

Customer Service Update

When It Comes to Managing Customer Service, Don't Forget the Human Element



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Everybody knows that providing stellar customer service is crucial to surviving and thriving in the current business environment. Businesses spend billions every year on brochures, websites, and newsletters that help stay in touch with customers.

Companies have adopted sophisticated and expensive communication technologies that make them accessible to customers at all hours of the day and night. Most businesses monitor competitors' pricing to make sure they stay in line with the market, and also make sure their quality provides solid value to their customers. Many company tag lines even say something clever about customer service. Companies want the whole world to know that, when it comes to customer service, they mean business!

Yet, the "experts" tell us that 70% of customers who leave a supplier do so, not because of quality or pricing issues, but because they didn't like the human side of the relationship. Research by the Forum Corporation shows that 45% of customers leave a vendor because the attention they got from that supplier was not to their liking.

In the book, *The Pursuit of Wow*, Tom Peters has identified companies that provide truly outstanding service, and the things they do better than their competitors: They step out, and they stand out.

"Delivering WOW service is a commitment to doing whatever it takes to serve the customer, and that commitment must be imprinted on the hearts and minds of every single employee. Only then can any organization stand apart from their competition," writes Peters.

To accomplish this objective of delivering genuinely outstanding service, companies must understand that it is their employees on the front lines that truly matter. Empowering these employees to make on-the-spot decisions to satisfy a disgruntled customer is critical to the success of any customer service program.

The Ritz-Carlton, winner of the *Malcolm Baldrige National Quality Award*, gives every employee the freedom to do whatever it takes to keep a customer satisfied. Each employee is authorized to spend up to \$2,000 in whatever way they deem appropriate, to solve a customer's problem. They are not forced

to make the customer wait while management is contacted. The vast majority of problems are solved immediately, with a gracious smile and a thank you from the employee.

Sound expensive? Consider how many dollars it takes,

through advertising and marketing, to attract a new customer. Every study shows that it's far less costly to keep an existing customer than to find a new one. So what if the desk clerk pays out \$400 to put a guest up at a neighboring hotel because of a lost reservation. So what if your outside sales guy pays overnight shipping charges to get your customer the material he needs when he needs it? Building loyalty should be at everyone's top of mind, and spending a few bucks is just part of the process.

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But going the extra mile is only part of the story; going the extra mile with a smile is the hard part. It does your company no good if you do something nice with a frown or look of exasperation. In that case, all you've done is spent money; the customer won't be back anyway. He knows you begrudge the favor, and now feels indebted instead of taken care of.

The bottom line: develop an outstanding customer service program because you truly believe it will benefit you. Some research indicates that up to 80% of a company's marketing dollars are spent trying to attract new customers, mostly unsuccessfully.

Why not consider customer service as a marketing function, and devote more dollars to keeping existing customers happier? After all, existing customers spend 33% more than new ones. They are your bread and butter, your company's life's blood. Treat them as the vital component of your success that they are. You'll be glad you did.