

How To Keep Customers From Slipping Through The Cracks

By Joan Fox



As the woman in front of me searched feverishly through her purse for an additional 30 cents, I couldn't help but notice the unfor-giving expression on the grocery clerk's face. Obviously agitated by the amount of time this task was taking, she assumed the corresponding demeanor. Upon paying the small sum, the customer apologized for being disorganized, said "thank you," and went on her way. The service clerk didn't respond.

No great tragedy you say. So the clerk was a bit rude and impatient. She probably was already having a horrible day — and besides no one was harmed.

Consider this. According to E-Satisfy, (formerly TARP), 68 percent of the customers who go elsewhere, do so because of the perception of indifference. They believe that their loyalty is wasted on a company which couldn't care less if they remained a customer. So they vote with their feet — and walk out the door never to be seen again.

It's a lot easier to keep a bucket full, if it isn't leaking. In other words, even though retention of existing customers isn't as sexy as powerful advertising and marketing campaigns to attract new customers, we must keep in mind the following statistic — it costs a company 5 times as much to gain a new customer than to retain an existing one.

There is an equation for keeping customers. It's not exactly a secret, considering the multitude of books on the

topic. It goes something like this.

A good, first interaction with the customer

- + Reliability
- + A quick response time
- + Quality tangibles
- + Empathy

Satisfied Customer

Each of these five factors is critical. Take away any one and the bucket will begin to leak.

Factor #1: The First Interaction

Research by Dr. Leonard Zunin and Natalie Zunin, and additional work by Dr. George Bach and others, gives us phenomenal insight into what transpires in the first few moments in which two human beings interact with each other.

We know that within a very short time span, when two individuals meet for the first time, they make a decision whether to continue the relationship or not. It's evident that this decision is based on assumptions. After all, what do we really know about that other individual at this point? Though appearance and verbal qualities, what we do know is mostly superficial. True insight into that person is not yet available; we know nothing of their values, goals, and life experiences.

Perhaps the scariest fact of all is that this initial illusion usually lasts a lifetime. In other words, if that initial interaction with the customer is poor, even if a fairly good relationship ensues, the brain won't let go of it.

Sixty eight percent of the customers who go elsewhere, do so because of the perception of indifference.

Considering the impact of the initial contact on the customer, a check list to manage this important interaction should include:

- 1) Is the phone being answered in a professional manner? Are phone courtesies employed?
- 2) Are front line employees educated about the value of keeping customers satisfied? How about good communication skills?

- 3) Does everyone in every department know how to do a good service recovery?

Factor #2: Reliability

Reliability relates to consistent performance, and keeping promises.

Consistent Performance

McDonalds has surely built a global reputation on this

factor. A Big Mac in Europe is the same as one in Japan, is the same as one in Chicago. We rely on McDonalds to produce the same tasting Big Mac everywhere. If they ever fail at this, we'll no longer trust them. The reliability factor is the factor that builds trust.

Keeping Promises: The Danger of Slogans and Mottos

The second part of the reliability factor, revolves around meeting customer expectations. Perceived service quality is the difference between what a customer expects and what they get. Mottos and slogans are promises to the customer. More than a few Fortune 500 companies have changed their advertising slogans because they ignited unrealistic customer expectations. An airline that promises, "We're Ready When You Are" is put-



ting itself in a very vulnerable spot. Think about it. Can an airline be “ready when you are” when mechanical problems are inherent in the industry and the weather of course cannot be controlled? Reality based slogans are the key as we roll into the 21st century.

A hotel chain that claims “We Perfected Service” is beckoning for impeachment due to breach of promise; raising expectations ridiculously high is a spawning ground for dissatisfied customers.

The lesson here: Give customers realistic expectations. “We Try Harder” or “Fly the Friendly Skies” are slogans a company can live with.

Factor #3: Responsiveness

Instant soup, instant coffee, and the microwave oven started the frenzy. Modems, global internet capabilities, and instant dating services have all but rendered patience unnecessary. It’s not surprising that our customers demand a quick response time (it’s easy to envision a customer pointing a remote control device at you, and expecting instant response). Indicative of the age in which we live, returning calls promptly, faster delivery times, and using technology to decrease response time, is smart business. Customers simply are not willing to wait.

Factor #4: Tangibles

Tangibles refer to the product itself, the

physical facility, the property upon which the business stands, the furniture, the carpeting, the company literature, the invoice, the advertising materials, and the employee’s appearance, etc. A tangible is anything that the customer can see or touch.

Perceived service quality is the difference between what a customer expects and what they get.

Let’s take the case of a dry cleaning business. The tangibles in question are the cleanliness and decor of the place of business, the quality and appearance of the letterhead, the appearance of the

individual with whom the customer interfaces, the lighting, the quality of any advertisements, the receipt that the customer receives, and the truck with the business name on the side.

Customers make judgments about service quality based on non service factors. When a customer goes to an accountant for tax preparation, he will judge her ability to prepare the taxes in part based on what he sees and touches. If the office is too small, untidy, and has the decor of the eighties, he’s likely to go elsewhere the next time. The customer is more likely to assume competence if the office is clean, roomy and in good taste.

Factor #5: Empathy

Remember our grocery clerk scenario in the beginning of this article? She is “empathy impaired”. Empathy is the opposite of indifference. It is our ability

to switch shoes with our customers and ask the question, “If I was this customer, searching for 30 cents, how would I wish to be treated?” Customer friendly behaviors will usually follow.

Empathy is extremely important to employ when a customer is upset. It’s easy to become defensive and hostile especially if anger is directed at us. It’s critical to listen objectively without becoming emotionally involved. When we are empathic, we listen for understanding, not alignment.

Keeping customers from slipping through the cracks requires a continued investment of time, energy, and resources. It won’t “just happen.” That investment, however, will take your company prosperously into the meat of the 21st century.

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