

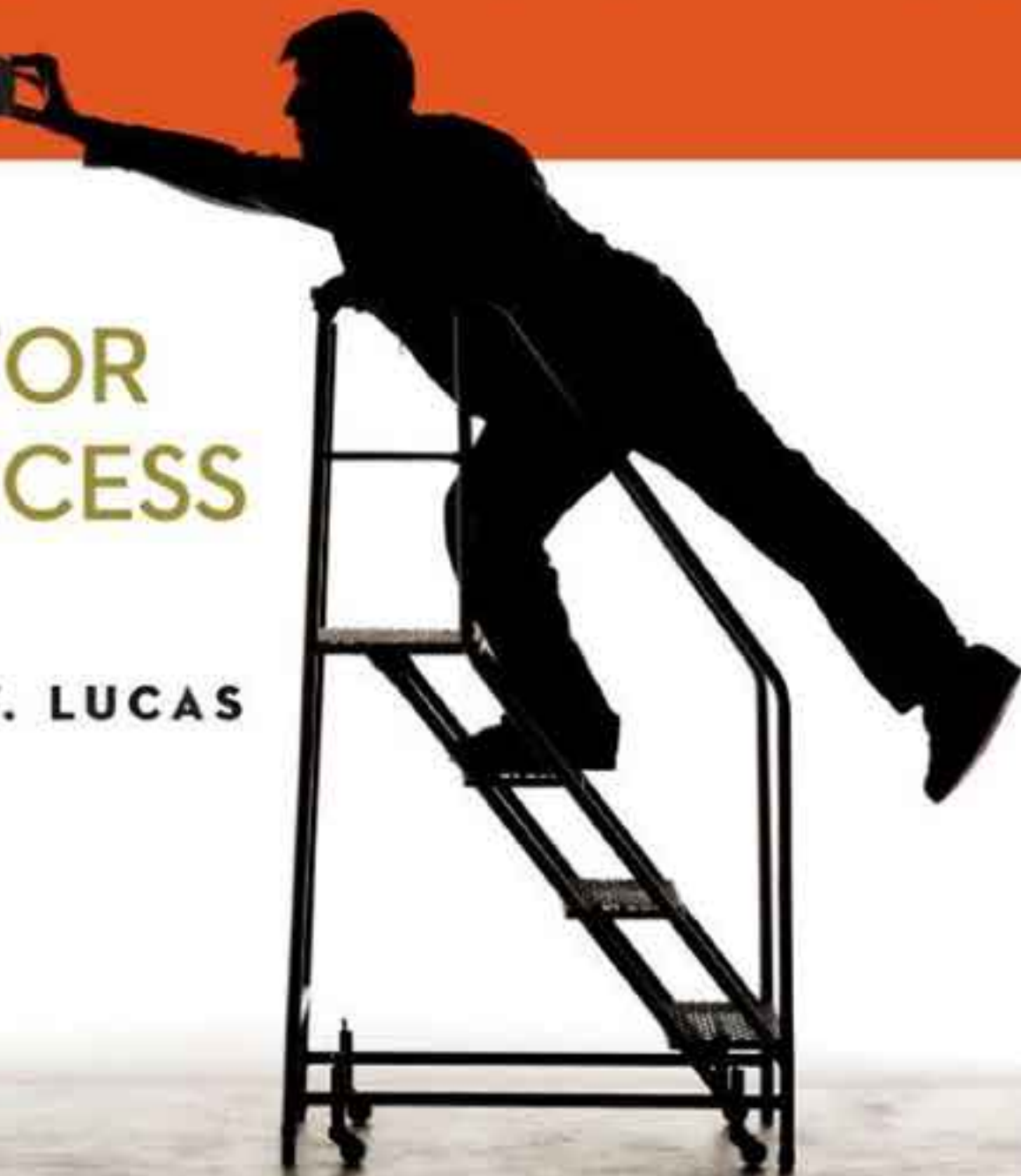


Customer Service

SIXTH EDITION

SKILLS FOR
SUCCESS

ROBERT W. LUCAS





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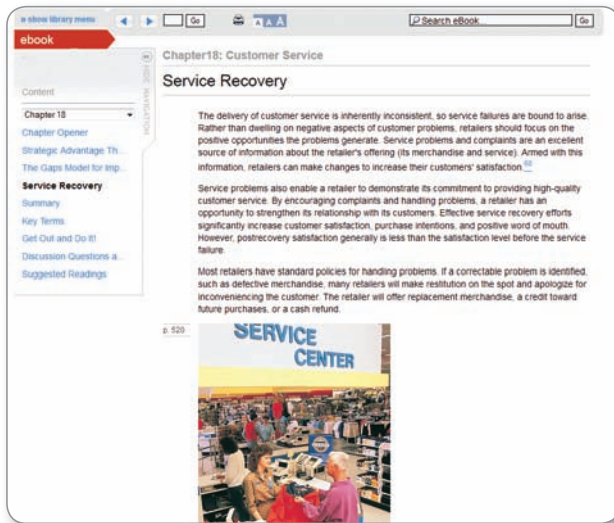


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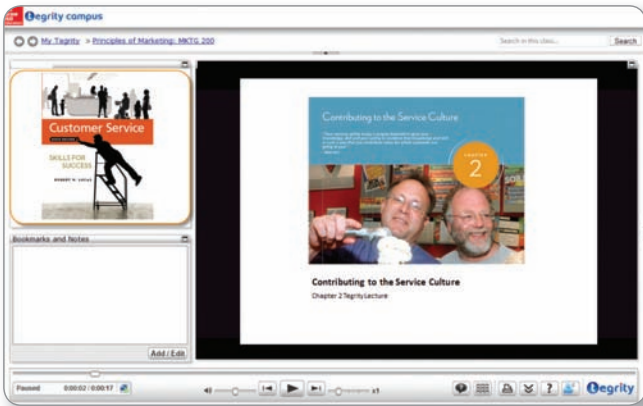


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SIXTH EDITION

CUSTOMER SERVICE

SKILLS FOR SUCCESS

Robert W. Lucas

Principal, Robert W. Lucas Enterprises



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CUSTOMER SERVICE: SKILLS FOR SUCCESS, SIXTH EDITION

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PERSONAL BIOGRAPHY



ROBERT (BOB) W. LUCAS is the principal at Robert W. Lucas Enterprises and an internationally known author and learning and performance expert who specializes in workplace performance-based training and consulting services. He has four decades of experience in customer service, human resources development, and management in a variety of organizational environments. Throughout his career, he has lived, traveled, and worked in 25 different countries and geographic areas.

Currently, Bob is on the board for the Florida Authors and Publishers Association. In 1995 and 2011, he was the president of the Central Florida Chapter of the American Society for Training and Development (ASTD). During the past 20 years, Bob has shared his knowledge with workplace professionals from organizations such as Walt Disney World, SeaWorld, Martin Marietta, and Wachovia Bank in the Webster University Master of Arts program in Orlando, Florida. In addition, Bob has provided consulting and training services to numerous major organizations on a variety of workplace learning topics. These topics range from customer service, presentation skills, creative training and management program development, train-the-trainer, interpersonal communication, adult learning, diversity, and team building to and including employee and organizational development. Bob regularly gives presentations to various local and national groups and organizations.

Listed in *Who's Who in the World*, *Who's Who in America*, and *Who's Who in the South & Southeast*, Bob is also an avid writer. This text is the top-selling textbook on the topic of customer service in the United States. He has also written and contributed to 30 other books, including: *Please Every Customer: Providing Stellar Customer Service Across Cultures* and *How to Be a Great Call Center Representative*.

Additionally, Bob has been a contributing author for the *Annual: Developing Human Resources* series by Pfeiffer & Company since 1992 and several compilation works by various publishers.

Bob earned a Bachelor of Science degree in Law Enforcement from the University of Maryland; an M.A. degree with a focus in Human Resources Development from George Mason University in Fairfax, Virginia; and a second M.A. degree in Management and Leadership from Webster University in Orlando, Florida. Further, Bob was one of the first people in the world to attain the ASTD designation of Certified Professional in Learning and Performance (CPLP) in 2006.





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New to This Edition

Every Chapter

- New *Customer Service interviews* with service practitioners at the beginning of each topic section
- Addition of *Street Talk* segments with advice from experienced service practitioners in each chapter
- Addition of *Knowledge Check* questions at the end of each content section throughout the chapters
- Addition of *Trending Now* sections in each chapter

Chapter 1

- New *In the Real World* chapter opening case study (Zappos.com)
- New *Think About It*
- Updated research and statistics
- Expanded definitions of service technology and discussion of its use
- Updated discussion of *Global Economic Shifts* impacting customer service
- Expanded discussion of *Globalization of the Economy*
- Inclusion of *Changing Values* section that addresses the impact on customer service
- Update to *Consumer Behavior Shifts* section
- Expanded section on *Internal Customers*
- Addition of *Customer Service Competencies* section

Chapter 2

- Updated *In the Real World* chapter opening case study (Ben & Jerry's Ice Cream)
- New *Think About It*
- Updated research and statistics
- Expanded discussion of *Attitude in Service*
- Expanded discussion on *Motivators and Rewards*
- Revised *12 Strategies for Promoting a Positive Service Culture* section
- Additional *Collaborative Learning Activity*

Chapter 3

- New *In the Real World* chapter opening case study (Papa John's Pizza)
- New *Think About It*
- Updated research and statistics

- Expanded *Importance of Effective Communication* section
- Introduction and discussion of the PL.AN positive communication model
- Additional content on communicating positively
- Expanded section on *Assertive Communication*
- Expanded section on *Salvaging Relationships After Conflict*
- Additional *Search It Out* activity
- Additional *Collaborative Learning Activity*

Chapter 4

- New *In the Real World* chapter opening case study (Field's Auto Group)
- Updated *Think About It*
- Updated research and statistics
- Updated section on *Semantics*

Chapter 5

- New *In the Real World* chapter opening case study (Southwest Airlines)
- New *Think About It*
- Updated research and statistics
- Expanded *Customer-Focused Behavior* section
- Additional *Collaborative Learning Activities*

Chapter 6

- New *In the Real World* chapter opening case study (Trader Joe's)
- New *Think About It*
- Updated research and statistics
- Expanded *Characteristics of a Good Listener* section
- Additional *Search It Out* activity
- Additional *Collaborative Learning Activity*

Chapter 7

- New *In the Real World* chapter opening case study (Coca-Cola)
- New *Think About It*
- Updated research and statistics
- Updated *Identifying Behavioral Styles* section
- Additional *Search It Out* activity

Chapter 8

- New *In the Real World* chapter opening case study (Johnson & Johnson)
- New *Think About It*
- Updated research and statistics
- Updated *Impact of Diversity* section
- Expanded *Impact of Cultural Values* section
- Updated *Providing Quality Service to Diverse Customer Groups* section
- Additional *Search It Out* activity

Chapter 9

- Updated *In the Real World* chapter opening case study (Netflix)
- Updated *Think About It*
- Updated research and statistics
- Updated *The Role of Technology in Customer Service*
- Addition of *Tapping into Web-Based and Mobile Technologies* section
- Additional *Search It Out* activity
- Heavily expanded coverage of customer service and call center technologies

Chapter 10

- New *In the Real World* chapter opening case study (United Parcel Service of America, Inc.)
- New *Think About It*
- Updated research and statistics
- Expanded *The Role of Trust* section
- Addition of *Customer Loyalty* section
- Expanded *The Importance of Customer Relationship Management* section
- Updated *Small Business Perspective* section
- Additional *Search It Out* activity



GUIDED TOUR

An Update on a Trusted Customer Service Textbook Resource

Welcome to a brand new look for the top-selling customer service textbook in the United States. In this edition we have added four-color layout and more images to enhance the content and completely change the graphic appearance of the book. We have also updated, expanded, and reformatted much of the content.

Customer Service: Skills for Success addresses real-world customer service issues and provides a variety of updated resources, activities, examples, and tips from the author and active professionals in the industry to gain and hold readers' interest while providing additional insights into the concepts and skills related to customer service. The text begins with a macro view of what customer service involves today and provides projections for the future, then focuses on specific skills and related topics.

The sixth edition of *Customer Service: Skills for Success* contains 10 chapters divided into three parts, plus the Appendix, Glossary, and Bibliography. These parts focus on different aspects of customer service: (1) The Profession, (2) Skills for Success, and (3) Building and Maintaining Relationships. Along with valuable ideas, guidance, and perspectives, readers will also encounter interviews of real-world service providers, along with tips for implementing effective proven customer service strategies, case study scenarios, and activities to help you apply concepts learned to real-world situations in order to challenge your thinking on the issues presented. For users of previous editions, you will note the addition of several new information elements and a tie-in to today's technology throughout the chapters. If you need the chapters on Time and Stress Management and Dealing with Customers in written form, they can be found on our website, www.mhhe.com/customerservice, along with various individual and small group activities, case studies, and other support material. These can be used to engage readers and enhance content found in the book.

Learning Outcomes

Each chapter starts with behavioral-based **Learning Outcomes** to direct your focus and to help you measure your end-of-chapter success in grasping the concepts presented. You will also find a **quote** from a famous person to prompt your thinking related to the chapter topic and the text focus. Throughout the book and in the Contents, the abbreviation LO indicates the Learning Outcome that applies to that section.

LEARNING OUTCOMES

After completing this chapter, you will be able to:

- 3-1 Explain the importance of effective communication in customer service.
- 3-2 Recognize the elements of effective two-way interpersonal communication.
- 3-3 Project a professional customer service image through positive communication.
- 3-4 Provide feedback effectively.

- 3-5 Avoid language that could send a negative message and harm the customer relationship.
- 3-6 Use assertive communication techniques to enhance service.
- 3-7 Identify key differences between assertive and aggressive behavior.

To assist you with the content of this chapter, we have added additional review questions, activities, and other valuable resource material at www.mhhe.com/customerservice.

As you explore the chapter material, readers will find many helpful tools to enhance their learning experience and assist them in transferring their new knowledge to the workplace. These tools are outlined below.

KNOWLEDGE CHECK



1. In what ways can you positively provide verbal feedback?
2. What strategies can you use to communicate with your customers nonverbally?

Knowledge Checks

Throughout the chapter, students are asked key questions in the form of a **Knowledge Check** box. This allows students to consider what they have just read and test themselves to ensure that they have grasped the concepts covered in each section of every chapter.

In the Real World

In the Real World sections, placed at the beginning of many of the chapters, provide insights into customer service in a variety of well-known businesses, industries, and organizations. These candid snapshots provide an overview of how successful businesses provide products and services and succeed in a highly competitive global world.

IN THE REAL WORLD RETAIL/MANUFACTURING—COCA-COLA

Coca-Cola is a soft drink brand that is recognized worldwide. In fact, the drink is one of the most recognized corporate logos and is sold in over 200 countries through 250 bottlers throughout the world. The company sells over 1.8 billion servings of Coke a day.

The Coca-Cola story began in Atlanta, Georgia, in 1886 when pharmacist John Pemberton was experimenting with a recipe that he later mixed with carbonated water and began to sell at his drugstore. Two years after its invention, Pemberton sold his secret formula to a businessman by the name of Asa Candler, who formed a corporation to bottle and distribute the trendy drink. He later sold the rights to two other businessmen who wanted to bottle the drink to enhance distribution. Candler sold syrup that his company produced to these distributors, but not his secret formula. They simply mixed the syrup with carbonated water and bottled it. From there, the product became a household name as more people began to take Coca-Cola home to enjoy.

As with many successful products, competitors soon emerged. To ensure that people could tell the original from these wannabes, the distributors created the trademarked contour bottle in 1916 so that customers would recognize the original product.

Candler ultimately sold his company in 1919 to a group of investors with Robert Woodruff as the president. The new group wanted to make Coca-Cola available anytime and anywhere. To accomplish this, the new company started adding bottling plants all over the world. Today, Coca-Cola owns nearly 100 trademarked brands including popular products like Dannon, Campbells, Evian, Nestea, Bacardi Mixers, Powerade, Dr. Pepper, Minute Maid, and many others. The brand was recently listed as one of the most valuable in the world at a value of \$88.4 billion.¹

The six “Ps” of the company vision statement highlight Coca-Cola’s purpose and desired future objectives.

- **People.** Be a great place to work where people are inspired to be the best they can be.

- **Portfolio.** Bring to the world a portfolio of quality beverage brands that anticipate and satisfy people’s desires and needs.
- **Partners.** Nurture a winning network of customers and suppliers; together we create mutual, enduring value.
- **Planet.** Be a responsible citizen that makes a difference by helping build and support sustainable communities.
- **Profit.** Maximize long-term return to shareholders while being mindful of our overall responsibilities.
- **Productivity.** Be a highly effective and fast-moving organization.²

To assist in accomplishing its vision, the company established the Coca-Cola Foundation in 1984. This entity focuses on helping and giving back to communities worldwide. Some of the issues supported in various countries include water stewardship (providing safe, clean drinking water), lifestyle/behavioral change programs (e.g., nutrition, exercise, and behavior modification), recycling, and education. Between 2008 and 2010 the foundation and company donated almost \$700 million to these and other causes.

For more information about Coca-Cola, do an Internet search and either visit their website (www.coca-colacompany.com) or scan the QR code with your smartphone application to get to their site.

Think About It

1. What is your opinion of the Coca-Cola Company? Explain.
2. Based on what you know or read on the Internet or through other sources, do you believe that the company is customer focused? Why or why not?
3. How does the company’s community involvement potentially affect its image in the eyes of customers or potential customers?



www.coca-cola.com

Think About It

Think About It activities provide an opportunity for readers to reflect on the In the Real World scenarios that they just read, do an Internet search on those organizations, and then answer the questions provided. The goal of the activity is to cause readers to delve further into how the organization addresses customer service and to relate it to their personal knowledge and what they read about service in the book. These activities can be done individually or as a group, where answers are shared.

Quick Response (QR) Codes

You will note **Quick Response (QR) codes** inserted on the chapter openers. These optically machine-readable, two-dimension barcodes allow more tech-savvy readers with a smartphone or iPhone that has a QR application to scan the image. They are then quickly directed to a website that contains additional information about the topic just addressed in that area of the book. This element not only adds a new visual element to the text, but also precludes a reader from having to manually cut and paste or type a domain name into a computer browser to get to additional resources.

Quick Preview

Pretests called **Quick Preview** are provided at the beginning of each chapter as a self-assessment of current skills and knowledge levels before even reading the first page. This allows readers to check their topic knowledge and primes them for specific content to watch for as they read the chapter. Answers to the questions are provided at the end of the chapter.

Quick Preview

Before reviewing the chapter content, respond to the following questions by placing a "T" for true or an "F" for false on the rules. Use any questions you miss as a checklist of material to which you will pay particular attention as you read through the chapter. For those you get right, congratulate yourself, but review the sections they address in order to learn additional details about the topic.

- _____ 1. Service breakdowns often occur because customer needs and wants are not met.
- _____ 2. Customer expectations do not affect how service is delivered.
- _____ 3. Behavioral style preferences do not affect customer needs or satisfaction levels.
- _____ 4. An upset customer is usually annoyed with a specific person rather than the organization or system.
- _____ 5. When you cannot comply with the demands of an angry customer, you should try to negotiate an alternative solution.

- _____ 6. Competency in communicating can eliminate the need for service recovery.
- _____ 7. Demanding customers often act in a domineering manner because they are very self-confident. This is a function of behavioral style.
- _____ 8. Service recovery occurs when a provider is able to make restitution, solve a problem, or regain customer trust after service breakdown.
- _____ 9. One key strategy for preventing dissatisfaction is to learn to think like a customer.
- _____ 10. Adopting a "good neighbor policy" can help in dealings with internal customers.
- _____ 11. As part of trying to help solve a customer problem, you should assess its seriousness.
- _____ 12. When something does not go as the customer needs or expects, service recovery becomes a vital step in maintaining the relationship.

Answers to Quick Preview can be found at the end of the chapter.

WORK IT OUT 7.2

Service Breakdown Examples

What examples of service breakdown have you experienced or can you recall from someone else's story? List and then discuss them with classmates. After discussing your lists, brainstorm ways that the organization did or could have recovered.

Work It Out

Work It Out activities throughout the chapters challenge readers' knowledge and provide an opportunity for individual and/or small group work on a specific topic or issue.

Street Talk

Street Talk sections have been added to each chapter. These quick tips are provided by customer service professionals currently working in various organizations and industries. They provide real-world insights into strategies and techniques that people interacting with customers are using every day to enhance their service delivery.

Street Talk

When talking with a client, I try to put myself in his/her position. What is most important to her? What communicates that I understand? What is one thing I can do right now to better his situation?

PATRICIA CHARPENTIER *Owner, Writing Your Life/LifeStory Publishing*

Trending Now

Trending Now are short inserts throughout the book that provide information about new and innovative strategies being employed in companies and industries to enhance the service experience for current and potential customers.

Trending NOW

In recent years the human attention span in many developed nations has gotten significantly shorter. This can most be attributed to the faster pace at which information is delivered through technology and the resulting conditioning of the brain to receive and expect material to arrive faster and on a more regular basis. Think about how fast television commercials and movie scenes change. Also, consider the video games to which many people have spent hours playing and have become accustomed.

From an interpersonal communication standpoint, this means that you must structure messages more concisely and deliver information in “sound bites” or short spurts of information for many customers, especially those who speak another language. This is opposed to droning on with a long sales pitch or explanation. The key is to watch your customers’ nonverbal cues to detect their level of attention and comprehension. If necessary, repeat what you said in a slightly different manner to ensure effectiveness of your message and understanding.

Ethical Dilemma

Ethical Dilemma boxes throughout the chapter provide a scenario and ask the reader how they might appropriately handle the situation. Potential solutions or better practices are provided at the end of each chapter.

Ethical Dilemma 6.1

A supervisor at your company who typically demonstrates high decisive-type behavior criticizes you and other employees publicly, does not seem to respect people of other races, and very rarely asks for your opinion. You perceive that when she does take the time to get your input, and that of other employees, it seems that she really does not listen to what you have to say and usually does not take your advice or suggestions. In the past, you have heard employees and external customers comment about the supervisor’s behavior. You know of at least one customer who said she was defecting to a competing company because of it. Should you address your perceptions with her? Why or why not?

Ethical Dilemma Summary

Ethical Dilemma 6.1 Possible Answers

High “D” behavior, such as your supervisor is displaying, can be frustrating and create challenges in the workplace. If you have observed your supervisor exhibiting the behavior in question on numerous occasions to arrive at your conclusions, and have validated them by talking to some of your co-workers, you may be doing the supervisor and employees a good deed by bringing your perceptions to her attention. This is because most people exhibit behavior of which they are often unaware.

Such unintentional displays can create communication and relationship breakdowns if the person is not made aware or does not change them. In a service environment, this can be a real issue.

The key to providing such feedback is to do so at a nonemotional time (e.g., not immediately following an event in which the supervisor does not get input or listen and you are upset about it). Try the following approach:

Pick a time when both of you can calmly and rationally sit down to discuss the issue, perhaps over

Small Business Perspective

Small Business Perspective boxes talk about situations a small business may be faced with and ask the readers how they would deal with specific issues. These situations allow for great in-class discussion.

Small Business Perspective



Since many small business employees often deliver service face-to-face with customers and have an opportunity to get to know their customers on a more personal basis, knowledge of behavioral styles can come in handy. As noted in the chapter, by recognizing specific traits or behaviors related to the various style preferences, you can adjust your service delivery to better meet the likes of customers if you work for a small company. You might even keep an informal file on each customer that you can reference when a planned meeting is coming. In it, you can note what you believe to be the customer's primary, and any secondary, style preferences. When possible before actually meeting with the customer, refer to the file and mentally think of ways to deal with the customer. Just remember to focus on a given situation and the dynamics occurring since people can switch to other behavioral styles depending on what is happening and with whom they are dealing.

If service interactions are typically over the telephone, you can still use the strategies you read about in this chapter. Simply by listening to customer tone, timing, delivery of messages, and their reactions to what you say, you can adjust your tone, selection of words, and the approach you take to handling the interaction.

Impact on Service

Based on personal experience and what you just read, answer the following questions:

1. How might behavioral styles play an important role in dealing with fellow employees in a small company? Explain.
2. If you worked for a small business, what strategies for using what you read in this chapter might help strengthen your service to customers? Explain.

Summary and Review Questions

At the end of each chapter is a **Summary** and also **Review Questions**, which bring together the key elements and issues encountered in the chapter. These questions will test the readers' absorption level for the content they have read and highlight areas for remedial study to ensure mastery of the chapter topic.

Search It Out

Search It Out activities at the end of chapters provide the opportunity to research chapter-related skills on the Internet. In each chapter, readers will explore the Internet to obtain a variety of customer service facts, figures, and related information associated with chapter content to use in group activities, presentations, or discussions. Visit the website especially designed by McGraw-Hill for *Customer Service: Skills for Success* at www.mhhe.com/customerservice.

Collaborative Learning Activity

Collaborative Learning Activities allow one or more readers to work together with the instructor and actually address a customer service issue in order to practice their skills, find answers to various questions, and reinforce their knowledge of the chapter topic.

Face to Face

Face to Face exercises are customer service scenarios in which readers assume the role of a specified employee and use information provided to determine how they might handle a similar customer service issue if faced with it on the job.

Face to Face

Working through Technology and People Problems at Child's Play Toy Company

Background

Since opening its newest store in Princeton, New Jersey, Child's Play Toy Company of Minneapolis, Minnesota, has been getting mixed customer reviews. Designed to be state of the art, open, and customer friendly, the store includes an attended activity area where small children can play while parents shop. In addition, an innovative system makes it possible for local customers to order products from catalogs or from the company's website and then go to a drive-up window to pick up their purchases without leaving their cars. Another creative feature involves interactive television monitors in the store—where customers can see a customer service representative at the same time the representative sees them. To reduce staffing costs, the customer service representatives are actually at a Philadelphia, Pennsylvania, location and are remotely connected via satellite and computer to all new stores. This system is used for special ordering, billing questions, and complaint resolution. Customers can also use a computer keyboard to enter data or search for product information online through the company's website while in the store.

not getting the product that they ordered over the system, some are uncomfortable using the computer keyboard, while others dislike the impersonal touch and that they have to answer a series of standard questions asked by a "talking head" on the screen, they have encountered system or computer breakdowns, and they cannot get timely service or resolution of problems.

Your Role

As a customer service representative and cashier at the store, you are responsible for operating a cash register in the store at Child's Play when all lines are operational and more than two customers are waiting in each line. You are also responsible for supervising other cashiers on your shift and dealing with customer questions, complaints, or problems. You report directly to the assistant store manager, Meg Giarnelli. Prior to coming to this store, you worked in two other New Jersey store branches during the five preceding years.

This afternoon, Mrs. Sakuro, a regular customer, came to you. She was obviously frustrated and pointed her finger at you as she shouted, "You people are stupid!" She also demanded to speak with the manager and threatened that "if you people do not want my business, I will go to another store!" Apparently, a doll that Mrs.

Planning to Serve

Planning to Serve activities provide a roadmap for planning strategies and identifying techniques from the book that can be used to provide superior customer service in the future.

Planning to Serve

In order to ensure that you are prepared to provide premium service to your customers, take some time to think about typical customer situations in which you were personally involved or that you have witnessed. Answer the following questions on the basis of situations recalled.

1. What types of behaviors does the average customer exhibit?
2. Based on what you learned about behavioral styles in general, and your preferred style, what service strategies could you use if you were involved with the behaviors identified in question 1?
3. In difficult or emotional service situations, what behaviors often manifest themselves?
4. What strategies might help you in dealing with such customer behaviors?

Quick Preview Answers and Ethical Dilemma Summary

These are the answers to the **Quick Preview** pretest at the beginning of the chapter, along with possible answers to the **Ethical Dilemma** features throughout the chapter.

Appendix

Use the **Reader Satisfaction Survey** found in the **Appendix** at the end of the text to provide the author with feedback. For doing so, readers will receive a free publication on interpersonal communication written by this book's author (Robert W. Lucas).

The Customer Service Text That Gives You More

STUDENT RESOURCES



McGraw-Hill Connect—New to This Edition! *Connect* allows students to apply what they've learned in a dynamic, interactive way. With the purchase of *Connect*, students are provided an online assignment and assessment solution that connects them with the tools and resources they need to achieve success. *Connect* helps prepare students for their future by prompting them to complete homework in preparation for class, master concepts, and review for exams.

Connect Interactives Students practice key concepts by applying them with these textbook-specific interactive exercises. Provided for every chapter, each interactive application is designed to reinforce key topics and further increase student comprehension. All interactive applications are automatically scored and entered into the instructor's gradebook.

QUESTION PROGRESS **Case Analysis**

Case Analysis

Contributing to the Service Culture

Read the report and answer all questions.

Sam Adams is the customer service manager of a large chain store specializing in high-end toys called P-Town. Sam has been asked by his manager, the Chief Operating Officer, to come up with some ideas statements that exemplify a service culture, to be considered for use in the mission and values statement.

Sam (speaking with a small group of employees informally or in a meeting setting): As you know P-Town is in the process of reinventing itself and the higher-ups want to develop a mission statement which addresses this goal. They did a customer feedback survey, and we received very high ratings. As a result, they have asked us, since we are the ones that work with the customers every day, to come up with some ideas.

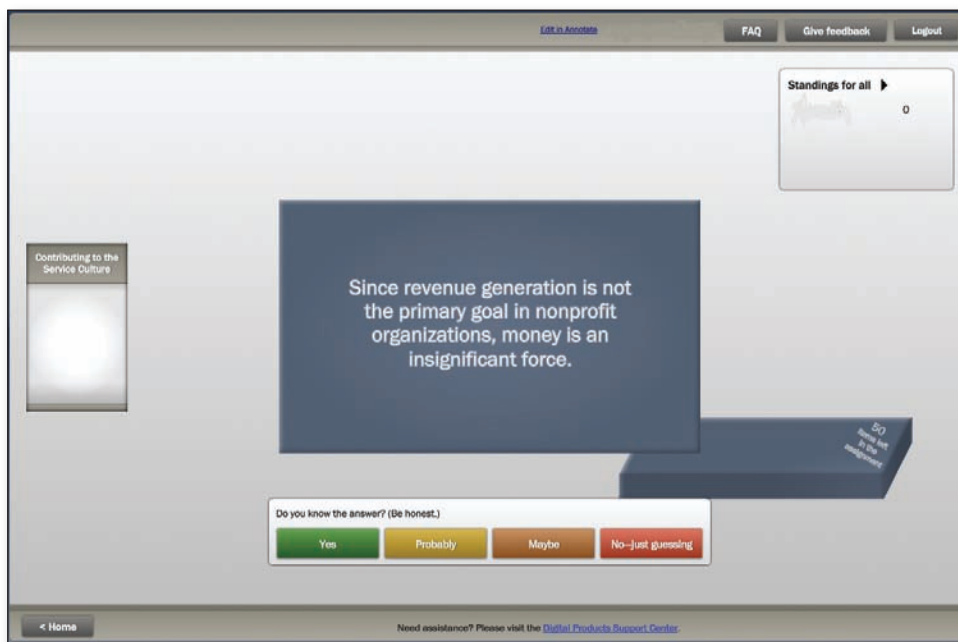
Jodi: You called us in on a Saturday morning for this? The higher-ups aren't going to use our ideas anyway. Why should we spend all of this time working on something they won't even use?

Latisha: I disagree. I think it is great they are asking for our input, and we won't know if they use our ideas unless we provide them

1. Which of the following is NOT a customer expectation?
2. Which of the following are good ways for customer service data collection?
3. Which of the following is NOT a component of a service culture?



LearnSmart *LearnSmart* is the premier learning system designed to effectively assess a student's knowledge of course content through a series of adaptive questions, intelligently pinpointing concepts that the student does not understand and mapping out a personalized study plan for success. *LearnSmart* prepares students, allowing instructors to truly use valuable class time for discussion.



SmartBook Fueled by *LearnSmart*, *SmartBook* is the first and only adaptive reading experience available today. Distinguishing what students know from what they don't, and honing in on concepts they are most likely to forget, *SmartBook* personalizes content for each student in a continuously adapting reading experience. Reading is no longer a passive and linear experience, but an engaging and dynamic one where students are more likely to master and retain important concepts, therefore coming to class better prepared. Valuable reports provide instructors insight as to how students are progressing through textbook content, useful for shaping in-class time or assessment. As a result of the adaptive reading experience found in *SmartBook*, students are more likely to retain knowledge, stay in class, and get better grades.



Online Learning Center (OLC)—Student Content A separate section of the McGraw-Hill website has been reserved for students and instructors. This section contains online practice tests, additional learning exercises, and other World Wide Web links to stimulate your research efforts. Visit www.mhhe.com/customerservice.

Spanish Translations Spanish-speaking readers can take advantage of the Spanish translations of the glossary of key terms and online quizzes.

INSTRUCTOR RESOURCES

McGraw-Hill Connect—New to This Edition! *McGraw-Hill Connect* makes it easy for you to integrate digital resources into your course. *Connect* offers online assessment materials that are automatically graded and can provide an adaptive learning plan for students. Our Digital Success Team is available to assist instructors in implementing and using *Connect* to improve the classroom experience by allowing students to come to class prepared. Instructors will find all the resources from the Online Learning Center, described below, conveniently located in their *Connect* course as well.

Online Learning Center (OLC)—Instructor Content The instructor's side of the Online Learning Center (OLC), also at www.mhhe.com/customerservice, serves as a resource for instructors and has several features that support instructors in the creation of lessons. Included on the OLC are the Instructor's Manual (IM), which is organized by each chapter's learning outcomes and includes page references; PowerPoint slides that include additional instructor teaching notes; the Asset Map; and other valuable materials.

Instructor's Manual The Instructor's Manual outlines course materials, additional in-class activities, and support for classroom use of the text. It has been organized by learning outcomes to give instructors not only a basic outline of the chapter, but to assist in all facets of instruction. For every question posed in the text, the IM provides a viable answer. The text page numbers provide easy reference for instructors. In addition, the Instructor's Manual guides instructors through the process of integrating supplementary materials into lessons and assignments. It also includes sample syllabi, video notes, and student success insights. Ultimately, this will be an instructor's greatest advantage in using all materials to reach all learners.

Test Bank Every chapter provides a series of test questions, available in our Test Bank. Questions are organized by learning outcome and Bloom's Taxonomy. A Test Table aligns questions with the content and makes it easy for you to determine the questions you want to include on tests and quizzes.

Asset Map We know that instructors' time is valuable. To help you prepare, we have created an Asset Map. The Asset Map identifies by chapter, learning outcome, and page number exactly which supplements are available for you to use. Visit our website at www.mhhe.com/customerservice to preview how the Asset Map can help!

PowerPoints PowerPoint slides, created specifically for instructors, include additional teaching notes and are tied directly to learning outcomes. Each slide also includes a text page reference for your convenience.

Sample Syllabi Six- and sixteen-week syllabi are provided in order to tailor content to different learning programs.

Create Instructors can now tailor their teaching resources to match the way they teach! With McGraw-Hill Create, www.mcgrawhillcreate.com, instructors can easily rearrange chapters, combine material from other content sources, and quickly upload and integrate their own content, such as course syllabi or teaching notes. For those instructors needing additional information on customer service skills of stress and time management and communicating with customers in writing, there are three additional chapters available in Create. Find the right content in Create by searching through thousands of leading McGraw-Hill textbooks. Arrange the material to fit your teaching style. Order a Create book and receive a complimentary print review copy in 3–5 business days or a complimentary electronic review copy via e-mail within one hour. Go to www.mcgrawhillcreate.com_today and register.

Basis for Content

This book draws from my more than four-plus decades of real-world experience in customer service environments, management, and human resource development. I have worked in sales, retail management, and service functions for a number of organizations; owned and run all phases of operation and management for an online retail business for nearly 19 years; was a partner in a human resource performance consulting firm working with client organizations in many different industries; and taught at numerous colleges and universities through the Master's level for over two decades. Currently, I am an author, a presenter, and the principal of Robert W. Lucas Enterprises, where I self-publish and promote my own books. Part of that role involves negotiating and contracting with other businesses and organizations and providing services to them. I deal with customer issues and needs every day and know that the techniques described in this book work because I and others cited in the book have used them effectively. While there are some research and theoretical sections in the chapters, much of the information is derived from personal experience, research, and reflections of actual customer service encounters experienced by others.

Whether you are new to the service profession and have no base of customer service knowledge, or are more experienced and wish to enhance your knowledge and skills, *Customer Service: Skills for Success* and accompanying ancillary materials can provide a catalyst for your success.

I am confident that this book will assist you in reaching your goal to become a better service provider.

Bob Lucas



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 Richard Williams, *Nashville State Community College*

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CUSTOMER SERVICE

SKILLS FOR SUCCESS





Customer Service Interview

Ryan Eiland

*Floor Manager, Fields Chrysler, Jeep,
Dodge Ram*

*Total years' experience providing service
to internal and external customers: 13*

PART ONE

THE PROFESSION

- 1 The Customer Service Profession
- 2 Contributing to the Service Culture

1 What are the personal qualities that you believe are essential for anyone working with customers in a service environment?

You must identify with your customers' needs and wants and most of all make a friend during this process. Really understand what he/she is trying to accomplish with this purchase. It's your job as a salesperson to identify and understand what this vehicle will do for the customer. Help the customer accomplish his or her goals, and you will have a client for life!

2 What do you see as the most rewarding part of working with customers? Why?

The satisfaction truly lies in helping a customer make the right decision for his or her family. This usually becomes a personal connection with your customer and leads to a trust and bond for future buying experiences.

3 What do you believe the biggest challenge(s) is/are in working with customers?

The biggest challenges arise with needs versus wants. Does the customer's budget reflect what his or her wants are versus his or her needs? Sometimes sensibility has to overrule emotion and what the customer's budget can allow. A great salesperson can act as a counselor to identify what is really a need versus what is a desire, and make sense of it to the consumer.

4 What changes have you seen in the customer service profession since you took your first service provider position?

The consumer has many avenues in which to voice his or her opinion today: Via Twitter, Facebook, Google Reviews, just to name a few. For this reason alone it is extremely important to make the most of every opportunity to do the very best to treat everyone with the utmost respect and dignity he or she deserves, regardless of his or her situation. If you follow this policy, the respect you will gain, and the potential customers you will have the opportunity to serve, will be exceptional. Customer service in the viral media we have today is just as good as marketing and spending company money.

5 What future issues do you see evolving related to dealing with customers in your profession and why do you think these are important?

I work for a company that truly believes in customer service and is completely transparent in negotiations . . .

in all negotiations. As my general sales manager, Brian Williams, says, "We are not trying to hit home runs on car deals! We are just trying to hit base hits." I think the customer can appreciate that we are in business to make a profit and employ local residents of the community. So in answer to the question, we adapt to our customers' needs and wants all the time or we would be out of business. So I expect no future issues. We can control the future!!

6 What advice related to customer service do you have for anyone seeking or continuing a career in a customer service environment?

Be honest and sincere. Identify a need versus a want or desire. Sell on what the consumer is trying to accomplish. Most of all, identify with your customer. Put yourself in his or her shoes. Forget that you do this every day for a living!

The Customer Service Profession

"Treat every customer as if they sign your paycheck, because they do."

—UNKNOWN

CHAPTER

1



LEARNING OUTCOMES

After completing this chapter, you will be able to:

- 1-1 Define customer service.
- 1-2 Describe factors that have impacted the growth of the service sector in the United States.
- 1-3 Identify societal factors that have influenced customer service.
- 1-4 Recognize the changes in consumer behavior that are impacting service.

- 1-5 List the six major components of a customer-focused environment.
- 1-6 Explain how some companies are addressing the changes impacting the service sector.

To assist you with the content of this chapter, we have added additional review questions, activities, and other valuable resource material at www.mhhe.com/customerservice.

IN THE REAL WORLD RETAIL—ZAPPOS.COM

Zappos.com was established as ShoeSite.com but soon changed to Zappos, or “shoes” in Spanish. The company grew to be the Internet’s largest shoe store with sales of \$1.6 million by 2000 and \$8.6 million in 2001. By 2007, they were bringing in gross sales of over \$8,000 million and had expanded their product line to include clothing, eyewear, watches, handbags, and children’s wear. By 2008, the company hit a mark of \$1 billion in sales, a mark that owners had set to do by 2010. They also, for the first time, made the Forbes list of best companies to work for. By 2009, Amazon closed a deal to buy the company, for \$1.2 billion in stock and cash, but let it continue to operate as a separate organization.

A comment made by CEO Tony Hsieh in a 2009 interview for the *Las Vegas Sun* newspaper sums up the culture of Zappos.

Call center employees don’t have scripts and are encouraged to have fun with customers; each department has its own decor and theme; every employee gets a free lunch each day, and you’re just as likely to see an employee parade making its way through the company’s headquarters as you are a mail cart.¹

On the company website, there is additional insight into how they became such a powerhouse that Amazon sought them out: “We’ve been asked by a lot of people how we’ve grown so quickly, and the answer is actually really simple. . . . We’ve aligned the entire organization around one mission: to provide the best customer service possible. Internally, we call this our WOW philosophy.”

Further evidence of the company’s customer commitment can be found online if you search terms like “Zappos flowers to terminally ill” or visit the *Harvard Business Review* blog interview (<http://blogs.hbr.org/ideacast/2008/05/harvard-business-ideacast-96-w.html>) of *Fast Company* co-founder Bill Taylor, who relates a viral Internet story about Zappos. According to a story that Taylor relates, a woman ordered numerous pairs of shoes for her terminally ill mother and missed the then 15-day free return policy. A Zappos representative called to find out if

the shoes would be returned and was told about the woman’s mother. Since the woman was preoccupied caring for her mother’s affairs and could not get to a UPS Store to return the shoes, the representative arranged a UPS pickup at her home. The following day, a beautiful bouquet of flowers was delivered to the woman with an empathic note. The woman happened to be a prominent blogger and posted the story online. As one might imagine, it went viral and Zappos’ stature in the eyes of current and potential customers skyrocketed.

There are many elements of the Zappos culture that make it one of the most popular retail sites on the Internet. One of these is the people who work for Zappos. After an intensive screening process that starts with completion of a crossword puzzle, new hires attend a four-week orientation program. At the end of the first week, they are given the option of quitting, being paid for their week of training, and given a bonus of \$1,000 if they believe they made a bad choice in coming to work for Zappos. This is because the CEO and other leaders are so focused on getting the “right” employees who fit the culture and share the same enthusiasm and customer orientation that they feel the money to have those who do not fit in leave is a great investment. Another cultural element contributing to their success is the current 365-day, 100% satisfaction guarantee, no-questions-asked free return policy. On their website, they even state that “If you purchase on 2/29 of a Leap Year, then you have until 2/29 the following Leap Year to return those orders. That’s four whole years! Woot!” What other company do you know that allows that?

Scan the QR code or visit www.about.zappos.com and do an Internet search for the term *Zappos* for articles about the company in order to learn more about this unusual organization, their history, service philosophy, policies, and customer testimonials, then answer the following questions.



www.zappos.com

Think About It

1. From a service perspective, how does this organization differ from other online companies that you have dealt with or heard about?
2. What do you believe are the strengths and weaknesses of this organization? Why?
3. How do you feel that Zappos compares to some of its major show and product competitors (e.g., Foot Locker, JC Penney, ShoeBuy.com, The Gap, and DSW)?
4. What role do you think the CEO's approach to creating an informal and fun corporate culture plays in the service attitude of employees?
5. As a consumer, would you now consider using Zappos in the future? Why or why not?

Quick Preview

Before reviewing the content of the chapter, respond to the following statements by placing a "T" for true or an "F" for false on the rules. Use any questions you miss as a checklist of material to which you will pay particular attention as you read through the chapter. For those you get right, congratulate yourself, but review the sections they address in order to learn additional details about the topics.

- _____ 1. The concept of customer service evolved from the practice of selling wares in small general stores, off the back of wagons, or out of the home.
- _____ 2. The migration from other occupations to the service industry is a recent trend and started in the late 1970s.

- _____ 3. One reason for the shift from a manufacturing- to a customer service-dominated society is more stringent government regulations.
- _____ 4. As more women have entered the workforce, the demand for personal services has increased.
- _____ 5. Advances in technology have created a need for more employees in manufacturing businesses.
- _____ 6. Because of increasing income related to service, women often now have more disposable income as consumers than they did in the past.
- _____ 7. As a result of deregulation in a variety of industries, competition has slowed.
- _____ 8. Quality customer service organizations recruit, select, and train qualified people.
- _____ 9. Luckily, the recent recession had little impact on the service industry.
- _____ 10. To determine whether delivery needs are being met, organizations must examine industry standards, customer expectations, capabilities, costs, and current and projected requirements.
- _____ 11. There are two customer types with which service representatives must interact.
- _____ 12. An organization's "culture" is what the customer experiences.

Answers to Quick Preview can be found at the end of the chapter.

customer service The ability of knowledgeable, capable, and enthusiastic employees to deliver products and services to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately results in positive word-of-mouth publicity and return business.

service industry A term used to describe businesses and organizations that are engaged primarily in service delivery. *Service sector* is a more accurate term, since many organizations provide some form of service to their customers even though they are primarily engaged in research, development, and manufacture of products.

product Something produced or an output by an individual or organization. In the service environment, products are created to satisfy customer needs or wants.

LO 1-1 Defining Customer Service

CONCEPT Customer-focused organizations determine and meet the needs of their internal and external customers. Their focus is to treat everyone with respect and as if they were special.

Many attempts have been made to define the term **customer service**. However, depending on an organization's focus, such as retailing, medical, dental, industry, manufacturing, or repair services, the goals of providing customer service may vary. In fact, we often use the term **service industry** as if it were a separate occupational field unto itself. In reality, most organizations provide some degree of customer service. For the purposes of this text, *customer service* is defined as the ability of knowledgeable, capable, and enthusiastic employees to deliver **products** and services to their internal and external customers in a manner that satisfies identified and unidentified needs and ultimately results in positive word-of-mouth publicity and return business. By doing these

Some common characteristics for leading-edge customer-focused organizations are

- They have and support internal customers (for example, peers, co-workers, bosses, subordinates, people from other areas of their organization) and/or external customers (for example, vendors, suppliers, various telephone callers, walk-in customers, other organizations, others not from within the organization).
- Their focus is on determining and meeting the needs of customers while treating everyone with respect and as if he or she is special.
- Information, products, and services are easily accessible by customers.
- Policies are in place to allow employees to make decisions in order to better serve customers.
- Management and systems support and appropriately reward employee efforts to serve customers.
- Reevaluation and quantitative measurement of the way business is conducted is ongoing and results in necessary changes and upgrades to deliver timely quality service to the customer.
- Continual benchmarking or comparison with competitors and related organizations helps maintain an acute awareness and implementation of best service practices by the organization.
- The latest technology is used to connect with and provide service to customers, vendors, or suppliers and to support business operations.
- They build relationships through **customer relationship management (CRM)** programs.

FIGURE 1.1

Customer-Focused Organizations

customer relationship management (CRM) Concept of identifying customer needs: understanding and influencing customer behavior through ongoing communication strategies in an effort to acquire, retain, and satisfy the customer. The ultimate goal is customer loyalty.

customer-focused organization A company that spends energy and effort on satisfying internal and external customers by first identifying customer needs, then establishing policies, procedures, and management and reward systems to support excellence in service delivery.

things, organizations can truly become **customer-focused organizations** (see Figure 1.1).

Many organizations specialize in providing only services. Examples of this category are associations, banks and credit unions, consulting firms, Internet service providers, utility companies, waste management services, county tax collectors, call centers, brokerage firms, laundries, plumbing and electrical companies, transportation companies, and medical or dental facilities. Other organizations provide both products and services. Examples are businesses such as car dealerships, brick and mortar (physical buildings) and online retail stores and manufacturers that have support services for their products, public utilities, supermarkets, theaters, and restaurants.

No matter what type of organization you work in, it is crucial for you to remember that when dealing with customers, it is not about you. Your purpose and goal should be to assist customers in meeting their needs



Before distribution systems were modernized, peddlers went from house to house, particularly in rural areas, to deliver merchandise or services. Doctors often went to the sick person's home and made house visits. *How do these methods of delivery differ from those used today? Do you think the ones used today are better? Why or why not?*

whenever possible. Be proactive and positive and strive to do the best you can by taking ownership of a customer contact situation. You have a vested interest to succeed since your success and that of your organization depend on it.

service sector Refers to organizations and individuals involved in delivering service as a primary product.

The term **service sector** as used by the Census Bureau and the Bureau of Labor Statistics in their reports and projections typically includes

Transportation, communication, and utilities.

Wholesale trade.

Retail trade.

Finance, insurance, and real estate.

Other services (including businesses such as legal firms, barbershops and beauty salons, personal services, housekeeping, and accounting).

Federal government.

State and local governments.

In addition, there are people who are self-employed and provide various types of services to their customers and clients.

Customer Service Success **Tip**

Educate yourself on the service profession in general and your organization in particular by visiting service-related websites, subscribing to blogs that focus on customer service topics, and reading trade magazines, articles, newsletters, and books (e.g., *CRM Magazine*, Alexander Communications Group, or www.customerservicemanager.com). Focus on trends, improvements, and enhancements being made by organizations similar to yours. Also work to develop and expand knowledge and skills that add value to your organization.

THE CONCEPT OF CUSTOMER SERVICE

The concept or practice of customer service is not new throughout the world. Over the years, it has evolved from a meager beginning into a multibillion-dollar, worldwide endeavor. In the past when many people worked on farms, small artisans and business owners provided customer service to their neighbors. No multinational chain stores existed. Many small towns and villages had their own blacksmith, general store, boardinghouse (hotel), restaurant, tavern, barber/dentist, doctor, and similar service-oriented establishments owned and operated by people living in the town (often the place of business was also the residence of the owner). For people living in more rural areas, peddlers of kitchenware, medicine, and other goods made their way from one location to another to serve their customers and distribute various products. Further, to supplement their income, many people made and sold or bartered products from their homes in what came to be known as **cottage industries**. As trains, wagons, carriages, and stagecoaches began to cross the United States, Europe, Asia, and other parts of the world, they carried vendors and supplies in addition to providing transportation. During that whole era, customer service differed from what it is today by the fact that the owners and chief executive

cottage industries The term adopted in the early days of customer service when many people started small businesses in their homes or cottages and bartered products or services with neighbors.

officers (CEOs) were also motivated frontline employees working face-to-face with their customers. They had a vested interest in providing good service and in succeeding.

When industry, manufacturing, and larger cities started to grow, the service industry really started to gain ground. In the late 1800s, as the mail services matured, for example, companies such as Montgomery Ward and Sears Roebuck introduced the mail-order catalog to address the needs of customers in the United States. In rural areas, the population grew and expanded westward, and service providers followed.

POST-WORLD WAR II SERVICE IN THE UNITED STATES

After World War II, the desire, and in some cases need, to obtain products and services started to grow throughout much of the world. In the United States there was a continuing rise in the number of people in service occupations. According to an article published on www.minnpost.com,

Before World War II, the service sector grew because we got richer. Think about it: From domestic servants to waiters, blacksmiths to cobblers, and barbers to bankers, Americans have always been engaged in a variety of service activities. And, as the American economy grew and average incomes increase[d], Americans increased their demand for meals, repairs, grooming and financial services. Thus, more and more workers were *pulled* into the service sector by this increasing demand.²

THE SHIFT TO SERVICE

Today, businesses have changed dramatically as the economy has shifted from a dependence on manufacturing to a focus on providing timely quality service. The age of the **service economy** has been alive and strong for some time now. Tied to this trend has been the development of international quality standards by which effectiveness is measured in many multinational organizations. Organizations such as the International Council of Customer Service Organisations (ICCSO), www.iccsso.org, work to help develop and promote service and professional excellence standards throughout the world. This is being done by setting internationally acceptable standards and certifications in an attempt to create a global atmosphere of service. For example, quality standards, such as ISO 9000 and ISO 10002:2004, were developed and are overseen by the International Organization for Standardization, www.iso.org. These are globally accepted guidelines for quality in the area of product and customer service excellence and were designed to help enhance the customer experience in affiliated organizations. In addition, to help attract and maintain a more loyal customer base, many customer-centric organizations are stepping up their enthusiasm and support for such standards. To project a more service-oriented posture, they are adding executive-level positions such as chief customer officer (CCO), or similar prestigious titles, to their hierarchy. CCOs are responsible for all operational functions

service economy A term used to describe the trend in which businesses have shifted from primarily production and manufacturing to more service delivery. As part of this evolution, many organizations have developed specifically to provide services to customers.