

Customer Service in Retailing – the Next Leap Forward?

LEIGH SPARKS

Customer care is one of the phrases that appears to be sweeping British retailing. For customers, however, this can often seem a bad joke. This paper presents a review of aspects of customer service in retailing, developing from the literature and research work in the United States to suggest how changed service orientations could improve customer relations. Examples of service are provided from the United States to illustrate the concepts.

INTRODUCTION

'You can't do that!' she barked, 'Customers cannot see anybody in Customer Service.'

(H H Kitasei 1985, reprinted in Mason, Mayer and Ezell, 1988, p. 529).

The American example quoted above is the kind of 'horror' story about customer service that almost everybody can embellish or 'cap' with their own version. Whether it is rude, gossiping shop assistants beloved of media caricaturists (Sharon and Tracey) or simply inefficiency in operation, there is widespread belief that service in British retailing is poor. And yet, retailers will quote for you the old adages of the 'customer is king' or the 'customer is always right'. Retailers are generally convinced that customer service is the coming management programme that will bring success in the 1990s. Gone are most 'ferocious' price-cutting programmes and price competition of the 1970s and in their place are the new, sparkling 'customer care', 'customer first' or 'customer service' programmes. In looking at the realities of British retailing, however, customers might be forgiven for believing that retailers understand only lip service rather than customer service. Figure 1 makes the point in an anecdotal fashion. The story is a personal experience with a Scottish retailer that advertises itself on the basis of its speed of response and service. The story illustrates

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how poor customer service is in that company and gives the customer a clear message about their status or place in the relationship with the retailer.

In the early 1980s, concerns about service were being voiced in the United

FIGURE 1
SERVICE WITH A SMILE?

Our piece of furniture would be available for collection about six weeks after placing the order and paying. The shop would ring us when it was available.

Ten weeks later a post-card informed us we could collect from the shop. It was a few miles drive to the store. Their customer car park was locked. Admission was by asking in the store for the manager to open the barrier – which he promptly locked behind you. It took three minutes in the shop, we manhandled the piece to the car, and then we had to go back into the shop to get the manager to unlock the car park to get us out.

Upon opening the package at home, it was clear the piece was damaged. Furthermore, it was clear that it had been damaged in the factory and then wrapped up and sent out. We went straight back to the store. The same palaver with the car park took place. We received many apologies all round, along the lines of 'we cannot explain how it slipped through etc.' They promised to send it back and get a replacement within the week. They would ring me at work to tell me when I could collect it.

One week, two weeks, but still no phone call. Another personal appearance at the store. 'Sorry sir, but it hasn't been collected by head office yet, but it will be this week, and we will ring you.'

One week, two weeks, but still no phone call. Another personal appearance. Another pantomime took place, but our furniture had not yet left the store.

Two months passed and finally something snapped. In words of few syllables I wrote to the managing director and copied in the store manager. I explained my problem; my four-month-plus wait; my views on customer service; my opinion of them holding my money and gaining interest; and threatened them with star-billing in my forthcoming article on customer service!

A second-class letter arrived from a very nice computer in the customer service department. They couldn't understand it; I was justified in my annoyance; the manager would be reprimanded; and my furniture would be available in my local branch for collection next Saturday.

We went to the store on Saturday, but the furniture wasn't there. We were promised it would be by mid-afternoon and we could collect it. We tried, but they had lost the key to the car park. By parking illegally I finally had my furniture in reasonable condition.

This is a true story from a Scottish company that advertises its rapid delivery and service. We have never set foot in the store again and have told as many people as we can about their service with a smile.

States. Retailers, amongst others, had allowed the situation where customer service desks were off limits to customers, for just one example! Through the decade, however, it has come to be recognised that in fact some American companies, including some retailers, are customer focused and driven and are applying customer care and service policies throughout their organisations. In this respect it can be suggested that *some* American retailers have lessons for British retailers about service, in the same way as there have been clear

'borrowings' in design, presentation and products.

It is important to state immediately however that there are difficulties in simply seeing 'good' things in America and importing them to Britain. Retailing in North America operates under very different conditions to Britain, with different costs and operating structures, as well as different employment situations. Customer flow patterns are very different and the amount and nature of competition varies considerably. It has also to be recognised that for some retailers their market positioning obviates a high degree of service, and indeed service is consciously excluded or diminished in their retail offering. Despite these caveats, however, it is useful and potentially instructive to consider the position in the United States.

This paper focuses on the positive and good aspects of customer service. That is not to say that bad service is unknown in America. It is not, and there are equally bad attempts at service in the United States as there are in the United Kingdom. The belief, however, is that British retail companies can learn from good service provision wherever it is found.

There are also social and cultural differences between the countries. All visitors to the United States are assailed by sayings or greetings as part of any exchange process. 'Have a nice day' or 'Enjoy!' are but examples of the genre. The important point is that such sayings are generally expected. A culturally specific aspect of customer service in this way is probably not meaningfully transferable. In Britain, however, beyond discussion of the weather, such rote greetings are now limited and reduce the comparative level of customer-staff interaction.

The structure of the paper is designed to focus attention on the positive aspects of customer service in America and to provoke thoughts about how retail management can apply and maintain customer service in the United Kingdom when appropriate. The aim is to provide examples to encourage thought about current offerings and possibly to lead on to changes in the future. The paper is structured into three sections. The first is a general review of the literature on customer service to ascertain the broad frameworks for understanding service. Second, examples from field work in the United States in the summer of 1989 are presented to suggest possibilities. Finally, broad lessons for British retailing are drawn. Throughout, the approach is one of using examples and illustrations to support themes rather than an exhaustive study of either the literature or retail companies in America.

WHAT IS CUSTOMER SERVICE?

Definitions of customer service abound and can be complicated. In the end, however, customer service is all about attracting, retaining and enhancing customer relationships. There are in turn a number of ways of considering this.

The attraction to customers could be in the price offer of the store or in the services that are provided, such as rest-rooms or gift wrapping. It is relatively easy to generate a list of such services that companies may (should?) provide. It can be argued that to attract certain customers to a store such services have to be provided as a 'qualifying' service package to enter the customer's consciousness or 'choice set' [Arnold, Capella and Smith 1983, Walters 1989]. This qualifying service will vary by customer segment and be dependent on the target market of the retailer.

It is important to accept, however, that merely providing services such as gift-wrapping or credit card acceptance is not enough. Customer service from a customer point-of-view is much more. Every time a customer comes into contact with a store, retail staff or merchandise, that customer is experiencing service and has certain expectations. Every time they deal with a store, its (your) staff or merchandise, they experience a 'moment of truth' [Carlzon, 1987]. Every moment of truth is an opportunity to attract, retain or enhance the relationship with the customer. Equally, every moment of truth is a potential disaster from a retailer's point-of-view and one that could put off a customer for life.

This is well-demonstrated by the illustration reported in Figure 1. The company, through its store staff, manager and ultimately computer, had a large number of 'moments of truth' in which to impress or satisfy the customer (me!). In almost every case they failed to satisfy the customer, keep to promises or even to remedy the situation. The continued inability to see the problem from the customer's viewpoint meant that they failed every moment of truth with the ultimate penalty of losing the business of the customer in the future. One dissatisfied customer tells many other potential and actual customers, thereby compounding the failure.

When a customer enters a store, they have expectations about what they will find and experience there. These expectations are based on received information and/or past experiences. If the expectations are not matched then the customer *may* take his/her custom elsewhere. Continued dissatisfaction will generally lead to loss of trade if there are competing opportunities. Retailers aim to meet these expectations and to keep their customers by binding them into a long-term relationship. To do this the company's offer must be positioned to meet the expectations of the target customer group and the in-store and out-of-store activities must match the expectations.

It is always possible for expectations of consumers to be depressed across an entire market. A good example of this is the contrast between grocery shopping at supermarkets and superstores in the United Kingdom and the United States of America. In the United Kingdom customers are expected to bag the groceries themselves and carry the goods to the car, possibly in the trolley. Their expectations of service are low. The last impression of the store the customer gets is often a long queue at the checkout, having to work

themselves to pack their own purchases and then a trek to find the car and the resting place for the trolley. They may also have had to pay a returnable hire charge for the use of the trolley. In the United States, by contrast, many stores offer bagging and carry the products to the car or have a drive-up collection point. The last impression of the store is of a 'bag-boy' placing their groceries in their car, thanking them for shopping at the store and wishing them a good day. The contrast is extreme, but the expectations are extreme as well. This is why in the United States retailers are at pains to dispel any 'I'm *only* a bag-boy' statements from such staff, trying instead to impress on such employees that their final contact with the customer can be the crucial contact in meeting the expectations of the customer as it is the last thing they experience, and remember.

What should be evident from the foregoing is that emphasis needs to be placed in two main areas. First, it is crucial that the retailer knows and understands the customer. Many retailers claim to do this and to know what customers believe, but in fact it is debatable whether many retailers are truly pro-active when it comes to customer changes, research and requirements. How many retailers, for example, have a 'vice-president of listening and responding' as Burger King claim (*Guardian*, 31 March 1990)? Secondly, there has to be dedication to customer service, which in turn means a concentration on the service provided by sales employees to customers. The sales employee-customer relationship is crucial to the success of customer service policies as this is the area with major potential for problems. An element of this is the emphasis to be placed on seeing the service a company provides in the customer's terms – and not just on special occasions, but every occasion. How often do the managers of a retail company shop in their own stores, unannounced, unnoticed and as an 'ordinary' customer? How often do they try to return a product or ring up the customer service desk? What service levels are offered to the ordinary customers rather than seen on the flying (previously announced) visit of the company chief?

A customer service focus on customer-employee relationships, however, does not mean that the systems and procedures of customer service can be forgotten. The systems are drawn upon heavily by both staff and customers. But what is emphasised is the staff side of the provision of customer service – the people orientation. This can be seen in Figure 2 which is an attempt to model customer care [Thomas, 1987].

What the model illustrates is that there are a number of instances where customer service is provided or supported. The four main components identified are the customers, staff, management and systems. The interface between any of these has to be successful for proper customer service to be provided. The strength of this model is that it focuses attention not only on the systems (the physical service provision in most cases) but also on the people involved.

It also emphasises that the systems and the staff have to have shared direction or else they are pulling in opposite directions.

THE MANAGEMENT OF CUSTOMER SERVICE

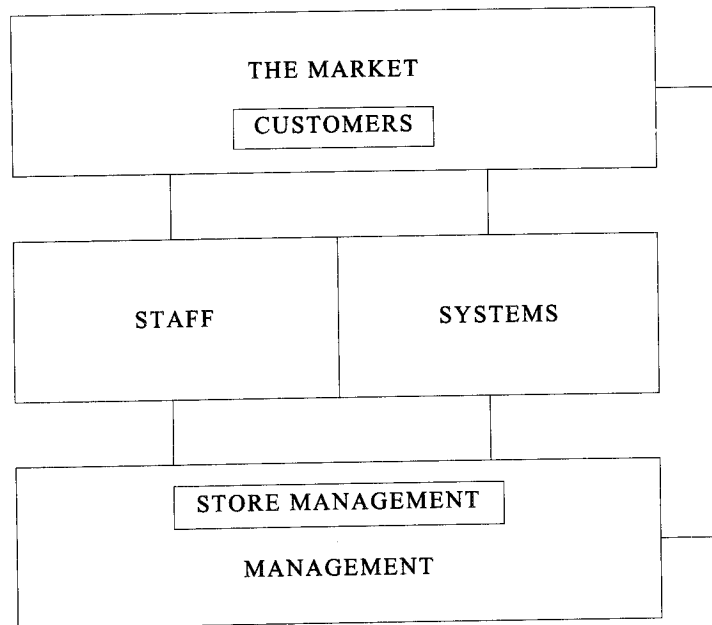
The literature from the United States has seen a developing concern with the issues of customer service and particularly over how to provide good quality customer service. In many cases this initiative stems from the tub-thumping of people like Phil Crosby [e.g. Crosby, 1979] and particularly Tom Peters. Tom Peters' work on business excellence as a whole has been influential in causing managers and researchers to focus on the customer and service quality. His work [Peters and Waterman, 1982; Peters and Austin, 1985; Peters, 1988] contains elements on the management of service quality, but it is probably better to consider the specialist texts on the subject.

The recent book by Zeithaml *et al.* [1990] is a good example and the same authors have also pioneered the use of SERVQUAL [Parasuraman *et al.*, 1988]. One of these authors has also produced some brief notes on delivering service in retailing [Berry, 1988]. In addition, there are a host of more populist books on the topic of customer service (e.g. Albrecht and Zemke 1985, Albrecht 1987, Hanan and Karp 1989, Lash 1989, Zemke and Schaaf 1989). There are also journal articles on the application of programmes to selected companies [e.g. Prouty, Roth and Nelson 1988, Burns 1989, Smith 1989].

Zeithaml *et al.* [1990] have concentrated on demonstrating the way in which customers' expectations are often not met by companies in terms of service and how companies can begin to remedy this. Their analysis is focused on the 'Gaps' model as illustrated in Figure 3. The model concentrates management effort on their identified gaps in service quality. What is apparent from the figure is that these gaps can develop from the mismatching of customers, management, staff and systems and that good service providers have closed these gaps. The similarity between the basic structure of Figures 2 and 3 should also be apparent.

The aim now is to show how some aspects of customer service in retailing are put into practice in the United States. Three retailers are illustrated below to demonstrate the overall orientation. These companies are: Harris-Teeter Supermarkets, Nordstrom and Palais Royal. It is not for one moment being suggested that these are the best service retailers in the United States, but rather that they illustrate well the aspects of the argument being developed here. The field work and interviews on which these brief profiles and the illustrations are based were carried out in the summer of 1989. The purpose of these brief profiles is to provide illustrations of the orientation of the three companies by singling out different aspects of their service provision. Each company does more on customer service than is illustrated here, but the aspect identified is an

FIGURE 2
A CUSTOMER CARE MODEL



Source: after Thomas [1987], p. 290.

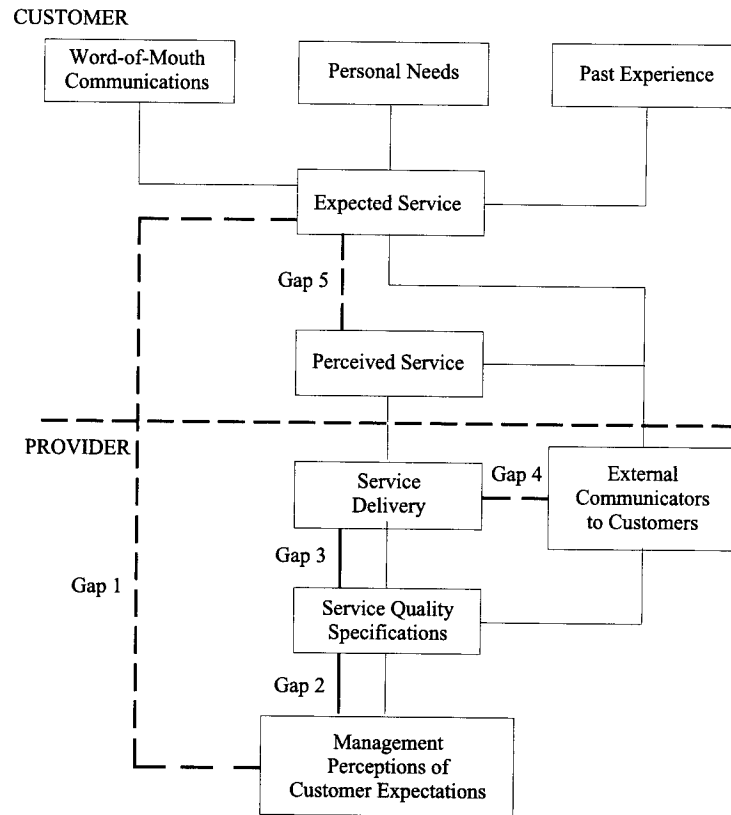
important element of the overall approach. The next section develops from these illustrations to examine the ways in which, and provide a framework to understand how, elements of customer service are applied in the United States. The aspects developed here are: customer contact and feedback in Harris-Teeter; customer service orientation in Nordstrom; and employee development in Palais Royal.

Harris-Teeter Supermarkets Inc.

Charlotte-based Harris-Teeter operate approximately 120 supermarkets in the Carolinas, Virginia and Tennessee. Originally founded in 1936, Harris-Teeter are now part of the Ruddick Corporation and are the second largest food chain in the Carolinas. The company is not one of the major food retailers in the United States but represents the leading regional-based style of operation. Its statement, prominently displayed in all company locations and activities, 'the only low-priced supermarket that refuses to act like one', is a fair reflection of the concern for customers that is felt throughout the company.

The company operates a small customer services department. The first goal

FIGURE 3
THE 'GAPS' MODEL



Source: Zeithaml *et al.* [1990], p. 46.

for the department is:

to link management directly to the customers so they can know quickly what customers likes and dislikes are, as well as their requests. We will continue to actively seek input from our customers through:

- comment cards made available in every store
- toll-free numbers publicised on cash register receipts, all customer assistance literature and private label product labels.

This commitment to obtaining customer input is reflected in the way in which the customer service department has the ability to ring up anyone in the organisation to try to sort out problems. Customers can complain or simply

comment in a number of ways. All these contacts have to be responded to and it is the responsibility of the customer service department to contact the customer within set time limits to attempt to remedy any problems and encourage the customer to return to the store/company. The belief is that a 'recovered' customer tends to be loyal – provided that repeat breakdowns are not made. Should there be a repeat, then the store manager can expect problems from both the customer service department and the 'higher' echelons of company management.

The company provides customer contact cards in every store through its customer information centre, which is a self-contained unit, generally on the inside front wall of the store. This centre, as well as containing comment cards, also contains product information, a newsletter, recipes, coupons and pens to complete the comment card. An example of the comment card is given in Figure 4.

On the staffing side, employees are trained in correct procedures for dealing with customers but are also told some things about customers:

- They are the most important people in our business.
- They are not an interruption in our daily work, but they are the reason for our work.
- When they bring us their wants and needs, it is our privilege to serve them.
- It is an honor for us to be able to serve them. They choose our store maybe it's because of the good service you gave them.
- They deserve and should receive our prompt, friendly attention.
- Our profits and job security depend on their business and loyalty.
- Whatever type of service they require, they tell their friends and neighbours – whether it is good or bad.
- Most importantly, they pay our wages! Without them, there would not be a need for us.

This message is constantly reinforced throughout training and in subsequent meetings and information briefings and so on. The message is simple: 'the customer is crucial to your pay packet. If the company and the staff don't deliver what the customer requires then the future is going to be bleak'.

Nordstrom Inc.

Nordstrom are a Seattle-based chain of department stores that have terrified their competitors by the service levels offered and customer loyalty engendered. They have also begun in the 1980s to move away from their north-west base and to open stores along the west coast and recently on the east coast. Nordstrom are a particular favourite of Tom Peters and are also profiled in the

Zemke and Schaaf (1989) list of best customer service companies. Whilst many of the stories about the company are undoubtedly apocryphal, there can be no doubting its success with its customers and its attraction for certain types of sales people. The company's draw is such that it can pick and choose its sales associates from a select pool of quality applicants.

This success has been attributed to many things, but it would seem that the real basis for Nordstrom is the overwhelming focus on the customer and the willingness to back and reward staff who put themselves out for their customers. Customer 'heroics' are welcomed, valued and celebrated as the pinnacle of salesmanship. The staff in Nordstrom tend to be very sharp, quick and responsive to customer needs. They are rewarded in commission and other terms for their success in selling. The message from Nordstrom is one of total commitment to the customer, focused through the sales staff.

Nordstrom claim that they do nothing very special in customer service terms, but simply put into practice what they have been doing since the company was founded. Being originally a shoe business, they argue that this gives them an attitude towards customers and inventory that is different to other retailers. Whether the attitude could now be grafted on to an existing retailer is doubtful. Their customer service approach can be defined in vague terms as a 'culture, background, chemistry, philosophy' or in simple terms as a 'wild dedication to taking care of the customers'. This dedication is generated by a complex reward and commission basis that treats every element of the company as responsible to its customers and rewards them on results. These rewards may be trophies, flowers, money, shares or enhanced discount, but they are cherished by employees. Such is the culture that even the accountants have customer service targets to achieve! This is reinforced by a management structure of decentralisation and a policy to restrict management hiring to within the business. The pressures are considerable, as is the responsibility, but equally the rewards and flexibility are considerable.

Palais Royal

Palais Royal are a long way from Nordstrom, both in geographical (Houston-based) and retail terms. They are a retailer of clothes at the lower and moderate end of the market and they focus on lower and moderate income people. The belief of the company, however, is that there is no reason why good customer service cannot be given to this target market as any other and that such service can be used to generate considerable customer loyalty and profitability. The service standards that are used by Palais Royal are all monitored and checked on a regular basis and staff are rewarded and promoted on the basis of their performance against agreed standards for the store and for the merchandise group which they sell. At the same time, the sales associates are constantly reminded about the importance of customers as people and not just as sales

targets.

Palais Royal focus their efforts on customer service and taking care of the customer. The ways in which this is done is through the combination of 'training with follow-up and recognition for the people who achieve the standards'. At the same time, they try to listen to customers and make improvements at their behest, more hooks in the changing rooms, for example. The focus, however, is using the sales associates to deliver customer service by being sales professionals. To this end the systems in the company monitor staff performance in a number of elements of their job – both quantitative and qualitative – and reward staff for exceeding targets and standards. Such elements include not only sales volume per hour but items such as business card delivery, development of clientele books and sending of thank-you cards. In this way the system supports and monitors the staff whilst encouraging the sales associates to develop personal relationships with the clientele.

A good illustration of the importance the company places on the staff-customer relationship is given in Figure 5. The 'take note' document emphasises the way employees should treat customers and try to build a relationship with them over a long period. This is extended by the use of stickers and reminders on company literature, in staff rooms and throughout the store. These carry slogans such as:

- someplace special ... because we care!
- never say no! if you can't say yes, call management
- we care
- customers are really everything (care)

The message is one of continuously reminding staff about the atmosphere, presentation and approach to the customers.

Figure 6 presents the customer service performance standards that are set for sales associates. Many of these can only be checked by store management watching the sales floor or by 'mystery' shoppers being employed to receive service as a customer and report on individual employees. Palais Royal in fact uses an extensive programme of such shoppers and rewards staff on performance on these. All staff know that the store is shopped on a regular basis. What Figure 6 also shows is the way in which service is used to extend the sale and to build the relationship. Sales associates are also monitored on items such as sales per hour, thank-you cards written, multiple item sales etc. The performance on these criteria against agreed standards affects the level of pay and staff entry or position on reward programmes.

One such programme is the STAR programme outlined in Figure 7. This shows both the standards to be achieved and the rewards to be gained by being a 'STAR'. Some of the standards are calculable on the basis of till data whilst others depend on agreement or assessment by managers and/or mystery shop-

FIGURE 5
TAKE NOTE – PALAIS ROYAL

TAKE NOTE

'THE SECRET IS ATMOSPHERE'

A pleasant shopping experience depends on the atmosphere we create. In a Palais Royal store the feeling is, 'I feel welcome here'. – 'I feel comfortable'. The store's layout, merchandise, and the way it is displayed, make important contributions. But first and foremost is the way customers are treated by the store's associates.

You are the all-important contact:

- Your friendliness, a welcome smile, showing personal interest by using a customer's name, gives your customer a feeling of importance.
- Your sincerity is evident in your efforts to find out a customer's needs, and once known, in quickly carrying out your customer's wishes.
- Your honesty builds trust. Customers deserve the truth about merchandise ... about fit, fabric, and 'look'

These, and courtesy, create a pleasant shopping atmosphere that encourages our customers to come back again. That's the secret.

pers. In all cases the sales associate is interviewed about performance and appeals can take place. Sales associates themselves have records on their own performance agreed with management on a regular basis and available at all times. There are other programmes and awards that build on the STAR programme and develop other aspects of the employees performance.

CUSTOMER SERVICE DELIVERY

The illustrations of specific aspects of customer service in Harris-Teeter, Nordstrom and Palais Royal are important as they focus on three different aspects of the management and delivery of customer service. What they illustrate are the attention to detail and corporate culture that are needed to provide quality service. Physical items of this service provision can be copied or borrowed, but culture and attitudes are less transferable or require much more attention to develop. The argument is not that UK retailers should follow these illustrations slavishly but rather that they should begin to think about their customer service strategy.

Disaggregating customer service aspects for illustration as above can be somewhat misleading. This is because the approach in good service companies is not an aspect or a focus on one item but an overall orientation or strategy towards customers and customer satisfaction. All aspects of the company are tuned towards the customer and focus on satisfying customer needs. There is no management programme that can be used to bring customer service success.

FIGURE 6
CUSTOMER SERVICE PERFORMANCE STANDARDS
FOR SALES ASSOCIATES

1. Every customer is greeted or acknowledged within thirty seconds of entering the department.
2. Accompanies the customer to the fitting room.
3. Returns to the fitting room within five minutes to check with the customer while in the fitting room.
4. A minimum of two garments are presented to the customer while in the fitting room.
5. One additional item is suggested to the customer.
6. At the close of the sale, the customer is thanked by name, if available.
7. Presents a business card to all customers (except for regular/clientele customer).
8. Suggests a new account to every customer that does not have an account.
9. Two 'thank you' cards are written each day an associate is at work.
10. A minimum of one new clientele customer is added each week.

Rather, the service programme is one that involves all staff of the company and rewards on the basis of performance not just the managers but those that deliver the highest standards of service.

Whilst the argument that customer service is indivisible in any good service company is a powerful one, there seems little doubt that some core characteristics have to be achieved consistently. It is proposed here to discuss and illustrate these under five headings (which are presented in no ranked order). It is re-emphasised that these headings, whilst treated discretely here, are part of an integral service provision.

Attitudes

There are a number of different aspects to attitude that are demonstrated by the better service companies. One is a belief that the 'management' of a store and a company should have front-line experience of serving customers. This might be for only a few weeks a year or as a regular part of their job, but the important point is that they experience serving customers first hand. Wal-Mart insist that corporate staff spend a set time each year in their stores serving customers. Regional management at The Limited are required to sell in stores as part of their jobs. Attitudes such as these demonstrate a commitment to customer service and focus on the customer, not the corporate end of the business.

Equally, however, the attitude of sales staff in store is crucial towards the delivery of customer service. Disinterested sales staff speak volumes about the status of customers. On the contrary, however, sales staff who are motivated and have an customer attitude that focuses on providing service are vital in providing the correct atmosphere. One aspect of this attitude is in the way staff

FIGURE 7
STAR PROGRAMME

A: How to Reach the STARS

Standard	Senior Sales Associate	Sales Consultant	Senior Sales Consultant
	*In trailing 6 months	*In trailing 6 months	*In trailing 6 months
VPH	*Equals Dept's VPH	Is 10% above dept's VPH	Is 20% above dept's VPH
Multiple Sales %	*Equals dept's multiple %	Dept's multiple sales % + 1%	Dept's multiple sales % + 2%
New Accounts	*1 approved a month in 4 out of last 6 months.	2 approved a month in 3 out of last 6 months.	3 approved a month in 3 of last 6 months.
'Thank You' Cards	Average of 2 sent for 7 hours worked.	Average of 2 sent for 7 hours worked.	Average of 2 sent for 7 hours worked.
Loss Prevention Evaluation	'Satisfactory' rating	'Good' rating	'Outstanding' rating
Clientele Book Evaluation	'Excellent' rating	'Excellent' rating	'Excellent' rating
Overall Performance Evaluation	'Satisfactory' rating	'Good' rating	'Outstanding' rating
Shoppings (if none, 'no effect')	In trailing 4 months total score 75% or more.	In trailing 4 months total score 80% or more.	In trailing 4 months total score 85% or more.

B: STAR Benefits

	Senior Sales Associate	Sales Consultant	Senior Sales Consultant
		Annual recognition breakfast with/top corporate executives.	One additional paid floating holiday for each 6 months.
		Special Honor Roll Listing	Receives plaque at annual recognition breakfast with top corporate executives.
		Once for each 6 months, Spring & Fall, can purchase PR merchandise at 50% of original price	Special Honor Roll Listing
		6-month bonus of 0.25% of trailing 6-month net sales	One for each 6 months, Spring & Fall, can purchase PR merchandise at 50% off original price.
		Gold name badge title engraved on name badge and on business card.	6-month bonus of 0.25% of trailing 6 months net sales.
	Special Honor Roll listing	Gold name badge title engraved on name badge and on business card.	Gold name badge with title and name engraved on it and on business card.
Regular Palais Royal benefits and commissions.	Regular Palais Royal benefits and commissions.	Regular Palais Royal benefits and commissions.	0.25% monthly top of draw bonus on net sales.
			Regular Palais Royal benefits and commissions.

speaking to customers. In many stores staff are told to say certain phrases and to deal with customers in a set way. This is believed to be providing service. In fact, better service is provided by companies who tell staff 'this is what you must not say' and let them find their own phrases. This avoids the monotonous, repetitive, robotic form of 'service' that is currently prevalent in much retailing in the United Kingdom.



Sales Staff

Customer service is delivered mainly by the sales staff of a company. It is clear, therefore, that much effort has to be expended on recruiting and holding quality staff. In some instances this might be through the staff having the right 'attitude' or through a large degree of testing. Either way, it is a type of person that is being sought.

Engendering the motivation and attitude at the sales staff level is often seen as being a question of rewarding staff for good performance. Appraisal and reward systems such as those illustrated above are common in many American retailers, although their extent varies. Equally common is the payment of staff through commission systems. Staff are paid a basic salary and then are 'rewarded' by commission on the way in which they reach targets. Commission sales can be simply a percentage of volume, or can be rather more complex calculations that involve meeting targets on a variety of bases. Such targets could include multiple sales, thank-you cards and so on as well as simply volume. This is because volume-based measures alone can tend to lead to over-competitive staff chasing customers. It is also essential that there is no cap on the reward system. If staff sell enough product to make a very high wage then this should be encouraged and allowed. Sales staff earning large wages on the back of high levels of selling should lead to better performance for the company.

Such reward or commission systems should not be targeted solely at the sales floor staff. Store management, regional management and staff at corporate levels can also be made to be more dependent on performance, both personally and for the company as a whole. By so doing, all employees feel they have a stake in the simplest activity performed in the company.

Visibility

Customer service appears to have a much higher profile in the United States than it currently has in the United Kingdom. This is certainly the case inside retail outlets, where reference has already been made to customer information centres, the provision of toll-free numbers, store leaflets and notice boards, customer contact cards and so on. Visibility in this sense can be applied both to the physical visibility of service desks etc, and also to a less tangible visibility that comes from customer service attitudes. Whilst the physical visibility is important, it has to be combined with the correct attitude for customer service visibility. There is, for example, nothing quite so crass as a customer service desk that is closed or a customer contact card display that never has any cards. However, such things can be ameliorated by staff who are helpful and concerned about the customer. When there are physical and attitudinal attributes to

visibility working together, then the message is one of service, care and concern.

Customer Contact

The examples given above have identified many ways in which retailers contact the customer. Most good service retailers are using a combination of these. In addition, however, there is also the use of staff to provide extra customer contact. The most obvious example of this is the way in which customers are greeted as they enter the store or certainly within their first few seconds in the store. This greeting acts both to acknowledge the presence of the customer and to begin the dialogue with the customer. It is not suggested here that such activity is applicable in all British retailers. It is instead the thinking behind customer contact activities that is crucial. In many British companies customer contact is the last thing on sales staff and management minds. This has obvious long-term implications.

Champions

The final component to be identified is that of champions for customer service. In one sense this has already been done by considering the staff and attitudes throughout the company. In another sense, though, this championing role is much more than this. It revolves, for example, around the significance given by the company to the customer service department. If the company truly believes that the customer is always right, then the status of the customer service division will be high and the authority they can wield will be considerable. In such companies the customer service division has the ability to impose solutions on the line management if the service has been less than perfect. In other companies it means an automatic referral upwards every day if complaints are not solved. The message is one that the company cares about its customers and will put things right and ensure that they don't go wrong again. Whilst getting it wrong first time should be avoided, repeating the mistake should be unacceptable. Championing is about believing in customer heroics and encouraging all forms of excellent service.

CONCLUSIONS

This article has considered aspects of the customer service found in American retailing. The fundamental belief identified is that it is essential to build a long-term relationship with customers and that customer service is one way of doing this. The service illustrations used here are to an extent extreme in that they are interesting examples of service provision in North America. It does have to be

remembered that not all American retailers practise good quality customer service and that 'gaps' can be identified quite readily (see Figure 3). It is a legitimate question to ask whether the better elements of service and the orientation could be introduced in the United Kingdom.

In some instances it is not difficult to imagine the problems that might ensue given the different trading environments of the United Kingdom and the United States. For example, the greeting of customers by staff members soon after they enter the store is probably only possible in the United States because of lower store volumes. It may not be practical in a real sense in the United Kingdom because customer volumes are much higher and no relationship between staff and customer is therefore commenced. This is not to say, however, that staff recognition of customers is not an achievable goal. Staff should be encouraged and rewarded to generate such an attitude.

On the other hand, however, it is undoubtedly true that many of the activities presented here should be basic to any retail company in the United Kingdom (and elsewhere). Some would claim to be 'doing customer service' already. Obtaining customer views, having high service visibility, rewarding staff for good service and ensuring good service attitudes throughout the company should be common place. Whilst many retailers may feel they are doing this, the reality from the customer's point of view is very different. Figure 1 reported a story that is not untypical of British retailing. Other examples could be used. Nowhere is it really possible to point to a multiple retailer which is totally service-oriented (although it does have to be recognised that some steps are being made). In one sense this does not really matter. It is seemingly part of the British psyche to enjoy poor service as it gives (us) something to complain about, but in the longer term it is probable that service levels and attitudes will have to rise as new companies exploit the British market and British consumers experience wider examples of good service. If this does happen then these companies that have already begun to digest the lessons of quality service retailing and are focusing on their customers will be those that will prosper. To do this retailers need to prepare a full customer service strategy and act all the time accordingly. This is easy to write, but is less easy to do, partly because it must affect everyone in a company to work properly. Tinkering through piecemeal quality programmes is not the way.

British retailing is characterised by low pay, poor levels of staff remuneration, sometimes inadequate working conditions and minimal staff levels, motivation and concern. This caricature is supported by high profit levels of many companies, even in difficult times, and relatively high margins. Management salaries and rewards are considerable. It is possible to suggest that the 'gap' is bridged by customer (dis)service and that it is customers who, by accepting inadequate standards, are helping to sustain inequities and suffering themselves in the process. What is likely to occur in the coming decade is that

some retailers will begin to apply customer service as a strategic tool and profit accordingly and that customer segments will increasingly reject inadequate service provision. The winners in this process will see increased market share and profitability through satisfying customer requirements. The journey is not an easy one for companies to make and service provision and attitudes have a long way to go. It is hoped that this article will help in beginning to expand the consideration of service.

British retailing is poised to take a leap forward in customer service terms. This is not an easy step to take or journey to make, but it may be crucial in building successful retailing in the 1990s and beyond. There is no one answer and each company needs to work through its own customer service strategy and policies.

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Zemke R., and D. Schaaf, 1989, *The Service Edge*. New American Library: New York. Market Failure and Bank Regulation

This paper examines whether market failure in banking, as it relates to the monetary and credit system, provides a basis for