

Enhancing Customer Focus: How Do We Make Clients Proud to Work with Us?

John A. Daly

University of Texas

daly@austin.utexas.edu

www.johnadaly.com

The centrality of loyalty

The values of positive customer relationships

- People long remember negative experiences
- Business decisions are based upon service quality...and the customer, not the provider, defines quality and value
- People tell others about their experiences
- It's about people serving other people
- All it takes is one failure

The Core Principle Of Loyalty

***People hire products to do
jobs for them. What does
your product do for
customers?***

People never buy a product, they buy what the product does for them—the result...the experience

... So...

Fall in love with what the customer values; what sorts of memories do you want your customers to walk away with?

Microsoft (pre 2000): “A computer on every desk and in every home”

Microsoft (2000-): “Empower people through great software anyplace, anytime, and on any device”

WD-40: “We are in the squeak, smell, and dirt business”

FedEx: Peace of Mind

Defining the Customer Experience

Loyalty focuses on your customers' expectations

$$\text{Customer Experience} = \frac{\text{Delivered}}{\text{Expected}}$$

Values: < 1.0

1.0

> 1.0

Act Attentive and Be Responsive

- ❑ **Acting attentive, being polite, demonstrating friendliness and courtesy are crucial indicators of customer focus**

- ❑ **Anticipate needs**
 - **Let them know before a problem happens; Pre-empt the call; Use technology to systemize service; Cross sell where it helps customers—have index dividers near binders; have batteries next to flashlights**

- ❑ **View things from the perspective of the customer**

what matters to you might not matter to the customer

- ❑ **The future will segment more on preferences**

Understanding Matters More Than Agreement

Principle 1: People don't need you to agree with them; they need you to understand them

Principle 2: The customer may not always be right; but they seldom raise a concern they know to be wrong

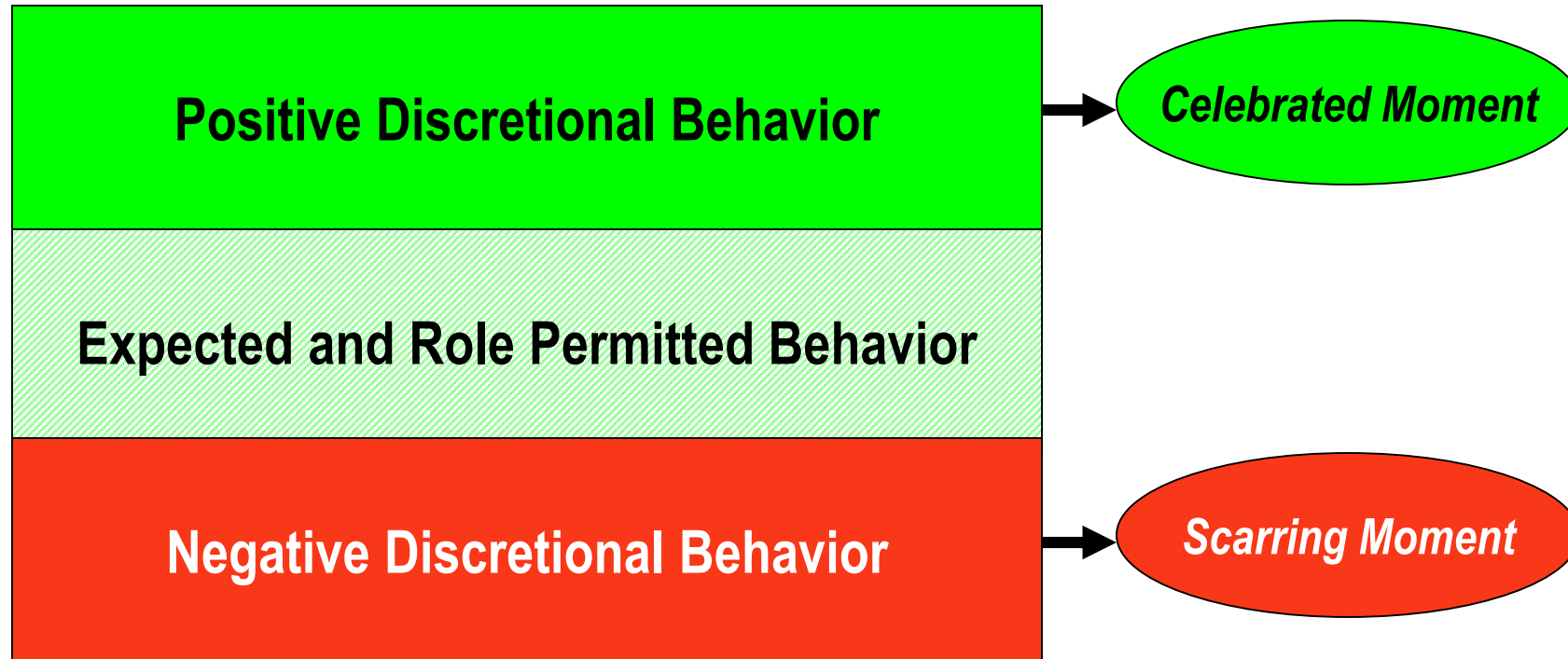
Principle 3: Don't blame customers for things they are not responsible for

Create Loyalty by Rewards

- Emphasize spontaneous rewards over calculated rewards
- Use service surprises
 - Major in the minors; surprise people with details
What are some minors that matter?
 - Demonstrate extra effort
 - Master the follow-up
 - Create positive rituals (a negative-neutral one is the sound of static during dial-up)
 - Save the day!

The Crucial Moment

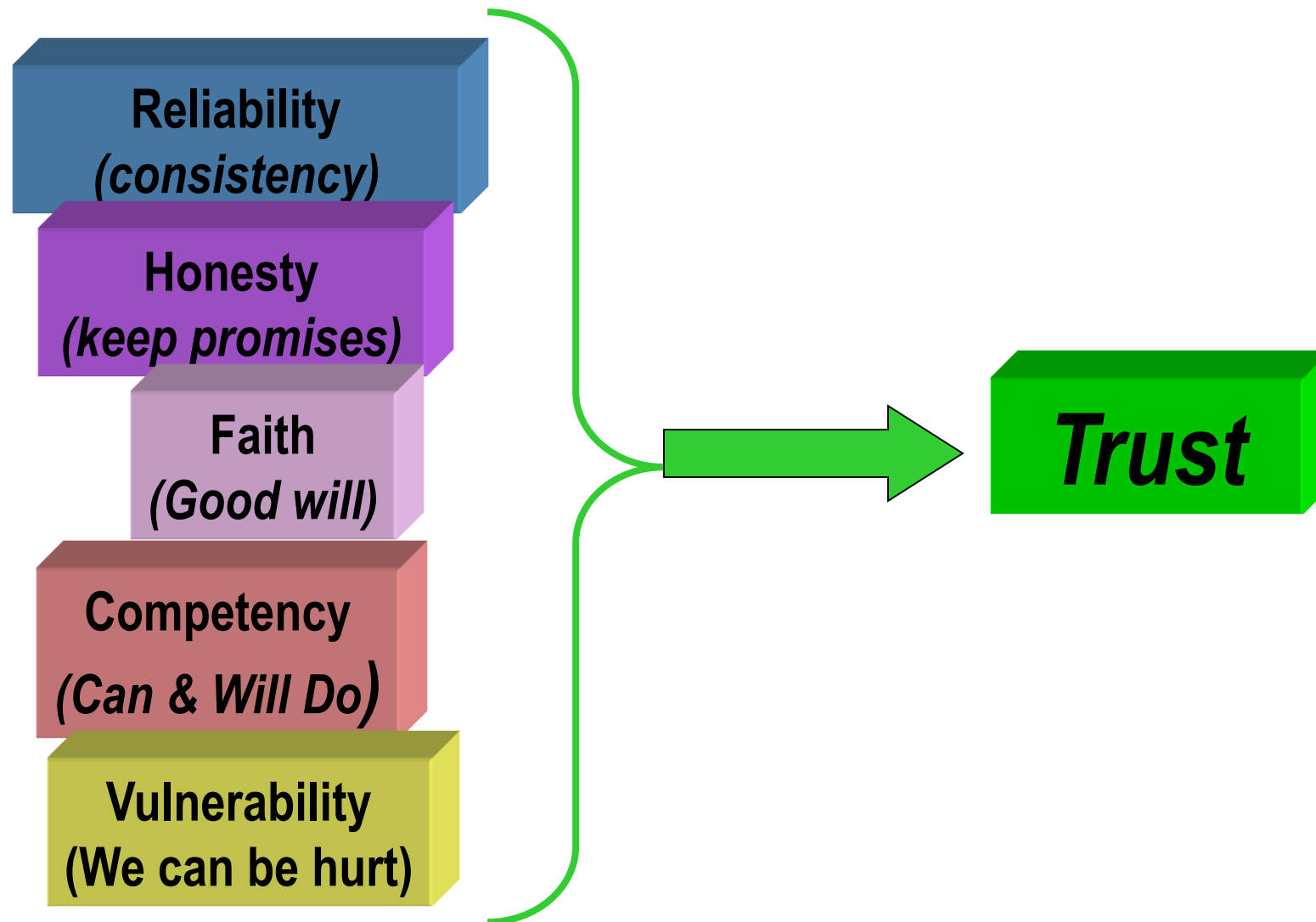
Great service happens when service providers engage in positive discretionary behaviors. They take actions that are under their control that are not presumed to be part of their normal role.



Outstanding Service Providers Are Highly Consistent And Highly Reliable

- **Never make customers' apathetic; avoid learned helplessness (Random acts of reward, punishment, and non-responsiveness)**
- **Guarantee reliability; set high standards for quality and dependability; be consistent on core deliverables**

Trust is Essential



Outstanding service providers are excessively competent

- Competent about your service

Asked what dimensions of customer service they would most like to see companies measure, the highest number of U.S. consumers surveyed — **65%** — said "knowledgeable employees," which most defined as able to "answer my questions without putting me on hold, searching for someone, or transferring me." **62%** said "treats me like a valued customer" and **54%** said "demonstrates desire to meet my needs."

Be proactive in demonstrating your competence (e.g., bench-mark the best; build monitoring systems into your products; call customers to let them know the status of their order)

Outstanding service providers are excessively competent con't

- **Competent about their customers; know their needs; never stereotype your customer**
 - Check your organization for biases—language is one such bias; age is another
 - Successful organizations adapt to their customers; they don't force their customers to adapt to them
 - Identify unique characteristics of each customer

- **Competent about recoveries—know your recovery strategies; what do you do to make it right; what could go wrong**
 - *Know your moments of truth; learn from mistakes*

Outstanding service providers are hassle-free

- How do you hassle your customer? Make them work too hard; never punish the customer for being a customer

Don't confuse the customer (e.g., how many different Web sites are available to customers...is that too many?); More segments (more steps) mean more hassle

How does your unit hassle customers?

And, so, how do we become the best in the world at reducing the hassle?

Make The Experience Effortless But Make Sure They're Aware Of The Effort

What can we do to show how much effort we expend offering our customers a great experience?

Outstanding Service Providers Are Accessible And Available

- How accessible are you? Time? Location?
- Speed of service is becoming a critical competitive advantage: What would happen if you could serve your customers faster

In today's world it isn't about customers finding products and services, it's about products and services finding customers

Outstanding Organizations Empower Customers And Their Employees

- Empowerment = f (control, awareness, accountability, responsibility, and equity in outcomes)
- Customers want "one-stop shopping."
(e.g., whoever gets the call, handles it)
- How do we listen to our employees in order to improve service?

Outstanding Loyalty Is Aided By Clear And Informative Communication

Know what the customer needs to know in his or her language

Work on clear communication...it is critical for any activity

Understand how to talk with your customer