
Basic Business and Customer Service Skills

Unit: Business of Textiles

Problem Area: Business Skill Development

Lesson: Basic Business and Customer Service Skills

■ **Student Learning Objectives.** Instruction in this lesson should result in students achieving the following objectives:

- 1 Review customer service traits and professionalism.**
- 2 Explain how customer service affects profit and loss.**
- 3 Describe ethical business practices.**
- 4 Expedite customer transactions and services.**
- 5 Follow standard operating procedures.**

■ **Resources.** The following resources may be useful in teaching this lesson:

E-unit(s) corresponding to this lesson plan. CAERT, Inc. <http://www.mycaert.com>.

Atwood, Christee Gabour. *Ultimate Basic Business Skills: Training an Effective Workforce*. atd, 2009.

“How to Develop a Customer Service Policy,” *wikiHow*. Accessed Aug. 4, 2014. <http://www.wikihow.com/Develop-a-Customer-Service-Policy>.

Josephson, Michael. “12 Ethical Principles for Business Executives,” *Business Ethics & Leadership*. Accessed Aug. 4, 2014. <http://josephsoninstitute.org/business/blog/2010/12/12-ethical-principles-for-business-executives/>.



Marshall, Maria. "Defining Your Business Through Goals and Objectives: First Steps for New Entrepreneurs," *Purdue: Extension*. Accessed Aug. 4, 2014. <http://www.ces.purdue.edu/extmedia/EC/EC-727.pdf>.

Thompson, Mark, and Brian Tracy. *Now... Build a Great Business!* AMACON, 2010.

■ **Equipment, Tools, Supplies, and Facilities**

- ✓ Overhead or PowerPoint projector
- ✓ Visual(s) from accompanying master(s)
- ✓ Copies of sample test, lab sheet(s), and/or other items designed for duplication
- ✓ Materials listed on duplicated items
- ✓ Computers with printers and Internet access
- ✓ Classroom resource and reference materials

■ **Key Terms.** The following terms are presented in this lesson (shown in bold italics):

- ▶ associates
- ▶ clients
- ▶ company service policy
- ▶ critique
- ▶ culture
- ▶ customer loyalty
- ▶ customer service
- ▶ customer service policy
- ▶ database
- ▶ ethical business practice
- ▶ fashion blogger
- ▶ login security
- ▶ loss
- ▶ marketplace
- ▶ onstage presence
- ▶ personal shopper
- ▶ professionalism
- ▶ profit
- ▶ retail
- ▶ secure Web site
- ▶ standard operating procedures (SOPs)

- **Interest Approach.** Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here.

According to the National Retail Federation, holiday sales have increased 3.3 percent for the past 10 years. For more information about customer retail sales, have students access the National Retail Federation at <http://www.nrf.com>. Have them discuss their findings in small groups and then as a class.

CONTENT SUMMARY AND TEACHING STRATEGIES

Objective 1: Review customer service traits and professionalism.

Anticipated Problem: What are strong customer service traits? What is a strong sense of professionalism?

I. Customer service and professionalism

A. **Customer service** is the planned strategy of a business to meet the needs of its customers through services, policies, and actions. A **customer service policy** is the determined process and/or methods utilized by company employees to meet the needs of clients. **Clients** are customers. **Associates** are a business's customer service employees. Associates assist customers before, during, and after purchase. A **personal shopper** is a person who provides expert advice and one-on-one assistance to customers and provides advanced knowledge of products, services, trends, styles, and more to customers. The goal of a personal shopper is to provide a high level of customer service by:

1. Creating a customer profile database with each customer's preferred brands, styles, sizes, colors, etc.
2. Previewing and pre-ordering new seasonal merchandise for their client list
3. Developing a close relationship with each customer to anticipate customer wants and needs

B. General customer service traits

1. An employee should know the product and/or service features and benefits.
2. He or she should listen, confirm, and paraphrase customer needs. For example, a customer indicates she is looking for an outfit for an evening wedding. The associate may paraphrase this request by saying, "You will be attending an evening wedding. Do you feel more comfortable in evening pants, suits, or dresses?"

3. An employee should use an **onstage presence** (a demeanor that best represents the business). The associate's personal needs, wants, and issues are not displayed while on the job.
 4. He or she should serve customers with warm politeness and offer options, including stock merchandise and/or additional and complimentary items (upselling). For instance, when a customer is looking for a spring coat, it is a good time to show him or her an umbrella, scarf, and a hat.
 5. Assisting customers
 - a. An associate should happily assist customers because customers are the reason retail jobs exist. Customers are not nuisances.
 - b. An associate should always stop a retail stocking or maintenance task to meet the needs of customers.
 6. Calming frustrated or unhappy customers is a strong trait of an excellent customer service representative. An associate may calm unhappy customers by:
 - a. Staying calm
 - b. Listening to the customers
 - c. Paraphrasing what the customers want or seek
 - d. Offering the customers options (e.g., in-store credit, cash or credit, or a rain check)
 - e. Listening and solving customer issues may be accomplished by any or all of the following associates:
 - (1) Cash register
 - (2) Help desk or return desk
 - (3) Online chat assistants
 - (4) Supervisors
- C. A **company service policy** is a document that outlines a course of action, an adopted procedure, or guidelines adopted for the sake of customer expectations, customer retention, sales, etc. For example, the customer service policy of Nordstrom is: "Use your best judgment." However, no customer service policy remains the same forever; most are reviewed periodically based on customer expectations. Feedback from customers is crucial to retain return customer business. The goal of the associate is to meet customer needs without needing the assistance of other employees.
1. An associate should be aware of all company policies to provide the best service. For example, he or she should study all training materials and learn all policies regarding products and services. Customers want answers from the people with whom they come in contact at any business.
 2. An associate should know how to execute all policies in an efficient manner. From time to time, specific policies must be executed with manager approval. Managers may need to approve:
 - a. Returns
 - b. Additional percent off slightly damaged merchandise and "as is" sales

D. **Professionalism** is the practice of acting with warm politeness toward customers and other associates and positively contributing to the business culture. **Culture** is the behaviors and beliefs of the business. An employee must maintain a sense of professionalism with customers and co-workers.

1. He or she should keep personal life discussions and displays to a minimum.
2. The employee should control his or her emotions at all times.
3. He or she should follow all business guidelines and customer service policies.
4. The employee should complete all tasks in a timely manner.
5. He or she should promote the business in a positive manner.

Teaching Strategy: Use VM–A and VM–B to review basic customer service traits of retail associates.

Objective 2: Explain how customer service affects profit and loss.

Anticipated Problem: How does customer service affect a business’s profit and loss statement?

II. Profit and loss

A. **Profit** is the revenue (money) earned by selling a good or service after paying all expenses. Business expenses include product costs, salaries, overhead, and taxes. The expenses are the amount needed to sustain business activity. **Loss** is the act of spending more than is earned. Therefore, expenses exceed income. Businesses must provide quality products and services to exchange in the marketplace.

1. The **marketplace** is any legal arena for exchanging goods and services.
2. **Retail** is a business that sells to the public. The retail business may create an original product or purchase products from somewhere else to resell.
3. **Customer loyalty** is the likelihood that previous customers continue buying and using the goods and services of a specific business. A typical business goal is to create customer loyalty. To operate effectively and create a profit, businesses must address the following:
 - a. Product quality—A poorly constructed product may not sell, could be returned, and may be given unfavorable reviews (verbally, in writing, or online) by customers. Any unfavorable review scenario that stems from poor product quality is an added cost to the business.
 - b. Value—The customers should believe they will receive value from the product or service.
 - c. Needs and wants—Businesses must anticipate the needs and wants of their customers.

- d. Customer service—Positive customer interactions with employees are crucial to the success of any business. Sample employee customer service goals are:
 - (1) Exceed customer expectations.
 - (2) Talk about the features and benefits of products and services.
 - (3) Treat customers with respect, even if the customers are disrespectful.
 4. A **critique** is a summary of one’s judgments and an analysis of the characteristics (strengths and weaknesses) of a product, service, or performance. It may appear in one of several forms: word-of-mouth, online ratings, journalistic reviews, etc.
 - a. Customers and critics now publically critique businesses.
 - b. A **fashion blogger** is a person who writes and publishes information about trends, the fashion industry, and personal style. He or she also critiques specific businesses and other fashion bloggers. A fashion blogger can influence sales.
- B. Company policies
1. Benefits—Company policies must benefit customers and the business. Strong company policies are just as important as the product or service when it comes to making a profit.
 2. Product quality—Customers want a company to take care of any problems with quality in terms of a product or service. They want a “no-hassle” encounter with a business if they need to change or return an item or cancel a service.
 3. Return and exchange policies—Return and exchange policies must be clearly stated for the best interest of the customers and the business. They should allow the customers to be comfortable and confident about a purchase knowing the business is customer friendly and accommodating when and if a problem arises.

Teaching Strategy: Use VM–C and VM–D to review. Ask students to share their favorite and least favorite customer service experiences. How did their least favorite customer service experience influence their continued support of the business?

Objective 3: Describe ethical business practices.

Anticipated Problem: What are ethical business practices?

III. Ethical business practices

- A. **Ethical business practice** is operating a company honestly and fairly as well as following all rules and regulations. Synonyms for ethical business practice are “corporate social responsibility” and “core business values.” Ethical businesses provide customers with all of the information pertaining to a product or service. Withholding the truth is being dishonest. For example, an item on promotion is still

ringing up at the regular price. Customers have not noticed the problem. The employee should inform the customers and correct each sales ticket.

- B. Customers should be informed of all policies. Even if policies are in writing, the employee should cover them verbally with the customers. For instance, a return policy may state that a garment may be returned if the tags are still attached. It is ethical business practice to inform the customers upfront before any items are purchased.
- C. Problems may be anticipated and solutions found.
 - 1. An employee should maintain a standard protocol of actions/steps to resolve issues.
 - 2. An employee should role-play workplace situations with employees to reinforce their comfort in resolving issues. For example, cash register employees would know about and be familiar with all promotions (special sales) in the store. If a customer did not take advantage of the “Buy One, Get One Half Off” sale, the employee should mention the promotion and make the customer aware of the option to purchase an additional item at 50 percent off. Frequently, floor managers practice promotion and add-on selling with the cash register employees.
- D. An employee should adhere to the safety standards of products, services, and the work environment. For instance, the business trains employees to complete safety inspections and resolve unsatisfactory conditions. Therefore, a perfume spill would be immediately cleaned up, and a wet floor placard would be displayed.

Teaching Strategy: Use VM–E to review.

Objective 4: Expedite customer transactions and services.

Anticipate Problem: What organizational skills help expedite customer transactions and services?

IV. Client information

- A. Databases—Customer relationship management (CRM) software is an integrated database that provides a structured way to contact and inform customers.
 - 1. A **database** is a computer program that stores client information, such as:
 - a. Name
 - b. Birth date
 - c. Shipping address
 - d. Clothing and shoe sizes
 - e. Personal brand or designer preferences
 - f. Purchase history
 - g. Wants and needs
 - h. Other

2. Client information stored in a database is a way to expedite customer service by allowing the associate to access most customer information needed to process a transaction. The skills necessary to use a database include the knowledge and use of basic computer skills, such as:
 - a. Word processing
 - b. Basic database management
 - c. Basic spreadsheet data input
 - d. Program navigation
 3. Client databases make it easier to establish a relationship with the customers. For example, associates use databases to alert customers of requested information.
 - a. They send electronic (or phone or text message) alerts to clients regarding new merchandise arrivals (e.g., the new season’s line of shoes or handbags).
 - b. These databases automatically “call” (email or text) customers when specific items are on sale or special promotions are offered.
- B. Secure Web sites
1. Businesses create secure Web sites to guard customer information. A **secure Web site** is an Internet page or pages that use authentication and encryption to protect customer interactions and transactions. Customers are able to gain access to product information, order goods and services, and communicate with the business without fearing the loss of their personal information. Most secure Web sites install login security measures, too.
 2. **Login security** is the use of a predetermined username and password to access a secure Web site. Businesses provide this safeguard to protect clients’ private information.

Teaching Strategy: Use VM–F to review.

Objective 5: Follow standard operating procedures.

Anticipated Problem: What are standard operating procedures?

V. Business operations

- A. **Standard operating procedures (SOPs)** are established protocols to be followed when carrying out a given task or when managing a given situation. SOPs often have a sequence, which is critical to the protocol. For example, when “cashing out” a register, the business typically has a set of sequential steps that guide the associate through the proper procedure. All cash registers are tallied in the same manner following each shift. Examples of SOPs are:
1. Emergency procedures
 2. Cash and credit transactions
 3. Shipping policies and procedures

4. Merchandise return procedures
 5. Cost center accounting procedures
 6. Other
- B. Standard business information
1. Merchandise—Active promotions, sales, and discounts
 - a. Current promotion, sale, and discount pricing
 - b. Policies and procedures to handle returns and exchanges
 - c. Obtaining a promotional, sale, or discounted item for a customer when the location inventory has become depleted
 - d. Phone numbers of other store locations and Web addresses of businesses when applicable
 2. Daily updates—Every employee should review the daily updates of information. Many chain retail stores react quickly to sales and inventory shifts. For example, the home office of a chain store may change the start date and/or end date of sales. Also, it may change promotions, make substitutions, or add entirely new promotions. These changes may require the associate to modify displays and pricing in accordance with the new information.
 3. Emergencies—An employee needs access to SOPs for typical emergency procedures (store manuals and department-specific manuals).
 - a. Tornado or other weather-related warning procedures
 - b. Bomb threats
 - c. Active shooter notifications
 - d. Missing child or family member
 - e. Fire
 - f. Power outage
 - g. Other
- C. Selling techniques—An associate should monitor the product and/or service to determine how to create profit by contributing to sales.
1. Product knowledge—An associate should include the features and the benefits of the item when discussing merchandise or services with customers. An example is the following: “The 6 percent Lycra blended with the denim allows the jeans to conform to your body without gapping. Body contouring creates a smooth look.”
 2. Product placement and display—Finding the best location for maximizing product sales is an ongoing mission of retail associates. For instance, a costume jewelry store may place the top 20 best-selling items at a prominent eye-level location near the entrance.

3. Sales initiatives case studies

- a. Nordstrom department stores have a simple mission: “Use your best judgment.” Associates are granted permission to meet customer needs to maintain customer loyalty.
 - (1) Scenario: A Nordstrom customer asked a cosmetics counter employee if he could purchase a specific perfume for his wife. The employee knew that the company discontinued stocking that brand a few months ago.
 - (2) Actual solution: Instead of saying to the customer, “Sorry. We no longer carry that perfume,” the employee told the customer the perfume was not on the floor and that she would get a bottle and bring it to him. The employee walked to a neighboring store in the mall and purchased the perfume. Returning to her counter, she sold the customer the bottle of perfume. (Ask your students to explain how that would impact customer loyalty.)
- b. Zappos: Zappos’ return policy is easy: “If, for any reason, you are unsatisfied with your purchase, you may return it in its original condition within 365 days for a refund. We’ll even pay for return shipping!”
 - (1) Scenario: A woman bought a pair of sandals for a June wedding. She didn’t wear them for the wedding, but she kept them thinking she may wear them later that summer. While cleaning out her closet in March of the following year, she noticed the shoes from Zappos had never been worn. She called the company to inquire about returning the out-of-season shoes.
 - (2) Actual solution: Instead of saying to the customer, “Sorry, we don’t take returns on purchases made more than six months ago,” the employee told the customer, “We would be happy to take the return, and it is free to ship them to us!”
- c. The Children’s Place clothing store is taking steps toward social responsibility as a founding member of an alliance to improve safety in Bangladesh garment factories.
 - (1) Scenario: A customer enters The Children’s Place and selects outfits for her children. She checks the labels and learns the garments are all made in Bangladesh. She expresses her concern and frustration to the sales associate. The customer sighs and tells the associate that, although she likes the merchandise, she wants to be a responsible consumer and must decline to purchase the items.
 - (2) Actual solution: The Children’s Place sales associate expresses her understanding of the customer’s concern. Then the associate shows the customer documentation of working conditions and the measures the alliance is making to improve the working conditions in Bangladesh garment factories. The sales associate also provides the Web address, <http://www.bangladeshworkersafety.org>, to help the customer make her own decision.

Teaching Strategy: Give students five minutes to write about what they learned and/or what they still do not understand. Collect their thoughts for a class review. Assign LS-A.

- **Review/Summary.** Use the student learning objectives to summarize the lesson. Have students explain the content associated with each objective. Student responses can be used in determining which objectives need to be reviewed or taught from a different angle. If a textbook is being used, questions at the ends of chapters may be included in the Review/Summary.
- **Application.** Use the included visual master(s) and lab sheet(s) to apply the information presented in the lesson.
- **Evaluation.** Evaluation should focus on student achievement of the objectives for the lesson. Various techniques can be used, such as student performance on the application activities. A sample written test is provided.

■ **Answers to Sample Test:**

Part One: Matching

1. d
2. j
3. b
4. i
5. c
6. g
7. a
8. h
9. f
10. e

Part Two: True/False

1. F
2. F
3. F
4. T
5. T
6. T
7. T
8. T
9. F
10. F

Part Three: Short Answer

1. Three ethical business practices are honesty, fairness, and following all rules and regulations.
2. Three ways a business creates great customer service is by creating policies for customer satisfaction, treating customers with respect at all times, and providing quality products and services.
3. Answers should vary and may include five of the following: name, birth date, shipping address, clothing and shoe sizes, personal brand preferences or designers, purchase history, and wants and needs.

Basic Business and Customer Service Skills

► Part One: Matching

Instructions: Match the term with the correct definition.

- | | |
|---------------------|-------------------------------|
| a. associates | f. database |
| b. clients | g. ethical business practices |
| c. culture | h. fashion blogger |
| d. customer service | i. login security |
| e. customer loyalty | j. loss |

- ____ 1. The planned strategy of a business to meet the needs of its customers through services, policies, and actions
- ____ 2. The act of spending more than is earned
- ____ 3. Customers
- ____ 4. The use of a predetermined username and password to access a secure Web site
- ____ 5. The behaviors and beliefs of the business
- ____ 6. Operating a company honestly and fairly as well as following all rules and regulations
- ____ 7. A business's customer service employees
- ____ 8. A person who writes and publishes information about trends, the fashion industry, and personal style
- ____ 9. A computer program that stores client information
- ____ 10. The likelihood that previous customers continue buying and using the goods and services of a specific business



CUSTOMER SERVICE TRAITS

- ◆ Knowing product and/or service features and benefits
- ◆ Listening, confirming, and paraphrasing customer needs
- ◆ Using an onstage presence
- ◆ Serving customers with warm politeness and offering options
- ◆ Assisting customers
- ◆ Calming frustrated or unhappy customers by:
 - Staying calm
 - Listening to the customers
 - Paraphrasing what the customers want or seek
 - Offering the customers options



CUSTOMER SERVICE TRAITS AND PROFESSIONALISM

A smiling sales associate is handing bags to a customer. Which customer service traits is she demonstrating?

A personal shopper provides expert advice and one-on-one assistance to a customer and provides the customer with advanced knowledge of products, services, trends, styles, etc. Most personal



shoppers create a customer profile database with that customer's preferred brands, sizes, colors, etc.

FASHION BLOGGER

A blogger is creating content for her fashion blog. Which fashion bloggers do you read?



CUSTOMER SERVICE

Customer service agents are ready to help. Treating all customers with respect at all times, creating policies to benefit customers and the company, and providing a quality product or service are all part of good customer service. Good customer service helps ensure the business makes a profit.



ETHICAL BUSINESS PRACTICES

Think of a business or store that you know well. What are the core values of the business?

BUSINESS CORE VALUES

CLIENT FOCUSED



ETHICAL



RESPECTFUL



INTEGRITY



TRUSTED



TEAM FOCUSED



HONEST



FRIENDLY



PROFESSIONAL



EXPEDITE CUSTOMER TRANSACTIONS AND SERVICES: DATABASE

Customer relationship management software is an integrated database that provides a plan to contact and inform customers. Client information stored in a database is a way to expedite customer service by allowing the associate to access most customer information needed to process a transaction.



Databases store the personal and contact information of clients, including:

- ◆ Name
- ◆ Birth date
- ◆ Shipping address
- ◆ Clothing and shoe sizes
- ◆ Personal brand preferences or designers
- ◆ Purchase history
- ◆ Wants and needs
- ◆ Other

Customer Service Policy Manual

Purpose

The purpose of this activity is to create a customer service policy manual for Pink Lily Boutique.

Objectives

1. Review your class notes.
2. Read 6 to 10 existing customer service policy manuals.
3. Complete a table of customer service policies.
4. Create a customer service policy manual.

Materials

- ◆ class notes
- ◆ writing utensil
- ◆ paper
- ◆ computer with word processing
- ◆ Internet access
- ◆ printer

Procedure

1. Work in pairs.
2. Your goal is to create a customer service policy manual for the Textiles & Design (T&D) business Pink Lily Boutique. It sells clothes for ladies of all sizes.
3. To get started, access the following companies online to review their customer service policies. Record six policies for each store in the table.
 - a. Nordstrom at <http://shop.nordstrom.com/c/customer-service?origin=footer>



- b. Anthropology at <http://www.anthropologie.com/anthro/category/returns++exchanges/help-returns-exchanges.jsp>
- c. Macy's at <https://customerservice.macys.com/app>

Company	Policy 1 Returns & Exchanges	Policy 2 Customer Profile Use	Policy 3 Green Policies	Policy 4 Shipping/ Delivery	Policy 5 Rewards	Policy 6 Service Motto
Nordstrom						
Anthropology						
Macy's						

Company	Policy 1 Returns & Exchanges	Policy 2 Customer Profile Use	Policy 3 Green Policies	Policy 4 Shipping/ Delivery	Policy 5 Rewards	Policy 6 Service Motto

4. Select six or more T&D companies, and review their customer service manuals. The companies must have some relationship to the business for which you are writing the customer service manual—Pink Lily Boutique. List those companies and their customer service policies in the table above.
5. Create customer service policies for the Pink Lily Boutique based on your research and your own unique plans for the store. Word process, edit, proofread, and print the document. Then create a customer service agreement that employees would sign and that would be displayed to customers.
6. Post your customer service manual in the classroom.
7. Present your customer service policy manual to the class.
8. Turn in your completed lab sheet and service manual to your instructor.