

Organized Retailing

NVEQF Level 1 – Class IX

RS104-NQ2012 – CUSTOMER SERVICES

Students Workbook



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Preface

The National Curriculum Framework, 2005, recommends that children's life at school must be linked to their life outside the school. This principle makes a departure from the legacy of bookish learning which continues to shape our system and causes a gap between the school, home, community and the workplace.

The student workbook on "Customer Services" is a part of the qualification package developed for the implementation of National Vocational Education Qualification Framework (NVEQF), an initiative of Ministry of Human Resource Development (MHRD), Government of India to set common principles and guidelines for a nationally recognized qualification system covering Schools, Vocational Education and Training Institutions, Technical Education Institutions, Colleges and Universities. It is envisaged that the NVEQF will promote transparency of qualifications, cross-sectoral learning, student-centred learning and facilitate learner's mobility between different qualifications, thus encouraging lifelong learning.

This student workbook, which forms a part of vocational qualification package for student's who have passed Class VIII or equivalent examination, was created by a group of experts. The Retailer's Association of Skill Council of India (RASCI), approved by the National Skill Development Corporation (NSDC) organized Retailing Industry developed the National Occupation Standards (NOS). The National Occupation Standards are a set of competency standards and guidelines endorsed by the representatives of organized retailing Industry for recognizing an assessing skills and knowledge needs to perform effectively in the workplace.

The Pandit Sunderlal Sharma Central Institute of Vocational Education (PSSCIVE), a constituent of National Council of Educational Research and Training (NCERT) in association with SKSDC has developed modular curricula and learning materials (Units) for the vocational qualification package in organized retailing sector for NVEQ levels 1 to 4; Level 1 is equivalent to Class IX. Based on NOS, occupation related core competencies (knowledge, skills and abilities) were identified for development of curricula and learning modules (Units).

This student workbook attempts to discourage rote learning and to necessary flexibility in offering of courses, necessary for breaking sharp boundaries between different subject areas. The workbook attempt to enhance these endeavour by giving higher priority and space to opportunities contemplation and wondering, discussion in small groups and activities requiring hands on experience. Hope these measures will take us significantly further in the direction of a child centred system of education outlined in the National Policy of Education (1986).

The success of this effort depends on the steps that school Principals and Teachers will take to encourage children to reflect their own learning and to pursue imaginative and on the job activities and questions. Participation of learner in skill development exercises and inculcation of values and creativity is possible if involve children as participant in learning, and not as receiver of information. These aims imply considerable change in school routines and mode of functioning. Flexibility in the daily time table would be a necessity to maintain the rigour in implementing the activities and required number of teaching days will have to be increased for teaching and training.

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About the Workbook

This workbook is to assist you with completing the Unit of Competency **RS104-NQ2012: Customer Services**. You should work through the workbook in the classroom, at the workplace or in your own time under the guidance and supervision of your teacher or trainer. This workbook contains sessions which will help you to acquire relevant knowledge and skills (soft and hard) on various aspects of the unit of competency. Each session is small enough to be easily tackled and digested by you before you move on to the next session. Animated pictures and photographs have been included to bring about visual appeal and to make the text lively and interactive for you. You can also try to create your own illustrations using your imagination or taking the help of your teacher. Let us now see what the sections in the sessions have for you.

Section 1: Introduction

This section introduces you to the topic of the Unit. It also tells you what you will learn through the various sessions covered in the Unit.

Section 2: Relevant Knowledge

This section provides you with the relevant information on the topic(s) covered in the session. The knowledge developed through this section will enable you to perform certain activities. You should read through the information to develop an understanding on the various aspects of the topic before you complete the exercise(s).

Section 3: Exercise

Each session has exercises, which you should complete on time. You will perform the activities in the classroom, at home or at the workplace. The activities included in this section will help you to develop necessary knowledge, skills and attitude that you need for becoming competent in performing the tasks at workplace. The activities should be done under the supervision of your teacher or trainer who will guide you in completing the tasks and also provide feedback to you for improving your performance. To achieve this, prepare a timetable in consultation with your teacher or trainer and strictly adhere to the stipulated norms or standards. Do not hesitate to ask your teacher or trainer to explain anything that you do not understand.

Section 4: Assessment

The review questions included in this section will help you to check your progress. You must be able to answer all the questions before you proceed to the next session.

Introduction

A retailer or shopkeeper has to understand the value of customers for being more successful. Retailing is complete or successful only when customers are satisfied with the product and services provided by the retailer. It will result in good profit margin, broad market base (large number of customers/ consumers), good retail image and right positioning of the retailer's brand.



Customers expect almost all retailers to provide certain services: displaying merchandise, accepting credit cards, providing parking, and being open to convenient hours. Customer Service is the "sum of acts and elements that allow consumers to receive what they need or desire from the retail establishment." When a customer enters the store, it is important that the retailer or the sales associate does everything in his power to make the customer feel welcomed, important, and make sure he leaves the store satisfied. Giving the customer full, undivided attention and helping him find what he is looking for will contribute to the customer's satisfaction.

In this Unit we will try to understand the difference between a customer and consumer, the behaviour of the customers and how to provide effective service to the customer.

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Session 1: Conceptual Framework

Relevant Knowledge

Differentiating Between Consumer and Customer

It is very important to understand the difference between customers and consumers, especially in retailing because it really matters whether our clients are customers or consumers. Let us now see what the difference between the customer and a consumer is.

A **Customer** is any person who enters the retail outlet and purchases merchandise or uses services for self or for others, whereas a **Consumer** is any person who has consumed or utilized any product or services for his / her personal requirement or need.



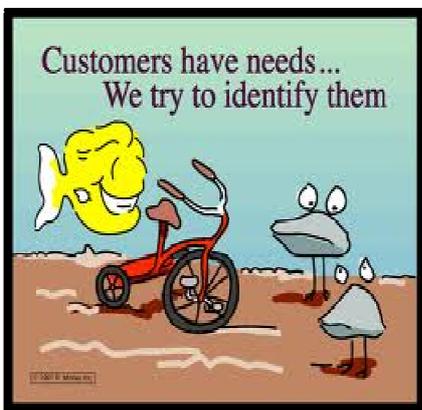
We can understand the difference between the two through a situation in our day to day life. For example, when a housewife goes out shopping to buy household items, she buys different merchandise from the store. She is a customer to the retail outlet. When she reaches home, other members of the family also use products, though they haven't purchased it. All the family members including the housewife who have utilized the products for their personal use are consumers.

In retailing it is very important to convert and increase our customers into the consumers. Satisfied consumers will not only become customers but also promote the retailer and its product and services.

Identifying Customer's Needs and Behaviour



Need is something that is necessary for organisms to live a healthy life. Needs can be objective (e.g. physical needs, such as food, shelter, clothing, etc.) or subjective (includes emotional, moral, intellectual, and spiritual needs, e.g., good behaviour, self esteem, fairness, etc.). Needs varies with place and age group.



Customer's needs are the stepping stone to all modern marketing concepts. The manufacturer or retailer has to give due attention, importance and care in understanding and assessing or identifying the needs of consumers to gain competitive advantage. The retailer should use all his/her efforts and strategies to identify, emphasize, and satisfy the customer needs. For survival, profitability and growth in a highly competitive market environment, it is very important to understand the needs or demands of the consumer.

Based on the type of products, customer's needs can be divided into demand for tangible and non-tangible products.

- a) **Tangible** products are those products which you can touch and feel. Examples include milk, soap, electronic gadgets, bicycle, books, etc.
- b) **Intangible** products are the services, which you cannot touch but feel. Examples include telephone services, beauty salon services, tailoring services, etc.

Basic Needs of Customer: The basic needs of the customer can be divided into the following:

- (i) **Warm welcome:** As a retailer, you should extend a warm welcome to the customer and greet him/her graciously. A customer shouldn't feel neglected when he/she approaches the retailer or sales associate.

- (ii) **Understanding:** Customers need to feel that the person serving the customer understands and appreciates the views, expressions, and circumstances, feelings without any criticism or judgment for satisfaction of the customer.
- (iii) **Fairness:** Customer wants to be treated fairly. Customers get very much annoyed and dissatisfied when they feel they are not given due attention in the retail store.
- (iv) **Control:** Control means the customer's perception to meet his demand at the earliest with positive outcome.
- (v) **Options and alternatives:** Customers need to feel that other option and alternatives are available to get what they want is accomplished and he is satisfied. Customers need to be educated and informed about variety of different products and services. They hereby don' t want to waste precious time doing homework on their own to purchase desired product and services available in store.
 - 1. Safety.
 - 2. Performance.
 - 3. Appearance.
 - 4. Comfort.
 - 5. Economy.
 - 6. Durability.

Identifying customer's needs: In order to identify customer needs and make use of this information you will need to do three things:

1. **Communicate effectively** with your customers and find out how you can satisfy their needs better.
2. Establish ways to **record and interpret customer feedback.**
3. Use this information when making important **decisions about marketing, buying, merchandising and selling.**

Factors Influencing Customer's Behaviour

The increasing income levels, new products, standard of living, competition in the market and increasing consumption patterns have contributed for the demand creation of these varied stores. Let us now identify some of the factors which influence the consumer behaviour.

Social factors: The social factors that influence consumer behaviour in retailing are family, reference groups, social class, status or social position, interests, age, gender, marital status. We will discuss these factors briefly to understand their importance.

- (i) **Family:** It is the most important factor which influences an individual as well as group in buying. Specially, in our country family plays very important role in consumer behaviour. For example, when you want to buy bike or laptop, your parents or your brother might influence your buying. When a person wants to buy a car or even go for movies, he usually consults his friends or people who have used the product earlier.
- (ii) **Reference groups:** These are second line of people from whom individual gets influenced in buying a particular type of goods and services.
- (iii) **Social class:** There are three main categories of social class, namely lower class, middle class and upper class, which are divided on the basis of their living standard and buying power.
- (iv) **Status or Social position:** It is one of the important factors, now-a-days. Our status influences our retail activities. For example, most of the famous personalities buy high value product i.e., they travel in big and branded cars like Mercedes/BMW or Ferrari and stays at 5 star hotels, etc. similarly also buy products from branded stores.
- (v) **Interests:** Besides social factors, individual interest, culture, life style and personality also influences people for going for particular type of product.

Individuals buy those products which satisfy their interest/requirement. People who are interested in sports will spend lots of money in buying sports goods like buying gym equipments, clothes, accessories, etc.

Other factors: Other factors include income, age, gender, marital status, education level, time, and occupation. We will discuss these to understand their impact on retailing.

- (i) **Income:** Income plays a very important role in retailing. When you have money to spend and buy things, he/she tend to have more needs/wants. Therefore they are likely to spend more. Retailers choose their store location and customers on this basis.
- (ii) **Age:** Age also influences your buying activities. As we grow older, our needs or wants change. For example, when we are young we are happy with a toy but as we grow, our needs change and we wish to buy useful and costlier products, e.g. Laptop or ipad.
- (iii) **Gender** (male/female): This also influences the retailing activities. Boys love to have sports goods and games where as girls tend buy cosmetics and dresses (clothes). Gender also influences the retailer to offer particular products and services such as colour, shape etc. For example, pink or pale colours for the girls departments, where as dark blue for the boys section in the retail store.
- (iv) **Marital status** (married/unmarried): Married customers have different set of requirements as compared to unmarried customers. Married people are also likely to buy more regularly than the unmarried ones.
- (v) **Education:** Education also influences retail activities as it is useful in making right decision or choice and to judge the things in more logical manner. Educated customers are more informed and therefore, decide wisely.
- (vi) **Time:** Customer who have long working hours tend to buy and store more goods because they have less time to shop. Based on this situation retailers have extended the store timings.

- (vii) **Occupation:** Occupation of the customer also influences the retail activities. A person of an executive cadre will tend to buy different sets of clothes in comparison to a person of lower ranks.

Exercise: Assignment



(a)



(b)

1. There are two pictures (a & b) of the salesperson at the counter of retail stores. Which one of them is showing the gesture of welcoming or serving a customer?

2. What is the lesson that you learn from the pictures.

- (a) Visit a retail store near your home and write about their body language and gestures when you entered the store. Try to find out the reasons for such gestures and write them in the space given below:

Assessment

A. Fill in the Blanks

1. A _____ is any person who enters the retail outlet and purchases merchandise or uses services for self or for others.
2. A _____ is any person who has consumed or utilized any product or services for his/her personal requirements or needs.
3. In retailing it is very important to convert _____ into the consumers. _____ consumers promote the retailer and its product and services.
4. Mrs. Smriti buys ABC shampoo from a store, then she is _____
5. Mrs. Smriti uses ABC shampoo, but is not happy after using the shampoo, then she is an unsatisfied _____.
6. When you buy a book for your friend, you become a _____ and your friend will be the _____.
7. Your mother is a customer as well as _____ when she purchases vegetable for the family.
8. A _____ is something that is necessary for organisms to live a healthy life.
9. Needs can be _____ or subjective
10. Food is an example of _____ need of a person.
11. Clothing is an example of _____ need of a person.
12. Warm welcome from the retailer is an example of _____ need of a customer.
13. A retailer should identify, emphasize, and _____ the customer needs.

14. It is very important for a retailer to understand the needs or _____ of the consumer.

B. Multiple Choice Questions

1. Book is an example of _____ product.
 - a) Intangible
 - b) Tangible
 - c) All the above
 - d) Non of the above
2. Beauty salon service is an example of _____ product.
 - a) Intangible
 - b) Tangible
 - c) All the above
 - d) Non of the above

Checklist for Assessment Activity

Use the following checklist to see if you've met all the requirements for assessment activity.

Part A

- a) Differentiated between customer and consumer.
- b) Differentiated between various factors affecting customer's need and behaviour.

Part B

Discussed in class the following:

- a) Who is a customer?
- b) Who is consumer?
- c) Can a customer be a consumer?
- d) What are the social factors affecting customer's need and behaviour?
- e) Why do we need to understand customer's behaviour?

Part C

Performance standards

The performance standard covered by the assessment includes the following, but not limited to:

Performance standards	Yes	No
Able to identify a customer and a consumer in a given scenario.		
List the factors which make an impact on customer's buying behaviour and capacity.		
Able to determine customer's wants and needs in a given scenario.		

Session 2: Effective Customer Service

Relevant Knowledge

Always remember that a satisfied customer will contribute to your business for years, through their purchases and through recommendations and referrals of your business. Now let us try to understand the various aspects of an effective customer service. But before we do that, let us first understand the consumer buying decision process.

Consumer Buying Decision Process

The 6 stages of consumer's buying decision process are as follows:

1. **Need** - difference between the desired state and the actual condition.
2. **Information search for alternatives**- the customer contacts friends and relatives through the word of mouth, watches television, reads newspapers and magazines, etc. to enquire about products.
3. **Evaluation of alternatives**- the customer establishes criteria for evaluation of different brands of a product and weighs the utility of the product based on the criteria.
4. **Purchase decision**- takes a decision to buy a product
5. **Purchase**- the customer purchases the product.
6. **Post-purchase evaluation**: the customer uses the product and develops a perception depending on the satisfaction or dissatisfaction from the product.

Understand the customer: You should collect information about your customers. You need to find out what your customers want. Once you have identified your most valuable customers or best potential customers, you can target your highest levels of customer care towards them. You can collect information from:



- records of their contacts with your business - phone calls, meetings and so on
- direct feedback - if you ask them, customers will usually tell you what they want
- feedback about your existing range - what it does and doesn't do
- enquiries about possible new products or services the number of contacts with a customer each month

Customer's satisfaction: Customers preference or perceptions are influenced by various factors. The most important factor is satisfaction. The level of satisfaction can be increased by retail store by providing following services.

- Kind of products/services offered at the store (providing quality products/services).
- Variety of goods/services.
- Value added services/facilities: Bonus points and discounts.
- Presentation of goods
- Trained work force or employee
- The professionalism, friendliness and expertise of your employees
- The efficiency and reliability in fulfilling orders
- After-sales service and dealing with customer's complaints.
- Communication and feedback with the customers.

Customer care: Customer care involves putting systems in place to maximize your customers' satisfaction with your business. It should be a prime consideration for every business - your sales and profitability depends on keeping your customers happy.

Customer care is more directly important in some roles than others. For receptionists, sales staff and other employees in customer-facing roles, customer care should be a core element of their job description and training, and a core criterion when you're recruiting.



Dealing effectively with customers: In order to deal with your customer effectively, you need to;

- Develop knowledge of merchandise sold
- Acknowledge/approach customers ideally within one minute of their entering the department.
- Be friendly, enthusiastic and make the customer feel welcome.
- Ask customers appropriate questions to determine needs.
- Offer merchandise to customers, describing its features and benefits.
- Sell related merchandise in addition to the customer's selected item, wherever possible.

Exercise: Assignment

- Deal with customers' complaints in accordance with Company policy.
- Place Customer Special Orders in accordance with department procedure.
- Carry out all other methods of payment in accordance with Company procedure.
- Handle complaints courteously, sympathetically and swiftly. It should involve:
 - a) listening sympathetically to establish the details of the complaint.
 - b) recording the details together with relevant material, such as a sales receipt or damaged goods.
 - c) offering rectification - whether by repair, replacement or refund.
 - d) appropriate follow-up action, such as a letter of apology or a phone call to make sure that the problem has been made good.

Assessment

Fill in the Blanks

1. As a retailer, you should collect _____ (information/orders) about your customers.
2. You need to find out what your customers _____ (want/enquires).
3. Once you have identified your most _____ (valuable/potential) or best _____ (valuable/potential) customers, you can target your highest levels of customer care towards them.
4. You can collect information about your customers from direct _____ (feedback/visits).
5. Customer care involves putting systems in place to maximize your customers' _____ with your business.

Checklist for Assessment Activity

Use the following checklist to see if you've met all the requirements for assessment activity.

Part A

- Differentiated between valuable and potential customers.

Part B

Discussed in class the following:

- (a) What is customer care?
- (b) What should be done to provide effective customer service?

Part C

Performance standards

The performance standard covered by the assessment includes the following, but not limited to:

Performance standards	Yes	No
Able to demonstrate how to deal with a customer in a given scenario.		

Session 3: Customer Service in Retail

Relevant Knowledge

The process of ensuring customer satisfaction with a product or service, often, customer service takes place while performing a transaction for the customer, such as making a sale or returning an item. There are many more people working behind the scenes at a company than there are customer service representatives, yet it is primarily the personnel that interact directly with customers that form customers' perceptions of the company as a whole.

Role of Customer Service

Every retailer today is aiming at an attempt to make a casual customer into a loyal customer who develops a bond with the retail store he/she visits. Customer Service as a transactional exchange helps the marketer to understand the customer's sentiments and buying habits so that the customer can be provided with products and services before he starts demanding them.

In this session we try to focus the role of Customer Service in Retail. A successful and effective customer service results in increase of customer's value for the store. A good customer service should focus on: Building dynamic relationship with the customer, making customer service the key element to building customer loyalty to a store brand and to build a significant competitive advantage.

Customer Service and Retail Industry:

Retail industry has been growing multifold in India. The organized retail industry will be the center of gravity for the leading industrial groups in the periods to come. However, the success of any retail industry depends very greatly on how their customer service is effective.

A better Customer Service in a retail store can be understood from the following:

- Retail stores use people to implement their technology, strategy and process.
- In fact all the employees are serving customer better not just sales, service and marketing people.
- Information regarding customer behaviour play a very vital role to improve the customer service by store/ retailer.
- Customer service using technology and human skills helping retailers in expansion.
- Guiding business principles need to be reiterated in every business transaction to get success.
- Dealing with market transformation and changing business models, understanding customer value system, etc., are the key for better customer service in retail.
- Retailers should understand the worth of a customer if he/she becomes loyal to a particular store.
- Create acceptance of the new customer centric business paradigm.

Exercise: Assignment

1. Visit a mall/store and identify five best services provided to the customer of that mall/store.
2. Deal with casual customer to convert into loyal customer.

Assessment

Fill in the Blanks

1. A successful and effective _____ results in increase of customer's value for the store. (customer service)
2. A good customer service should focus on _____ with the customer.(Building dynamic relationship)
3. Retail stores use people to implement their technology,_____.(strategy and process)

Checklist for Assessment Activity

Use the following checklist to see if you've met all the requirements for assessment activity.

Part A

- (a) Identify role of customer service in retail

Part B

Discussed in class the following:

- (a) What is customer service
- (b) Customer service in retail

Part C

Performance standards

The performance standard covered by the assessment includes the following, but not limited to:

Performance standards	Yes	No
Able to understand role of customer service in retail.		

Session 4: Customer Service in Retail

Relevant Knowledge

Customer service is an extremely important part of maintaining ongoing client relationship that is a key to continuing revenue. For this reason, many companies have worked hard to increase their customer satisfaction levels.

Elements of Good Customer Service

The basic elements of good customer services are as follows:

Communications skills

From the initial greeting by the employee taking the call through the entire conversation, the customer is forming an opinion of and an attitude toward your company as regards customer service. If the initial greeting is abrupt, delivered in a bored or less than friendly tone of voice, then will easily perceive that *company* is not very customer friendly. So that the effective communication plays a vital role

Effective "Face-to-Face" Interactions with Customers

In many companies, of course, employees deal "face-to-face" with customers each and every business day. Unlike telephone communications, in which customers use only one of the five senses (sound) to evaluate your company and its apparent attitude toward customers, these personal encounters offer customers the use of at least two more of the five senses, i.e., sight and smell, upon which to form their opinions.

The Art of Listening to Customers

Effective communication isn't simply a one-way proposition. Communication directed toward the customer is important, but communication from the customer is probably even more important. Want to know what a customer really wants? Many

times it's really as easy as listening to what the customer says (or doesn't say). Obviously, to accomplish this feat one must develop good listening skills!

Learning to Smooth a Customer's "Ruffled Feathers"

Inevitably, an employee is bound to encounter a customer who is angry, upset, unreasonable, unusually demanding, or "all of the above." Any effective customer service program will include tried and true methods of dealing with this type of customer.

Adopting a New, Different Perspective

Consistently providing good customer service is very much a "team" effort. Every single department, every single employee in the company must thoroughly believe in and be absolutely committed to the effort, as well as be supportive of other "team" members. That oftentimes means taking personal initiative when and if it's required, not "passing the buck" to other members of the team. In a company dedicated to good customer service, there is no place whatsoever for an attitude of "that's not my job."

Monitoring and Measuring Effectiveness

An effective customer service program is always subject to frequent monitoring and measurement. There are several informal ways to conduct such monitoring and measurement. One of the easiest and simplest ways is merely to *ask* customers themselves how well they think you're doing. This can be accomplished by using such basic tools as "bounce-back" customer satisfaction survey cards, brief "exit" interviews with customers, etc. Another rather simple approach is to utilize the time-tested MBWA (Management By Walking Around) method. That is, company management merely walks around and observes how well employees are providing service to customers.

The Role of Top Management

The best designed, most efficiently implemented customer service program will work only if top company management is genuinely committed to making it work. If

employees perceive that top management is merely paying "lip service" to the concept of providing good customer service, it is doomed to failure.

Advantages of Customer Service:

- Serve Customer better
- Increase customer revenues
- Acquiring new customers
- Sale products more effectively
- Help sales staff close deals faster and make call centers more efficient
- Developing or enhancing the value proposition offered to customers
- Enhancing customer loyalty and
- Retain customers to increase profits
- Focused customer delivery & support based on customer's Segment
- Designing strategic solutions for enhancing effectiveness of promotions & loyalty programs

Exercise: Assignment

- Enlist elements of customer service.
- Describe Significance of customer service.

Assessment

True false

1. Consistently providing good customer service is very much a "team" effort
2. An effective customer service program is not always subject to frequent monitoring and measurement.

3. Communication directed toward the customer is important, but communication from the customer is probably not very important
4. Any effective customer service program will include tried and true methods of dealing with this type of customer.

Checklist for Assessment Activity

Use the following checklist to see if you've met all the requirements for assessment activity.

Part A

- (a) Identify importance of customer service in retail.

Part B

Discussed in class the following:

- (a) Customer service elements
- (b) Advantage of customer service in retail

Part C

Performance standards

The performance standard covered by the assessment includes the following, but not limited to:

Performance standards	Yes	No
Able to identify major elements of customer service in retail.		