



MK 322 Retail Management

Chapter 18: Customer Service

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Strategic Advantage through Customer Service

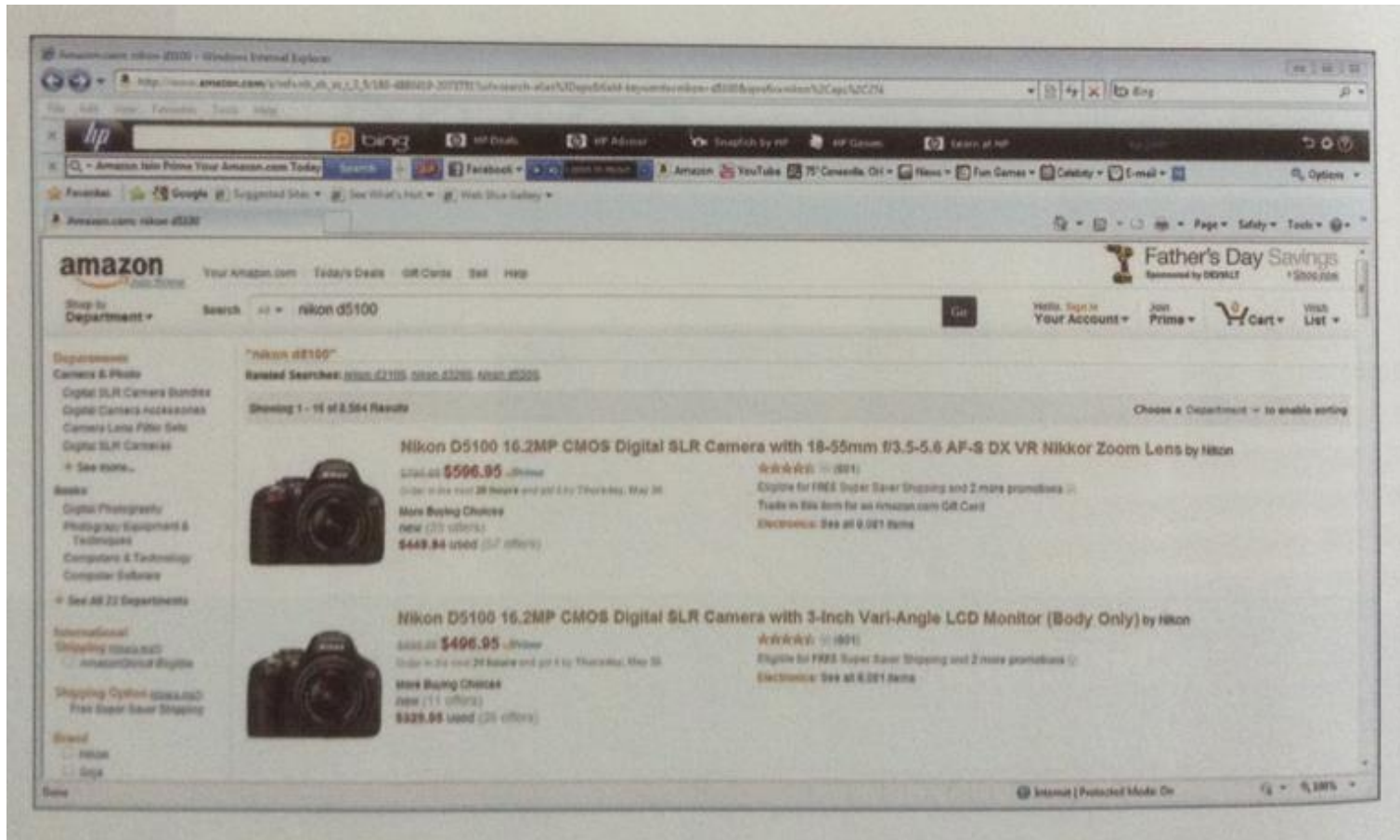


Customer Service

- Customer service is the set of activities and programs undertaken by retailers to make shopping experience more rewarding



Services Offered by Retailers



Shopping at Amazon is very easy

Services Offered by Retailers

Acceptance of credit cards	Free shipping
Alterations of merchandise	Gift wrapping and notes
Assembly of merchandise	Information on product availability in a specific store
ATM terminals	Layaway plans
Blogs	Online chat
Bridal registry	Online customization
Check cashing	Parking
Child care facilities	Personal assistance in selecting merchandise
Coat checks	Personal shoppers
Credit	Repair services
Customer reviews	Restrooms
Delivery to home or work	Return privileges
Demonstrations of merchandise	Shipping to store or home address
Display of merchandise	Shopping carts
Dressing rooms	Signage to locate and identify merchandise
Easy returns to bricks-and-mortar location or online	Special orders
Extended store hours	Valet parking
Facilities for shoppers with special needs (physically handicapped)	Warranties

EXHIBIT 18.1
Services Offered by
Retailers

Top 10 Retailers for Customer Service

EXHIBIT 18-2

Top 10 Retailers for Customer Service

Ranking	2010	2011
1.	Zappos	Amazon.com
2.	Amazon.com	L.L. Bean
3.	L.L. Bean	Zappos
4.	Overstock.com	Overstock.com
5.	Lands' End	QVC
6.	JCPenney	Kohl's
7.	Kohl's	Lands' End
8.	QVC	JCPenney
9.	Nordstrom	Newegg
10.	Newegg	Nordstrom

Source: NRF Foundation/American Express, "Consumer Choice Awards," www.nrffoundation.com/content/customers-choice-awards.

Customer Service

One of the services offered by most brick-and-mortar retailers is the opportunity to try out the merchandise.



Customer Service Approaches

- Personalized services requires that service providers tailor their services to meet each customer's personal needs
- Standardized service is based on establishing a set of rules and procedures for providing high - quality service and ensuring that they get implemented consistently

Customer Service Approaches



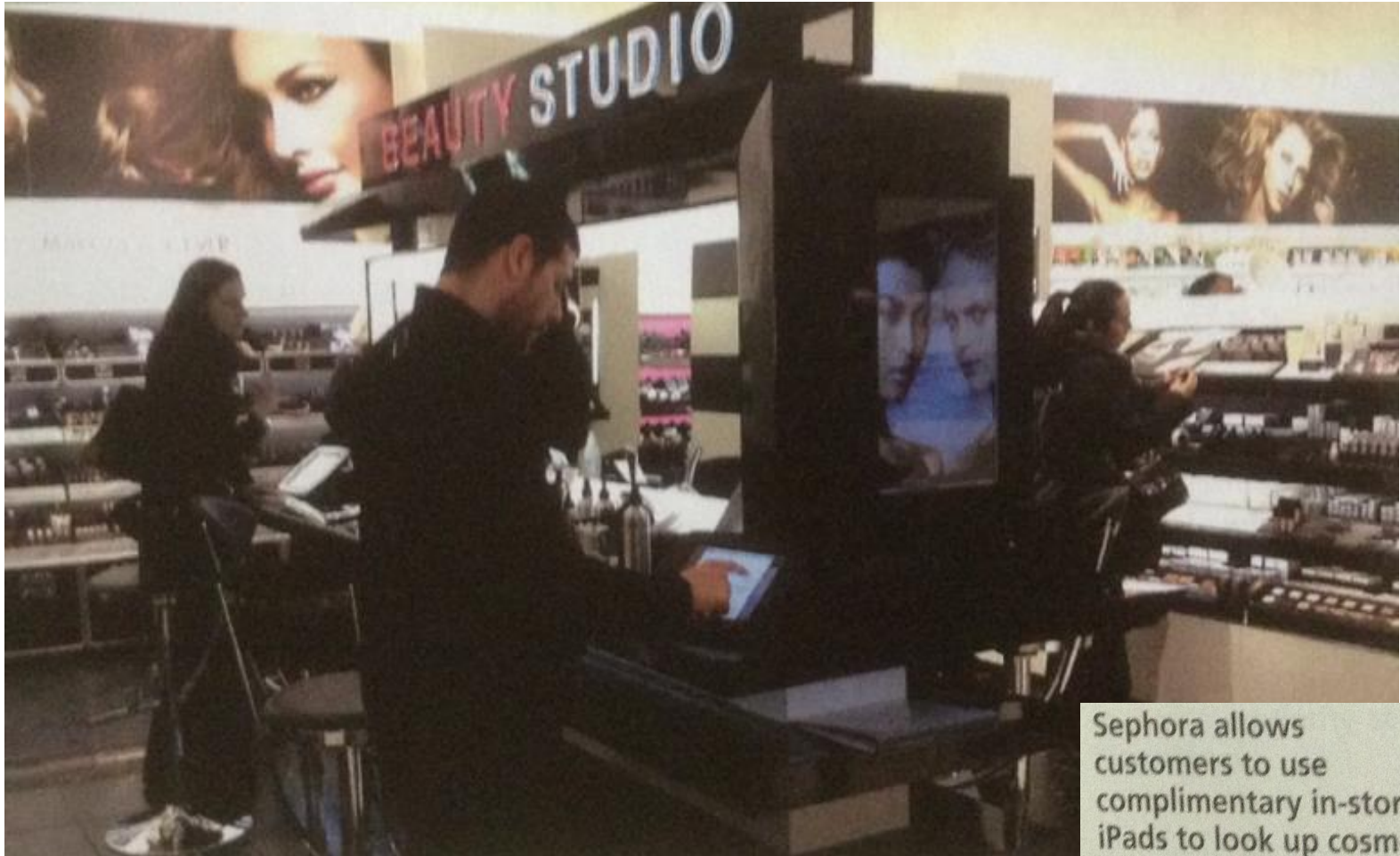
The signage in the store on the left provides standardized services, while the sales associate on the right provides personalized services tailored to match the needs of each individual customer.

Customer Service Approaches



IKEA effectively uses standardized services through its signage, information on displays, and merchandise.

Customer Service Approaches



Sephora allows customers to use complimentary in-store iPads to look up cosmetic recommendations while shopping.

Customer Evaluations of Service Quality



Perceived Service



- Reliability- the ability to perform the service dependably and accurately, such as performing the service as promised or contracted or meeting promised delivery dates
- Assurance- is the knowledge and courtesy of employees and their ability to convey trust and confidence

Perceived Service



Great customer service is always a priority at Nordstrom

Perceived Service

- **Tangibility** – is associated with physical facilities, equipment, personnel and communication materials



Perceived Service

- Empathy – refers to caring, individual attention provided to customers
- Responsiveness – means to provide customer service personnel and sales associates that really want to help customers and provide prompt service



Perceived Service



Retailers are enhancing their service levels in Germany.

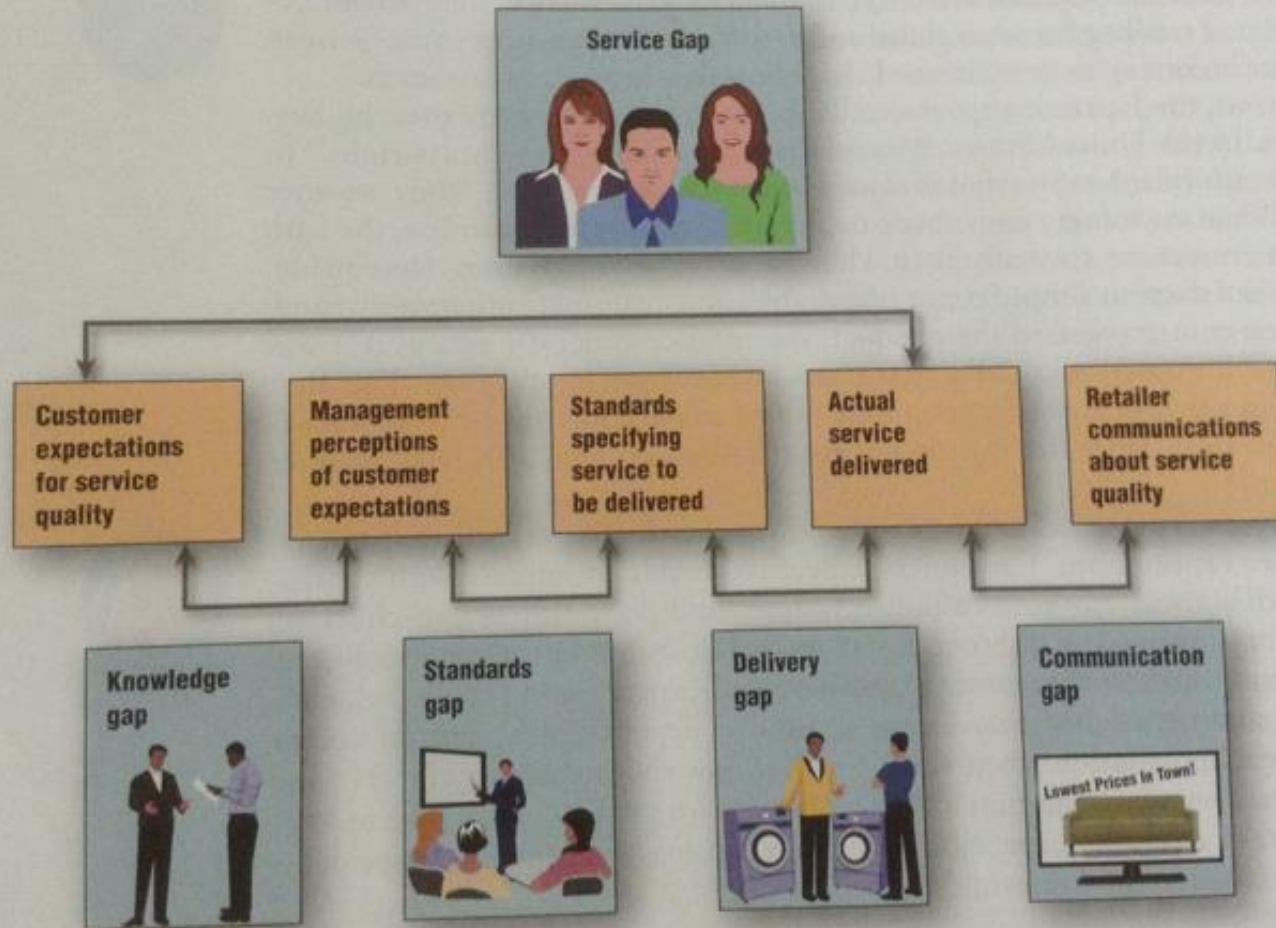
The Gaps Model for Improving Retail Customer Service Quality



Gaps Model

EXHIBIT 18.3

Gaps Model for Improving Retail Service Quality



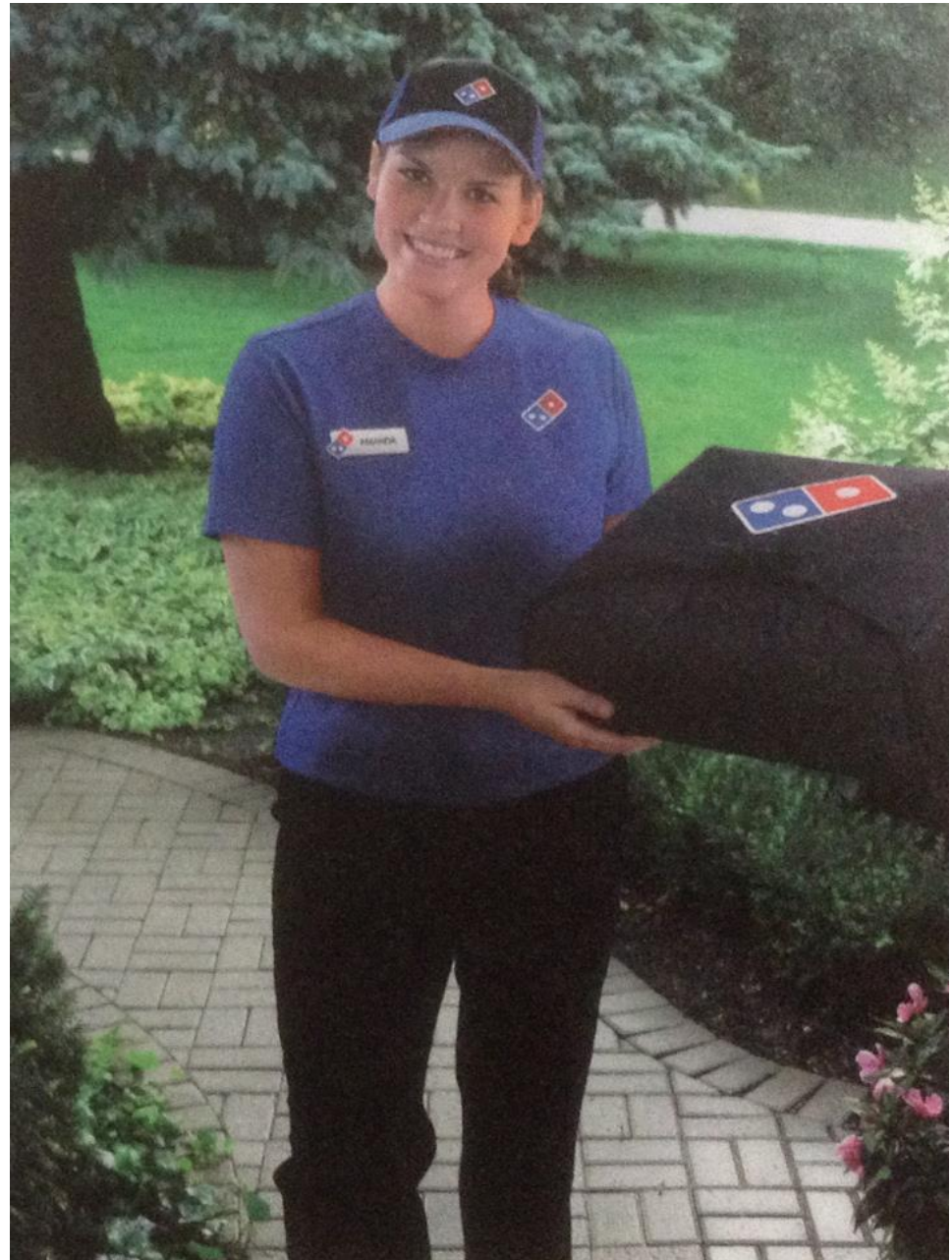
Gaps Model



Sentiment analysis is allowing Crocs to better serve its customers.

Gaps Model

Domino's has revamped its image-
both the food and its service



Gaps Model



The Ritz-Carlton clearly outlines its service standards to its employees.

Gaps Model



Customers' satisfaction decreases if they have to wait in checkout lines too long or if they feel others who arrived later are checked out before them.



That's All Folks