

**Customers**

# **Customer Knowledge and Service**

**Contents**

**Page**

- 1. What Is Important For Customers?.....4
- 2. The Price That People Are Prepared To Pay .....4
- 3. After Sales Service.....5
- 4. Money Back Guarantee.....5
- 5. Offer The Largest Serving .....5
- 6. Excellent Service.....6
- 7. Solve A Need .....6
- 8. Today’s Consumer .....6
- 9. Consumers’ Requirements.....6
- 10. People Will Not Travel.....7
- 11. ‘Time Poor’ But ‘Cash Rich’.....7
- 12. Presentation Is Important .....7
- 13. Shopping Should Be Entertaining!.....7
- 14. Solve My Problem .....8
- 15. Develop A ‘Can Do’ Attitude.....8
- 16. Are You A Convenience Or Destination Store? .....9
- 17. Impulse Buying .....9
- 18. Make It Easy For Your Customers .....9
- 19. Branded Products .....10
- 20. Make The Business Famous.....10
- 21. Challenge Customers.....11
- 22. Consumers Are Looking For .....11
- 23. ‘Green Marketing’ .....11
- 24. Building Relationships .....11
- 25. Where Did You Come From? .....12
- 26. Gift Vouchers .....12
- 27. Programmed Services.....13

28. Bring Your Friends! ..... 13

29. Staff Have To Be Trained! ..... 13

30. Don't Take Customers For Granted..... 14

## 1. What Is Important For Customers?

Various surveys have indicated that price is not the most important factor when customers are deciding whether to deal with a particular business.

The influence of price is normally rated around 7 in most surveys. The only time that price is important is when all other factors are equal. Some of the factors, which are considered important by the customers, are:

- Make me feel welcome  
Receptionists and retail shop staff should be trained to greet visitors as soon as they arrive at the business premises. Greet them in a manner that encourages conversation. Don't give the telephone preference over the person standing in front of the receptionist or sales person
- Be interested in them  
Do not copy what your competitors do! To be successful in business, you need to be different. One of the ways that you can convey that you are interested in customers is to have alerted reception staff of visitors to the office that day, so that they can be appropriately greeted by name when they arrive. The receptionist should know who the visitor has to see. The greeter should have a system, which outlines the various stages of the greeting that they utilise with the visitor
- Solve my problems  
That is why the customer has come to your business. S/he believes that you can solve his/her problem. If you can do that, the customer will be pleased and pay your price and will also recommend other people to go and see you
- Do not suffer from the curse of assumption  
Do not assume that everyone in the market place knows all about your business, or in deed do not assume that all of your customers know about your business
- What's in it for me? (WIIFM)  
The customer is only interested in '*what's in it for me*'

For further information, refer to Paper 18.01 - "Customer Service".

## 2. The Price That People Are Prepared To Pay

The price that people are prepared to pay is the cost price of the article plus perceived added value, i.e. the compensation that will reward the business for the extra services that have been created through:

- Staff training
- Product knowledge
- After sales service

illustrating the 'we care' attitude.

### **3. After Sales Service**

- After sales service is very important
- Two or three days after a major sales transaction has been concluded, the Managing Director or some other senior person in your organisation should telephone a customer and enquire whether they were satisfied with the sale transaction
- If there is any problem with the transaction, ask the customer to come back and rectify the problem for the customer or give them their money back

### **4. Money Back Guarantee**

- A money back guarantee is an excellent way to establish credibility with new customers. It normally indicates to the customer that you have confidence in your product or service and removes one of the key obstacles that they may have when doing business with you - 'What happens if the product or service is not up to scratch?'
- By offering a money back guarantee to be exercised over a period of time ranging between 30 and 90 days, gives you the opportunity to establish credibility with the customer base. At the same time it encourages them to use the product for a reasonable period, before they feel inclined to return it to you

### **5. Offer The Largest Serving**

- If you are operating a retail business where customers can buy servings in small, normal or large sizes - train your staff to always offer the customer the product in the largest volume size first
- Many customers will accept the largest serving whilst some others might decline that in favour of the next closest, which is the medium size
- If your staff commence the sales offer with the invitation to the customer to purchase the smallest volume size, invariably many customers will purchase that size
- By offering the larger volume size first, you have the opportunity of increasing sales volume rather effortlessly, basically through staff training in encouraging staff to suggest the largest size first

## **6. Excellent Service**

- Customer service is built around supplying excellent service in all facets of the relationship with the customer
- For small/medium sized businesses to survive, it requires them to develop niche markets and then to overwhelm the customer base with excellent service, built around those customers' particular requirements
- It is an advantage that small/medium sized businesses have - which they should be exploiting to the maximum

## **7. Solve A Need**

When a customer comes to your business, they have a need, which they want solved. It's how you solve that need which will define your success in business.

## **8. Today's Consumer**

- Today's consumer shops three or four times per week
- In many cases they are buying tonight's meal today
- Customers are very focused - with 78% of them using shopping lists
- Impulse buying is not as important as what it was previously. Therefore to be successful, you need to develop customer knowledge and service strategies to appeal to today's customer. You need to show them that you care!

## **9. Consumers' Requirements**

- Convenience is the most important thing for today's consumers. Shopping hours should be adjusted to suit the convenience of customers. This can be achieved by staggering hours in retail operations to open when consumers want the service
- Various surveys indicate that many consumers believe that businesses are taking them for granted. It is essential that you react to your customers' requirements, so that they do not think that you are taking them for granted

## **10. People Will Not Travel**

- People will not travel long distances to make purchases. For the most normal consumable item - it is estimated that they will travel between 5 and 7 minutes to make that purchase
- You need to consider this when determining the location of your business

## **11. 'Time Poor' But 'Cash Rich'**

- Most consumers are considered to be 'time poor' but 'cash rich'
- There is a significant amount of reluctance on the part of consumers to spend their money. When they do go shopping, they are normally in a hurry and have a specified list of the items that they wish to purchase
- The challenge for retailers is to devise strategies, promotions and customer services which will firstly entice those consumers into their businesses and then will encourage them to spend

## **12. Presentation Is Important**

- The presentation of a product, such as pre-packing and wrapping it, is very important in today's consumer market, especially for males, who tend to be very impulsive buyers
- Offer to wrap a gift as part of the sales service and you will go a long way towards convincing a male to buy that product from your business

## **13. Shopping Should Be Entertaining!**

- Selling should be based on emotion and entertainment
- Provide entertaining in-house demonstrations of how to wear product, how to produce food, what wines to have with various foods, convert a travel agency into an exotic island look by placing some palm trees and some sand and having the staff dressed in non-conventional outfits
- Consider wearing special uniforms at various times of the year - Easter - Christmas - and at other times
- Change the appearance of your store, so as to make it entertaining and fun
- Make it an emotional experience to go shopping at your business
- Don't worry about being different! It is all about differentiating your business from that of your competitors

## 14. Solve My Problem

- Customers have come to you to have a problem solved
- You need to develop the strategies and systems to ensure that you and your staff are in a position to adequately solve the problems of customers
- At the same time, sell them the products that they are there to buy. Develop strategies for the add-on products, which would normally accompany the traditional products being sold by the business. This gives the opportunity to enquire as to whether the customer wishes to purchase the add-on item with the particular product that s/he has purchased
- You need to develop a system that encourages staff to enquire about the add-on sale

## 15. Develop A 'Can Do' Attitude

- Customers have come to you to solve a problem
- Look the customer in the eyes when you are negotiating a sale deal with them. Give them complete confidence in your ability to fulfil your side of the contract
- If a small component of the overall sale deal is not readily available, you are probably better off indicating to the customer that you can supply it. You should then go out of your way to purchase that component from another retailer/wholesaler etc. Don't let the customer walk away because you can't supply a small component of their overall purchase
- Many additional sales have been achieved by 'can do businesses' in agreeing to source non-traditional products for their business for a particular customer who wanted the total order supplied by one supplier. Over a period of time they have added these 'non traditional' products to their regular sales components to that customer. The customer is happy. He is only dealing with one supplier
- This attitude will be very important in the future as more and more big businesses are looking to reduce the number of suppliers with whom they deal. They are looking for businesses which, whilst supplying the vast majority of particular components to the business, would be prepared from time to time to go out and source an unusual product for the big business. This 'can do' attitude will greatly enhance the small business operator
- The same attitude applies with a retail customer who wants something a little bit different to the product or service that you are supplying. Small business is a 'hands on' 'niche' market. For it to be successful, you need to differentiate your business. Give consideration to including in your business strategy a 'can do' attitude

## 16. Are You A Convenience Or Destination Store?

- Are customers only coming to you because they have run out of something or have you attracted them to your business?
- If you are holding in-house promotions or cooking bread or other products so that the aroma fills the store and attracts people into it, you should be a long way towards creating a 'destination store' image for your business. People will want to go to you to see what you are doing today!
- Invariably a 'destination store' will sell considerably more products than a convenience store will sell
- Ask yourself and your customers what sort of image you are creating and then decide whether you should be changing to become a 'destination store'
- Consider what you will have to do. What changes will you have to make to become a 'destination store'?

## 17. Impulse Buying

- Whilst perhaps not as important as it once was, impulse buying is still very important
- Are you encouraging impulse buying through the way that you have laid out the stock in your store? The aroma that fresh cooking is generating within the store? The in-house promotions that are taking place?

## 18. Make It Easy For Your Customers

- You have to remember that your customers are 'time poor'. Don't keep them waiting. Make sure you have sufficient staff rostered during the busy times. If the busy times are on weekends, that is when the majority of your experienced staff should be working
- Make sure your staff realise that car parks are there for customers. Discourage your staff from parking in customer car parks. If the customer cannot find a car park, they probably will not shop at your shopping centre and therefore most definitely will not shop at your store
- Various research has indicated that car parking bays are turned over on average 3.1 times per day. If a staff member has parked there, that has robbed you of the opportunity of serving at least an additional 3.1 customers

## 19. Branded Products

- Branded products are very important. Customers are looking towards buying branded products. It gives them peace of mind when purchasing. This is one of the reasons that franchising has become so popular. People are buying the franchise brand name
- Consider the products that you are selling. Can you get more 'brand' products as your lead items?

## 20. Make The Business Famous

- All successful businesses are famous!
- Your business has got to be different
- People have got to be able to talk about it and differentiate your business from that of your competitors
- It is better to be the first doing something rather than being the best
- There are many ways that you can make your business famous - through:
  - Marketing
  - In-store promotions
  - Promotions to your customer base
  - Conduct of seminars
  - Getting involved in issues such as environmental issues
  - Issuing news releases on matters affecting your business
  - Public speaking engagements
  - Being seen and accepted as an expert
  - Utilising themes for in-store decorations throughout the year, depending on time of year, season, etc
- Why will people pick you out to deal with if you do the same thing as every other similar business?

***You need to be different!***

## 21. Challenge Customers

- Successful businesses develop strategies to challenge customers to come and do a deal with them
- For a Travel Agency - instead of having a sign outside the business advertising discount holidays, perhaps the sign should merely say, 'you deserve a holiday', and then set up the business premises to create the ambience of a holiday atmosphere

Sand on the floor, soft tropical music, palm trees and staff appropriately dressed for the market they are trying to sell to. Then promote the 'whole holiday' as a total package. Airfares, accommodation, car hire, bike hire, reservations for restaurants, event tickets, theatre, sporting events. Sell the total package. Take all the care and worry out of the transaction from the customer's point of view

- You have two seconds to grab a person's attention! How are you going to use it to get that potential customer into your shop - making purchases?

## 22. Consumers Are Looking For .....

- Convenience
- Range of products
- Brand name
- Price

Think about how you are going to arrange these items to suit your customers.

## 23. 'Green Marketing'

- Don't ignore 'green' issues. Many of your customers are very concerned about the fate of the planet and environmental issues
- If you know your customers, you will know how important they rate environmental issues. If it is of a high concern to them, then perhaps various promotions, product usage, public endorsements of particular issues should be part of your firm's strategy to illustrate to your customers that you have similar concerns about the future of the Planet

## 24. Building Relationships

- Building relationships with your customers is very important. All of your employees should be using business cards. The business card should have in BIG BOLD print the name of the employee and telephone number and in smaller print the logo and name of the firm, street address, telephone and fax numbers
- Encourage your staff to build relationships with your customers so they can clearly understand the customers' requirements

## 25. Where Did You Come From?

- One of the very important 'customer knowledge' tools for you to use is Customer Tracking Forms. These forms are used to record details about where your customers heard about your business
- List the various marketing and advertising activities in which you are involved as well as word of mouth referrals and anything else that you are doing
- During the conversation with a visitor to your store enquire as to what made them come to your store and record the details
- On a weekly basis, tally up the totals for the various categories so that you have a current picture as to why customers are coming to you
- This will give you a good idea as to whether various promotional and advertising strategies are working
- If you receive referrals on a word of mouth basis from a satisfied customer, send that customer a 'thank you' card and a Gift Voucher. This will encourage satisfied customers to continue to refer people to your business

## 26. Gift Vouchers

- Gift Vouchers are a very important component in the strategy of the development of a small business
- Vouchers can be used to be sent to present customers as a thank you for their referrals
- They can also be utilised to send out to new customers - say two months after their initial purchase - if they have not been back to your business, as a reminder of your business and to encourage them to come back
- Gift Vouchers can be used with a Birthday Card promotion as a means of enticing an established customer to come back to purchase product

Different values of Gift Vouchers can be utilised, depending on the grading of customers - 'A', 'B', 'C' and 'D'. Obviously you would give a Voucher worth more money to an 'A' Grade customer

## **27. Programmed Services**

- A Trades Business can develop considerable rapport with their customer base by establishing a schedule of programmed services to be carried out. Especially at households, by preparing a list of normal work that (say) a plumber has to do around a residence on a six monthly or annual basis and setting an appointment for the time that work is going to be undertaken
- The key thing is that the work is carried out in a very efficient professional manner and more importantly that you arrive on time
- Also make sure that your staff are appropriately dressed and protective covering is worn on clothing and shoes so that the customer's house is not damaged or marked by the tradesperson

## **28. Bring Your Friends!**

- One of the most popular ways of promoting a business and enhancing relationships with customers is to run functions for customers and their friends
- Invite your customers to bring one or two friends along for a special seminar, morning tea, movie outing or whatever, so that they can appreciate the type of service and customer caring your business offers

## **29. Staff Have To Be Trained!**

- Customer knowledge and service will just not occur. It has to be part of a system and staff have to be adequately trained with regular reviews and monitoring sessions to ensure that the firm's system on customer knowledge and service is being implemented
- Customers are vital for your business success, however staff attitudes can determine your bottom line profitability
- What you need to do is to develop the system, encourage regular input from customers and staff as to how that system works and then ensure that your staff have been adequately trained and rewarded so that the system functions at your highest expectations all of the time!

### **30. Don't Take Customers For Granted**

- Customers are looking for a different sort of experience. If your small business does not supply it to them - then your competitors or big business will try
- The secret of success for a small business operator is to establish the systems, train staff, develop a marketing strategy to advise the market place and then supply the customers with excellent service
- Don't be afraid if you appear different to your competitors. You should be deliberately trying to differentiate your business, so that your customers will know and recognise your business and be enthusiastic referrers of their friends and associates to your business

### **Disclaimer**

McIntyre & Associates Ltd has provided this report on the understanding that:

1. The report is a guide only and should not form the sole basis for any decision without first obtaining proper professional advice.
2. We will not be responsible for and expressly disclaim liability, whether under contract or negligence:
  - (a) For the results of any use made by users of the report
  - (b) For any errors or omissions in this report
  - (c) For any direct or consequential loss or damage to arising from the use of this report, whether to a direct purchaser of this report or to any other person who may borrow or use them
  - (d) If any part of the report, whether used in its original form or altered in some way by the user, proves invalid or does not attain the result desired by the user
  - (e) For any negligence in the publication or preparation of these reports
3. This disclaimer extends to the user and to any client of the user who suffers loss as a result of the use of these reports.
4. The user acknowledges that it has not told us any particular purpose for which these reports are required and that it has not relied on our skill or judgement to provide a paper suitable for any such purpose.

### **Intellectual Property Notice**

McIntyre & Associates Ltd

1. Holds the exclusive authority to use all copyright, trademarks and other intellectual property rights comprised in this paper.
2. Does not allow these rights nor any part of this paper to be used, sold, transferred, licensed, copied or reproduced in whole or in part in any manner or form whatsoever without its prior written consent.