**Marketing Unit 2.05 Resolve conflicts with/for customers to encourage repeat business**

1. **Define types of Difficult Customers**
2. Disagreeable: customers who are unpleasant and hard to help

 Categories of Disagreeable Customers

* 1. Argumentative: customers who seem to look for problems
	2. Impatient: customers who show verbally and nonverbally that they do not want to wait
	3. Leave-me-alone: customers do not want any assistance or advice
	4. Irritable/Moody
	5. Insulting: customers that get frustrated and take it out on the salesperson
	6. Complaining: customers think everything is wrong
1. Domineering/superior: overly confident customers who feel they know more and are better than the average person.
2. Suspicious: customers who doubt or questions everything and may want facts and proof before being convinced something is true.
3. Slow/Methodical: customers who require a lot of time to make a purchase because of indecisiveness
4. Dishonest: customers who intentionally attempt to avoid paying part or all of the price for a product.
5. **Situations where customers become difficult**
	1. Customers want something against company policies.
	2. Problems with merchandise
		1. Broken or damaged
		2. Lack of need-gift
		3. Wrong size
		4. Changed mind
	3. Problems with company
		1. Account errors-date entry errors
		2. Rude treatment by an employee
	4. Illegal activity
6. **Reasons for handling difficult customers**
	1. Customers that have had an issue resolved efficiently and professionally are more loyal.
	2. It is important to get a customer and never lose that customer via superior customer service; thus, building a strong clientele.
	3. Customers are the bread and butter, even the difficult ones.
	4. Word of mouth about handling situations well will spread.
	5. It impacts the company’s image.
	6. It can aid in the development of a competitive advantage.
	7. All of the above contributes to profits.
7. **Procedures for Handling Difficult Customers**
	1. Listen – completely and openly
	2. Take the customer aside – to ease tension
	3. Restate – to show you understand
	4. Get help – if needed, from a supervisor
	5. Establish a plan – Agree on a plan of action and follow through
8. **Costs associated with customer complaints**
	1. Compliant is an expression of discontent, regret, pain, resentment, or grief;a grievance.
	2. Cost associated with customer complaints
		1. Additional labor expenses
		2. Postage fees for return shipping
		3. Lost sales
		4. Lost customers
		5. Damage to business image
		6. Damage to community relations
9. **Reasons for Customer Complaints**
	1. Service Content, Delivery or Product Quality
	2. Personnel
	3. Requests
	4. Communication
	5. Response Time
	6. Documentation
	7. Billing
	8. Follow Up
10. **Handling Customers Complaints**
	1. Complaints are a not necessarily a bad thing!
	2. Complaints give the business an opportunity to learn something that might improve service and stop the problem from reoccurring
	3. Only 4-8% of customers share their concern ~non-complainers are a problem because the business never has a chance to address the issue
11. **Five Benefits Of Customer Complaints**
	1. Complaints identity faulty products
	2. Complaints challenge the status quo
	3. Complaints test internal systems and processes
	4. Complaints are friends
	5. Complaints provide the opportunity for service recovery

**Objective 2.06 – Apply quality assurances to enhance product/service offerings**

1. **What are grades and standards?**
	1. Standards are statements that specify a product’s size, contents, and/or quality; used as a basis for comparing or judging goods or services
	2. Grades are ratings assigned to products that tell to what extent standards were met
	3. Standards are set; consistency. Each product is rated against these preset standards and assigned a grade.
	4. Products that don’t meet the lowest standard are scrapped, reworked or sold at a discounted price.
	5. Example: School grading system – standards are set. You have to do this to earn an “A” in this class. Your work is compared to the standards and your grade is determined.
2. **Grades and standards can indicate…**
	1. How the product can be used; Ex. Grades on milk and motor oil
	2. Where the product will be sold; Ex. Gap, Inc. places higher quality clothes at the Gap and their lower grade clothing at Old Navy
	3. How much the product will cost its buyer; Ex. Buyers will pay more for top grade
	4. Who the user can/should be; Ex. Movie ratings indicate the audience: G, PG, PG13, and R
3. **Grades and standards aid buying and selling**
	1. Their use speeds up the process because consumers can buy products without having to inspect.
	2. Consumers rely on grades and standards for product information
4. **Grades and standards in global trade**
	1. The ISO 9000 are international standards for quality.
	2. This standard guarantees that manufacturers have met certain requirements for producing and shipping their products
5. **Who sets grades and standards?**
	1. Government agencies - Ex. FDA – food and drugs, FCA – communication, County Health Dept. - restaurants
	2. Trade and professional organizations (to promote product safety) - Ex. AAA - motels
	3. Business - Ex. McDonald’s buns have an exact size and color, Ford requires suppliers to meet certain standards when making “Q1” parts.
6. **4 types of standards**
	1. Quantity- ex. how much will be produced in 1 day
	2. Quality - -ex. no returns or defective products
	3. Time -ex. how many products can be made per hour
	4. Cost -ex. how much do the products cost to make
7. **What is a warranty?**
	1. Warranty is a defined promise made by the seller to the consumer that the seller will repair or replace a product that does not perform as expected
	2. **Types of warranties**
		1. Express Warranty
			1. Defined as promises expressed in a specific statement concerning the quality of the product
			2. Can be written or oral
			3. Full Warranty
				1. Defined as warranties that covers the entire product
				2. If the product doesn’t work it must be made good in a reasonable time if not the customer can choose a replacement or refund
				3. No time limits on implied warranties
				4. The customer need only notify the warrantor in order to obtain repairs
			4. Limited Warranty
				1. Defined as warranties that do not contain the provisions of full warranties
				2. May cover only certain repairs or specific parts
		2. Implied Warranty
			1. Defined as an unwritten, unstated warranty understood by the consumer and the seller that a product will perform as expected
			2. The product will do what it is designed and recommended to do
8. **What is guarantee?**
	1. Defined as a promise made by the seller to the consumer that the seller will refund the consumer’s purchase price if the product doesn’t perform as expected.
	2. AKA – “Money-back guarantees”
	3. While warranties usually apply to goods, guarantees are given for both goods and services
9. **Characteristics of an effective guarantee**
	1. Unconditional - No conditions for the customer to meet
	2. Understandable- Clear language and no difficulty understanding the promises
	3. Easy for the customer to implement - Not a lot of forms, people to see , and different locations
	4. Easy for the customer to collect - When possible money should be refunded on the spot
10. **Purposes of warranties and guarantees**
	1. To reassure prospective customers
	2. To protect the producer and seller
	3. To gain repeat customers
	4. To increase sales
	5. To use as a promotional tool
	6. To use as a competitive tool
	7. To use as a image builder
11. **Benefits of warranties and guarantees**
	1. *Consumer Benefits*
		1. *Reduced anxiety about purchases*
		2. *Free repairs*
		3. *Service information*
		4. *Legal recourse*
	2. *Business/ Professional Organizations Benefits*
		1. A customer-oriented focus
		2. Promote product safety
		3. Feedback from customers
		4. Increased profit
12. **Why are warranties and guarantees regulated and controlled by the law?**
	1. They can cause problems for producers
		1. Consumers misuse the product
		2. Customers expect problems to be fixed that are not under warranty
	2. There have been times when companies have “guaranteed” their products without living up t the terms of the warranty or guarantee and the customer was cheated
13. **Product liability**
	1. Product liability is the area of law in which manufacturers, distributors, suppliers, retailers, and others who make products available to the public are held responsible for the injuries those products cause.
	2. 3 major types of claims:
		1. manufacturing defect
		2. design defect
		3. a failure to warn (also known as marketing defects)
14. **Product recalls**
	1. A product recall is a request to return to the maker a batch or an entire production run of a product, usually due to the discovery of safety issues. The recall is an effort to limit liability (which can cause costly legal penalties and damage in reputation)
	2. Recalls are costly to a company because they often entail replacing the recalled product or paying for damage caused by use, although possibly less costly than consequential costs caused by damage to brand name and reduced trust in the manufacturer
15. **Product recall agencies**
* US Coast Guard: Marine and related products (e.g. boats, personal watercraft, life jackets)
* Consumer Product Safety Commission (CPSC): Consumer products (e.g. toys, household goods, bicycles, off-road vehicles, etc.)
* Environmental Protection Agency (EPA): Pesticides, fertilizers, and anything harmful to the environment
* Federal Aviation Administration (FAA): Aircraft
* Food and Drug Administration (FDA): Food, pharmaceutical drugs, health supplements, cosmetics.
* United States Department of Agriculture (USDA): Meat, poultry, eggs.
* National Highway Traffic Safety Administration (NHTSA): On-road vehicles and related products (e.g. cars, trucks, vans, recreational vehicles, motorcycles, tires, motorcycle helmets, children's safety seat

2.07 Vocabulary Reinforce company’s image to exhibit the company’s brand promise. Create an index card for each term listed below (1 card for each vocab term). ALL WRITING MUST BE NEAT & LEGIBLE. ♦ FRONT - Print the term in BIG BOLD letters (The term should COVER the front of the index card.). ♦ Print the entire (do not shorten it!) definition on the back of the index card. ♦ NUMBER the FRONT of each card & turn them in the correct order. ♦ Put your name on the FRONT of the 1st card. 1. Brand: All the combined impressions and experiences associated with a particular company, good, or service. 2. Brand Ambassadors: Individuals, usually employees, who communicate the company’s values, vision, and personality to those they have contact with. 3. Brand Champion: The person in a business who is responsible for making the brand come alive and for sustaining it; usually the business owner, president, or CEO. 4. Brand Cues: Elements that remind customers and employees of brands and their values. 5. Brand Erosion: The deterioration or destruction of a corporate or product brand. 6. Brand Identifiers: Company or product names and logos. 7. Brand Identity: Those elements that are instantly recognized as representing a particular business or product. 8. Brand Image: Impressions of a corporate brand within customers’ minds which represent what the brand stands for. 9. Brand Insistence: The stage of brand loyalty in which consumers insist upon buying a specific brand. 10. Brand Licensing: The legal authorization by a brand owner to allow another company to use the brand in exchange for a fee. 11. Brand Loyalty: Customers’ allegiance to a particular brand. 12. Brand Mark: A distinctive symbol, design, sound, or group of letters which is seen or heard but cannot be spoken. 13. Brand Name: That part of brand identity that can be spoken, including words, phrases, letters, numbers, or any combination of these. 14. Brand Personality: The projection of a brand that encompasses its values and emotional connections with consumers. How your brand would behave or a detailed personal profile of your business in order to create and maintain an emotional connection with your customers. 15. Brand Positioning: A branding strategy in which marketers create a certain image or impression of a brand as compared to those of competitors’ brands. 2.07 Vocabulary Reinforce company’s image to exhibit the company’s brand promise. 16. Brand Preference: The stage of brand loyalty in which consumers prefer to purchase a certain brand but will accept substitutes if the brand is not available. 17. Branded Product: An item that features only the logo of the manufacturer and not another company's trademark. 18. Brand Promise: A business’s agreement (spoken or unspoken) with customers that it will consistently meet their expectations and deliver on its brand characteristics and values. 19. Brand Recognition: The stage of brand loyalty in which consumers are made aware of a brand’s existence. 20. Brand Strategies: The actions a business takes with a brand in order to accomplish its goals. 21. Brand Symbol: A business’s distinctive logo, design, or group of letters that cannot be spoken but are used to establish brand identity; often used in conjunction with a brand name. 22. Brand Value: A brand’s worth in terms of income, potential income, and prestige. 23. Brand Values: Core values; beliefs or qualities that a corporate brand stands for and is built around. 24. Branding: The ongoing decision-making process about the use of brands. 25. Core values: Beliefs or qualities that a brand stands for and is built around. 26. Customer Experience Management: The strategies, processes, and policies a business uses to meet or exceed customer expectations and to provide customers with outstanding experiences at every touch point. 27. Mission Statement: A brief summary of what a business owner wants a business to be doing. 28. Post-Purchase Touch Points: All the opportunities that businesses have after sales transactions to connect with customers and reinforce their brand values. 29. Pre-Purchase Touch Points: All the opportunities that businesses have before sales transactions to connect with customers and reinforce their brand values. 30. Purchase Touch Points: All the opportunities that businesses have during sales transactions to connect with customers and reinforce their brand values. 31. Touch Points: All the opportunities which businesses have to connect with customers and reinforce their brand value. 32. Trademark: Legal method for protecting brands from misuse externally; represented by the registration mark (®), TM trademark (™), or (sm) service mark. 33. U.S. Patent and Trademark Office: Office of the federal government responsible for issuing, administering, and enforcing U.S. patents and trademarks. 34. Vision statement: A summary of what a business owner wants a business to become.