

The Survey Sample

The sample consisted of Personal Members of the Australian Institute of Management WA who were sent an electronic questionnaire via email. 628 Members, representing a response rate of 8%, responded to the survey. The sample's characteristics are shown in the tables below.

The sample is not strictly representative of the WA business community at large which typically has a larger proportion of people employed in organisations of 20 or less employees. Similarly the number of people who indicated they were in senior roles exceeds the numbers found in the general business community. The results should be considered in the light of this skewed sample.

Survey on Customer Service

An electronic survey was conducted earlier this year with Personal Members of the Australian Institute of Management in Western Australia (AIM). The survey explored the topic of customer service, and its findings reinforced how much potential for differentiation customer service represents to organisations. It supported the premise that poor customer service, as opposed to good service, is indeed a topic of conversation, although both are widely discussed. The research identified a wide range of initiatives to facilitate stronger customer service, and ways of ensuring that feedback is communicated back to staff. Both an organisation's management skill and style, and the personality and dedication of individual staff, can make a great deal of difference to the customer service offerings being made or encountered. In addition, there

was majority agreement that automated phone systems were not helping the customer service experience. If a single message is forthcoming from the myriad of information this survey captured, it is that customer service offers considerable potential for organisations to successfully differentiate themselves from their competitors.

AIM would like to thank the respondents who took the time to complete the survey and thereby increase our collective knowledge of the issues relevant to today's business community pertinent to their experiences and perceptions of customer service. The views and attitudes reflected in our survey reinforce why good service is such a pressing concern to every organisation in Western Australia and beyond.

Section 1: Perceptions of Customer Service in WA

As the chart below shows, there were reasonably diverse opinions across the sample about whether customer service levels in WA have improved or not in the last five years. Whilst the largest segment (44%) thought positive changes had been occurring, this still left considerable scope for improvement, according to the combined 56% remaining, who at best reported no change to levels (23%), or who perceived a drop in service standards (33%).



Respondents expanded, on this topic, that customer service provides a “massive opportunity” and represents a “key differentiator between suppliers”. The current boom times were observed as providing an interesting effect on this differentiation:

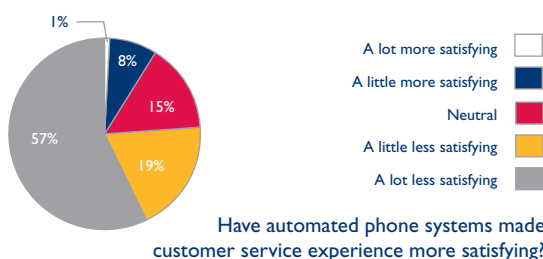
“In today’s booming economy, customers expect quality products and service to match, but also know they may have to wait. When the down turn happens, we will all be clambering to retain our customers”.

Reasons for a reduction in customer service levels in WA in recent years were considered by some to be a symptom of reduced management focus. In addition, societal trends were identified, with perceptions that “unrealistic workloads and pressure” were contributing to increased apathy and aggression, which was inevitably rippling down into customer service:

“The attitudes of customers have been changing in the past few years, (there) appears to be a growing lack of consideration for others in our society. If customers are being rude, so too are those serving them”.

The Impact of Automated Phone Systems?

An overwhelming nine out of ten respondents considered the introduction of automated phone systems to have had, at best, no impact on their customer service experiences. In fact, three quarters (76%) perceived their introduction to have had a detrimental effect, with the majority of these having found the experience a lot less satisfying, not just a little. Less than one in seven (15%) had a neutral view towards such phone systems, and fewer than one in ten (9%) had found them to be a positive initiative.



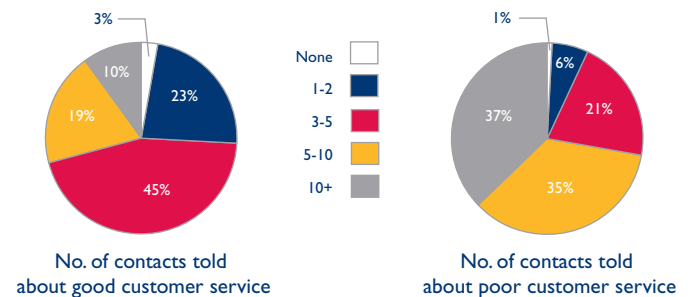
This set of questions elicited divergent opinions about which industries had provided respondents with the best and the worst customer service experiences. There was a wide selection of industries said to exemplify good customer service, including airlines, automotive, healthcare, hotels, postal, and tourism. Additional nominations included hospitality, banking and financial services, government, insurance, internet providers, mining, and telecommunication companies.

However, some of these industries resulted in a polarisation of response. Hospitality, for example, tipped the scales on the positive side, despite prompting negative responses also, but banking, government, and telecommunication industries all tipped the negative side of the scales. Some respondents also conveyed they had experienced poor customer service from tradespeople, the building trade, security and restaurants.

Interestingly, a commonplace opinion was an inability to nominate any particular industry (especially on the “good” stakes), sometimes expanding that the issue was not industry-specific, but only company-specific instead.

Networks with whom Customer Service is Discussed

The research indicates that experiences of customer service are a topic of conversation, with only 1-3% reporting that they do not typically talk about such encounters. Talk is almost four times more widespread when the experience has been a poor one, with 37% of the sample reporting that they typically tell more than ten friends/colleagues when they have experienced poor customer service, versus only 10% of respondents telling the same wide network about good experiences.



What constitutes “wow” service?

Answers here revolved predominantly around personality traits and characteristics, such as open-mindedness, friendliness, empathy, attentiveness, sincerity, appreciation, and a positive approach. Listening skills, a welcoming smile, and remembering names were regarded as simple but powerful elements of strong customer service. Importantly, however, these virtues needed to be genuine.

Respondents’ answers also highlighted aspects of service that an organisation, and not just an individual, can play. For example, empowerment of staff to be able to make decisions, for these decisions to be made reasonably quickly, and for the staff to possess good product knowledge were all suggested, as was the need for transaction processes to be simple.

A minority of respondents could suggest no aspect of service which had elevated the experience to a “wow” rating for them. However, for the majority good customer service was synonymous with *interested, personal, professional, and polite*.

Section 2: Organisations' Commitment to Customer Service

The research indicated that organisations can undertake a lot of initiatives to maximise their service for customers, including creating a customer service strategy or charter, and then encouraging staff and customers to access it.

Over three-quarters of respondents reported working in an organisation which has some form of customer service charter or strategy in existence. However, this meant that over one in five (22%) either work somewhere without one, or the existence of one is unknown to them.



Does organisation have a customer service charter?

Of those respondents who did know of an organisational charter on customer service, approximately one in six had only a vague idea or no idea at all about what it said. However, this meant that the vast majority knew what it said, to a greater or lesser extent.



Knowledge of what the charter is (amongst those who know one exists)

The most widespread place to disseminate information about an organisation's customer service charter was on the website, followed closely by some reference to it in that organisation's mission statement. However, there were a host of other methods also identified for accessing any charter, as indicated on the chart below.



(NB: As this question allowed for multiple choice answers, the percentages add up to more than 100%).



... customer service was synonymous with interested, personal, professional, and polite.

The company documentation referred to in the previous chart included business cards, adverts and fliers etc, and sometimes the charter was included with accounts. "Other" methods featured inclusion of the charter in business/strategic plans, on computer screen savers, staff handbooks, procedures manuals, and employment documentation; reiteration of it through coaching and role models; and at meetings, presentations, training sessions, inductions, and staff appraisals.

How Customer Feedback is measured and evaluated

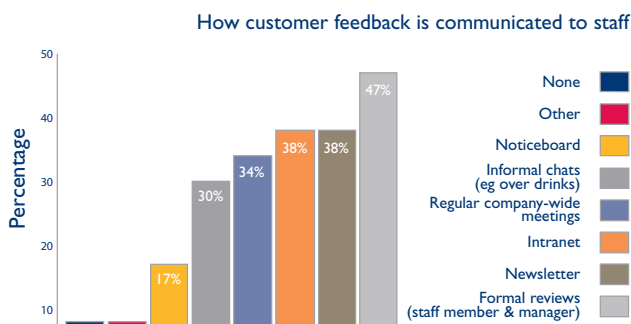
Both formal and informal methods of capturing customer feedback were reported, including one or more of the following:

- Formal measurement using questionnaires over time
- Anecdotal, informal feedback
- External market reports
- After sales feedback/evaluation forms distributed
- After sales visits
- 1800 free call numbers for feedback
- Awards and recognition schemes for staff
- Track sales levels, and sales reports
- Monitoring complaints or customer departures, or conversely compliments
- Rate of recommendations and repeat business
- Mystery shopper
- Metrics (eg time to answer phone, reply, etc)
- Audited reports, standards and quality assurance
- Quality call listening
- Share value
- International benchmarking, and KPIs

Some respondents articulated the potential masking effect that over-reliance on pure measurements could have (eg if a phone is answered quickly, but then put on lengthy hold). Clearly the spirit of any measurement guidelines or processes utilised needs close management to ensure integrity is not lost, and that customer care appears to be genuine (a concept reiterated previously in this report).

Communication of Feedback to Staff

Whilst in a minority of respondents' organisations customer feedback appears not to be communicated back to staff at all, the vast majority of organisations utilise one or more of the following formal or informal channels:



(NB: As this question allowed for multiple choice answers, the percentages add up to more than 100%.)

A degree of concern was voiced by some as to the balance of feedback being provided, as epitomised by the quote below:

"Well dones are few and far between. Please explain phone calls or terse emails".

Resolution of problems?

Almost half of the sample (48%) reported expecting any service problem in their business dealings to be resolved in the same day, as the chart below shows. That said, however, over half envisaged a longer period to be reasonable.



(NB: Of course this question assumes a certain level of generalisation, and it is acknowledged that actual length of time would be affected by the seriousness of the problem in hand. It was suggested that respondents consider their last real experience, if they felt that they could not generalise in their answer).

Involvement by suppliers

The final area of investigation in this research survey explored the level of involvement respondents have in their suppliers' customer service decisions. Perhaps not surprisingly, most respondents reported that they are not involved by their suppliers in that supplier's decisions regarding customer service.



However, whilst this was the situation, it was interesting to find that over half of those not involved wanted to be, and more than one-quarter of those involved wanted still more involvement.

Summary

Not surprisingly, the research findings reinforced what a difference a good customer service experience can make to the perception of that organisation compared to its competitors. As a key differentiator, customer service offers immense opportunity in an organisation's strategic and tactical armoury.

Customer service is an area of conversation, and the research findings reiterated the perception that people talk more about poor service than they do good service. There are, however, a number of initiatives that organisations can follow to ensure a strong customer focus, including:

- encouraging the existence of, and widespread access to, customer service charters
- involvement of customers in that organisation's decisions about customer service
- the capture of customer feedback, and dissemination of this back to staff
- adequate focus on recruitment and then training practices
- sufficient management emphasis and support
- simple transaction and customer-oriented phone systems

An interesting cautionary note was sounded about the likely increased focus that customer service would be elevated to after the current economic strength of WA had elapsed:

"When the market is buoyant, customer service levels decrease as 'there is always another customer around the corner'. This will come back to haunt quite a few companies when market conditions change".

Regardless of passing economic trends however, as one respondent put it, customer service should be viewed as *"not a cost, but can be a liability"*.

For further information on this survey and other AIM research, call the Australian Institute of Management on tel: (08) 9383 8088 or visit the website on www.aimwa.com

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