

THE MANAGING CUSTOMER SERVICE POCKETBOOK

By Andy Cross

Drawings by Phil Hailstone

"Great businesses make customer service look and feel easy for the customer. At Virgin we invest time in helping our people and especially our managers create and evolve the brilliant service that our customers expect. Whether as an inspiration for the daily team meetings or developing a long-term plan for your team, this guide provides a wealth of knowledge and ideas to make it a reality."

**Michael Murphy, Group Brand Manager – Customer Service,
Virgin Management Limited**

"When it comes to delivering excellent service, it's turning great ideas into practical actions that makes the noticeable difference to business – and customers. This pocketbook will fire your enthusiasm to do more for your customers – starting today."

Sionade Robinson, Author, Researcher and Educator, Cass Business School

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BUILD A CUSTOMER SERVICE BRAND

A BOTTOM LINE DIFFERENCE



So, why all the fuss about building an organisation renowned for the quality of its customer service – a customer service brand? We all know that retaining an existing customer is usually much cheaper than finding a new customer, but did you know that:

- ★ A 7% increase in word of mouth advocacy unlocks a 1% increase in company growth (*2005 study by the London School of Economics*)
- ★ The same study showed that a 2% reduction in negative word of mouth boosts sales growth by 1%
- ★ Xerox conducted a study which found that a ‘highly satisfied’ customer is six times more likely to buy again than one who is simply ‘satisfied’
- ★ The longer you keep your customer, the lower the amortised cost of acquiring that customer
- ★ Loyal, longer-term customers are less inclined to switch and also tend to be less sensitive to price changes, resulting in more stable sales and making market entry harder for competitors

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BE EXCEPTIONAL

Service that is good, but not exceptional, can be your worst enemy. The difference between 'OK' and 'exceptional' is the difference between a customer who *might* buy from you again and one who will *definitely* buy from you again...and again.



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HITTING YOUR GROWTH AND PROFITABILITY TARGETS

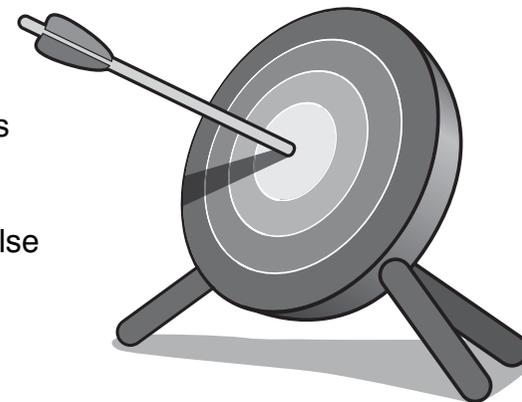


Research indicates that the target of real business growth and profits is in your sights – the inner ring of the archery target.

And the best bit is that customers are human, so the price of your product or service is not everything; although value for money does help. As the research shows, you can make a difference without discounts, loss leaders and free gifts.

Building a customer service brand has to be one of your targets. This book will explore what you can do, as a customer service leader, to make the difference.

Let's take a look at the other rings of the target. What else needs to be in place to grow your business profitably?

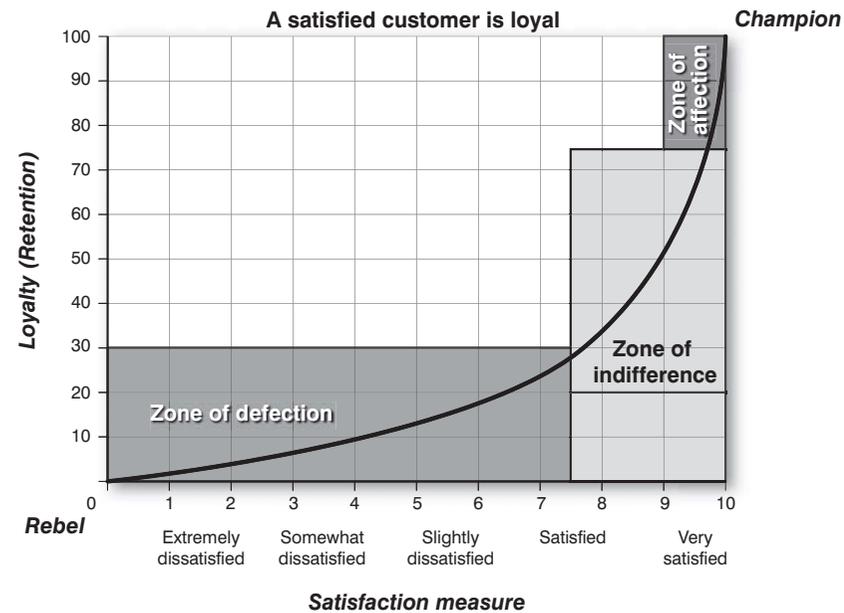


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BEYOND SATISFACTION



Customers expect to be satisfied. It is, after all, what they have paid you to deliver. If your customer service is really going to make a difference you have to aim even higher. Loyalty needs at least a 9 out of 10. If you want loyalty, you need to earn the customer's trust and confidence time and time again.



Adapted from *Beyond Customer Loyalty*, James L. Heskett, *Managing Customer Quality Journal*

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CREATING LOYALTY



Imagine the customer on a spectrum that runs from *dissatisfied* through to *loyal*. If you are going to create loyalty you have to deliver the basics brilliantly, and more. As the diagram on the next page shows, once you have achieved this level of performance you have more than a customer, you have a champion – someone who comes back for more and brings friends with them.



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CREATING LOYALTY



Similarly, if you over-promise or fail to deliver consistently, then you have a real business issue on your hands, with the hard work of your sales and marketing teams being reversed by an undercover rebel working for your competition – free of charge!



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WINNING HEARTS, MINDS AND HANDS



What is it that you have to do to deliver the exceptional service that builds loyalty? Well actually, *you* don't do anything for the customer – it's your people who deliver the customer service, or fail to.

Senior managers have two favourite clichés: '*our people are our greatest asset*' and '*if you keep your people happy your customers will be happy*'. In reality they are wise words, they just sound rather hollow when they are not backed up with action.



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WINNING HEARTS, MINDS AND HANDS



If you treat your people well a few magical things will start to happen:

- Your people will put in the extra effort when it matters most
- They will have the confidence to be creative in how they meet customers' needs
- They will grow in experience, making them better able to deliver the service
- They will stick around longer, so strengthening the relationships they have with your customers
- Your people will feel free to innovate and improve how you do things
- They will motivate themselves and others to deliver an exceptional experience

In a phrase.....**engage the hearts and minds of your people and you win the hands.**

Your people will consistently deliver the levels of service you need to shift mere customer satisfaction into the realms of loyalty.

Acknowledgements to the work of James L. Heskett, W. Earl Sasser Jr., Leonard A. Schlesinger; The Service Profit Chain.

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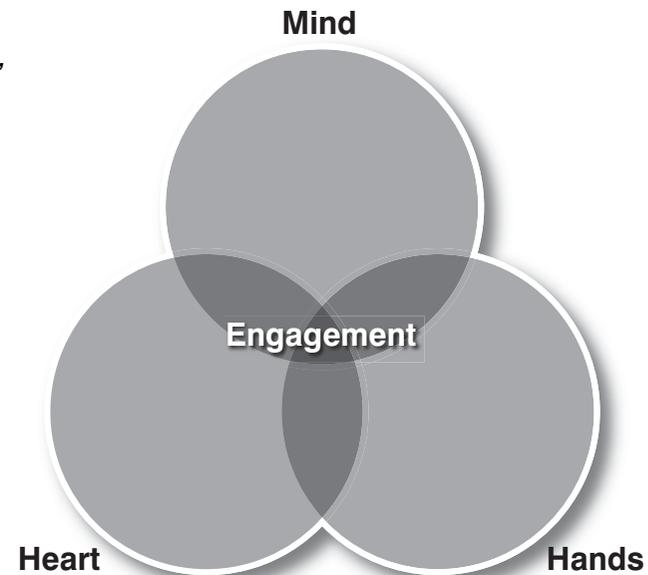
LOVE TO WORK



You have to get your people beyond happy and into *engaged*; you have to spread a little love – that's what drives performance.

So, the question is, *'how deep is the love?'*

Towers Perrin-ISR, employee research specialists, use a simple set of questions (see next page) to measure the extent to which your people are engaged and, therefore, likely to win the hearts and minds of your customers.



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LOVE TO WORK QUESTIONS

Here are some good questions to ask yourself and your people. Ask them in focus groups, individually or ideally as part of a more complete employee opinion survey.

Minds – what do I think about my organisation?

- ★ Do I believe in the vision and/or strategic ambitions of our organisation?
- ★ Do I share the values for which our organisation stands?

Hearts – how do I feel about my organisation?

- ★ Am I proud to be part of this organisation?
- ★ Would I recommend my organisation to my friends?

Hands – what am I willing to do for my organisation?

- ★ Would it take much for me to look for another job elsewhere?
- ★ Am I willing to put in extra effort for the organisation when it really matters?

Listen carefully to whether your people talk about 'our' customers rather than 'the' customers!

Thanks to Towers Perrin-ISR. To find out more visit www.isrinsight.com

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WHAT DRIVES ENGAGEMENT?



This is where you, the customer service manager, really make the difference.

- A reputation for customer service, a service brand, has the potential to make a difference to your bottom line
- Creating a service brand costs relatively little, certainly when compared to the cost of acquiring new customers or replacing those you lose through failing to create loyalty
- **Your people create the reputation for exceptional customer service**
- As the manager, you can have a positive impact on the engagement of your people

In the following chapters we will explore what it takes to engage your people and build a service brand, whether that service is delivered on the phone, face to face or via the internet and email.

About the Author

Andy Cross

Andy is Head of Organisation and People Development at Virgin Atlantic. With a diverse background in financial services, customer services and consultancy, Andy loves sharing ideas with others and helping people, teams and organisations to perform.

Andy's passion for growing talent extends to his love of his family and sport – trying to keep up with the kids and to slow down the transition from player of many sports to coach of a few.

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