



A Glossary of Customer Service Terms

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Introduction

In order to provide full support for Awarding Bodies and their customers, the ICS has drawn up a Glossary of Customer Service terms to complement, in particular, the Technical Certificate Course Outline section on general principles. This step has been taken because many words in common use in relation to Customer Service have broader and more general usage and so require precise definition.

The Glossary therefore provides an authoritative statement of how the ICS interprets these terms. However, it should be noted that this does not prevent more specific interpretation of the same words in the context of a sector, organisation or job role.

So, for example, a *complaint* is defined in principle by relating it to customer expectations and an action taken by a customer. Regulators in some sectors may define a complaint as being a comment made in writing. Both of these definitions have their uses and simply because they are different, they are not mutually exclusive.

However, the ICS is committed to extending the use of the language of Customer Service principles and the Glossary definitions should therefore be followed in all qualification specifications that relate to principles and not to a specific context.

Indeed, the ICS will expect all successful Technical Certificate candidates to:

- know the 'in principle' definitions
- understand that some of those words may have more specific meanings within individual organisations.

In particular, for Awarding Bodies, the Glossary will inform marking schemes and assessment criteria. It will build confidence in what are the right answers to potentially ambiguous questions.

Awarding Bodies should take care to ensure that qualification specifications adhere to the terminology in the Glossary. The definitions are also particularly relevant to assessment criteria especially relating to the guiding principles area of the Course Outline.

Added Value	<p>Added Value is the extra, over and above the basic product or service offer that an organisation makes to its customers. This added value represents extra benefits that can truly delight the customers and keep them loyal.</p> <p>For example; 'buy one get one free' is an added value offer. It goes beyond the service offer and surprises and delights the customer. Lower prices may be the 'service offer' but then a 50% reduction on price will give the shopper added value.</p> <p>Similarly a sudden 'free upgrade' in a hotel room or on an aeroplane would stay in a customer's memory and encourage return business.</p>
Behaviour	<p>The way that you do things.</p> <p>You do things in a particular way because of</p> <ul style="list-style-type: none"> • how you feel • what you want • how other people treat you. <p>In any <i>customer service transaction</i> the behaviour of the <i>customer</i> and the behaviour of the <i>service deliverer</i> is affected by the way they treat each other. Behaviour therefore affects the quality of the <i>customer experience</i> because the way the service deliverer behaves affects the way the <i>customer</i> feels about the <i>customer service</i></p>
Body language	<p>We communicate using words but they don't usually tell the whole story. Body language is a collection of expressions on our face and gestures we make. Very often body language tells us more about what somebody is actually thinking than the words they use.</p> <p>When you are dealing with a <i>customer</i> you can learn a lot about what he or she is thinking from the body language. This also means that you need to be aware of the messages you are giving to the <i>customer</i> through your own expressions and gestures - your own body language.</p>
Code of practice	<p>Many Trade Associations and Professional Bodies have a Code of Practice that guides members on how they should conduct their business.</p> <p>Most Codes of Practice include guidance on how to deal with <i>customers</i>. In particular they usually cover how members should deal with <i>complaints</i> and customer problems,</p> <p>Codes of Practice do not have the same kind of authority as <i>regulation</i> and <i>legislation</i>. However, if a member always ignores a Code of Practice the Association or Professional Body may make it very difficult for that member to continue in business.</p>
Comparable organisation	<p>Some organisations don't have <i>competitors</i> in the normal commercial sense of the word. Government organisations like the Inland Revenue and the Police are good examples.</p>

But if a *customer* of one of those organisations is trying to rate its customer service he or she will probably compare it with an organisation that seems to be similar in what it does or how it is run.

So an Inland Revenue *customer* may compare their service with the service they receive from a National Insurance office and a *customer* of the police may compare their *customer service* with that provided by the fire service or the ambulance service.

Competitor

Most *organisations* are not the only ones that provide particular *products or services*. Most customers can choose to use the *products or services* of another organisation rather than yours.

So a competitor is an *organisation* that offers *products or services* that are similar to those offered by your *organisation*. Your *customer* may choose to use these other *organisations* instead of your own.

Competitive advantage

Although a competitor is an *organisation* that offers *products or services* that are similar to those offered by your *organisation*. Your *organisation may have the competitive advantage because it is:*

- part of a large high street chain
- better placed in the high street
- has car parking outside
- a Global Organisation which can offer goods and services at much cheaper prices

We have witnessed the demise of the small butcher and greengrocer owing to the growth in high street supermarkets where the smaller organisation could not compete with larger stock levels, lower prices or longer opening times.

Complaint

When a *customer* feels strongly enough that his or her *customer expectations* have not been met, he or she may make a complaint.

A complaint is when a *customer* brings a *problem* to the attention of the *organisation* and expects some redress, probably over and above simply supplying the original *product or service* that was the cause of the complaint.

Complaints are often used by *regulators* as one measure of the success of the *organisation's customer service*.

Consistent service

Customer satisfaction is affected by *customer expectations* about the service they will receive.

If the *customer service* they receive is different from what they expected, there is always a danger that *customer satisfaction* will be lower than expected.

So many *organisations* try to deliver the same *customer service*, time

after time, so that the service customers receive matches their *customer expectations* and this gives *customer satisfaction*. This does not stop *organisations* from seeking *continuous improvement* when *customer feedback* tells them that there are particular changes to *customer service* that will increase *customer satisfaction*.

Contingency model of an organisation

A way of looking at an *organisation* that recognises that it is shaped and defined by many things including its people, the technology it uses, its structure and culture and what is going on in the world outside. All these are constantly changing and a change in any one of them affects all the others. So the contingency model helps us to understand how changes drive and shape an *organisation*. Particularly, it helps us to understand what needs to be changed to improve the *customer service* that the *organisation* can provide.

Continuous improvement

Many *organisations* try to keep ahead of *competitors* by providing better *customer service*.

If *competitors* also do this, *organisations* have to keep improving their *customer service* to stay ahead. So the process of continuous improvement helps organisations to make sure this happens as a matter of routine.

Customer service is delivered and *customer feedback* is collected. The *customer feedback* is used to measure *customer expectations* and *customer satisfaction*.

The information from the *customer feedback* is used to find ways of improving the *customer service* and changes are made.

Customer service is delivered in a new and improved way and the cycle starts again.

Front line staff and *support staff* are both involved in continuous improvement but they must have the authority to make the changes that are needed for the improvements.

Contract

A contract is an agreement between two parties that can be enforced by law. A contract does not have to be in writing but it is more difficult to prove if it is not in writing.

Sometimes *customer service* can become part of a contract, usually if there has been an agreement put in writing. It is generally recognised that if a *customer* or *service deliverer* has to use the contract to enforce the agreement, *customer satisfaction* has not been achieved.

Costs and resources

Delivering *customer service* involves an *organisation* in spending money and using resources such as staff time, equipment and materials. It is important for you to understand what costs and resources are involved in delivering *customer service* in your

organisation.

It is also important to understand how costs and resources will be affected by any proposed changes in *customer service*.

Customer

A customer is somebody who receives *customer service* from a *service deliverer*.

Generally it is easier to see a customer as a person but sometimes an *organisation* can be a customer. In most cases a customer or his or her organisation is paying directly or indirectly for the service that is being received.

If a customer is a private individual or comes from another *organisation* he or she is an *external customer*. If a customer comes from another part of the same *organisation* he or she is called an *internal customer*.

Customer charter

Some organisations choose to tell *customers* about their *service offer* in a statement of what they will do for the *customer* and call it a customer charter.

Some customer charters set out what the *organisation* will do to compensate a *customer* when *customer service* has not been delivered in line with the charter

A customer charter is a statement of intent and is generally not part of the *contract* that a *service deliverer* makes with its *customer*.

Customer expectations

Customer expectations are what people think should happen and how they think they should be treated when asking for or receiving customer service.

Expectations are formed by:

- what people hear and see
- what they read and what the organisation tells them
- what happens during the *customer experience*
- what has happened to them in other *customer service experiences*

Generally customer expectations rise and organisations try to match that rise through *continuous improvement* in *customer service*.

Customer experience

Customer experience is what a customer feels and remembers about the *customer service* that he or she has received.

The *customer experience* of an individual *customer service transaction* affects the *customer relationship* and influences *customer expectations* for the future.

When a *customer* is about to receive *customer service* his or her *customer expectations* are influenced by all the *customer experiences* that he or she has had in the past both with your *organisation* and with others.

Customer feedback

Customer feedback is information about *customer* perceptions of *customer service* collected by the *organisation* from customers or given to the *organisation* by *customers*.

Customer feedback can be collected formally using questionnaires or other kinds of surveys. Informal *customer feedback* can be collected from chance remarks or comments the customer has made with or without being asked.

You must remember that sometimes customer feedback shows that the *customer experience* is not what you thought it to be.

If this is the case the customer feedback must still be respected because if *customers* perceive things in a particular way, that is reality for them even if you and your *organisation* have planned it differently.

Customer information

Service providers collect information about their *customers* that helps them to deliver effective *customer service*. This information may be as simple as names and addresses and the *products and services* that they have chosen.

Some *organisations* collect much more detailed information about their *customers*.

However the information is stored the *service provider* must comply with *data protection legislation* to ensure that information about their *customers* remains confidential.

Customer loyalty

Some *customers* tend to return to the same *service deliverer* and this is customer loyalty. Obviously customer loyalty can be built up if the *customer experience* of an organisation has been good.

Customer loyalty is valuable to an *organisation* because it is generally cheaper and easier to do repeat business with an existing satisfied *customer* than it is to find a new one.

Some *organisations* choose to reward customer loyalty by making special *customer service* arrangements and offers for repeat customers.

Generally customer loyalty means that if an *organisation* has a *problem* with a *customer* there is a better chance of keeping that *customer* afterwards than there would be with a new *customer*.

Customer preferences

Each *customer* is an individual and customers tend to have different likes and dislikes. Sometimes, in order to deliver *consistent customer service* an *organisation* chooses to do things in exactly the same way for every customer.

Sometimes it is possible to offer a customer options so that his or her customer preferences can be taken into account in the way the *customer service* is delivered.

Customer rights	<p>Once somebody has been recognised as a <i>customer</i> by law, he or she has certain legal rights. These change as the law changes but customer rights are generally increasing.</p> <p>The most important customer rights in the United Kingdom are granted by the Sale of Goods Act 1979, the Supply of Goods and Services Act 1982, the Trade Descriptions Act 1968, the Consumer Protection Act 1987 and the Distance Selling Regulations 2000.</p>
Customer satisfaction	<p>Customer satisfaction is the feeling that a <i>customer</i> gets when he or she is happy with the <i>customer service</i> that has been provided.</p> <p>Some <i>organisations</i> try to increase customer satisfaction and talk about delighting customers or exceeding <i>customer expectations</i>.</p> <p>Most organisations try to increase the number of <i>customers</i> who are happy to confirm customer satisfaction when they give their <i>customer feedback</i>.</p>
Customer service	<p>Customer service is the sum total of what an <i>organisation</i> does to meet <i>customer expectations</i> and produce <i>customer satisfaction</i>. Customer service generally involves <i>service teamwork</i> and <i>service partnerships</i>.</p> <p>Although somebody may take a leading part in delivering customer service it normally involves actions by a number of people in a team or in several different <i>organisations</i>.</p>
Customer service procedures	<p>Customer service procedures are the routines and detailed steps an <i>organisation</i> uses to deliver its <i>customer service</i>.</p> <p>Some <i>organisations</i> have formal procedures in writing and use those to train staff and to monitor service.</p> <p>Many more smaller <i>organisations</i> do not put their procedures in writing and the procedures are simply seen as 'the way we do things around here'</p>
Customer relationship	<p>A customer relationship forms as the result of a number of individual <i>customer service transactions</i>.</p> <p>Good customer relationships are important to a <i>service provider</i> because they build <i>customer loyalty</i>.</p> <p>This is valuable to an <i>organisation</i> because it is generally cheaper and easier to do repeat business with an existing satisfied <i>customer</i> than it is to find a new one.</p>
Customer service system	<p>A customer service system involves a number of <i>customer service procedures</i> together with the people and resources needed to make it work.</p> <p><i>Continuous improvement</i> may involve changing a customer service system but this will require appropriate authority to make those changes.</p>

Customer service transaction

A single exchange of information, *product or service* between a *customer* and a *service deliverer*

A customer service transaction may be *face to face* or *at a distance* by telephone, in writing or by e-mail.

A series of *customer service transactions* build up a *customer service relationship*.

Data protection legislation

Information about customers that is stored by a *service provider* must be kept confidential and must be dealt with in accordance with the requirements of data protection legislation.

That legislation is designed to ensure that information collected to help a *service provider* to deliver effective *customer service* is not used for other inappropriate purposes.

Disability discrimination legislation

Service providers must comply with disability discrimination legislation and show that they offer *customer service* that does not discriminate against *customers* with disabilities.

The *legislation* is complex and each *service provider* needs to establish exactly what obligations it imposes on the *organisation* because they are different according to the size of the *organisation* and the *products or services* being offered.

Equal opportunities legislation and regulation

Equal opportunities legislation and regulation sets out to ensure that staff and customers are not discriminated against for reasons of ethnic origin or gender.

Service providers have obligations to comply with various *regulations* and *legislation* which are different according to the type of *product or service* they offer.

External Customer

An external customer is a *customer* from outside the *organisation* providing a *product or service*.

Front line staff

Front line staff are people who have the most direct contact with *customers* either face to face or at a distance. They need *service teamwork* with support staff to produce effective *customer service*.

Health and safety legislation

Service providers have obligations to ensure that reasonable steps have been taken to ensure the health and safety of *customers*. Health and Safety legislation provides for different responsibilities according to the *products or services* that the *organisation* is offering.

Hierarchical model of an organisation	A way of looking at an <i>organisation</i> that focuses on the people in it and their jobs. An organisation chart like a family tree shows seniority and different departmental roles.
Human rights legislation	This <i>legislation</i> is mainly from the European Union and seeks to set out general principles that will protect the human rights of staff, <i>customers</i> and everybody else an organisation deals with. <i>Service providers</i> have obligations to comply with this <i>legislation</i> according to what <i>products or services</i> they are providing.
Internal Customer	An internal customer is somebody from the same <i>organisation</i> as the <i>service provider</i> . They are treated as a customer so that they in turn can provide better <i>customer service</i> to <i>external customers</i> . So, for example, <i>front line staff</i> may be seen as internal customers of <i>support staff</i> . This arrangement works well in many <i>organisations</i> to help staff who are not <i>front line staff</i> understand the contribution they make to <i>customer service</i> . Other organisations choose to call the same sort of co-operation a <i>service partnership</i> in the same way as they form <i>service partnerships</i> with associated organisations.
Legislation	Any organisation offering products or services must <i>abide by laws</i> that affect their businesses. The rules covered in <i>legislation</i> are enforced by the courts. Any organisation that does not comply with relevant <i>legislation</i> may be liable under civil or criminal law.
Mission statement	A <i>mission statement</i> is a brief statement of the main purpose or mission of the organisation. Many <i>mission statements</i> include commitments to customer service as a central purpose of the organisation in order to provide a focus for staff.
Moments of truth	In any customer service procedure there are several points when customer awareness of the quality of customer service is particularly high. These points have a greater effect on customer perceptions of the customer service they have received. It is usually appropriate to pay particular attention to these moments of truth because they form customer opinions about customer service as a whole. <i>'moments of truth'</i> means the points in a transaction, <i>service delivery</i> or <i>customer relationship</i> at which <i>customer expectations</i> are at their sharpest and most demanding eg airlines - as you reach check-in, settling down for take-off etc eg restaurant - waiter takes order, food arrives at table

Organisation

Customer service is generally delivered by a group of people working together. Each individual involved takes part in *service teamwork* to give good *customer service*.

Even if the *service deliverer* is a one-person band, he or she relies on *service partnerships* with suppliers and associates to deliver effective *customer service*.

Private Sector/Public Sector /Voluntary Sector and Non profit making sector

Many people swap between *public/private/voluntary* job roles during their working lives and therefore to know the difference between these kinds of sectors is important.

For example: planning customer service offers for the **private/commercial sector** may involve price reduction; two for the price of one offers; extending their product range; have longer opening hours; have sales; advertise in papers/or on TV; appointing bespoke customer service staff to solve problems etc. The motivation here is to increase profit; attract new customers and build on existing relationships.

Some parts of the **voluntary sector** are focussed on making money for charitable use which is very different in terms of where the money goes and some voluntary groups seek help in charitable activities. They may use similar methods to attract customers as they are also competing between themselves. Some of the ways they do it may be similar e.g. they may also reduce prices and extend their product range and advertise their products through newspapers or postal mail outs. Where hands-on help is needed for e.g. the 'clearing the local pond' they are still likely to appeal for help via newspapers/radio or TV but will also use community groups and appeal to people's consciences.

With the **public sector** money is not the goal. Many offers will be preventative or supportive. For example; doctors surgeries offering flu-shots, at home, for the elderly or infirm; access to self help groups for drink and drugs problems, within the NHS aftercare for ex patients; rehabilitation schemes; counselling for cancer patients and others. I hope this has given you an idea - I could go on for ever. It is just about thinking laterally.

A **not for profit** organisation would still sell goods and services as with a commercial organisation but their goal isn't to make a profit but to continue to fund their activities.

Problem

A *problem* in *customer service* happens when the *customer service* does not meet *customer expectations*.

This may be because the *organisation* cannot meet its *service offer* or because *customer expectations* are greater than or different from that *service offer*.

You should try to spot customer service problems early and work to solve them so that *customer satisfaction* is restored.

Often *customers* can be impressed when problems are solved and *customer satisfaction* can be even higher than if routine *customer service* had been delivered.

Products and services

Organisations involved in *customer service* offer a mixture of products and services. *Customer satisfaction* results from the overall effect of what is offered.

Retailers rely heavily on the products they sell to produce *customer satisfaction* but are also aware that the service they provide both before and after the sale are very important.

Other *organisations* that provide only services rely totally on the quality of *customer service* actions taken by their staff.

Reliable customer service

For some *organisations* it is most important to provide service that people can depend on with confidence. When people want a repair or rescue service they are more concerned about reliability than they are about special features or even *consistent service*.

Risk assessment

In order to look after the Health and Safety of *customers* it may be necessary to carry out a risk assessment.

This involves identifying all the risks that may exist and assessing them for seriousness and for the likelihood of them happening.

Health and Safety legislation requires *service providers* to carry out formal risk assessments in certain circumstances.

Queue management

When a number of *customers* want *customer service* at the same time a queue may form. How this queue is managed is a vital to *customer satisfaction*.

If the *customer service* is being delivered face to face queues are generally dealt with on a first come first serve basis because *customers* can see where they are in the queue.

If the *customer service* is at a distance the *customer* cannot see the queue but the work must still be prioritised.

Organisations all choose different ways of managing queues in order to maximise overall *customer satisfaction*.

Regulation

Any *organisation* offering *products or services* must abide by regulations that affect their businesses. The rules covered in regulations are not generally enforced by the courts.

Regulation usually applies to the way certain things should be done in a particular *sector*.

Regulator

Regulation that applies to a particular *sector* is generally enforced by a person or body appointed as regulator.

Restrictions and rules created by the *regulator* may affect the way an *organisation* can deliver *customer service*.

Service deliverer

A *service deliverer* is the person in an organisation seen by the customer as giving the *customer service*. Even if that person is part of a team, he or she is seen as the *service deliverer* and represents the organisation. *Service deliverers* have a number of different job titles depending on the organisation in which they work.

Service offer

A service offer defines the extent and limits of the *customer service* that an *organisation* is offering.

In *commercial organisations* the service offer is partly or largely determined by the price that is being charged and by the service offer of *competitors*. A unique service offer is one that differentiates the offer that an *organisation* is making from that of its *competitors* or *comparable organisations*.

The *service offer* is something over and above what an *organisation* will do for you. It is about knowing the *service offer* and the details of it - what is says in the small print. Some examples are shown below:

- if you return the goods, you can get your money back (some *organisations* may have stipulations around this - for example to be returned within a number of days)
- A bank says that if you switch your credit cards to us you get % interest for 6 months. An *existing customer* moves all their credit cards to this bank and then on their 1st bill they find out that its only for *new customers* and you are an existing one so you don't get % interest.
- We will get back to you in 24 hours.
- Tesco - more than 3 people at the till we will open up 3 tills.
How does a person deal with this when they are asked to open a new till and they can't due to staff shortages? Customers will get annoyed

Service partnership

A service partnership can be formed when two *organisations* or two departments of the same *organisation* combine in order to provide more effective *customer service*.

Many *organisations* choose to use the service partnership model to encourage *service teamwork* and co-operation rather than identifying one party as the *internal customer* of the other.

Service Promise

It would be easy to say that it is another term for the '*service offer*' although the word '*promise*' implies rather more active focus and commitment on the part of the *organisation* offering the *service*.

It is the sum total of *service features/offers* that a *customer* has been led to confidently expect from an organisation and its entire staff. It includes both what will be delivered and, more importantly, how it will be delivered. It is important that an *organisation* describes this in a way that helps to clarify the *promise* for staff which will let them know what is expected and unite them in *common activity*.

It is about what the *organisations promise* every day e.g. 'friendly service'; guaranteed goods; next day delivery; qualified staff; dedicated help line, confidentiality, etc. All of these '*service offers*' are packaged together and are made as '*promises*' to the customer. Also there are other kinds of *promises*, if someone says they will ring back - they should ring back. If it is next day delivery - it should be next day delivery.

Service provider

A service provider is an *organisation* that provides *customer service*.

Service teamwork

It is virtually impossible to provide *customer service* alone. Service teamwork is the co-operation that is needed between individuals, departments and *organisations* to provide effective *customer service*.

Support staff

People who work for a *service deliverer* and play a part in providing *customer service* without frequent direct contact with the *customer*. Support staff play a vital part in the *service teamwork* with *front line staff*.

Front line staff depend on support staff to provide information and operate *customer service systems* and *customer service procedures*. The work of support staff is often hidden from *customers*.

Systems model of an organisation

A way of looking at an organisation that focuses on the processes that the *organisation* manages. Each process can be analysed in terms of inputs, processes and outputs.

Many *customer service procedures* are built up in this way.

Terms and conditions

A *contract* generally places detailed obligations on each party and these are described in the terms and conditions.

Transactional analysis (TA)

Transactional Analysis (generally referred to as *TA*) is a framework for describing behaviour in an interchange between two people. It helps you to understand why *customers* react the way they do especially when you are dealing with a *problem*.

TA is one of the best known interpersonal skills models used to train and develop individuals. It came from Eric Berne's book in the 1960's called 'Games People Play', his theories have been continuously developed and are still used today. If you type *Transactional Analysis* into your website you will find Training Courses, Higher Education Courses, books etc. all based on *TA*.

It is in essence a wide-ranging set of theories and techniques that can be used by individuals and groups to enable and help themselves and others to grow and develop to their full potential. It is taught and used worldwide, in organisational development, consultancy, management and training. Today it is also used in circle groups in primary schools.

It was originally developed in a therapeutic context but is now equally valid for application in organisations and for individuals. So it is now used for Psychotherapy/Organisational development/Education and Counselling.

The underlying philosophy is based on a belief system that each of us is of value, each of us has the right to seek to meet our needs and we can behave towards others in ways that maximise our chances of getting on with each other. This all stemmed from an early book by Thomas Harris called 'I'm OK, You're OK'.

Eric Berne, specified the goal of *TA* as being Autonomy which had three components Awareness, Spontaneity and Intimacy. These are all relevant in training in organisations as:

Awareness is encouraged in organisations that respect the feelings and opinions of employees and take them into account when decisions are made.

Spontaneity is fostered when employees are trusted to show initiative and make decisions relating to their own work.

Intimacy is the result in organisations when managers are willing to share their own hopes and concerns with employees so that open two-way communication is established.

You can see how organisations built on these three components would be likely to have satisfied and positive customers.

If you want to know more you will find books on TA in any Library or on a websearch.

Values base

The *value base* of an organisation will depend on *basic ethics* which can be found in *mission statements* of the organisation and *organisational strategies*.

For example: in the *private sector* the *value base* can be just making money, whereas in the public sector the *value base* would be things like improving the health system; reducing crime rates.

These *values* can be inclusive, for example the DIY chain that values making a profit but also only sells environmentally friendly products, hence a major *value* is thinking of the environment. In addition an optician will make money but high *value* will also be put on people's health for example by spotting eye problems e.g. glaucoma.