

Customer care

Caring about your customers — and showing it through service — gives you a high return on the time, effort and money you invest. Loyal customers are well worth nurturing. They buy more, more regularly. And the cost of selling to them is almost nil, whereas finding new customers is an expensive business.

Satisfied customers will recommend you to others. Dissatisfied customers will complain to an average of ten other customers and potential customers, multiplying the damage to your reputation. This briefing explains:

- How to communicate with customers.
- How to deliver consistent service.
- How to handle complaints.
- How to involve your whole team in customer care.

1 Customer contact

Every **communication** with the customer is a chance to impress or to disappoint.

As a start-up business, you will need to make the most of these opportunities.

1.1 Respond to emails **promptly** and answer the phone swiftly. Make sure your out-of-office email and phone messages are up to date, provide alternative contact details or make it clear when you will respond.

- Provide information immediately, or let customers know when they can expect it.
- Stick to what you have promised.

- Return your emails and calls. If you say you will send a quote by Friday, keep to that deadline.

You are legally required to provide customers with certain information, including details of their cancellation rights and financial details of any credit agreement they sign up to.

Additionally, businesses who do not sell to customers face-to-face must provide customers with certain details about pricing, payment and cancellation arrangements and details about the identity and location of the business under distance-selling rules.

1.2 Concentrate your efforts on the **needs** of the customer — not on what it would suit you to sell.

1.3 Use your **person-to-person skills, especially when meeting face to face.**

- Greet your customers as if you are pleased to see them. Learn their names, and use them.
- Be polite, friendly and positive. Smile, make eye contact and look and sound enthusiastic. Speak clearly.
- Use physical contact. Shake hands when appropriate.
- Show a personal interest. There is almost always time to discuss non-business matters. Be a good listener.
- Make sure your appearance — and the look of your premises — will convey the right image.

Keeping your promises is most important of all. Promise only what you know you can achieve.

2 Care where it shows

Be flexible. Make it obvious to your customers that your operation is run to suit them, and not to suit your own convenience.

2.1 Provide the most **convenient** service.

- Organise delivery schedules that take account of the customer's needs.
- Offer the longest and most convenient hours of opening you can afford.

2.2 Set low **minimum order** levels, especially for regular customers.

2.3 Minimise the amount of **paperwork** your customers have to do.

2.4 If things go wrong, **inform customers** as soon as possible, in order to keep disruption to a minimum.

- If a delivery is likely to be delayed, give as much notice as possible.

2.5 Sell your customers only the products that suit **their needs**, not the products that will make you the most profit in the short term.

- Give unbiased, realistic advice even if it means no immediate sale for you. Nothing builds trust more effectively.

Systematic quotes

A builder who is asked to quote on several pieces of work needs to decide how to prioritise the process of producing quotes.

- Quotes to existing customers are top priority — they are most likely to buy.
- All households should receive a quote within a week of the builder's visit — whereas competitors often reply two weeks later.
- The big contracts need specially prepared proposals in bound documents — to show the builder is serious about winning the business.
- Mrs Atkinson, who owns several properties in the area, will get a longer letter, sooner — she might need more work done in future.
- Mr Owens — who thinks about an extension every year, and always wants an immediate quote — gets the last quote of all.

3 Good care needs systems

Do all you can behind the scenes to save your customers time, money and aggravation.

3.1 Choose reliable **suppliers** who will not hold up your own production and deliveries.

3.2 Make use of **technology**.

- Direct telephone numbers and individual email accounts will allow customers to make direct contact with the person they need.
- A good database system can help you record, organise and plan your contact with customers.
- Contact management software may be useful if you have a large number of accounts.
- Stock control records can help you maintain adequate stock levels meaning that customers will not be left disappointed by out-of-stock messages.
- Use your website to provide customers with information on products and services. You can also use it to allow customers to place and track orders. Make sure information from your website can be transferred to your main database.

3.3 Check your **production** procedures.

- Remove any bottlenecks that could cause unnecessary delays.

3.4 Set up a production process that ensures **no defects**, rather than relying on inspection of the finished product.

3.5 Establish systems and cross-checks to ensure that every **order** is correctly executed (the right amount of product to the right address on the right date).

3.6 Set up a simple **returns procedure** for any rejected goods.

4 Follow up the sale

What you do after making a sale can help you turn a new customer into a loyal repeat buyer. Don't take your eye off the ball at this stage.

4.1 Offering excellent **after-sales service** is often an inexpensive way of setting your business apart from the competition.

- Explain what level of service is provided — and any cost — at the time of the sale.
- Following the sale, send a courtesy email or

- call to check that everything is all right.
- Ask customers to complete a customer satisfaction survey on your website. Keep it short and specific.
- Encourage customers to contact you if they have any concerns.
You can address any issues before they escalate into a full blown complaint.
- Send customers information on related items that might help them prolong or get more value out of items they have purchased.

4.2 Consider how you will **stay in touch**.

- Make full use of your customer database. For example, send regular email updates or newsletters about new products or special offers that might be of interest.
- Visit or call your customers — or invite them to your premises — to discuss their changing needs and new ways in which you can help them.
It may be helpful for your customers' technical or accounts staff to meet their opposite numbers in your business.

What the customer wants

A classic customer care success story from the 1980s was the turnaround of the Swedish airline, SAS.

Following a disastrous year when SAS made a loss of \$8 million, the company promoted a young marketing executive, Jan Carlzon, to the position of president. Just 18 months later, the airline achieved a gross profit of \$71 million.

While competitors had concentrated on cutting costs in an effort to reduce their losses, Carlzon had focused on customer care.

He started by identifying the airline's most important customers — business flyers. He then asked them what would make them want to fly with SAS, rather than a competitor. The answer was loud and clear. They wanted punctual flights.

Carlzon put a monitor on his desk, showing the take-off and landing of every SAS flight, around the world. He personally phoned pilots to find the reasons for any delays. Suddenly, SAS flights became extremely punctual and new customers started queuing up.

- Use advertising as part of the process of keeping the contact going.
It can help reassure customers about your business and its products.
- Give customers the names and contact details for their account manager and other key contacts. Key customers can be given out-of-hours contact numbers in case of emergencies, where appropriate.
- Contact customers that have lapsed.

5 Value those complaints

Unless you listen out for complaints and grumbles, you may be genuinely unaware of what you need to improve.

Only one in ten of all dissatisfied customers ever bothers to complain directly.

5.1 Encourage complaints and deal with them effectively. Ask customers to complete a short questionnaire after making an online purchase or have a dedicated feedback mechanism on your site.

- Show sympathy — apologise for the fact that the customer is upset ('I'm sorry to hear that you are disappointed').
- Listen to what the customer has to say.
- Establish the facts.
- Agree what you will do.
- Give your name, so customers know who is taking responsibility for the problem.
- Keep the customer informed and deal with the problem promptly and politely.

Most complainers just want to make a point.

5.2 If you just **listen**, and sympathise, you are well on the way to turning the complainer into a committed customer.

- If you do not listen — or are defensive — the complaint will escalate. The customer will not buy from you again and may also try to put other people off.

5.3 Give your frontline employees the **authority** to deal quickly with complaints themselves.

- Well-handled complaints are a great way of creating loyal customers.

6 Check what's going on

Choose the customer-care strategies that are appropriate to your situation. Then establish systems to make it happen, and monitor your actual performance.

6.1 Prioritise your resources.

- Work out which customers are the most profitable, taking into account the cost of providing them with the service they require.
- Bend over backwards to please your best customers. The extra service has already paid for itself.
- For your average customers, offer extra service only if you expect to get a fair return on the expense involved.

6.2 Set standards.

- The service offered by competitors provides a basic standard below which you cannot afford to fall.

6.3 Try to pinpoint where **good service** or presentation would impress customers.

- Do customers expect to be greeted at reception by a uniformed or smartly dressed employee?
- Does your packaging look good when the products are delivered?

Think about where poor service would discourage customers and lose you business.

6.4 Keep track of whether you meet the standards you have set.

- Ask customers whether they are getting the service they expect. Try placing an order and see what happens.
- When incidents occur and you fall below your usual standards, recognise what has happened, apologise to the customer and find out the root cause of the failure.
- A log of customer feedback will help you identify problem areas.
- Periodically ask all your customers: 'What would you want to change or improve about our product or service? What else can we do to improve our offer?'

6.5 If, like many start-ups, you depend on a few customers who give you **repeat business**, customer care takes on even greater importance.

- Keep records on each customer company and on key individuals in the company. This way you will be able to keep track of the information.
For example, note down what, when and how much each customer buys, and their preferred delivery dates. That way you can make sure you have the product and

quantities they need when they require it. You can also contact them when your records indicate they are likely to have to re-order.

7 Care starts with employees

Whether there are two of you or 20, everyone in your business has a role to play in customer care. It is not just the people in frontline roles who need to be involved.

Your reputation can be seriously harmed by someone who is curt or offhand on the phone.

Real damage can also be done by the person who sends out the wrong invoice or who holds up completion of an order.

7.1 Lead by example and care for your employees.

If you do not, you cannot expect them to care for your customers.

- Reward excellent customer service.

7.2 Let your employees see how their efforts can affect the final product or service you provide directly.

7.3 Train your employees in the right technical and personal skills. This need not take long.

- A common weak point is answering the telephone. Whoever usually answers the phone should be trained thoroughly, to a high level of professionalism.
At the same time, everyone in the company should be taught how to handle calls and take basic enquiries.

7.4 When one person has made a mistake, whoever is talking to the customer must **take responsibility** by apologising.

- Make it an iron rule that employees never blame others in the company. "Sorry, we have made a mistake" sounds a hundred times better than "It's not my fault, it's our sales people."

7.5 Encourage **employee suggestions** and give generous rewards for good ones.

7.6 Aim for **realistic standards**.

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