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ويمنع منعاً باتاً نسخها في نسخ متعددة أو إرسالها بالبريد الإلكتروني إلى قائمة تعميم بدون الحصول على إذن مسبق من صاحب الحق القانوني للملكية الفكرية لكن يمكن للمستفيد أن يطبع أو يحفظ نسخة منها لاستخدام الشخصي لأغراض التعلم والبحث العلمي فقط.



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EDITION

Human Relations

Interpersonal Job-Oriented Skills

TWELFTH EDITION

Andrew J. DuBrin



ALWAYS LEARNING

PEARSON

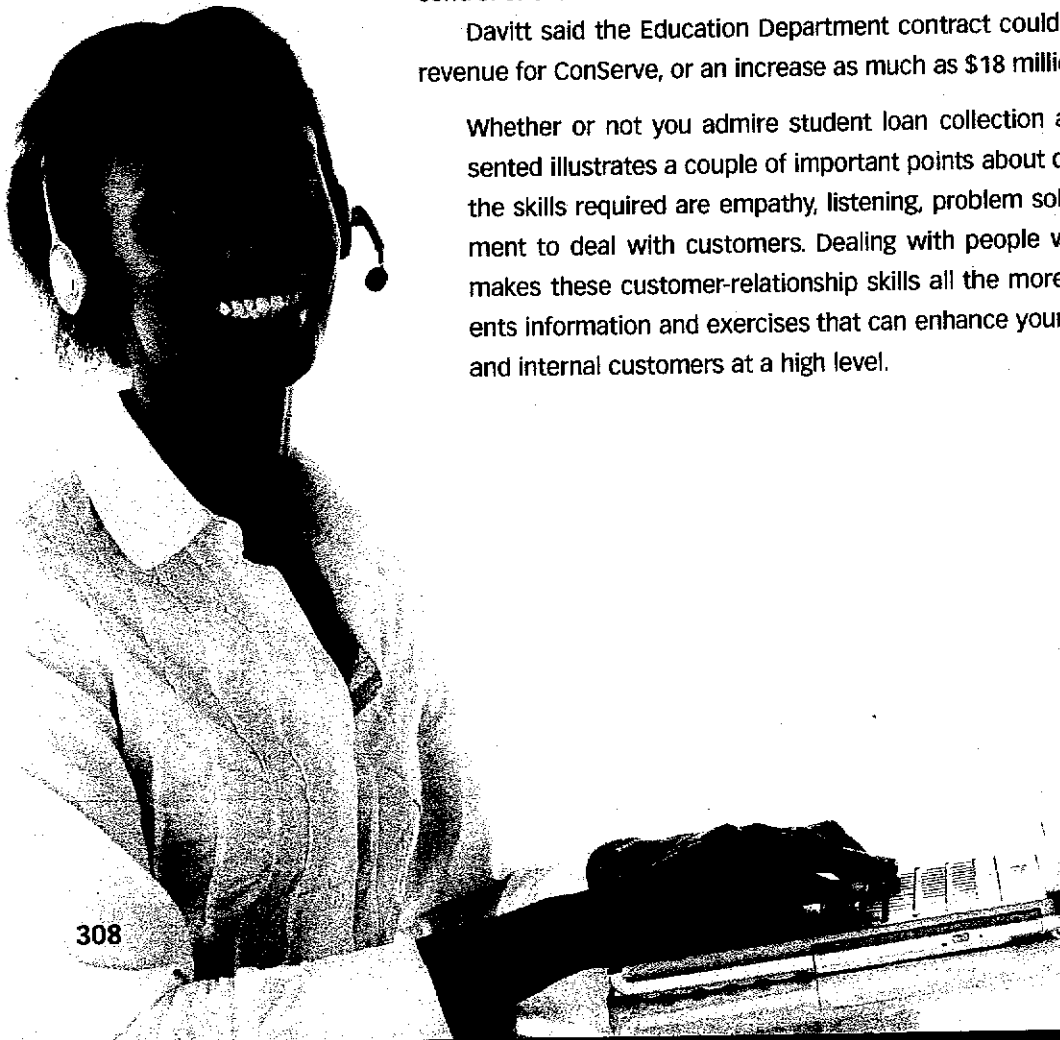
Customer Satisfaction Skills

ConServe, a company that specializes in collecting student loans, said it expects to add 150 jobs over the next two years because of a contract it has won with the U.S. Department of Education. The company was added to the Education Department's elite student loan collection contract in the unrestricted business size category. Previously, ConServe held a business contract with the department, but advanced to the unrestricted business size category after ranking first in the country in resolution rate among the Education Department's small business vendors.

Mark Davitt, who started ConServe in 1985, said that third-party debt collectors are entering emotionally charged situations, and attributed the company's success to a staff with "good listeners and problem solvers." "We're looking for a good sense of empathy," Davitt. "Rather than float like a cork in the ocean, our opportunity is to empower people to control of their situation."

Davitt said the Education Department contract could result in a 40 percent increase in revenue for ConServe, or an increase as much as \$18 million annually.^[1]

Whether or not you admire student loan collection agents, the anecdote just presented illustrates a couple of important points about dealing with customers. Among the skills required are empathy, listening, problem solving, and accepting empowerment to deal with customers. Dealing with people who owe the company money makes these customer-relationship skills all the more important. This chapter presents information and exercises that can enhance your ability to satisfy both external and internal customers at a high level.



LEARNING Objectives

After reading and studying this chapter and doing the exercises, you should be able to

External customers fit the traditional definition and include clients, guests, and patients. External customers can be classified as retail or industrial. The latter represents one company buying from another, such as purchasing steel or a gross of printer cartridges. *Internal customers* are the people you serve within the organization or those who use the output from your job. Also, everyone you depend upon is an internal customer. The emphasis in this chapter is on satisfying external customers. Much of the rest of the book deals with better serving internal customers, because improved interpersonal relationships enhance the satisfaction of work associates.

Customer satisfaction skills are necessary for all workers in contact with customers, including sales representatives, customer service representatives (those who back up sales and take care of customer problems), and store associates. Workers in a wide variety of jobs need good customer satisfaction skills. The founder of a technology consulting firm observes, "Ninety percent of the time when a client has an issue with a consultant, it's related to soft skills."^[2] Another way of understanding the importance of customer satisfaction skills is to recognize that employees who can satisfy customers contribute heavily to profits. The chief executive of a firm that surveys approximately 20 million customers a year for retail and restaurant chains concludes "A good employee or a good sales associate might be worth five or 10 times an average one. We've seen that. It's unreal."^[3]

Various aspects of developing customer satisfaction skills are divided into three parts in this chapter: following the general principles of customer satisfaction, bonding with customers, and dealing with customer dissatisfaction. As you work through this chapter, you will observe that to implement its suggestions you need many of the interpersonal skills you have been acquiring, such as communication, teamwork, motivation, and conflict resolution. To reflect on your attitudes toward satisfying customers, do Self-Assessment Quiz 14-1.

SELF-ASSESSMENT QUIZ 14-1

1. Customer Service Orientation Quiz

Directions: Answer each of the following statements about dealing with customers as "mostly true" or "mostly false." The statements relate to your attitudes, even if you lack direct experience in dealing with customers. Your experiences as a customer will also be helpful in responding to the statements.

- | | <i>Mostly True</i> | <i>Mostly False</i> |
|---|--------------------|---------------------|
| 1. All work in a company should be geared toward pleasing customers. | _____ | _____ |
| 2. The real boss in any business is the customer. | _____ | _____ |
| 3. Smiling at customers improves the chances of making a sale. | _____ | _____ |
| 4. I would rather find a new customer than attempt to satisfy one who is difficult to please. | _____ | _____ |
| 5. Dealing with customers is more (or as) rewarding than dealing with coworkers. | _____ | _____ |

(Continued)

- | | | |
|---|-------|-------|
| 6. I enjoy (or would enjoy) helping a customer solve a problem related to the use of my product or service. | _____ | _____ |
| 7. The best way to get repeat business is to offer steep discounts. | _____ | _____ |
| 8. In business, your customer is your partner. | _____ | _____ |
| 9. Dealing directly with customers is (or would be) the most boring part of most jobs. | _____ | _____ |
| 10. If you have the brand and model the customer wants, being nice to the customer is not so important. | _____ | _____ |
| 11. A good customer is like a good friend. | _____ | _____ |
| 12. If you are too friendly with a customer, he or she will take advantage of you. | _____ | _____ |
| 13. Now that individual consumers and companies can shop online, the personal touch in business is losing importance. | _____ | _____ |
| 14. Addressing a customer by his or her name helps build a relationship with that customer. | _____ | _____ |
| 15. Satisfying a customer is fun whether or not it leads to a commission. | _____ | _____ |

Scoring and Interpretation: Give yourself a +1, for each of the following statements receiving a response of "mostly true": 1, 2, 3, 5, 6, 8, 11, 14, and 15. Give yourself a -1 for each of the following statements receiving a response of "mostly false": 4, 7, 9, 10, 12, and 13.

13-15 points: You have a strong orientation toward providing excellent customer service.

8-12 points: You have an average customer service orientation.

1-7 points: You have a below-average orientation toward providing excellent customer service.

THE THREE COMPONENTS OF CUSTOMER EXPERIENCE (SERVICE)

LEARNING OBJECTIVES

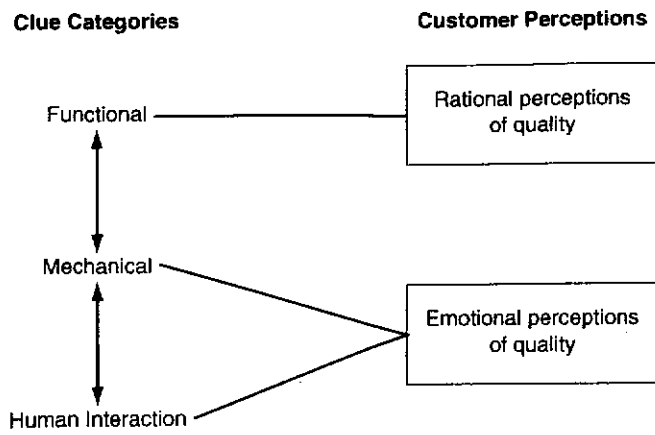
A useful starting point in becoming skilled at satisfying customers is to understand how customers form impressions of their experience. The term *experience* is often used as to replace *service* because customer service is often perceived as getting help from a call center or returning merchandise in a retail store. According to the research of marketing professors Leonard L. Berry, Eileen A. Wall, and Lewis P. Carbone, customers form three clues about the service experience based on their presence or absence. A clue is anything the customer can see, hear, taste, or smell. It is often small clues that influence a customer's overall perception of an experience, such as a customer service rep yawning while taking care of the person's problem.^[4]

The key point is that customers form perceptions based on three components of the experience. First are functional clues derived from the technical performance of the service, such as the technician from the call center enabling you to get your new printer up and running. Second are mechanical clues stemming from the sensory presentation of the service, including sights, smells, sounds, tastes, and textures. At Target stores, the mechanical clues include the red-color scheme, the wide aisles, and the numerous checkout counters. Third are the human interaction clues detected from the behavior and appearance of service providers. Such clues include the service provider's choice of words, tone of voice, enthusiasm, body language, and dress. Much of this chapter deals with the human-touch component of the customer experience.

Human interaction in the service experience offers the biggest opportunity to deepen customers' emotional connection to the company and the service provider. For example, many customers return to a given restaurant because the server is so polite, friendly, and helpful—assuming the food and décor are also satisfactory.

Figure 14-1 presents an overview of the three components of, or clues about, customer experience. Notice that only the functional clues are based mostly on rational perceptions of quality of service. If the call-center technician gets your printer working, you are not so concerned about his or her lack of warmth and enthusiasm. In contrast, the

FIGURE 14-1 Clue Influences on Customer Perceptions



Source: Adapted from Leonard L. Berry, Eileen A. Wall, and Lewis P. Carbone, "Service Clues and Customer Assessment of the Service Experience: Lessons from Marketing," *Academy of Management Perspectives*, May 2006, p. 46.

mechanical and human interaction clues are based mostly on emotional perceptions of the quality of service. For example, you might return to a hotel mostly because of the view of the city and the soothing beige colors in the room. For the customer service to be truly outstanding, all three clues should be positive.

FOLLOWING THE GENERAL PRINCIPLES OF CUSTOMER SATISFACTION

Knowing how to satisfy customers is a subset of effective interpersonal relations in organizations. Nevertheless, there are certain general principles that will sharpen your ability to satisfy customers and thereby improve customer retention. This section presents eight key principles for satisfying customers. Remember, however, that satisfaction is considered a minimum expectation. If you do an outstanding job of satisfying customers, they will experience delight, as shown in Figure 14-2.

Customer satisfaction is important for several reasons. To begin with, without satisfying customers, a business would cease to exist. The slogan of Tops Markets, Inc., a super-market chain, is "Customer satisfaction is our only business." Satisfied customers are likely to tell friends and acquaintances about their satisfactory experiences, helping a firm grow its business. In contrast, dissatisfied customers—especially those with an unresolved problem—are likely to tell many people about their dissatisfaction, thus dissuading

FIGURE 14-2 Levels of Customer Satisfaction



a large number of people from becoming new customers. Studies indicate that an upset or angry customer tells an average of between 10 and 20 other people about an unhappy experience.¹⁵¹ Customer satisfaction is also highly valued because it breeds customer loyalty, which in turn is very profitable. Repeat business is a success factor in both retail and industrial companies.

Another reason for satisfying customers is the humanitarian aspect. Satisfying people enhances their physical and mental health, whereas dissatisfaction creates negative stress. Have you ever been so angry at poor service that you experienced stress?

Be Satisfied So You Can Provide Better Customer Service

Employees who are happy with their jobs are the most likely to satisfy customers. As stated by Frank DeRiso, a local president of the United Food and Commercial Workers union, "The employees are your No. 1 asset. You don't have a customer base without employees."¹⁶¹ Treating employees well puts them in a better frame of mind to treat their customers well and provide better service, especially in the human interaction aspect of service. According to consumer behavior specialist James Hazen, good service comes down to creating a positive and memorable customer experience. For example, Starbucks can command a premium price for its coffee beverages not simply because of the quality of its beans and its stylish cardboard cups, but because of the overall experience. And the employees—particularly the baristas—are part of that experience.¹⁷¹ Although Starbucks has reduced many prices in recent years, its customers still have the option of purchasing lower price coffee at fast-food chains and convenience stores.

Acting alone, you cannot improve company conditions that contribute to job satisfaction. What you can control to some extent, however, is your own attitudes that are related to job satisfaction. A checklist of attitudes and beliefs related to job satisfaction, and over which you can exert some control, follows:

- **Interest in the work itself.** Job satisfaction stems directly from being interested in what you are doing. People who love their work experience high job satisfaction and are therefore in the right frame of mind to satisfy customers.
- **A feeling of self-esteem.** If you have high self-esteem, you are more likely to experience high job satisfaction. High-status occupations contribute more to self-esteem than do those of low status. Feelings of self-esteem also stem from doing work the individual sees as worthwhile. This perception is less influenced by external standards than it is the status associated with a particular job or occupation.
- **Optimism and flexibility.** An optimistic and flexible person is predisposed to be a satisfied employee. A pessimistic and rigid person will most likely be a dissatisfied employee. Every company has its share of "pills" who always find something to complain about. Some evidence suggests that a tendency toward optimism versus pessimism is inherited.¹⁸¹ If you have a predisposition toward pessimism, you can still become more optimistic with self-discipline. For example, you can look for the positive aspects of a generally unpleasant situation.
- **Positive self-image.** People possessing a positive self-image are generally more satisfied with their jobs than are those possessing a negative self-image. One explanation is that the people who view themselves negatively tend to view most things negatively. You have to like yourself before you can like your job.
- **Positive expectations about the job.** People with positive expectations about their jobs are frequently more satisfied than are those with low expectations. These expectations illustrate a self-fulfilling prophecy. If you expect to like your job, you will behave in such a way that those expectations will be met. Similarly, if you expect your job not to satisfy your needs, you will do things to make your expectations come true. Assume that a worker expects to earn low commissions in a sales job. The person's negativism may come through to customers

and prospective customers, thereby ensuring low customer satisfaction and low commissions.

Effective handling of abuse from customers. Customer service workers are often verbally abused by customers over such matters as products not working, merchandise returns not being acceptable, and the customer having been charged a late fee. Automated telephone-answering systems often force callers to hack through a thicket of prompts before reaching a human being. By the time a live person is reached, the customer is angry and ready to lash out at the customer service representative.^[9] To prevent these oral tirades from damaging one's job satisfaction, it is essential to use effective techniques of dealing with criticism and resolving conflict as described in Chapter 9. The section of dealing with dissatisfied customers presented later in this chapter is also important. Combating sexual harassment by customers is also important for retaining emotional equilibrium.

High job satisfaction contributes to good customer service in another important way. Employees who are satisfied with their jobs are more likely to engage in service-oriented organizational citizenship behavior. As you will recall, *organizational citizenship behavior* refers to going beyond your ordinary job description to help other workers and the company. A customer service worker with high organizational citizenship behavior will go beyond ordinary expectations to find ways to solve a customer problem.^[10] A member of tech support staff in a consumer electronics store volunteered to drop by a customer's home to help him install a video recorder even though such home visits were not required. As a result of the technician's kindness, the man purchased a \$6,000 plasma screen TV receiver from the store.

Receive Emotional Support from Coworkers and Management to Give Better Customer Service

Closely related to the idea that satisfied workers can better satisfy customers is the finding that the emotional support of coworkers often leads to providing better customer service. According to a study, the support of coworkers is even more important than supervisory support. The participants in the study were 354 customer service workers employed in service-based facilities. Customer satisfaction surveys were collected from 169 customers. The major finding was that employees who perceived their coworkers to be supportive had a higher level of commitment to their customers.

The researchers concluded that it is important to have a supportive group of coworkers by your side to help you perform service-related duties. In this study, supervisory support was less important than coworker support in terms of bringing about a strong customer orientation. (A *customer service orientation* includes a desire to help customers, and a willingness to act in ways that would satisfy a customer.) Another important conclusion drawn from the study was that customer satisfaction was positively associated with the strength of the service worker's customer orientation.^[11]

Research also supports the idea that the type of leadership sales representatives receive influences the type of relationships the reps build with customers. The study in question involved 300 pairs of sales managers and 1,400 sales people reporting directly to them. Sales managers who were charismatic and good at setting visions strongly affected the use of customer-oriented selling behaviors, such as building good relationships. Other key factors related to building good relationships with customers were the level of support the sales workers received from the organization, and how much cohesiveness (closeness) they felt with coworkers.^[12]

A similar study conducted in Taiwan with 450 hair stylists and 112 store managers found that charismatic and visionary leaders enhanced employee service. In turn, better service was associated with customers coming back to the salon.^[13] You probably already knew that if your hair stylist gives good service, you will return—but now there is a quantitative study to support your belief.

The major point here is that the organization plays an important role in how well your ability or willingness to build relationships with customers. A thought to take away is that if you perceive your manager to be charismatic, you are more likely to provide better customer service.

Understand Customer Needs and Put Them First

The most basic principle of selling is to identify and satisfy customer needs. One challenge is that many customers may not be able to express their needs clearly. To help identify customer needs, you may have to probe for information. For example, the associate in a camera and video store might ask, "What uses do you have in mind for a video camera?" Knowing such information will help the associate identify which camcorder will satisfy the customer's needs.

The concept of adding value for customers is widely accepted as a measure of satisfying customer needs. If you satisfy customer needs, you are adding value for them. A person might be willing to pay \$20 more per ticket to watch an athletic event if the extra \$20 brought a better view and a chair instead of a backless bench. (The better view and more comfortable back add value for the spectator.) After customer needs have been identified, the focus must be on satisfying those needs rather than the needs of oneself or the company. Assume that the customer says, "The only convenient time for me to receive delivery this week would be Thursday or Friday afternoon." The sales associate should not respond, "On Thursday and Friday our truckers prefer to make morning deliveries." Instead, the associate should respond, "I'll do whatever is possible to accommodate your request."

A major contributor to identifying customer needs is to listen actively to customers. Listening can take place during conversations with customers, and "listening" can also mean absorbing information sent by e-mail and written letters. Many improvements in customer service today stem from suggestions and complaints made in blogs or on Twitter. For example, several dollar stores have moved into upscale shopping centers because it was suggested on blogs that so many people today "shop down" to save money.

Focus on Solving Problems, Not Just Taking Orders

Effective selling uses sales representatives to solve problems rather than merely have them taking orders. An example is the approach taken by sales representatives for Xerox Corporation. Instead of focusing on the sale of photocopiers, printers, and related equipment, the sales reps look to help customers solve their information flow problems. The solution could involve selling machines, but it might also involve selling consulting services.

Consultative selling is also referred to as customer-centric. A customer-centric sales process emphasizes a low-pressure environment in which the sales staff acts as consultants, offering information and explaining how the product or service can help solve a customer's problem. The customer-centric approach is evident both at an Apple Store or a Container Store. At an Apple Store, customers can obtain free assistance from the Genius Bar. At a Container Store, sales associates are extensively trained to offer a light, informative touch.¹¹⁴¹ Among the many problems discussed might be how to store clothing in a basement to avoid the risk of mold.

The focus on problem solving enables sales reps to become partners in the success of their customers' businesses. By helping the customer solve problems, the sales rep enhances the value of the supplier-customer relationship to the customer. The customer is receiving consulting services in addition to the merchandise or service being offered. In some situations, a store associate can capitalize on the same principle. If the customer appears unsure about a purchase, ask him or her which problem that the product should solve. The following scenario in a computer store illustrates this point:

Customer: I think I would like to buy this computer. I'm pretty sure it's the one I want. But I don't know too much about computers other than how to use them for word processing, e-mail, forwarding articles from Web sites, and basic search.

Store Associate: I am happy you would like to purchase a computer. But could you tell me what problems you are facing that you want a computer to help you solve?

customer-centric sales process

A sales process emphasizing a low-pressure environment in which the sales staff acts as consultants, offering information and explaining how the product or service can help solve a customer's problem.

Customer: Right now I feel I'm not capitalizing on the Internet revolution. I want to do more online, and get into digital photography so that I can send cool photos to friends all over. Friends and family members also want me to have a webcam. I also want to purchase music online, so I can walk around with an MP3 player like my friends do.

Store Associate: To solve your problem, you will need a more powerful computer than the one you are looking at. I would like you to consider another model that is about the same price as the one you have chosen. The difference is that it has the memory you need to e-mail photos and download music from a subscription service.

Respond Positively to Moments of Truth

An effective customer contact person performs well during situations in which a customer comes in contact with the company and forms an impression of its service. Such situations are referred to as **moments of truth**. If the customer experiences satisfaction or delight during a moment of truth, the customer is likely to return when the need for service arises again. A person who is frustrated or angered during a moment of truth will often not be a repeat customer. A moment of truth is an important part of customer service because what really matters in a service encounter is the customer's perception of what occurred.^[15] Visualize a couple who has just dined at an expensive restaurant as part of celebrating their anniversary. The food, wine, and music might have been magnificent, but the couple perceives the service as poor because one of them slipped on ice in the restaurant parking lot.

You can probably visualize many moments of truth in your experiences with service. Reflect on how a store associate treated you when you asked for assistance, the instructions you received when an airplane flight was canceled, or how you were treated when you inquired about financial aid. Each business transaction has its own moment of truth, but they all follow the same theme of a key interaction between a customer and a company employee. At Publix Super Markets, Inc., a successful supermarket chain of more than 1,000 stores, one of the moments of truth is considered to be having a bagger at the checkout lane. When the president of Publix was visiting a store in St. Augustine Florida, he spotted a checkout lane without a bagger. He responded by helping out a customer before a store employee interceded.^[16]

One way you can track moments of truth is to prepare a cycle-of-service chart, as shown in Figure 14-3. The cycle-of-service chart summarizes the moments of truth encountered by a customer during the delivery of a service.^[17] To gain insight into these charts, do Skill-Building Exercise 14-1.

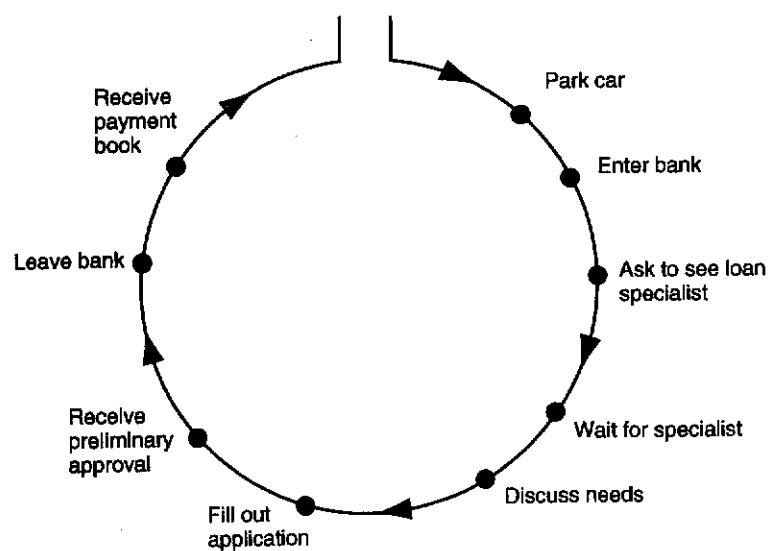
moments of truth

Situations in which a customer comes in contact with a company and forms an impression of its service.

cycle-of-service chart

A method of tracking the moments of truth with respect to customer service.

FIGURE 14-3 A Cycle-of-Service Chart for Obtaining a Car Loan at a Bank



Moments of Truth

The class organizes into small groups to discuss what can go right versus what can go wrong during customer moments of truth. First refer to the cycle-of-service chart shown in Figure 14-3. Discuss what can go right or wrong at each moment of truth. Second, have the team develop its own cycle-of-service chart for another service, using its own experiences and imagination. After making the two analyses, discuss

the usefulness of a cycle-of-service chart for improving customer satisfaction.

For additional practice in identifying the three components of customer of service, label each moment of truth into one of three perceptions: functional, mechanic, or human interaction. For example, you might have observed that the retail store had a nice scent (a perception of mechanics).

empowerment

The process of managers transferring, or sharing, power with lower ranking employees.

Be Ready to Accept Empowerment

A major strategy for improving customer service is to empower customer contact employees to resolve problems. Empowerment refers to managers transferring, or sharing, power with lower ranking employees. In terms of customer relations, it means pushing decision making and complaint resolution downward to employees who are in direct contact with customers. The traditional method of dealing with all but the most routine customer problems is for the customer contact worker to refer them to the manager. Many manufacturing firms and service firms now authorize customer contact workers to take care of customer problems within limits. For example, Ritz-Carlton, the luxury brand of Marriott International Inc., authorizes front-desk workers to credit dissatisfied customers up to \$2,000 without supervisory approval.¹¹⁸¹

Empowerment is not giving away the store, especially because limits are established to the customer contact worker's authority. Empowerment does involve taking a reasonable risk based on company principles to provide meaningful customer service. For empowerment to work, the company must grant decision-making latitude to employees. The employees, in turn, must be willing to accept empowerment (or decision-making authority). Imagine yourself in a customer contact position. For empowerment to work effectively, you should be able to answer affirmatively to the following statements:

- I am willing to arrive at a quick decision as to whether the company or the customer is right.
- I would be willing to admit to a customer that the company has made a mistake.
- I would be willing to take the risk that at times I will lose money for the company on a given transaction.
- I would be comfortable making an out-of-the-ordinary decision about a customer problem without consulting a manager.

Enhance Customer Service through Information Technology

Much has been said and written about how information technology has depersonalized customer service, such as having customers select from a long menu of choices on a telephone. Information technology, however, also plays an important role in recording customer preferences and individualizing service. A major contribution of information technology to enhancing customer service is to develop individualized appeals to customers. With the right software in place, you can make a direct appeal to customer preferences based on past purchases, and the habits of customers with similar preferences. If you have purchased online at a major e-tailer like Amazon.com or Buy.com, you may be familiar with this technology. Two examples follow:

1. Computerized information tells you immediately what the customer on the phone or online has bought in the past, so you may ask a question such as, "Two years ago you installed a centralized vacuum cleaning system. Do you need another set of bags by now?"
2. Speaking to the person, or sending an e-mail message to the customer, you may say, "Last year you purchased a heated doghouse for your Yorkshire terrier. Our

Information suggests that people who own a heated doghouse are also interested in dog sweaters. Please take a moment to look at our new line of dog sweaters for the canines who appreciate warmth."

Using individualized appeals to customers is likely to be included in customer relationship management (CRM) software. The complex software is used to implement a strategy for interacting with your customers to bring them more value, and more profits. One of its basic purposes is to make the company easier for customers to do business with, including facilitating placing orders over the Internet.^[19] As such, the individual customer service worker would not have the authority to install such a system. Each individual worker can always look for ways to apply the CRM system (such as those used by Salesforce.com, or SAP) in a way that best serves the customer. A major challenge in providing good customer service when using information technology is to preserve the human touch. Here are some hints for adding a personal touch to electronic communications to help build customer loyalty.

Voice mail

Control your voice tone and inflection when leaving messages and in your greeting. Avoid sounding bored or uninterested in your job and the company.

Smile while leaving your message—somehow a smile gets transmitted over the telephone wires or optic fibers!

Keep your voice mail to minimize "telephone tag" rather than to increase it. If your greeting specifies when you will return, callers can choose to call again or to leave a message. When you leave a message, suggest a good time to return your call. Another way to minimize telephone tag is to assure the person you are calling that you will keep trying.

Leave an informative and friendly greeting (outgoing message) on your voice mail. Done effectively, a voicemail greeting will minimize the number of people irritated by not talking to a person.

When you respond to a voicemail outgoing message, leave specific, relevant information. As in the suggestions for minimizing telephone tag, be specific about why you are calling and what you want from the person called. The probability of receiving a return call increases when you leave honest and useful information. If you are selling something or asking for a favor, be honest about your intent.

When leaving your message, avoid the most common voicemail error by stating your name and telephone number clearly enough to be understood. Most recipients of a message dislike intensely listening to it several times to pick up identifying information.

The company using computerized calls (or "robocalls") should determine if these calls are perceived as helpful or so annoying that they harm business.^[20] One of the many uses of an automated calling service is to remind patients of upcoming medical and dental appointments. Some patients appreciate the reminder, whereas others slam down the phone in disgust because they expect more a more personal touch from a dental or medical office.

E-mail

Use the customer's name. Begin the greeting, "Hello, Lisa King." Many companies now greet customers by their first name only, but a minority customers consider this practice to be rude. However, few people are likely to be offended when you use both their first and last names.

Choose a human e-mail address. Marysmith@kaset.com feels more personal than an odd sequence of numbers, letters, and dashes. To enhance your credibility and professional stature, avoid cool electronic addresses, such as Steelabs@aol.com or Angellady42@gmail.com.

Be conversational. Mention events you have shared, such as "I enjoyed seeing you at the company meeting."

Sign your name. Don't neglect your signature. "Best regards, Jim Woods."^[21]

Avoid Rudeness and Hostility toward Customers

I have reserved the most frequently violated principle of good customer service for last: Avoid being rude or hostile to customers. Although rudeness to customers is obviously a poor business practice, the problem is widespread. Rudeness by customer contact personnel is a major problem from the employer's standpoint. A widely practiced form of rudeness is for two store associates to converse with each other about nonwork matters while a customer waits for attention. Or, how about a store associate making a personal phone call while waiting on you?

Rude treatment creates more lost business than does poor product quality or high prices. Several years ago McDonald's franchises were facing a downturn in sales. Surveys indicated that one of the problems facing McDonald's Corporation was the indifference and rude behavior by many frontline workers. McDonald's then increased the training of store employees and upgraded the menu, to achieve a substantial rebound in sales.

Rudeness is sometimes a form of hostility because rudeness, such as grimacing at a customer, stems from anger. Being outright hostile toward customers can be a bigger problem than rudeness, which is more subtle. The impact of service provider hostility on customer satisfaction was explored by studying 142 naturally occurring service interactions at a telephone service center of a bank. A typical interaction would be a customer phoning the bank to inquire about an account balance. (Today, such calls would only be in reference to what appeared to be inaccuracies in the online statement, or the one retrieved through the automated phone service.) Service interactions usually lasted about two minutes. Customers were later contacted to complete a quality survey about their transaction. Hostility was measured through raters' judgment of the tone of the service providers' voices.

A major finding of the study was that when the technical performance (e.g., providing the information needed) was low, hostility by the service provider lowered customer satisfaction considerably. When the technical performance of the service provider was good, hostility had a less negative impact on service quality.^[22] When you get the information you need from a service provider, you are willing to put up with a few angry tones! The overall message supports a human relations perspective: Being hostile toward customers lowers their perception of the quality of service.

To elevate your awareness level about rudeness among customer contact personnel, do Self-Assessment Quiz 14-2.

Am I Being Rude?

Directions: Following is a list of behaviors that would be interpreted as rude by many customers. Check "Yes" if you have engaged in such behavior in your dealings with customers or if you would be *likely* to do so if your job involved customer contact, and "No" if you would not engage in such behavior.

| | Yes | No |
|---|-------|-------|
| 1. I talk to a coworker while serving a customer. | _____ | _____ |
| 2. I conduct a phone conversation with someone else while serving a customer. | _____ | _____ |
| 3. I address customers by their first names without having their permission. | _____ | _____ |
| 4. I address customers as "You guys." | _____ | _____ |
| 5. I chew gum or eat candy while dealing with a customer. | _____ | _____ |
| 6. I laugh when customers describe an agonizing problem they are having with one of our company's products or services. | _____ | _____ |
| 7. I minimize eye contact with customers. | _____ | _____ |
| 8. I say the same thing to every customer, such as "Have a nice day," in a monotone. | _____ | _____ |

9. I accuse customers of attempting to cheat the company before carefully investigating the situation. _____
10. I hurry customers when my breaktime approaches. _____
11. I comment on an attractive customer's appearance in a flirtatious, sexually oriented way. _____
12. I sometimes complain about or make fun of other customers when I am serving a customer. _____
13. I sometimes look and act impatient if a customer fumbles around trying to locate his or her credit card, debit card, or cash. _____

Interpretation: The more of these behaviors you have engaged in, the ruder you are and the more likely it is that you are losing potential business for your company. If you have not engaged in any of these behaviors, even when faced with a rude customer, you are an asset to your employer. You are also tolerant.

CREATING A BOND WITH YOUR CUSTOMER

Another key perspective on achieving customer satisfaction and delight is to create a bond—or emotional relationship—with customers. The rationale is that if you form warm, constructive relationships with your customers, they will keep buying. Staying focused on the importance of customers will help provide the motivation for forming such a bond. The willingness to form a bond with the customer is part of having a **strong customer orientation**, defined as “a set of basic individual predispositions and an inclination to provide service, to be courteous and helpful in dealing with customers and associates.”^[23] You may recall Self-Assessment Quiz 14-1 about customer orientation at the outset of the chapter. Service-oriented organizational citizenship behavior relates to the same idea of focusing on customer needs.

Creating a bond is aimed at increasing sales, but it also enhances service. If the customer relies on and trusts the sales representative, the customer will perceive the service to be of high quality. Similarly, people perceive medical and legal services to be of high quality if they trust the physician or lawyer. Virtually all of the principles and techniques presented in this chapter will help form a bond with customers. However, six key principles are as follows:

1. Create a welcoming attitude, including a smile.
2. Provide exceptional service.
3. Show care and concern.
4. Make the buyer feel good.
5. Build a personal relationship.
6. Invite the customer back.

Create a Welcoming Attitude, Including a Smile

An effective starting point in creating a customer bond is to use enthusiastic expressions, including a smile, when greeting customers. Attempt to show a sincere, positive attitude that conveys to customers and prospects, “I’m here to make you happy.”^[24] In addition to being an effective greeting, smiling is also a natural relationship builder and can help you bond with your customer. Smile several times at each customer meeting, even if your customer is angry at your product or service. A camcorder is a useful device for getting feedback on the quality of your smile. Practicing your smile in a mirror might feel a little less natural, but it is still helpful. Smiling at customers has a potential disadvantage, despite its general effectiveness. If your smile is too friendly and inviting, the customer might think that you want to get to know him or her outside the business relationship.

Smiling is such a key part of bonding with customers that the smiles of customer service workers have been the subject of scientific study. Twenty pairs of first-year college students who were trained as coders for the experiment observed 220 employee-consumer encounters in food/coffee services. Customers were later asked to report their mood, appraisal of service

LEARNING OBJECTIVE 3

strong customer orientation

A set of individual predispositions and an inclination to provide service, to be courteous and helpful in dealing with customers and associates.

“ It’s definitely a profitable strategy. When a customer comes in and the person behind the counter says hello, and maybe greets you by name, you feel a connection you don’t find with most retailers anymore. It makes you feel welcome, and it makes you want to come back.”

—Dave Pace, Starbucks executive vice president of partner resources, quoted in *Workforce Management*, February 2005, p. 30

quality, and encounter satisfaction. Several of the findings were as follows: Even in encounters, substantial smiling by employees made customers smile in return. Smiling employees were perceived as providing quality service, and the customers felt overall satisfaction with their encounters. Smiling somehow did not affect customer mood after an encounter. One interpretation of the study is that service employees should keep smiling, not the point that they lack authenticity.^[25] Phony smiles backfire in work and personal

Provide Exceptional Service (or Customer Experience)

The best-accepted axiom about keeping customers is to provide exceptional service. Many successful companies contend that their competitive advantage is exceptional service. An important part of the comeback of Burger King in the mid-2000s was a new way of providing top service to the company’s most profitable demographic group: young males between the ages of 18 and 34 who visit the stores three to four times a week. These “Super Fans” want indulgent, fat-laden, high-caloric, tasty food. So Burger King served up the Enormous Omelet Sandwich. Greg Brenneman, who was CEO at the time, said he gives his customers what they want, not what others (such as nutritionists and physicians) think they should have.^[26]

Exceptional service includes dozens of customer transactions, including prompt delivery, a fair-returns policy, accurate billing, and prompt attention to a customer’s present needs. Exceptional service also includes giving customers good advice about using the product and the service. As shown in Figure 14-2, providing exceptional service leads to customer delight.

Another way of understanding the importance of exceptional customer service is to study what happens when service declines. Part of the demise of the once popular Circuit City was attributed to a decline in customer service. The CEO at the time, Phil Schoonover, decided to reduce costs by dismissing many veteran workers and replacing them with inexperienced (and lower paid) workers.^[27] With fewer knowledgeable associates in the Circuit City stores, many customers chose to make consumer electronic purchases at competitors.

Show Care and Concern

During contacts with the customer, the sales representative should show concern for the customer’s welfare. The rep should ask questions such as: “How have you enjoyed the optical scanner you bought awhile back?” “How much time and money have you saved since you installed the new system?” After asking the questions, the sales rep should project a genuine interest in the answer. Microsoft is one of many companies that asks about the quality of its service, and the inquiries are pointed and specific rather than canned. For example, a small business owner responded to an inquiry about service Microsoft provided, and he complimented “Jocelyn” for pointing him in the right direction. A team manager at Microsoft wrote back: “Thank you for taking the time to commend Jocelyn on a Job Well Done. Our primary goal at Microsoft is that our customers are very satisfied with the support they receive. I am pleased to read that we have met that goal in your case.”

Make the Buyer Feel Good

A fundamental way of keeping a relationship going is to make the buyer feel good about himself or herself. In addition, the customer should be made to feel good because of having bought from the representative. Offer compliments about the customer’s appearance or about a report that specified vendor requirements clearly. In retail, an effective feel-good line is to point out how well the product fits the customer, such as “It looks like Toro made that riding mower just for you.” An effective feel-good line is: “I enjoy doing business with you.”

Sometimes giving the customer or potential customer a small treat will make that person feel good enough to take decisive action. Microsoft enterprise sales manager, LaShonda Anderson-Williams reports, “I once had a purchase order that needed to be signed by the end of our fiscal year. We called the CFO’s assistant, and she said it was sitting on his desk. So I sent her a basket of cookies. The next day she got him to sign. To get my \$1.2 million deal done, I spent \$40.”^[28] We caution that you need good sensitivity to the situation to

and giving a small treat that could backfire. An example might be sending Warren Buffett (usually ranked as one of the richest people in the world) a \$25 gift certificate to Macy's in order to sell to his company.

Making the buyer feel good about having made the purchase can be particularly important when selling luxury items to consumers. This helps minimize feelings of guilt for having been so extravagant. Sales consultant Jean-Marie Brücker trains store associates to sell luxury products such as using the *macaroon* technique that refers to the *macaron*, a sandwich-like pastry. The technique proceeds in this manner: "Madame, this timepiece (diamond or handbag) comes from our finest workshop and has a value of \$10,000. If you buy it, your children are sure to enjoy it for generations to come." The high price is sandwiched between the product's more romantic benefits. The idea is to sell the emotion of luxury. To further enhance the purchaser's emotions, Brücker insists that sales associates flatter customers by such means as complimenting the customer's own watch, even if it is made by a competitor.^[29]

Build a Personal Relationship through Interaction with Customers

Interacting with customers in a personal way often enhances the customer experience, leading to repeat business. Interaction with pleasant staff members gives customers a temporary feeling of friendship that many of them value. Executives at Staybridge Suites recognize how human interaction contributes to profitability, and use this principle as a guide for making investments in customer service. Staybridge, similar to other extended-stay hotels, provides limited services and is sparsely staffed to reduce costs. Rooms are fully cleaned only once a week, and the front desk is usually staffed by only one or two people.

Instead of providing loads of amenities, Staybridge concentrates its customer service on staff members interacting with guests. "A lot of our guests really want that personal interaction—the thing they get from home that they'd like to get from a hotel," says Rob Radomski, the vice president for brand management for Staybridge Suites. "There are conversations between guests and staff about projects they're working on, and their family back home, and the kid, the dog." Staybridge also offers "Sundowner receptions" on Tuesday, Wednesday, and Thursday evening in the lobby. General managers are required to attend the receptions in which guests are given a free meal and an opportunity to socialize. Radomski believes the meals are cost-effective in terms of developing customer loyalty.^[30]

Another way of building relationships with large numbers of customers is to interact with them through company blogs or the social media. The company representative is authorized to chat with hundreds of customers and potential customers by placing informal comments on the authorized company blog. The worker lets out tidbits of information to customers without betraying company confidences or making defamatory statements about the company. However, the blog entries are not usually as positive as advertisements, which help form bonds with the customers. Many customers post replies and swap ideas with the company rep.

Company-approved blogs are widely used as customers demand information presented in a more unvarnished way. A major advantage of blogs is that they humanize large organizations, such as the company representative mentioning a favorite recipe as well as chatting about a new product.

Invite the Customer Back

The southern U.S. expression "Y'all come back, now!" is well suited for bonding with customers. Specific invitations to return may help increase repeat business. The more focused



Bonding with Customers

Role players in this exercise will demonstrate two related techniques for bonding with customers: show care and concern and make the buyer feel good.

Scenario 1: Show Care and Concern. A sales representative meets with two company representatives to talk about installing a new information system for employee benefits. One of the company reps is from the human resources department and the other is from the information systems department. The sales rep will attempt to show care and concern for both company representatives during the same meeting.

Scenario 2: Make the Buyer Feel Good. A couple, played by two role players, enter a new car showroom to examine a model they

have seen advertised on television. Although they are not in urgent need of a new car, they are strongly interested. The sales representative is behind quota for the month and would like to close a sale today. The rep decides to use the tactic "make the buyer feel good" to help form a bond.

For both scenarios, observers rate the role players on two dimensions, using a 1-to-5 scale from very poor to very good. One dimension is "effective use of human relations techniques." The second dimension is "acting ability." A few observers might voluntarily provide feedback to the role players in terms of sharing their ratings and observations. The course instructor might also provide feedback.

and individualized the invitation, the more likely it will have an impact on customer behavior. ("Y'all come back, now!" is sometimes used too indiscriminately to be effective.) Pointing out why you enjoyed doing business with the customer, and what future problems you could help with, is an effective technique. An industrial cleaning company supervisor might say, "Our crew enjoyed cleaning such a fancy office. Keep us in mind when you would like your windows to sparkle."

Skill-Building Exercise 14-2 gives you an opportunity to practice techniques for bonding with customers.

Despite the importance of forming a bond with your customer, getting too personal can backfire. Most customers want a business relationship with the company, and are not looking for a personal relationship with a company representative. As Daniel Askt observes, "Most customers want value and service without contending that a salesman who insists that he wants to be like family to you. Chances are you've already got a family, and for most of us, one is enough."^[31]

DEALING WITH CUSTOMER DISSATISFACTION

LEARNING OBJECTIVE 7

Most companies put honest effort into preventing customer dissatisfaction. In addition to employing many of the principles and techniques already cited, many companies routinely survey customers to detect problem areas that could lead to dissatisfaction. A representative survey used by a successful company in its field is shown in Figure 14-4. Despite all these efforts to achieve total customer satisfaction, some customer dissatisfaction is inevitable. One reason is that mistakes in serving customers are almost inevitable; for example, a piece of equipment may have a faulty component unknown to the seller. A second reason is that some customers have a predisposition to complain. They will find something to complain about with respect to any product or service. Visualize the billions of transactions that take place every year between Wal-Mart service personnel and customers. Inevitably, some customer, somewhere is going to rant and rave about poor service no matter how hard Wal-Mart managers and store associates try to please.

An important point to remember in dealing with dissatisfied customers is that the negative personality traits of customers can bring down your level of customer service. For example, a study conducted in two major fast-food chains in Singapore found that customers who scored high on the trait of agreeableness tended to bring out positive emotion by the service personnel. In contrast, customers who scored high on negative affectivity (being disagreeable) brought out negative emotion among customer service personnel.^[32] A service worker cannot change the personality traits of customers, yet a

FIGURE 14-4 A Chain Restaurant Customer Satisfaction Survey

We would like to hear about your visit and how we can improve. Thank you!

Date: _____ Time: _____ AM/PM Which location did you visit? _____

Name: _____

Address: _____

Email: _____

Phone: _____

Check Number: _____

| Please rate us: | Poor | Fair | Good | Very Good | Excellent |
|---------------------------|------|------|------|-----------|-----------|
| Host/Hostess Hospitality | 1 | 2 | 3 | 4 | 5 |
| Server's Hospitality | 1 | 2 | 3 | 4 | 5 |
| Server's Attentiveness | 1 | 2 | 3 | 4 | 5 |
| Bartender's Hospitality | 1 | 2 | 3 | 4 | 5 |
| Bartender's Attentiveness | 1 | 2 | 3 | 4 | 5 |
| Quality of Food | 1 | 2 | 3 | 4 | 5 |
| Value of Meal | 1 | 2 | 3 | 4 | 5 |
| Cleanliness | 1 | 2 | 3 | 4 | 5 |
| Likely to Return | 1 | 2 | 3 | 4 | 5 |
| Manager Visit Table? | Yes | No | | | |

Host/Hostess' Name: _____ Hair color: _____

Server's Name: _____ Hair color: _____

Bartender's Name: _____ Hair color: _____

What did you order today or tonight?

Was this your first visit? Yes No

Would you like to be a Secret Shopper? Yes No

Comments on your visit: _____

The information provided will be used to help us better serve you and will not be shared.

little self-management of emotion is in order. The service worker might reflect, "I won't let this nasty customer get me down. I will do my best to do my job without overreacting." Be careful not to fake your emotion too frequently because it can create stress. Instead be assertive with a comment like, "I want to help you, but might you tell me what you want in a more positive way?"

The next subsections describe three approaches to handling customer dissatisfaction: dealing with complaints and anger, involving the customer in working out a problem, and handling an unreasonable request.

The empathy shown by the debt collectors at ConServ has helped the company prosper and overcome the sometimes negative image of professional collection agents. The ConServe agents recognize that the people who are behind their payments are still customers, and should therefore be treated with respect

and understanding. Entering into an adversarial relationship with people who owe the Education Department money serves no constructive purpose in the long run.



Deal Constructively with Customer Complaints and Anger

In an era when customer satisfaction is so highly valued, both retail and industrial customers are likely to be vocal in their demands. When faced with an angry customer, use one or more of the following techniques recommended by customer satisfaction specialists.^[33]

1. **Acknowledge the customer's point of view.** Make statements such as "I understand," "I agree," and "I'm sorry." Assume, for example, a customer says, "The accounts receivable department made a \$1,000 overcharge on my account last month. I want this fixed right away." You might respond, "I understand how annoying this must be for you. I'll work on the problem right away." At AirTran Airways, flight attendants are trained to listen to make sure that they understand the customer's concern, such as why they have to pay a fee for premium bottled water.^[34]
2. **Avoid placing blame on the customer.** Suggesting that the customer is responsible for the problem intensifies the conflict. With the customer who claims to have been overcharged, refrain from saying: "Customers who keep careful account of their orders never have this problem."
3. **Use six magic words to defuse anger.** The magic words are *I understand* (that this is a problem), *I agree* (that it needs to be solved), and *I'm sorry* (that this happened to you). The six magic words help communicate your empathy, which is considered vital to dealing with customer problems. For example, technical support agents at Comcast are taught that they must show empathy on every call even if they have heard the same problem for 15 consecutive calls.^[35]
4. **Apologize for the problems created by you or by your company.** To recover from a breakdown in customer service, it is best to acknowledge an error immediately. Apologies are most effective when stated in the first person (such as "I created the problem" or "I'm very sorry for what happened."). The corporate "we're sorry" sounds less sincere than when one specific person accepts responsibility for what went wrong. Professional workers at the Kaiser Permanente HMO receive training in how to apologize to patients for medical errors. Sincere apologies can significantly reduce the cost of settling lawsuits, and may even convince unhappy patients not to sue at all. A sincere apology includes a statement of what the apologizer is going to do to fix the problem.^[36]
5. **Take responsibility, act fast, and be thorough.** This technique is a simplified framework for managing customer dissatisfaction. As illustrated by Mark Delp, the manager of a fleet maintenance service, "Suppose a customer calls about an oil leak after Fleet Response services a car. I have the car immediately picked up from his office and clean any oil spots that may have been left on the driveway. I make sure there are no further leaks. Furthermore, I apologize and accept full responsibility, even if the problem is not our fault, such as when a part fails."^[37] Part of taking responsibility is to ask, "What can I do to make this right?"
6. **Tell the difficult customers how much you value them.** Quite often customers with problems feel unappreciated. Just before resolving the problem of a difficult customer, explain how important he or she is to your firm. You might say, "We value your business, so I want to correct this for you quickly."^[38] (Of course, you would value the customer even more after he or she becomes less difficult.)

7. **Follow up on the problem resolution.** Following up to see whether the resolution to the problem is satisfactory brings closure to the incident. The follow-up also helps the service deliverer know that he or she can rebound from an episode of customer dissatisfaction. One useful form of follow-up is to telephone or send an e-mail to the customer whose problem was solved. For example, a representative from the service department of an automobile dealership might telephone a customer whose new car required substantial warranty repairs. "Hello, this is Jill Gordon from Oak Automotive. We replaced your original transmission last month. How is the new transmission working?" The Microsoft example presented earlier in the chapter illustrates the use of e-mail for follow-up on problem resolution.
8. **Do your best to make sure the problem does not happen again.** The preceding steps are all valuable in resolving the complaints of angry customers. In addition, the customer needs some assurance that the problem will not happen again. Without such assurance, repeat business is at risk. The *recovery paradox* refers to the fact that customers will sometimes be more delighted by a skillful resolution of a problem than they are by service that was failure-free to begin with. For example, a customer might be delighted that a false roaming charge of \$145 was removed from a phone bill—when the customer had never visited the country in which the charge occurred.

A less personal, and usually less effective, form of follow-up is to send a customer satisfaction questionnaire to the person with the problem. The questionnaire will often be interpreted as a company procedure that does not reflect specific concern about the individual's problem.

Involve the Customer in Working Out the Problem

Mistakes and problems in serving customers are inevitable regardless of how hard service workers strive for perfection. To minimize the perception of poor service, the customer must be involved in deciding what should be done about the problem. By being involved in the solution to the problem, the customer is more likely to accept a deviation from the service promised originally. The ideal condition is for the customer service representative and dissatisfied customer to work as partners in resolving the problem. The following case history illustrates the technique of customer involvement and partnering.

Seth Bradbury is a sales promotion specialist at an advertising agency. A furniture store hired the agency to prepare and mail 3,000 postcards advertising a new line of furniture. One side of the postcard contained a photograph of the furniture, and the other side contained product details and space for addressing and stamping the card. After the cards were mailed, Seth received an urgent call from the client. "The photograph of the furniture is printed vertically. It looks horrible. We agreed on a horizontal shot. This means 3,000 cards have been mailed with a mistake."

After allowing the client to finish his complaint, Seth responded, "You're right, it is a vertical shot. Perhaps we misinterpreted your directions. However, I think your furniture still looks beautiful. The extra white space the vertical shot provides creates an interesting effect. It's unfortunate that the cards have already been mailed. What would you like us to do? It's important that you are satisfied."

The client responded, "I guess there is nothing we can do to change the photograph. Would you be willing to give us a discount off the price we agreed on?"

A survey conducted with more than 75,000 customers supports the importance of dealing directly with customer dissatisfaction. The customers in the study were people dealing directly with contact-center representatives or using self-service channels. It was found that generous approaches to satisfying customers such as giving them a refund, a free product, or a free service such as expedited shipping did not have much impact on customer loyalty. What customers really want is a simple, rapid resolution to their problem.¹³⁹¹ For example,

if a customer is not receiving the satellite television channels he or she subscribed to, all the customer wants is to receive the channels. A discount coupon will most likely not recapture his or her loyalty.

Anticipate How to Handle an Unreasonable Request

No matter how hard the customer contact worker attempts to provide outstanding customer service, at some point a customer comes along with an unreasonable request—or the customer may raise an unfair objection. Speak to any experienced store associate to obtain a case history of a “customer from Hell.” For example, a small-business owner demanded that a store associate grant him exchange credit for six inkjet cartridges. The cartridges were purchased four years previously and were now obsolete.

Recognize that the customer who makes an unreasonable demand is usually aware of the unreasonableness. The customer may not expect to be fully granted the request. Instead, the customer is bargaining by beginning with an unreasonable demand. The small-business owner who brought in the cartridges was probably looking to salvage whatever he could.

Sales representatives and other customer contact workers who stand their ground with dignity and courtesy generally will not lose customers with unreasonable requests. These suggestions will help you deal with unreasonable demands while retaining the customer’s business.^[40]

- Let your customers retain their dignity by stating your position politely and reasonably.
- Avoid arguing with an upset customer. As the adage says, “You never win an argument with a customer.”
- Appeal to your customer’s sense of fair play and integrity. Explain that your intention is to do what is right and fair.
- Be firm by repeating the facts of the situation, but keep your temper under control.
- Accept responsibility for your decision rather than blaming company policy or your manager. Making somebody else the villain may intensify the problem.
- Be willing to say “no” to a customer when it is justifiable. Saying “yes” to an outrageous demand opens the door for a series of outrageous demands.

Maintain a Realistic Customer Retention Attitude

Some customers are too unreasonable, and therefore may not be worth keeping. A realistic goal is to retain as many profitable customers as possible. At times it may be possible to retain a customer by modifying the service. For example, customers who do not pay their bills on time or at all might be changed to a prepaid service such as done by phone companies and some Internet service providers.^[41] In this way, the customers who have difficulty paying bills can still receive service.

An extreme example of a customer not worth keeping is the airline passenger who engages in *air rage*. Symptoms of air rage include (1) insisting on being served more alcoholic beverages than permissible by airline regulations, (2) sexually harassing or physically attacking flight attendants or other passengers, (3) refusing to fasten their seat belts, (4) using electronic gear such as cell phones and laptop computers when not allowed by regulations, (5) smoking in the lavatory, and (6) using the aisles for a lavatory.

It is best to set limits for unruly customers and see if their behavior changes. If the customer insists on creating disturbances, it is best to suggest the customer never return. Another problem is that some customers require so much service, or demand such high discounts, that they are unprofitable to retain. Good service to these customers means there is less time available to respond to the needs of profitable customers.

Customers can be unreasonable and unruly also because they are late paying their bills or do not pay them. Such customers divert resources away from more loyal and profitable customers and clients. Kishau Rogers, the owner of Websmith Group LLC, is a case in point. She finally had to drop or avoid clients who are high-maintenance or habitually late paying their bills. Her clients are mostly retail stores or entrepreneurs. They often asked for discounts because of their tight budgets or an expanded level of service beyond

SKILL-BUILDING EXERCISE 14-3

Dealing with Difficult Customers

The following scenarios require one person to play the role of the customer contact worker and another person to play the difficult customer. As usual, the role players project their feelings into the role-play by imagining how they would behave in the situation.

Scenario 1: One person is a store associate in a high-fashion women's clothing store. A woman who bought a \$2,000 gown the previous week brings back the gown today. She claims that she is returning the gown because it doesn't fit comfortably. The store associate strongly suspects the woman bought the gown originally with the intent of wearing it for a special occasion and then returning it.

Scenario 2: One person plays the role of a customer service representative in a consumer electronics store. Another person plays the role of a customer who purchased a \$3,500 giant-screen television receiver three months ago. He comes up to the service rep's counter ranting about the store's ineptitude. The customer claims that the TV has broken down three times. After the first repair, the TV worked for two weeks and then broke down again. The second repair lasted two weeks, only for the TV to break down during a Super Bowl party at his house. The customer is red in the face and shouting loudly. The service rep wants to resolve the customer's problem and prevent him from bad-mouthing the store.

the agreed-upon contract. Rogers said that terminating 5 percent of her clientele, ". . . was the best decision I've made, because it really reduced the level of frustration I was experiencing. It freed me up to the clients that are loyal and pay on time."^[42] In this way, the service she offered to other clients improved.

Dealing diplomatically and effectively with difficult customers requires an awareness of the types of tactics described in the previous several pages. Practice on the firing line is indispensable. The type of experience provided by Skill-Building Exercise 14-3 is helpful.

SELF-ASSESSMENT QUIZZES IN OVERVIEW

Two self-assessment quizzes were presented in this chapter, and the two quizzes support each other. Self-Assessment Quiz 14-1 is designed to measure your orientation toward serving customers well. A high service orientation is obviously a plus for dealing with customers. Self-Assessment Quiz 14-2 measured tendencies toward being rude toward customers. A low rudeness score is certainly a plus, and it contributes to having a strong service orientation.

Concept Review and Reinforcement

Key Terms

customer-centric sales process 314
moments of truth 315

cycle-of-service chart 315
empowerment 316

strong customer orientation 319

Summary

Many companies today emphasize total customer satisfaction because it leads to goodwill, repeat business, and referrals. Customer satisfaction skills are necessary for all workers in contact with customers. Internal customers must also be taken into consideration.

Customers form three clues about the service experience. Functional clues are derived from the technical performance of the service. Mechanical clues stem from the sensory presentation of the service, including sights, smells, sounds, tastes, and textures. Human interaction clues are detected from the behavior and appearance of the service provider.

Eight key principles for satisfying and delighting customers are as follows:

1. Be satisfied so that you can provide better customer service. (Some of your own attitudes, such as optimism and flexibility, influence your job satisfaction.)
2. Receive emotional support from coworkers and management so that you can give better customer service.
3. Understand customer needs and put them first.
4. Focus on solving problems, not just taking orders.
5. Respond positively to moments of truth (points at which the customer forms an impression of company service).
6. Be ready to accept empowerment. (Being empowered enables you to solve customer problems.)
7. Enhance customer service through information technology.
8. Avoid rudeness and hostility toward customers. (Rude and hostile treatment of customers creates lost business.)

Another key perspective on achieving customer satisfaction and delight is to create a bond—or emotional

relationship—with customers. Almost any act of good customer service helps create a bond, but six principles highlighted here:

1. Create a welcoming attitude, including a smile.
2. Provide exceptional service (or customer experience).
3. Show care and concern.
4. Make the buyer feel good.
5. Build a personal relationship through interaction with customers.
6. Invite the customer back.

Despite the best efforts on the company's part, some customer dissatisfaction is inevitable. Also, some customers have a predisposition to complain. One approach to dealing with customer dissatisfaction is to deal constructively with customer complaints and anger. Tactics for achieving this end include the following:

1. Acknowledge the customer's point of view.
2. Avoid placing blame on the customer.
3. Use six magic words to defuse anger. (These words help communicate empathy.)
4. Apologize for the problem created by you or by your company.
5. Take responsibility, act fast, and be thorough.
6. Tell the difficult customers how much you value them.
7. Follow up on the problem resolution.
8. Do your best to make sure the problem does not happen again.

Another approach to dealing with customer dissatisfaction is to involve the customer in working out the problem. The customer contact worker must sometimes deal

with an unreasonable request. Remember that the customer probably recognizes that he or she is being unreasonable. Do not argue with an unreasonable customer, but at times you must say "no." Maintain a realistic customer

retention attitude, meaning that as hard as you try to please, some customers are not worth keeping. Customers who are late paying bills or who do not pay divert resources away from more loyal and profitable customers.

Questions for Discussion and Review

1. For what reason do you think it is important for loan collection agents to display empathy toward the customers who owe the money?
2. Assume that you find it necessary to telephone a call center to help you with a technical problem with your cell phone or computer. Identify the functional, mechanic, and human-interaction clues that you are likely to encounter in the resolution of your problem.
3. For what reason is a satisfied employee more likely to provide better customer service?
4. A couple walks into an automobile showroom and say they want a big safe vehicle for them and their three children, yet they are unsure about what vehicle they should purchase. Describe how you might identify customer needs in this situation.
5. Describe several customer moments of truth you have experienced this week. What made you classify them as moments of truth?
6. Visualize yourself as an executive at Target. Develop a policy to empower customer service desk associates to resolve customer problems, including the limits to their empowerment.
7. What is your opinion of the impact of information technology on customer service? Offer at least two specifics in your answer.
8. Can you identify any ways in which a customer contact worker made you feel good? If so, provide the details.
9. Imagine yourself as a marketing and sales executive at a company that sold to other business firms. What would a large customer have to do before you took the initiative to end your relationship with that customer?
10. How effective is the principle "the customer is always right" when dealing with dissatisfied customers?

The Web Corner

<http://www.csmassociation.org/>
(Customer Satisfaction Measurement Association)

<http://www.customersatisfaction.com>
(Improving customer satisfaction and retention)

<http://www.customer-service.com>
(Improving your customer service)

Internet Skill Builder: Building Customer Relationships

An axiom of business is that customer relationships are essential. Direct your Internet search for this assignment

toward finding customer-relationship building suggestions that can be converted into specific interpersonal skills, such as making a phone call to see how things are going. An example of a Web site that offers concrete suggestions for building customer relationships related to interpersonal skills is www.sideroad.com. Walk away from this exercise with a couple of ideas you might put into practice in dealing with customers.

Developing Your Human Relations Skills

Interpersonal Relations Case 14.1

The Rumpled Claims Forms

Rob is the supervisor of scanning operations at Insurance Resource, a firm that specializes in digitizing handwritten insurance claims. The client companies mail in their insurance claims in batches to Insurance Resource for processing into a digital format. In addition to scanning the handwritten documents, Insurance Resource also creates computer files for clients, and forwards the claims to the appropriate insurance company for reimbursement.

With profit margins being small in insurance claims processing, the document scanning technicians must work rapidly as well as processing a large volume of claims. One day when Rob asked Wendy to improve her speed, he received a response that he had heard many times in the past.

"How can I work fast when so many of these claims are rumpled, crumpled, and incomplete? We get some forms with missing names and addresses. The other scanning technicians say the same thing. We even have to stop to remove staples from the forms. If we are not careful, the staples get caught in scanners, and then we have to call tech support to de-jam the machine."

"My speed problem is that some of our clients are just stupid. The speed problem is theirs, not ours. I know that we

can send the documents with missing information to our research department. But that takes time from my scanner.

Rob replied, "Wendy, you have a point. Some clients make work difficult for us, but they are still our customers. If we put too much pressure on them to send claims forms that are easier to scan, they might go to another outsourcing firm."

"I'm going to get with Kim (the vice president of operations), and see if we can get a task force set up to work on this problem of difficult-to-scan documents right away."

Case Questions

1. In what way does this case deal with a customer service problem?
2. What steps do you recommend that Insurance Resource take to get clients to send the company documents that are easier to manage?
3. What suggestions can you offer Wendy and the other scanning technicians to process their work more effectively for now?

Source: Case researched by Stefanie Donaldson, Rochester, New York, January 2010.

Interpersonal Relations Case 14.2

Indigo Takes on Shady Shoppers

Sandra Petrie is the owner and operator of Indigo, a boutique shop in Estes Park, Colorado. Two bloggers wrote the following about Indigo:

Linda E. 5 Indigo (The 5 refers to a rating of 5 out of 5)
There were three of us who shopped at Indigo in August of 2008 and we all three loved this store. It has all sizes and the clothes were unique rather than what you can get anywhere. The owner was fabulous—super friendly, super helpful and told you the honest truth about stuff—things like, if you're not sure about this, then you're probably better off not buying it. How many store owners take that

approach? We're heading back to Estes again in August 2009 and I can't wait to shop at Indigo again!

Posted 04/05/09

Anonymous 5 Indigo (The 5 refers to a rating of 5 out of 5)
Indigo is a little gem of a store in the Courtyard Shops in Estes Park. They carry all sorts of wonderful and unique clothes for regular and plus size women, and their handbags and jewelry are awesome! The owner was very friendly and helpful, and I really enjoyed myself while I was there. Be sure to check them out if you visit Estes Park!

Posted 06/06/07

Petrie is now addressing friendly fraud tactics by so-called "serial return artists." These customers patronize a clothing store, wear and wash the merchandise, and then haggle for a cash return. "People want to make a return four months later," says Petrie.

Petrie began implementing stricter return policies at her shop last year. She now only allows returns to be exchanged for store credit within two weeks of purchase, with tags still attached. At the time she said, "I hope the new policy won't negatively affect business, but I'm not sure and I anticipate that people will rethink before purchasing," she said.

She also added that during the first two weeks of the new policy, most of the customers seemed comfortable with the new rules, with the exception of "those who just

come in and grab a bunch of things that they'll return later."

Case Questions

1. What do you think will be the impact of Indigo's new return policy on sales?
2. What alternatives might Petrie have for dealing with customers who fraudulently attempt to return merchandise?
3. How justified is Petrie in implementing her new return policy?

Source: Emily Maltby, "Shady Shoppers Beware: Merchants Find New Ways to Fight Customer Fraud," *The Wall Street Journal*, November 24, 2009, p. B6. Blogs from www.insiderpages.com/blog/15240009701.