

The Power of Customer Service

Prepared by:
Drew Stevens, Ph.D.
Stevens Consulting Group



LORMAN®

Published on www.lorman.com - October 2020

The Power of Customer Service, ©2020 Lorman Education Services. All Rights Reserved.



Lorman Education Services is a leading provider of online professional learning, serving individuals and teams seeking training and CE credits. Whether you're looking for professional continuing education or an enterprise-wide learning and development solution, you will find what you need in Lorman's growing library of resources.

Lorman helps professionals meet their needs with more than 100 live training sessions each month and a growing collection of over 13,000 ondemand courses and resources developed by noted industry experts and professionals.

Learn more about Lorman's individual programs, economical All-Access Pass, and Enterprise Packages:

www.lorman.com

The Power of Customer Service

We are in a service-based economy and it is always surprising to see the lack of service savvy insurance agents. These are not the times to avoid the most precious asset to any business. After all, the purpose for being in business is the acquisition and retention of customers.

It is fairly ironic that in numerous conversations, organizations typically have a similar excuse for not being attentive to customer service – 1) lack of time, 2) lack of focus, and three 3) a lack of knowledge. However, dismissing the issue only brings about revenue concerns. Boosting attention towards customers actually leads to less labor and higher productivity even in the smallest of organizations.

The reason that customer service is so vital to every insurance organization and agent is:

1. **Less Cost** – As current clients tell existing customers of your products and services, they become marketing avatars through buzz marketing. Costs decrease due to a lack of need for advertising. After all when was the last time you had any luck with a Yellow Pages© ad?
2. **Increased Productivity** – Believe it or not when internal employees get along they treat customers better. When all

work towards better internal and external customer service, there is less bickering and more things get done!

3. **Less Labor** – The increased use of social media and the Internet enable (content) customers to quickly connect with others that might be interested in your services. Customers do the work for your organization. Agents merely sit back (per se) and reap the benefits!

Let me be clear, customer service is one of several things organizations can do to remain close to clients and obtain new ones. However there is overwhelming evidence today to state that the Internet and other technologies allow for customer service lunacy to ruin your organization's reputation. Ignoring the issue can quickly create obstacles to your success and increase competitive pressures.

Three Guiding Principles

So what are some of those factors that help to contribute towards aiding an organization with their customer service? I think it boils down to three components – People – Process – Aesthetics:

1. **People**-it is imperative to have the right people in your employ so that there is a customer service culture. Hiring people with the innate capabilities powered to servicing others helps increase the likelihood that customers will enjoy doing business with you. For example one of the first

impressions insurance clients have is with the front desk. This means that whoever answers the telephone (you or your receptionist) must be ready to meet and greet customers. Calls must be answered cheerfully, with your desire to pronounce names and telephone numbers correctly. And when clients visit your office, whoever is at the front counter must be warm and accepting. As a contrasting example, how comfortable do you feel when you visit a physician's office when the office staff is hidden behind the one foot by one foot frosted glass window? They are as much as service center as independent insurance agents!

2. Processes-There are times when bureaucracy gets in the way of proper service. There are numerous forms, meetings and quotations that are required to provide proper coverage and meet customer needs. However, agents can do a better job of meeting or exceeding client expectations by downplaying the number of processes involved. By eliminating or alleviating the bureaucracy agents can make a better customer experience.
3. Aesthetics - Customers constantly judge a book by its cover therefore it is imperative to ensure that your house is always clean. There are several items, (too many to mention all) that require attention. First, ensure that all calls are addressed in the first three to four rings. All calls must be answered quickly and efficiently. Second, return all calls in a timely manner. I typically return all calls within 90 minutes and have made this a policy for over 15

years. How many times have you left messages for vendors and have waited endlessly for a return call? Alternatively, be cautious when you place individuals on hold, a mere 12 seconds can seem like an eternity. It is also suggested to be cautious about websites so that information is easy to find, easy to download as well as form submission. Did you ever try to make an online purchase and you enter your content for submission, only to forget some data and needing to re-enter e-v-e-r-y-t-h-i-n-g! And finally, review your entryway; parking lot and front desk, first impressions matter and all should be tidy and professional.

Implied Factors

Believe it or not it is the simple things that will allow customers to return. As they say people do judge a book by its cover. Therefore it is important to always make a positive first impression. One can do so simply by smiling and becoming genuinely interested in others. People see customer service from the moment that they hear a voice or see a person. Therefore if you want to make a positive first impression be certain that your personnel are professional and passionate about treating customers well. Always treat clients as you would your friends and family, with respect and consistent professionalism.

A large misconception about customer service is that they will automatically return it treated well. It is somewhat true but customers today are extremely busy and have too many things on their mind. Therefore you have to work a little harder to be memorable. You must be visible. You must be memorable. It is helpful to utilize vehicles that allow you to keep top of mind. Many utilize auto responders, some utilize e-mail and others simply paper-based systems.

If you were to use auto responders these are helpful because instant reminders can be sent on specific days when you were not available to do so. E-mail is helpful if you want to send a newsletter or some other type of correspondence. Yet one of the most powerful in use today is a simple gratuity card. Written in your own handwriting and sent personally to your clients is more powerful than any electronic tool. Many years ago I received a birthday card from a very large insurance organization. IT STILL SITS IN MY OFFICE. I still have the card. I used many other companies for over 15 years and during that time have probably taken out millions in insurance. I have received nothing from them.

And if you cannot send out a card there is a service that allows you to upload your electronic address book. When a situation arises where you need to send a card. Simply choose a template or make up your own personal card online. When complete you

order the card, sign your name digitally and the service manually snail mails the card to your customer.

Measure Your Success

Many would think that it is impossible to measure how well customer service is being achieved. However I am an advocate of ensuring high levels of success with every organization. Measurements enable organizations to understand whether or not they are achieving their objectives and what the value returned to the organization.

One of the best-found ideologies is to have concentrated customer focus groups. Focus groups allow for more attentive and intimate conversations with clients to gain better insight into what they're thinking and what they most value. A well-known casualty and insurance concern wanted to determine its return on customer service. Over the course of two years it met with well over 500 clients and heard everything they said. With the suggestions clients offered, the organization noticed a rise in policies and referral business well over 23%. Sometimes all it takes is asking them their opinion.

Alternatively, mystery shopping is focused on monitoring and improving quality and service to ensure consistency with brand standards using anonymous resources. About 85% of this work is done in person; a growing trend involves home-based mystery

shoppers who conduct their work by calling insurance agents, making appointments about policies and even altering existing policies. One might measure wait times or call back responses. Mystery shopping is also useful for follow – up, and any combination of efforts that involves customers and the front line staff. The feedback is fabulous for making necessary business modifications.

Customer Service Best Practices

The simplest thing about customer service is that if you treat customers with professionalism and empathy they will continually return. Moreover they will tell others. Customer service is the key to your marketing and profitability success factors. It lowers attrition in organization and it heightens productivity. There are no secrets or secret decoder rings to handling customer's right. It is simply proper and sophisticated human interaction. Treat them right and they will constantly provide routes to continued business, referrals and revenues. It is 80% more effective to keep a happy client then finding a new one. Therefore, make customer service an active part of your business efforts!

The material appearing in this website is for informational purposes only and is not legal advice. Transmission of this information is not intended to create, and receipt does not constitute, an attorney-client relationship. The information provided herein is intended only as general information which may or may not reflect the most current developments. Although these materials may be prepared by professionals, they should not be used as a substitute for professional services. If legal or other professional advice is required, the services of a professional should be sought.

The opinions or viewpoints expressed herein do not necessarily reflect those of Lorman Education Services. All materials and content were prepared by persons and/or entities other than Lorman Education Services, and said other persons and/or entities are solely responsible for their content.

Any links to other websites are not intended to be referrals or endorsements of these sites. The links provided are maintained by the respective organizations, and they are solely responsible for the content of their own sites.