

UNIT 10: CUSTOMER SERVICE (ADVANCED)

ABOUT THIS UNIT

Effective customer service is an integral part of any successful business organisation. It is through this function that an organisation can fully understand the needs of its customers and ensure that it is responding appropriately to them, thereby gaining a competitive advantage. In this unit you will examine the methods employed by organisations to deal with their customers and clients within organisational and competitive business environment constraints. You will also investigate the skills required to provide a high level of customer service. The knowledge gained in this unit will help you in real customer service scenarios and help you understand the relevance of systems procedures and information handling.

The unit links with, and builds on, the knowledge and skills developed in Unit 1: Business at work (Advanced), Unit 2: The competitive business environment (Advanced) and Unit 3: Marketing (Advanced). It also links with Unit 9: Sales (Advanced). The unit also supports progression to NVQ in Customer Service level 3.

This unit will be assessed through your portfolio work only. The grade awarded will be your grade for the unit.

WHAT YOU NEED TO LEARN

Providing customer service

The front line personnel in an organisation are in essence providing customer service at the point of sale and/or after-sale. It is vital for a successful organisation to ensure that its customer service policy is designed to:

- care for different types of customers such as: the general public, trade, passing trade, regular customers, adults, children, those with special needs and internal customers, in a variety of industries
- meet customer requirements in terms of physical product, after-sales service, response to queries and orders, complaint procedures and the documentation required to manage these areas
- meet customer expectations
- achieve customer satisfaction
- maintain service
- maintain safety.

You must learn how to identify the needs and expectations of customers in respect of the goods and services offered. You must also understand how customer requirements are met, how an organisation benefits from good customer service, identify any drawbacks for the organisation of such activities and know the implications for the organisation of failing to meet the needs of customers.

Consumer protection legislation

You need to understand the influence of the main areas of consumer protection in the provision of customer service. You should understand the *legal and ethical* responsibilities of an organisation to consumers with respect to relevant UK and EU legislation, trading standards and the role of the ombudsman and the principles of fair trading. You should be able to demonstrate an awareness of the consequences of non-compliance with these principles in terms of legal action, competition commission investigations, impact on corporate image and the corresponding impact on sales and profitability. You need to know

how the design of customer service policies can ensure compliance. This is often incorporated into the 'customer charter' or 'commitment to quality' documents which are communicated directly to customers or potential customers. You should know the main implications of the relevant parts of the following legislation:

- Sales of Goods Act 1979 from section 12 to section 15, ie that the seller has the right to sell the goods; the goods will match any description applied to them; the goods must be of satisfactory quality; the goods are fit for the buyer's purpose and, if sold by sample, the bulk matches the sample
- Supply of Goods Act 1973 from section 8 to section 11: title, description; satisfactory quality and fitness (business contracts only); and sample
- Data Protection Act 1984: how the eight data protection principles relate to customer service
- Supply of Goods and Services Act 1982: Part II of the Act and the implication of different terms in contracts for services, ie reasonable care and skill; reasonable time; reasonable price
- Sale and Supply of Goods Act 1994; and the requirement of **merchantable** quality being changed to a requirement of **satisfactory** quality.

It is also necessary to appreciate the nature of the fair trading principles in a customer service context and understand the role of independent consumer organisations, eg TV's *Watchdog* and *Which* magazine.

You need to understand the role of the Office of Fair Trading and the Competition Commission on anti-competitive behaviour in the customer service area.

Customer service skills and communication

You should understand how an organisation applies effective communication in customer service to enable it to present the right image to the customer. The skills required in this front line activity are crucial in gaining and retaining customers.

Customer service may be written, oral, face to face verbal, face to face non-verbal or via the Internet. You will learn the skills required to provide customer service in a variety of situations, including each of the above modes. These specific skills include an understanding of the importance of:

- customer behaviour
- different modes of communication used in customer service
- interpersonal skills such as personal appearance, approach, attitude, listening
- telephone manner (PPEVA: pitch, projection, energy, volume, articulation)
- technological skills in the use of IT and systems used in customer service for customer databases, customer accounts handling, record keeping and feedback from Internet/intranet web sites
- product knowledge with respect to the range of products and their associated features in a front line role.

This will allow you to analyse why particular skills are used in a given situation and allow you to compare poor, good and quality customer service. You must show an understanding of the special difficulties and opportunities in providing customer service in e-commerce transactions.

Improving customer service

The techniques to improve customer service include:

- setting customer service standards which the organisation guarantees to meet via a Code of Practice
- recognising customer service via reward schemes
- the use of different training techniques to address identified training needs
- a wide variety of research methods such as customer questionnaires, interviews with front line staff and customers, feedback from Internet web sites, user panel discussions, management information analysis, mystery shoppers, telephone surveys via freephones and suggestion schemes.

You need to evaluate the extent to which these techniques are being used in the customer service function and suggest improvements that can be incorporated into a customer service policy. The customer policy should outline:

- its link to the mission statement
- how the organisation specifically aims to meet the principles of this statement
- what the customer can expect from the organisation if service falls short of that promised.

You will learn about improving customer service in the public sector and the private sector.

Quality issues

All customer-orientated organisations should monitor complaint and compliment procedures to ensure good standards of customer service. You will learn about:

- repeat business from internal and external customers and investigate reasons for loss of business, particularly from internal customers, which can then be used to improve service
- monitoring quality, including the use of best practice benchmarking to measure performance in service delivery times, complaints and compliments, accuracy in service delivery, quality in damaged or returned products
- the use and effectiveness of quality circles, ie personnel within the organisation identify, analyse and solve problems related to customer service
- the relevance of customer service training and development at all levels from chief executive to new recruit, to enhance both attitudes to customer service and front line skills in carrying out this service
- the importance of regular reviews of the training plan for customer service to ensure training needs are being addressed as the behaviour of customers or competitors' changes.

For this unit you must focus on the role of quality standards in customer service. You must know how quality standards are set, implemented, monitored and communicated to customers. You should also be aware of any associated documentation from procedure manuals to monitoring documentation and public relation activities.

You need to evaluate the appropriateness of the existing methods of monitoring quality in customer service and make a recommendation on how the organisation could improve its system of quality monitoring.

ASSESSMENT EVIDENCE

You need to produce evidence of an investigation into the customer service practices of an organisation and a report (written, verbal or visual) on how the organisation could improve its customer service. The investigation must:

- identify and describe the different types of customers and their needs
- identify and analyse the skills required in customer service
- account for how the organisation has incorporated consumer protection into its customer service policy
- describe how the organisation uses customer service to meet customer needs as well as strategic objectives.

The report on the organisation must include:

- the techniques your chosen organisation has used to try to improve customer service
- how your chosen organisation monitors the performance of its customer service function
- recommendations on how your chosen organisation could improve its quality systems to help meet customer quality standards.

To achieve a grade E your work must show:	To achieve a grade C your work must show:	To achieve a grade A your work must show:
<ul style="list-style-type: none"> • an accurate description of the basic characteristics of the different customers and their needs and an explanation of what is meant by customer service in the context of your chosen organisation • an explanation, using appropriate examples, of how the organisation uses customer service to meet customer needs as well as strategic objectives (this should include an identification of the skills and attributes) • a concise and accurate account of how the organisation has incorporated consumer protection into its customer service policy • a thorough explanation of the techniques used by your chosen organisation to monitor and improve customer service • suggestions on how your chosen organisation might improve its customer service. 	<ul style="list-style-type: none"> • an independent approach to assembling and analysing information about the organisation • a logical analysis of the effectiveness of customer service in the organisation using examples of good practice • an appraisal of the techniques used in your chosen organisation for monitoring and improving customer service with in-built quality measures • clearly justified analysis of your suggestions for improving the customer service of your chosen organisation. 	<ul style="list-style-type: none"> • an evaluation of the provision of customer service in your chosen organisation and of how the customer service is monitored • realistic and thorough recommendations on how your chosen organisation could improve its quality systems to help meet customer quality expectations, with an explanation of the changes the recommendations would bring about.

ESSENTIAL INFORMATION FOR TEACHERS

Teaching strategies

Unit 10: Customer service (Advanced) enables students to study in greater depth aspects of the marketing function. The first section of this unit builds on the knowledge gained from Unit 3: Marketing (Advanced). The section on customer service skills and communication develops further some of the communication aspects covered in Unit 1: Business at work (Advanced). The consumer protection coverage has some overlap with Unit 23: Business law (Advanced) and the customer service scenario may be used to help students understand the legislation relating to consumer protection. The final sections of this unit tie up with Unit 19: Motivating & developing people (Advanced) and Unit 20: Administrative operations (Advanced) and allow students to apply their knowledge to real work situations.

Sensitivity of information

This unit involves students evaluating a business organisation. It is essential that students understand that any evaluation must be based on fact and the application of appropriate business theory. It must be stressed to students that organisations may be sensitive to any criticism of their systems and hence any evaluations must be handled with care. It is appreciated that in many cases organisations will not see the evaluations. However, when they do it is important to appreciate what ‘host’ organisations bring to Advanced VCE courses and ensure that they continue to provide this valuable support. It is hoped, of course, that in the cases where organisations do see the students’ work that the students may make some useful suggestions.

Providing customer service

Students need to learn about the different types of customers: general public, trade, passing trade, regular customers, adults, children, those with special needs and internal customers, in a variety of different industries. This offers an opportunity for role-play and the demonstration of skills required in customer service. Students could work in groups to carry out field research observing actual practices for the different groups and then later suggest ‘best practice’ or they could role-play good and poor practice.

Students need to understand how customer requirements are met in terms of physical product, after-sales service, response to queries and orders, complaint procedures and the documentation required to manage these areas.

They need to use this knowledge to evaluate the effectiveness of the customer service policy for an organisation and its customers and make relevant recommendations on how it could be improved.

Consumer protection legislation

Although students are not required to learn the detail of all legislation and regulation relating to customer service, they should be aware of the relevance to customer service of the implied terms in the:

- Sales of Goods Act 1979 from section 12 to section 15, ie that the seller has the right to sell the goods; the goods will match any description applied to them; the goods must be of satisfactory quality; the goods are fit for the buyer’s purpose and, if sold by sample, the bulk matches the sample
- Supply of Goods Act 1973 from section 8 to section 11: title, description; satisfactory quality and fitness (business contracts only); and sample
- Data Protection Act 1984: how the eight data protection principles relate to customer service

- Supply of Goods and Services Act 1982: Part II of the Act and the implication of different terms in contracts for services ie reasonable care and skill; reasonable time; reasonable price
- Sale and Supply of Goods Act 1994: and the requirement of **merchantable** quality being changed to a requirement of **satisfactory** quality.

It is also necessary to appreciate the nature of the fair trading principles in a customer service context and understand the role of independent consumer organisations, eg TV's *Watchdog* and *Which* magazine.

It is important to also understand the role of the Office of Fair Trading and the Competition Commission on anti-competitive behaviour in the customer service area.

- eg Virgin Atlantic Ltd v British Airways plc. BA tapped into Virgin's customer database and contacted Virgin customers directly to refocus them on BA services. BA's behaviour in this situation has legal and ethical implications in customer service which could be further investigated or used as a platform for discussion.

Students should know how not adhering to the trading standards code could affect a business.

Customer service skills and communication

The importance of customer service has already been stressed and in this section the differences between customer service in the public sector and the private sector should be investigated in more depth. This is an opportunity for role-playing, discussing video material on different customer service policies, or developing interactive audio material to allow students to share their experiences as customers and consumers.

Improving customer service

This section of the unit could be carried out during a work experience placement, via an investigative survey with people working in front-line services.

Improving customer service in the following areas should be covered: the public sector, the private sector and privatised public utilities. The importance of how an organisation responds to customer feedback will be broad and specific to the size, legal form and the sector within which the organisation operates.

Research methods will vary between different organisations and sectors, but students should be aware of the uses, advantages and disadvantages of using the following: customer questionnaires, telephone surveys, face to face interviews, mystery shoppers, suggestion schemes, freephone numbers, customer service groups, focus groups and user groups.

The integrated nature of the links between the techniques to improve customer service and quality issues should be emphasised in all the teaching and learning strategies adopted.

The Internet can be used to improve customer service perhaps by supplying answers to frequently asked questions and seeking customer response on levels of service.

Quality issues

Students need to be aware of international standards on quality systems for customer service eg ISO 9001 (specification for Design, Development, Production, Installation and Servicing, covering organisations concerned with activities from conceptual design to after-sales service). They do not need to know specific details but should appreciate that the awarding of these standards enhances the corporate image of an organisation.

The use of quality standards, eg customer charters, in different sectors and organisations should be discussed. The public utilities scenario should feature, for example London Electricity plc, which has guaranteed service standards. Failure to comply with these standards (for example a power failure) could result in compensation for the customer. An

accompanying standard details how and in what timescale the company will deal with incidents.

Students need to learn how benchmarking techniques are used in customer service to monitor and improve performance. An organisation may compare itself to an organisation in its sector, or to the best in its sector, or to the best internationally recognised organisation for customer service or even to other parts of its own organisation.

The theory and practice of total quality management as being integral to the success of a customer-orientated organisation should be delivered and alternative methods of improving quality should be discussed.

Other issues

Delivery of this unit can contribute to the students' understanding of spiritual, moral, ethical, social and cultural issues in the following manner:

- *moral/ethical*: understanding the general principles of the Race Relations Act, the Sex Discrimination Act and the Equal Pay Act can lead to discussions on moral/ethical issues
- *social/cultural*: understanding issues in human resource planning such as the economic climate and skills shortages can lead to discussions on social/cultural issues.

Delivery of this unit can also raise students' awareness of environmental issues, health and safety considerations and European developments consistent with relevant international agreements in the following manner:

- *health and safety*: the general principles of health and safety at work with respect to employment rights can lead to discussions on health and safety issues.

Assessment strategies

When grading student evidence you should consider the following general qualities that distinguish between the grades:

- increasing depth and breadth of understanding
- increasing coherence, evaluation and analysis
- increasing independence and originality
- increasing objectivity and critical understanding.

Grade E

Work at this level should show understanding of the customer service principles and how these meet the needs of customers, and the use of quality measures keep organisations competitive. The work may be quite descriptive and must show that the student has applied his/her knowledge to the organisation.

Grade C

Grade C work should show independence of thought. It should also show that providing quality customer service will take into account aspects of all the different sections studied in the unit, eg of consumer protection, the continuous improvement of skills, factors that motivate the front line staff, etc.

Grade A

Students should demonstrate personal understanding of the customer service area by directly linking research on the chosen organisation to the theory learnt. The field research should show a thoughtful and thorough plan with data organised in a logical fashion. Students will have produced good quality questionnaires covering all the issues raised in this unit. The report on the chosen organisation will show depth of understanding and will demonstrate the skills of analysis, evaluation and valid recommendation.

The following quality will help distinguish between grades. Students need a wealth of knowledge about being a consumer and a customer and must produce clear evidence of what they have researched.

If you have a student who works in a customer service front line activity, this could be utilised for the benefit of the other students in the form of a presentation and used as part of the assessment opportunity. However, the grade for that work must depend on the quality of the presentation.

Resources

Students need to carry out field/secondary research and it is a good idea to inform organisations/individuals in advance about any planned visits, and the nature of any investigations being conducted by the students.

Students will need access to the material contained within the following Acts of Parliament:

- The Data Protection Act 1984
- The Health and Safety at Work Act 1974
- The Sale of Goods Act 1979
- The Supply of Goods Act 1973
- The Supply of Goods and Services Act 1982
- The Sale and Supply of Goods Act 1994.

Relevant resourcing include published material from the Trading Standards Office and Data Protection Registrar. It would be extremely useful for students to conduct an interview with a local Trading Standards Officer, or for the Officer to do a short presentation to a group of students. The Competition Commission web site provides some useful case studies.

The assessment evidence focuses on researching both the private and public sectors to ensure that students can appreciate the often-different services in the two sectors. Public sector organisations such as local authorities, schools colleges, hospitals, health support organisations, the armed forces, emergency services and similar organisations, eg Royal National Institute for the Blind, could all be used.

Key Skills

This guidance highlights the most relevant Key Skills opportunities in this unit. It contains suggestions only. You will need to check that students have produced all the evidence required to meet part A **and** part B of the Key Skills specifications. Students may need to develop additional evidence elsewhere to meet fully the requirements of the Key Skills specifications.

Guidance is referenced in two ways:

K – keys to attainment

These are Key Skills or aspects of Key Skills which students should achieve as they meet the vocational requirements of the units. Only part B of the Key Skill is highlighted – you will need to check that students achieve part A.

S – signposting

These are opportunities that can be incorporated naturally into the learning programme.

APPLICATION OF NUMBER, LEVEL 3		Key Skills Reference
When students are:	They should be able to develop the following Key Skills evidence:	
<ul style="list-style-type: none"> carrying out an investigation into the customer service practices 	N3.1 Plan and interpret information from two different types of sources, including a large data set.	S
COMMUNICATION, LEVEL 3		Key Skills Reference
When students are:	They should be able to develop the following Key Skills evidence:	
<ul style="list-style-type: none"> carrying out an investigation into the customer service practices presenting a verbal or visual report of how an organisation could improve customer service with in-built quality measures preparing questionnaires as part of their survey and producing a written report of their investigation of one organisation 	C3.1a Contribute to a group discussion about a complex subject.	S
	C3.2 Read and synthesise information from two extended documents about a complex subject. One of these documents should include at least one image.	S
	C3.3 Write two different types of documents about complex subjects. One piece of writing should be an extended document and include at least one image.	S

INFORMATION TECHNOLOGY, LEVEL 3

**Key Skills
Reference**

When students are: **They should be able to develop the following Key Skills evidence:**

WORKING WITH OTHERS, LEVEL 3		Key Skills Reference
When students are:	They should be able to develop the following Key Skills evidence:	
<ul style="list-style-type: none"> • planning the investigation of the customer processes of a given organisation they will need to work with others in order to gain the information they seek • obtaining information on the customer service of the organisation • compiling information on the customer service of the organisation 	WO3.1 Plan complex work with others, agreeing objectives, responsibilities and working arrangements.	S
	WO3.2 Seek to establish and maintain co-operative working relationships over an extended period of time, agreeing changes to achieve agreed objectives.	S
	WO3.3 Review work with others and agree ways of improving collaborative work in the future.	S

