Lesson 5: Customer Service:
An Essential Component of Marketing to Consumers

Funding was provided by the Agricultural Marketing Resource Center.
Lesson 5

OBJECTIVES:

After completion of this unit, the students will be able to:
   1. Explain the essentials of customer service.
   2. Identify other integral factors of the value-added business that contribute to customer service.
   3. Describe procedures for handling customer complaints.
   4. List and provide examples of the four-step customer service process.

MATERIALS/REFERENCES NEEDED:


VISUAL MASTERS (VM):

See VA Lesson 05.ppt.

INTEREST APPROACH:

Customer service is an essential to the success of any value-added business. In order to attract and keep customers a business must focus on delivering a quality product, at fair price with adequate customer service.

It is important to remember that the consumers will ultimately determine the success of a business. Ask students if they had a bad experience when they purchased a product? What was the issue? Did the business give them satisfactory service? What are the characteristics of quality customer service?
QUESTIONS:

1. **What is customer service?**
   
   **Answer:** Customer service is a process for providing competitive advantage and adding benefits to the supply chain in order to maximize the total value to the ultimate customer.

2. **How can customer service be defined as an activity?**
   
   **Answer:** This level treats customer service as a particular task that a firm must accomplish to satisfy the customer's needs. Order processing, billing and invoicing, product returns and claims handling are all typical examples of this level of customer service. Customer service departments, which basically handle customer problems and complaints, also represent this level of customer service.

3. **Can customer service be measured?**
   
   **Answer:** Yes, customer service can be measured in terms of specific performance measures, such as the percentage of orders delivered on time and complete and the number of orders processed within acceptable time limits. Although this level enhances the first one, a firm must look beyond the performance measures themselves to ensure that its service efforts achieve actual customer satisfaction.

4. **What are the tenets of customer service as a philosophy?**
   
   **Answer:** The least important level of involvement for most companies would be viewing customer service simply as an activity. From this perspective, customer service activities in logistics are at the transaction level.

   The focus upon **performance measures for customer service** is very important because it provides a method of evaluating how well the logistics system is functioning. Over time, such measures provide benchmarks to gauge improvement, which is especially important when a firm is trying to implement a continuous improvement program. But this level of involvement is not sufficient.

   The final level, customer service as a philosophy, broadens the role of customer service in the firm. However, this still may not be sufficient unless the value-added dimension is included as the goal of the corporate customer service philosophy.

   This view of customer service is entirely consistent with many firms' **contemporary emphasis on quality and quality management**.

5. **What is an essential component of that customer service?**
   
   **Answer:** an essential component of that customer service is knowledgeable, courteous and professional clerks and managers.
Today, most produce departments carry more than 200 different items. The majority of produce customers are unfamiliar with many of them. They have questions about what the items are, how to use them, how to prepare them and how to store them once they get them home.

6. **What are the four steps of effective customer service?**

**Answer:**

**STEP 1: KNOW YOUR PRODUCT.** The first step is to study and learn as much as you can about your products.

**STEP 2: REACH OUT.** The second step is to reach out and greet each customer who appears to need help, and then to respond politely, enthusiastically and knowledgeably to his questions and needs. Remember to always complete the interaction by telling the customer to come back and let you know how he liked the product.

**STEP 3: BE ALERT.** The third step is to be alert to your customers' needs. Since most customers won't ask directly, you've got to be able to sense when they need help. One way to do this is to be aware of customers' facial expressions and body language.

**STEP 4: GET HELP--FAST.** The fourth step is- if you don't have an answer, know how to quickly get help from the experienced people in your market who do have the knowledge.

7. **How are customer complaints handled in order to provide quality customer service?**

**Answer:** The professional produce clerk not only welcomes requests for information but uses customer complaints as an excellent opportunity to help win over customers. Handling complaints well requires application of the basic techniques of good customer service. In most cases, the anger or frustration of a dissatisfied customer will be diffused by being treated in a way that shows you care about the customer and their problem.

When a customer approaches you, greet them with a friendly smile. Listen attentively and sympathetically while the customer describes their problem, and don't interrupt until they have let out all frustration.

**CONCLUSIONS:**

PRICE, QUALITY AND SERVICE: CHOOSE TWO OF THE THREE! This is an old adage and a fitting way to remember the importance of customer service. Everyone who sells something needs repeat customers. Customers only come back to buy again if they were treated well during their last purchase. Understanding the fundamentals that support good customer service are key to the success of any business. Meeting your customers’ needs during the entire selling experience is critical to the long-term success of any business.

Finally ask yourself: How would you like to be treated as a customer and how should I treat my customers? Your answers should parallel what you learned in this lesson.