

## **Customer Service**

### **1. SBA Customer Service**

#### ***1.1 Introduction***

Welcome to SBA's online training course: Customer Service.

SBA's Office of Entrepreneurship Education provides this self-paced training exercise as an introduction to customer service and how it impacts your business. You will find this course easy to follow and the subject matter indexed for quick reference and easy access. It will take you about 30 minutes to complete the course. Additional time will be needed to review included resource materials and to complete the suggested next steps at the end of the course.

As audio is used throughout the training, please adjust your speakers accordingly. A transcript and keyboard shortcuts are available to further assist with user accessibility.

When you complete the course, you will have the option of receiving a completion confirmation from the SBA.

#### ***1.2 Course Objectives***

The course has four key objectives:

One, explain why customer service is critical to the success of your business.

Two, list the aspects of customer service.

Three, explain the best practices of customer service.

Four, list some opportunities to expand your customer service visibility.

#### ***1.3 Course Topics***

This course will address four areas on why customer service is critical for small business and ways a small business can improve customer service:

- Why should I implement good customer service?

- What is good customer service?
- How can I improve customer service?
- Are there other actions I can take?

Numerous additional resources are identified to assist you. Visit the resource icon in the course player or locate additional tools, templates, and mentors on SBA.gov once you finish the course.

Let's get started!

### ***1.4 Expanding World Markets***

Good customer service is critical for your small business. Many customers complain, but many others just don't come back, and then they spread their message to others. Social networking and the internet take customer concerns and complaints to an enormous audience.

### ***1.5 Customer Service is Critical***

Customer service is critical when competing with large businesses. It can be difficult to compete with large businesses in terms of purchasing power and pricing; small businesses have the opportunity to leverage the small, personal nature of their businesses to provide exceptional customer service.

An American Express study revealed that 70 percent of consumers would be willing to pay higher prices at a business that offered good customer service. Eighty one percent of consumers believe that small businesses generally offer superior customer service than larger businesses do.

### ***1.6 Establishing Customer Service Best Practices***

How can you ensure your customer service standards surpass expectations? First, assess your current level of service.

Where is your location? Does your business have an office or is it online?

How accessible are you? Do your customers interact with live people or are your systems automated? What message does that send to your customers?

Are you personally represented to your customers? Are you the “face” of your business? How clear are your mission, vision, and values to your customers?

What does customer service mean in your industry? What do customers expect when they approach a business like yours?

These are only a few of the questions you should be asking when assessing your customer service standards. To begin, you must commit to good customer service, and then communicate that commitment to your customers and staff.

### ***1.7 Aspects of Customer Service***

Customer service is about more than solving problems. There are several different aspects of customer service, including:

- First Impressions
- Ethics
- Effective Communication
- Building Relationships
- Customer Complaints

The following pages will discuss these aspects of customer service and the best practices that can be established for each.

### ***1.8 First Impressions***

First impressions are listed as the first aspect of customer service in this course because they set the stage for all future interactions with each customer. Customers need to have a positive experience in their first interaction with your business.

This includes the courtesy of your employees, the ease of access to your location, both online and in office, and establishing a good attitude from the outset.

### ***1.9 Creating Good First Impressions***

To create good first impressions, consider the golden rule, and how you would prefer to be treated when you go to any business. You must demonstrate that your customers are valued in your business.

Start with your employees:

- Hire kind and competent employees that can learn needed skills rather than attempting to alter the attitudes of technically skilled employees
- Train employees well
- Treat employees well and they will treat your customers well
- Provide timely and constructive feedback
- Be open and honest and
- Incentivize best practices

### ***1.10 Ethics***

The second aspect of customer service in this course is ethics. Make sure that your company is always ethical and genuine. Customers care more about the behavior of businesses because they want to make sure they are supporting people with whom they agree.

Your core values will be evident in the way you run your business. Make sure your actions validate the reputation and message you want your customers to view your business. Make sure you are always honest about the services, products, and quality you offer.

### ***1.11 Communicating Effectively in Your Business***

The third aspect of customer service in this course is effective communication.

To effectively communicate with your customers, you must first be responsive. The 30/30 Rule recommends to greet the customer within 30 steps and 30 seconds of entering your store. You and your employees should be able to communicate clearly and concisely. Be aware of non-verbal communication, including facial expressions and the openness of

your employees' body language when customers are present. If your business is online, set up an automatic reply of acknowledgement of any electronic communication, and an alternate means of contact.

To effectively communicate with your customers, you must also follow-up with them. Collect customer feedback and act on it. Communicate with customers after a transaction has been completed and remind them that you value them and their loyalty. If your business is online, keep track of your online reputation, paying special attention to poor reviews and customer complaints, and respond to those customers as soon as possible.

### ***1.12 Building Relationships***

The fourth aspect of customer service is building relationships with your customers. It is very important that your customers know who you are and what you stand for. Relationships include the rapport you build with other people. Customers should feel valued and as though you are really considering their needs.

Don't forget that not all customers are the same. So, you will have to vary your approach depending upon who you are speaking with.

### ***1.13 Customer Complaints***

The last aspect of customer service that we will discuss in this course is customer complaints. There is a good process for addressing customer complaints. To successfully resolve a problem, you must determine the root cause of the problem, rectify the situation, restore the relationship with the customer, and fix the problem.

### ***1.14 Steps to Resolving Customer Complaints***

There are four steps to resolving customer complaints.

- First, be available. Customers should be able to contact someone in your business to communicate their complaints.
- Second, defuse tension. Listen carefully, and do not get defensive when customers are upset. Instead, try to get to the root of the problem and resolve it. Train your employees to prevent difficult situations from escalating.
- Third, Apologize.
- Finally, solve problems. Empower your employees with the flexibility to address customer complaints and consider providing written guidelines for addressing customer complaints. Also, incentivize customers to return by offering discounts or freebies, and

follow-up with the customer after the complaint is resolved. Most importantly, investigate why there was a problem and try to prevent it from occurring in the future.

### ***1.15 Taking Action***

Now that we have reviewed the main aspects of customer service, and the best practices for each, let's focus on how you can take action immediately to start expanding your customer service visibility. These actions include:

- Training employees
- Embracing social media, and
- Establishing loyalty programs

As we continue through this course, you will learn more about these courses of action, and how you can immediately implement these practices into your business.

### ***1.16 Training Employees***

The first way you can take action to expanding your customer service visibility is to train your employees. What do your employees know in order to deliver the best customer service? Remember, your employees are often the face of your business as far as your customers are concerned. Training should begin on day one. Ensure that learning has transferred and that employees are implementing their training on the job. You can help to motivate your employees by providing timely feedback and by providing incentives for good customer service.

### ***1.17 Social Media Presence***

Another great way for you to take action towards expanding your customer service visibility is to establish a social media presence. Put yourself in your customer's shoes. Have you ever emailed or called a company's customer service department and got no response or a poor response to your comments? Did you instead post a rant on Twitter or Facebook until you got a response? Well, you are not alone - more and more customers are expecting businesses to respond to these posts.

You need to use social media not just as a marketing tool, but also as a systematic part of your customer service model.

### ***1.18 Social Media Presence (Cont'd.)***

Consider your social media presence the new first face of your business and try to make a good impression there. Social media represents the human face, voice, and ears of your business. Therefore, it is important for you to align social media with all levels of your organization, including sales, marketing, billing, and product development. This gives customers the opportunity to be involved and feel like real stakeholders in your business. To do this, you must change your social media paradigm. You can do this by:

- Recognizing that your social media efforts are front and center to your efforts to retain and nurture prospects and customers
- Being strategic about social media and how you engage with fans
- Monitoring social media regularly, and not just when you are trying to promote a product or service, and
- Responding to issues the same day, even if the response is just an acknowledgement that you are looking into the issue

After you have embraced social media as an important part of customer service, you should define rules for responding to customer complaints, comments, and complements via social media. Then, assign someone in your business to fulfill that role.

### ***1.19 Loyalty Programs***

Finally, you can expand your customer service visibility by establishing loyalty programs within your business. Small business loyalty programs are another great way of showing customers that they are valued. They encourage return business and help you gather information about your customer demographic.

Here are seven tips for starting a small business loyalty program:

- If you are new to loyalty programs and want a low tech option, a simple punch card is the best route to go. Just design and print out a card and offer a free gift after a certain number of purchases. While this option is simple, there are a few drawbacks such as not being able to track customers and being reliant on the customer to carry the card around with them.
- Another easy option is to set up a simple offers and rewards program. Have your

customers share their email address and add them to an opt-in list. This form of email sign-up is easy for the customer, and promises them regular communications and special offers only available to loyalty members.

- If you want to reward customers who spend the most, develop a premium loyalty program that limits who may be eligible. You can track higher value purchases over time, and invite those customers to join.
- There are a number of commercially available loyalty cards that let you design branded cards, track and manage customer behavior such as number of customer visits to your store, average amount spent, and more.
- With the growing mobile loyalty trend, it is important for you do add a digital component to your business. This may take the form of an app, a mobile payment platform, or even connecting into social media making it easier for your customers to share your business with others.
- You need to also choose your incentives carefully. Freebies are not always the best choice. For small businesses, customer loyalty is founded first on great service, a personal greeting, and the quality of your products or services. So make your incentives as unique as your business. For example, experiential rewards that reward your customers with opportunities can add value to your customer's lives, and help your business stand out.
- Finally, treat your loyalty customers well by communicating with them regularly.

### ***1.20 Summary***

That was a lot of information. Establishing good customer service standards can improve your standing in the marketplace and expand your customer base. In this course you have:

- Addressed why customer service is so important to small business
- Listed some important aspects of good customer service
- Discussed methods in improving each aspect of customer service
- Listed additional actions you can take to enhance your customer service reputation

### ***1.21 Next Steps***

Now what should you do? Follow these steps to begin applying your knowledge of customer service principles in your business.

Step 1) Evaluate your current customer service status

Step 2) Identify areas that need improvement

Step 3) Create a game plan for improving areas that need improvement

Step 4) Consider additional opportunities for enhancing your customer service

### ***1.22 Resources***

SBA has a broad network of skilled counselors and business development specialists. Below is a short description of our resource partners:

- Over 900 **Small Business Development Centers (SBDCs)** provide a vast array of technical assistance to small businesses and aspiring entrepreneurs. By supporting business growth, sustainability and enhancing the creation of new businesses entities, SBDCs foster local and regional economic development through job creation and retention. As a result of the no cost, extensive, one-on-one, long-term professional business advising, low-cost training and other specialized services SBDC clients receive, the program remains one of the nation's largest small business assistance programs in the federal government. The SBDCs are made up of a unique collaboration of SBA federal funds, state and local governments, and private sector resources.
- **SCORE** is a powerful, nationwide source of free and confidential small business advice to help build your business. More than 12,000 SCORE volunteers are available to share their expertise and experience in lessons learned in small business.
- **Women's Business Centers (WBCs)** are education centers designed to assist women in starting and growing small businesses by providing management and technical assistance. Over 100 WBCs are located throughout the US and Puerto Rico.
- The SBA has 84 **District and Branch offices** in all 50 states, as well as Puerto Rico, the US Virgin Islands, and Guam. These offices support the growth of small business by connecting customers to resources, products and services provided by our resource and Agency partners at the Federal, State and local levels.
- The Veterans Business Outreach Program is designed to provide entrepreneurial development services such as business training, counseling and mentoring, and

referrals for eligible veterans owning or considering starting a small business. The SBA has 15 organizations participating in this cooperative agreement and serving as **Veterans Business Outreach Centers (VBOC)**.

- The **SBA Learning Center** is an online portal that hosts a variety of self-paced online training courses, quick videos, web chats and more to help small business owners explore and learn about the many aspects of business ownership. Content is filtered by topic, so no matter the stage of your business, or the kind of insight you need, you can quickly get answers.

Find your local resource using our handy zip-code tool: [www.sba.gov/local-assistance](http://www.sba.gov/local-assistance)

### ***1.23 Have a Question?***

Have a question?

- Call SBA - 1-800 U ASK SBA (1-800 827-5722)
- E-mail SBA - [answerdesk@sba.gov](mailto:answerdesk@sba.gov)
- Locate a SCORE counselor, SBA district office near you, or an SBDC office near you at [www.sba.gov/local-assistance](http://www.sba.gov/local-assistance)
- To provide feedback, comments or suggestions for other SBA online content, please use the following email: [learning@sba.gov](mailto:learning@sba.gov)

### ***1.24 Certificate***

Congratulations on completing this course. We hope it was helpful and provided a good working knowledge of customer service principles. Click the certificate to receive a course completion confirmation from the U.S. Small Business Administration.