



Developing customer service at fast-casual restaurant sector: case Friends & Brgrs

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BACHELOR'S THESIS
April 2019

International Business

ABSTRACT

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Developing customer service at fast-casual restaurant sector: case Friends & Brgrs

Bachelor's thesis 33 pages, appendices 11 pages
April 2019

This bachelor's thesis was commissioned by Friends & Brgrs Oy Ab. The objective of this thesis was to create a customer service handbook on excellent customer service for the use of the commissioner. Excellent customer service is one of Friends & Brgrs key strategies in gaining competitive advantage amongst the competition. The importance of good customer service in any field of business has kept on growing in the recent years and customers give high value to companies which offer exquisite customer service experiences. The customer service handbook will provide Friends & Brgrs aid in training excellent customer service practices to new employees and sustaining the excellent customer service level with old employees too. In addition to this, the thesis discusses recommendations as a way to enhance customer service and the handbook offers concrete tips on how to succeed in additional sales in a mutually beneficial way both to the customer relationship and the profitability of the company.

For this thesis 25 randomly chosen people were interviewed to obtain comprehensive insights on what customers perceive to be excellent customer service and how customer service personnel should act in different situations which are custom to Friends & Brgrs.

The current thesis relies on the broken windows theory, the theory of adding emotional value and the five-step mistake solver as the theoretical background for improving customer service at Friends & Brgrs and creating the customer service handbook. The main points of the handbook deal with offering personalized service to the customers, giving the employees the freedom to execute customer service based on their own judgement and paying attention even to the smallest defects.

Key words: customer service, customer experience, handbook, improve, develop, additional sales

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ABBREVIATIONS AND TERMS

NPS	Net promoter score
Lobby worker	a customer service representative at Friends & Brgrs

1 INTRODUCTION

The importance of good customer service for businesses has risen in recent years. In this age when many interactions are done online and there's only a little room for face to face human contact, customers value genuine customer service even more. The level of customer service that a company has can have a huge impact on its' success and profitability. This thesis investigates what customers perceive to be excellent customer service and how customer service at the thesis' commissioner company Friends & Brgrs could be developed further.

The objective of the thesis is to create a customer service handbook for Friends & Brgrs. The research question of the thesis which helps to create the handbook is what is excellent customer service. With the help of the handbook Friends & Brgrs can develop their customer service even further. The handbook helps the company in training new employees and giving new ideas for the old employees.

Friends & Brgrs Oy Ab is a Finnish hamburger restaurant chain operating in the fast-casual restaurant sector. Fast-casual restaurants have characteristics from both fast food restaurants and fine dining restaurants. The idea at fast-casual restaurants is to have food as good as in fine dining but service like in fast food restaurants. However, Friends & Brgrs wants to go one step further with their customer service too.

The first Friends & Brgrs restaurant was opened in 2014 in Pietarsaari. Today Friends & Brgrs has eight restaurants: five in Finland, one in Denmark and one in Germany. The aim of the company is to keep growing and opening new restaurants both in Finland and abroad. The strategy of Friends & Brgrs is to offer food that is house made from fresh domestic ingredients and serve it to customers as they were friends.

"We serve friends, not customers", is one of Friends & Brgrs key values. This means that the company already acknowledges the importance of great customer service and has adapted it as part of their strategy. Friends & Brgrs aims in offering the customers the best possible service in order to create the best possible

customer experience. Serving friends, not customers means that the service Friends & Brgrs wants to offer its customers is natural, unstudied and authentic.

1.1 The structure of the thesis

In the first part of the thesis theoretical framework for customer service is provided. This part explains how customer service can be defined and gives some background on why customer service is important for companies. In addition, the first part showcases one study on what factors are needed for excellent customer service. These theories together form the starting point for the thesis.

The second chapter delivers the reader information about how customer service process at the restaurants of Friends & Brgrs goes. This chapter gives an insight into the commissioner company's operations.

The following chapter presents the research done for the thesis. The chapter provides background on the methodology chosen and explains the interview questionnaire. The responses gained on the interviews are explained and analysed in this chapter.

After the interview chapter, the thesis answers to the issues found out in the interviews with some already existing theories on how companies could develop their customer service. Here the thesis offers the broken windows theory, the theory of adding emotional value, the five-step mistake solver and theory on recommendations to respond to the research done.

Together the responses on the interviews and the theories of developing customer service are used to create the customer service handbook for Friends & Brgrs. The handbook is in the first appendix of the thesis.

2 CUSTOMER SERVICE

Customer service can be defined as all the transactions that go between a customer and a service provider i.e. a company. The concept of customer service is hard to define detailed since customer service has such a wide range from one company to another. Every company has its own customer service policies and styles. Because of this customer service can be best defined in different contexts. (Fallah, 2011.)

In the simplest way, customer service is a process that includes a seller and a buyer. Customer service is the process where the seller and the buyer exchange values between each other, in other words, the seller provides the buyer with a service or a product and the buyer provides the seller with money. (Fallah, 2011.)

Customer service can also be defined as an organizational activity. In this case, customer service is seen as actions that happen in the customer service department of an organization. This includes for example handling of complaints and claims. (Fallah, 2011.)

The best way to define customer service for a customer-centric company is as customers themselves would define it. Customer's definition of customer service is what the customer expects to get from a company, what kind of service they want and need. By knowing customers' definitions of customer service companies can provide them the service they expect to get and even exceed it. (Hyken, 2015.)

2.1 The importance of customer service

Recently the importance of customer services has been growing and growing in all fields of business. Customers prefer companies that offer added value in the form of good service. Customer service has become a way for companies to gain competitive advantage and differentiation. Every day more and more companies become aware of the importance of retaining customer relationships with excellent customer service. This also creates more competition on the level of the services companies provide. (Fallah, 2011.)

According to a survey done by American Express 7 out of 10 U.S citizens said that they would pay more for a company that offers excellent service experiences. This survey also shows an increase in the importance of good customer service. In 2014 people were willing to spend 14% more for companies that offer better service. In 2017 the same number had risen to 17%. (American Express, 2017.) Excellent customer service is crucial to companies when it comes to retaining customers. Customers are more willing to use the services of a company again if they have had a positive customer service experience. Happy and satisfied customers also create the best marketing strategy for companies. When a customer has had a positive experience with a company they are likely to pass it on to other prospective customers. When customers have been treated with excellent service and are satisfied problem situations become easier to solve, customers don't react as negatively as without good service. (Amaresan, 2018.)

In the service industry, the meaning of excellent customer service is emphasised even further. "The success of service organisations such as restaurants can to a large extent be attributed to the relationship that exists between the restaurant and the customer" (Cant & Erdis, 2012). This relationship between the customer and the company is mainly created and maintained with customer service. When the customer service the company provides meets customer expectations or exceeds them customer loyalty is created. Customer loyalty is crucial to companies since it keeps customers returning to do business with the company. Loyal customers bring more revenues to the companies in a longer period of time. (Cant & Erdis, 2012). In addition, it is more expensive for companies to acquire new customers than retain old customers, which can be done with excellent customer service (Prybutok & Qin, 2008).

2.2 Factors of excellent customer service

In a study conducted by M.C. Cant and C. Erdis factors that customers perceive as important for the quality of customer service in restaurants are researched. The purpose of the study was to bring information about customer expectations to restaurant entrepreneurs so that they could develop their customer service to meet customer expectations. The study showcases the most important factors of

customer service in customers opinions in seven categories related to service.

These areas are:

1. Exterior of the restaurant
2. Interior of the restaurant
3. Service levels
4. Quality of food served
5. Overall value for money
6. Attitudes towards the restaurant
7. Attitudes towards price

(Cant & Erdis, 2012.)

For the exterior of the restaurant, the factors that customers perceived as the most important ones were cleanliness and attractiveness. In the interior category, cleanliness was also perceived as the most important factor; both the cleanliness of the dining area and the cleanliness of the bathrooms were significant. Other important factors in the interior of the restaurant were atmosphere, lights, and decoration. (Cant & Erdis, 2012.)

The service levels category measured the importance of different factors in the face to face service situation itself. The factors chosen for this category were professionalism, friendliness, speed of service, product knowledge, handling of special requests/orders, reservation details recorded correctly, and time waited to be seated. All of these factors were rated high in the study which shows that in the actual face to face service situations customer service employees must be careful and very tentative. (Cant & Erdis, 2012.)

What comes to the quality of food served the factors rated were the correctness of the order, variety of the menu and presentation. These all were also perceived as important factors. (Cant & Erdis, 2012.)

A very effective measure of the success of a restaurant is the overall value for money. With this factor customer's overall satisfaction to the restaurant can be measured with only one question. The study shows that overall value for money is a very important factor for the customers and it can determine whether the customers are willing to return to the restaurant or not. (Cant & Erdis, 2012.)

In this study attitudes towards the restaurant were measured with the help of the relationship ladder of loyalty by Christopher, Bayne and Ballantyne. Statements about each step of the ladder were used to measure customers' attitude towards the restaurant. This category didn't show any specific factors that would be important to the customers. (Cant & Erdis, 2012.)

The last category in the study was attitudes towards the price. 37% of the respondents answered that price is a very important factor for them when choosing a restaurant to go to and 30% said that it is rather important. This indicates that restaurant entrepreneurs should be very aware and careful when choosing their pricing strategies. (Cant & Erdis, 2012.)

3 CUSTOMER SERVICE AT FRIENDS & BRGRS

3.1 Customer service

At Friends & Brgrs customer service is present in almost everything that the employees do at the restaurants. One of Friends & Brgrs values is transparency and thus all the restaurants have only see-through windows between the lobby and the kitchen and bakery. In this setting employees are almost all the time under the eyes of the customers and because of this performing customer service.

The main customer service role at the restaurants is for the lobby worker. This person is the one who is working by the cash register, selling and interacting with the customers. The lobby worker is also responsible for the cleanliness of the lobby and the comfort of the customers.



Picture 1. Lobby worker at the cash register

From the kitchen, the most visible customer service job is to send out the burgers. When customers have done their order at the cash register they are given a

buzzer which will alarm them when their order is ready. Then the customers pick up their order from the kitchen window and one person from the kitchen is serving the order for them.



Picture 2. Kitchen window and the pick-up station

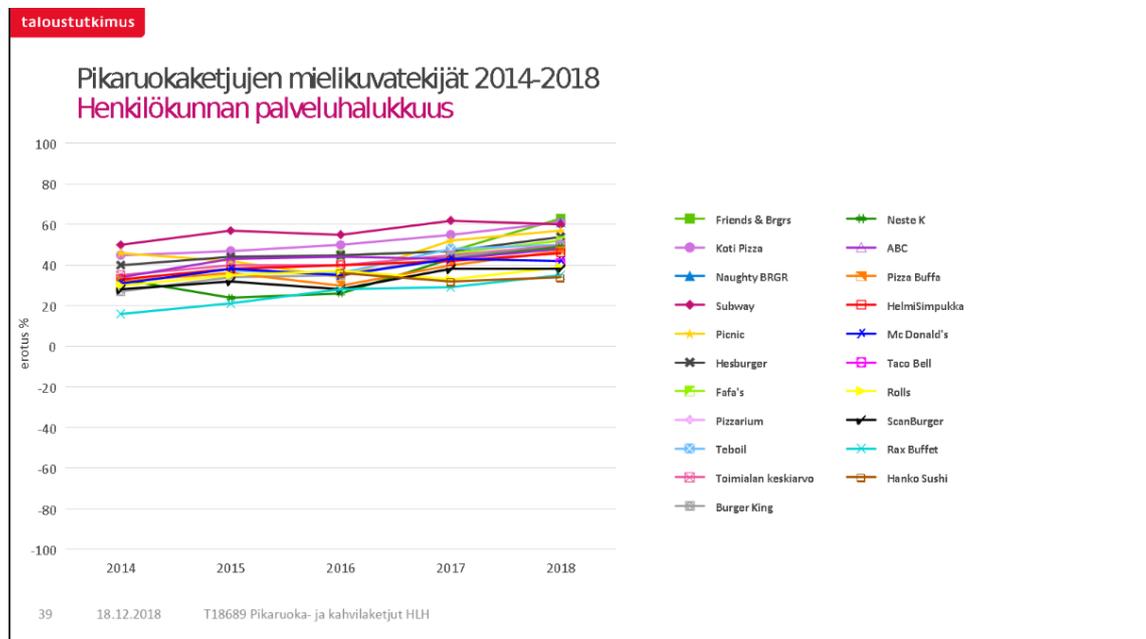
In addition to these two most obvious customer service positions, everybody at the restaurant is doing customer service. Because customers can see almost everything happening at the kitchen and the bakery the employee's behaviour at the kitchen and the bakery and the cleanliness of those areas also affect the customer experience.

3.2 Additional sales

Additional sales at Friends & Brgrs is done by the lobby worker at the cash register. The main product of the company is hamburgers and hamburger meals. The meal includes a burger, a soft drink, and fresh fries. In addition to the burgers and meals Friends & Brgrs have their own line of lemonades, dipping sauces, milkshakes, halloumi fries and extra toppings for the burgers. Usually, customers coming to the cash register are only ordering a burger or a meal. The job of the

lobby worker is to try to sell some of the other products too to the customer in order to increase sales.

3.3 Level of customer service at Friends & Brgrs



Picture 3. Brand survey customer service (Taloustutkimus, 2018.)

The level of customer service at Friends & Brgrs is monitored on a daily basis at each restaurant via NPS surveys. These surveys indicate that the level of customer service at Friends & Brgrs is already appreciated by their customers. The yearly brand survey conducted by Taloustutkimus also indicates the same. As picture 3 showcases Friends & Brgrs is considered as number one out of Finnish fast food restaurants when it comes to staffs' willingness to serve. However, the company wants to be number one in the service sector in the future too and keep developing their service level even further.

4 INTERVIEWS

To find out what people consider to be excellent customer service and how customer service personnel should operate in different situations a random group of 25 people was interviewed. This qualitative research method was chosen for this thesis so that real insights from people's thoughts about excellent customer service could be obtained. Compared to quantitative research qualitative research can gain more understanding on underlying reasons, opinions and motivations. Quantitative research only gives numerical data for the objective research and in finding out what people think is excellent customer service verbal answers give better insights on the subject. (DeFranzo, 2011.)

As background for the questions, the theory about customer service was also applied. The factors of excellent customer service introduced in chapter 2 were used as a base for the questionnaire. These factors provided a framework for the questionnaire, but the questionnaire was modified further to gain a deeper understanding of what customers really expect from customer service and to serve the qualitative research purposes. In the questionnaire, the situations that the employees at Friends & Brgrs face on everyday bases were also taken into account. At the beginning of the interviews, the respondents were told to think about face to face customer service situations happening anywhere, not just in Friends & Brgrs to obtain a wider range of answers. List of the interview questions can be found in Appendix 2. in this thesis.

The first question asked from the respondents were what excellent customer service is. This was the most important question since it directly addresses the objective of the thesis. The main characters of excellent customer service that occurred repeatedly in the interviews were the following:

- Friendliness. The respondents answered that excellent customer service must be friendly. It's important that the customer service person smiles and acts friendly and pleasantly towards customers.
- Individuality. The respondents felt that it is very important that the service provided is personalized and that the customer service person doesn't act by the same formula with every customer. A couple of the respondents

said that they don't want to be asked exactly the same questions as the customer before them.

- Expertise. Customer service employee needs to have a profound knowledge of what they are serving or selling according to the respondents' opinion. If a customer has a question the customer service person must know the right answer to it or at least know how to find it out.
- Unselfish. The respondents want that customer service personnel think about the customer first and their selves and the company only after that. Some of the respondents said that it is not ok from the customer service person to try to sell something to the customer just for the sake of profit but that they should only try to sell something to the customer when they think it is for the best of the customer.
- Listening. The respondents felt that customer service personnel should always listen to the customer. This way they also put the customer first and learn what the customer really wants and needs.
- Genuine. According to the respondents, customer service personnel shouldn't put on an act. It is best when the customer service person acts genuinely and don't try to be over cheery or over-energetic, etc.

The next question in the interview was vice versa. What did the respondents perceive as bad customer service? All the respondents told it was the opposite for what they had described in question one: rude, unauthentic, unindividual, selfish and amateur. However, some of the respondents also added that busy customer service gives a bad impression. If it feels like the customer service employee doesn't have enough time to listen to the customers or serve them in the best possible way customers are left with negative feelings. According to the respondents, notes of busy customer service are also untidy spaces and carelessness.

The third question in the interviews was about greetings. This question was added to the questionnaire since it is of value to know how customers want the first and last contacts to be done. All the respondents answered that is the customer service employees' job to greet the customer first in a positive manner. It was also mentioned by half of the respondents that the customer service employee could ask them questions right away like "How may I help?" or similar. Few of the respondents said that it is also important that the customer service

employees say something when the customer is leaving the store or restaurant. Examples of this were “thank you for coming” and “welcome back again”.

In the interviews, the respondents were also asked about recommendations. All the respondents answered that they would like customer service personnel to make recommendations to them. However, some of the respondents said that they only want recommendations when they ask for them. According to the customers, the best ways to make recommendations are either based on facts or the customer service person’s own experiences. One of the respondents said that “The customer service person has to have the skill to make recommendations in such a way that it doesn’t feel like selling”. This was an idea that repeated in several of the respondents' answers that customer service personnel should not try to sell but to make recommendations in order to offer customers the best possible experience.

The respondents were also asked about children in customer service situations. All the respondents thought that it is important for customer service personnel to also give attention to children. The respondents said that the best way to do this is by talking to the children also and not just to the parents. Greeting the children, asking them what they want, etc. Few of the respondents also suggested that in restaurants customer service personnel could, for example, bring a highchair to the table when they see a need for it or bring colouring pencils and paper to the table. This way they could show some specialized attention towards adults with children.

One question in the interviews was about problem situations. The respondents answered how they would like customer service personnel to act when everything doesn’t go as the customer had hoped for. Most of the respondents said that whatever the situation is, wrong product or too long waiting time, the customer should always get some kind of compensation depending on the situation. All the respondents also thought that in these situations customer service personnel should act politely and admit the mistakes, not talk back. One of the respondents said that: “Complaint situations should be made as easy as possible for the customer. The customer service person has to truly listen to the customer and act as

the situation demands in order to provide the best possible solution for the customer”. One point that also stood out in the answers was that it is very important for customer service personnel to apologize when a customer complains about a problem to them.

In the interviews, the respondents were asked to give examples of their most memorable customer service experiences. The purpose of this question was to find out what kinds of customer service situations customers remember the best. The question was also asked to collect ideas on how to impress customers. Almost all of the respondents gave examples of positive experiences. This gives the impression that positive situations are remembered better and thus gives further proof of the importance of excellent customer service. In the following, there are a few examples of the respondents’ most memorable customer service situations.

“A store where I most often buy my jeans. There the service is very individual. It is a calm and small store. You can have conversations with the sales personnel and they are very professional and know what they are talking about. I went to buy jeans and told what I was looking for and in no time at all the salesperson gave me a list of possible models. It is very nice to go there because I get the feeling they remember me.”

“When we were in Santorini a few years ago we went to one fish restaurant. Customer service personnel in the Mediterranean is a bit different than in Finland. When we were ordering one dish, the waiter started to recommend another dish, maybe a bit too eagerly even. Then we changed our order to this dish and it was super good, so the situation went perfectly. The recommendation didn’t go overboard, he told us truthfully how the dish was, and it was as he said.”

“It is nice to go to places where you feel welcome with your children. In some places, children are not welcomed as warmly. I remember one time when we went to a restaurant and I started to wonder why one of the cooks was making funny faces towards us. Then I realized that my child was laughing at him. That felt really nice that all the way from the kitchen the cook was entertaining my child.”

5 CUSTOMER SERVICE THEORIES

In this chapter, three theories for improving customer service at Friends & Brgs are introduced. The theories were chosen based on the findings in the interviews and on the nature of the commissioner company.

5.1 Broken windows

The Broken Window theory was first created by two sociologists, Wilson and Kelling in the '80s. The theory was developed to help the police force in the U.S. The original theory suggests that when lower level crimes are left unattended it leaves room for more serious crimes to start occurring. In practice, this means that "if in a building a broken window is not fixed soon, immediately other windows will end up being destroyed by vandals. Why? Because the message which is being transmitted is: here nobody cares about this; this is abandoned." (Chakraborty, 2018.)

In his article *The Broken Windows Theory Of Customer Service And Customer Experience Improvement*, Micah Solomon has adapted the broken windows theory for the purposes of developing customer service. In customer service too, it is more powerful to fix smaller problems first before offering exceptional gestures or experiences for the customers. (Solomon, 2018.) Problems that are considered to be minor might not have a great impact on the company independently but usually the smaller problems are not one-time cases. The small problems or shortcomings that companies have usually tend to happen often or are not noticed by the company. If these problems and shortcomings are ignored, they can easily start snowballing and have a negative impact on the company. (Rio, 2019.)

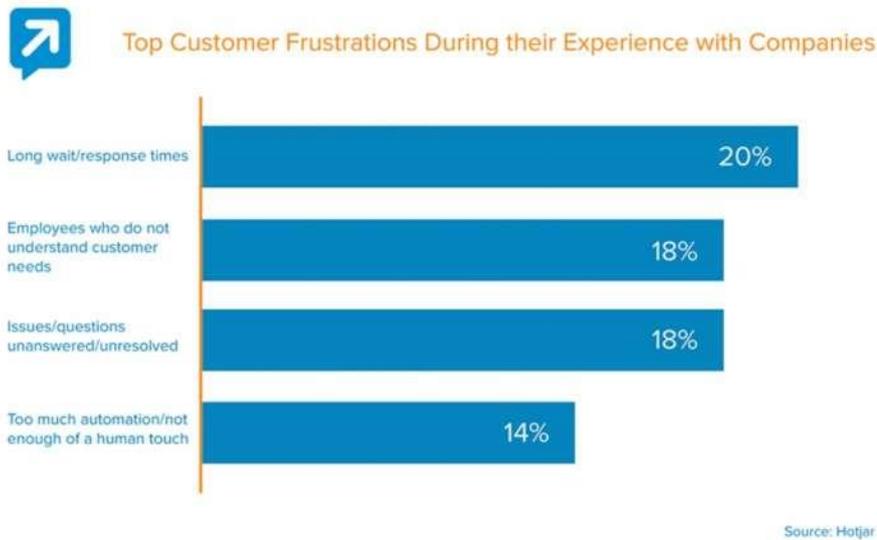


Figure 1. Top customer frustrations (Rio, 2019.)

Figure 1 shows the biggest causes of customer frustrations according to Julien Rio. The figure shows that the top frustrations are caused by minor shortcomings that might be something that companies are not even aware of. (Rio, 2019.) In the Internet Trends 2017 Report by Mary Meeker, 82% of the respondents said that they had stopped doing business with a company after one bad experience. (Business Wire, 2017.) Based on these findings minor problems and shortcomings can have a huge impact on companies and should not be left unattended as the Broken windows theory suggests.

Thus, applying the Broken windows theory at Friends & Brgrs would offer the company the possibility to enhance their customer service level even further and hence gain more loyal and new customers. The best way for Friends & Brgrs to apply this theory would be adopting the so-called “Mr. BIV” technique in their restaurants. Mr. BIV was originally created by the Ritz-Carlton as their quality improvement system. The letters in Mr. BIV stand for:

- Mistakes
- Rework
- Breakdowns
- Inefficiencies
- Variation in the work process.

These are the five problem situations that Ritz-Carlton wants to track and repair.

The basic idea in Mr. BIV is that everybody in the company should alert the person in charge of the area when a problem or mistake arises. (Inghilleri & Solomon, 2010.) At Friends & Brgrs this would mean for example that when a lobby worker notices that customers keep on bringing dirty glasses back to them they should report it to the team leader and then the team leader should pass the information onwards to the restaurant manager. The employees from all the levels at the company should stay observant all the time so that even the smallest problems wouldn't stay unnoticed and unattended. When the right person has been alerted about the problem they should then ask five times why the problem has occurred. This way the bottom reason behind the problem can be found and not just the most obvious sounding one. (Inghilleri & Solomon, 2010. p.62-63) In the Friends & Brgrs example of the dirty glasses this could, for instance, raise the following questions:

- Why are the customers complaining about the dirty glasses? Because the glasses are dirty.
- Why are the glasses dirty? Because the lobby worker didn't check them
- Why didn't the lobby worker check them? Because usually, the glasses are clean after one wash.
- Why the glasses didn't become clean this time after one wash? Because there is something wrong with the dishwasher.
- Why is there something wrong with the dishwasher? Because the restaurant ran out of rinsing aid.

With this questioning, the underlying reason behind the problem of the dirty glasses can be found instead of blaming the lobby worker of sloppy work or calling the repairman for vain.

By applying Mr. BIV in their everyday operations Friends & Brgrs could easily act according to the Broken windows theory. Mr. BIV makes all the employees observe the possible defects that the company has and thus managers jobs become a bit easier. When everybody at the company cares and is aware of the problems that also shows to the customers and creates more trust between the customers and the company.

5.2 Adding emotional value

According to David Freemantle, all companies have one critical factor which determines whether a company is successful or not: “The degree to which customers like your company and the people who represent it has a critical impact on business success” (Freemantle, 1998, p. 3.). The likeability of a company is associated with how much emotional value the company can offer to its’ customers. Emotional value is the feelings that customers experience when doing business with a company or the feelings that they expect that a company causes to them. When a company can add emotional value to their customers, in other words, cause positive feelings in the customers, the customers are more likely to continue doing business with the company. Vice versa when companies don’t offer emotional value to their customers, i.e. customers don’t get the reinforcement of positive feelings, the customers look for another company that will offer them added emotional value. (Barlow & Maul, 2000.)

One of the key elements of adding emotional value is excellent customer service. Nowadays companies have a harder time to differentiate from the competition and especially in Friends & Brgrs’ field of business there is a lot of competition. In Helsinki alone, there are 1299 restaurants according to Tripadvisor, not to mention all the restaurants in Finland (Tripadvisor, 2019). Many of these restaurants have similar product offerings with Friends & Brgrs. The most efficient way of differentiating among the competition is by customer service and brand image. “To be competitive in today’s economy, businesses need to produce a distinctive personal and emotional experience for each of their customers”, (Barlow & Maul, 2000). It is more difficult for other companies to copy the people working in Friends & Brgrs and the customer service they provide. With a strong brand and likeable people selling it a company can easily take the lead among the competition. (Freemantle, 1998.)

The three interrelated attributes of added emotional value are qualities that both the person providing customer service and the company should embrace in order to offer emotion adding customer service. These attributes are:

- Emotional connectivity
- Integrity
- Creativity

Emotional connectivity means that lobby workers should serve every customer as an individual. By observing the customers and sensing their feelings and attitudes the lobby workers can offer every customer just the service they were hoping for. (Freemantle, 1998.) In the interviews done for this thesis, it was found out that customers want to be treated individually and friendly. With emotional connectivity, the lobby workers can offer each customer more individual service. For example, not all customers want to be served with big smiles and overwhelming positivity. Some customers might be feeling tired and annoyed when they enter a Friends & Brgrs restaurant and on these occasions, the best possible service for them might be calm and neutral.

This also suggests that excellent customer service might not be something that is built on customer service systems and procedures. Companies would most likely reach a higher level of customer service if they didn't restrict their customer service employees from giving their very best for the job. This, of course, requires a lot of integrity and trust from the companies to their employees. By removing the restricting procedures companies would also show their customers integrity and trust. This would be like companies told the customers that we trust you and your complaints and needs and don't any premade systems to evaluate your trustworthiness. (Freemantle, 1998.) At Friends & Brgrs this means for instance that the lobby workers wouldn't have to ask from the manager or team leader if they can give a refund but that they could use their own judgement on the case and that the company would trust that their employees will do what is best for the company.

When a company gives their employees more room to implement their best customer service and removes the forced mechanisms from it the employees might start to adopt a more positive attitude towards service and turn out to be a great customer service personnel. These free hands approach also challenges the employees to be more creative in their service, in other words serving the customers as they feel is the best or sometimes even going one step further and offering the customers an experience that they will remember (Freemantle, 1998.)

Another key factor in adding emotional value for customers is awareness. Employees in customer service situations must be self-aware so that they can offer the best possible service experience for the customers. When customer service employees practice awareness they are both more aware of how they themselves act and feel and what the customer is saying and feeling. (Barlow & Maul, 2000.) David Freemantle calls this self-awareness as emotional intelligence. With emotional intelligence, employees can perceive their feelings in a customer service situation and for example correct prejudices. (Freemantle, 1998.) According to Barlow and Maul, many poor customer service experiences are caused by non-intentionally and unconsciously (Barlow & Maul, 2000). For instance, if a tall and strong looking man with a beard, tattoos, and a leather jacket walked into a Friends & Brgs restaurant as a customer the lobby worker might assume that this guy likes to eat meat and likes to eat a lot and without even thinking about it further offer the customer a bacon burger with a double patty. However, the lobby worker shouldn't make this hypothesis only based on the looks of the customer. The customer might be a vegetarian or might be offended by the assumption that he eats a lot. A lot more emotionally intelligent way of handling the situation would be first asking the customer what he likes or what he had in mind. In this way, the lobby worker shows the right kind of emotion in the situation which is pure interest towards the customer's needs instead of acting by prejudice.

5.3 The five-step mistake solver

As the interviews stated it is very important that problem situations in customer service are handled in the right way. In chapter 4.1 the Internet Trends 2017 Report was presented and the fact that 82% of the respondents had stopped doing business with a company after only one bad experience was referenced. (Business Wire, 2017.) This result adds on to the importance of excellent problem situation handling in customer service situations. When a problem situation in customer service is solved in the best possible way the effects can actually be very positive and the customer can remember the experience for a long time in as a positive experience.

For Friends & Brgrs good guidelines to act by in problem situations would offer Jack Mitchell's Five-step mistake solver. The five-step mistake solver is a formula that is used in Mitchell's clothing stores to sort out problem situation in the best possible way. The five steps are:

1. Recognize it
2. Admit it
3. Apologize
4. Fix it
5. Give the customer a hug

The four first steps of the mistake solver are quite self-explanatory. Recognize it means that the customer service person should recognize the problem in order to be able to solve it. Admit it stands for not denying the problem or trying to put the blame on someone else. When the problem has been admitted it must be apologized from customers and after that, it must be fixed somehow (reimbursements, compensations, etc.). The fifth step of the mistake solver is a bit more complicated. It doesn't literally mean hugging the customer. It means going one step further, offering the customer something special or making them feel special. "Give the customer something that makes them feel that their part of the win is extra special -a personalized note, a free tie, a flower, whatever." (Mitchell, 2003.)

5.4 Recommendations

Recommendations are a crucial way for restaurants to do additional sales and grow their revenues. Doing additional sales will benefit both the customers and the company. With additional sales, the customer can have a better experience and the company will gain more profit. However, according to the interviews done for this thesis additional sales shouldn't feel like selling to the customers but more like recommendations. Because of this, some tips on how to do this could be offered for Friends & Brgrs staff. Additional sales consist of two strategies: cross-selling and upselling.

5.4.1 Cross-selling

The basic idea behind cross-selling is that the salesperson tries to get the customer to buy something else in addition to what they originally came to buy. (Bernazzani, 2018.) For example, if a customer came to Friends & Brgrs and wanted to buy a hamburger the lobby worker could try to cross-sell an additional product to the customer like fresh fries or a lemonade.

This way with cross-selling the customer can, in fact, get an even better experience than they would have without it. The salesperson can suggest an additional product to the customer that they weren't aware of before or didn't think about needing or wanting. However, cross-selling can be done badly too, and customers can be irritated by it. Some customers might think that salespersons trying to cross-sell are only thinking about their own and the company's benefit and not the customers. (Bernazzani, 2018.)

5.4.2 Upselling

Upselling is an additional sales strategy where a salesperson is trying to sell the customer anything that is more expensive than what the customer came to buy (Bernazzani, 2018). At Friends & Brgrs an upselling situation could be as follows: A customer comes to the cash register and wants to buy a Friends burger meal. The lobby worker then tries to upsell a more expensive burger to the customer to create more profit for the company.

Upselling too can be beneficial for the customer when done right. However, customers can just as well be irritated by upselling as cross-selling.

5.4.3 Tips for cross-selling and upselling

As previously stated cross-selling and upselling can be hugely beneficial both to the customer and to the company. Nonetheless, it can also backfire when done wrong and the results can be even losing customers. Therefore, customer service employees should be taught how to cross-sell and upsell most effectively and customer friendly. (Bernazzani, 2018.)

One of the key factors in succeeding in additional sales is to make it about the customer. This means that the customer service person shouldn't speak too

much themselves, but they should truly listen to the customer, try to find out what they want. (Brudner, 2019.) This also means that the things that are trying to be sold should be of value for the customer. “If you’re sending the message that you’re trying to squeeze the most out of your customer or trying to trick them into buying more than they wanted, you’re going to alienate them”, writes Ryan Farley on his blog about upselling and cross-selling (Farley, 2018). Customer service personnel shouldn’t try to sell something for the customer just for the sake of sales but to offer them something that could really enhance their experience. (Bernazzani, 2018.) As the interviews showed it is very important for customers that they are listened to and that customer service personnel think about their wants and needs first.

Another important element in succeeding in cross-selling and upselling is enthusiasm. When the customer service person is excited about the products they are offering and seems to like them themselves, that gives a positive sign for the customers. It is easier for the customers to believe that the products offered really are of value. (Caruso, 2016.) In these situations, it is natural for customer service personnel to make recommendations based on their own experiences. For instance, at Friends & Brgrs a lobby worker could succeed in additional sales very well if they recommended a burger with extra toppings which they themselves really like.

In the interviews one important thing concerning recommendations, in other words, additional sales, rose up. This was that customer service personnel should be very professional and experts in what they are offering and what they are selling. So not only being enthusiastic about the offerings is enough. Customer service personnel need to know what the products contain or consist of and how they are made and so on. When trying to upsell or cross-sell customer service personnel need to know how to answer the questions the customers may present. At Friends & Brgrs this means that all the employees at the restaurants should know from what and how the burgers and other offerings are made of. As one of Friends & Brgrs values is also transparency the employees should also know about the operating methods and values of the company so that they could also communicate these to the customers if needed.

In chapter 4.2 the theory of adding emotional value was presented. One of the main points in this theory is that customers should be treated individualistically with the help of emotional connectivity. (Freemantle, 1998.) In the interviews, it also became clear that customers hope that they are served as individuals not with the same patterns as every customer. This suggests that in doing additional sales customers should also be treated in a personalized manner. At Friends & Brgrs this could, for example, mean that not all the customers are asked the same questions or recommended the same add ons.

6 CUSTOMER SERVICE STRATEGY

The objective of this thesis was to create a customer service handbook for Friends & Brgs. The customer service handbook has been constructed based on the interviews and the theories applied in the case of Friends & Brgs. The customer service handbook can be found in appendix 1 of this thesis.

In the handbook Friends & Brgs value, “we serve friends, not customers” is introduced and the importance of excellent customer service is shortly explained. After this, the handbook explicates what characteristics should excellent customer service have. Then the handbook goes through all the steps in the customer service process at Friends & Brgs a bit more detailed giving examples on how to handle different situations. The last part of the handbook deals with factors that are not always associated with customer service but do affect customers’ experiences a lot, cleanliness and defects.

7 DISCUSSION

The purpose of this thesis was to create a customer service handbook for Friends & Brgrs so that the company could improve their customer service and have a more effective way of training new employees to serve customers in the Friends & Brgrs way. This handbook development was approached with qualitative research. The research question of the thesis was, what is excellent customer service. 25 randomly chosen people were interviewed in order to obtain comprehensive insights on what customers think is excellent customer service and how customer service personnel should act in different situations.

Three customer service theories were chosen based on the interviews and the nature of customer service at Friends & Brgrs: Broken windows theory, adding emotional value and five-step mistake solver. In addition to these tips from different articles were used to create guidelines for recommendations. The broken windows theory emphasizes the importance of paying attention to even the smallest defects that Friends & Brgrs might have. It suggests that building the best possible customer experience should start from the smallest and everyday things and only after these matters are taken care of should the company start creating special moments for their customers. The theory of adding emotional value is based on the importance of feelings in customer service. By adding positive emotional value to the customers, the employees at Friends & Brgrs can offer them excellent customer service and make the customers want to return to the restaurants. The five-step mistake solver is a very simple formula that employees at Friends & Brgrs can use when facing problem situations. Through the five steps, the employees can make sure that negative customer experiences can be turned to positive ones. All of the theories, clues from the interviews and other tips for the additional sales were then applied in creating a customer service handbook for Friends & Brgrs which offers information about the importance of excellent customer service and on how to act in different situations.

The handbook created in this thesis will have a positive impact on customer service at Friends & Brgrs. With the help of the handbook, the training of new employees becomes easier. When given a concrete guide on how to serve customers new employees can study it at home too and always go back to it when they

feel like they need some reassuring on how they should provide customer service. In addition to this, the handbook also gives comprehensive and coherent guidelines for all of the restaurants of Friends & Brgrs to act by and makes sure that all the new employees at different restaurants are taught the same customer service practices. Also, the old employees can learn new customer service practices from the handbook and improve the level of their customer service even further.

The impact of implementing the customer service handbook into the practices at Friends & Brgrs could be measured through the NPS surveys that the company does on a daily bases in their restaurants. Every restaurant has a tablet which has a few questions about the customers' experience of the restaurant which customers can answer when leaving the restaurant. These are called NPS surveys. The NPS numbers concerning customer service could be compared from before implementing the customer service handbook into practice and a few months after starting the use of it. Customer service is an area which can always be improved, and it will always have a great impact on customer experiences and the success of a company.

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APPENDICES

Appendix 1. Customer service handbook



**FRIENDS
& BRGRS**

Customer service handbook



EXCELLENT CUSTOMER SERVICE

The Friends way.

GREETING THE CUSTOMERS

**Always remember to greet the customers
with a smile when they enter the
restaurant.**

**Make a great last impression by wishing
goodbye when customers leave the
restaurant.**

RECOMMENDATIONS

**Always think about the customers best
interest.**

Recommend with enthusiasm.

Use your own experiences.

Use facts.

KIDS AS CUSTOMERS

Kids are as important customers as adults.

Talk to the kids.

**Help with kids (point out the high chair,
activity books etc.)**

PROBLEM SITUATIONS

Recognize it.

Admit it.

Apologize.

Fix it.

Go one step further.

WE SERVE FRIENDS NOT CUSTOMERS.

What customer service means to us?

We serve friends not customers is one of our core values here at Friends & Brgrs. This value sets the standard for all the customer service we do at our company. Having this value as a guideline means that we want to provide our customers with excellent service, treat them as we would treat our friends at a dinner party we are hosting.

Maintaining excellent quality in customer service in all of our restaurants is very important to us since happy customers make our business. In addition to our delicious burgers, we want our customers to also like us, the people working at Friends & Brgrs. This way with a compilation of mouth-watering hamburger meals and excellent service we make our customers want to return to our restaurants again and again.

Excellent customer service

Here are some building blocks that together create excellent customer service. These are characteristics that we at Friends & Brgrs know that our customers value in the service we provide them. These characteristics should be applied by all of us in order to give the best possible service experience for our customers.

Friendliness. Be friendly towards all the customers. Remember that you are working in the restaurant for the customers and you should always try to answer all the customer needs. It is our job to help our customers in every situation and create a warm welcoming feeling for them at the restaurants. Always remember to serve with a smile!

Individuality. We want to treat every customer as an individual person. We don't have any rules on how we should serve all the customers, so we want you to be creative and serve every customer as you think would be best for that customer. Give the customers personalized service and don't ask all the customers the same questions (they will notice). Also, feel free to bring out your personality in service situations!

Expertise. Be an expert on Friends & Brgrs. Memorize the toppings in all of the hamburgers and learn what allergens our products might contain. Ask your restaurant manager where all our ingredients come from. Customers appreciate it when you know everything about the restaurants and the products and can answer all the questions they might have!

Unselfish. We want Friends & Brgrs to be all about the customers. In everything you do at the restaurant, you should always act in a way that is best for our customers. When making recommendations at the cash register think what would truly make the customer's experience of Friends & Brgrs better. In the kitchen, if a gluten-free bun accidentally touches gluten don't try to hide the mistake in a rush but take a new bun and start again with the hamburger. What is best for our customers is best for us!

Listening. Our customers want that we listen to them. When the customers are ordering you need to listen carefully what they want so you get the order right. Listening is also important, so you can make the right recommendations for the customer. When customers have complaints, it is even more important that you listen carefully so that we can make right what we did wrong. Everybody likes when they are heard!

Genuine. Be who you are. At Friends & Brgs you don't have to put on an act to please the customers. We want you to serve our customers with your own personality and style. This way the customers feel more appreciated too when you are yourself in service situations!

Different customer service situations

In the following, we look into different situations that we meet in the restaurants on a daily basis. Here are some tips and guidelines you can use to help you in these situations.

Greeting the customers

It is very important that we notice all the customers coming into our restaurants. Primarily it is the lobby workers job to greet every customer entering the restaurant doors. However, if the lobby worker is doing dishes or occupied somewhere else kitchen workers can also greet the customers from the kitchen by lifting their hand or saying hi from the kitchen window. In any case the customers like that they are noticed right away when they come to the restaurant. This is how we can make them feel welcomed at once.

When customers are leaving the restaurant, we can also pay attention to them and leave a positive last image. You can do this by simply wishing a nice rest of the day to the customers and thanking them for visiting our restaurant.

Making recommendations

Making recommendations is an important part of the lobby workers job at the cash register. This is also important for Friends & Brgrs since through lobby workers recommendations we can gain more revenue. However, making recommendations is a skill of its own. All the customers don't want to have recommendations, and some can even be annoyed by them. This is why you as a lobby worker need to be careful and try to sense what would be the best way to make recommendations to the customer. The most important thing in making recommendations is that you don't sound like you are just trying to sell extra to the customer.

You can do this for example by asking questions from the customer and try to find out what the customer likes and what would complement their order. Some questions you could ask are:

- "Do you like spicy food?"
- "Are you very hungry?"
- "Would you like to have dessert?"

Another good tip for making recommendations is using your own experience as a background for the recommendation. Here are some examples of this:

- “Have you tried the chipotle bgr with bacon? It is to die for! I just ate it at my break.”
- “The aioli dipping sauce is the best dipping sauce I have ever tasted!”
- “I was a sworn Coca-Cola girl before I tasted Friends lemonade. Now I’d only like to drink that.”

Customers are more likely to accept your recommendations when you provide them with some evidence that the recommendations truly are good and that you yourself are excited about the things you are recommending.

You can also make recommendations based on facts. You could, for example, convince the customer to order Friends lemonade since it is free of additives and made from Finnish ingredients. Or you could appeal on the most popular products: “Classic bgr is our most sold bgr and that tells it’s delicious!”. Basing your recommendations on facts also gives customers solid evidence on them.

Kids as customers

At Friends & Brgrs we face situations where we receive adults with kids as our customers. In these situations, we need to give attention to the kids too since they are our customers just the same as the adults they come to the restaurant with. Also, we can create a better service experience for the adults too when their kids are happy at our restaurants. There are a few things you can do to make sure that both the kids and the adults are satisfied with the service you provide them:

- Always ask the kids what they'd like to eat. If they are too shy, the adult will help them.
- Offer the kids the activity books and crayons we have at the restaurants so that they have something to do while they wait for their food.
- When adults come to the restaurant with small kids, show them where the high chairs are or bring the high chair to their table yourself.
- The orders for smaller kids can sometimes be something that is not straight on our menu but assure the customers that we will do our best to offer them suitable food for the kids.
- Point out where the kid's dishes can be found and where the customers can warm up baby food if needed.
- Interact with the kids. Most kids like it when they get attention. You can, for example, make funny faces for the kids or ask them what they are drawing. However, be sensitive with shy kids.

Reclamations

Even though we all try our best when working at Friends & Brgs everything doesn't always go as planned. In these situations, we need to be super careful and considerate. Only one negative experience for the customers can ruin their image of our restaurants. So, when something goes wrong we need to make sure that we compensate it to the customers and can turn around the experience to the positive side. When customers do complain or make reclamations you can use the five-step mistake solver to assure the situation is solved in a positive way.

- 1. Recognize it.** Try to notice when something goes wrong even before the customers do. When customers want to complain notice them and give time for them.
- 2. Admit it.** When we make mistakes, we must admit them; the mistakes are never customers' fault. You don't need to try to explain the mistake to the customer like it wasn't your fault. They are not interested in why the mistake happened, only in how the mistake is going to be compensated.
- 3. Apologize.** This is a crucial step when customers complain. It is very important that you are sorry for the mistake that happened and that the customer had to go through negative feelings.
- 4. Fix it.** We at Friends & Brgs always want to compensate the customers everything that has gone wrong. We trust that you can make the best decision on how to compensate for different mistakes in different situations. We have noticed that the best way to compensate an order gone wrong is to make a new hamburger to replace the wrong one or so on. More severe mistakes may need also gift cards as compensations, for example when someone is allergic to something and we haven't respected it in making food for them. The last way to compensate is to give money back to the customer, but when nothing else seems to please the customer you can also do this.
- 5. Go one step further.** The last step in reclamation situations is like a cherry on the top. This is how you can assure that the customer leaves the restaurant feeling positive. Do something extra for the customer when they complain. You can, for example, offer them a milkshake as a dessert or bring coffee to their table. If they have kids, you can draw a picture for the kids or explain to the kids what's happening in the kitchen. Feel free to use your creativity here!

Customer service isn't just customer interactions

The biggest thing that affects customer service experiences is, of course, the interactions we have with the customers, how we serve them. However, this isn't the only activity we can do to make sure our customers enjoy their time at our restaurants. The space we provide the customers with also has a big impact on their experience of our restaurants. This is why we have to pay a lot of attention to everything that's happening in the restaurant spatially too.

- **Cleanliness.** This is one of the most important factors affecting customer comfort in our restaurants. Too often when working in the lobby we become blind to the little things and for example, don't clean dirty napkins from the floor. Try to look at the lobby like you were the customer and think about what things they notice in the lobby. This also plays for the kitchen since the customers can see to the kitchen. When you have free time at the lobby or the kitchen there's almost always something that you can clean. In the kitchen, for example, we tend to forget to clean the floor and in the lobby, we often forget to check the toilets. These are things that the customers will notice. When it is busy at the restaurants we still must think about cleanliness in every situation we get to offer customers the best possible experience.
- **Defects.** It is your duty and your right as an employee at Friends & Brgrs to always let your team leader or restaurant manager know if you spot a defect in something. In the customer service point of view, this is especially important in the lobby and in the customer toilets. For example, if you notice that the music is too loud or some of the lights are not working inform the team leader or the restaurant manager right away about it. This way when we all keep our eyes open for defects in the restaurants and let the responsible people know about them we can make sure that the restaurants are in the best possible condition for the customers.

Appendix 2. The questionnaire

1. What is excellent customer service?
2. What is bad customer service?
3. How would you like the customer service representative to greet you?
4. Do you want the customer service representative to make recommendations for you? How?
5. How should customer service representatives act with children?
6. How would you like the customer service representative to handle problem situations?
7. What is your most memorable customer service memory?

