

BEEF
TRAINING
CAMP

CUSTOMER SERVICE



CUSTOMER SERVICE

Keeping beef customers satisfied takes more than a well-stocked meat case. As consumer demands continue to increase, customer service has become the newest competitive edge for retailers. Quality products and competitive prices will always appeal to customers, but to compete successfully in today's market, you need to make exceptional customer service an integral part of your company culture. Meeting customers' needs, making customer satisfaction a top priority and communicating customer value to your employees will help your store become "the" place to shop for meat. Use this information to understand what exceptional customer service means, why it's important and how to make it a successful part of your strategy.

KEEP BEEF CUSTOMERS COMING BACK

While all beef customers appreciate good quality and low prices, how they *feel* about their experience at your meat case will most influence whether they want to come back.

Many retailers today offer the same products at the same prices; what often separates top companies from the rest is customer perception. Positive customer perception can give you an advantage over your competitors: if shoppers have a good experience in your store, they are more likely to remember your business.

When aiming for top customer service, it's important to remember how much a customer's feelings play into their perception of your store. It is also important to remember how your employees help shape those customer experiences.

Creating a positive experience at your meat case will foster customer loyalty and keep customers coming back.

LOSING POINTS WITH DISSATISFIED CUSTOMERS

What a customer experiences in your store doesn't just stay with that customer; they will tell others about their encounter. Who, what and how customers tell their story will directly affect your business.

Unfortunately for you, dissatisfied customers do more to negatively impact your business than satisfied customers do to positively impact your business.

Only one of the five people who hear about you from one of your happy customers will likely become a new customer. Conversely, nine out of ten unhappy customers won't come back



“Dissatisfied customers tell an average of nine others about their experience.”¹

to your store, and because 96% of unhappy customers won't complain to you, the number of unhappy customers you actually have is much greater than you think. Additionally, dissatisfied customers will tell an average of nine others about their experience, with 13% telling as many as 20 others about the poor service they received.¹

A National Consumer Rage Study asked 1,000 people about their negative customer service experiences within the past year. Of those surveyed, 73% reported being extremely or very upset, 59% vowed never to do business with the offending business again and 56% of dissatisfied customers felt they got nothing in return for the problem, not even an apology or reassurance that the problem would not occur again.²

This negative “word of mouth” marketing might be more detrimental than first thought. In the above Consumer Rage Study, 85% of those surveyed shared their negative story with someone else. Another study of customer dissatisfaction by the Verde Group, in conjunction with the Baker Retailing Initiative at Wharton, found that nearly one third of all U.S. retail customers who have had a bad shopping experience will tell others about that experience in such a way that they will be more negatively impacted than the initial person. More than 50 percent of American shoppers say that a negative shopping experience of a friend will prevent them from setting foot in a store altogether.³

Considering the impact of negative “word of mouth,” retailers must work harder to satisfy existing customers, because the damage from unhappy customers can be lasting and far-reaching. Many unhappy customers will shop at the competing store down the street.⁴

THE NUMBERS: CUSTOMER SERVICE AND THE BOTTOM LINE

Customer service is more than the latest “warm and fuzzy” retail marketing concept; its effects can be measured in dollars and cents. Customer satisfaction and retention are critical components of profit, because losing customers means losing profits. Here are the statistics:

- It costs between 5 and 6 times more to attract new customers than to keep current ones
- A 2% increase in customer retention has the same effect on profits as cutting costs by 10%
- A 5% reduction in customer defection rate can mean a 25%-125% jump in profitability
- The average company loses 10% of its customers each year

The numbers show that customer service saves more money than it costs and working to satisfy and keep customers is critical to helping your bottom line.

Retailers also gain other long-term benefits from customer retention, including customers who:⁵

- Stay with the company longer
- Deepen their relationship with the company
- Demonstrate less price sensitivity
- Recommend the company's products or services to others

The customer profitability rate also tends to increase over the life of a retained customer. Repeat customers spend an average of 67% more than new customers.⁶



¹ Creating a Culture of Service Excellence, BooksellingthisWeek.com, November 4, 2004

³ National Customer Rage Study, Customer Care Alliance and Arizona State University, 2004

² Shopper Revenge, SupermarketGuru.com, April 6, 2006

⁴ Leading on the Edge of Chaos, Emmett C. Murphy and Mark A. Murphy, 2003

⁵ Extreme Management, Mark Stevens, 2001

⁶ Delivering Higher Levels of Customer Service with Fewer Resources, Global360.com, 2005

OPPORTUNITIES TO GAIN NEW BEEF CUSTOMERS

If retailers can expect to lose about 10% of their customer base annually, it's worthwhile to examine the reasons behind a consumer's choice to leave one business and buy from another. Understanding *why* customers defect can help retailers resolve problem issues, creating positive interactions.

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A study conducted by the U.S. Small Business Administration showed that 68% of customers surveyed stopped shopping at a store because they felt that the staff "didn't care." Other top reasons listed for leaving were product dissatisfaction (14%) and price issues (9%). Five percent left because of friends' recommendations, three percent moved and one percent passed away.⁷

Retailers can analyze these statistics to learn not only how to keep existing customers, but how to gain new customers as well. For example, retailers should consider how people who are moving can positively impact their business: they might lose shoppers who move away, but they will also likely gain new customers who relocate to their area.

The U.S. Census Bureau reported that approximately 14% of U.S. residents moved between 2005 and 2006. In a city with a stable or growing population, this means an influx of new customers looking for places to shop. According to a customer study by Deloitte & Touche USA LLP, new and infrequent shoppers represent a retailer's best opportunity to build its customer base. These shoppers are unfamiliar with the store and its merchandise; they need more help than the average shopper to understand the store.⁸ Retailers can appeal to these customers by having trained, caring staffers ready to assist them at the meat case.

A similar strategy can be applied to customers defecting from other retailers. At any given moment, a shopper who had a bad experience in another store might be in front of your meat counter for the first time. This is the perfect opportunity to provide top-notch customer service with employees who are committed to customer satisfaction — an approach that can help turn new shoppers into loyal, long-term customers.

⁷ SBA Study Determines Why Customers Leave, Nation's Building News Online, January 10, 2005

⁸ Customer Conversion, Deloitte & Touche USA LLP, 2006

SATISFIED CUSTOMERS: HOW TO SUCCEED

Major retailers who perform well on customer satisfaction surveys have learned to put the customer first. These successful businesses focus on the customer “experience” and consistently work to understand and meet customers’ needs through knowledgeable, attentive employees:

Publix.

PUBLIX®

According to the 2006 American Customer Satisfaction Index (ACSI), a national measure of service quality based on customer evaluations, one of the top performers in customer service is Publix Supermarkets. Publix leads the supermarket category in satisfaction with a score of 83, seven points higher than its closest competitor; it ranked number one in this category for 13 consecutive years.

How does Publix do it? The ACSI survey indicates that winning characteristics of the company include meeting or exceeding customer expectations, positive resolution of customer complaints, perceived quality, perceived value and happy employees.

One specific way that Publix is tending to busy customers’ needs is through its Apron’s Program. Apron’s was designed to help customers quickly prepare home-cooked dinners for their families. The program features “Simple Meals” recipes for tasty meals that can be made in 15 minutes. In-store cooking demonstrations let customers watch, taste and learn. Meal ingredients are located together in an adjacent display case for one-stop shopping. According to Publix’s director of meals, “Customers are looking for convenience as well as delicious meals. They want to walk out of the store with meals in mind, not just ingredients.”⁹



⁹ Publix Expands Apron’s Simple Meals, Publix.com, 2006



WEGMANS®

Another customer service leader is Wegmans Supermarkets, one of the winners of *Fast Company’s* “2004 Customer First Awards” and number 5 on *BusinessWeek’s* 2007 “Customer Service Champs” Top 25 list. According to *Fast Company*, Wegmans’ success is due to the fact that customer service and the customer experience are evangelized at the very top of the company. The company emphasizes this heavily in employee training, so they can offer customers meal suggestions, food preparation tips and even cooking lessons. Employees in the meat and fish departments must pass a 30 to 55-hour “university” program. Many department heads travel overseas to work in French patisseries or to tour the countryside to learn about cheese. “Knowledgeable employees are something our competitors don’t have and our customers couldn’t get anywhere else,” says President Danny Wegman.¹⁰

In their commitment to customer satisfaction, Wegmans employees are prepared to go the distance, sometimes literally. In a January 2005 article in *Fortune* magazine, Matthew Boyle wrote, “To ensure that customers leave happy, employees are encouraged to do just about anything, on the spot, without consulting a higher-up. One day it could mean sending a chef to a customer’s home to clear up a botched food order. It could also mean cooking a family’s Thanksgiving turkey right in the store, because the one Mom bought was too big for her oven. Is that expensive? Sure. Is it worth it? You bet.”¹¹ A Gallup survey cited in the article found that in a one-month period, shoppers who were emotionally connected to a supermarket spent 46% more than shoppers who were satisfied but lacked an emotional bond with the store.

¹⁰ *Fast Company*, Michael A. Prospero, October 2004

¹¹ The Wegmans Way, Matthew Boyle, *Fortune Magazine*, January 24, 2005



WHOLE FOODS MARKET®

Another success story with customers is Whole Foods Market. Whole Foods’ service philosophy is based on employee teams who are instrumental in creating highly-satisfied customers. Employees are encouraged to go the extra mile to answer shoppers’ questions and to give customers free products to sample. The company also relies on customers to use the positive experiences they have had in their stores to be “brand ambassadors” and tell others about Whole Foods.

As a testament to the success of their employee-centered approach to service, Whole Foods Market has been named to *Fortune* magazine’s “100 Best Companies to Work For” list for the past 10 years and was ranked number five on the 2007 list, its highest ranking yet. “To be ranked in the top five is a fantastic milestone for Whole Foods Market and a validation that we are honoring our core value of ‘Supporting Team Member Excellence and Happiness’ by creating an empowering work environment. It is the passion of our dedicated Team Members that has driven the success of Whole Foods Market for the past 26 years,” said CEO and co-founder John Mackey. Two-thirds of a company’s score on the *Fortune* list is based on survey responses from randomly-selected employees.¹²



¹² Pressroom, WholeFoodsMarket.com, January 9, 2007

MISSING THE TARGET: MAKING CONTACT WITH CUSTOMERS

Companies that don't fare well on customer satisfaction surveys seem to have lost sight of the customer. Poor performance on the ACSI index is often attributed to a focus on productivity instead of service.

Another reason companies fall short on customer service is a focus on the immediate sale at the expense of repeat sales. According to Mark Stevens, author of *Extreme Management*, companies experience "tunnel vision," viewing the lifetime value of a customer solely as the sum of the transactions they conduct with that customer instead of encouraging employees to build and maintain relationships with customers. Nurturing long-term client relationships makes the most of the service-profit chain, and results in a range of benefits, including customer referrals, positive word of mouth, and cross-selling opportunities.¹³

CUSTOMER SERVICE

Winners

- Focus on the customer
- Empower employees
- Emphasize customer communication
- Create a fun shopping experience

Losers

- Focus on productivity
- Don't empower employees
- Don't emphasize customer communication
- Make shopping a chore

KNOW WHAT YOU'RE SELLING

When attending a sporting event, fans want to get their money's worth from what is happening on the field or court, but it is almost as important that the venue is comfortable and pleasing to the senses. Otherwise, they might rather just stay at home and watch it on TV. This carries over to the retail world as well.

Some of today's most successful companies emphasize the complete "customer experience" from the minute customers walk in the door. For example, at Starbucks Coffee®, the staff is not just selling coffee — they're marketing a complete package: upscale coffee drinks delivered in a warm and inviting environment enhanced by the aroma of freshly-ground beans and the sound of soothing background music.

When you compare that "experience" with grabbing a cup of coffee on the run at the corner convenience store or just making it at home, it's no surprise that people are willing to pay more for Starbucks' coffee, not only because of its gourmet appeal, but also because of the positive associations and experiences they have had in each retail store.

¹³ Extreme Management: What They Teach at Harvard Business School's Advanced Management Program, Mark Stevens, 2001

SOLVING THE DINNER DILEMMA

You can learn from the Starbucks example and apply a similar approach to the customer experience in your stores. You're selling more than meat — you're selling flavors, aromas, satisfaction and comfort.

Customers have more choices than ever in the meat case, and they have busy lifestyles that limit food shopping and preparation time. It's important to make them feel comfortable in your meat department and realize that beef isn't just a staple food, but something that can bring them pleasure. When customers are in your store, they aren't just looking for a cut of beef; they are looking for a solution to the dinner dilemma. Training employees to interact with customers to help provide that dinner solution in a comfortable environment is critical to meeting customer needs.



CUSTOMER SERVICE ASSOCIATES: KEY PLAYERS AT THE MEAT CASE

A research study called the Customer Service Associate (CSA) Program was conducted to understand how to better satisfy customers at the meat counter. During the 12-week program in a single metropolitan area, one skilled meat cutter or meat wrapper per store was moved from duties in the back room to the front of the meat case daily during four-hour high traffic timeframes to serve as a CSA. In addition to meat expertise, the individuals had strong "people" skills and outgoing personalities.

The CSAs were armed with resources to hand out and were authorized to ensure that all questions were answered thoroughly. Essentially, their task was to put "full service" back into the meat department.¹⁴

REACHING OUT TO YOUR CUSTOMERS

In the study, CSAs were given the following suggestions to prepare them for interacting with customers:

- Remember: you're the beef expert. Your white coat and name tag signal expertise
- Watch what a customer is looking at in the case
- Offer suggested alternatives for size/specials
- Inquire about menu plans and offer suggestions
- Build rapport and a sense of trust with customer
- Hand the customer a recipe suggestion rather than expect the customer to find it on their own
- Use demonstrations/sampling events



The Role of the Customer Service Associate

Explain

- Difference between cuts of meat
- Benefits of certain cuts for certain meals

Introduce

- New beef cuts
- Newly introduced prepared beef products they might not have purchased previously

Demonstrate

- Ease of preparation
- Delicious taste

Provide

- Recipes
- Preparation and cooking method tips
- Nutritional information

¹⁴ The Beef Checkoff, VBMM/Customer Service Associate Case Study, 1999

STUDY HIGHLIGHTS

Results of the study showed that shoppers' overall interaction with CSAs was overwhelmingly positive. 96% of shoppers surveyed considered the CSA to be helpful to them. CSAs were credited with being most helpful in the following areas:

- Attitude and interest displayed
- Willingness to find particular cuts
- Ideas for meat selection & meal preparation
- Pointing out featured items
- Helping with non-meat related inquiries

CSAs received ratings ranging from 93% to 98% for being pleasant, professional and readily accessible.

The study found that 96% of those surveyed indicated confidence in their CSAs knowledge of information, reinforcing the concept that CSAs should use their beef expertise to educate and assist shoppers. Customers also indicated they wanted access to cooking tips and recipe cards.

One of the biggest benefits of the study was helping shoppers view the CSA as a helpful resource, someone they could turn to with questions. "At the beginning of the program, people did not realize they could ring a bell and bother the butcher. At the end, they realized they could," stated one study participant.

Beef dollar sales in test stores during the study period increased by 0.64% vs. the control stores and increased 3.25% vs. all stores in the chain compared to the same period a year ago.

The study results demonstrate that preparing your employees, getting them out of the back room and making them accessible to shoppers, and encouraging them to use their knowledge to answer questions leads to positive customer experiences at the meat case. Convert your meat case employees into full-fledged Customer Service Associates, and watch your customer service rating soar.

The retailer that participated in the study has continued to implement the CSA program in stores.

GETTING STARTED: EMPLOYEE EMPOWERMENT

Some of the most powerful links in the service-profit chain are your employees. Success comes through people, and engaged, happy employees are far more likely to be successful.

In order to inspire customers, organizations first have to inspire their employees to understand and believe in the products they represent, to improve performance, and ultimately to be more effective ambassadors to their customers. Inspiring employees has clear business benefits. For example, organizations with highly-favorable employee attitudes have significantly better financial performance.¹⁵

How do you get employees to become empowered team members in the customer service challenge?

- Encourage them to take a more active role in their work
- Involve them in taking responsibility for improving the way things are done
- Enable them to make more and bigger decisions without having to get approval from senior level staff¹⁶

TRAINING: INVESTING IN YOUR TEAM

Employee training goes hand-in-hand with empowerment. Studies have shown that the most successful, productive employees are those who have received extensive training. Not only does instruction arm your employees with needed professional or technical skills, but it also shows that you are invested in them and interested in bringing them with you into the company's future.¹⁷

Starbucks Coffee, for example, implemented an educational Coffee Master program for employees who have completed standard training and want to learn more about coffee making. The company believes that the program makes employees excited about their jobs, and they in turn relay that excitement to customers, positively affecting the company's bottom line.¹⁸

Benefits of Employee Empowerment¹⁹

The Organization

- Harnesses individual talents to the fullest
- Changes managers' mind-sets and leaves them with more time to engage in broad-based thinking, visioning and nurturing

The Department/Team

- Becomes more enthusiastic, active and successful
- Facilitates teamwork and harnessing of collective power of employees

The Employees

- Are entrusted with new responsibilities and are stretched beyond what they previously thought they could achieve
- Release individual wisdom, creativity and energy
- Increase knowledge and professional/technical skills through training and development

¹⁵ Customers or Employees First: 2006 Survey Offers Insight on Internal Branding, 360° Newsletter, September 25, 2006

¹⁶ Empowering People, Jane Smith, 2002

¹⁷ Ten Employee Training Tips, AllBusiness.com, 2006

¹⁸ Profitability is in the People, CRM Daily, January 4, 2006

¹⁹ Empowering People, Jane Smith, 2002

KNOW YOUR CUSTOMERS

Your CSAs need to know the four types of customers they will most likely encounter in the meat department. Use the information below to help you identify the customers in your store.

FOCUSED

These customers are in your store because they have to eat. They are not interested in interaction; they want to get in the store, get their groceries and get out as quickly as possible.

Although focused customers might not need much help from you, you should be ready in case they do have a question. Keeping employees accessible and the meat case stocked will ensure that their needs will be met.

PUZZLED

These customers have questions about the meat in your case. Along with preparation instructions, they are often looking for reassurance that what they are purchasing will meet their needs and taste good.

Some puzzled customers need to be directed to another part of the store. It's important to educate your employees so they can answer all customer's questions properly. Encourage them to be courteous and helpful with general questions about your store.

ANGRY

These customers have something to say: they want to be heard and they want their situation to be rectified.

It's crucial to address an angry customer's concerns immediately. Know and use your store's return policy properly. To handle complaints quickly, get the upset customer off the floor, take down all appropriate information, including how you resolved the issue, and follow-up with a phone call. A follow-up phone call could mean the difference between keeping or losing a customer.

HURRIED

These customers want to figure out what they are serving for dinner and get home. They need help solving the dinner dilemma quickly.

It is best to approach hurried customers immediately and ask how you can help. The faster you can get them out the door with the right cut in their hand, the better. You may even want to direct them to your convenience section and show them your heat and eat items.

Most customers who are shopping the meat case are doing it between 4:30 pm and 7:00 pm. This is the prime time to make a difference in your store, because that's when CSAs can help provide that dinner solution. Train your employees to ask about meal plans, suggest cooking tips and recommend beef cuts.

MAKING CUSTOMER SERVICE THE NUMBER ONE PRIORITY

All retailers know the fundamentals of a successful meat case: keep a clean department with a well-organized, well-stocked meat case. However, to elevate your service to a higher level, you need to provide customers with knowledgeable alternatives. This can be accomplished by implementing AAA Customer Service: Attentiveness, Acknowledgement, and Agreement. It's easy for Customer Service Associates to watch the signals and incorporate these AAA concepts:

ATTENTIVENESS

- Make eye contact
- Listen to the customer's questions
- Ask questions to help better understand how you can provide an appropriate dinner solution for that individual customer

ACKNOWLEDGEMENT

- Make eye contact
- If the customer has a concern, restate the concern back to them so you know you understand it
- If looking at options, explain the benefits of those options
- Provide dinner solutions based on their answers to your questions

AGREEMENT

- The customer is always right
- Training CSAs to use AAA Customer Service at the meat counter will help you create a reputation for exceptional customer service by coupling their beef knowledge with attention to customers' needs.

CREATE AN ACTION PLAN

You've studied the information. Now it's time to implement what you've learned and create an Action Plan designed to achieve exceptional customer service. Your Action Plan should involve everyone in the meat department and be centered on the customer. Remember, the most critical element of success is how you handle your customers.

THE BASICS TO A GOOD START

Customer Service Associates should:

- Possess a meat background and have a solid knowledge base of the meat department, including all production functions
- Understand meat preparation and have a general cooking knowledge, including an understanding of the range of cuts
- Possess the personality and attitude to interact with the customer and win their confidence and trust

Customer Service Associates should have access to:

- Manufacturer phone numbers to address customer questions regarding ingredients, nutrition, etc.
- Reference materials
- Store policies to address questions regarding discontinued items, out of stocks, specials, etc.
- Charts of primal cuts
- Program supplies such as recipe cards and product information

THE WRAP-UP

You are primed to deliver what customers want when you put these strategies into play:

- Focus continuously on solving the dinner dilemma
- Study customer feedback and improve based upon it
- Empower your employees to create exceptional customer service
- Implement your action plan, always adding to it to stay ahead of the game

Here are some steps you can take to kick start your customer service plan into action:

- Develop a Customer Satisfaction Guarantee and promote it on signage in the meat department.
- Set up a toll-free customer service phone number and include that number on a sign in your meat department.
- Include a place on your Web site where customers can submit positive or negative feedback.
- Implement a mystery shopper program as a way to get valuable feedback on the state of your meat department's customer service.
- Develop a protocol for handling customer complaints. Train your meat department employees on how to properly execute that protocol.
- Provide recipe cards for your customers. Recipe cards can be found in the online Beef and Veal Ad Planner at www.beefretail.org/markbeefvealadplanner.aspx. You can also contact your Retail Marketing Manager or State Beef Council to help you find companies like Try-Foods® (www.tryfoods.com) who distribute recipe cards.

For more information visit BeefRetail.org



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