

## first direct - Summary

# Using customer services to position a business

## Introduction

For service providers, good customer service is essential. It is a key factor that helps to secure and retain customers. Many service providers like banks sell similar products. These can be hard to differentiate between as services have intangible qualities. **first direct** is part of the HSBC Group. It provides telephone and online banking services and has been the leader in this for over 20 years. It has no high street branches. All services are carried out online or by phone. **first direct**'s call centres operate around the clock with trained employees taking calls. This has helped to establish **first direct**'s reputation for quality customer service. This is a significant factor in helping the bank to stand out from competitors.

## What is customer service?

Customer service is provided before, during and after purchasing and using products. Good customer service involves developing relationships with customers. It takes time and investment to deliver consistently high standards of service, but both parties benefit. Customers are satisfied and **first direct** retains the business. **first direct**'s mission is 'pioneering amazing service'. It focuses on providing a high quality personal service. To maintain high standards, **first direct** identifies customer expectations, for example, dealing with complaints promptly and fairly. It then builds these requirements into its services.

## Customer expectations

**first direct**'s customers have expectations about how services should be delivered. To meet these expectations, **first direct** identifies what its customers want through market research. The feedback is used to refine services. For example, **first direct** contacts new customers to assess their initial experiences. This primary market research helps understand what specific features customers expect and how the service has performed. Market research also provides information on how the bank and its services are perceived by the public.

## Meeting customer needs

In a telephone and online bank, good communication is essential. **first direct**'s employees are therefore central to the customer service function. Training and development plays an important role here. **first direct** aims to be a destination employer. This means that it wants its people to remain with the bank long term. This is so that they can use their long-term experience to provide a better service. Employees are selected not just on skills but also on personality. They have training and ongoing coaching to help deliver the brand's service values. Customer requirements are also met through the website. Its user-friendliness and high levels of security help customers complete transactions easily. The website is constantly monitored to look for areas of improvement, for example, it provides a platform for iPhone banking.



## The benefits of providing good customer service

Good customer service enables **first direct** to create a distinctive position in relation to its competitors. This requires investment in employee selection, training and development and process improvement. Effective customer service can produce satisfied customers that are more likely to remain with the bank. It can encourage customers to recommend **first direct** to others. This can reduce marketing and operational costs. There are also likely to be fewer complaints, which can be costly to deal with.

## Conclusion

**first direct** provides high levels of customer service. It puts existing customers first to maintain these high standards. As a telephone and online bank it could come across as faceless. By listening to customers and paying attention to all aspects of service and communication, it has built up a loyal customer base with a unique position in the banking industry.

