

Unit One: Foundation of Customer Service

“There is only one boss... the customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.”
- Sam Walton

It is amazing how much time, effort and money is invested in sales education. However, customer service is not given the same level of resources. If you think about selling as a process, the final phase is never “closing” the sale; it is “servicing” the customer. Once you acquire a new customer from an effective sales process, customer service then determines whether or not your customer will stay with you. Without customers, businesses will fail. The customers’ perceptions are the reality for a business; therefore, serving our customers in a manner that will not only meet but exceed their expectations is of paramount importance.

Customer retention and customer churn rates are figures that are constantly reviewed by upper management because they understand the cost of customer turnover. The figures below are reason enough to place a tremendous amount of focus on delivering effective customer service.

- It costs ten times as much to sell to a new customer as opposed to an existing customer.
- _____ of 10 customers who switch to the competition do so because of poor service.
- 96 percent of unhappy customers will go to your competition and tell an average of 9 people.
- Only _____ percent of unhappy customers will complain and give you the chance to keep them.
- Resolving a customer concern creates a more loyal customer than if they had no problems.
- Customers will spend a _____ percent premium for the same product or service with better service.

Levels of Customer Service

“When our customers rate us better or worse than someone else, it’s never very scientific ... but it is always disastrous if you score low!” - Jack Welch

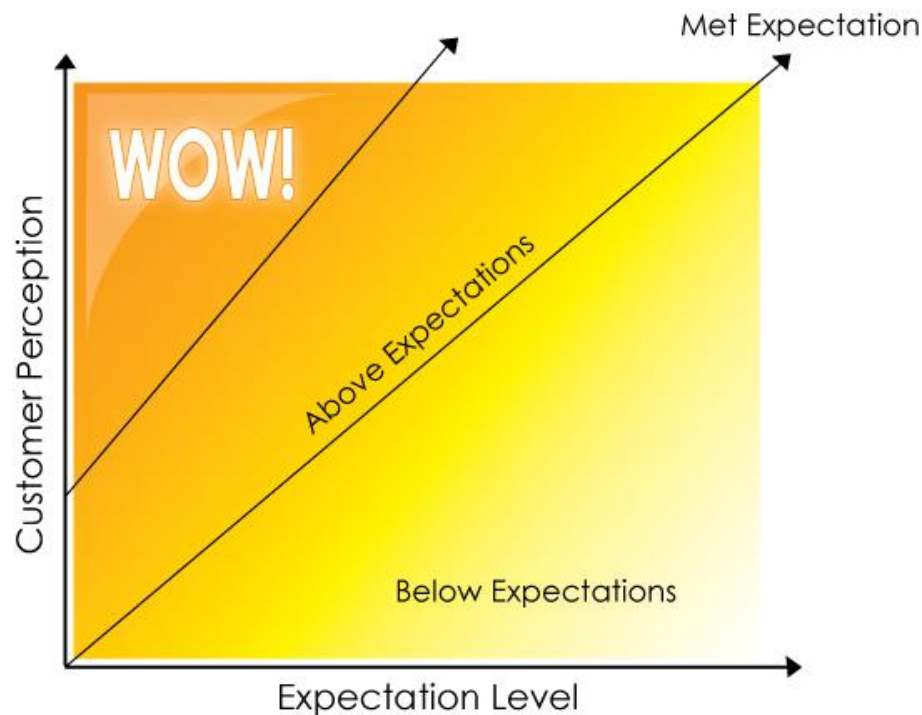
Studies have shown that it takes 12 good interactions to make up for just one bad experience. At this rate, vendors will spend all of their time playing “catch up” and none of their time proactively growing their relationships with the customers. Premier customer service will keep customers coming back time and again.

When customers are treated poorly, 68% will take their business elsewhere due to a single bad phone call, according to The Gartner Group. On the other hand, high levels of customer service will create customer loyalty. Loyalty can overcome deficiencies in product features and even a higher price. Loyal customers will become customers for life. They will also become walking billboards as they continue to “sell” for your organization. Customer loyalty is built by consistently meeting or exceeding expectations. High levels of predictable service will create passionate advocates for your business.

Meet expectation: _____

Exceed expectations: _____

WOW! _____



Creating a Customer Service Culture

“There are no traffic jams along the extra mile.” - Roger Staubach

The service we provide to our external customers shares the same qualities that we should provide to our internal customers. In March of 2005, The Wall Street Journal ran an article entitled, “Poorly treated employees treat the customer just as poorly.” The article talks about making it a priority to treat employees as very important customers. When entire departments and companies understand the importance of internal communication and teamwork, it translates into better external customer service. To truly create a customer service culture, the service you deliver to an internal customer must be equal to what is delivered to external customers. With regard to internal service, we all want co-workers who:

- Show up to meetings on time
- Take responsibility
- Communicate effectively
- Display courtesy
- Value honesty
- Be organized
- Share information and ideas freely
- Perform consistently in job performance
- Demonstrate professionalism at work

Exercise: Internal Customer Service

What can you do at your company to help foster a customer service culture?

iSpeak Customer Service Model

By studying successful interactions with customers, a common theme will develop. All customer service interactions follow a process that provides structure and direction when working with customers. Once a process has been defined, it is now possible to analyze customer service by studying the key components that make up each phase of the entire process.

Customer Service success requires elements of professionalism that will include both skills and tools. At the core of a Customer Service Representative's skill set is the knowledge of their product or service. The next layer of skills can best be categorized as Communication, Organization and Motivation. These three categories of skills must be sharpened to the point that each becomes a core strength. Outside these skill sets are the understanding of the entire customer service process. In *Servicing4Success*, you will learn methods for enhancing your core skills, as well as tools and insights to assist in the navigation of the customer service process.



Customer Service Process Defined

The Customer Service process consists of the five phases defined below:

- Greeting** Each customer interaction will begin with a greeting and acknowledgement of each other. In this phase, it is imperative for you to greet the customer and draw timely conclusions on their intentions, state of mind and their expected requests.
- Moments of Truth
 - Communication over the phone
- Listening** Listening skills are essential to understand the issues from the customer, as well as telling them that you are appreciative of their business. Listening can take on several forms including passive, selective and active listening. Active listening must be practiced to be successful.
- Active Listening
 - Allowing the customer to speak
- Questioning** Proper questioning techniques must be used to not only uncover the customers' needs, but also to determine how your company's success will be measured by the customer. You want to understand where their expectations are currently set for you to deliver.
- Questioning to diagnose
 - Process for questioning
- Responding** Responding to the customer can be in the form of a conversation or a presentation. The objective of this phase is to either reset the customers' expectations or to provide resolution that not only meets, but exceeds their expectations.
- Challenging customers
 - Negotiating with customers
- Resolving** Confirming with the customer may be a minor step in duration and planning, but it is paramount to excellent customer service. You must confirm that any project or issue has satisfied your requirements and met their expectations, or it will continue to be an issue until resolved.
- Taking ownership of the situation
 - Up selling customers

Greeting Your Customer

Today, much of the communication for customer service is provided over the phone or email. The most relevant communication mode in a customer service call center is service provided over the phone. In some cases, the customer is deciding if they want to do business with your company, and other times they are upset and determining how helpful and competent you are going to be. In either circumstance, your telephone greeting is critical to establishing a positive first impression.

Moments of Truth

As the saying goes, “you never get a second chance to make a first impression.” The term 'Moment of Truth' was coined by Jan Carlzon, former president of Scandinavian Airline Systems (SAS), in his 1986 book *Moments of Truth*. A Moment of Truth happens during any interface with a customer. These interactions, or first impressions, are often critical moments. When customers have certain expectations and they are disappointed, then a negative impression is formed.

Every encounter with a customer is a Moment of Truth - an opportunity to form a positive impression that favorably affects your customer's loyalty, retention, and referrals. Remember – you represent your company.

One of the goal is to provide ultimate customer satisfaction through quality service, which includes first impressions. Your goal as a Customer Service Representative is to create a positive impact on the customer by establishing service standards for every interaction that could favorably affect their loyalty, retention, and referrals.

First Impressions

In a call center, a customer's first impression begins with how quickly you answer the phone. Always promptly answer your customer or your customer begins to question the organization and efficiency of the company and you. Also, because impressions are so important, emphasis should be placed on practicing to improve your first impression.

Exercise: Customer Perceptions

What perceptions could a customer make about you or your company based on first impressions?

- _____
- _____
- _____
- _____

Answering the Phone

Every interaction with a customer is a Moment of Truth, starting with how you answer the phone. The benefits of a good greeting include consistency, setting the expectations of the call (starting the call on a positive foot) and putting the customer at ease. It is also important to remember that your 24th call of the day is likely to be your customer's first call to your organization.

The keys to an effective greeting are:

- _____
- _____
- _____

The following is an example of a good welcoming statement for your company:

*“Good morning and thank you for calling iSpeak
This is Shawna, how may I assist you?”*

Exercise: Greeting Your Customer

Using the greeting above, follow the instructor's direction to complete this exercise.

Greeting #1: _____

Greeting #2: _____

Greeting #3: _____

Greeting #4: _____

Greeting #5: _____

Communication Factors

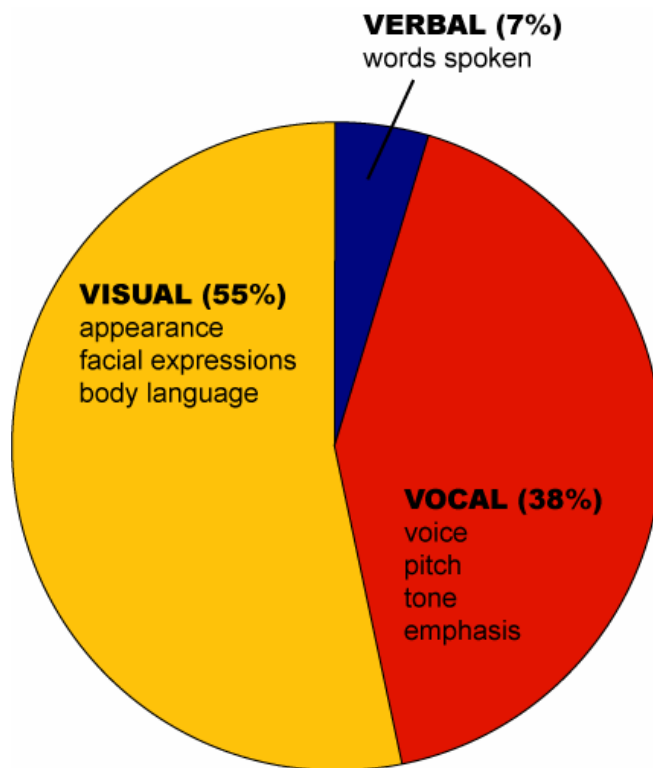
“The most important thing in communication is to hear what isn’t being said.”

– Peter Drucker

When you communicate with your customer over the phone, they receive information through what you say verbally and how you sound vocally. When you are face-to-face, you can also include how your communication appears visually. The entire *package* must be synchronized for maximum benefit. In a study at UCLA in 1967, Dr. Albert Mehrabian found that when there are conflicts of trust and believability between the verbal (what is said), the vocal (how the voice says it) and the visual (what is seen of the speaker) the visual is overwhelmingly dominant. Research in his book *Silent Messages* shows the verbal is believed 7% of the time, the vocal 38%, and the visual 55% of the time.

When communicating with a customer over the telephone, Dr. Mehrabian found that 84% of communication is vocal and 16% is verbal.

Most people focus their preparation for communication on the verbal (what they will say), whereas they should be concentrating on the visual and vocal. We must be knowledgeable of our subject matter and competent in putting together the supporting data, but we also know how important it is for us to pay attention to other areas of preparation. For people to believe us, we must be believable. And in order to be believable, we must learn to look and sound credible.



Using the Right Words

“Kind words can be short and easy to speak, but their echoes are truly endless.”
- Mother Teresa

According to Dr. Mehrabian, the words you use in your message account for only 7% of your communication. This is not to say that using the right words is not important. The English language contains over 500,000 words, so it is important to select the right words that assist you in communicating your ideas clearly, effectively and vividly when speaking with your customers.

Speech Fillers

It is also important to eliminate the wrong words. Speech Fillers are the “ums” and “ahs” used to fill the spaces in the speaker’s thoughts. Speech Fillers interrupt the message, confuse the customer by creating run-on sentences and garbled messages, and you lose credibility and confidence with a customer. Speech fillers are very common, but you can teach yourself not to rely on them, if you are willing to practice. The key is to catch yourself at the start of a filler word and replace it with silence.

What are the most common filler words or phrases? _____

Filler words cause you to lose what with your customers? _____

Persuasive Words

According to Dr. Mehrabian, the words you use in your message account for only 7% of your communication. This is not to say that using the right words is not important. The English language contains over 500,000 words, so it is important to select the right words. In 1998 at Yale University, Dr. Levinson identified the most persuasive words and phrases in the English language. The persuasive words include Easy, Save, Results, Money, Need, Health, Love, Discover, Proven, You, Safety, and Guarantee.

The most persuasive phrase is: _____

The single most persuasive word is: _____

Positive Customer Service Words

In a customer service environment, certain words create a sense of well being while others can make a customer cringe. It may be appropriate for you to augment your customer service vocabulary by adjusting your speech with the words that you use. Examples of negative thought inducing words and their positive word equivalents include:

Undesirable Words & Phrases	Positive Words & Phrases
Sign or Signature	Authorize, Endorse, Approve, Autograph
Buy	Own
I'm sorry	I apologize
Contract	Agreement
Problem	Situation
Price or Cost or Payment	Total Investment
Negotiate	Discuss or Review
Objections	Areas of concern
Can we get back on track	Let's review what we have discussed
Sales Pitch	Presentation
Let's get to the point	Can you tell me about
Maybe or possibly	I can or What we'll do is
I will try	This is what I can do
I can't or I won't	I am unable to
But	And or However
I don't know	I will find out
No	What I can do for you
I need you to	
I know	
Why don't you call back	
It's not my job	

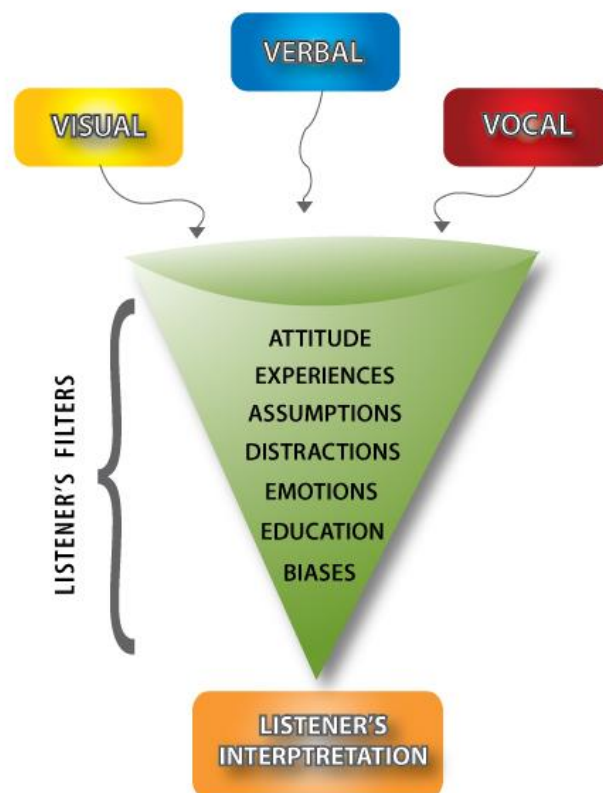
Communication Elements

“There are no facts, only interpretations.” - Friedrich Nietzsche

Communication filters emphasize the skill of listening and how it relates to verbalizing information, feedback, and feeling. While listening may not be the only ingredient in the formula for good communication, it does play a vital role. As we listen to information from the speaker, it passes through several filters before the listener’s interpretation is determined. When we understand this funnel, we can rely on it to:

- Find out where we are in a complicated interchange of ideas and opinions
- Evaluate the way others respond to us
- Learn how to handle those responses, even if they are unexpected or unwanted
- Examine alternatives for changes of direction without sacrificing our goal in the interaction

In all our communication, it helps to have a mental picture of what we are doing, where we want to go, and what we must do to get there. The communication funnel answers this need, by helping us design a strategy for our communications with others. A model of Communication Filters is shown below.



Listening

“Listen long enough and the person will generally come up with an adequate solution.” - Mary Kay Ash

In 1991, The U.S. Department of Labor did a study and found that the average worker spends 55% of his communication time listening, 23% speaking, 13% reading, and less than 9% writing. Any signal sent to your customer that gives them the feeling that “you’re just not important” will lead to customer churn. Every customer, as much as they may know they are not your only customer, wants to feel like they are. When was the last time you didn’t want to feel special?

Richard Hunsaker, author of *Understanding and Developing the Skills of Oral Communication*, states that we are distracted, preoccupied or forgetful about 75% of the time we are listening to another person.

Effectively listening to your customers will give them the feeling that they are important; it will also tell them that you are appreciative of their business.

Passive Listening

When you listen passively, you are really only there in person or on the other end of the phone. You are completely tuned out and get neither the spoken or unspoken messages being delivered.

Selective Listening

When you listen selectively, you fade in and out of active listening. You tune in and out to what is being said. You hear the voice but sometimes you do not hear the words. You miss some or the entire intended message and it is usually not quality two-way communication.

Active Listening

When you listen actively, you focus totally on the person with whom you are communicating. You hear their voice, you listen to the words they use, the tone of their voice, the rate of speech, the quality of voice and other important messages, some of which are not even spoken.

Every customer wants to feel like they are your only customer. Effectively listening to your customers will give them the feeling that they are important; it will also tell them that you are appreciative of their business. The following are techniques you can use to develop active listening skills

The average speaker speaks at _____ words per minute.

The average listener can comprehend _____ words per minute.

Exercise: Costs of Poor Listening

What are some issues or problems that can arise from poor listening?

- _____
- _____
- _____

Barriers that Prevent Active Listening:

We are all human and sometimes it may be difficult to stay focused on the communication exchange with your customer. Some things that can get in the way of active listening may be:

- Thinking more about what you want or need than what the customer wants or needs.
- Trying to do too many things (multitasking) while listening to the customer.
- Your mood or your personal feelings about the customer.
- External distractions (other employees, music, talking, etc.).

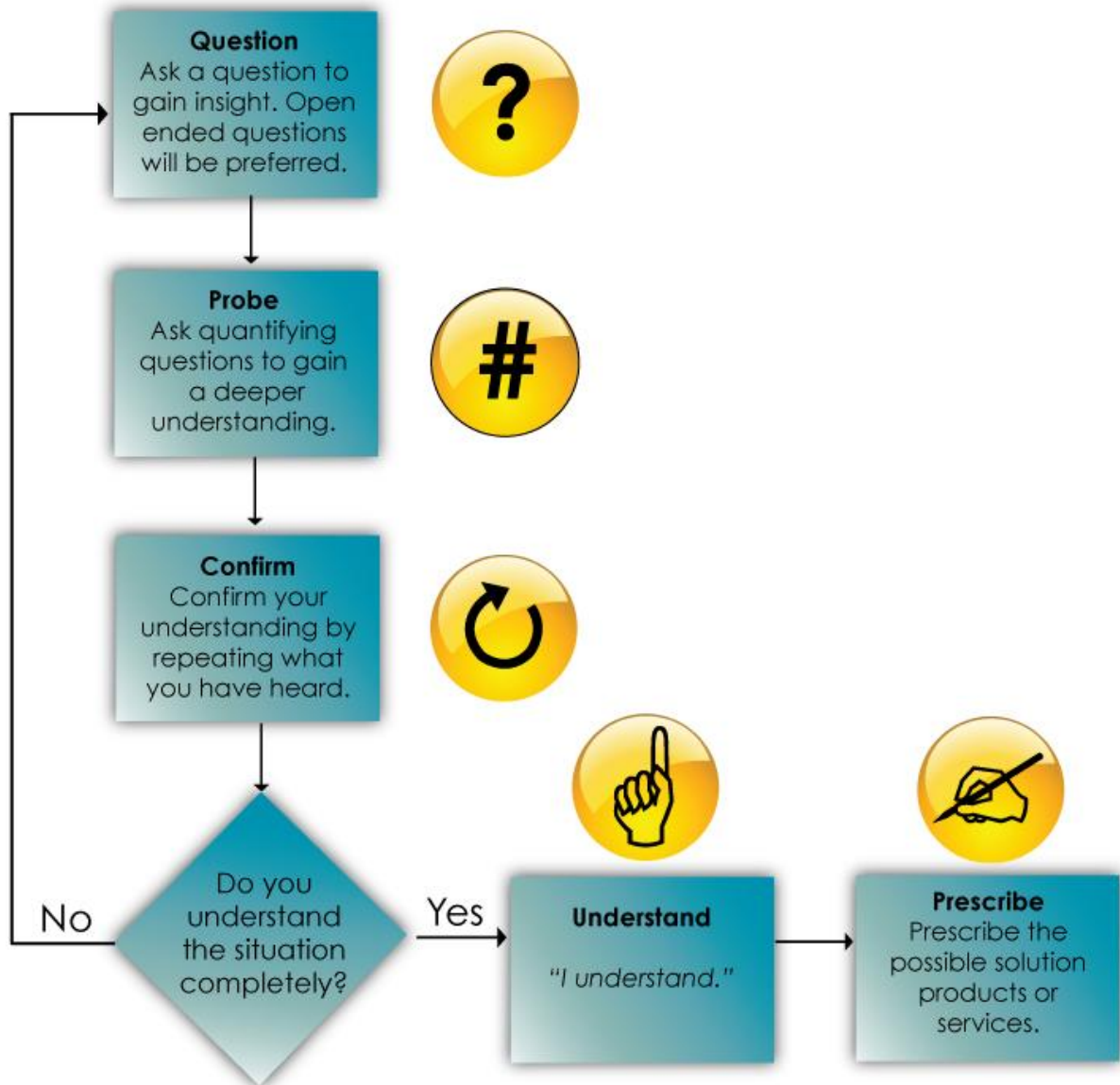
Exercise: Active Listening

Listen to the instructor's words and document your answers.

_____	_____						
_____	_____	_____					
_____	_____	_____	_____				
_____	_____	_____	_____	_____			
_____	_____	_____	_____	_____	_____		
_____	_____	_____	_____	_____	_____	_____	
_____	_____	_____	_____	_____	_____	_____	_____

iSpeak Questioning Process

The Examination Process when speaking to a customer consists of five steps. The first three steps are repeated as many times as necessary to obtain the appropriate information and understanding for prescribing a solution. The five steps of the Examination Process are defined below in the diagram.



Exercise: Your Ideas for Responsive C.A.R.E.

Responsive C.A.R.E. is the foundation for delivering WOW! Service to your customers. In the spaces provided below, write down your ideas on what you can do today to provide a level of service that will serve as your foundation to WOW!

Attribute	Action words or statements
Credible	
Appreciative	
Reliable	
Empathetic	

Challenging Customers

“Nothing gives one person so much advantage over another as to remain always cool and unruffled under all circumstances.” - Thomas Jefferson

We have all heard the saying “That which doesn’t kill you will make you stronger.” While most people in the customer service business will have to deal with many different types of customers, none will probably be so challenging that you will not survive. Yet, learning how to deal with these challenging customers will make your customer service skills stronger! Learn to embrace your challenging experiences with people.

The benefits of having challenging customers include:

- Only 4% of customers will complain.
- Learn more about your personal limits and never get bored.
- Develop a greater level of patience and understanding.
- Grow personally and professionally.
- Learn to appreciate the “non-challenging” customers.

People who contact customer service with a problem are giving you a chance to keep their business. You can win back up to 70% of these complainers. Once satisfied, 95% will become loyal customers.

Exercise: Defining Challenging Customer Events

What makes a call or a customer challenging?

- Customer won’t accept your answer.
- _____
- _____
- _____
- _____

Exercise: Identifying Challenging Customers

When dealing with difficult customers, you will run across different types. Next to the challenging customer types described below, list a specific situation or customer that corresponds to that type.

Demanding	
Emotional	
Deceptive	
Challenged	
Friendly	
Arrogant	
Angry	

Exercise: Defusing Challenging Customers

In the following exercise, read the situation (or index card). Then define the type of challenging customer, followed by your recommended method for handling or defusing the challenging customer.

Situation: A customer wants to know why a competitor can offer a lower rate for the exact same service. They insist on getting a better rate.

Type of Customer: _____

How would you defuse this challenging customer?

Situation: A customer's is having an issue and no one is calling them back. They claim to have lost thousands of dollars in business and they want someone to do something about this situation immediately.

Type of Customer: _____

How would you defuse this challenging customer?

Situation: _____

Type of Customer: _____

How would you defuse this challenging customer?

Follow-up with the Customer

“A stiff apology is a second insult... The injured party does not want to be compensated because he has been wronged; he wants to be healed because he has been hurt.”

- Gilbert K. Chesterton, author

Upon resolution of an issue, saying “Thank you” is the best way to show appreciation to the customer for allowing you the opportunity of a second chance. Also, a structured closure to your conversation, as well as appropriate follow up activities will set you apart from your competition.

Action Item Review

Every phone call should be wrapped up with the customer by discussing all future action items. This is an excellent way to review what your “homework” is going to be and to confirm their expectations on delivery. In addition, as we discussed earlier, you will be demonstrating to the customer that you were actively listening and interested in assisting them in a search for a solution.

Debrief on the phone call

Every customer interaction should be followed by a debriefing. As a Customer Marketing Advocate, you should be able to answer the following questions:

- What were the action items and take-aways?
- What the customer’s expectations are in regards to task completion?
- What information did you gather through observation and active listening?

Verbal appreciation

If working with customers over the phone to solve issues, you could show your appreciation with the phrases you close with or by putting them in touch with a manager at your organization.

- “Thank you for your patience.”
- “We value you as a customer.”
- “Thank you for opportunity to continue relationship.”

Other Methods of Appreciation

Handwritten thank you notes of appreciation are often overlooked or discounted in today’s environment of voice mails, faxes and emails. It is a wonderful gesture to receive a handwritten note that shows appreciation. If you handle many customers throughout the day, it may be impractical or even impossible to get hand written notes out to all of them. But, it may be appropriate to send notes to those that were the most challenging.