Customer Service Skills for Success 7th edition Lucas Solutions Manual

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Chapter 2
Contributing to the Service Culture

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Learning Outcomes

LO 2-1 Explain the elements of a successful service culture.
LO 2-2 Define a service strategy.
LO 2-3 Recognize customer-friendly systems.
LO 2-4 Implement strategies for promoting a positive service culture.
LO 2-5 Separate average companies from exceptional companies.
LO 2-6 Identify what customers want.

Brief Chapter Outline

I. Defining a Service Culture
  A. Service Philosophy or Mission
  B. Employee Roles and Expectations
  C. RUMBA
    1. Employee Roles in Larger Retail and Service Organizations
    2. Employee Roles in Smaller Retail and Service Organizations
    3. Employee Roles in Nonprofit Organizations
    4. Policies and Procedures
  D. Products and Services
  E. Motivators and Rewards
  F. Management Support
    1. Strive for Improvement
    2. Look for a Strong Mentor in Your Organization
    3. Avoid Complacency
  G. Employee Empowerment
  H. Training
II. Establishing a Service Strategy
III. Customer-Friendly Systems
  A. Typical System Components
    1. Advertising
    2. Complaint or Problem Resolution
  B. Service Delivery Systems
    1. Direct or Indirect Systems
    2. Third-Party Delivery (Outsourcing/Offshoring)
  C. Tools for Service Measurement
IV. Twelve Strategies for Promoting a Positive Service Culture
V. Separating Average Companies from Excellent Companies
VI. What Customers Want

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Chapter Outline and Lecture Notes

I. Defining Customer Service

- **Service culture** is a service environment made up of various factors, including the values, beliefs, norms, rituals, and practices of a group or organization.
  - No two organizations operate in the same manner, have the same focus, or provide management that accomplishes the same results.
  - A culture includes the values, norms, beliefs, rituals, and practices of a group or organization.
  - Any policy, procedure, action, or inaction on the part of the organization contributes to the service culture.
- **Attitude**—the 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.
  - Attitude is crucial to the success of an organization
- **Customer-centric** is 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.
    - Successful organizations are customer-centered or customer-centric and focus on individual needs.
- In the past, organizations were continually making changes to their product and service lines to try to attract and hold customers.
  - Now, many major organizations have become more customer-centric and stress relationships with customers.
  - Advertising campaigns often reflect this new awareness as companies try to communicate that they are focused on their customers.

A. Service Philosophy or Mission

- Generally, an organization's approach to business, its **mission** or its **service philosophy**, is driven from top of the organization.
  - Upper management, including members of the board of directors, when appropriate, sets the vision or tone and direction of the organization.
  - Most successful organizations have written **mission** and **vision statements** that answer the questions of "What does the organization

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do?" and "Why does the organization exist?"
- Leadership, real and perceived, is crucial to service success.

B. Employee Roles and Expectations

- Depending on the job, the size and type of the 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 a job description and in the performance goals.

C. RUMBA

- **RUMBA** is an acronym for five criteria (**R**ealistic, **U**nderstandable, **M**easurable, **B**elievable, and **A**ttainable) used to establish and measure employee performance goals.

1. Employee Roles in Larger Retail and Service Organizations

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

2. Employee Roles in Smaller Retail and Service Organizations

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- 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.
- Employees in small businesses perform greatly varied tasks.
  - 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.

3. Employee Roles in Nonprofit Organizations

- Even though revenue generation is not the primary goal in nonprofit 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.

4. 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.
- 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.
- Return policies in a retail environment are a case in point.
  - An effective return policy is part of the overall service process.
  - In addition to service received, the return policy of an organization is another gauge customers use to determine where they will spend their time and money.

D. Products and Services

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- If customers perceive that the organization offers reputable products and services in a professional manner and at a competitive price, the 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 promises, or if the service employee's ability to correct problems in products and services is deficient, the employee and the organization could suffer adversely.

E. Motivators and Rewards

- People work more effectively and productively when their performance is recognized and adequately rewarded.

F. Management Support

- To handle some customer-related situation, frontline service providers will have to depend on the knowledge and assistance of a more experienced employee or supervisor or manager and defer to his or her experience or authority.
    - A key role played by the manager, supervisor, and/or team leader in a customer-related situation is to provide effective, ongoing coaching, counseling, and training to their subordinates.

1. Strive for Improvement

- Customer service can be frustrating and, in some instances, monotonous.
    - Employees may need to create self-motivation strategies and continue to seek fulfillment or satisfaction.

2. Look for a Strong Mentor in Your Organization

- **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 others (the **protégé**), and are capable and experienced.

3. Avoid Complacency

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- 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.

G. Employee Empowerment

- 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.
- 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.

H. Training

- To perform a job successfully and create a positive impression in the minds of customers, frontline employees must be given the necessary tools.
    - Depending on the position and the organization's focus, this training might address interpersonal skills, technical skills, organizational awareness, or job skills, again depending on the position.

II. Establishing a Service Strategy

- 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.
    - It is not just the organization's responsibility to insure the success of customer service; service professionals must be working toward helping make them successful.

III. Customer-Friendly Systems

A. Typical System Components

- **Customer-friendly systems** refers to the processes in an organization that

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make service seamless to customers by ensuring that things work properly and the customer is satisfied.

- Some customer-friendly systems that can send positive messages are advertising and complaint or problem resolution.

1. 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.
- An advertisement that appears to be deceptive can cost the organization customers and its reputation.

2. Complaint or Problem Resolution

- The manner in which complaints or problems are handled can signal the organization's concern for customer satisfaction.
- A service professional should make recommendations for improvement whenever he or she spots a roadblock or system that impedes provision of service excellence.

B. Service Delivery Systems

- **Service delivery systems** are a combination of people, technology, and other internal and external elements that make up an organization's method of getting its products and services to customers.
- The organization must determine the best way to deliver quality products and service and to provide effective follow-up support to its 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.

1. 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.
  - In a direct contact environment, customers interact directly with

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people.
    - In an indirect system, customers' needs are met primarily with self-service through technology (possibly integrated with the human factor in customer contact/call centers) integrated with Internet services.
        - Automatic teller machines (ATMs) versus branches of a bank would be an example of direct versus indirect systems.

2. Third Party Delivery (Outsourcing/Offshoring)

- 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).
- The 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.
    - 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 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.

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        - 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)

C. Tools for Service Measurement

- Some of the typical techniques or tools available to organizations for customer service data collection are as follows:
    - Employee focus groups
    - Employee opinion surveys
    - Customer focus groups
    - Mystery shoppers
    - Customer satisfaction surveys
    - Customer comment cards
    - Profit and loss statements or management reports
    - Employee exit interviews
    - Walk-through audits
    - On-site management visits
    - Management inspections

IV. Eleven Strategies for Promoting a Positive Service Culture

- Following are 11 strategies for service success:
    - Partner with customers.
    - Explore your organization's vision.
    - Help communicate the culture and organizational vision to customers—daily.
    - Demonstrate ethical behavior.
        - The **ethics** of the organization are intertwined with its culture.
        - **Ethical behavior** is based on values—those of the society, organization, and employees.
    - Identify and improve your service skills.
    - Become an expert on your organization.
    - Demonstrate commitment.
    - Treat vendors and suppliers as customers.
    - Share resources.
    - Work with, not against, your customers.

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- Provide service follow-up.
  - 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.

V. Separating Average Companies from Excellent Companies

- The following factors can demonstrate an organization's level of service commitment:
  - Executives spend time with the customers.
  - Executives spend time talking to frontline service providers.
  - 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.

VI. What Customers Want

- **What customers want** are things that customers typically desire but do not necessarily need.
  - It is value for their money and/or effective, efficient service.
- Following are seven common things that customers want and expect if they are to keep doing business with you and your organization:
  - Personal recognition
    - This can be demonstrated in a number of ways, such as sending thank-you or birthday cards, returning calls in a timely fashion, etc.
  - 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

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environment.

- Timely service
  - A customer service professional should provide prompt yet effective service.
  - They should work diligently to stay on schedule and at least explain when delays do occur, so the customer understands the reason for the wait.
- Professionalism
  - Customer service personnel should take pride in their work and exemplify ethics.
- Enthusiastic service
  - Deliver service with a smile, offer additional services and information, and take the time to give extra effort.
- Empathy
  - As a service provider, one should make every effort to be understanding, and to provide appropriate service.
  - A common strategy for showing empathy is the **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.
- Patience
  - As a service provider, by suppressing the desire to speak out or react emotionally, you serve the customer professionally, and end the contact sooner.

Class Activities and Sample Assignments

1. The service culture of an organization is often defined in its mission statement. Ask students to find mission statements that define the service culture. (LO 2-1)

2. Give examples (or have students role-play the situations) using the feel, felt, found technique in the following situations: (LO 2-3 through 2-6)
   a. A customer is angry because the service department is not able to get to his home and fix his problem for another three days, but he wants it done tomorrow.
   b. A customer is disappointed that the price for a particular item has gone up since the last time she bought it.
   c. A customer is acting irritated and mentions the fact that he had to wait five

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minutes in line since no one opened another cashier lane.

d. A customer has emailed because the clothing item she ordered on the website is much larger than standard sizes.
e. A customer emailed because he keeps getting promotional emails even though he has requested his name be taken off the mailing list.

3. Identify specific types of training that might be needed to provide excellent customer service when performing the following jobs: (LO 2-3 and 2-4)
   a. A call center representative for a cable company
   b. A shoe store salesperson
   c. A plumber
   d. A teacher
   e. A department of licensing agent

4. Compare and contrast the differences between a mentor and a boss in a short paper or group discussion. (LO 2-1 through 2-6)

Role-Play Activity

A Special Occasion (LO 2-6)

Customer Role

Do not share your role instructions with the "service representative."

You are a young customer and just walked into MacMillan's department store looking for a gift for your dad's 50th birthday.

- Start the interaction for this situation by explaining that you are looking for a special birthday present for your father because he is turning 50 years old this weekend.
- After your initial explanation of why you came to MacMillan's, wait for the salesperson to take control of the conversation.
- Act as you normally would in a situation like this.
- During the interaction, monitor verbal and nonverbal messages sent by the salesperson and respond as you believe is appropriate. Additionally:
- Feel free to ask questions of the salesperson or add additional details of your needs as you think of them.

Service Provider Role

Do not share your role-play instructions with your "customer."

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You are salesperson in a large department store (MacMillan's). Today you are working in the men's department. You have worked for the company for a little over a year since graduating from high school and starting college courses at the local community college. You want to become a retail manager once you finish your degree. You generally enjoy your job, but sometimes find dealing with some customers challenging.

A young customer, who you estimate is around 20 years old just walked into the store looking for a birthday gift for his/her father.

During your interaction with the customer, address the following issues:

- Greet the customer as you believe is professionally appropriate for your business. Make him/her feel welcome.
- Ask pertinent questions in order to identify your customer's needs, wants, and expectations.
- Monitor verbal and nonverbal messages sent by the customer and respond appropriately.
- Carry on friendly dialogue, as appropriate.
- Close the transaction professionally and on a positive note.

Observer Role: Watch the exchange between the customer and service provider, make notes of service challenges and successes, what the server did well, and what needs improvement from a service perspective.

Instructor Debrief Notes:

Salespeople (and anyone else on the front line of customer service) are the "face" of an organization. The manner in which they greet and interact with customers, and the manner in which they provide service can impact the customer-provider relationship. From the initial contact until the parting comments and everything in between the service representative has the power to make or break a relationship.

Training is an intricate part of preparing service representatives to be ready to handle a variety of customer types and situations. In situations where training is not readily available through the organization, service representatives should take the initiative to seek out addition knowledge and resources online, in publications, through educational and professional resources and by talking to more experienced service providers. Ultimately, the people on the front line are the ones with whom customers interact directly. They are also the ones that help a customer form an opinion of the service experience and the organization.

Explain that a positive customer interaction includes:

- An effective and personal greeting.
- Rapport-building verbal and nonverbal messages.
- Actively listening to the customer.

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- Effective identification of customer needs, wants and expectations.
- A personalized close that includes thanking the customer and an offer to further assist in the future.

Discussion Opportunities

1. Discuss a situation where you were not allowed, due to policies and procedures, to grant excellent customer service. If this has never happened, think of an example and discuss. (LO 2-3)

2. What would motivate you to provide good service to customers? Discuss how your motivation is related to the factors discussed in the chapter. (LO 2-1 through 2-4)

3. Of the items listed in the chapter on customer expectations, how would you rank them in terms of importance? Which are the top five most important expectations to meet? (LO 2-6)

4. This chapter discusses some of the ways customers gain information to evaluate products. How do you evaluate products? How important is customer service to your choice of products? (LO 2-3 through 2-6)

5. Using RUMBA, evaluate your personal goals in regard to career. Do they meet the criteria of a RUMBA goal? If not, how might you change the goals so they do meet the criteria? (LO 2-1 through 2-5)

In the Real World Notes

Delivery Services—FedEx

For over four decades, FedEx has been a leader in the air, ground, and sea shipping and delivery services industry in the United States and overseas. As a customer-centric organization, one of its first major efforts to add to customer satisfaction was a transportation website in 1994 that allowed customers to track their shipment delivery status. In 1996, FedEx introduced an online system to allow customers to process their shipping orders without having to go to a FedEx shipping center. FedEx is also very ecologically focused. For its efforts in reducing pollutants in the world, the company has received accolades around the world. FedEx has invested large sums of revenue to aid the environment and cut its environmental footprint on the earth. In 2011, Great Places

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to Work Institute named FedEx as one of the Top 5 "World's Best Multinational Workplaces."

1. Do you have personal experience with this company? If so, describe your impressions.

   Students will likely have strong opinions about this company. Many students will have had personal experience using either their shipping services or print services. They may also have heard of its reputation for safety first in all operations.

2. How does this organization differ from other similar successful companies of which you are aware?

   Answers will vary, but some possibilities might include their leadership in the shipping business, not only in the U.S. but worldwide; their commitment to the environment, and their commitment to conduct corporate activities to the highest ethical and professional standards.

3. Related to providing quality customer service, what do you think are some of the strengths of FedEx?

   Answers will vary. As a customer-oriented business, the company continually strives to provide the state-of-the art and quality service. Customers can track their orders and process orders without having to go to a FedEx shipping center. The company continues to implement other automated and innovative advances to help customers maximize its overnight and standard deliveries.

4. As a current or potential customer, what do you think the company might do to improve customer service and satisfaction?

   Answers will vary, depending on students' experience using FedEx.

5. Would you want to work for this company? Why or why not?

   Answers will vary. Students should make the point that it is important to work with a company that has similar values as theirs.

Work It Out Notes

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Work It Out 2.1—*Organizational Culture* (p. 58)

This first Work It Out box focuses on the components of organizational culture. The box asks students to think about their own organizations or ones they are familiar with and asks what the service philosophy of the organization is and what things make the organization unique. Students will likely enjoy talking about their own organizations, so instructors may consider doing this as a group discussion activity. The other questions ask about the factors that stand out about employee performance and other factors about the organizational culture. Students will likely have a list of positive and negative aspects or things that do not contribute to a service culture. One example would be lack of training or lack of empowerment. Finally, the last question asks students what they would do differently. Here, the instructor can make the point that the best employees are those who not only complain but offer solutions as to what can be done differently to make things better.

Work It Out 2.2—*Think about the two return policies in Figure 2.5* (p. 64)

This box asks students to look at the two return policies in Figure 2.5 and react to them. To probe further, instructors can ask students how likely they would be to shop at either store depending on the return policies. To expand the discussion, consider leading a discussion on stores in an area close by that has generous return policies and not-so-generous ones. What are the advantages from a customer service perspective? Are there disadvantages?

Work It Out 2.3—*Managing Customer Encounters* (p. 68)

This box asks students to think about a situation where they experienced a customer service situation in which a manager became involved. Ask students to discuss in groups and determine if bringing the manager into the situation was justified or if the employee should have been more empowered. Next, ask students to discuss how the manager handled the situation and what could have been done to improve the situation. For follow-up questions, instructors can ask students what role training has in a manager's ability to handle situations well.

Work It Out 2.4—*Training for Service* (p. 70)

This box asks students to discuss, in groups, the skills training needed to be in customer service. It also asks the types of training that students have had or need to have in this area to qualify for a position in customer service. Consider asking students

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to brainstorm a list of traits in groups and then write on the board or flip charts. Assuming most of the skills are emotional intelligence (EQ) type skills, such as friendly and approachable, instructors can make the point that while skills training is important, sometimes personality is equally important in getting a job.

Work It Out 2.5 (p. 83)

This box asks students to think about ethical behavior and then list some common unethical behaviors that employees might exhibit in the workplace. Discuss these behaviors with the students along with ways to avoid them.

Work It Out 2.6—*Your Customer Expectations* (p. 87)

This box asks students to draw on their own experiences of what "customer-friendly" means to them. Have them list four or five expectations that most customers would say are typical.

End-of-Chapter Material Notes

Key Terms

- Attitudes (p. 53)
- Churn rate (p. 62)
- Customer-centric (p. 53)
- Customer-friendly systems (p. 74)
- Employee expectations (p. 57)
- Employee roles (p. 57)
- Empowerment (p. 71)
- Ethical behavior (p. 81)
- Ethics (p. 81)
- Feel, felt, found technique (p. 87)
- Mentors (p. 69)
- Mission (p. 55)
- Mission statement (p. 56)
- Protégé (p. 69)
- RUMBA (p. 57)
- Service culture (p. 53)
- Service delivery systems (p. 74)

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- Service measurement (p. 59)
- Service philosophy (p. 55)
- Vision statement (p. 56)
- What customers want (p. 86)

Review Questions

1. What are some of the key elements that make up a service culture?

   The elements of a service culture include the service philosophy or mission, employee roles and expectations, policies and procedures, management support, products and services, motivators and rewards, training, and delivery systems.

2. How does management's service philosophy affect the culture of an organization?

   Service philosophy of an organization is the direction or vision of the organization that supports the day-to-day interactions with customers. It is the approach that an organization takes to providing service and addressing the needs of customers. This will affect the organization's culture as it is based on what the organization stands for. 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.

3. How does RUMBA help clearly define employee roles and expectations? Why is each component important?

   Employee roles and expectations must be clearly defined and communicated in terms of certain characteristics, sometimes referred to as RUMBA which stands for realistic, understandable, measureable, believable and attainable. To be realistic, the company's employee standards and goals must comply with the workplace and customer base. To be understandable, it must be communicated and clear to every employee. To be measureable, there has to be some way to determine the accomplishment of goals, usually by the numbers. To be believable, every employee must commit to the goal and the people must believe it is achievable. Of course, management must also give employees the tools to achieve goals.

4. How can policies and procedures affect the customer's impression of customer service?

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Many customers negatively meet organizational culture directly when a service provider hides behind "company policy" to handle a problem. If the policies prevent or make it difficult to provide customer service, it could create a negative perception. However, if employees are empowered, it can create a favorable impression when employees can do almost anything to make the customer happy.

5. What questions should you ask yourself about your role as a service provider?

   Students might consider asking who the customer is, what they can do to achieve organizational excellence, whether their efforts are focused on customer satisfaction, and whether they are empowered.

6. What are some indicators that a company has customer-friendly systems in place?

   Customer-friendly systems are apparent through policies that say "We care" or "You're important to us." The advertising used and the way complaints or problems are handled would be examples.

7. What are some of the tools used by organizations to measure their service culture?

   Following are some of the tools that organizations can use to determine how well they are providing customer service:
   - Employee focus groups
   - Employee opinion surveys
   - Customer focus groups
   - Mystery shoppers
   - Customer satisfaction surveys
   - Customer comment cards
   - Profit and loss statements or management reports
   - Employee exit interviews
   - Walk-through audits
   - On-site management visits
   - Management inspections

8. What are some strategies for helping promote a positive customer culture?

   Following are strategies to help promote a positive customer culture:
   - Partner with customers.
   - Explore the organization's vision.
   - Help communicate the culture and organizational vision to customers—daily.

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- Demonstrate ethical behavior.
- Identify and improve service skills.
- Become an expert on the organization.
- Demonstrate commitment.
- Work with the customer's interest in mind.
- Treat vendors and suppliers as customers.
- Share resources.
- Work with, not against, the customers.
- Provide service follow-up.

9. What separates average organizations from excellent ones?

   Spending time with customers, taking customer feedback seriously, rewarding innovation, using technology productively, and communicating openly are some examples of how an excellent organization differs from an average one.

10. What are some typical things that customers want?

    Following are some of the typical things that customers want:
    - Personal recognition
    - Courtesy
    - Timely service
    - Professionalism
    - Enthusiastic service
    - Empathy
    - Patience

Collaborative Learning Activity

1. In this day and age when many of the students work, it can be hard to arrange a field trip. What instructors can do, however, is ask students to note service in their daily dealings. For example, the student can note if the mission of an organization comes through in the service that is provided. They can also observe and interact with the customer service providers to determine if the proper training and empowerment is taking place within the organization.

2. Walk around the room as this discussion takes place to insure students stay on the topic and answer the following questions:
   - Review the 11 strategies discussed in this chapter for promoting a positive

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service culture.
- Which strategy does each student in the group believe he or she has the most opportunity to focus on as a service provider? Why?
- As a class, do a tally to count the number of choices for each strategy (1–11). Discuss the reasoning behind these choices.

3. Walk around the room as this discussion takes place to insure students stay on the topic and answer the following questions:
   - Based on what you read in this chapter and service providers whom you have witnessed, what factors might cause excellent service to fall short?
   - Brainstorm behaviors or techniques used by professional service providers as they work with customers face-to-face or over the phone? Would they be successful? Why or why not?

Face to Face—*You and Your New Job in Customer Service*

This situation asks students to assume the new role in customer service at United Booksellers. The organization has been heralded for its high-quality service and a friendly atmosphere. The facilities are nice, and the efficiency and helpfulness of the employees are notable. Each store has its own coffee shop where patrons can relax and read. The organization employs 3,000 people and provides extensive customer service training before being allowed to interact with customers.

The questions following this case include:

1. Are there indicators of United Booksellers' service culture? If so, what are they?

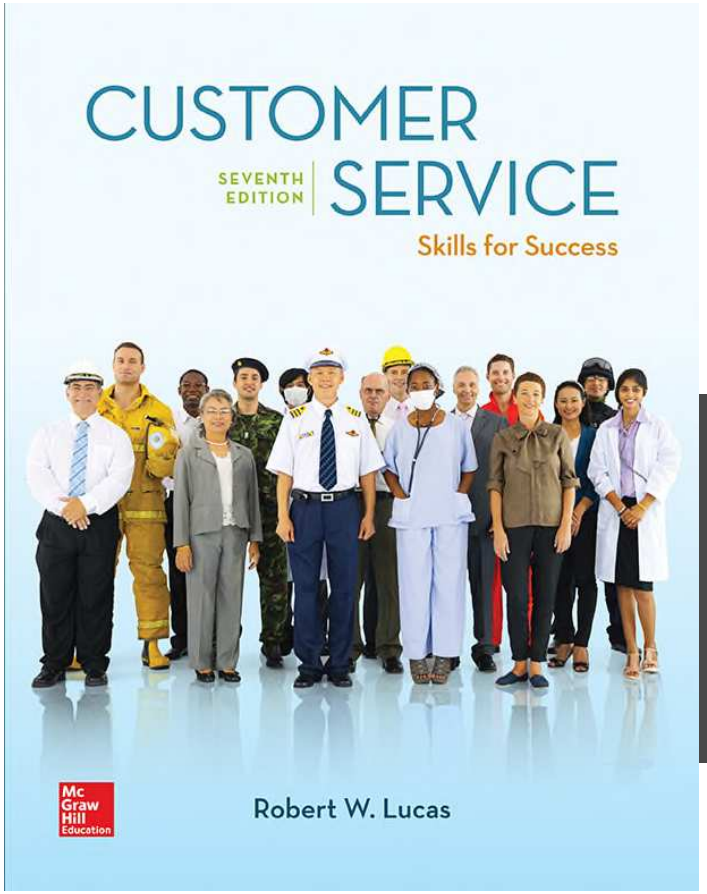
2. If you were an employee, in what ways would you feel that you could contribute to the organizational culture?

3. If you were a customer, what kind of service would you expect to receive at United Booksellers? Why?

Answers will vary, but the point is to ask students to think about what personality traits they have that can contribute to a high-quality organization.

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Chapter 2
Contributing to the Service Culture

Because learning changes everything.™
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Learning Outcomes

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.

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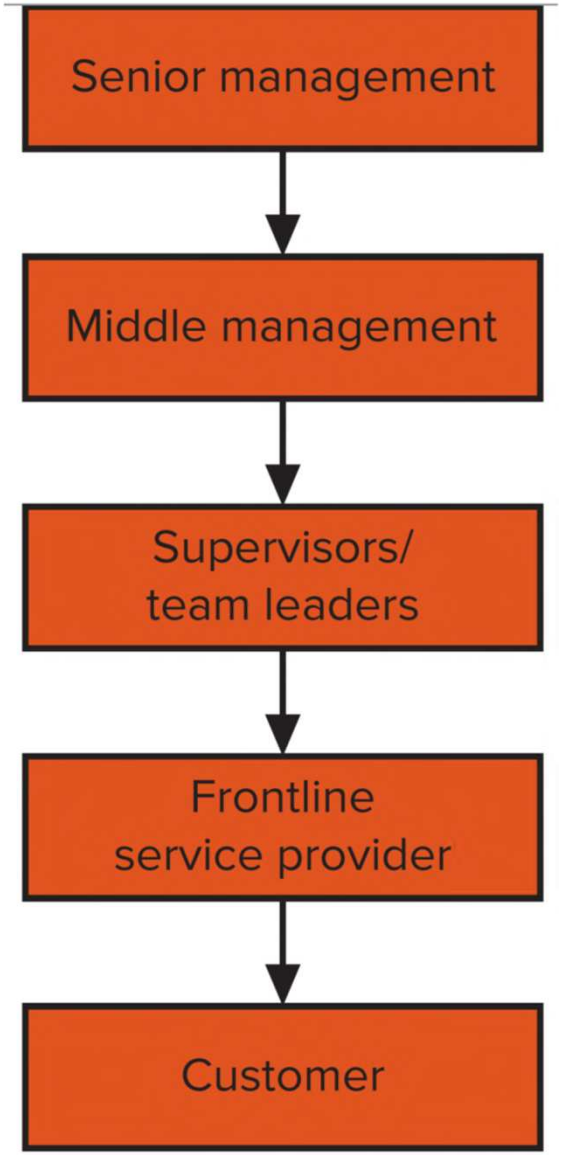
LO 2-1 Defining a Service Culture 1

Service culture

- Communicated by employees through
  - Appearance
  - Interaction with customers
  - Knowledge, skill, and **attitude**
- Culture also includes a company's products and services
  - **Customer-centric** organizations

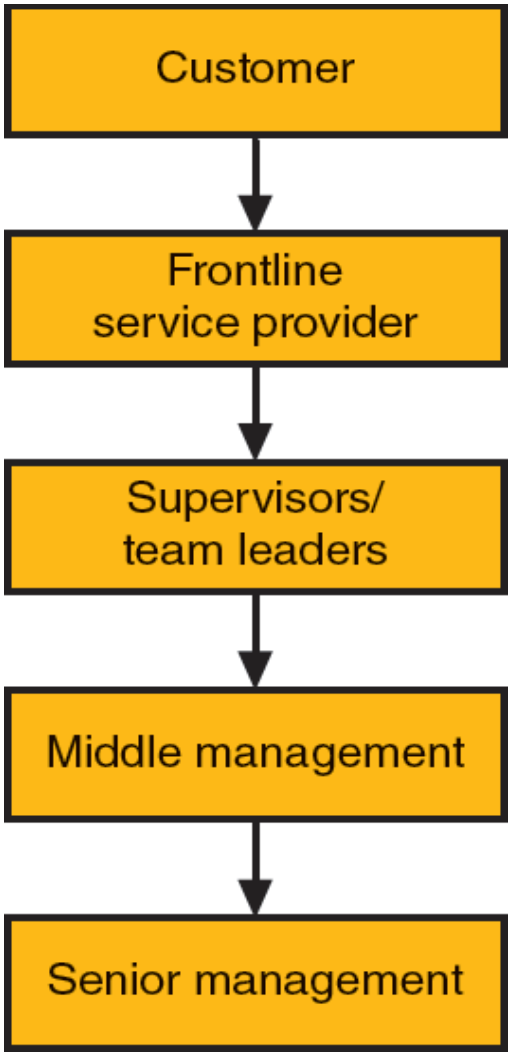
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Figure 2.1 Typical Hierarchical Organization



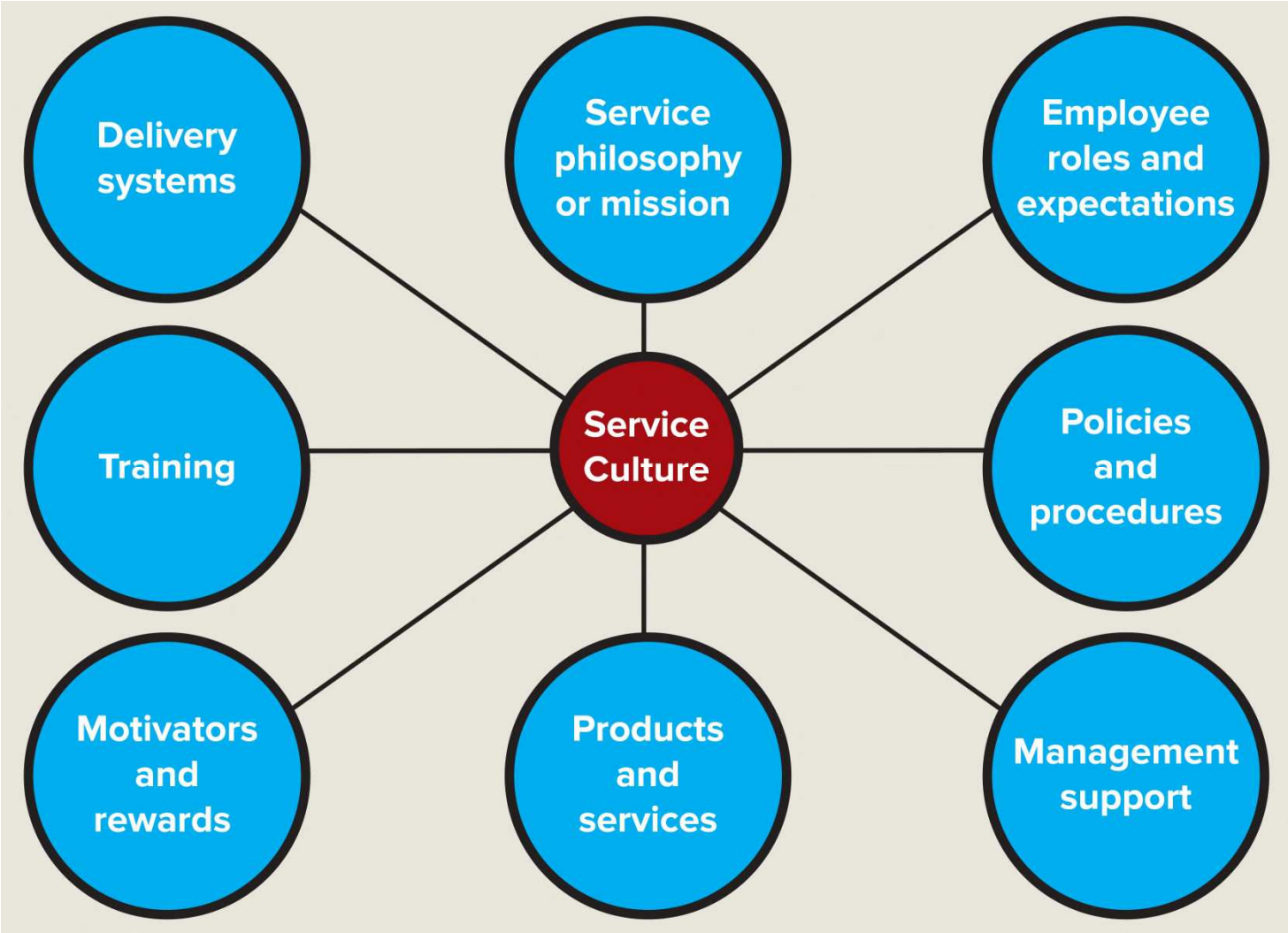
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Figure 2.2 Customer-Centric Organization



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Figure 2.3 - Elements of a Successful Service Culture



Jump to long description in appendix

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LO 2-1 Defining a Service Culture 2

Service Philosophy or Mission

- Driven from the top
- Upper management sets the tone
- **Mission statement**
- **Vision statement**

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LO 2-1 Defining a Service Culture 3

Employee Roles and **Expectations**

RUMBA: Criteria used to establish and measure employee performance goals

- **R**ealistic
- **U**nderstandable
- **M**easurable
- **B**elievable
- **A**ttainable

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Employee Roles

Many factors 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?



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LO 2-1 Defining a Service Culture 4

Employee Roles and Expectations continued

Qualifications and competencies needed

- Broad general knowledge of products and service
- Interpersonal communication skills
- Technical expertise related to products sold and serviced
- Positive, customer-focused, “can-do” attitude
- Initiative
- Motivation
- Integrity

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LO 2-1 Defining a Service Culture 5

Qualifications and competencies needed continued

- Loyalty
- Team spirit
- Creativity
- Sound ethics
- Time management skills
- Problem-solving capability
- Conflict resolution skills

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Projecting a Positive Image



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?

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LO 2-1 Defining a Service Culture 6

Employee Roles in Smaller Retail and Service Organizations

- Continually update knowledge and skills
- Strive to deliver a level of service equal to that of bigger organizations
  - **Churn rate**
- Provide excellent customer service

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LO 2-1 Defining a Service Culture 7

Employee Roles in Nonprofit Organizations

- Knowledge of the organization
- Interpersonal communication skills
- Positive, customer-focused attitude
- Initiative and integrity
- Motivation to succeed
- Commitment to others
- Volunteer spirit and team orientation
- Sound ethical attitude
- Time management skills
- Problem-solving ability and entrepreneurial spirit

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LO 2-1 Defining a Service Culture 8

Policies and Procedures

- Respond to policy customer requests and satisfy needs efficiently
- An organization's return policy affects a customer's purchase decision
- When making a commitment to the customer, establish an environment that supports it

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Standing Out

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?



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LO 2-1 Defining a Service Culture 9

Products and Services

- Type and quality of products and services contribute to the organizational culture
  - Reputable products help build loyalty and positive press
  - Substandard products and services will result in adverse consequences

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LO 2-1 Defining a Service Culture 10

Motivators and Rewards

- People work better when their performance is recognized and rewarded
- Types of rewards
  - Internal recognition (from yourself)
  - Public recognition
  - Contests and games
  - Employee activities (sporting or other events)
  - Financial rewards, incentives (gifts or trips)
  - Employee-of-the-month or -year awards

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LO 2-1 Defining a Service Culture 11

Management Support

- Strive for improvement
- Look for a strong **mentor** in your organization
  - **protégé**
- Avoid complacency
  - Look for opportunities to grow professionally

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FIGURE 2.7 Characteristics of an Effective Mentor

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

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Figure 2.8 Characteristics of a Successful Protégé

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

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Since mentoring is a two-way process, you should make sure that you are ready to

LO 2-1 Defining a Service Culture 12

Employee Empowerment

- Giving decision-making and problem-resolution authority to lower-level employees in an organization
- Makes employees feel trusted, respected, and like an integral part of the organization

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LO 2-1 Defining a Service Culture 13

Training

- Helps employees know what is expected of them and how to fulfill those expectations
- Supports customer service
- Training and skill level will determine an employee's worth in the event of a downsizing

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LO 2-2 Establishing a Service Strategy

- Know the customers and how to attract and keep them
- Periodically conduct an inspection of company systems and practices
- Determine how internal and external customer needs are addressed
- Continually re-evaluate the role based on daily experiences
- When in doubt, approach coworkers or supervisor for guidance

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LO 2-3 Customer-Friendly Systems 1

Typical System Components

- Advertising
- Complaint or problem resolution

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Service Culture



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?

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LO 2-3 Customer-Friendly Systems 2

Service Delivery System

- Transportation modes
- Location
- Technology

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LO 2-3 Customer-Friendly Systems 3

Service Delivery System continued

- Direct or indirect delivery
  - **Direct** contact – customers interact directly with people,
  - **Indirect** system – customer needs are met primarily with self-service through technology integrated with Internet services
- Third-party delivery (outsourcing/offshoring)
  - Typically are noncore positions
  - Can save company money but has a downside

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Figure 2.9 Direct and Indirect Service Delivery Systems

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

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LO 2-3 Customer-Friendly Systems 4

Tools for Service Measurement

- Employee focus groups
- Employee opinion surveys
- Customer focus groups
- Mystery shoppers
- Customer satisfaction surveys
- Customer comment cards
- Profit and loss statements or management reports
- Employee exit interviews
- Walk-through audits
- On-site management visits
- Management inspections

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Face-to-Face



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?

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LO 2-4 Eleven Strategies for Promoting a Positive Service Culture 1

1. Partner with customers
2. Explore the organization's vision
3. Help communicate the culture and organizational vision to customers on a daily basis
4. Demonstrate **ethical behavior**
5. Identify and improve service skills
6. Become an expert on the organization

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

7. Demonstrate commitment
8. Treat vendors and suppliers as customers
9. Share resources
10. Work with, not against, customers
11. Provide service follow-up

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On the Frontline

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?



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LO 2-5 Separating Average Companies from Excellent Companies 1

Factors that determine excellence

- Executives spend time with the customers and also talk to frontline service providers
- Customer feedback is regularly asked for and acted upon
- Innovation and creativity are encouraged and rewarded
- Benchmarking is done with similar organizations
- Technology is frequently updated and effectively used

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LO 2-5 Separating Average Companies from Excellent Companies 2

Factors that determine excellence continued

- Employee training is provided on a regular basis to keep them updated
- Open communication exists between frontline employees and all levels of management
- Employees are provided with guidelines and empowered to aim for customer satisfaction
- Partnerships with customers and suppliers are common
- The status quo is not acceptable

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LO 2-6 What Customers Want

- Personal recognition
- Courtesy
- Timely service
- Professionalism
- Enthusiastic service
- Empathy - feel, felt, found technique
- Patience

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Appendix of Image Long Descriptions

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Appendix 1 Figure 2.3 - Elements of a Successful Service Culture

Delivery systems

Service philosophy or mission

Employee roles and expectations

Policies and procedures

Management support

Products and services

Motivators and rewards

Training

Return to original slide

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