

# **Cooperative Business Management**

## **Level-I**

**Based on March, 2022, Version- III Occupational  
standard**



**Module Title: - Cooperative Customer Service**

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## Introduction to the Module

Dear student! Welcome to the module “**Cooperative Customer Service**”. This learner’s guide was prepared to help you achieve the required competence in “**Cooperative Business Management Level I**”. This will be the source of information for you to acquire knowledge attitude and skills in this particular occupation with minimum supervision or help from your trainer. This course has three learning out comes such as: Customer’s approach, Cooperative customers’ service needs, Service delivery

The **first** learning outcome of this module presents Customer’s approach: Discuss Establishment of relationship with customers, Explain Utilization of effective communication, Define Customer care. The **second** learning outcome deals about the Cooperative customers’ service needs: Identify Techniques of collecting cooperative customer’s need, Elaborate Identification and prioritization of customer’s needs. The **third** learning outcome deals about Service delivery: Provision of prompt services Inform problems, delay and follow-up timely Maintain communication with customers, Complaint assessment and handling.

## LG #13

## LO #1-Customer's approach

### Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Establishment of relationship with customers
- Utilization of effective communication
- Customer care

This guide will also assist you to attain the learning outcomes stated in the cover page.

Specifically, upon completion of this learning guide, you will be able to:

- Discuss Establishment of relationship with customers
- Explain Utilization of effective communication
- Define Customer care

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks

## Information Sheet 1

### 1.1 Establish relationship with customer

Customer relationships are the foundation of many businesses. You can optimize your customer relations strategies by using a range of tactics that make customer satisfaction a priority. In this article, we review the importance of customer relations and share thirteen methods for developing lasting, profitable relationships with your customers.

Building a working relationship with customers is key to the long-term success of a business. Having a strong connection based on trust and communication helps customers feel more secure and connected with a brand, and it can also lead to growing customer retention and your repeat purchase rate.

Customer relationships are the connections that a company forms with a customer through interactions and purchases. A business's marketing, branding and business policies can all have an impact on how customers view their relationship with the company. Customer relationships can help businesses form the kind of loyal connections that lead to long-term profits.

**Customer relationships:** To build good customer relationships you need to:

- Greet customers and approach them in a way that is natural and fits the individual situation
- Show customers that you understand what their needs are
- Accept that some people won't want your products and concentrate on building relationships with those who do
- Help people even just letting a customer know about an event that you know they're personally interested in is helpful

### **1.1.1. Importance of building strong customer relationships**

You know a bad customer service experience when you face it. You leave a business feeling unsatisfied and unappreciated. Even amongst the confusion, you realize that you never want to shop with that same business again.

As an entrepreneur, you should learn the importance of customers to your company. They give it a reason and means to exist. This is why you must keep yours happy and maintain them. Regardless of how long you have been in business, you must have heard the phrase “The customer is always right”.

The person who coined this phrase wasn’t drunk when he said so. He is aware of the importance of building and maintaining good customer relationships which should be the primary objectives of firms because of its importance. Many establishments have even created a special department in their head office and branches to deal with customer complaints and serve as a link from the management to the customers.

Customers are the heartbeat of any establishment.

A satisfied customer is surely going to tell other people about your business, and the satisfaction he got from it. For this reason alone, you will get more profits in the future. The mistake most businesses make is putting profits before customer satisfaction. Yes, the main objective of every business organization is to make profits, however, never do it at the expense of customers’ satisfaction.

## **1. It reduces the risk of losing customers**

It is a common belief that the major reason why customers will run away from your product is because of prices. However, recent studies have shown that prices are only minor reasons customers stopped using a product.

Experts have found poor customer relationships to be one of the major reasons businesses lose customers. As a new business, you need to set up a customer service desk as soon as possible or live-chat options with customers if and when needed – because no business is too small to receive complaints. When customers don’t know who to complain to, they might switch choices. As a large company or business, you need to track customer happiness and satisfaction by setting up opinion boxes. You could also personally take your time to ask customers what they think should be added to the already existing service.

These are initiatives that could help to build a lasting relationship with your customers. Also, you can try hosting an end of the year party to bring your customers together to establish a kind of communal relationship where they can socialize with each other.

## **2. It creates a competitive environment**

In a competitive environment, having a strong customer relationship could mean the difference between you and your competition. The fight for customers is what business is all about and if your customers are not satisfied with the way they are being treated, they will take their contracts or money to your competition.

If you neglect this slight move because a few customers switched ships, then you might be humbled when half of your customers do the same. You have to take the departure of even one customer very seriously.

I have an aunt who owns a restaurant. She applied to cook for a university and was given the contract. However, there was another caterer who also stayed in the school canteen and prepared the same type of meals. My aunt noticed that the woman who was already there didn't really care about the students, she cooked late, and her staff was mean and arrogant.

So my aunt took advantage of this and made sure her customer service was top notch. She introduced new meals, added incentives and prepared her food early enough for students who wished to eat before going to class.

In less than a month, my aunt had successfully taken more than 80% of the student population, turned them into loyal customers and eventually attracted bankers and school academic staff also came to eat.

## **3. It influences repurchase and loyalty functions**

Building a good customer relationship gives you an assurance of repurchase and loyalty from your customers. A happy customer will always come back for one thing or the other, but an unhappy customer will try someone else when he needs assistance in the future.

Any business that takes customer service seriously usually ends up with the most loyal customers in the market. If you are a sole proprietor, make sure to interact with your customers when they come to make a purchase.

Ask them how their day went; tell them about any added exclusive incentives that you might be offering to them, everybody likes the word free, no matter how small it is.

## **4. It is less expensive to retain old customers than look for new one**

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This is very true indeed. Statistics prove that it is six times less expensive retaining customers than acquiring new ones. Imagine the cost of TV Ads, Radio Ads, and newspaper Ads plus Social media promotions.

All these put-together are capital-intensive projects, one that a company shouldn't be engaged in too often to ensure that they keep their heads above water when it comes to their finances.

However, when you embark on this project and you are able to attract and sell to customers, then you are now tasked with the job of building and maintaining a good relationship with these new customers you have acquired.

### **5. You would be able to establish networks and connections**

Building and maintaining good customer relationships can help your business when it comes to link-ups and connections. Let us assume you manage a bank and you are able to satisfy customer. Then Customer A goes home and he meets his friend Customer who is looking for a suitable bank to deposit his money, there is a very high probability that customer A will praise and recommend your bank because of the kind of service and treatment he got there.

Do you now have an idea of how this connection works? When you are able to satisfy one person, you have successfully advertised your business because that customer will tell someone else. Do you now see why businesses these days are taking customer satisfaction very seriously? It is a low budget, effective and beneficial advertisement strategy?



## **6. It could reduce market rejection**

This is the opposite of what I explained earlier. You do not want this for your business. People are good at spreading the word about a good service they experienced in the hands of your company.

However, customers are even better at spreading the word about a terrible service they experienced in the hands of your company.

According to experts, a dissatisfied customer could tell around 13 people about a terrible service he got from your business. Therefore, you must take great care to monitor customer satisfaction to avoid having a bad reputation on the streets.

Once in a while, take your time to conduct a survey or a poll on your social media handle or your website. Ask customers to rate your customer service on a scale of 10-100%. If your overall rating is less than 70%, then there is a need to up your game. Whichever of your department needs a check-up monitors it and fixes it.

## **7. It increases revenue from a single customer**

Building and maintaining good customer relationships can help to increase the revenue you can generate from a single customer. For instance, when you go to purchase a phone from a gadget store and you got free earphone, some candies and wonderful customer service altogether, would you feel?

Now tell me, if your charger should get spoilt after a while, where are you going to purchase another charger, that previous store right? Yes!

That is how good customer service can help your business. It can increase the amount of revenue you generate from a satisfied customer. As long as you are honest, calm, friendly and approachable while selling a product or delivering a service, your customer is surely going to come back again.

## **8. It creates a secured customer base**

The market is a very competitive place and very unpredictable as well. You can compare the market to a rollercoaster ride. One minute, it is up and the next, it comes crashing down.

In a situation where this kind of event starts happening, it is an advantage to have a secured customer base. At least, one that you know will buy from you no matter what.

The only way to do this is by building and maintaining a strong customer relationship, interacting with your customers, and providing their needs to the best of your ability.

## **9. It prevents young business failure**

According to experts, one of the major reasons why young businesses fail is because they often neglect customer service. It is important to note that customers are already used to the popular brands that meet their needs. You will need to have an ace up your sleeves to bring in your own product.

Good customer service can be the ace up your sleeves, it is very likely that due to the popular brand has acquired over the years, they will hardly have time to satisfy customers properly, and that is where your business comes in.

You should promise a far better customer service and the same product at the same price. This is a sweet deal that any customer would love.

## **10. It reduces churning employees**

Everyone with a conscience likes to work in a conducive environment, where hard work is appreciated and customers are treated fairly. Take away any of these things and you might have to lose employee every month.

Building and maintaining good customer relationships helps to reduce turnovers because happy customers and satisfied workers make up a healthy, profitable and lasting business. Your ability to create this kind of environment is what makes you a great manager.

## **11. It strengthens your brand**

A brilliant entrepreneur once said “The best brand is not one that makes the most profits annually. The best brand is the one known for its brilliant customer service.” This made a lot of sense to me because I could see that it was evident in my life and the way I make every day financial decisions.

When I was a kid, there was this store I go to whenever I want to purchase cheap footwear’s, although their customer service was average. However, my mom would still take me to the bigger stores in the city to purchase more expensive footwear’s because of that brilliant customer service.

Generally, people love to be treated specially and they might even be willing to pay extra for this comfort. However, it is important that I point out that you don’t have to go over your budget to satisfy customers, a simple gesture can be enough evidence that you care for their satisfaction.

There is a bank in Nigeria that serves candy to customers waiting in the reception. It was just candy, but I could see how customers appreciated it.

### 1.1.2. Strategies to relationship with customer

1. **Communicate:** Establish open, consistent lines of communication with your client. Offer them multiple ways to get in touch with you, such as a cell phone number, office phone number and email address. Establish regular communication to assess the project and answer any questions. Be available to speak with your clients should they need you to show you care about them.

2. **Stay positive:** Keep a positive attitude at all times with your client. If your project experiences challenges or delays, remain positive and solution-driven to give clients confidence in your work. A positive persona should ease any worries your client has and motivate them to stay positive about the project themselves.

3. **Share knowledge:** Your client may not know or understand the details involved in your company's work initially. Explain clearly how communication between your company and the client works, describe how the product or service functions and provide a clear timeline for the project with regular updates. Create tutorials and training sessions for your product or service if you think your customers could benefit from them. Keeping your clients informed allows them to feel comfortable throughout the process.

4. **be open-minded:** Your client may have requests or suggestions for the project timeline or product design. Do what you can to incorporate your client's needs and wants into the process. Accommodate their needs to the best of your ability, and remain open-minded when fielding their suggestions and wishes.

5. **Remain human:** You might interact exclusively with your client over email or through phone calls. Make an effort to build a personal rapport with your client so they see you as a person and advocate rather than just an email address. Creating a personal connection is key to establishing a strong client relationship

6. **Learn their needs:** When you first begin on boarding your client, take the time to learn about their business needs and operations. The better you understand how their company functions, the better positioned you can create the ideal sales, project and transactional experience for them

This approach also allows you to offer personalized services while a competitor may try to apply a one-size-fits-all solution to its client base.

7. **Exceed expectations:** When possible, exceed your client's expectations for service, timeline and delivery. Provide realistic timeframes and work to deliver the product or solution as quickly as you can. Maintain communication, answer questions and make sure you meet your client's needs throughout the process.

8. **Do your research:** Find out all you can about your client, whether they're an individual customer or a business. Research and knowledge can help you better meet their short- and long-term needs. For instance, you might learn what competitors offer your clients and use this information to increase your value proposition.

9. **Maintain two-way accountability:** Your clients expect you to provide deliverables according to the established deadlines. By adhering to the schedule, you demonstrate your organization's ability to deliver fast and effective solutions. It's also important for the client to provide you with timely updates and evolving project requirements, so ensure you set up communication expectations to maximize accountability.

10. **Solicit feedback:** A simple yet effective way to improve client relationships is by asking for feedback. You can encourage the client to address any complaints they have with your services and invite them to offer improvement suggestions. By implementing this feedback into your processes, you can provide better services on future projects. Consider using tools like surveys and open-door policies to solicit honest, relevant feedback.

11. **Set clear boundaries:** While it's important for clients to see that businesses are flexible with their project requirements, it's important to set boundaries from the beginning. For instance, you might clarify how many product revisions are included with the pricing before you bill the client for extra hours. This approach ensures the client maintains realistic expectations and prevents them from taking advantage of your services.

## 1.2 Utilization of effective communication

Utilization Effective communication is about more than just exchanging information. It's about understanding the emotion and intentions behind the information. As well as being able to clearly convey a message, you need to also listen in a way that gains the full meaning of what's being said and makes the other person feel heard and understood.

Effective communication occurs when there is shared meaning. The message that is sent is the same message that is received. There must be a mutual understanding between the sender and the receiver for the transmission of ideas or information to be successful.

#### 1.2.1. Definition of Effective communication.

- Using language that is appropriate to others' levels of understanding.
- Making sure others receive the information or knowledge intended.
- Developing relationships with others.
- Talking with others in a way that facilitates openness, honesty and cooperation.
- Providing feedback.

Effective communication sounds like it should be instinctive. But all too often, when we try to communicate with others something goes astray. We say one thing, the other person hears something else, and misunderstandings, frustration, and conflicts ensue. This can cause problems in your home, school, and work relationships.

For many of us, communicating more clearly and effectively requires learning some important skills. Whether you're trying to improve communication with your spouse, kids, boss, or coworkers, learning these skills can deepen your connections to others, build greater trust and respect, and improve teamwork, problem solving, and your overall social and emotional health.

#### 1.2.2. Benefits of effective communication

The benefits of communication effectiveness can be witnessed in the workplace, in an educational setting, and in your personal life. Learning how to communicate well can be a boon in each of these areas.

- ✓ Giving members full attention
- ✓ Maintaining eye contact, except where eye contact may be culturally inappropriate
- ✓ Speaking clearly and concisely
- ✓ Using active listening techniques
- ✓ Using appropriate language and tone of voice
- ✓ Using clear written information/communication
- ✓ Using non-verbal communication e.g. Body language, personal presentation (for face-to-face interactions)

✓ **In the workplace, effective communication can help you:**

- Manage employees and build teams
- Grow your organization more rapidly and retain employees
- Benefit from enhanced creativity and innovation
- Build strong relationships and attract more opportunities for you or your organization

✓ **In your personal life, effective communication can lead to:**

- Improved social, emotional, and mental health
- Deeper existing connections
- New bonds based on trust and transparency
- Better problem-solving and conflict resolution skills

Effective communication is a part and parcel of any successful organization. Any communication should be free from barriers so as to be effective.

### 1.2.3. The characteristics of effective communication

1. **Clarity of Purpose:** The message to be delivered must be clear in the mind of sender. The person to whom it is targeted and the aim of the message should be clear.

2. **Completeness:** The message delivered should be complete. It should be supported by facts and observations. It should be well planned and organized. No assumptions should be made by the receiver.

3. **Conciseness:** The message should be concise. It should not include any unnecessary details. It should be short and complete.
4. **Feedback:** Whether the message sent by the sender is understood in same terms by the receiver or not can be judged by the feedback received. The feedback should be timely and in personal. It should be specific rather than general.
5. **Empathy:** Empathy with the listeners is essential for effective verbal communication. The speaker should step into the shoes of the listener and be sensitive to their needs and emotions. This way he can understand things from their perspective and make communication more effective.
6. **Modify the message according to the audience:** The information requirement by different people in the organization differs according to their needs. What is relevant to the middle level management might not be relevant to the top level of management. Use of jargons should be minimized because it might lead to misunderstanding and misinterpretations. The message should be modified according to the needs and requirements of the targeted audience.
7. **Multiple Channels of communication:** For effective communication multiple channels should be used as it increases the chances of clarity of message. The message is reinforced by using different channels and there are less chances of deformation of message.
8. **Make effective use of Grapevine (informal channel of communication):** The employees and managers should not always discourage grapevine. They should make effective use of grapevine. The managers can use grapevine to deliver formal messages and for identification of issues which are significant for the employees. The managers can get to know the problems faced by the employees and can work upon it.

#### 1.2.4 Conditions for utilization effective communication:

It is important to recognize that the environment within the formal organization structure will have an effect upon the successful transmission of concepts and ideas from the appropriate sender to the receiver. If the employees are clearly aware of superior-subordinate relationships and horizontal networks, the employees will know with whom they should communicate directly and what communication needs and expectations the receiver will have.



If lines of authority and channels of communication are not known, an abundance of miscommunication, excessive communication or lack of communication will occur; similar is the case in the field between extension functionaries and farmers.

In an exhaustive theory of organization, communication would occupy a central place because the structure, extensiveness and scope of organization are almost entirely determined by communication techniques. Researchers have shown that the average executive spends nearly 70 percent of his working time in communication – in writing, reading, speaking and listening. Today’s managers must be active communicators since all management functions require the skill of communication.

### **1.3.Customer care**

Customer care describes how people are treated when they interact with a brand. This includes all experiences with the company and its employees before, during, and after a purchase. Customer care is an important aspect of customer service because it fosters an emotional connection with the brand's community.

Customer care isn't measured in the same way as customer loyalty or success. That's because things like loyalty and success are a byproduct of caring for your customers. It's impossible to build a trustworthy, emotional connection with your customer base if you're too focused on measuring it. Customer care goes a step further by ignoring the metrics and instead fully investing in your customers' goals and needs. Customer care definition should no longer be confused with other terms used in customer service—it can be a source of real competitive advantage for businesses. Customer care is about building emotional connections between companies and customers. Its benefits include improved customer loyalty and brand perception, which in the long run increase your company’s revenue.

Customer care, service, and support build an overall customer experience. The role of the three elements is to satisfy customers and increase their lifetime value. Modern consumers tend to share their awesome experiences with wider audiences. Small business owners and large corporations can implement the best customer care principles by hiring the right people. Are you up to being mentioned on social media for delivering excellent customer care? Customer care is a way of dealing with customers when they interact with your brand, products, or services to keep them happy and satisfied. Customer care goes beyond customer service and support because it focuses on building emotional connections between brands and customers. Customer care is the process of building an emotional connection with your customers, whereas customer service is



simply the advice or assistance your business provides them. Customer care is less quantifiable than customer service and is more concerned with one-to-one customer interactions.

### **1.3.1. The difference between customer care and customer service**

**Customer service's role:** is to provide advice and help to customers. It can be helping them choose the right product or deal with complaints. But when you provide customer care, you connect with customers on an emotional level while serving them.

**Great customer care:** is when you listen to customer' needs, understand them, and genuinely care about them. The result is building a long-lasting relationship that benefits both parties satisfied customers.

### **Here's an example to illustrate the customer care vs. customer service difference.**

A customer orders a dress online. It's not delivered on time. The customer makes a phone call to complain. "Sorry about that, here's a discount to buy a dress in-store." That's how customer service works. The same customer arrives at the store the same day Stressed. The pushchair doesn't fit between clothes rails. The baby cries. Now, customer care starts when a shop assistant empathizes with the customer, stops seeing "a customer," but notices "a mum," and understands how important it was for her to look and feel good that evening. The shop assistant invites her to a bigger changing room and takes time to cheer up the baby to ensure the best buying experience possible. Five years later, the customer still buys from the brand. And remembers the experience when writing an article about customer care. And yes, I am writing from my own experience.

### **1.3.2 customer care in business**

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.

As we've already established, customer care is often difficult to define and even more difficult to measure directly. But it plays an essential role in building a positive customer experience, customer relations, and helping customers succeed.

#### **1.3.3. Role of customer care in business**

##### **1. Creates a positive experience for a customer**

Customer care occurs when you're empathetic to the customers' specific circumstances and work closely with them to offer solutions that fit their needs at a specific time. If a customer receives care on several separate occasions, they all contribute to building an overall positive customer experience.

That said, good customer care translates into:

- Better customer retention
- More positive reviews
- Increased average order value
- Higher customer lifetime value

##### **2. Extends the customer relationship beyond the first interaction**

Providing customer care can involve all the departments within your organization that interact with customers. Customer service, customer support, product development, marketing, and other departments can all come up with solutions that satisfy customers.

If your brand's strategy is to take care of existing and new customers just because you care about them, you'll eventually become their go-to resource. If visitors, leads, and clients see you as their trusted friend they'll come back to you at different stages of their journey.

##### **3. Quantifies your target consumers' key motivators**

In customer care, clients aren't "accounts" or "records" in a database. They are people. So customer care activities recognize and act on the importance of emotions in customers' decisions. Some of those emotions are shared by the target customer group.

There's research evidence to indicate that when customers "feel good" about a brand, it increases chances of positive business outcomes, such as closing a sale or getting a referral. By identifying the motivators strongly linked to purchases, you'll know where to invest to strengthen the customer experience.

**Good customer care:** Good customer care comes down to listening to why the customer is angry and doing everything you can to turn a bad situation around. And I really mean everything.

It can sometimes be tricky to pull off, especially if sales-oriented management limits your actions. It takes great leadership that fosters trust and encourages staff's autonomy and innovation to effectively implement a customer care program. Essentially, it's letting employees use available resources to keep clients from losing faith in your company. It may sound simple, but it's not that easy. That's why we've prepared a list of examples to better illustrate how employees can care about customers.

**Important of customer care:** it's imperative to have excellent customer care teams because any customer service interaction can pose a liability for your business. Because unhappy customers are likely to share their woes with others, a single negative customer service experience can damage your reputation—even if your agents mostly deliver positive experiences.

When you make customer care a business priority, you lower the risk of liability, build trust, reduce churn, and boost your bottom line.

Self-check 1	Multiple Choice and Written test
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Name..... ID..... Date.....

**Time Allowed: 1hour**

**Directions:** Answer all the questions listed below. Weight 25%

**Test I: Choose the best answer (3 points each)**

- Which of the following are characteristics of effective communication?  
A. Completeness B. concise C. Feedback D. All
- Which of the following are not Strategies to relationship with customer?  
A Communication B. Share knowledge C. Stay positive D. Customer care\
- All of the following are Benefits of effective communication except?  
A. Speaking clearly and concisely  
B. Using active listening techniques  
C. Using appropriate language and tone of voice  
D. All
- Which one the following are importance of customer relationships?  
A. Reduces the risk of losing customers C. reduce market rejection  
B. It creates a competitive environment D. all

**Test II: Short Answer Questions (5 points each)**

- Write Benefits of effective communication?
- Write the Importance of building strong customer relationships
- Define Customer relationships?

**Note:** Satisfactory rating - 25 points Unsatisfactory - below 25 points

**You can ask your teacher for the copy of the correct answers**

<b>LG #14</b>	<b>LO #2- Cooperative customers' service needs</b>
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### Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Techniques of collecting cooperative customer's need
- Identification and prioritization of customer's needs

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Identify Techniques of collecting cooperative customer's need
- Elaborate Identification and prioritization of customer's needs

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-check
5. Perform Operation Sheets
6. Do the "LAP test"

## Information Sheet 2

### 2.1 Techniques of collecting cooperative customer's need

#### 2.1.1 Collecting a Customer Needs

In order to successfully serve customers, businesses must have an acute understanding of customers' needs. Through primary and/or secondary market research, you can uncover the precise customer needs, how these needs are currently being fulfilled, and what is required to improve your customer satisfaction and the overall experience for your customers.

Techniques of collecting customer need

**1. Define Your Target Market:** Start by defining exactly which customers the company is serving. This requires specificity. For instance, rather than saying that a company serves small businesses, it may be more appropriate to identify and assess its more precise market, perhaps, small businesses with 5-25 employees in large metropolitan areas.

**2. Identify Your Customer Segments:** Once you have defined your target market, it's time to segment your customers. This means grouping them together based on shared characteristics, which can include demographics (age, gender, income, etc.), psychographics (personality, values, attitudes, interests, and lifestyles), geographic (location), or behavior (purchasing patterns, usage, loyalty, etc.).

**3. Conduct Primary Research:** Now that you have a good idea of who your customers are and what they want/need, it's time to start conducting primary research. This research will help you to validate your assumptions about the market and uncover any unmet customer needs that you may be able to address.

There are a number of ways to conduct primary research, but some common methods include surveys (online, mail, in-person), interviews (telephone, in-person), focus groups, and ethnographic studies.

Conducting customer interviews is perhaps the best way to uncover detailed information about customers' needs. However, customer surveys, focus groups, and/or market analysis can also provide valuable insights.

**4. Conduct Secondary Research:** In addition to primary research, it's also important to conduct secondary research. This type of market research will help to provide context for your primary research findings and can be used to support your hypotheses about the market.

Secondary research can be conducted in a number of ways, but some common methods include desk research, online research, and interviews with industry experts.

**5. Analyze Your Findings:** Once you have collected and analyzed your data, it's time to start making sense of it all. This is where you will want to look for trends and patterns in the data that can help you to understand your customers' needs.

**6. Develop Recommendations:** Based on your customer needs analysis, you should develop recommendations for how the company can better serve its customers. These recommendations should be specific and actionable, and they should be based on a thorough understanding of the data.

**7. Develop Recommendations:** The final step is to put your recommendations into action. This may require making changes to your products or services, your marketing strategy, your sales process, or the way you deliver customer service. Whatever changes you make, be sure to monitor the results so that you can continue to improve the customer experience.

Conducting a customer needs assessment is an important first step in understanding your customers and ensuring that you are able to meet their needs. By taking the time to understand your customers, you can develop better products and services, improve your marketing and sales efforts, and deliver a better overall customer experience.

## 2.2 Identification and prioritization of customer's needs

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Before you start promoting your business you need to know what your customers want and why. Good customer research helps you work out how to convince your customers that they need your products and services.

**Identify your customers:** The first step of customer research is identifying your customers. Your market research should help you understand your potential customers. Further customer research can help you develop a more detailed picture of them and understand how to target them. It will also highlight key characteristics your customers share, such as:

- Age
- Gender
- Marital status
- Race/ethnicity
- Income
- Occupation
- Location
- Life stage
- Psychographics (attitudes, hobbies, beliefs, interests)
- Media they prefer
- Pain points
- Disposable income
- Residential location
- Recreational activities.

**Understand why they shop:** Once you've identified who your customers are, you can find out what motivates them to buy products and services. For example, consider if they make decisions based on:

- Work demands
- Family needs
- Budget pressures
- Social or emotional needs
- Brand preferences.

**Identify preferred shopping methods:** As well as understanding why they shop; you will also want to understand how they shop. To learn about your customers' preferred method and means of shopping, consider if they:

- Shop online, over the phone or in stores
- Make spontaneous or carefully considered buying decisions



**Consider their spending habits:** Different types of customers will be willing to spend different amounts. Find out what financial capacity and spending habits your customers have. For example, consider:

- Their average income
- The portion of their income: they spend on the type of products or services you sell
- If they budget

**Find out what they think of you:** Learn about your customers' views and expectations of your business and rivals. For example, find out what they think of your:

- Products and services
- Customer service
- Competitors.

**Customer needs:** are defined as the influential factors that trigger them to buy your product or service. In order to identify customer needs, it is important to understand the reasons behind their decision making.

In order to understand customer needs better, it's very important to know who your customers are. By defining your target audience and segmenting them based on their industry or other attributes, you not only get a clear view of what's your selling proposition but also identify their needs.

Here are four simple steps to follow in order to meet customer needs successfully.

- **Identify** – Follow customer needs analysis via surveys, interviews, focus groups, or social listening.
- **Distribute** – Once identified the needs, you can distribute it across the right teams and departments.
- **Create** – Tailor product features; create detailed content that speaks about customer needs.
- **Collect** – Obtain customer feedback regularly to learn how your efforts meet their expectations.

### Important to Identify Customer Needs

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Businesses are taking strides to understand customer needs and meet them as early as possible to align with internal teams.

With business operating under a cyclical process of anticipating, and meeting customer needs, you can have quick and positive results. Prior to your business promotions or product launch, it is vital to know your customer needs and wants. Conducting market research can greatly help you to understand your potential customers.

The more you know about your customers, it helps you define your brand positioning around their needs and help your business in the following ways:

- **Provide faster solutions** – One of the common things customers want is real time support. By identifying the needs of your customers you can provide faster and effective support.
- **Improve your products & services** – Customer research helps understand the motives behind the buying process. You can learn about the areas you are missing out and create an effective USP. The insights can be used to enhance the products or services to satisfy customer needs.
- **Reduce the number of support tickets** – Building the product and services considering the needs of the target customers ensure effective solutions to customer issues.

**Identify Customer Needs:** Recognizing customer needs includes deep research across your industry and asking your customers lots of specific questions. It is very important to gather in-depth details from your customers through regular communication and be sure you can deliver on their individual needs. Customer needs analysis is refers to a comprehensive analysis that can benefit your business to understand what value your customers want from your products or services. It provides valuable insights about your target audience that can be inculcated within the brand positioning to make sure that delivers great customer value.

Effective customer needs analysis depends mainly on two factors. Firstly, to create customer personas and identify what customer inputs are needed to create breakthrough products and the second is to know how to capture customer inputs and feedback.

Conducting customer research to understand the factors that influence purchasing decisions can be done by:

- ✓ **Customer interviews** – It is the direct way of collecting customer inputs. You can interact directly with customers who are using your product or who have chosen to buy it. It is considered to be reliable over other ways of acquiring inputs.
- ✓ **Focus groups** – Focus groups comprise a small group and focal point is a specific product or topic. The groups emphasize qualitative or quantitative surveys because it provides more opinions and motivations.
- ✓ **Surveys** – The analysis done through surveys help businesses to get a picture of their position in the market in terms of fulfilling the needs of their target customers.

Self-Check – 2	Multiple choice and Written test
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Name \_\_\_\_\_ ID \_\_\_\_\_ Date \_\_\_\_\_

**Time Allowed: 1 hour**

**Directions:** Answer all the questions listed below. **Weight 30%**

**Test I: Multiple choice (2 points each)**

- Key characteristics of Identify your customers is \_\_\_\_  
 A. Age C. Marital status  
 B. Gender D. ALL
- the influential factors that trigger them to buy your product or service refers to \_\_\_\_  
 A. Customer need B. Customer service C. Customer care D. All
- Which of the following is conducting customer research to understand the factors that influence purchasing decisions?  
 A. Customer interviews B. Focus groups C. Surveys D. All
- A comprehensive analysis that can benefit your business to understand what value your customers want from your products or services refers to \_\_\_\_  
 A. Customer needs analysis B. Competitors C. Brand preferences D. All

**Test I: Short Answer Questions (6 points each)**

- Write the Techniques of collecting customer need?
- How to Identify Customer Needs?
- Write the step of meet customer needs?

**Note: Satisfactory rating - 30 points      Unsatisfactory - below 30 points**

You can ask you teacher for the copy of the correct answers.

**Operation sheet 2**

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## 2.1. Techniques of collecting cooperative customer's need

### A. Tools and equipment's

- a. Pen,
- b. pencils, paper,
- c. computer ,marker
- d. work sheet,
- e. note books
- f. personal protective equipment

### B. Techniques

1. Define Your Target Market
2. Identify Your Customer Segments
3. Conduct Primary Research
4. Analyze Your Findings
5. Develop Recommendations
6. Develop Recommendations

LAP TEST-2	Performance Test
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Name: \_\_\_\_\_

ID: \_\_\_\_\_

Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions:** Given necessary templates, tools and materials you are required to perform the following tasks within **4** hour. The project is expected from each student to do it.

**Task-1** Collect cooperative customer needs by using given technique on above operation sheet 1

**LG #14**

**LO #3- Service delivery**

### Instruction sheet

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Provision of prompt services
- Inform problems, delay and follow-up timely
- Maintain communication with customers.
- Complaint assessment and handling

This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Discuss Provision of prompt services
- Identify Inform problems, delay and follow-up timely
- Identify Maintain communication with customers.
- Discuss Complaint assessment and handling

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks

## Information Sheet 3

### 3.1 Provision of prompt services

Excellent customer service is achieved when staff members combine their good interpersonal skills with good product, policy and systems knowledge. It is also important that staff have good policies and systems to work with.

As touched upon earlier, achieving service excellence is dependent upon you truly understanding how you are doing in terms of service quality, and acting upon that feedback to resolve problems and enhance what you offer. Service experiences are the outcomes of interactions between organizations, related systems/processes, service employees and customers. Considerable research in marketing and management has examined customer satisfaction with service experiences. Accept ownership of problems when customers complain or return goods.

Provide prompt service to customers and ensure that your business is appropriately staffed to achieve this be responsive, accessible, available and willing to help your customers whenever they have a problem. Courteous and empathetic interaction with a trained customer service representative can mean the difference between losing or retaining a customer. Every employee in your business should have superior skills. Here's what you need to know to develop a training program that works. Gaining and retaining customers is a key priority for all businesses, but if you employees don't have customers service skills, neither of these things will be easy to achieve. That's why equipping employees with superior customer service skills should be a top priority for every business.

Customer service is 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. A strong company will already have great customer relationships.

A customer service strategy helps you meet the specific needs of your target markets and defines how you can let your customers know that you understand their needs and can meet them. At the

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core of customer service is the concept of delivering on a promise, if you promise you are able to provide the best product or service, or that you can deliver quickly or offer the best price, you must be able to deliver on promise.

### **3.1.1 Provide service to Customers**

#### **Types of customers**

- 1) Internal - work colleagues who may require your services in some way in order for them to carry out their job. This may include someone in the same office or department as you, or in another branch which could be in another state or even country.
- 2) External - people from outside the business, which are either making enquiries or purchasing goods or services. This may include members of the public or someone from another organization.

Prompt member's service is provided to meet identified needs according to organizational requirements

#### **Organizational requirements**

Most organizations have a policy or code of practice, dealing with quality customer service; in order to provide customers with prompt and efficient service for handling enquiries, making sales and monitoring customer feedback. These would include an outline of expected standards of service, including courtesy, discretion, confidentiality and follow-up procedures. Customer service standards are often set in the organization's vision and/or mission statement. New employees often undergo an induction training course which may include information on:

- ✓ Legal and cooperatives policies, directives guidelines, by laws and requirements,
- ✓ Access and equity principles and practice,
- ✓ Anti-discrimination and related policy,
- ✓ Following OHS procedures for dealing with customers,
- ✓ Quality and continuous improvement processes and standards

It is more expensive to find new customers than it is to retain existing customers. Excellent customer service means that a business will stand out from its competitors; and satisfied customers will promote the business by word of mouth, which is the most effective form of promotion.

**Customer service:** Important tips when dealing with customers/clients:

- a) First impressions are most important
- b) Business success depends on the quality of the service
- c) Ask questions to give the customer the opportunity to explain what they need; this makes them feel that their needs are important and also encourages them to become a repeat customer instead of a one-off customer.

In a customer/client-focused organization, employees listen to the customers for their input and feedback in order to ascertain what they consider is important about the products supplied or the way service is delivered. Improvements can then be made resulting in the organization gaining a competitive advantage over other firms as customers will be happy to become long-term clients.

### **3.1.2. Understanding client needs**

**Active listening** - Listening is an important skill in communicating with others, as you are able to understand and interpret what the other person is saying. To fully understand the message being conveyed, it is important that you ask questions to clarify the meaning. It is also important to clarify that the other person understands your message. If the client has written or emailed the business for information, it may be necessary to phone them to clarify their needs.

**Non-verbal signs** - Body and facial expressions are often used when communicating. It is important that your body language is not conveying something different to what you are saying.

**Making use of correct questioning techniques:** Questioning is an important tool used to obtain feedback and clarification of a message, to ensure that the receiver understands what the sender is saying. There are three main questioning techniques.

- 1) Open questions encourage the sharing of information and usually require longer answers, e.g. for what purpose are you purchasing this product?

- 2) Closed questions are usually asking for a yes or no answer, and do not encourage any further discussion, e.g. Would you like to purchase this product?
- 3) Reflective questions are structured so that the person answers in a particular way, to make their needs clear, e.g. Why does this product interest you?

**Characteristics of quality service:** A customer will become a repeat customer if they are satisfied with the quality of service they receive. Quality service includes:

- Employees who are polite, attentive to customer's needs and are able to build rapport
- Employees who have good knowledge of the organization's products or know the correct person to pass an enquiry on to; and actually, follow through with enquiries
- Having goods and services that are reliable and reasonably priced
- Having complaints dealt with promptly and with understanding
- Being treated with respect and without prejudice

### 3.1.3. Benefits of good customer service

- Promoting goodwill - increasing the established reputation of the business and enhancing its value
- Customer/client loyalty/repeat business - being able to win the customer's trust and build a long-term relationship; one that will survive even in bad economic times
- New business - being able to differentiate from other businesses and be able to attract new customers, often due to word-of-mouth promotion from satisfied customers
- Productivity - the capacity to increase production with little or no increase in costs, improving profitability
- Credibility - building a reputation of being an honest and trustworthy business
- Promoting workplace/organization service ethic - a set of honorable rules of conduct which will improve the loyalty of employees and give the organization a competitive advantage
- It is important to remember that business success will be dependent on the quality of the service given by employees; satisfied customers will become repeat customers and will promote your business to others, ensuring long-term growth and profitability. How could improving on these traits improve your customer and personal job satisfaction?

### **3.2. Inform problems, delay and follow-up timely**

A delayed diagnosis occurs when the correct diagnosis is delayed due to failure in or untimely ordering of tests (e.g., lab work, colonoscopies or breast imaging studies). Whether due to delay in diagnosis, misunderstanding of the disease, misdiagnosis, or failure to treat, delay in treatment can reduce the number of treatment options a patient can pursue. Many problems are complex, involving a whole range of causes. For example, suppose the problem is overspending in a department. There may be many items of expenditure that make up the department budget. Some of these will be large, others trivial. Some may be easily cut back, whilst others cannot be reduced.

By identifying which items are capable of giving the greatest reductions, and concentrating on them, best use may be made of the resources and time available.

Complaints are an important way for the management of an organization to be accountable to the public, as well as providing valuable prompts to review organizational performance and the conduct of people that work within and for it. A complaint is an “expression of dissatisfaction made to or about an organization, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required”<sup>1</sup>.

As a matter of guidance, complaints can be made directly to an organization by members of the public and/or customers, or through alternative pathways such as to Members of Parliament or statutory officers but otherwise about the organization. An effective complaint handling system provides three key benefits to an organization:

- ✓ It resolves issues raised by a person who is dissatisfied in a timely and cost-effective way;
- ✓ It provides information that can lead to improvements in service delivery; and
- ✓ Where complaints are handled properly, a good system can improve the reputation of an organization and strengthen public confidence in an organization’s administrative processes.

There should be clear responsibilities for handling complaints. This may include officers who are specifically assigned to deal with complaints and the names of these officers should be communicated to staff. Complaints are only one type of customer feedback. We receive considerably more compliments from patients and families across our services. It has been shown that good quality complaint handling and responses can create a strong, positive attitude

towards the organization receiving the complaint. So those making the complaints today could be providing the compliments of tomorrow.

### **3.3 Maintain communication with customers**

Good communication helps businesses develop trust with their clients and articulate needs, expectations and any challenges. By communicating more effectively, this can improve the client relationship and potentially add more leads to the business.

Communicate with customers is conducted in a clear, concise and courteous manner in customer service interactions, communication means everything. Whether a customer needs help with a product purchase or is completely frustrated to the point of leaving the brand, customer service agents need to use the right skills to connect with customers in a way that leaves them calmer, satisfied, and confident in the brand. Here are seven rules for effective customer service communication that will empower agents and customers alike.

Customer communication refers to the process through which a business shares valuable information with its customers. Such interactions take place over popular communication channels such as email, phone, live chat, social media, online forums, customer portals, and many others.

The following advantages of communicating effectively with customers:

- Better customer relationships
- Saving time and money
- More effective decision-making
- Successful problem-solving

Customers are loyal to a brand or company if they have a positive, preferential attitude toward it. They like the company, its products, or its brands, and they prefer to buy from it, rather than from the company's competitors. It is assumed that the majority of customers are loyal to their chosen service provider and they have a positive ongoing relationship that is satisfying and enduring. Any company wanting to increase loyalty in attitudinal terms will concentrate on improving its product, its image or other elements of the customer experience.

Understanding the terms of the contract seems to be an issue that needs to be addressed by the service providers if they want to improve their relationship with their customers. A reasonable number of respondents indicated that the staff of their service providers always responds to their

requests and queries. This illustrates the importance of well-trained staff in creating and maintaining relationships with customers. Since staff create the first impression of the organization, it is vital that they are well trained and have the necessary communication skills to deal with customers in an effective and efficient manner.

Business today, is supported by information, which has the ability to differentiate, customize and personalize, and which enables it to gather information about individual customers. Thus, it is possible to be more flexible and it has the ability to individualize the market offerings, the messages and the media to focus on individual customers. Not all customers are the same. Different customers should be treated differently.

The key is to know who the best customers are and to treat them accordingly. It is impossible for an organization with one million customers to cost effectively communicate one-on-one with all of them, therefore, customers need to be segmented or categorized, based on what is known about them. These segments can be described and quantified in terms of their value and potential value to the organization, and appropriate communication strategies can be designed for each segment. Organizations have to establish, maintain and manage complex marketing communications systems with their customers, distributors, suppliers, and various other publics. Each group communicates with the organization and also provides feedback to each other.

### **3.4 Complaint assessment and handling**

Customer complaints are often a sign that there's a disconnect between what customers expected and what you delivered. Sometimes that disconnect is caused by a customer's unreasonable expectations or incorrect assumptions. Other times, it's caused by something your company is doing wrong. Customer complaints are sensitively and courteously handled in accordance with organizational requirements.

A customer complaint might be the result of your marketing copy leading them to believe something incorrect about your product/service — or of your user experience setting customers up for failure. Or it could reflect a problem that's happening outside of your direct control (e.g., third-party shipping issues).

## Customer complaints

- ✓ Administrative errors such as incorrect /poor Services
- ✓ Customer dissatisfaction with service quality
- ✓ Damaged goods or goods not delivered
- ✓ Service not delivered on time

### 3.4.1 Concept of handling customer complaints

As some business research indicates that, some 96% of customers who have problems don't complain – they just don't come back. Of the 4% that do return, 95% of these will do business again with the store if the problem is solved quickly; 54% to 70% will do business again if the problem is simply solved. This highlights the importance of taking immediate action if a customer returns with a problem. Put into perspective, if you have four complaints a year probably means that you have 96 other customers who have not come back.

This figure becomes more alarming when you consider that people who have had difficulties with your business could relate the story to up to 20 other people. The main reason that people don't return is because they expect that nothing will be done, and they can do without the hassle of arguing and being treated poorly. One important factor to remember, regardless of who or what has caused the problem, is that in almost all cases customers genuinely believe they have a legitimate problem. Handling all customers with problems tactfully and thoughtfully is critical to retaining them, regardless of the way they choose to let you know of the problem.

All customers are different, so it is normal to expect a difficult customer at some point of your working day. This customer may be either an internal customer or an external customer. How you deal with this situation is vitally important and turning an angry or difficult customer into a loyal customer is a skill that you will be required to use many times in the retail environment. There are many reasons why customers become difficult. These could include:

- No-one listened to the customer
- The customer's needs were not met
- The customer may be intoxicated or affected by drugs
- The customer may be responding to peer pressure to cause a problem



### 3.4.2 Reasons for customer complaints and Methods of customer complaints letter

Most complaints fall into 4 groups.

- A. Value for money - a customer's perception of value is very important. Store presentation and excellent customer service reinforce the customer's perception of value.
- B. Price overcharge - mistakes happen, so the way a mistake is dealt with and corrected will determine customer satisfaction. Good customer service is essential.
- C. Product - faults or complaints are not necessarily the fault of the retailer but the way the complaint is handled determines the customer's perception of the business.
- D. Service - is the essence of good retailing. Rudeness and poor service discourage customers from returning.

**Methods of customer complaints letters:** Letters are a very common form of complaint; they are generally seen as the most official way of complaining. This means that most customers will only use a letter of complaint where they feel there is a serious dissatisfaction, and where the business has a separate address for complaints or head office. Letters have an advantage to your business, as they allow you time to look at a problem, solve it, and reply to the customer; hopefully ensuring they are satisfied enough to remain a customer.

**Spoken word to employees:** -The most common form of complaint, particularly in retail businesses; is face to face with an employee (usually the front-line staff). This could take the form of a passing word or gesture, and can be for small or large problems. Typical comments include things such as: "This is not the first time...", "I can't believe that..." or even a 'tut' noise in a sentence. They are generally informal complaints or comments, only occasionally do they turn into full scale complaints. Although there is no official complaint in most cases, spoken word comments can provide information on the everyday problems that customers are experiencing, and provide an opportunity for your employees to solve these problems, both for these customers, and for future ones.

**Phone calls:** -These are another common form of complaint, generally used for informal minor complaints, but can also be used by a highly dissatisfied customer who does not wish to write. The frequency of phone complaints generally depends on how much your business uses the phone; a call Centre will receive many more complaints than a basic office line. Phone



complaints allow you to look into a problem, but do not usually give you as much time to solve it as a letter or email.

**Email:** -Emails are similar to letters; however, they tend to describe smaller problems that are expected to be solved in a much quicker time. The number of email complaints you receive will depend mostly on how widely you use email, and whether there is a specific enquiry or complaints email address.

### 3.4.3. Handle complaints sensitively, courteously and with discretion

Problems happen. It's how you honestly acknowledge and handle them that counts with people. Customers will remember you, and happily give you another chance to delight them when you choose to correct problems with the very best you can offer, proving you value them and their business.

#### **Communicating with a complaining customer**

##### **Step one: listening**

- Listen to the complaint: Let the customer get it off his/her chest. Don't interrupt. Make sure you hear the full story. Ask open questions to encourage the customer to tell you as much as s/he wants to. Don't argue and don't explain
- Communicate warmth and understanding: Use body language which shows understanding: don't cross your arms, lean slightly towards the customer, nod, have a pleasant but serious expression. It is not a laughing matter - don't paint a fixed smile on your face. Say things that encourage the customer to speak: "Ah- ha", "Mmmmm", "Right", "Gosh", "How awful" and so on.
- Use the customer's name
- Imagine what you would feel like in the same situation as you concentrate on listening to what the customer is saying
- Don't commit the company to any action. Don't admit liability. Action is for a later stage
- Don't take it personally. The customer is not angry with you, but with the company and the service or product

##### **Step two: calm the customer**

Apologize and acknowledge the customer's feelings e.g. "I am so sorry. You must have been annoyed. I would have been."

Summarize the complaint in your own words to show the customer that you have really listened and understood: “As I understand, this is what happened ..... Is that right?”

### **Step three: take responsibility**

- a. Check with your supervisor. Summarize the complaint to him/her. Do not have a dig at the customer when you tell the supervisor the tale. If you are two-faced, you can be sure it will come out in some way
- b. Communicate as soon as possible to the customer what the store proposes to do
- c. Explain (don't excuse) what went wrong if you need to. By now the customer is relaxed because you are going to rectify the problem and will listen and probably even understand
- d. Check that the customer agrees with the course of action. If s/he does not, then ask the customer what their expectations are. Relay this to whoever it is that makes decisions. At this stage if the customer is still unhappy, it is probably best for a senior to take over

### **Step four: follow up:**

Check that what you promised actually happens, and that it happens by the time you said it would. You should keep a diary note. Ring the customer up after the complaint has been rectified and make sure s/he is happy (or check at the end of the conversation). Employees receiving customer complaints should always be friendly, polite, and helpful; and try their best to resolve the problem if they can. Even if a problem cannot be totally solved, the fact that your business did everything you could to help will make the customer feel much less negative about your business, hopefully enough to keep them with you (so you can ensure they are fully satisfied next time around!). Sometimes it can be difficult for an employee to feel like helping an angry customer, particularly if the problem is not their fault; however, it is crucial that they remain polite and helpful at all times. Remember that body language is a large part of communication, so listening while looking away will just make the customer think you are ignoring them.

#### **3.4.4. Use active listening and questioning to establish nature of complain**

A critical aspect of resolving the complaint is to identify the complaint. In most cases, the customer will tell you what the problem is, but their version is certain to leave out relevant information. This information may be information which lessens their case, or which puts a different slant on things.

**Listen to your customer:** One of the best ways to help make unhappy customers feel better about your business is to listen. This shows that you care about your customers, and are looking out for them. Active listening is a structured form of listening and responding that focuses the attention on the speaker.

The listener must take care to attend to the speaker fully, and then repeats, in the listeners own words, what he or she thinks the speaker has said. The listener does not have to agree with the speaker--he or she must simply state what they think the speaker said. This enables the speaker to find out whether the listener really understood. If the listener did not, the speaker can explain some more. Active listening has several benefits:

- A. First, it forces people to listen attentively to others
- B. Second, it avoids misunderstandings, as people have to confirm that they do really understand what another person has said
- C. Third, it tends to open people up, to get them to say more

**Establish nature of complaint:** You must talk to the customer to work out whether the issue is beyond your authority to fix, indicating that a manager needs to become involved. Attempt to find out:

1. Names of those involved
2. Promises that the store/staff may have made
3. Service or products that failed to live up to promises or expectations, including how
4. They failed to deliver on quality or expectations
5. Timelines relating to the complaint
6. Costs, money or charges involved
7. The factual details, as far as can be ascertained, as to what was said and by whom
8. Actions, or inactions, taken (or not taken) by the staff when you have uncovered all the details about the issue, repeat them back to the person and then move on to seek agreement about what should be done.

Whatever is decided on must be explained in detail so there can be no doubt about what you are going to do; when such agreement is takes place, your next step is to implement the agreed solution. Take action to resolve complaint to customer's satisfaction always offer a solution When a customer complaint, you should always offer them a solution to the problem. If you cannot directly fix the problem, offer them something else to try and keep them satisfied.

There are many different types of solution, but they could all turn a disappointed customer into a happy one:

- A. Replacement** - If you sell a product that has broken, offer a replacement. If an exact replacement is not available (or not wanted) you can try replacing with a similar make or model. A replacement solves any problem with the product, it may cost you the value of a new product, but losing the customer will probably cost much more in the long run.
- B. Refund** - If a customer is really unhappy with a product or service they may want a refund. This will mean a loss of the sale revenue, but providing a refund without hassle will strongly improve the chances of the customer returning again. In some cases a partial refund may solve minor problems (E.g.: Slight scratches on a product, etc...)
- C. Fixing** - If there is a problem with a product, try fixing it! If a customer has a problem with your service, try taking steps to solve the problem and prevent it happening again. If the problem is an employee, speak with them, or if it continues, consider giving a verbal warning. If there is a common employee problem, you may be able to help solve it with training.
- D. Money off Next Purchase** - For smaller problems, it may be satisfactory for you to offer the customer money off of their next purchase with you. This helps to ensure that they will return to you, whilst minimizing the cost of solving the problem.
- E. Apologize** - Sometimes one of the most effective forms of solution can be an apology, informally for minor problems, or written for major problems. An apology should be genuine, and may go alongside other forms of solution, particularly if the problem is significant, or the customer is an important one. An apology shows that you care about the customer, and that you are aiming to put right any problems they have encountered.

### **3.5. Refer unresolved complaints to supervisor**

The importance of effective resolution of customer complaints impacts upon the customer service performance of the organization and should be resolved in a manner which is professional and compliant with your organization's procedures. You may not be able to resolve a complaint because:

- The customer is unprepared to negotiate what they see as being the only acceptable resolution
- The customer is irate, aggressive, threatening or intimidating

- The solution is beyond your authority to act on
- There is a lack of understanding in relation to the complaint
- There is a language problem

Sometimes, the customer's issue needs to be dealt with by someone with a different authority level. All these situations must be referred to the appropriate person as soon as possible to prove their complaint is not being ignored. The appropriate person may be:

- A.** Supervisor/management
- B.** A more senior staff member
- C.** The owner
- D.** Accounts Department
- E.** Delivery staff

When customers are referred to other members within an organization, they can feel frustrated and perhaps even become hostile if they feel they are getting the "run around". Here are some ideas you can apply to help reduce customer frustration:

1. Do everything practical to ensure that the customer does not have to repeat his or her story to the next person
2. When transferring a phone call to another staff member, make every effort to "fill in" that member about the particulars of the problem
3. Keep in mind that hostile customers may be best calmed down by referring to a supervisor. We know that people tend to behave less aggressively when they speak to a supervisor, regardless of level in the organization
4. Again, when referring to a supervisor, make sure the supervisor is aware of the problem, and the emotional state of the customer (hostile, angry, threatening, etc)
5. Before referring, make sure you understand the customer's situation and what he or she wants. A major error that employees make is to not listen well, or, not ask the right questions, and assume that a referral is in order. Good listening skills are important
6. When referring, try to tell the person how long the wait will be, or what to expect. Remember, it is the little things that make the difference.

### **3.5.1. Take opportunities to turn around customer dissatisfaction**

Use customer complaints to turn casual customers into loyal, long-term customers. When you think about it, you usually don't get much time when you serve happy customers - a matter of minutes, if that. If a customer comes to the store to complain, you are given a valuable opportunity: you have time to get to know each other better.

You get to know:

- The customer's name (and perhaps address and phone number)
- What the customer likes
- What the customer doesn't like
- How you can encourage the customer to return.

The customer gets to know:

- That you give excellent customer service
- That you guarantee your products and services
- That you care personally about him/her “Oh no! A complaining customer.

Let me out of here!” Are these your innermost thoughts when you realize a customer is going to complain to you about something? If your answer is “yes” you are not alone. Many people involved in customer service make a mistake: they treat complaining customers and difficult customers the same way. But the truth is that all of us can be complaining customers. It just means our expectations of a product or service were not met and we let the store know. It is very likely that you will be able to transform a complaining customer into a loyal, long-term customer.

### **3.5.2. Turn complaints into opportunities**

When a complaint is made it provides us with an opportunity: to make a further sale, to "save" the situation, to impress the customer with other aspects of our store, and to apologize. It is an opportunity to show a high level of customer service by:

- Showing concern for the individual and for the situation they find themselves in
- Acting promptly rather than dismissing the complaint
- Demonstrating genuine desire to find a quick and acceptable solution
- Reporting back to the customer on progress of the resolution
- Being understanding and apologetic

- Checking to ensure that what was agreed on has been done and all is now okay

### 3.5.3. Checklist for handling customer complaints

Use this checklist to help ensure that you are handling a customer complaint well:

Demonstrate a positive, helpful attitude to the customer

- Demonstrate courtesy to the customer
- Demonstrate understanding of the customer's feelings
- Listen to the customer
- Ask open-ended questions to get information from the customer
- Give feedback to the customer to show you understand their problem
- Take action to resolve the customer's complaint
- Refer the customer's complaint to your supervisor if necessary
- Turn a dissatisfied customer into a happy customer
- Complete any documentation that is necessary
- Take follow up action to ensure the customer is happy

✚ Benefits of recording customer complaints.

Having a record of complaints is useful for monitoring any patterns and finding areas of improvement in the business. It is also handy as a record of dates if a customer returns to make further complaints. As part of the recording system, make sure there is a way to tell resolved complaints apart from the unresolved ones. It could be as simple as moving a complaint form into another section of a folder or putting a red line across a complaint once it has been resolved. A regular check of the records will then show you which complaints still need to be resolved. This way, no complaints will be left unresolved for very long and customers won't be kept waiting. Recording any follow up contact with customers is also useful for establishing an effective complaints process.

#### ✚ Accurately Complete Documentation

A comprehensive complaints procedure will include a recording system for the complaints. This could be a notebook where all complaints are written or a form for customers or staff to fill in and the business to file. Commonly the complaints forms will be at service counters, in the staff tea room and/or in the manager's office. Complaints must be recorded accurately and legibly and it is usual to complete these forms as soon as possible while the details are still fresh in your mind. Management may use these forms to alter training or systems to improve customer service, so don't feel they are there to allocate blame.

<b>Self-check 3</b>	<b>Multiple choice and Written test</b>
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Name..... ID..... Date.....

**Time Allowed: 45min**

**Directions:** Answer all the questions listed below. Weight 25%

**Test I: Multiple choice(2 points each)**

1. Which of the following is not Benefits of good customer service?
  - A. New business B. Credibility C. Promoting goodwill D. customer complaints
2. All are advantages of communicating effectively with customers except
  - A. Better customer relationships C. More effective decision-making
  - B. Saving time and money D. Successful problem-solving
3. people from outside the business, which are either making enquiries or purchasing goods or services refers to\_\_
  - A. Internal customer B. External customer C. Customer service D all

**Test II: Short Answer Questions (4point each)**

1. Write the Characteristics of quality service?
2. Why do customers get upset?
3. Write Organizational requirements?
4. Write Benefits of good customer service?

**Note:** Satisfactory rating - 25 points      Unsatisfactory - below 25 points

**You can ask your teacher for the copy of the correct answers**



**Operation sheet: 3**

**3.1. Techniques of collecting cooperative customer's need**

**A. Tools and equipment's**

1. Pen,
2. pencils, paper,
3. computer ,marker
4. work sheet,
5. note books
6. personal protective equipment

**B. Checklist for handling customer complaints**

- A. Demonstrate courtesy to the customer
- B. Demonstrate understanding of the customer's feelings
- C. Listen to the customer
- D. Ask open-ended questions to get information from the customer
- E. Give feedback to the customer to show you understand their problem
- F. Take action to resolve the customer's complaint
- G. Refer the customer's complaint to your supervisor if necessary
- H. Turn a dissatisfied customer into a happy customer
- I. Complete any documentation that is necessary
- J. Take follow up action to ensure the customer is happy
- K. Benefits of recording customer complaints.

**LAP TEST-3**

**Performance Test**

Name: \_\_\_\_\_

ID: \_\_\_\_\_

Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions:** Given necessary templates, tools and materials you are required to perform the following tasks within **3**hour. The project is expected from each student to do it.

**Task-1:** Prepare report using given checklist/procedures on operation sheet 3 above about handling customer complaints.

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4. <https://business.gov.au/people/customers/communicate-with-customers>
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