

Dealing with customers and customer service

Finding new customers is much more expensive than retaining existing ones.

Customer service is more than just keeping customers happy. It is about the continuous generation of revenue. A lost customer means lost revenue and an unhappy customer can damage the reputation of the business.

Effective customer service is:

- understanding customers' needs
- delivering superior service
- continual contact and follow-up.

In a competitive marketplace it makes sense to provide superior service. Customers base purchasing decisions on values like the service they receive, not just price, quality and availability. Business owners should ensure everyone involved in the business shares a commitment to superior customer service.

It is a good idea to:

- build [superior customer service](#) into the business.
- incorporate customer service strategies into the [business](#) and [marketing plans](#).
- develop a culture that reflects commitment to good customer service and make sure customers know about it.

Reference: Small Business NSW, 'Dealing with Customers and Customer Service', viewed 4 March 2013, <http://www.smallbiz.nsw.gov.au/run/operations/customers/Pages/default.aspx>

Warranties & guarantees

There are four types of warranties:

Voluntary warranties – these are given by manufacturers, resellers or service providers who choose to stand behind their goods or services. If a manufacturer, retailer or service provider chooses to give a voluntary warranty or guarantee, then the law requires that person or business to honour it.

Extended warranties – these give a purchaser similar benefits to a manufacturer's warranty, but for a longer period. They may apply only after the manufacturer's warranty has expired.

Specified warranties – these are imposed by State or Territory laws for particular products, such as used cars.

Implied warranties – these are imposed by the Competition and Consumer Act (formerly the Trade Practices Act) and some State fair trading laws. With some exceptions relating to purchases by businesses, they cannot be excluded or modified by manufacturers, resellers or service providers. Importantly, they apply in addition to any voluntary or extended warranty.

[The Competition and Consumer Act](#) provides more information on warranties.

Visit the [ACCC website](#) for more information.

Reference: Small Business NSW, 'Warranties and Guarantees', viewed 4 March 2013, <http://www.smallbiz.nsw.gov.au/start/legalcompliance/legalconsiderations/pages/warrantiesguarantees.aspx>