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CUSTOMER SERVICE:

We regularly hear members of the laundry industry bemoaning how they are simply not making enough profit and cannot increase prices due to competitive activity and under-cutting of prices. The following article was originally published back in the mid 1980's – but still holds true today. I have no idea who was the original author – and acknowledge that this is not our work – but the sentiments are one that we whole-heartedly embrace.

CUSTOMER SERVICE CHECKLIST

More than 80% of consumers stop using a company if they are dissatisfied with its customer service, and 69% tell their friends of their displeasure. These statistics are the results of a study, commissioned by Learning International. “About customer attitudes towards customer service”.

Learning International found a fundamental and important shift in the underpinnings of customer buying decisions. Increasing numbers of consumers are turning to, or away from, companies on the basis of customer service quality. This movement has produced seven major trends that influence directly the success or failure of corporate customer relations.

1. CUSTOMERS DON'T READ:

The average consumer doesn't read or take the time to follow assembly and operation instructions.

This can prove very expensive to corporations, In fact, several companies report that up to 40% of all warranty repair and service visits would not be necessary if customers read the instructions.

More than 73% of the calls to a company are placed to ask questions or discuss problems. If a competent customer service team is available to answer enquiries and resolve consumer troubles properly, the amount of unnecessary service calls can be cut dramatically.

2. CUSTOMERS DON'T UNDERSTAND OWNERSHIP RESPONSIBILITIES:

In an attempt to reduce operating costs, many businesses delegate assembly and/or maintenance tasks back to the customer. For example, some hotels require guests to program their own wake-up calls into a computerized wake-up system. As profitable as this shift may seem, it confuses the guest and assumes both mechanical ability and willingness on the part of the public to serve themselves.

An increasing number of consumers do not understand their responsibility under warranties and guarantees. For example, many people expect a car to run for 5 years without any extra maintenance costs and get upset to discover that oil and tire repairs are not covered.

It is clear that customers need to be alerted to, and educated, about the intricacies of warranty obligations. Every time a consumer misinterprets their responsibilities as a product owner, it is costly to

the company in both Dollars and production. On the other hand, effective customer service assuages customer anger, educates and informs in a positive manner, and turns an angry customer into a loyal consumer.

3. HIGH TECHNOLOGY AND PRODUCT COMPLEXITY MAKE PRODUCT DIFFERENTIATION DIFFICULT:

As products and service become more complex, people have more difficulty making choices. Financial Services and computers are prime examples. A company that gives perceptibly better service differentiates itself from its competitors even if its products are the same, and, as a result, can often charge a premium for them.

Previous experience with a company greatly influences prospective customers. Consumers tend to be extremely loyal to those manufacturers from whom they have received good service. In fact, a leading automobile manufacturer contends that a loyal customer is worth more than \$300,000 during their lifetime.

4. CONSUMERS HAVE LOWER CONFIDENCE AND EXPECTATIONS FOR PRODUCTS AND SERVICES:

All consumers are increasingly cynical about the quality of the products and services they purchase. Over the past 4 years, surveys by the Society of Quality Control indicates that the public believes the quality of most products and services as declined and will continue to decline. Indeed, 3 out of 4 people (75%) questioned felt that the value they received on most products and services is significantly less than what it used to be.

Customer Service can have an enormous impact on consumer confidence levels. A positive interaction increases confidence among 20% of those registering a complaint; whilst a negative interaction decreases confidence among 40%. Unfortunately, negative experiences are far more common than positive experiences. Over half the consumers who complain are dissatisfied with initial customer service response. As a result, more than half lose trust in the product and refuse to re-purchase another product manufactured by the same company.

These statistics show, rather vividly, the significance of either good or bad customer service.

5. HIGH-QUALITY SERVICE HAS BECOME A PRODUCT ATTRIBUTE:

An increasing number of consumers are rating quality service factors as more important than product cost and features. In fact, 8 out of the top 9 reasons (89%) consumers buy a certain product relate to service, e.g. responsiveness, technical skills, professional attitude.

As competition increases, companies across the board perceive the extent to which good service can be a promotable product attribute. Advertising quality services is a new trend. However, advertising is only as effective as the customer service provided.

6. CONSUMER ATTENTION IS DRAWN TO NEGATIVE PUBLICITY:

Never before has the consumer been so aware of the shortcomings of industry. The media often underscore consumer suspicion but word of mouth is even more detrimental. A consumer who has a good experience with a product or service tells four other people about it. However, details of a bad experience are relayed to eight friends.

To complicate matters, most consumers never complain to the company – which gives the businesses little chance to make amends. In fact, for every complaint registered, there are 10 to 50 others, depending upon the product that goes unreported. More than 1/3rd of the unsatisfied customers don't take action – they merely switch brands and spread the bad word.

7. CONSUMERS BELIEVE THEY ARE NOT GETTING THEIR MONEYS' WORTH:

Inflation, combine with recession, has prompted most businesses to raise prices and cut costs. This atmosphere should encourage more vigilant business attention to consumer response – yet customer service is often neglected or under-valued.

An example of the effect of cost reduction is the transaction charge that banks impose. At the same time, many discourage personal teller service by substituting automated teller machines. As a result, a consumers' only personal contact with the bank is when problems arise.

Improved customer service can play a major role in changing customer perceptions about a product or service value and directly affect a company's success and profitability.

A check list of key factors:

To determine the extent of your company's commitment to customer service, consider the following checklist. Many elements may be in place in your company; others may need to be added, depending upon the dynamics of your business.

- Do your people know how to diffuse emotional customers?
- Do your people listen?
- Do your people keep customers informed as to what to expect and when?
- Do your sales people initiate customer calls to make suggestions, follow-up, and show appreciation after the sale – rather than just sell?
- Are your supervisors trained to motivate their people and solve problems?
- Who answers customers' calls? Are those people well trained and knowledgeable?
- Does your company attract and retain high-quality people?
- Do top management and inside people, such as engineers, spend time with customers to understand their needs better?

Procedures:

- Is customer service part of your people's performance criteria? Does your compensation plan encourage customer care?
- Do you have uniform standards for quality, cleanliness and timeliness so that customers get consistently good service?
- Are standards based on actual customer expectations rather than arbitrary factors?
- Is valuable customer service time eaten up by numerous management reports, forms and procedures?
- Do you reinforce the importance of customer service in employee communications?
- Do you recognize and reward employees who go out of their way to help customers?
- Is all correspondence from customers answered? Who responds and how quickly?
- Do customer contact people work in a pleasant environment? Do they have attractive uniforms or drive special vehicles to give them a sense of professionalism?
- Do you have a process to capture customer complaints and use them as an early warning system?
- Do you regularly survey customers to establish benchmarks for service and solicit customer suggestions?
- Do you make it easy for customers to contact the company? Do you have a toll-free number? Is it publicized?
- What freedom do your people have to bend the rules in order to serve a customer better?

Good service depends upon Good people:

"The purpose of a business is to get and keep a customer" – states Theodore Levitt, Professor of marketing at the Harvard Business School.

He explains, "The sale merely consummates the courtship. How good the marriage is depends on how well the relationship is managed by the seller".

The quality of the service you provide depends largely on your people – not only those with direct customer responsibility, but also their managers, supervisors and support staff.