

Great Customer Service -- an Anachronism?

Is great customer service an anachronism? Is providing good customer service a passe thing of the last century? Are you retaining enough of your customers? Have you been asking for feedback the same way for years and getting 'satisfactory' results? The difference between "just satisfied" and "very satisfied" is significant.

- A "very satisfied" customer is almost *six times* more likely to be loyal and to repurchase and/or to recommend your product than a customer who is "just satisfied".

— Reichheld, Harvard Business Review, Loyalty-Based Management, March-April 1993

How do you determine if your customer is "just satisfied" versus "very satisfied"? Most companies are using a survey method such as written, phone or a return post card. Chances are, your customers are as tired of your surveying method as you are of getting back the same old data. Mix it up. Give your customers a different avenue in which to give you information.

"Listening to customers must become everyone's business. With competitors moving ever faster, the race will go to those who listen (and respond) most intently."¹ "At the heart of any successful strategy to manage satisfaction is the ability to listen to the customer."²

A less often used method entails an open-ended phone call regarding a specific moment-of-truth – a recent episode where the customer has an opportunity to form a positive or negative opinion about your company. Watch out. This type of feedback is the most candid – and meaningful.

"Listening is useless unless it creates actions which realign efforts based on what is learned." - Fred Smith, Founder and Chairman of Federal Express

An open-ended questioning method entails the following:

- Listen to your customer
- Make changes to satisfy your customer
- Listen again to your customer to make sure you hit the mark and make a positive impact, so they know you are listening

Ideally, callers are representatives from your company gaining information about your customer's experiences. A customer retention program can pay off dramatically. Authorities report:

¹ Peters, Tom; *Thriving on Chaos*, 1987

² Jones and Sasser, Harvard Business Review, November-December 1995

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- Companies can boost profits by almost 100% by retaining just 5% more of their customers. Also, companies with long-term customers can often charge more for their products and services.

Reichheld & Sausser, Harvard Business Review, Zero Defections: Quality Comes to Services, September-October 1990.

Great customer service is so important that the Malcomb Baldrige Award requires that “Customer service requirements are understood and acted upon and that standards for quality be made explicit and visible throughout an organization especially for those employees who regularly have customer contact i.e., the front line”.

Customer service in America has declined dramatically in the past few years. Providing great customer service to your clients will result in word-of-mouth recommendations -- the best kind of referral -- and retention of the customers you already have. When customers have a choice, they will choose the professional who provides the highest caliber of customer service.

So, is providing great customer service an anachronism? Not hardly!

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