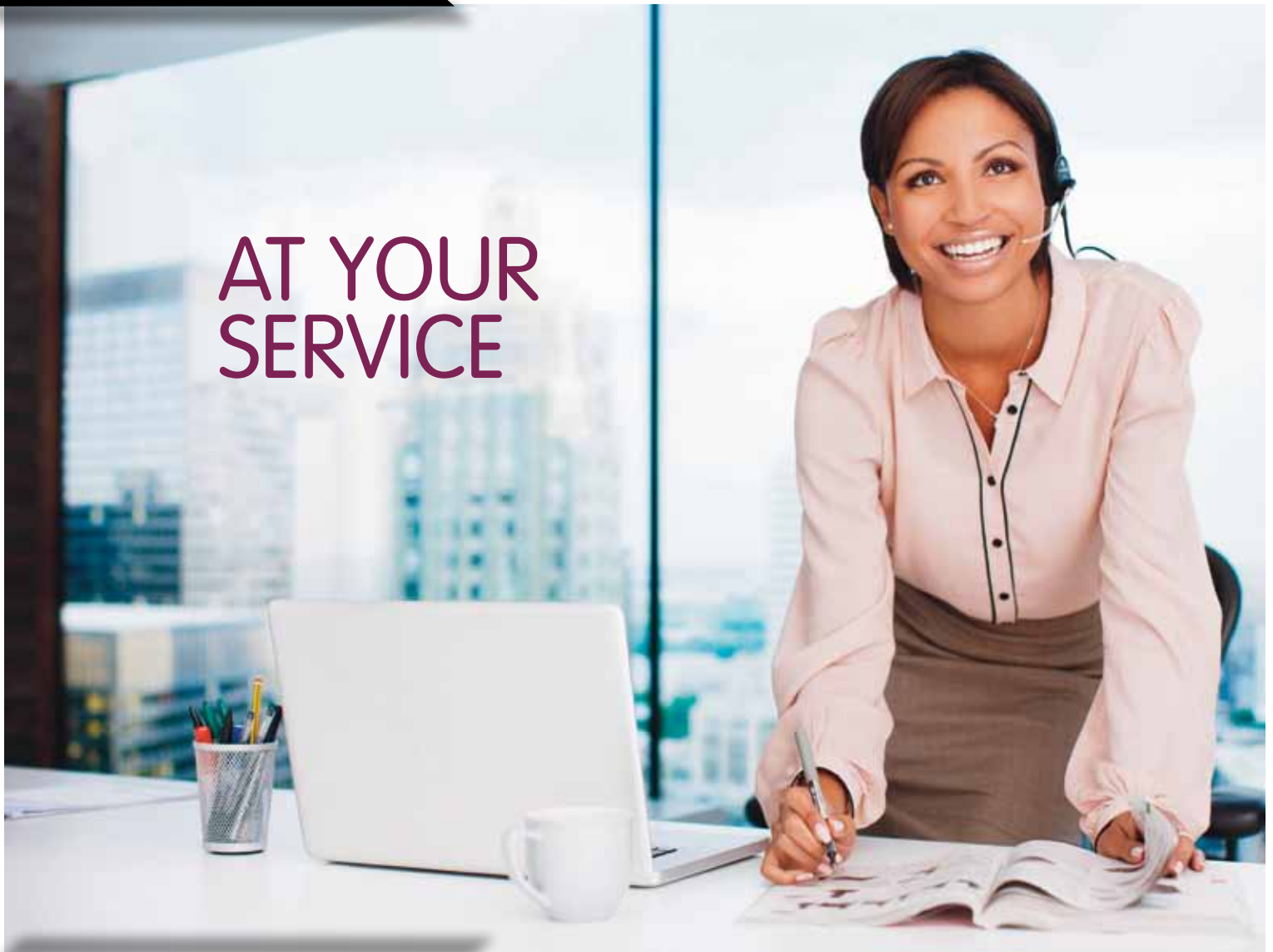# AT YOUR SERVICE

An exemplary customer service program is a wise investment

**S**ubpar customer service costs U.S. businesses an estimated $83 billion each year. That's according to a recent study by Genesys, appropriately called "The Cost of Poor Customer Service."** In addition, the report says, almost two-thirds of the nearly 9,000 polled consumers admitted to severing a retail relationship solely because of unacceptable customer service. It's important to remember that these consumers did not stop spending money. Nope, this isn't something you can blame on the economy because these shoppers still made their purchases. But they took their business to a competitor.

From a different perspective, the 2010 Customer Experience Report from RightNow, a customer relationship management provider, found that 85 percent of those polled would pay more if it meant getting superior customer service, with a whopping 55 percent saying they'd pay 10 percent more.

No matter how you look at it, customer service comes down to revenue. The question is, do you want to lose money or make money?

## Focus In

Before assessing your company's customer service, you need to identify what your customers expect, which varies across industries and even between businesses within the same industry. "If you're staying at a budget hotel versus a luxury hotel, your expectations will be different," says Jason Mittelstaedt, RightNow's Chief Marketing Officer.

Following this train of thought, customer expectations for a big-box office supplier might be pure price and immediacy, as in grab and go. For an independent reseller,

however, expectations might rise to a higher level, perhaps including a consistent flow of relevant product information delivered via highly targeted email campaigns, catalogs, and brochures. This is something a big-box weekly circular cannot accomplish.

## Listen Up

Several insights help identify your customers' expectations, beginning with the reseller's knowledge of the industry. A second critical component comes from an active customer feedback program. These programs can be done via phone surveys, email communications, online chats, social media, or an online survey on your website. What's important, Mittelstaedt adds, is that you capture feedback as soon as possible after the consumer's engagement with your business.

Be ready to address negative feedback with a two-pronged action plan, which means fixing or at least investigating a reported issue and also reaching out to the dissatisfied customer. This introduces a best practice in terms of increasing customer satisfaction, and it applies to online customer service as well as traditional sales. ''Customer satisfaction will degrade to an all-time low if someone expresses a concern but gets no follow-up feedback,'' Mittelstaedt says. ''On the other hand, satisfaction will improve dramatically after follow-up that acknowledges feedback.''

In addition to customer surveys, your employees are a rich resource for customer expectations, stresses Lise D'Andrea, president and CEO of CSE, Inc., a firm dedicated to customer service development. ''They deal with the day-to-day issues and hear the expectations—or rather they hear the complaints, which are expectations not being met.''

## Knowledge Is Power

According to ''The Cost of Poor Customer Service'' study, a satisfying customer experience is most often tied to a competent customer service representative. Conversely, the study reports, two issues that consistently drive consumers to the competition are customer service representatives who lack the knowledge necessary to answer inquiries and also having to repeat themselves before finally finding someone who can answer an inquiry.

''Many companies hire great people and make impressive claims about delivering great service, but they set themselves up to fail because there are no best practices laid out to support customer service,'' D'Andrea explains.

## IDENTIFY YOUR CUSTOMERS' EXPECTATIONS

1. **Knowledge of the industry**
2. **Active customer feedback programs**
   - **phone surveys**
   - **email communications**
   - **online chats**
   - **social media**
   - **online surveys**
3. **Address negative feedback**

To reverse this negative situation, D'Andrea suggests that you:
- List your company's five most frequent customer complaints.
- Identify the root cause that preceded each complaint.
- Ask yourself why these issues escalated into complaints.

For example, let's say that customers routinely complain about a poor return process. Your employees say it's because returns require a manager's signature, but if a manager isn't available, everything comes to a halt. Lost time coupled with the requisite repetition once a manager is available lead to a dissatisfied customer. That signals a need to establish a standardized return policy and then empower employees so returns are swiftly handled during the first interface with your company.

Another common issue on top-five lists concerns customers who ask the impossible. ''Does your staff know how to handle irate customers?'' D'Andrea asks. ''Your employees need consistent, standardized processes to make things better. Maybe that means offering angry customers a coupon for their next purchase once the immediate problem is fixed. Some business owners say they can't afford to hand out coupons. But can you afford not to? You're recovering a customer who's going to return and spend more than that coupon is worth.''

## By the Book

With facts in hand, document the company's standard practices and procedures to handle those top five issues. ''Everyone thinks that Nordstrom exemplifies customer service because their employees

## WHAT'S THE WORD?

While word of mouth doesn't create good customer service, it is a valuable—and free—tool to advertise your exemplary customer service program. According to the 2011 American Express Global Customer Service Barometer, Americans share a good customer service experience with roughly nine people and a bad experience with about 16 people. "A word from those we trust influences where and how we spend our money," says Lise D'Andrea, president and CEO of CSE, Inc., a firm dedicated to customer service development. "With smartphone apps and social media connecting people 24/7, word of mouth is going to become even more influential."
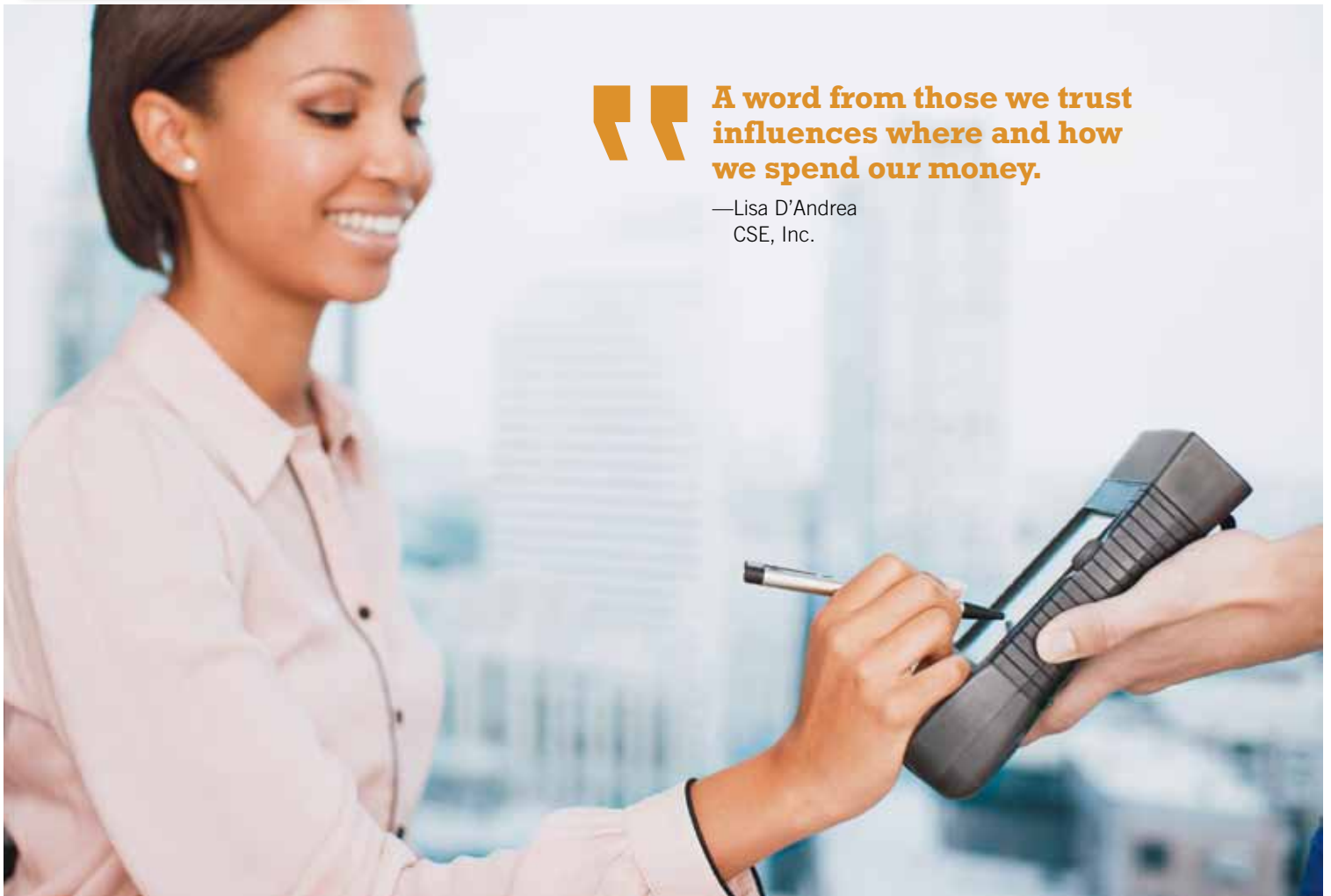
> **"** **A word from those we trust influences where and how we spend our money.**
>
> —Lisa D'Andrea
>   CSE, Inc.

have carte blanche when it comes to pleasing customers. That's not true," D'Andrea stresses. "What Nordstrom gives their employees is a clear understanding of how the business works, coupled with company expectations. Employees are better equipped to solve any issues that may arise. Service is an integral part of their culture."

Documented standards and procedures also promote a common knowledge base across all communication channels and thus consistent customer service within your entire company. "A customer might ask the same question after every purchase—maybe about delivery or return policies. Whether that question is asked and answered via email, your call center, or in person with a sales rep, everyone has to have the same response," Mittelstaedt says. Conflicting information, he adds, could prompt the customer to say, 'But I got an email that said something different.' Now you've got a frustrated customer and possibly a lost sale.

"You can't control the economy, what someone's discretionary income is, or which ad the customer reads today," D'Andrea says. "But you can control

the experience customers have when they purchase from you. The time, money, and resources that you put into establishing a positive customer experience are investments—and far less costly than the marketing dollars needed to attract new customers." **O|L**

## ONLINE VERSUS IN PERSON

When it comes to exemplary customer service, what happens online versus person-to-person should be as similar as possible, says Jason Mittelstaedt, chief marketing officer of RightNow, a customer relationship management provider. "Consistency across all communication channels is vital because the Web, social media, and a call center might very well be used simultaneously. I could be speaking on the phone to your customer service representative while I'm scrolling through your website or reading your Facebook page."

One difference that will never change, of course, is the human factor. "The big part of walking into a store or making a phone call is knowing that someone will offer their help and be enabled to quickly address the issue," Mittelstaedt says. "That instant response is something an email or a 'contact us' page on a company website can't promise."