

Customer Service Representatives

(0*NET 43-4051.01, 43-4051.02)

Significant Points

- Job prospects are expected to be excellent.
- Most jobs require only a high school diploma.
- Strong verbal communication and listening skills are important.

Nature of the Work

Customer service representatives are employed by many different types of companies throughout the country to serve as a direct point of contact for customers. They are responsible for ensuring that their company's customers receive an adequate level of service or help with their questions and concerns. These customers may be individual consumers or other companies, and the nature of their service needs can vary considerably.

All customer service representatives interact with customers to provide information in response to inquiries about products or services and to handle and resolve complaints. They communicate with customers through a variety of means—either in person; by telephone, e-mail or regular mail correspondence, or fax; or even over the Internet. Some customer service representatives handle general questions and complaints, whereas others specialize in a particular area.

Many customer inquiries involve routine questions and requests. For example, customer service representatives may be asked to provide a customer with a bank account balance, or to check on the status of an order that has been placed. Obtaining the answers to such questions usually requires simply looking up information on their computer. Other questions are more involved, and may call for additional research or further explanation on the part of the customer service representative. In handling customers' complaints, customer service representatives must attempt to resolve the problem according to guidelines established by the company. These procedures may involve asking questions to determine the validity of a complaint, offering possible solutions, or providing customers with refunds, exchanges, or other offers such as discounts or coupons. In some cases, customer service representatives are required to follow up with an individual customer until a question is answered or an issue is resolved.

Some customer service representatives help people decide what types of products or services would best suit their needs. They may even aid customers in completing purchases or transactions. Although the primary function of customer service representatives is not sales, some may spend a part of their time with customers attempting to convince them to purchase additional products or services. (For information on workers whose primary function is sales, see the statements on sales and related occupations elsewhere in the *Handbook*.) Customer service representatives may also make changes or updates to a customer's profile or account information. They may keep records of transactions and update and maintain databases of information.

Most customer service representatives use computers and telephones extensively in their work. Customer service representatives frequently enter information into a computer as they are speaking to customers. Often, companies have large amounts of data, such as account information, that can be pulled up on a computer screen while the representative is talking to a customer so that he or she can answer specific questions relating to the account. Customer service representatives also may have access to information such as

answers to the most common customer questions, or guidelines for dealing with complaints. In the event that they encounter a question or situation to which they do not know how to respond, workers consult with a supervisor to determine the best course of action. Customer service representatives use multiline telephones systems, which often route calls directly to the most appropriate representative. However, at times, a customer service representative will need to transfer a call to someone who may be better able to respond to the customer's needs.

In some organizations, customer service representatives spend their entire day on the telephone. In others, they may spend part of their day answering e-mails and the remainder of the day taking calls. For some, most of their contact with the customer is face to face. Customer service representatives need to remain aware of the amount of time spent with each customer, in order to fairly distribute their time among the people who require their assistance. This is particularly important for customer service representatives whose primary activities are answering telephone calls, and conversations often are required to be kept within set time limits. For customer service representatives working in call centers, there is usually very little time between telephone calls; as soon as they have finished with one call they must immediately move on to another. When working in call centers, customer service representatives are likely to be under close supervision. Telephone calls may be taped and reviewed by supervisors to ensure that company policies and



Customer service representatives respond to customers' questions and concerns.

procedures are being followed, or a supervisor may listen in on conversations.

Job responsibilities can differ, depending on the industry in which a customer service representative is employed. For example, a customer service representative working in the branch office of a bank may assume the responsibilities of other workers, such as teller or new account clerk, as needed. In insurance agencies, a customer service representative interacts with agents, insurance companies, and policyholders. These workers handle much of the paperwork related to insurance policies, such as policy applications and changes and renewals to existing policies. They answer questions regarding issues such as policy coverage, help with reporting claims, and do anything else that may need to be done. Although they must know as much as insurance agents about insurance products, and usually must have credentials equal to those of an agent in order to sell products and make changes to policies, the duties of a customer service representative differ from those of an agent in that customer service representatives are not responsible for actively seeking potential customers. Customer service representatives employed by communications and utilities companies assist individuals interested in opening accounts for various utilities such as electricity and gas, or for communication services such as cable television and telephone. They explain various options and receive orders for services to be installed, turned on, turned off, or changed. They may also look into and resolve complaints about billing and service provided by telephone, cable television, and utility companies.

Working Conditions

Although customer service representatives can work in a variety of settings, most work in areas that are clean and well lit. Many work in call or customer contact centers. In this type of environment, workers generally have their own workstation or cubicle space and are equipped with a telephone, headset, and computer. Because many call centers are open extended hours, beyond the traditional 9-to-5 business day, or are staffed around the clock, these positions may require workers to take on early morning, evening, or late night shifts. Weekend or holiday work also may be necessary. As a result, the occupation is well-suited to flexible work schedules. About 1 out of 7 customer service representatives work part time. The occupation also offers the opportunity for seasonal work in certain industries, often through temporary help agencies.

Call centers may be crowded and noisy, and work may be repetitious and stressful, with little time in between calls. Workers usually must attempt to minimize the length of each call, while still providing excellent service. To ensure that these procedures are followed, conversations may be monitored by supervisors, which can be stressful. Also, long periods spent sitting, typing, or looking at a computer screen may cause eye and muscle strain, backaches, headaches, and repetitive motion injuries.

Customer service representatives working outside of a call center environment may interact with customers through several different means. For example, workers employed by an insurance agency or in a grocery store may have customers approach them in person or contact them by telephone, computer, mail, or fax. Many of these customer service representatives will work a standard 40-hour week; however, their hours generally will depend on the hours of operation of the establishment in which they are employed. Work environments outside of a call center also will vary accordingly. Most customer service representatives will work either in an office or at a service or help desk.

For virtually all types of customer service representatives, dealing with difficult or irate customers can be a trying task; however, the ability to directly help and resolve customers' problems has the potential to be very rewarding.

Employment

Customer service representatives held about 1.9 million jobs in 2002. Although they were found in a variety of industries, more than 1 in 4 customer service representatives worked in finance and insurance. The largest numbers were employed by insurance carriers, insurance agencies and brokerages, and banks and credit unions.

Nearly 1 in 8 customer service representatives were employed in administrative and support services. These workers were concentrated in the industries business support services—which includes telephone call centers—and employment services—which includes temporary help services and employment placement agencies. Another 1 in 8 customer service representatives were employed in retail trade establishments such as general merchandise stores, food and beverage stores, or nonstore retailers. Other industries that employ significant numbers of customer service representatives include information, particularly the telecommunications industry; manufacturing, such as printing and related support activities; and wholesale trade.

Although they are found in all States, customer service representatives who work in call centers tend to be concentrated geographically. Four States make up over 30 percent of total employment—California, Texas, Florida, and New York. Delaware, South Dakota, Utah, and Arizona have the highest concentration of workers in this occupation, with customer service representatives comprising over 2 percent of total employment in these States.

Training, Other Qualifications, and Advancement

A high school diploma or the equivalent is the most common educational requirement for customer service representatives. Basic computer knowledge and good interpersonal skills also are important qualities for people who wish to be successful in the field. Because customer service representatives constantly interact with the public, strong communication and problem-solving skills are a must, particularly strong verbal communication and listening skills. Additionally, for those workers who communicate through e-mail, good typing, spelling, and written communication skills are necessary. High school courses in computers, English, or business are helpful in preparing for a job in customer service.

Customer service representatives play a critical role in providing an interface between the customer and the company that employs them, and for this reason employers seek out people who are able to come across in a friendly and professional manner. The ability to deal patiently with problems and complaints and to remain courteous when faced with difficult or angry people is very important. Also, a customer service representative needs to be able to work independently within specified time constraints. Workers should have a clear and pleasant speaking voice and be fluent in the English language. However, the ability to speak a foreign language is becoming increasingly necessary, and bilingual skills are considered a plus.

Training requirements vary by industry. Almost all customer service representatives are provided with some training prior to beginning work and training continues once on the job. This training generally will cover four primary components: Training on customer service and phone skills, training on products and services or common customer problems, training on the use or operation of the telephone and/or computer systems, and training on company policies and regulations. Length of training varies, but it usually lasts at least several weeks. Because of a constant need to update skills and knowledge, most customer service representatives continue to receive instruction and training throughout their career. This is particularly true of workers in industries such as banking, in which regulations and products are continually changing.

Although some positions may require previous industry, office, or customer service experience, many customer service jobs are entry level. Customer service jobs are often good introductory positions into a company or an industry. In some cases, experienced workers can move up within the company into supervisory or managerial positions or they may move into areas such as product development, in which they can use their knowledge to improve products and services.

Within insurance agencies and brokerages, however, a customer service representative job is usually not an entry-level position. Workers must have previous experience in insurance and are often required by State regulations to be licensed like insurance sales agents. A variety of designations are available to demonstrate that a candidate has sufficient knowledge and skill, and continuing education and training are often offered through the employer. As they gain more knowledge of industry products and services, customer service representatives in insurance may advance to other, higher level positions, such as insurance sales agent.

Job Outlook

Prospects for obtaining a job in this field are expected to be excellent, with more job openings than jobseekers. Bilingual jobseekers, in particular, may enjoy favorable job prospects. In addition to many new openings occurring as businesses and organizations expand, numerous job openings will result from the need to replace experienced customer service representatives who transfer to other occupations or leave the labor force. Replacement needs are expected to be significant in this large occupation because many young people work as customer service representatives before switching to other jobs. This occupation is well-suited to flexible work schedules, and many opportunities for part-time work will continue to be available, particularly as organizations attempt to cut labor costs by hiring more temporary workers.

Employment of customer service representatives is expected to increase faster than the average for all occupations through the year 2012. Beyond growth stemming from expansion of the industries in which customer service representatives are employed, a need for additional customer service representatives is likely to result from heightened reliance on these workers. Customer service is critical to the success of any organization that deals with customers, and strong customer service can build sales and visibility as companies try to distinguish themselves from competitors. In many industries, the need to gain a competitive edge and retain customers will become increasingly important over the next decade. This is particularly true in industries such as financial services, communications, and utilities that already employ numerous customer service representatives. As the trend towards consolidation within industries continues, centralized call centers will provide an effective method for delivering a high level of customer service. As a result, employment of customer service representatives may grow at a faster rate in call centers than in other areas; however, this growth may be tempered as a variety of factors, including technological improvements, make it increasingly feasible and cost-effective for call centers to be built or relocated outside of the United States. Technology is impacting the occupation in many ways. Advancements such as the Internet and automated teller machines have provided customers with means of obtaining information and conducting transactions that do not entail interacting with another person. Technology also allows for a greater streamlining of processes, while at the same time increasing the productivity of workers. Use of computer software to filter e-mails, generating automatic responses or directing messages to the appropriate representative, and use of similar systems to answer or route telephone inquiries are likely to become more prevalent in the future.

Despite such developments, the need for customer service representatives is expected to remain strong. In many ways, technology has heightened consumers' expectations for information and services, and availability of information online seems to have generated more need for customer service representatives, particularly to respond to e-mail. Also, technology cannot replace the need for human skills. As more sophisticated technologies are able to resolve many customers' questions and concerns, the nature of the inquiries to be handled by customer service representatives is likely to become increasingly complex.

Furthermore, the job responsibilities of customer service representatives are expanding. As companies downsize or look to increase profitability, workers are being trained to perform additional duties such as opening bank accounts or cross-selling products. As a result, employers may increasingly prefer customer service representatives who have education beyond high school, such as some college or even a college degree.

While jobs in some industries, such as retail trade, may be impacted by economic downturns, the occupation is generally resistant to major fluctuations in employment.

Earnings

In 2002, median annual earnings for wage and salary customer service representatives were \$26,240. The middle 50 percent earned between \$20,960 and \$33,540. The lowest 10 percent earned less than \$17,230, and the highest 10 percent earned more than \$42,990.

Earnings for customer service representatives vary according to level of skill required, experience, training, location, and size of firm. Median annual earnings in the industries employing the largest numbers of these workers in 2002 are shown below:

Wired telecommunications carriers	\$38,980
Insurance carriers	28,560
Agencies, brokerages, and other insurance related activities ...	28,270
Management of companies and enterprises	27,990
Nondepository credit intermediation	25,600
Depository credit intermediation	24,850
Employment services	22,510
Electronic shopping and mail-order houses	21,530
Business support services	21,130
Grocery stores	17,230

In addition to receiving an hourly wage, full-time customer service representatives who work evenings, nights, weekends, or holidays may receive shift differential pay. Also, because call centers are often open during extended hours, or even 24 hours a day, some customer service representatives have the benefit of being able to work a schedule that does not conform to the traditional workweek. Other benefits can include life and health insurance, pensions, bonuses, employer-provided training, or discounts on the products and services the company offers.

Related Occupations

Customer service representatives interact with customers to provide information in response to inquiries about products and services and to handle and resolve complaints. Other occupations in which workers have similar dealings with customers and the public are information and record clerks; financial clerks, such as tellers and new-account clerks; insurance sales agents; securities, commodities, and financial services sales agents; retail salespersons; computer support specialists; and gaming services workers.

Sources of Additional Information

State employment service offices can provide information about employment opportunities for customer service representatives.