropriate recognition to them if you implement one of their suggestions. Reward good results with a token of your appreciation, such as taking the employee to lunch or a ticket to a movie of their choice. Where appropriate, good results should bring the employee added responsibilities and increased compensation.

#### ***Building Block #5***

Build long term relationships with employees.

Long term employees are one of the most valuable assets your business has. They are trained and knowledgeable about your business's products and services. A high employee retention rate means your business avoids "quitting" costs associated with employee turnover. These costs should not be underestimated. Nation's Restaurant News in the US puts the price tag on employee turnover at 25% of labour costs. This includes the cost of advertising, interviewing, training and lost productivity.

Most importantly, your long term employees know your customers and have developed meaningful relationships with them. If you have high employee turnover be aware that this may result in high customer turnover. It's impossible for a customer to develop a relationship with your business and feel that you care if the employees' faces keep changing. Deterioration in customer service and a loss in customer confidence oftentimes accompany sudden employee resignations.

#### ***Building Block #6***

Train your employees in customer service

Formal training is the most cost-effective method of instructing your employees about your business, your customer service program, your expectations and their responsibilities. If your hiring practices are focused on the right things, it means you have new employees who fit into your culture and have a positive attitude. The next step is to train them in the skills that they will need to do their job.

There are four types of skills your employees will need to do their job well and carry out their responsibilities in a superior customer service program. These are technical skills, interpersonal skills, product or service knowledge and customer knowledge. Focus on these skills, not only in the classroom training session, but also back on the job. Active support and involvement by the supervisor is critical reinforcement of the skills learned in the classroom.

### **Customer Service Program for External Customers**

### ***Building Block #7***

Give your customers personal attention

Customers expect you to know who they are and what their needs are. Call them by their name as this immediately personalizes the interaction. It's suggested that you use a person's name twice in a conversation. When dealing with a new customer, consider referring to their credit card for their last name. Treat your customers like a guest and give them your undivided attention. Customers with money want to be made to feel special and that you appreciate their business.

Customers expect you to find what they want and show that you care about meeting their needs. A good example of a business understanding this is my local grocery store, Thrifty's Foods, renowned for its customer service program. Every time I go through the checkout counter, without fail, I am asked if I found everything I need. One time I mentioned that I was disappointed that they no longer stocked my family's favorite salad dressing. You can imagine my delight when they said they would order it in. True to their word, I found it on the grocery shelf on a subsequent trip and my children are back to enjoying their salads.

### ***Building Block #8***

Communicate with your customers in a quality manner.

The way that you communicate with your customers says a lot about the quality of your business and your customer service. Good, effective communication with customers has certain characteristics. This includes a smile and a greeting. Customers should always be made to feel welcome. If your business is a happy, positive place customers will feel comfortable and want to return. A greeting and other appropriate conversation will assist in the development of a relationship with the customer.

Body language is the most important element of communication, far exceeding the verbal component. Body language sends clear messages about your attitude and represents 80% of the communication conveyed. Your eye contact, gestures, and posture are communicating to the customer the real value you place on your interaction with him. It also says something about your self-confidence and professionalism. The combination of your words and actions must clearly show that you care about serving the customer.

### ***Building Block #9***

Develop a customer feedback system.

A customer feedback system empowers your customers by including them in your service program. An open, trusting relationship with your customers should include allowing them to give you their input as to how well you are satisfying their needs. Ask them how well you are meeting their needs, how you can improve, what they like best and what you are not doing that they'd like you to do.

Getting feedback from your customers can take the form of comment or suggestion cards, random follow-up telephone calls, or a customer satisfaction survey. A mystery shopper program is another way of obtaining an objective assessment of how well customers are serviced by your employees. Websites that include an e-mail address for customer comments are also useful. Finally, you can ask each customer verbally at the time of their purchase whether everything was to their satisfaction.

A feedback system will result in positive and negative assessments. Celebrate the positive and keep doing those activities well and consistently. View the negative as opportunities where you can change and improve to better serve your customers. It's better to be told what isn't working and have the opportunity to improve it, than to have the customer quietly walk away dissatisfied, never to return. Make sure you understand the source of the problem and make the necessary corrections. Don't dismiss the unsatisfactory assessments with a "Can't be true" attitude.

### ***Building Block #10***

Provide quality support services to your customers

Customers are expecting quality post-sales support. This includes things such as warranties and guarantees, parts and repairs service, training in the use of the product and the handling of refunds and complaints. Quality support services involve standing behind your product or service and keeping your promises. It's a matter of trust and a way of building customer loyalty. Superior post-sale service sends the clear message to your customers that you consider them customers for life. Your commitment to them does not end just because today's sale is complete.

In summary, value your customers, both internal and external. Show your appreciation to your customers by implementing the building blocks for superior customer service. This will require an investment in the training of your employees but it's an investment that will provide you with a high rate of return. Remember that the benefits of a superior customer service program include both cost savings and an increased revenue stream generated by customers for life. It takes time to develop long-term relationships with customers, which means there's no better time to start than today.