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| **MODEL ANSWERS – KNOWLEDGE TEST** | |
| Qualification | 522201000 OC: Retail supervisor |
| Knowledge module | KM04 Concepts and principles of enhancing customer service |

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| Learner surname |  |
| Learner full names |  |
| Learner ID number |  |
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| Total possible marks | 150 | Minimum marks required (70%) | 105 |

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| **INTERNAL ASSESSMENT CRITERIA** | **QUESTION** | **GUIDELINES FOR ANSWER** | **MARKS** |
| KM-04 IAC0101 | 1. Describe the role of the supervisor in enhancing customer satisfaction | The retail supervisor is responsible for supervising the team, enforcing the company’s customer service policies, implementing effective service strategies, and monitoring the level of customer service. They must handle the most difficult customer service situations when team members have been unsuccessful in dealing with them.  The supervisor’s responsibilities in enhancing customer service includes the following:   | **SUPERVISOR’S RESPONSIBILITIES IN ENHANCING CUSTOMER SERVICE** | | | --- | --- | | **Policy** | * It is important to ensure that the company’s customer service standards are applied consistently. If, for example, one customer is allowed to receive a refund without a receipt and another one is only given store credit without a receipt, there is confusion about the policy. This can lead to angry customer confrontations, and it will confuse staff members as to what is acceptable and what not. Effective supervision ensures that all employees know exactly how to handle the return so that all customers are treated fairly***.*** * The supervisor should address all situations in which employees have misinterpreted policy and take steps to prevent it from happening again and to ensure consistent application of the policy. If customers get different answers on different days, they will suspect that employees do not know what they are talking about, and this will have a negative impact on the image of the store. | | **Training** | * A competent team is one of the key responsibilities of a supervisor, because staff performance affects every aspect of operations in the store. * Team members must be trained on the company’s customer service standards – what the standards are, how to apply them and why each standard is important. Quite often, when a team member does not perform a task correctly, it is because they don’t understand why it is important to do the job in a specific way. * Customer service training is not completed when a new employee has completed induction. Good customer service techniques can be forgotten, neglected, or simply not be followed due to the pressures of the job. * A good supervisor will provide refresher courses on the basics of customer service and the company’s customer service standards. Such training enables team members to consistently improve their levels of customer service. | | **Service standards** | Customer service standards assist retail companies in:   * attracting new customers via word of mouth. * building customer loyalty through positive customer service experience. * developing and sustaining organisation-wide focus on customers and quality. * differentiating their offering through innovative customer services. * improving competitiveness. * improving compliance with consumer legislation. * increasing customer retention. * increasing service efficiency. * reducing complaints and complaints handling resources and costs. * reducing marketing costs.   Retail stores, like any other customer-focused business, should set and communicate customer service standards, so that employees know what customer service behaviour is expected of them. This is not a once-off responsibility of supervisors – it should be applied continuously. | | **Team support** | * Supervisors understand how stressful it can be to work with customers all day. They also know that the best customer service is given by employees who enjoy their work and feel that they have the support and understanding of their supervisors. * Supervisors should notice and encourage exemplary customer service just as much as they notice poor customer service. Discipline and training must be balanced with encouragement. | | **Complaints** | * All customer complaints should be recorded by the person who handled the transaction, even if the complaint was resolved. * This provides the supervisor with a record of the types of complaints that are being received, and helps with identifying trends, that should be addressed through on-the-job training. * The supervisor needs to monitor and follow up on complaints, to ensure all complaints were resolved to the satisfaction of the customer. If not, further action will be required. | | 20 |
| KM-04 IAC0102 | 1. Discuss the standards of service expected by internal and external customers. Give examples. | Worldwide, both external and internal customers are expecting certain standards of customer service.  Leading authorities on service quality from the University of Texas (Parasuraman, Zheitaml and Berry) developed a questionnaire to measure the degree of satisfaction of customers. Using a questionnaire, they established that customers value the following in service quality:     |  |  | | --- | --- | | **RESPONSIVENESS** | Fast service.  Willingness to help the customer:   * Show an effort to serve. * Commit to times/dates, actions to be taken, etc. * Provide individual attention**.** | | **ASSURANCE** | Knowledge and courtesy of employees and their ability to convey trust and confidence.   * Competent * Can answer questions with authority * Friendly * Polite * Respectful | | **TANGIBLES** | “Look and Feel” of materials, physical facilities (store), display equipment as well as the appearance of personnel.   * Clean * Neat and attractive * Well organised | | **EMPATHY** | Caring, individualised attention provided by the company and its employees | | **RELIABILITY** | Ability to perform the promised service dependably and accurately.   * Promises are met. * Instructions are followed. * Equipment is in working order. * Accurate information. * Problems solved right the first time. | | 12 |
| KM-04 IAC0103 | 1. Describe the methodologies used to measure customer satisfaction. | |  |  | | --- | --- | | **Customer feedback through surveys** | Surveys are a common method of measuring the quality of customer service. Surveys can be hosted in 3 different ways:  **In-App surveys:**  Customers often tend to ignore such surveys unless they are caught in the action.  The store can initiate a post-purchase survey.  The survey should be short and precise and smoothly integrated with the application.  **E-mail surveys:**  E-mail surveys are for long-time customers who have made repeat purchases. They can be emailed a form to complete and return to the store. | | **Customer satisfaction score** | **Post-service surveys:**  The best feedback is received as soon as the interaction is over.  Customer satisfaction feedback can be initiated as soon as service is completed. An example is the feedback devices at Point-of-Sales checkout areas, usually asking the customer to press a button indicating whether they were very satisfied (smile), satisfied (neutral) or disappointed. Although these provide some information on the level of customer satisfaction, they do not provide any information regarding the reasons for customer satisfaction or dissatisfaction. | | **Feedback through face-to-face conversation** | Feedback can be obtained directly from customers through face-to-face conversations. | | 10 |
| KM-04 IAC0104 | 1. Discuss the strategies used for enhancing customer loyalty | |  |  | | --- | --- | | **Loyalty programmes** | * A customer loyalty programme is a marketing approach that recognises and rewards customers who purchase or engage with a brand on arecurring basis. * A company may allocate points or perks, and graduate customers to higher levels of loyalty (tiered loyalty programmes). * A loyalty program's main purpose is to make more money by keeping your current customers. | | **Personalised customer service** | * Personalised customer service is about delivering customised services that cater to the exact needs and wants of the customer. * It boils down to *remembering who your customers are and treating them as individuals*. It tailors experiences to a person's past interactions and leverages user data to take into account a customer’s preferences. * An example of personalised service is where a sales advisor will let a customer know that blouses in the customer’s favourite colour are available in the store. Another is Amazon's product recommendations based on a customer’s past purchases. | | **Future discount vouchers** | * Discount voucher means a voucher carrying a right to receive a price discount or rebate with for specific goods either as a percentage or as a fixed amount. For example, for every R500 purchase, the store could offer a voucher for 10% off to a future purchase. | | **Free give-ways or samples** | * Stores may hand out gifts as a way of showing that the store values the customer’s patronage. This may take many forms – from product samples to free products, or even a branded pen or other promotional item. | | **Feedback programmes or systems (including product ratings)** | * Providing feedback opportunities will make customers feel heard and as though they are more than just another number. * Many different methods are available for getting feedback, but one of the most common is the use of anonymous surveys. | | **Active social media presence** | * Social media platforms are valuable in developing a personality for the store’s brand. It helps to keep the business top of the customers’ minds. * Creative, eye-catching social media posts not only gain attention for the business, but further provide current customers with updates and also material to point to when recommending the business to other people. | | **VIP customer programmes** | * A VIP programme offers exclusive rewards to the most loyal customers of the business, giving them more reasons to spend with the brand. * The benefits of a VIP programme are reserved for top-tier customers – those who have significantly contributed value to the business, usually in the form of repeat purchases. * Membership may cost a fee or depend on specific metrics like purchases. * One common type of VIP program is a loyalty program, where dedicated customers enter different VIP tiers through a points system. Customers usually earn points through repeat purchases. For example, customers earn a point for every R100 spent. * In some cases, once customers accrue enough points to enter a new tier, they might enjoy rewards like free shipping, discounts, and early access to new products. | | **Re-engagement e-mails or messages** | * E-mails short text messages (SMS) and WhatsApp broadcast messages can all be used to re-engage customers by, for example, letting the customers know that a popular product is back in stock, or that there is a new seasonal release of a range of products. | | 18 |
| KM-04 IAC0105 | 1. Discuss the principles and concepts of supervising customer service | As with all management functions of a supervisor, customer service requires planning, organising, leading, and controlling.  **Planning**   * Planning customer service is done by setting customer service standards, which has already been discussed. * To ensure that the standards are met, the supervisor performs the controlling function of management and needs to measure performance, evaluate performance, and take corrective action. * Monitoring the moments of truth allows a supervisor to focus on improving areas responsible for negative customer experiences. Once these areas have been identified, the supervisor can take corrective action to prevent these negative moments of truth. Failing to put things right and to prevent reoccurrence says to the customer.   **Evaluating the standard of customer service**   * Policies, procedures, and customer service standards form the basis of evaluating the level of service provided by the team. * The supervisor can collect information against which to measure performance by: * Observing how team members perform their tasks in interacting with customers * Analysing complaints and compliments received from customers * Analysing the results of surveys, if any were conducted * To ensure that the team meets the expectations of internal and external customers, the supervisor must evaluate the current level of service, measure it against the expected level of service and identify areas for improvement. * Where gaps exist, the cause of the gap must be determined - why is the team not meeting the customers’ expectations, what is going wrong and where is it going wrong. Only then can an action plan be developed and implemented to improve service levels.   **Corrective action**   * Corrective action can only be taken once the supervisor has identified the reason for not meeting customer service standards. It may, for example, be that the team members do not understand what the standards are and how to meet them, or because they don’t understand why it is important and what the impact of customer service is on sales figures, or due to a lack of motivation, or that they need on-the-job training to help them develop their skills so they can meet the expected standards. * The reason for not meeting the standards will determine the corrective action to be taken. | 15 |
| KM-04 IAC0201 | 1. Explain how the Consumer Protection Act and the National Credit Act impact on the rights of consumers | **Consumer Protection Act** The Consumer Protection Act has an impact on how retail staff handle customer complaints, because the Act provides a consumer with rights and the supplier with obligations, such as:   * A supplier may not discriminate against a consumer based on his/her race, gender and so on. * A consumer may examine goods before he or she pays. Consumers, therefore, have a right to look at products. Where there is a chance that a product may be damaged, retailers often display notices for customers to ask a sales advisor for assistance. * A supplier must show the price, label and/or trade description of the goods on his/her packaging. The content may not be misleading. * A consumer must receive a quote or breakdown of his or her financial obligations before entering into an agreement with a supplier, for example, before a credit agreement is entered into. * The terms of an agreement to supply goods or services may not be unfair, unreasonable and unjust, for example, the terms may not only favour the retailer. Such a term or agreement will not be legally binding. * A supplier may not use force or manipulate a consumer to enter into an agreement, or to pay for goods or services. * A consumer has the right to a receipt after paying for goods or services. * A consumer is entitled to a copy of any agreement between the retailer and the consumer. * A retailer must inform a consumer of, or draw his or her attention to, any assumptions of risks, acknowledgment of facts or indemnities contained in an agreement. * An agreement between a consumer and supplier may not be longer than 24 months, unless the consumer agrees to a longer period and the agreement benefits him or her financially. * A retailer may not accept money from a consumer if the retailer is not able to supply goods or services as a result of insufficient stock or incapacity to render a service. A consumer must be refunded any amount paid plus interest and compensate the consumer for all costs incurred as a result of the retailers overselling. * When a consumer buys goods or receives services from a retailer that approached him or her by mail, in person, e-mail or SMS, the consumer has the right to a cooling-off period. This means that the consumer can return the goods bought or cancel his or her order within 5 days after the date the consumer received it or ordered it, without penalty or reason. The retailer must inform the consumer of his or her right to a cooling-off period. * A consumer may choose whether or not he or she wants to receive marketing material from a retailer, for example, a consumer may opt-out from receiving marketing SMSs or telephone calls. * The representation or marketing of goods or services may not be misleading or false. * If the goods bought from a retailer are defective (not suitable for its usual purpose or for the purpose it was bought, of poor quality and bad working order, or not useable or durable), a consumer has 6 months from the date of delivery to return the goods to the supplier, at the retailer’s risk and expense. At the consumer’s choice, the retailer must fix, replace or refund the goods bought by the consumer.   **National Credit Act**  The National Credit Act (NCA) is mainly aimed at protecting the consumer.  To meet this objective, the Act affords consumers various rights, aimed at promoting equity in the credit market by providing a balance between the rights and responsibilities of credit providers and consumers.  In view of the large number of illiterate and uneducated consumers in the South African credit industry, a wide variety of consumer rights is essential to ensure a credit market that is accessible and sustainable for all South Africans.  For every right it gives a consumer, the Act places a corresponding duty on the credit provider that is party to a credit agreement with that consumer. The corresponding obligation applies not only to the credit provider, but also to the providers’ agents and employees.   | **RIGHTS OF CONSUMERS IN TERMS OF THE NATIONAL CREDIT ACT** | | | --- | --- | | **Right to apply for credit** | Section 60 provides that every adult natural person has a right to apply to a credit provider for credit.  It must be noted that section 60 provides for the right to *apply* for credit, not for credit to be *granted*.  Subject to sections 61, 62 and 66, a credit provider has a right to refuse to enter into a credit agreement with any prospective consumer on reasonable commercial grounds consistent with its customary risk-management and underwriting practices. | | **Protection against discrimination** | Section 61(1) of the National Credit Act prohibits a credit provider from unfairly discriminating directly or indirectly against a consumer on one or more grounds set out in the Constitution or the Promotion of Equality and Prevention of Unfair Discrimination Act. | | **Right to reasons for refusal of credit** | A consumer is entitled to know the reasons why the credit he applied for was refused. On request from a consumer, a credit provider must advise the consumer in writing of the dominant reason as to why the credit was refused.  Supervisors do not normally deal with and approve applications for credit, but where a customer does apply for credit, the supervisor must ensure that store procedures are followed, as they are developed to ensure compliance with the requirements of the Act. | | **Right to information in  plain and understandable language** | A document that is required to be delivered to a consumer in terms of the Act should be in the prescribed form, if any is prescribed, for that document.  Alternatively, the document should be in plain language, if no form has been prescribed for it.  The language in the document should be such that the consumer is not required to consult an external source to clarify or interpret any part of the document. Rather, the credit provider is obliged to ensure that its documentation is understandable by the ordinary consumer of the class of persons for whom the document is intended, with average literacy skills and minimal credit experience. | | **The right to receive documents** | Consumers have the right to receive documents such as credit agreements. The supervisor must ensure that store procedures are followed, as such procedures are developed to ensure compliance with the requirements of the Act. | | 30 |
| KM-04 IAC0202 | 1. Discuss the impact of accurate and inaccurate information when handling customer complaints. Include why accurate information is important, the benefist of accurate information and the consequences of inaccurate information. | Providing accurate information to customer queries is critical. Customers want to be able to obtain information from retail employees who are knowledgeable about the products the store sells. Customers use the information they receive when they ask questions, to help them make decisions about features and benefits of products that are important to them.  ***Consequences of providing inaccurate information to customers:***   * Customers making the wrong decisions about buying products * Dissatisfied customers * Loss of potential sales * Poor service reputation of the business * Disappointed customers telling others about their poor experiences   ***Benefits of providing accurate information***:   * Satisfied customers * Development of trust in the store and its employees * Satisfied customers telling others about their good experiences * Good service reputation of the business * Repeat business and loyal customers * Increased sales and profits | 10 |
| KM-04 IAC0203 | 1. Describe the different options for a supervisor when resolving customer complaints. | | **OPTION** | **EXPLANATION** | | --- | --- | | **Exchange the product, in line with company policy** | Most retail business have a policy that a product about which a customer complains may be exchanged, with a few requirements, such as product is in original packaging that is not damaged (in some cases the product must not have been opened), within a specified number of days, and so on.  The requirements for different products may vary. For example, although a chain store may allow exchange of clothing that has not been worn, exchange of underwear is nowadays not allowed at all, for reasons of hygiene.  For security reasons, proof of purchase is typically required. | | **Offer an alternative product** | Alternative products are often offered. For example, a customer may have lost trust in a product that is faulty and might wish to rather takes something else, such as a kettle made by another manufacturer, or decide to rather take a kettle in the place of the faulty toaster that is being returned. | | **Send the product to the manufacturer for evaluation and action** | Many stores have a policy that if a product under warranty becomes faulty after the first two weeks (as an example), the product will be sent to the manufacturer or wholesale agent to evaluate the situation and confirm that the product has not been handled negligently. An example is a mini oven of which the baking tray becomes stained and unsightly after a period of use.  The store may decide to send it to the manufacturer for evaluation and making a decision as to whether they will replace it for the customer. | | **Give store credit** | Some stores do not give refunds but rather store credit, in the form of a voucher or gift card, when a product is returned after the legal “cooling off” period in terms of the Consumer Protection Act. | | **Give a refund** | Refunds are often given – and are compulsory under the Consumer Protection Act – within specified times and on condition that the product is still in perfect condition for reselling. The store is allowed to charge a small handling fee. | | 10 |
| KM-04 IAC0204 | 1. Describe how to escalate customer queries in a manner that enhances customer satisfaction | | **ACTION** | **EXPLANATION** | | --- | --- | | Keep calm | It might be difficult to do, but you must stay calm when handling a customer complaint.  Keep in mind that a customer complaint will highlight an area that you can improve upon. | | Listen | Active listening techniques should be used all the time.  Do not assume that you know what the customer wants or needs, and do not dismiss them as trivial either.  Hear the customer out and pay close attention to what the customer is saying. When frustrated, people can have difficulty expressing their concerns or what they need from you to make them happy. | | Acknowledge the issue | After you have heard the customer out, acknowledge the problem and repeat it back to the customer to check your understanding.  Paraphrasing what your customer has said and repeating it back to them lets them know that you listened and that you understand what the problem is.  You can say things like, “I understand this must be very frustrating for you,” or, “If I understand you correctly…” then follow up with the paraphrased rendition of the complaint. | | Apologise and thank the customer | Apologising for your customer’s poor experience is important. It does not necessarily mean you agree with the customer, but it helps in calming the customer down.  Thank the customer for bringing the issue to your attention. It demonstrates that you understand where they are coming from and that you are ready to resolve the problem for them. | | Ask questions | Ask questions for clarification, as necessary. | | Document the complaint | Complaints often include hidden opportunities for improving customer service.  With the complaints documented, you can bring them up in monthly and annual meetings to seek advice on how to tackle the issue. | | Follow up | Follow up with the customer, to establish that the matter has been resolved to their satisfaction. | | 15 |