

Putting the Customer First

David, who has been in business for almost two years, is ready to hire someone to help with his carpet cleaning service. Lately, he's had more requests for cleaning than he can handle alone. When he asks callers how they learned about his service, many of them say a friend recommended his company.

David is pleased, because he built his business by providing excellent customer service, and he sees his philosophy is paying off. He always arrives on time, does quality work, treats his customers respectfully, and charges a fair rate. He tries to look at every job from the customer's point of view.

Knowing that each customer has unique concerns, David takes the time to listen, ask questions, and identify what his customers want. Some of his clients value quick service; others want him to pay extra attention to certain areas of their rugs. David always tries to do something extra for each customer. He knows that clients are pleased when he exceeds their expectations.

David has heard many stories about missed appointments, shoddy work, and rude employees from customers who were dissatisfied with other cleaning services. The person David hires must understand that

customers are the most important people in his business.

He sits down to write an online "help wanted" ad. David thinks, "I need someone who keeps at a job until it is perfect, who doesn't have to be reminded to clean up afterwards, who is polite to all customers, and who can build good relationships with customers so they keep calling us back."

He thinks for a moment, then jots down the following first line: "Wanted: Believer in superior customer service."



What's Inside

Here, you will learn to

- ◆ appreciate customers
- ◆ give customers what they want
- ◆ see the customer's point of view

Workshop



Your Customers— Your Company's Greatest Asset

David has the right attitude. He understands that customers want excellent service. He knows that customer loyalty doesn't just happen. It is created—by exceeding each customer's expectations. Satisfying customers is his highest priority.



Treating customers well starts with the first encounter. Large and small companies teach this lesson to their employees. In her book *Estée*, the makeup entrepreneur Estée Lauder who grew a billion dollar company, tells the story of her first personal appearance at the Estée Lauder makeup counter in a San Antonio department store. Estée watched a woman approach the counter and stare longingly at the jars on display. When she turned to assist the woman, a salesperson tapped her on the shoulder and said, “Not her, Mrs. Lauder. Don't waste your time. She never buys anything.”

Estée didn't listen. She gave the woman her best service, and the woman bought two of every

product Estée showed her that day. The next day, the woman's relatives came to the store and also purchased from Estée. The moral of this story is: Everyone is a potential customer, so give every customer superior service.

While customers' first impressions may help you gain their business, they will stay with your company only if you treat them with respect in every transaction. Every contact, whether in person or by phone, postal mail, or email, should be viewed as a way to build and nurture your relationship with your customers.

Each Customer Is Important

Why is building a relationship with every customer so important? First, it's how you create loyal customers—the repeat buyers who bring companies most of their business. And, second, dissatisfied customers don't keep their feelings to themselves. They tell other people—generally, a lot of other people—about their negative experiences.

“
Every company's greatest assets
are its customers, because without
customers there is no company.

— **MICHAEL LEBOEUF**

*Author, How to Win Customers
and Keep Them for Life*

”

Loyal Customers Generate Income

According to Small Business Trends, 65 percent of a company's business comes from its repeat customers. In addition to the money they spend personally, these customers refer their friends, and those friends often become loyal customers also.

To get an idea of just how valuable loyal customers are, think of your own experience. If you spend just \$7 at McDonald's once a week, your gross worth to the company over 10 years will be \$3,360! If your family spends \$100 a month at Amazon.com, you will bring Amazon \$12,000 over 10 years. That's a lot of money, and it helps to explain why companies put such emphasis on excellent service.

Dissatisfied Customers Tell Their Friends

Another important reason to keep customers loyal is because they tell their story to others. In pre-Internet days, dissatisfied customers typically told 8 to 16 people about a bad experience, and those people continued to spread the word. Today, customers can vent their frustrations in chat rooms, social media, and email, so the number is much higher. Making matters worse, you may never know about a customer's dissatisfaction.



The White House Office of Consumer Affairs says that for every customer who reports a complaint to a company, there are 26 other dissatisfied customers who never tell the company.

Approximately 91 percent of "wronged" customers never buy from an establishment again. Add to that the effect of their negative referrals, and you can see how dissatisfied customers put a big dent in a company's financial success. Research shows that a company can increase its profits by 25 to 100 percent just by cutting the rate at which customers leave.

“
What brings customers back
for repeat business are convenience,
good service, and good prices.

— **H. ROBERT WIENTZEN**
*President and CEO of the Direct
Marketing Association*

What makes a customer decide to leave a company? There are many possible reasons; but most often, it's because the owner or employees don't seem to care about the customer's business. Customers need to be told how valuable they are—the more often they are told, the better. There are many different words you can use to show customers that you care. Words like the following do the job nicely:

- ◆ “I see.”
- ◆ “I understand.”
- ◆ “How can we serve you best?”
- ◆ “Yes, we can do that!”
- ◆ “We value your business.”
- ◆ And the two most important words:
“Thank you.”



A Company That Values Its Loyal Customers

Jill Griffin, customer service expert, tells how Entenmann's (the company that produces packaged baked goods for grocery stores) reacted when it saw sales begin to level off. The first thing the company did was track what customers were buying. It also assessed what factors were influencing its customers' buying patterns. From the data, Entenmann's learned that its customers were growing older and more concerned about their health. They wanted more fat-free and cholesterol-free products. Based on this information, Entenmann's conducted a survey to see whether its customers would buy fat-free and cholesterol-free products if the company made them available. The customers said they would.

Entenmann's then had to decide whether to develop a new line of products to serve its loyal customers or try to find new customers for its existing products. Knowing the importance to the bottom line of satisfying loyal customers, Entenmann's chose the first option and created a new product line of fat-free products. It was the right decision. Not only did the new line become extremely successful and help to retain the company's existing customers, it also attracted a large number of new, health-conscious customers. In this way and many others, Entenmann's has proven itself to be a loyalty leader among U.S. companies.

ACTIVITY 1.1

NAME _____

You Are a Loyal Customer

Think about a favorite place where you shop for products or services. It might be an online music service, coffee shop, gas station, hair salon, or some other place. How much money do you spend there in one month? One year? Ten years? If the establishment has 1,000 loyal customers like you, how much can it earn from them?

Name of company: _____

Amount spent	By you	By 1,000 customers
One month	_____	_____
One year	_____	_____
Ten years	_____	_____

Giving Customers What They Want

Research shows that buyers value service even more than product quality and price. They want to be served by knowledgeable employees who can explain the benefits of the products and services they sell and who can make suggestions that solve the customers' problems or meet their needs. They look for companies that care about them, provide personalized service, and provide lots of attention.

The meaning of good service varies. Some customers may want full service, all the bells and

whistles; and they are willing to pay a little more to get it. Others may want the best price, the least hassle, or the fastest delivery.

Companies spend hundreds of thousands of dollars to determine what their customers want and need. Then they improve their products and services or create new ones to fill the customers' desires.

Have you ever wondered why Coca-Cola and Pepsi provide so many options?

It's because some people like the original drink and others want caffeine-free, zero calorie, cherry flavored, or some other variety. The soft drink companies want to make money from all these customers; and to do that, they cater to different tastes.

“
Make a customer,
not a sale.

— KATHERINE BARCHETTI

K. Barchetti Shops

In the airlines industry, Southwest Airlines prides itself on knowing its customers. The company realized that leisure flyers and businesspeople weren't being served appropriately. These customers wanted convenient, low-cost flights and were willing to do without extras to get them. But no airline was serving this need. Southwest came up

with a plan. It would eliminate meals on flights and luggage fees and use the savings to lower ticket prices and offer more flights. The plan worked. Customers flocked to Southwest; and year after year they rank the company as one of the top airlines in customer service.



ACTIVITY 1.2

NAME _____

What Does Good Service Mean to You?

Think about three products or services you recently purchased, such as a new shirt, a meal at a restaurant, a haircut, or a repair for your computer. In Column 1, list the names of the companies where you bought the three items. In Column 2, identify the product or service. Then, in Column 3, mark whether you were pleased or displeased with the experience. In Column 4, briefly explain why you were pleased or displeased.

Company	Product/Service	Satisfaction Evaluation		Comments
		<input type="checkbox"/> Pleased	Displeas <input type="checkbox"/>	
		<input type="checkbox"/> Pleased	Displeas <input type="checkbox"/>	
		<input type="checkbox"/> Pleased	Displeas <input type="checkbox"/>	

Determining Customer Satisfaction

Individual employees can play a large role in letting companies know what their customers want. By asking the right questions and really listening to the answers, you can gain important information. After completing a sale, for example, you might ask, “What parts of our service were most important to you?” Or, “Would you have liked us to do anything we didn’t do?” Questions of this type show the customer that you care.

A great way to advance your career is to learn how to please customers and to use your skills in each transaction.

Seeing Things from the Customer’s Point of View

To a customer, you are the company, no matter what your job is. Whether you answer phones in a call center, provide online technical support, or serve customers face-to-face, your behavior and attitude will affect how the customer feels about your company. And the customer will hold onto that perception until something happens to change it.

Daniel Scroggin, former president of TGI Friday’s, says, “The only way to know how customers see

your business is to look at it through their eyes.”

This is what customers see:

- ◆ Your products—Is there enough variety?
Are the prices competitive?
- ◆ Your service—Is it what the customer wants?
Can you do more?
- ◆ Your store, office, and restrooms—Are they clean and inviting?
- ◆ Your own appearance—Is it neat and professional?
- ◆ Your verbal and written communication—
Is it error free, friendly, and to the point.

To better understand the customer’s point of view, think of your own experiences. What things bother you most as a customer? Would customers of the place you work have the same complaints? If the answer is “yes,” what changes does your company need to make?

At Stew Leonard’s, a grocery store in Connecticut that calls itself the world’s largest dairy store, the company policy reads “Rule 1. The customer is always right. Rule 2. If the customer is ever wrong, reread Rule 1.” In seeing things through the customer’s eyes, it’s important to realize that customers always feel they are right.

If a person has a complaint, listen to it and find a way to solve the problem. Never argue with a customer; for even if you win, you ultimately lose if the person doesn’t return to buy.

Customer gripes in the Internet age

Internet stores provide the convenience of 24-hour shopping from home, but many Internet companies have not yet mastered customer service. Here are some common gripes of e-shoppers.

- ◆ It’s been six hours, and they still haven’t confirmed my purchase.
- ◆ Too many products are on back order.
- ◆ Where’s the live support?

ACTIVITY 1.3

NAME _____

Grr! That Makes Me So Mad!

In Column 1, list eight things that bother you as a customer. Then, in Column 2, suggest ways that companies can eliminate your complaints.

My Gripes

How Companies Can Serve Me Better

1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____

“

Your most unhappy customers are your greatest source of learning.

— **BILL GATES**
Founder, Microsoft

”

Nine Customer-Obsessed Companies

Some customer-obsessed companies set the gold standard for putting customers first, as reported by Blake Morgan, contributor to *Forbes*. These nine companies are the most cited in reviews and the business press.

Ritz-Carlton. Ritz-Carlton puts guests first. The company's main focus is to build an emotional link between guests and employees for a great hotel stay.

Trader Joe's. The store's employees are hyper-focused on customers the minute they enter, with samples, answers to questions, and fast checkout.

Harley Davidson. Once customers buy a motorcycle, they become part of the Harley Davidson family. The company stands behind its brand forever.

Amazon. From free one-day shipping to streaming movies and grocery delivery, Amazon Prime aims to make customer's lives easier.

Costco. Creating a customer-based experience for everyone, the store takes back nearly any return without limit to when it was purchased or its condition.

Zappos. Zappos goes above and beyond to show appreciation for its customers. It is always looking for ways to build a connection.

Dollar Shave Club. Dollar Shave Club employees follow the company's motto of "We don't respond to situations; we respond to people."

Disney. Disney employees are trained to refer to guests by name, especially children. They share the Disney magic by creating unique experiences for all.

Netflix. The streaming giant knows its customers well. It collects a huge amount of data on customers to create hyper-personalized recommendations.



GETTING CONNECTED

To learn ways to keep customers loyal and retain their business, take a look at Websites from these well-known sources:

Keep Your Customers Loyal Forever—Forbes

<https://myqss.link/Loyal-Customers>

How to Keep Customers Loyal—wikiHow

<https://myqss.link/Keep-Customers-Loyal>

WORKSHOP WRAP-UP

- Try to turn every customer into a loyal customer.
- The quality of service influences a customer's decision to buy.
- Quality service means different things in different situations.
- To know what your customers want, look at your company through their eyes.