Improving Customer Service in a Large Department Store through the Use of Training and Feedback

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IMPROVING CUSTOMER SERVICE IN
A LARGE DEPARTMENT STORE
THROUGH THE USE OF TRAINING AND FEEDBACK

by

Mark G. Brown

A Thesis
Submitted to the
Faculty of The Graduate College
in partial fulfillment
of the
Degree of Master of Arts

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The purpose of this study was to increase the frequency of four specific customer-service behaviors in three full-time department store salespeople. Each related to the steps involved in a sales transaction, the behaviors recorded were: approaching and greeting customers, being courteous, and appropriately closing the sale. These four responses were defined as exceptional customer service behaviors. A training program had only a slight impact on improving service, but feedback produced a substantial improvement in the frequency of all four targeted customer-service behaviors. Removal of feedback produced a small decline in performance; but the percentage of exceptional customer-service behaviors increased to approximately the same levels as those obtained during the Feedback phase, when we told salespeople that their service would be evaluated by customers they waited on. These results suggest that some forms of training may not greatly improve customer service, but feedback on performance while on the selling floor perhaps combined with a training program can produce considerable improvement.
ACKNOWLEDGEMENTS

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Mark G. Brown
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INTRODUCTION

Research in organizational behavior management usually deals with easily quantifiable and measureable worker behaviors, such as attendance and productivity. However, some researchers have examined behaviors that are not as easily measured, such as following instructions (Quilitch, 1975). In the present study we will be looking at one such area that is difficult to define and measure — customer service. First we will look at some attempts to improve very specific customer-service behaviors, and then we will look at how we might examine a more general class of good customer-service responses.

Feeney was one of the first to report the successful use of behavioral techniques to improve customer service (Business Week, 1971). The management of Emery Air Freight Corporation had defined good customer service as responding to customer queries within 90 minutes. Feeney increased the performance of this response from an initial 30% to 90%, with the use of a simple feedback system.

Luthans and Krietner (1975) report a case study in which supervisors used contingent social reinforcement and feedback to improve the quality of customer service provided by airline ticket agents. However, the authors did not explain how they defined quality customer service, nor did they present any information on how customer service was measured.

Researchers have frequently used lottery reinforcement techniques to successfully improve employee performance. Wydra (1972) used a token economy combined with a lottery reinforcement procedure.
to increase the frequency of supermarket checkers telling their customers to "have a happy day". Rettig (1975) obtained similar positive results by using a lottery reinforcement technique to increase the frequency of appropriate customer-service behaviors and the number of routine tasks completed by employees in a fast food chain.

Others have combined a number of potentially powerful independent variables into a "treatment package" to increase the frequency of appropriate work behaviors (c.f. Bourdon, 1977). Komaki, Waddell, and Pearce (1977) used a treatment package that employed feedback, goal setting, and time off from work with pay, as a means of increasing the frequency of three specific customer-service behaviors performed by clerks in a small neighborhood grocery store.

These studies show that performance of certain customer-service behaviors may, in fact, improve when feedback or positive consequences are contingent upon those responses. However, these studies all deal with relatively simple and specific customer-service behaviors (e.g., saying "Thank you" or "have a happy day" to customers as they leave). A more traditional view of good customer service is that it involves a wide variety of social responses, prior to or following the closing of a sale. If salespeople are not performing some or all of these appropriate customer-service responses, it may be that these behaviors are in their repertoires, but are not under adequate stimulus control. For instance, people can smile and they can say "Good morning", but they may not do so. This suggests that all we need to do is add a consequence. On the other hand, it may be that people cannot smile effectively, or
cannot say "Good morning" in a pleasant way. If that is the case, then the behavior would have to be shaped up through a training program, as well as through consequence and feedback.

According to Connellan (1978), a typical approach to improving customer service has been to simply provide training, and hope that the newly learned behaviors maintain in the work environment. Connellan reported a case in which department store salespeople went through an extensive customer service training program. Almost all of the employees were able to emit the appropriate customer-service responses in the behavioral rehearsal exercises in the training room, but still did not maintain or occur on the selling floor, because the management programmed no positive consequences to maintain the customer-service behaviors in the work environment.

The present study was an investigation of the effects of training and feedback on appropriately approaching and greeting customers, being courteous, and properly closing these sales. In addition, we implemented a contest, to provide a means for salespeople to receive frequent feedback from shoppers on the quality of their customer service.
METHOD

Subjects. Three full-time salespeople served as subjects in this research. They had worked in the present setting from 8 to 18 months. All three earned an hourly wage; and in addition, one earned a 3% commission on some lines of men's colognes. The authors chose these subjects for the study because they 1) were full-time, 2) had indicated that they intended to stay with their present jobs for at least the next six months, and 3) had a low rate of absenteeism.

Setting. The study was conducted in a large department store in Grand Rapids, Michigan, which was part of a chain of retail outlets. Based on the results of a survey of 5,000 randomly selected shoppers from all 13 of the company's stores, the Corporate Training Director indicated that some type of intervention was necessary to improve the quality of customer service given by salespeople. The General Manager of the Grand Rapids store had also expressed concern over the fact that the salespeople in a few select departments of the store needed help in improving their customer service. We chose the men's area from an initial list of "problem" departments supplied by the manager, because its layout was the most conducive to observation of the salespeople. The entire men's area measured approximately 230 by 360 ft., and was usually staffed by 10-14 salespeople. Two area sales managers and one assistant manager supervised the employees in this area. The managers were on the selling floor about half the time they were on the job.

Dependent Variables. We defined exceptional customer service for each of four classes of behavior relating to the steps involved in
completing a sales transaction.

**Approach.** The salesperson should approach the prospective customer, wait on him or her immediately if the customer approached the salesperson, or verbally assure the customer that he/she would be taken care of as soon as possible, if the salesperson was waiting on someone else when the customer approached the counter.

**Greeting.** The salesperson should greet the customer with a general social greeting such as "Hello", "Good morning", etc., rather than simply saying "Cash or charge?", or "May I help you?"

**Courtesy.** The salesperson should smile and chat with the customer about the weather, the merchandise, or any other topic, while ringing up or wrapping the merchandise. The observer recorded an exceptional courtesy response regardless of whether the "small talk" was initiated by the customer or the salesperson, as long as the salesperson verbalized at least one full sentence following the greeting and prior to the closing of the sale.

**Closing.** The salesperson should go beyond saying "Thank you" by using the customer's name, wishing them a pleasant day, or by assuring them that they had made the right purchase (e.g., "I know you're going to enjoy your new ______").

**Observation and Reliability Procedures.** The first author served as the primary observer in this study, usually conducting observation sessions twice a week, for approximately 3 hours each session. During these sessions, the observer either sat about 6 ft. from one of the counters, or strolled through the area, recording data on the salespeople’s customer service behaviors. Along with the time,
the occurrence or nonoccurrence of the four categories of exceptional service responses were recorded following each sales transaction between a salesperson and a customer.

A secondary reliability observer also recorded date in approximately 25% of the observation sessions.

Reliability figures consist of the number of agreements on the occurrence and nonoccurrence of the exceptional customer service responses, divided by the total number of agreements and disagreements, and multiplied by one hundred. An agreement was defined as an instance where both observers agreed on either the occurrence or nonoccurrence of the target responses. The authors chose this method of calculation because the dependent variables were neither high or low frequency behaviors, but often occurred approximately 50% of the time during the initial baseline phase.

We performed nine reliability checks across the 20 weeks of the study, representing about 25% of the total number of observation sessions. They produced an average of 88.5% agreement, with scores ranging from 85 to 93%.

**Ethical Considerations.** Prior to the beginning of this study, a corporate management committee and the store's general manager approved a detailed research proposal.

Consistent with the ethical guidelines for applied behavioral research discussed by Bailey (in press), all subjects received an informed-consent sheet, explaining that the purpose of the study was to evaluate the level of customer service provided by the salespeople, and to identify and honor those salespeople who consistently
provided exceptional customer service. In addition, subjects were
told that the first author and his assistants would periodically
observe and take data on their customer service, but that all data
collected would be completely anonymous. However, we did not tell
the subjects what specific behaviors we would be recording on.
All salespeople in the target area indicated that they understood
the purpose of the study, and 13 out of 15 agreed to participate.

Procedure

Baseline I. During this initial phase of the study, the
observers were present in the target area for two afternoons per
week, recording data on the subjects' customer service behaviors.
These data were collected for four days over a two-week interval.

Salesperson Training. Following the initial baseline phase,
all the salespeople hired prior to September 1, 1977, attended a
four-hour, in-service training program, called "A Fresh Approach to
Customer Service". Subjects 1 and 2 attended this training program,
but Subject 3 received no training because he was hired after
September 1st, and had received customer service training when he
was first hired. This program consisted of training in the following
areas: the company's courtesy standards (which were the four dependent
variables in this study), how customer service relates to their
performance appraisal, listening skills, and handling customer com-
plaints. The store's training manager presented this material in
skill modules. In the module on courtesy standards, the employees
learned how to provide exceptional customer service, by performing
the four dependent variables used in the present study. The format
of this training consisted of the salespeople viewing video tapes on which the appropriate behaviors were modelled, filling out work-sheets, and practicing the desired responses in behavioral rehearsal exercises. The observers collected data for approximately four weeks following the completion of the training, to determine what effect the training had upon the emission of the four targeted customer service behaviors.

**Feedback.** During this condition, the primary observer gave feedback on performance sequentially to each of the three subjects, in a multiple-baseline fashion. At the beginning of each observation session, the observer approached each subject individually, and showed him his or her graph of their performance during all preceding sessions. The researcher then proceeded to observe and record data on their performance for the remainder of the session. At the conclusion of each session, the percentage of exceptional service responses was computed for each subject, and those figures were plotted on their individual graphs. Then, the observer again showed the salespeople graphs of their performance. At this time the observer also told them how they had done on that particular day, and how the performance compared to their performance during the previous sessions (e.g., "You performed at 85% today, which is quite an improvement over last week's performance of 71 and 65").

**Baseline II.** At the beginning of this second baseline condition, the observer told all three salespeople that he would no longer be giving them feedback on their performance, but that they should see how well they could do without any knowledge of their
performance. The salespeople knew that we would still be recording on their customer service behavior. The second baseline phase began at the same time for all three subjects, and lasted approximately three weeks.

Contest Instruction. We designed the final phase of the present study for the purpose of providing a means for salespeople to receive customer feedback on their customer-service skills. The primary observer placed questionnaires at each cash register in the target area, instructing salespeople to give a questionnaire to each customer they waited on. The form contained questions on each of the dependent variables, and whether or not customers were happy with the overall quality of service.

The questionnaire instructed customers to fill out the form at home by checking "yes" or "no" to five questions, and send it back to the store within 5 days of their purchase. Since the postage was pre-paid on the forms, customers had only to fold them and drop them in a mailbox. In doing so, customers would have a chance of winning a $100 gift certificate.

Signs were placed in the department informing customers of the contest and where to pick up evaluation forms. One 8" x 9" sign was in a conspicuous spot at each of the three cash registers, and one large (42" x 30") sign was in the center of the target area. Salespeople in the target area handed out approximately 500 forms during the four weeks this condition was in effect.
RESULTS

Customer Service Behaviors. During the initial baseline phase, all three salespeople performed the four targeted exceptional customer service behaviors at fairly low rates (\(\bar{x}=49.7\%\)). Training seemed to produce a slight increase (\(\bar{x}=59.3\%\)) in the performance of the two salespeople who received that training. However, the mean performance of all three salespeople increased to 84.7% during the feedback condition, and declined to only 70% in the second baseline phase. (See Figure 1.)

Figure 2 shows that the mean percentage of exceptional service responses was highest for the approach and closing responses, especially during Baseline 1. However, more marked improvements in performance were apparent with the greeting and courtesy responses. Overall, performance was better with all four behaviors under the Feedback and Contest Instructions conditions than during either of the two baseline phases.

Customer Evaluation. In evaluating the results of this study, we should also consider the salespeople's opinions on the dependent and independent variables used. In addition, we should contact the shoppers, the actual consumers of the service, to determine foremost if good service is really important to them, and secondly, if
the four dependent variables used are actually correlated with what customers call good or exceptional service.

The three salespeople participating in this study filled out a questionnaire, indicating their support of all the procedures used.

Concerning the customers' opinions, we dealt with several issues: 1. Did the customers think that good service was an important factor affecting whether or not they returned to the store? It appears that good service is indeed important to the store's customers, according to the results of a survey of 5,000 of the store's customers, conducted by an independent research firm. 2. Did the customers feel they received exceptional service when the salesperson performed all four targeted customer service behaviors? and 3. Did the customers even notice whether or not the salesperson emitted the four desired responses?

To answer these last two questions, we asked one of the subjects to perform all four of the targeted customer service responses, or to perform none of them, alternating with each customer transaction, for a total of 13 customers. Following each of these transactions, the primary observer approached the customer and asked him or her to fill out a short questionnaire.

Of the seven customers receiving no exceptional service, five indicated that they were not happy with the quality of the service. In addition, 71% of the time, the customers did notice whether or not the salesperson had actually performed the target exceptional service responses. They added additional comments such as: "Sales-
person was very slow in waiting on me"; and "I drove 40 miles to shop here today, and received very poor service from this young lady".

Of the six customers receiving the exceptional service, all of them indicated that they were happy with that service, and each customer indicated that all of the four exceptional customer service responses had, in fact, occurred. They wrote such comments as: "Salesperson was very friendly and helpful" and "Service to me was outstanding and very appreciated!"
DISCUSSION

These results suggest that training alone may not produce any great changes in employee behavior. Thus, the present results are inconsistent with the claims made by Sorcher and Goldstein (1973) and Rosenbaum (1975), but they agree with Connellan (1978), who suggests that training by itself may not be sufficient to produce changes in employee behavior, unless the newly acquired responses are reinforced in the work setting. We observed on numerous occasions that the four dependent variables in this study were not consistently reinforced by customers. In fact, the exceptional service responses were occasionally put on extinction, in that customers did not respond at all, or resulted in social punishers (e.g., customer angrily telling salesperson not to bother him). Whether or not training by itself is effective seems to be related to the consequences for the newly learning behaviors in the work environment.

Figure 2 shows that, overall, the subjects emitted the appropriate greeting and courtesy responses much less frequently than the appropriate approach or closing responses. This may have been due to differential social consequences that the two sets of behaviors might have produced and also to the possible amount of effort involved in their correct performance. For example, it may be much easier to tell customers to have a nice afternoon than to initiate or engage in small talk with them while ringing up or wrapping their purchases.
Social consequences may also play an important role. Salespeople who are less adept in their social skills than some of their peers may be more likely to get a positive reaction from customers by approaching or waiting on them promptly, or by wishing them a pleasant day rather than if they are to greet customers with an insincere "How are you today?", or by awkwardly attempting to initiate casual conversation with them. Conversely, those salespeople with better social skills may be likely to evoke a positive reaction from customers when performing these responses. This was the case with Subject 1 in the present research, in that she usually evoked pleasant responses from customers when she greeted them or engaged them in small talk.

During the Feedback condition, much of the initial improvement seems to have been due to the primary observer showing the salespeople graphs of their performance just before the first observation session, rather than to the feedback given at the end of each session. The basis for this supposition is the fact that performance improved markedly in all three subjects on the first day of the Feedback condition (see Fig. 1). This improvement occurred after the salespeople had viewed the graph of their performance measured during all previous observation sessions, but before they had received any feedback on that particular day's performance. These results are consistent with those obtained by Krumhus (1978), who demonstrated that feedback served as an antecedent control procedure. That is, presentation of feedback before the opportunity to respond, served to change the form or
path of the behavior that followed.

The Contest Instructions phase also involved antecedent, as opposed to consequent, control, because the feedback and reinforcement procedures in that phase were never actually implemented. We can see this antecedent control, because all three subjects performed at rates comparable to those achieved during the Feedback phase, in the Contest Instructions condition. But we must attribute this high rate of performance to the fact that the primary observer told the salespeople that their service would be evaluated by customers who had filled out evaluation forms on their behavior. We also told the salespeople that the person who had achieved the highest overall rating on the evaluation forms at the end of a two-week period would be awarded a $25 gift certificate. However, even though over 500 evaluation forms were handed out, and in spite of the fact that customers had a chance of winning a $100 gift certificate for returning the completed questionnaire within a specified time period, not one was ever returned. Therefore, there was no feedback or reinforcement provided to the salespeople, because there were no customer data available to rate their performance. We assumed that the contest would provide a means by which salespeople could receive frequent feedback on their customer-service behavior.

Perhaps none of the evaluation forms were returned because of one or more of the following reasons: 1) insufficient incentive for returning the evaluation; 2) too much effort involved in filling out the form and dropping it in the mail; 3) lack of
interest in the quality of service provided by them to the store's salespeople; or 4) not wanting to risk hurting the salespeople.

Because the Feedback condition was preceded by Training in two of the three subjects, the substantial improvement in performance noted during the Feedback condition (see Fig. 1) may have been partially due to the training received. That is, the performance may have been a cumulative effect of both the training and the feedback. However, the performance of Subject 3 also improved by approximately the same number of percentage points, even though he had never received the customer service training. This suggests that improved performance was solely a function of feedback.

Can we explain the performance improvement at the beginning of the Feedback phase as being due to the fact that this was the first time the salespeople knew what specific behaviors the observer was recording? This seems unlikely for the following reasons: 1) The observer recorded data on other salespeople in the area in which this study was conducted two months prior to the beginning of the present study. 2) The observer was very open about what he was recording, and on numerous occasions throughout the study, the salespeople were able to see the data sheets (on which the operational definitions of the target behaviors were printed). 3) The training program that the two salespeople attended stressed that good customer service consisted of the four dependent variables observed in this study. 4) Each of the three salespeople who served as subjects had received feedback at least once before the beginning of the study, on how well...
they performed the four target responses during a transaction in which a customer rated their service.

The results of the current study suggest some important issues for future research. One might study the use of other control procedures, in improving customer-service behavior, for instance, the public posting of a graph of the salespeople's performance.

Training departments should also evaluate their training programs to determine the actual level of their effectiveness as behavior change procedures, and as a standard procedure. This is especially important since training programs are so widely used and they are often very costly. An additional area of interest for future research should be an investigation of incentive programs that induce customers to provide positive, as well as negative, feedback to businesses.
COST ANALYSIS

How do the costs of the customer-service training program compare with the feedback system? Annual costs of each program are compared, as well as the overall effectiveness of both procedures, in improving customer service. Costs are based upon implementation in the store in which the present study was conducted. The Feedback system costs are based on projected expenses, but the training program expenses are based on actual costs.

Customer Service Training Program

Program Design: $2,000.00

Production

Learner Kits for 250 employees 122.50
"Enlarge Your Selling Quotient" booklets 30.00
"I'm Happy to Help You" booklets 32.50

Total Production Costs: 185.00

Training Manager's Salary (84 hrs. x $5.50/hr.): 462.00
(21 four-hour classes, 12 employees per class)

Employees' Salaries: 2,800.00
(4 hrs. at $2.80/hr. x 250 employees)

Total Costs of Training Program: $5,447.00

Feedback System

Program Design: 500.00

Management Training

Materials (programmed text on organizational behavior management, $15.00 ea. x 14 managers): 210.00
Training Manager's Salary (24 hrs. at $5.50/hr.): 132.00
(three eight hour classes)

Manager's Salaries: 672.00
(8 hrs. at $6.00/hr. x 14 manager)

Feedback Intervention

Materials: 54.00
(poster boards for performance graphs and rating forms)

Manager's Salaries 750.00
(2.5 hrs./wk. x $6.00/hrs. x 49 wks.)

Total Cost of Feedback System: $2,318.00

From these data it is evident that the training program for salespeople is much more expensive (43%) than the present feedback system. In light of the fact that feedback was approximately 30% more effective in improving customer service, when compared with training, we would recommend the use of such a feedback system in lieu of this sort of training program.
FIGURE CAPTIONS

Fig. 1. Percentage of exceptional customer-service responses by each subject, as a function of Baseline, Training, Feedback and Contest Instructions. Mean performance is indicated by the solid horizontal lines across each condition. The number of sales transactions each session for each subject ranged from 3 to 9, with a mean of 5 transactions.

Fig. 2. Group mean performance of the four targeted exceptional customer-service behaviors, across experimental conditions.
Figure 1

![Graph showing successive calendar days for subjects with percent exceptional service responses.]

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Figure 2

GROUP MEAN PERCENT EXCEPTIONAL SERVICE RESPONSES

APPROACH  GREETING  COURTESY  CLOSING
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