Unit 202/662 Understand customers

UAN:	**F/506/2131**
Level:	2
Credit value:	2
GLH:	17
Assessment type:	E-volve or Portfolio of evidence
Relationship to NOS:	This unit is linked to the Customers Service (2013) National Occupational Standards
Assessment requirements specified by a sector or regulatory body:	This unit is endorsed by Skills CFA
Aim:	This unit aims to develop the underpinning knowledge required to understand customers. Upon completion of this unit, learners will have developed an understanding of different types of customers and will also know the value of customers and their loyalty.

Learning outcome
The learner will: 1. understand different types of customers
Assessment criteria
The learner can: 1.1 explain the **distinctions** between internal and external customers 1.2 explain how **cultural factors** can affect customers' expectations 1.3 describe the **characteristics** of challenging customers 1.4 explain how to **identify dissatisfied customers.**

Range
Distinctions • internal customers work for the same organisation as the candidate ie colleagues, supervisors, HR department, Finance department • external customers do not work for the same organisation as the candidate ie suppliers, general public, patients, service users

Cultural factors

- beliefs
- moral values
- laws and rules of behaviour
- use of language
- traditions
- social standing
- use of body language

Characteristics

- impatient customers
- angry customers
- the undecided
- customers with special requirements
- customers with a language barrier

Identify dissatisfied customers

- tone of voice
- attitude
- body language
- through verbal communication

Learning outcome
The learner will: 2. understand the value of customers and their loyalty
Assessment criteria
The learner can: 2.1 explain how the achievement of the **customer service offer** contributes to enhancing customer loyalty 2.2 explain the relationship between **customer satisfaction** and **organisational performance** 2.3 explain how the **reputation** and image of an organisation affects customers' perceptions of its products and/or services 2.4 explain the **potential consequences** of customers' dissatisfaction 2.5 describe different **methods of attracting customers and retaining their loyalty.**

Range
Customer service offer • what the organisation says it will deliver • defines the extent and the limits of service eg refund policy **Customer satisfaction** is where the customer is happy with the product and service they have been supplied with. It is how the products and services provided by an organisation meet or surpass customer expectation.

Organisational performance is how an organisation is measured. If customers are satisfied then organisational performance eg targets, KPIs will be met.

The **reputation** of an organisation is what people think of it.
The image of an organisation is how it presents itself through its products, services, staff etc.

Potential consequences

- customer will make a complaint
- customer will tell others
- customer will not return to the organisation
- reputation will be damaged
- customer will lose trust in organisation

Methods to attract customers

- advertising in the correct places
- ensuring good customer service
- having staff with good product knowledge
- ensuring the correct pricing policy
- developing a Unique Selling Point (USP)

Methods to retain loyalty

- by giving good customer service
- by treating the customer as an individual
- meeting changing needs
- through the use of loyalty schemes.

Additional Guidance if delivered as Portfolio based

Candidates will be expected to have carried out research on the range stated in each of the above learning outcomes even though they might not be applicable to their own organisation.

Candidates will be required to submit a report of a minimum of 2000 words to a maximum of 3500 words.

The report must show that candidates have developed an understanding of different types of customers and know the value of customers and their loyalty.

Any necessary additional coverage could be generated through professional discussion. Examples of products where appropriate could also be used and cross-referenced into appropriate units.