

# Delivering customer service flashcard



Starbucks Corporation purchases and roasts whole bean coffees and sells them, along with fresh, rich-brewed coffee and beverages, complementary food items, coffee-related accessories, coffee-related equipment, premium teas and a line of compact discs, primarily through company-operated retail stores.

Starbucks writes on its Web site that its philosophy is to put people before products. Their relationships with farmers, the company writes, yield the highest quality coffees. The connections they make in communities create a loyal following. And their generosity and support to their baristas (coffee servers) “pays off everyday.”

Indeed, the company cared for its employees well, having in place a generous benefits packages, including health insurance and stock options, available to even entry-level employees. The company also encouraged promoting people from its own ranks.

All these ensured, in part, that satisfaction rate among employees stayed high, while turnover rates stay low.

This paper would focus on learning from what Starbucks has done and applying these concepts to a hotel setting.

### Starbucks Service

For Starbucks, their frontliners are key to their brand image. Every Starbucks employee hired would have to learn operating the cash register and mixing the drinks skills required of baristas (coffee-servers or

frontliners). On top of these “ hard skills”, each of them would have to learn how to effectively interact and connect with customers.

Starbucks also implemented a “ Just Say Yes” Policy, which empowered its employees to bend company rules just so they could deliver the best service possible. Basically, the policy says that the customer should always be accommodated with his request, even if it goes against company rules.

### Problems

Over time, a barista’s job became more complex. Starbucks soon offered more products in its line, and more and more stores were getting more than their share of customers. What’s more, the company had to contend with balancing customization by its customers with pre-set standards of quality.

The company, instead, worked to increase efficiency by removing all unnecessary tasks, simplifying its beverage production process, and changing facility design to get rid of bottlenecks.

The company also introduced automated espresso machines in its North American stores to the delight of customers and its baristas.

However, Starbucks’ bigger challenge was its unanticipated change in its customer profiles and customer satisfaction. Over time, Starbucks aficionados expanded to include the younger, less well-educated, and less affluent. Their established affluent customer set also expanded to include Hispanics and other groups not previously identified.

Starbucks also discovered that customer satisfaction rates were below expectations. Satisfaction scores were considered critical to the company because it was a pre-requisite of customer loyalty. In a poll, the company found out that speed of service was mentioned most.

In effect, Starbucks admitted that it was losing sight of the customer, and may have been lax in its customer service protocols. It was getting increasingly difficult to focus on customer service and effective interactions while people lined up through the door with their coffee. The company didn't want to hire more people to ease the situation, with the economy's downturn. Additionally, most stores were located in urban areas where wages were higher.

### Hotel operations

In a hotel setting, it's very easy to apply Starbucks' customer service principles. A lot of hotel guests are turned off by poor customer service, discouraging them from coming back to the hotel or recommending it to their friends.

A hotel is a service-related business. You're there to serve, hence, customer service is not an option, or a value-added component. It is THE business. Starbucks' philosophy of putting people above everything would be a sound mantra for anyone managing a hotel: bend your back over to please the guest. If one's guest has a complaint, handle it seriously and professionally. Starbucks have trained their staff to be competent to handle their customers' orders, but the company also trained them to be socially-adept with their customers. Hotel staff should not only know room rates, hotel

policies, but they should also be concerned with their guests and their comfort.

Starbucks have reiterated that the key to giving the best customer service is to talk to your customers. The conversation should include and go beyond the routine greetings, to what the guest would really want. Train hotel staff to listen and interact effectively.

Albert Schindler, writing for About. Com's Canadian Small Business section, puts it perfectly when he said that one should build business to customer loyalty. Mr. Schindler recounts that when he still worked for a ritzy downtown Calgary hotel, management insisted that "every one of us who had contact with their customers know the customer by his full name and, when possible, other personal or business information about him." Mr. Schindler added that personal or business information would make the guest feel more welcome at the establishment.

What's more, teach hotel staff to be more intuitive, to anticipate the guests' needs. To do that one should know one's customers.

Know one's customers and tailor-fit your amenities and services to the guests needs. A complimentary whole body massage would sound great if your guests were mostly weary businessmen on business trips, while a tour service would be appropriate if you cater mostly to tourists. Like Starbucks, one should always have this customer profile in mind, and anticipate what needs to be done, so one's guests won't have to. Also, note that one's customers' needs and profiles will change over time, it would make good business sense to refresh and re-orient one's self every once in a while.

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Of course, one cannot anticipate everything nor can one please everybody. So, be flexible to accommodate your guests requests. As Starbucks' baristas take note to put in extra mint or extra cream in their customer's coffee as requested, so should one's hotel be able to accommodate requests for an extra bed, or an hour's worth of free stay. Customization is the key. Take to heart Starbucks' philosophy of never arguing with a customer, one would only lose business that way.

Mr. Schindler adds that at a time when service has " become a cliché" and it seems like " everyone's doing it," creative, personalized and more attentive service would set you apart from your competitors.

In the hotel business, service is a key to survival. Another equally important key is quality. As Starbucks strived to maintain a balance between service and quality, so does a hotel. One's hotel has to live up to standards of cleanliness, comfort, safety and security. As previously mentioned, Starbucks' connections in the communities they operate in creates a loyal following. The customer is not just there for the coffee, it is the totality of the experience. One's guest is not only there for the hotel's beds, it's more of how they feel staying in one's hotel.

Lastly, always take stock and evaluate one's efforts. If something seems to be lacking, then take steps to improve it.

Starbucks' metrics for measuring service performance could easily be tailor-fitted in a hotel setting. To wit:

- Service – Did the frontliner greet the guest? Eye contact? Say Thank you?

- Cleanliness – Are all areas of the hotel clean?
  
- Service quality – Are the rooms clean? Is the service rendered cordially? Were all the personnel who interacted with the guest polite, knowledgeable?
  
- Speed of service – How long did the guest have to wait? Where there instances when the guests were ignored for a period of time?

What's more since a hotel guest would be staying longer, you would have to add consistency through all four metrics to ensure that the guests' experience in the hotel had been pleasant all throughout.

One should also talk to guests and solicit their feedback. Starbucks discovered that they had a problem with their speed of service just by asking their customers what needs to be improved. Starbucks learned about their changing demographics, customer profiles, and customer behavior by conducting market research. All in all, Starbucks took all these information and was able to anticipate a problem that would have been detrimental to their business before it became uncontrollable. The company was able to take immediate steps to correct it. More importantly, they were able to preserve their image of delivering superior customer service.

A thorough and comprehensive review of your efforts would go a long way. Not only in knowing how well one has done, but also in making adjustments to the systems in place. The information one gets would prove vital as to whether the company could adapt to the changing market place, keep up with the changing faces of one's customers and serve them better, edge out

competition, become top-notch in their niche or industry, or simply survive in rough times.

Just as Starbucks proved that all these systems, measurements, checking, changing helped it to become and maintain its position as one of the world's most customer-oriented company, it never hurts to learn from the best.