



Center *for* Economic Vitality

Western Washington University

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The Basics of Customer Service

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What is Customer Service and Why is it Important?

Customer service is the service given to customers before, during, and after a purchase. Having good customer service is extremely important to a business, because without customers you will no longer have a business. While, it's true you can always try to get new customers, studies say that it takes more money to acquire a new customer than to keep an existing one. This is because you have to spend more money on advertising and marketing to make new people aware of your business and get them in the door to make a purchase.

Additionally, customer service is an area where it is easy for small businesses to outshine their competitors, and it takes very little money. Most customer service involves creating a friendly atmosphere for customers; greetings, smiles, and eye contact do not cost your business anything.

Tips for Improving Customer Service

Making little changes to your customer service style can make big differences to your customers. Here are some tips to go from okay customer service to great customer service.^{1,2}

- **Solve the customer's problem-** Even if you don't have a particular item a customer is looking for, that doesn't mean you can't sell them something else. Find out what important features the customer is looking for and suggest other items that have the same or similar features.
- **Listen-** The best salespeople spend about 80% of their time listening to customers, and 20% talking. By listening to customers you can best determine exactly what they are looking for and help them determine the best product for their needs.
- **Smile-** Don't under estimate the power of a smile.
- **Answer your phone-** Don't let your phones go unanswered. Even if you are not able to answer the phone, make sure you have an answering service get the customers' contact information. If a customer leaves a message, call them back as soon as possible.
- **Don't make promises you can't keep-** Reliability is an important part of any good relationship. If you tell a customer their order will be delivered on Wednesday, make sure it is delivered on Wednesday. If you

¹ Inc. Staff, "How to Deliver Great Customer Service," Inc.com, September 1, 2010.

<http://www.inc.com/magazine/20100901/how-to-deliver-great-customer-service.html>

² Ward, Susan. "8 Rules For Good Customer Service," About.com, Accessed January 7, 2011.

<http://sbinfocanada.about.com/od/customerservice/a/custservrules.htm>

are unsure you can deliver on-time, don't say you can. This rule applies to all aspects of your business including appointments, deadlines, etc.

- **Go the extra mile-** People notice when employees make an extra effort, even if they don't say so to you. There are many little things you can do that will go a long way towards winning over a customer. For example, if a customer asks where an item is, don't just point, lead the customer to the item. While you're there, wait and ask if they have any questions or see if they need help finding anything else.
- **Show Your Appreciation-** Appreciation can be showed in many ways. A simple "thank you" after a purchase is always important. Other ideas may include sending birthday or holiday cards. Some retail businesses have loyalty programs or rewards cards to encourage repeat business (as well as gather customer contact information such as email, mailing address, etc.).
- **Customer service begins with you-** This means lead by example. If the boss does not seem to care about customer service, why should the employees? If you are courteous and helpful, your employees will be more likely to do so as well.
- **Deal with complaints-** No one likes to hear complaints, but it is a necessary part of running a business. If you are able to resolve a customer's problem they will be much more likely to become a repeat customer than if you simply ignore their complaints.

Resolving Disputes with Customers

One easy way to help you work through a problem with customers is to use the Five A's approach:³

- **Acknowledge** the problem- Customers like to know you understand their problem and that you are both on the same page.
- **Apologize-** Even if you think you are right; let them know you are sorry they are having difficulties with your product or service.
- **Accept Responsibility-** Take responsibility for the problem and be responsible for getting it resolved.
- **Adjust** the situation- Discuss with the customer acceptable ways to resolve the problem.
- **Assure-** Let the customer know you will follow through.

The Center for Economic Vitality (CEV) at Western Washington University is available to help Native entrepreneurs. The CEV provides free confidential business counseling virtually. Call (360) 733-4014. More business information at: www.cevforbusiness.com.

³ Inc. Staff , "How to Deliver Great Customer Service," Inc.com, September 1, 2010.
<http://www.inc.com/magazine/20100901/how-to-deliver-great-customer-service.html>