

2nd Edition

# Customer Service

*Skills & Concepts for Success*



Robert W. Lucas



# Customer Service

SKILLS AND CONCEPTS FOR SUCCESS

Second Edition



New York, New York

Columbus, Ohio

Woodland Hills, California

Peoria, Illinois

## Library of Congress Cataloging-in-Publication Data

Lucas, Robert W.

Customer service: skills and concepts for success/Robert W. Lucas p. cm.  
2nd ed.

Rev. ed. of: Customer service: skills and concepts for success/Robert W. Lucas. ©1996.  
Includes bibliographical references and index.

ISBN 0-07-822633-3

1. Customer services. I. Lucas, Robert W. Customer service. II. Title.

HF5415.5 .L83 2000

658.8'12--dc21

00-059614

## *Glencoe/McGraw-Hill*

### **Customer Service: Skills and Concepts for Success, Second Edition**

Copyright © 2002 by The McGraw-Hill Companies, Inc. Printed in the United States of America. All rights reserved. Copyright © 1996 by Richard D. Irwin, Times Mirror Higher Education Group, Inc. as *Customer Service: Skills and Concepts for Business*, copyright transferred to Glencoe/McGraw-Hill. Except as printed under the United States Copyright Act of 1976, no part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without prior written permission of the publisher, with the following exceptions: Worksheets that appear at the end of each chapter may be reproduced as handout material without permission. This limited permission is granted provided the copyright notice is reproduced on such materials and the materials are only for classroom use in connection with *Customer Service: Skills and Concepts for Success* by Lucas. Any other reproduction for sale or other use is expressly prohibited.

Send all inquiries to:  
Glencoe/McGraw-Hill  
21600 Oxnard Street, Suite 500  
Woodland Hills, CA 91367

ISBN 0-07-822633-3

5 6 7 8 079 05 04

Welcome to an exciting journey through the wonderful world of customer service into the twenty-first century. The last century was challenging, but hold onto your hats, because, as Dorothy said in *The Wizard of Oz*, “Toto, I don’t think we’re in Kansas anymore.”

The business world, society, and the worldwide demographics have changed dramatically in recent decades. The pace of these changes is greatly accelerating and more changes will come. Further, with advances in technology, change is happening in the business world at a phenomenal pace.

So let’s explore the dynamics occurring at every level of every organization in every industry and organization as we examine the people, practices, and events that make the world of customer service what it is today and will be tomorrow.

As you read this book, you will discover that it provides a thorough introduction to a crucial skill set for anyone working in business today—people skills, or the skills to better understand and relate to others.

Our intention is to raise your awareness, prompt your thinking, give you many step-by-step suggestions for improvement, and provide you with a valuable reference for information on how you and your organization can deliver service excellence. The information contained herein will benefit you whether you are new to dealing with others in a business setting or are more experienced with internal customers (e.g., coworkers or other employees) and external customers (e.g., consumers, vendors, or other end users of products).

Although the terms *customer service professional* and *customer service organization* are used throughout the book, they are not meant to be exclusive. Everyone in business or industry today has internal and/or external customers to whom they must provide products, services, information, or other deliverables.

The skills, strategies, and techniques outlined in this book are valid in any industry because they are directed toward identifying customer needs and, then satisfying those needs.

## Student Text Features

*Customer Service: Skills and Concepts for Success* uses a wide variety of text, margin features, and activities to gain and hold your interest while providing insights into the concepts and skills related to customer service.

The text begins with an overview of what customer service involves, then focuses on specific skills and related topics, and finally provides insights into future customer service trends and issues.

The book contains 15 chapters divided into 5 parts. The parts focus on different aspects of customer service: Part 1, “The Profession,” Part 2, “Skills for Success,” Part 3, “Self-Help Skills,” Part 4, “Enhancing Customer Relationships,” and Part 5, “Customer Service for the Twenty-First Century.” Along with the valuable ideas, guidance, and perspectives offered in this book, you will encounter real-world cases about experts in today's business world, as well as activities to challenge your thinking on the topics discussed.

As you move through each chapter, you will find many helpful tools to enhance your learning experience and assist you in transferring your new knowledge to the workplace.

Each chapter starts with a quote from a famous person—to prompt your thinking related to the chapter topic and focus.

Then behavioral-based **Objectives**, the main concepts that a learner should know or be able to put into use by the end of a chapter, appear. The **Objectives** direct your focus and give you a way to measure your success in grasping the chapter concepts, once you have completed the chapter.

Before you begin each chapter, you will do a self-assessment of your current skills and knowledge levels. This is the **Quick Preview**, which is a list of brief questions related to providing customer service that you answer and score yourself. Your incorrect answers help you focus on chapters and parts of chapters as you read the book; your correct answers help you determine which chapters and part of chapters you should turn to for reinforcement.

**Worksheets** are provided in all chapters to give you an opportunity to act immediately on what you have learned. In some cases, you will create samples based on information provided in the chapter, and in others you will develop an action plan or a list of valuable information for future use on the job.

**Work It Out** activities, also provided in all chapters, challenge your knowledge and provide an opportunity for individual and/or small group work on a specific topic or issue.

The end-of-chapter features begin with a **Summary** that brings together the key concepts and issues.

**Chapter Review Questions** are given at the end of each chapter to stimulate thinking on how certain situations might be handled using information gained in the chapter. They also can be used as a discussion vehicle to share ideas with others.

**Search It Out** activities give you an opportunity to expand your knowledge of customer service and your research skills on the Internet. In each chapter, you will be asked to explore the Internet to obtain a variety of customer service facts, figures, and related information that you will use in group activities, presentations, or discussions. You will also have an opportunity to participate in **Collaborative Learning** activities, in which you and one or more of your peers can work through a customer service problem to practice your skills and find answers to your questions.

**Face to Face** exercises are customer service scenarios in which you assume the role of an employee and use the information provided to determine how you would solve a customer service problem.

**From the Frontline** features end most chapters. They provide insights into customer service in a variety of businesses, industries, and organizations. Told in the words of experts in the fields, these candid snapshots describe what it is like to provide service in an ever-changing world.

The Appendixes offer a Personal Action Plan, to help you get organized, and a Reader's Customer Service Survey, to help the author—by providing your own feedback on how you view this book. In addition to filling out an actual customer survey to tell us what you liked and did not like, you will also receive a gift for completing and returning the form.

A Glossary, Bibliography, and Index follow the Appendixes.

### **Basis for Content**

This book draws from my 29 years of management, human resources, and service experience. Some research and theoretical material appear in the book, but much of the information is derived from personal experience, research, and the reflections of other people who have experienced customer service encounters.

Whether you are new to business and wish to expand your knowledge of customer service or are more experienced and are able to describe your efforts in dealing with people through customer service, customer relations, or customer encounters, your goal in using this text should be to improve your knowledge and skills. This can lead to total customer satisfaction.

I'm confident that this book will help you reach your goals.

Robert William Lucas

Throughout the years my wife, friend, and life partner M.J. and my mother Rosie have sacrificed much as I have dedicated time and effort to developing this text and others. Their support and love have been an invaluable asset in helping me reach my goals and are much appreciated.

I also thank my publishing team at Glencoe/McGraw-Hill for the many hours of patient expertise they have spent making this text package a tremendous asset for you.

Special thanks also go to the educators who have contributed significantly to the development of this text with their reviews and valuable comments. We thank them for their input.

**Arnold G. Abrams**

ECPI College of Technology  
Hampton, Virginia

**John Fulton**

Franklin University  
Columbus, Ohio

**Elizabeth Kerbey**

San Jacinto College Central  
Pasadena, Texas

**Harriet Strickland**

Duff's Business Institute  
Pittsburgh, Pennsylvania

**Dan Vanconcellos**

ECPI College of Technology  
Roanoke, Virginia

**J. M. Vulgan**

ECPI Technical College  
Roanoke, Virginia

**William Wray**

ECPI Technical College  
Roanoke, Virginia

**Doris Youngman**

Florida Joint Replacement Center  
New Port Richey, Florida

# CONTENTS

Preface .....	iv
Acknowledgments .....	vii
<b>PART I The Profession .....</b>	<b>1</b>
CHAPTER 1 What Is Customer Service? .....	2
CHAPTER 2 Contributing to the Service Culture .....	32
<b>PART II Skills for Success .....</b>	<b>67</b>
CHAPTER 3 Positive Verbal Communication .....	69
CHAPTER 4 Nonverbal Communication in Customer Service .....	101
CHAPTER 5 Listening to the Customer .....	137
CHAPTER 6 Customer Service and Behavior .....	175
CHAPTER 7 Customer Service via Technology .....	210
CHAPTER 8 Customer Service Through Written Means .....	246
CHAPTER 9 Handling Difficult Customer Encounters .....	283
CHAPTER 10 Customer Service in a Diverse World .....	319
<b>PART III Self-Help Skills .....</b>	<b>355</b>
CHAPTER 11 Managing Your Stress .....	356
CHAPTER 12 Managing Your Time .....	391
<b>PART IV Enhancing Customer Relationships .....</b>	<b>416</b>
CHAPTER 13 Encouraging Customer Loyalty .....	417
CHAPTER 14 Service Recovery .....	458
<b>PART V Customer Service for the Twenty-First Century .....</b>	<b>487</b>
CHAPTER 15 Focusing on the Future .....	488
<b>Appendixes .....</b>	<b>507</b>
Personal Action Plan .....	507
Reader's Customer Service Survey .....	509
<b>Glossary .....</b>	<b>511</b>
<b>Bibliography .....</b>	<b>517</b>
<b>Index .....</b>	<b>521</b>



**PART**

**I**

# **The Profession**

**Chapter 1**  
**What Is Customer Service?**

**Chapter 2**  
**Contributing to the Service Culture**

# Chapter 1

## What Is Customer Service?

### OBJECTIVES

After completing this chapter, you will be able to:

- *Define customer service.*
- *Identify the socioeconomic and demographic changes that have influenced customer service.*
- *Recognize the factors responsible for a shift to a service culture.*
- *List the six major components of a customer-focused environment.*

**"Concentrate your strength against your competitor's relative weakness."**

**Bruce Henderson**

CEO, Boston Consulting Group, Inc.



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 of the reasons for the shift from manufacturing to customer service is that society has changed.
- \_\_\_\_\_ 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. Workers in the United States have more disposable income now than at any other time in history.
- \_\_\_\_\_ 7. As a result of deregulation in a variety of industries, competition has slowed.
- \_\_\_\_\_ 8. Six key components can be identified in a customer service environment.
- \_\_\_\_\_ 9. An organization’s “culture” is what the customer experiences.
- \_\_\_\_\_ 10. Quality customer service organizations recruit, select, and train qualified people.
- \_\_\_\_\_ 11. Customers are happy when they receive quality and quantity as promised.
- \_\_\_\_\_ 12. To determine whether delivery needs are being met, organizations must examine industry standards, customer expectations, capabilities, costs, and current and projected requirements.

12. T	6. T
11. T	5. F
10. T	4. T
9. T	3. T
8. T	2. F
7. F	1. T

## 1 DEFINING CUSTOMER SERVICE

**CONCEPT:** Customer-focused organizations determine and meet the needs of their internal 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, industry, manufacturing, or service, 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.

Many companies specialize in providing only services. Examples of this type of company are banks and credit unions, consulting firms, Internet service providers, utility companies, call centers, brokerage firms, laundries, plumbing and electrical companies, transportation companies, and medical facilities. Some organizations provide both products and services. Examples are businesses such as car dealerships, retail stores, and manufacturers that have support services for their products, supermarkets, theaters, and restaurants.

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, barber-shops 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-Focused Organizations

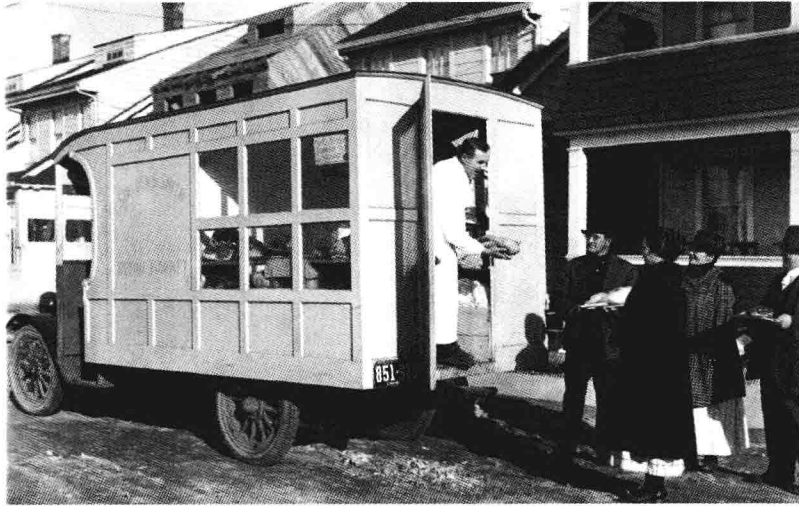
Some common characteristics for **customer-focused organizations** are described below.

They have internal customers (for example, peers, coworkers, bosses, subordinates, people from other areas of their organization) and/or external customers (for example, vendors, suppliers, various telephone callers, 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 they were 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 of the way business is conducted is ongoing and results in necessary changes and upgrades to deliver timely, quality service to the customer.



*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?*

## The Concept of Customer Service

The concept or practice of customer service is not new. Over the years it has evolved from a meager beginning into a multibillion-dollar 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, restaurant, tavern, barbershop, 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, covered wagons, and stagecoaches began to cross the country, they carried vendors and supplies as well as provided transportation. During that whole era, customer service differed from what it is today by the fact that the owners and chief executive 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.

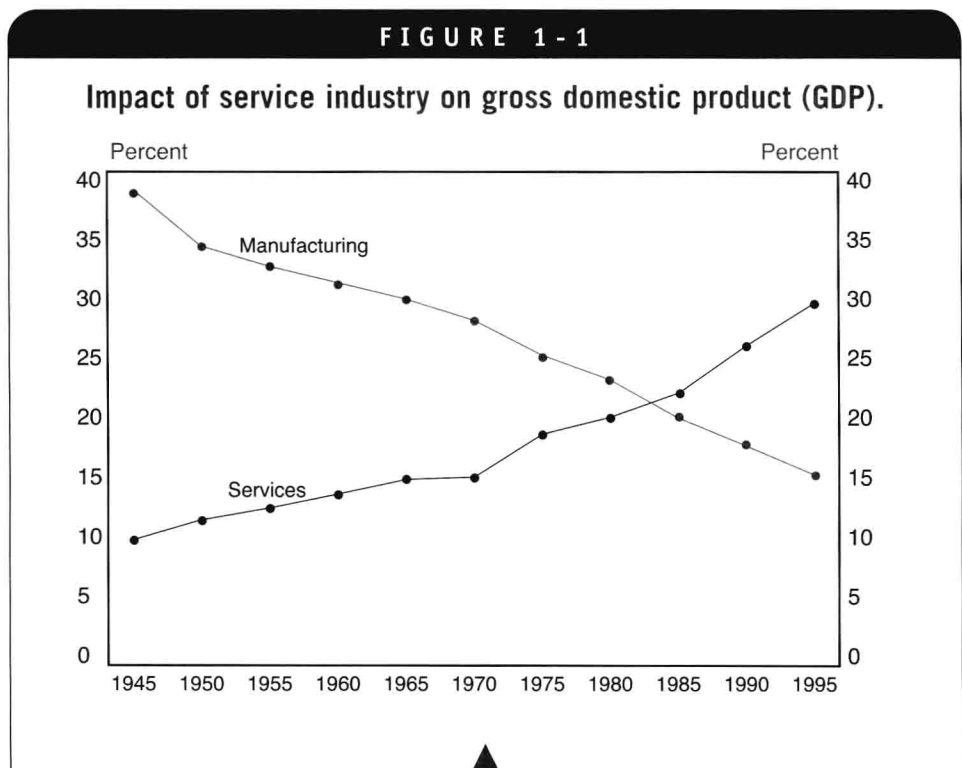
When industry, manufacturing, and larger cities started to grow, the service industry really started to gain ground. In the late 1800s, as the mail services matured, companies such as Montgomery Ward and Sears Roebuck introduced the mail-order catalog to address the needs of customers. In rural areas,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

## Post–World War II Service

Following World War II, there was a continuing rise in the number of people in the United States in service occupations. According to an article published by the Bureau of Labor Statistics, “At the conclusion of the war in 1945, the service industry accounted for only 10 percent of

nonfarm employment, compared to 38 percent for manufacturing. In 1982 services surpassed manufacturing as the largest employer among major industry groups. By 1996 the service industry accounted for 29 percent of nonfarm employment, and manufacturing, at 15 percent, was actually somewhat smaller than retail trade.”

From an economic impact standpoint, service industries continue to add to the gross domestic product (GDP), of the United States. The *GDP* is a combination of the output of goods and services produced. Just after World War II, the service industry accounted for only 9 percent of GDP, but in 1994 that number had risen to more than 19 percent. During the same period, the contribution by manufacturing fell to 17 percent, down from the previous figure of about 30 percent.<sup>1</sup> See Figure 1-1.

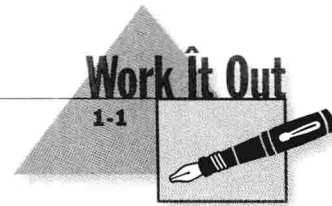


## The Shift to Service

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.

To highlight the importance of customer service, in 1992, after lobbying by the International Customer Service Association (ICSA), the U.S. Congress proclaimed that the first full week of October each year would be celebrated as National Customer Service Week.

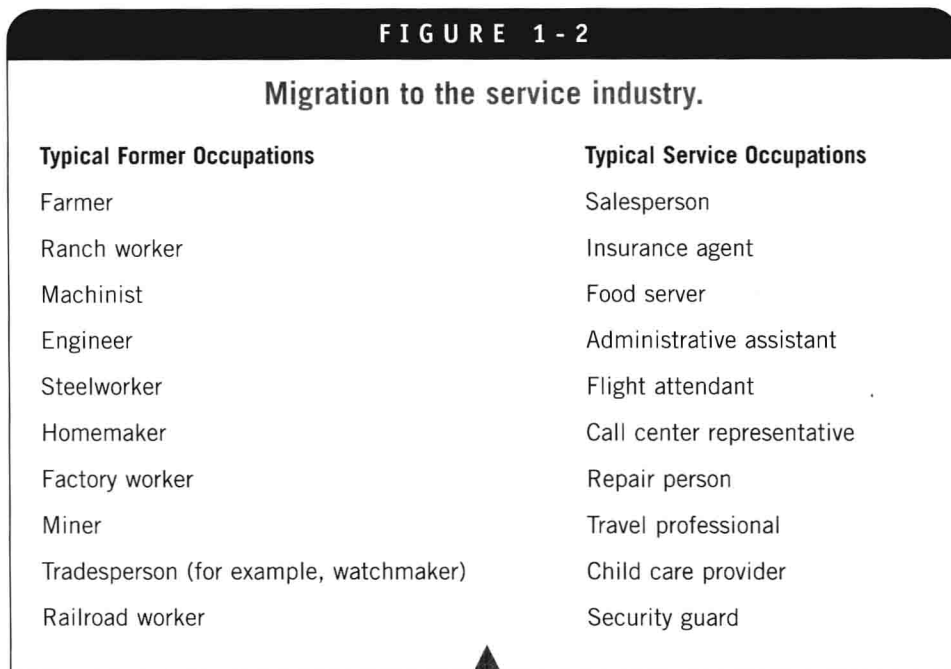
<sup>1</sup> J.R. Meisenheimer II, “The services industry in the ‘good’ versus ‘bad’ job debate,” *Monthly Labor Review*, U.S. Department of Labor, Bureau of Labor statistics, Washington D.C., February 1998, p.22.



► Improving Service Quality

Take a moment to list some of the changes you have personally witnessed in the business world during your lifetime. Are these changes for better or worse? With these changes in mind, what do you—or would you—do to improve service quality as a customer service professional in your chosen industry or position?

As shown in Figure 1-2, since the end of World War II, people have moved from other occupations to join the rapidly growing ranks of service professionals.



**2 GROWTH OF THE SERVICE SECTOR**

► **CONCEPT:** Technology has affected jobs in the following ways: quantity of jobs created, distribution of jobs, and the quality of jobs. The service sector is projected to have the largest job growth.

The Bureau of Labor Statistics has released labor figure projections covering the years 1996–2006 that estimate a rise in the supply of workers by over 15 million people, from 134 million to 149 million people. During that period, service occupations are expected to add 3.9 million new jobs to the economy. Further, during the same period, nine of the top ten industries with the fastest employment growth and eight of the top ten occupations with the largest job growth are projected to be in the service sector.<sup>2</sup> See Figures 1-3 and 1-4.

<sup>2</sup>H.N. Fullerton, Jr., “Labor Force 2006: Slowing down and changing composition,” *Monthly Labor Review*, U.S. Department of Labor, Bureau of Labor statistics, Washington D.C., November 1997, p.1.

**FIGURE 1 - 3**

**Top ten industries with the fastest employment growth (1996–2006).**

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Numbers in thousands of jobs				
Industry description	Employment		Change, 1996–2006	
	1996	2006	Number	Percent
Computer and data processing services	1,208	2,509	1,301	108
Health services	1,172	1,968	796	68
Management and public relations	873	1,400	527	60
Miscellaneous transportation services	204	327	123	60
Residential care	672	1,070	398	59
Personnel supply services	2,646	4,039	1,393	53
Water and sanitation	231	349	118	51
Individual and miscellaneous social services	846	1,266	420	50
Offices of health practitioners	2,751	4,046	1,295	47
Amusement and recreation services, nec.	1,109	1,565	456	41

**FIGURE 1 - 4**

**Top ten occupations with the largest job growth 1996–2006).**

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Numbers in thousands of jobs				
Industry description	Employment		Change, 1996–2006	
	1996	2006	Number	Percent
Cashiers	3,146	3,677	531	17
Systems analysts	506	1,025	519	103
General managers and top executives	3,210	3,677	467	15
Registered nurses	1,971	2,382	411	21
Salespersons, retail	4,072	4,481	409	10
Truck drivers, light and heavy	2,719	3,123	404	15
Home health aides	495	873	378	76
Teacher aides and education assistants	981	1,352	371	38
Nursing aides, orderlies, and attendants	1,312	1,645	333	25
Receptionists and information clerks	1,074	1,392	318	30



In addition, as technology replaces many production line workers, increasing numbers of service jobs are created. This comes about because, as greater numbers and greater varieties of goods are produced, more service people, salespeople, managers, and other professionals are needed to design and market service delivery systems that support those products. Technology-related service jobs such as those of database administrators, computer support specialists, computer scientists, computer engineers, and systems analysts are expected to continue to grow at a rapid pace.

## Impact of the Economy

According to leading economists, today's economy is affecting jobs in three ways: (1) overall quantity of jobs created; (2) the distribution of jobs among industries, occupations, geographic areas, and organizations of different sizes; and (3) the quality of jobs, measured by wages, job security, and opportunities for development.<sup>3</sup>

### **Quantity of Jobs Being Created**

A variety of factors including prevailing interest rates and consumer demand typically cause companies to evaluate how many people they need and which jobs will be established or maintained. In addition, the advent of technology has brought with it the need for many new technical skills in the areas of computer hardware and software operation and maintenance. At the same time, technology has created an opportunity for organizations to transfer tasks previously performed by employees to machines, thus eliminating the need for staff and in many cases leading to *downsizing* (that is, the laying off or dismissal of employees).

### **Distribution of Jobs**

Two parallel trends in job development are occurring. The first comes about from the need for employees to be able to have regular access to personal and professional networks and to engage in collaborative exchanges. This trend means that more jobs are likely to develop in major metropolitan areas, where ease of interaction with peers and suppliers, high customer density, and access to the most current business practices exist. Training and technology resources are also available in these areas. Access to technology resources helps ensure continued learning and growth of employees and also aids organizations in achieving their goals and objectives. Most major growth is projected on the East and West Coasts and in urban areas in the southern and western areas of the country. According to Department of Labor Statistics, the areas with the highest growth of service-related jobs between January 1999 and January 2000 were Texas, South Carolina, Georgia, Florida, California, Nevada, New Hampshire, Maine, and Rhode Island with 4.0 percent and over. Nebraska had the lowest growth with less than 0.0 percent. (See Figure 1-5.)

<sup>3</sup>A.P. Carnevale, L. Gainer, and A. Meltzer. *Workplace Basics: The Skills Employers Want* (Washington D.C.: U.S. Department of Labor and American Society for Training and Development, 1989), p.81.