



Information Booklet

Sales and Marketing

8

CUSTOMERS SERVICES MANAGEMENT

for SMEs



Introduction

Small and Medium Enterprises Development Authority (SMEDA) works under the Ministry of Industries and Production, Government of Pakistan and was established in 1998 with the objective to propel economic growth through development of SMEs. SMEDA serves as an SME strategy-advisory body for the Government of Pakistan and facilitates partners in meeting their SME development agendas.

SMEDA envisions growth of a globally competitive SME sector (in Pakistan), through creating an enabling environment and support services for increase in the national economy. SMEDA strives to achieve this vision by providing assistance in employment generation and value addition to the national income, through development of the SME Sector, by helping increase the number, scale and competitiveness of SMEs.

National Business Development Program for SMEs (NBDP) is a project of SMEDA which intends to provide hands-on support services to SMEs. The aim of this business development support provided by NBDP is to advance new businesses and improve efficiencies in existing SME value chains to empower them to contend in global market. NBDP expects to facilitate around 314,000 SME beneficiaries over the period of five years.

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Objectives

- To explain key concepts of customer services.
- To elaborate different ways of managing customer relations.
- To define quality delivery of services before, during and after the transaction.

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a Concept and Importance of Quality Customer Services

Concept

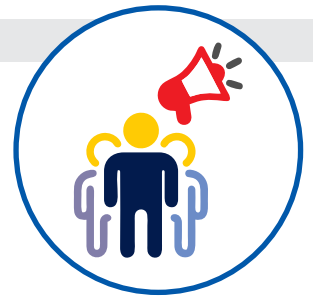
Customer service is experienced by a customer when he/she interacts with a business. Quality customer service should result in a warm and positive experience for customers for encouraging them to continue their business relationship with the company and to recommend the products/services to others.



Importance

Customers are Brand Ambassadors

Clients talk about their experiences with companies, both positive and negative. An organization's attitude of serving customer needs eventually affects the training of front-line employees and the effort they put forth to keep customers happy. Happy customers share their experiences with friends and colleagues, which increases business over time.



Customers are Brand Loyal

When clients spend money, they are likely to return to a business they know and with which they have a positive association. Quality customer service gives them a positive association and is, therefore, directly linked to client retention. Ultimately, all employees should be focused on enhancing customer service and thereby customer loyalty. Simply stated, if customers have positive experience, they come back; if they do not, they move on to a competitor.



Quality Service is the Competitive Advantage of Small Businesses

Small businesses have fewer opportunities to provide value to customers compared to large-scale organizations that can offer cheaper prices based on volume and a larger selection of goods. High-quality service can be a niche area of advantage for a small business when for example customers are looking for an ongoing relationship with a retailer or for a creative shopping experience or a service experience with a local stitching outfit.



Customers Tell What They Want

Developing a positive relationship with customers through high-quality service benefits the business because it helps in having access to the best kind of market research: Clients will tell directly what they want. Quality service lets the business owner be close to the customer and they feel comfortable in telling about their experience of the product or service. Listening to clients gives the opportunity to change the product or service to satisfy clients before they abandon the company in favour of a competitor.



b Skills and Traits for Quality Customer Services

Despite numerous technological developments, customer service remains largely a matter of human interactions. This means that employee skills and traits make a big difference. Service professionals should have the following qualities.

Enthusiasm

A key factor to predict success in customer service, sales, or management. Enthusiasm is infectious. In a neutral mood, encountering enthusiasm lights the business owner up. When already happy, enthusiasm makes he/she happier. When angry, enthusiasm reassures them that someone will make things right. Enthusiasm is a trait that depends largely on the mood and generally dependent upon the outlook towards life, however, with effort and practice to improve it, gives dividend and this improves owner's personality as well.



Communication Skills

When hiring for a customer service position, communication skills are one of the first things to look for. These skills are reflected in written and verbal forms and increasingly some use of IT and computers is becoming essential to mastering these.

Writing is one of the crucial soft skills, enabling to clearly and concisely get the message across in written form. Additionally, some form of IT and computer literacy is especially important if most of support happens via live chat or email tickets.

Verbal skills are of course important as well, especially when most of the support is done over the phone or in person. Verbal and written skills are often correlated — they both require a certain empathy for the listener — but it is more important to have empathy for verbal skills since they have to be personally there at the time to meet the customer.



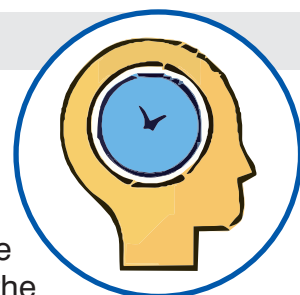
Customer Empathy / Compassion

Empathy is often hailed as a crucial trait in customer service. It is the ability to put oneself in the other person's shoes. However, some experts recommend replacing empathy by compassion due to their field experiences. Experts believe that for customer service to succeed, it is the person which gives extra care to customers point of view.



Patience

"Patience is a virtue", as it is the capacity to accept, rationalise or tolerate delays and problems or customer whining and naggings without becoming annoyed or anxious. Without patience, the customer service experience may turn unpleasant for both the customer and the service representative. An impatient customer service representative will usually reflect signs of irritation or at least unpleasantness to the customer, who may already be in an uncompromising mood. The amount of customer complaints and problems handled will improve significantly with a show of patience by the customer service representative.



5 Five Fundamental Do's of Customer Service

1. Respect Customers

“Respect begets respect” and “Customer is always right” are some of the most heard messages and particularly true for customer services.

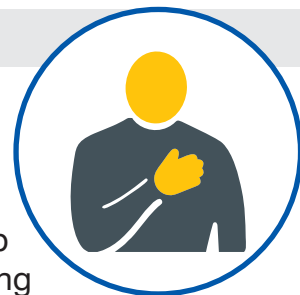
As Dale Carnegie stated, one of the key principles for building relationships is to make the other person feel important, and do it sincerely. Customer service is all about making customers feel valuable and important. Respecting the customer will genuinely help the customer service experience to be more positive and productive.



2. Be Honest

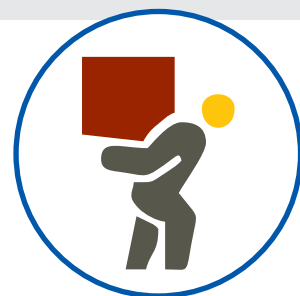
As they say, “honesty is the best policy”, this is particularly true for a customer service experience, as one may face with product faults or delivery delay, he/she must own up and appropriately apologise. Try to be as honest with the shortcomings as possible and promise the best efforts to rectify. Try not to go overboard in promising and keep margins for mistakes in the promises. Business owner will feel relaxed when handling complaints more realistically and reasonably.

Try to be fair about prices, additional fees and extra charges and explain the reasons for unexpected increments. Establish clear return and refund policies. Follow up on delivery schedule and try to deliver on time, or even earlier. Respond and follow-up is must.



3. Take Responsibility

Professionalism in customer service implies that one is ready to take responsibility for the problems or negative experiences that customers are having with the company, products or services. This means that the business owner, as a front-line company representative, is ready to appreciate the customers point of view and also apologize to a customer for their bad experience on behalf of his/her business, even when a problem or a situation that caused customer's frustration was not entirely owner's fault.



4. Always Put Yourself in The Customer's Shoes

One's own personal experience where they have encountered unsatisfactory customer service is a great learning experience for customer service professionals. Let this unpleasant situation teach them something – always think of how one looks like from a customer's perspective.



5. Express The Gratitude

Words of gratitude will make the customers feel appreciated for their loyalty to the brand. Saying “Thank You” to the people who patronise and support the business. Customers will give a better feedback of the product and service if they are shown appreciation and gratitude.



Five Essential Don'ts of Customer Service

1. Don't Make Things Complicated



Never underestimate the experience of the customers. Today's customers are much more sophisticated, experienced and technically savvy, but they still expect that the process of contacting the customer service to be easy and straightforward. One needs to make sure that the customers have easy access to customer support, when it is needed.

2. Don't Be Indifferent



Attitude of the customer service representative is the key to resolving the customer issues. Indifference to customer complaints kills customer service. It means one just does not care. Yes, they can call it an occupational hazard and attribute it to dozens or hundreds of problems they encounter on a daily basis is an alarming indicator. For an effective customer service, one has to be attentive to the customer and look the part as well.

3. Don't Treat Customers as Transactions



Value the customers for more than the transaction at hand. The better the customers are being treated, the greater are chances for their repeat purchase. Customer service experts go further than most in treating their clients well. Apple's former Retail Chief Ron Johnson once put it, "Care about a customer's heart, not just her pocketbook". In other words, do not treat people coming to the website or office as one-time transaction, build strong and long-lasting relationship. Show a true interest in doing business with them and stay in touch to nurture the relationship.

4. Don't Ignore Customer Feedback



Customers feedback is the best market research one will ever get. So, the business owner must listen to the customers. They are the people who want the company to perform better, so let them share their opinion about their experience, stay open to any kind of suggestions or feedback they might have. Create as many opportunities for them to share their opinion as possible.

5. Don't Be Afraid of Complaints



No matter how hard one tries, he/she cannot satisfy all the customers all the time. Complaints are inevitable, listen to them carefully and do not discourage them. In other words, any complaint is an opportunity to find and fix a problem. Customer feedback is usually in the form of complaints and suggestions. If a feedback comes which is without complaints, one is probably not reaching out to the desired market segment. If one is a good manager, he/she will always thank the customer for their feedback based upon complaints.

d Developing Customer Relations and Enhancing Customer Loyalty

Customer service is a business's ability to satisfy the complaints and observations of its customers. Experts say that retaining an existing customer is more important than marketing for a new one. Therefore, customer service is an important function of business, and only satisfied customers have the potential to become loyal customers.

Companies can have all the elements of customer service in place, from wait-staff through return policies, but if customers are not satisfied with the way their transaction was handled or its results, they would not come back. Customer service provides an important interaction with the client, who may have some genuine problems and it is in the benefit of the company to address them in a befitting manner. A customer handled well at the customer service is most likely to become a loyal customer for times to come.

e Different Techniques in Customer Services



1. Understanding the Customers

Understanding the prospective customer's needs and wants is the first step in developing a product or service for them. However, even at later stages of business life cycle understanding one's customers is the best way for a business to learn marketing.

To understand the customers well, one needs to be attentive to them, whenever, he/she is in contact with them. The potential rewards are great: one can increase customer loyalty and bring in new business through positive word-of-mouth recommendation, in addition to increased confidence in the product and services.



2. Communicating with Customers

Communication is a key to running a business, smoothly. Business owner needs to be able to communicate with the employees, vendors, investors, and especially customers. When communicating with the customer, remember "customer is the king". One not only has to listen to him carefully and attentively, he/she also must show respect for their observations, after all this is about success of the business. Likewise, admitting the inability to do certain things as desired by the customers will also help in maintaining the truth in communication.



3. Managing Customer Relationships

Managing customer relationships appropriately is key to success for any business. Once one starts receiving customers, he/she must consider how to manage the relationship with them. Each customer is important and most of their needs and wants or observations about the product and service can be handled with a measured and positive response to their need or grievance.

Managing customer relationship will help in creating loyalty towards business. These customers will return to the business time and time again. However, if one is not able to satisfy a customers need or want for any reason, it is always better to accept and admit the difference in expectation and delivery, to keep the element of honesty in the relationship.



4. Measuring Customer Service

Measuring the efficiency and effectiveness of customer service is an important task. Every day unsatisfied customers cost businesses a lot of money. Studies show that 80% of customers will switch companies after one poor service experience. The first step to overcome this is to admit that one has room for improvement. The second step is to measure customer satisfaction to find out where one currently stands. There are various ways to measure customer service but the two most effective ones are simple as well. First one is the percentage of total customers repeating sales and the second one is percentage of customers with complaints who repeat sales.



5. Handling Customer Complaints

A customer complaint highlights a problem, whether it is a problem with the product, employees or internal processes, and by hearing these problems directly from the customers, one can investigate and improve to prevent complaints in the future. The customers service function in any business is all about handling customer complaints and it is an important function. Some of the important things one needs to do in this regard are as follows:

- 1 To develop policy and guidelines for handling customer complaints.
- 2 To identify and promote the points of grievance handling.
- 3 To identify and train people in managing different types of complaints.
- 4 To develop a database for registering and feedback on customer complaints.



6. Seeking Customer Feedback

Feedback is a powerful guide that can give the business' leadership team insights that maps a path forward for every part of a company from product through production, marketing and customer support. That is especially important when it comes to assessing customer satisfaction.

A business can seek customer feedback in many ways including availability of feedback forms at point of contact and sales outlets and through dealer network or emails etc. It is usual to keep a record of the feedback in soft or hard form for analysis and future reference. Utilising software for analysing customer feedback is also very useful.



Remember!

Getting a feedback is important therefore use of incentives and even price discounts are offered for customer feedback in addition to some form of "thank you" and appreciation mode.



7. Refusing a Service

In some cases it is legal to refuse a yes. Most businesses face situations in which they are not able to fulfil the customers demand for a change in product, service or some internal process, for very specific reasons. Such situation require maturity in handling the clients' request with respect and dignity but firmly refusing. But make sure one has carefully considered the negative impact that refusing service can have on the business before making a decision. However, if he/she is not able to satisfy a customers need or want for any reason, it is always better to accept and admit the difference in expectation and delivery, politely and firmly. Firmness in this regard is very important, to keep the element of honesty in the relationship.

e Techniques of Handling Difficult Customers

Step

1

Adjust the Mind-set

Once the business owner is aware that the client is unhappy then the first priority is to put him/herself into a customer service mind-set.

This means that one sets aside any feelings he/she might have about the customer's situation, as of not being their fault, or that the client has made a mistake, or that he or she is giving the owner unfair criticism.

Step

2

Listen Actively and Attentively

The most important step in this process is listening actively and attentively to what the client or customer is saying.

Step

3

Repeat Their Concerns and Identify Issues

Once the customer has had time to explain why they are upset, their concerns should be repeated so one is sure that they are addressing the right issue. If one needs to ask questions to make sure that they have identified the problem correctly, ask them clearly.

Step

4

Be Empathic and Apologize

Once one is sure that they have understood the client's concerns, they need to be empathic. Show them one understands why they are upset and apologise for the inconvenience. Make sure that the body language also communicates this understanding and empathy.

Step

5

Present a Solution

Now one needs to present them with a solution. There are two ways to do this:

If one feels that they know what will make their client happy, let them know that the situation is being worked on, including a change of product or service etc. However, if one is not sure about the solution then he/she must show them the courtesy of their concern for the situation and promise an enquiry into the matter for a solution ASAP with possible initiation of action in their presence/knowledge.

Conclusion



As the old adage goes, “if you want to learn the marketing, learn it from your customer”. Understanding prospective customers’ needs and wants is the first step in developing a product or service for them. However, even at later stages of business life cycle, understanding customers is the best way for a business to learn marketing and every business should plan for it.

To understand the customers well, one needs to be attentive to them. Similarly, one needs to be honest and compassionate, whenever he/she is responding to customers. The potential rewards are great: one can increase customer loyalty and bring in new business through positive word-of-mouth recommendation, in addition to increased confidence in the product and services.



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