



## THE TIMES 100

### BUSINESS CASE STUDIES

#### Customer Service – Morrisons

Morrisons was founded over 100 years ago, as a stall in Bradford market. It is now the UK's fourth largest food retailer. Morrisons uses customer service to differentiate itself from its competitors, motivate its colleagues and help the business to grow. By building high levels of customer satisfaction, Morrisons creates a significant competitive advantage. To provide the best customer service, a business needs to know what its customers expect of it and then meet these expectations. Customer satisfaction is vital for keeping customers happy and loyal to the business. It can often be much more cost-effective to retain customers than to attract new ones. Morrisons achieves this by offering products and services not offered by its competitors therefore maximising **customer retention**. Quality customer service adds value as it improves customers' experience, making them feel valued and therefore more likely to become a repeat customer. Customers expect to be valued and to be assisted by helpful and friendly colleagues. They need clear information and good after-sales service. They also want their queries dealt with competently, quickly and accurately. They seek value for money, easy returns policies and high levels of colleague knowledge and expertise.

Four key components of customer service are:

“ **Information** - this includes information given directly to customers by colleagues and details given on published material such as websites, packaging, catalogues and leaflets. In-store, directions and signs allow customers to navigate through the store more effectively.

“ **Specialist attention** - advice must be accurate, available when and where customers need it and from colleagues who know what they are talking about. At Morrisons, this includes expertly trained specialists such as butchers and fishmongers who advise on the best meat or fish for different menus as well as how to cook it appropriately.

“ **After-sales service** - this refers to all areas of customer involvement once the sale has taken place. It includes delivery, packaging, guarantees, complaints, refunds and exchanges. At Morrisons, helpful and friendly colleagues deliver an exceptional checkout experience to help retain customers.

“ **Convenience** - this includes the location of stores, ease of access and car parking, availability of public transport and convenient ways to pay, such as cash, card and chip and pin facilities. At Morrisons, 5% of all car parking is dedicated to blue badge holders to enhance accessibility for those with recognised disabilities.



**Measuring customer service** - Morrisons measure its customer service in a number of ways. **Quantitative** measurement often takes place through **exit surveys** in every store each month. **Qualitative** measurement often takes place through methods such as mystery shops, which allows the gathering of customer opinions and comments.

**The benefits of customer service** - The high levels of customer service at Morrisons leads to satisfied customers and repeat trade, with profits up by 13% in 2010 and the number of customers visiting the store up from 10.5 million to 11 million per week. It can be seen that good customer service feeds directly into strategies for improved business performance and business growth. The emphasis placed on customer service also helps with colleague **motivation**. When colleagues receive positive customer feedback, this makes them proud which in turn motivates them to deliver even better customer service. Praise from customers fed back to colleagues is one of the key positive outcomes of delivering quality customer service for any colleague at Morrisons.

## Questions

1. Quality customer service adds value+. What is meant by added value?

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2. Describe the four key components of customer service.

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3. Explain how Morrisons measures customer service.

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4. Analyse the benefits to Morrisons of providing excellent customer service.

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## Task

Think about two customer service experiences you have had . one where you received good customer service and one where you received poor customer service. List the factors that made the experiences good/bad. What were the main differences between the two?

Feed back to the rest of your group.

## What have you learned?

Think of a mnemonic to help you remember the four key components of customer service.

