



WHOLESALE AND RETAIL: WHRT4

LESSON 4

UNIT STANDARD: 259938

THE IMPORTANCE OF CUSTOMER SERVICE

NOTES AND ACTIVITIES

Identify the importance of customer service wholesale and retail environment

NB: By the end of this unit, you should be able to:

- Define a Customer
- Differentiate between internal and external customers
- Explain customer service and its impact to the business, employees and customers
- Identify customer needs
- Describe moment of truth
- Explain the rule; treat others as you would like to be treated
- Describe code of conduct for the business

Define a Customer?

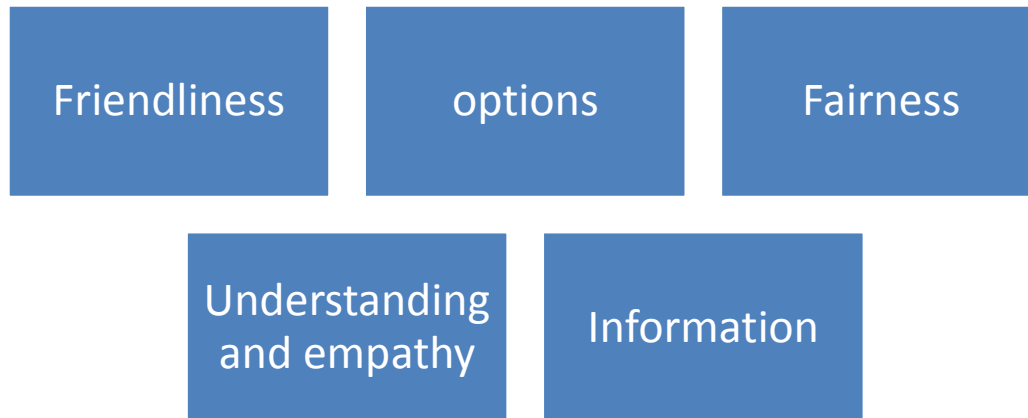
A customer is any person who pays you for the use of your products or services rendered.

We have two types of customers namely:

- **External customers:** are customers who come from the outside of the business to purchase products/services e.g. the customer
- **Internal customers:** are different departments within the business that use the products or services of other departments e.g. the dispatch department is a customer of the packing department.



CUSTOMER NEED



NB: Qualities that make a business better than others should be the qualities that will attract customers.

Customer needs are as follows:

- **Friendliness:** All customers need to be treated in a friendly manner that is being greeted politely.
- **Options:** Customers need to feel that there are different ways to get what they want.
- **Fairness:** The need to be treated fairly is high up on most customer list of needs.
- **Understanding and empathy:** Customer needs to be treated with understanding.
- **Information:** Customers needs to be informed about the products and procedures followed when dealing with your company.

When an organization follow through these good practices the organization create (build) a relationship between its **workforce (staff/employees)** and **customers**.

GOOD CUSTOMER SERVICE

This is a provision of a service to customers **before, during and after** a purchase, therefore; good customer service means:

- Staff should have a thorough knowledge of stock.
- Have knowledge of products.
- Be able to help customers make the best choice.
- Treat customers with a friendly and helpful attitude.



Customer service as a relationship. This is will achieve the following.

- Ensure repeated business and customer loyalty.
- Ensure that the customers are satisfied.
- Increase job satisfaction for employees so employees don't have a deal with unhappy customers all the time.
- Improve public image.
- Increase sales.
- Help gain competitive edge.
- Archive a greater diversity of customers. This means that you have a wider range of people entering your store, thereby increasing your market share.

Competitive edge- is something that you do better than your competitors. **A business** will be set apart from similar business in the market.

Every time you come in contact with a customer, you make a good or bad impression. The impression created by a customer will form basis of the relationship with the organisation.

MOT- moment of truth can be defined as an **interaction** between the customer and the organisation /service provider; this impression can either be **negative** or **positive**.

EXAMPLE

Scenario 1

Mary buys a trolley full of grocery, moving towards the cashier. At the cashier she has to wait because the cashier assists the previous customer to pack her things. All the time the cashier is having a discussion with other two cashiers on duty on top of their voices. At last it is Mary's turn. The cashier does not greet her but continues her conversation with the others. Mary unpacks. The cashier rings up the goods and her only contact with Mary is when she shoves the credit card voucher over the counter for her to sign. Mary suddenly remembers the friendly and respectful service she always got at a supermarket near her home

Scenario 2

Thandi walks into a shoe store and is greeted by a friendly sales lady. She is immediately attended to; the shoes she selects are brought to her. She is happy with her purchase and leaves the store smiling. Thandi goes to show her friends new shoes and also tells them about the store.



When comparing both scenarios you will notice that scenario 1 has a negative impression. The question will then be. 'Will Mary go back to the store?' the most likely answer will be NO.

However, when you look at scenario 2 Thandi will most likely go back to the store. It is said that customers have memories; therefore they will remember the moment of truth.

Good customer service - Satisfied customers are created by favourable impressions of good customer service and good moment of truth.

These values of satisfied customers are as follows:

- Increase profit.
- Consumer loyalty.
- Internal benefits.
- Low employee turnover.

Poor customer services – Dissatisfied customers are created by bad impressions and bad moment of truth and that make customers very unhappy and a bad reputation for the business will result in the following:

- A loss in market share.
- A decrease in market share.
- Low employee morale.
- A loss of customers.
- Bad word of mouth.

Then it is vital for an organisation to apply the rule, treat others as you would like to be treated. Because you will:

- Be empathetic
- Create positive atmosphere
- Be accessible
- Build a relationship

What is a code of conduct?

Code of conduct – gives guidance to all employees on how they should act in the workplace.

A code of conduct that has been adopted by everyone can have the following results for the business:



- There will be less pressure on employees to compromise their ethics.
- There will be less noticeable misconducts at work.
- Employees know what is expected of them.
- If staff see the top management adhering to the code of conduct, they will be less likely to deviate from the code.

Activity 1

1.1 Why are customers so important to a business? (2)

1.2 Describe the needs of customers. (5)

2.3 Why is it important to make sure employees have no complaints? (3)

2.4 Discuss good customer service (5)

2.5 What is the impact of a satisfied customer on an organisation (5)

2.6 Write in your own words the meaning of 'moment of truth' (5)

Activity 2

2.1 Define 'moments of truth' (3)

2.2 Describe the difference between internal and external customers (4)

2.3 Does the need for good customer service applies to both groups and why? (3)

Activity 3

Read the case study and answer the questions that follow:

Scenario 1

Mary buys a trolley full of grocery, moving towards the cashier. At the cashier she has to wait because the cashier assists the previous customer to pack her things. All the time the cashier is having a discussion with other two cashiers on duty on top of their voices. At last it is Mary's turn. The cashier does not greet her but continues her conversation with the others. Mary unpacks. The cashier rings up the goods and her only contact with Mary is when she shoves the credit card voucher over the counter for her to sign. Mary suddenly remembers the friendly and respectful service she always got at a supermarket near her home.



Scenario 2

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- 3.1 Describe the term 'moment of truth' as it applies to customer service. (3)
- 3.2 Identify the 'moment of truth' in the TWO scenarios above, with the use of relevant examples (8)
- 3.3 What are the consequences of poor customer service? (5)
- 3.4 Explain the consequences for poor customer service with reference to: (4)
- The customer
 - The employee
- 3.5 Describe the value of satisfied customers to the organisation. (4)

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