

Are You Winning With Service?

By Joan Fox



In 1906, the forward pass was legalized in football. Up to that time, the game was exclusively physical. Teams moved the ball down the field inch by inch, yard by yard, by brute force alone. Occasionally, a ball carrier would break away from the pack and score a touchdown. When the forward pass became permissible, only **one** team, St. Louis University, used it. That season, they outscored their opponents 402-11.

Looking back, it's easy for us to ask, "How stupid were these teams, anyway?" Can you imagine having such an incredible winning tool at your fingertips and not using it? There is a lesson for us here. Advantages that are clear and workable for a few are often deemed as useless or unworkable by others. Could a service strategy be the forward pass of business?

I don't have to tell you that service does matter. In a study by the Strategic Planning Institute of Cambridge, MA, companies were put into categories relevant to service quality. Those companies in the top half of service rankings grew twice as fast as those in the bottom half, were able to charge 10 percent more, and returned 1,100 percent more on sales.

So how do you get to be in the top

half? Start with a simple, three-pronged strategy that guarantees your company a competitive advantage.

1. First, you must emphasize customer *retention* as much as customer acquisition. Let's face it — acquiring a new customer is far sexier than keeping an existing one. Conquest is always more seductive. Watching the offense score a touchdown is always more exciting than watching the defense prevent them. So in business, we play this no-win game. Customers that one company loses become their competitor's gain. The cause for this senseless exchange is simple: existing customer bases are taken for granted, and seemingly even punished.

Each January, I become less and less enamored with my workout facility when they offer a \$75 membership discount to new members. From my perspective, as an existing customer who has been loyal for no less than nine years, I feel taken for granted, punished. What about me? What about my loyalty? Oh, I see. You've already got me, so you don't have to care about me anymore.

Statistics tell us that it costs a company three to five times more to gain a new customer than to keep an exist-

ing one. Existing customers offer the greatest profit potential, relatively passive income, and referrals. Your allies, your promoters, are in this base. A good service strategy includes marketing to your existing customer base, and rewarding them for their loyalty.

2. The second prong of your strategy is building a recognizable service brand. The goal of building a recognizable service brand is for your customer to say, "Wow, I can't get this anywhere else."

When I ask organizations what differentiates them in the marketplace, I often hear that the reason customers select

them is their expertise. Many business-to-consumer companies make this claim. In truth, the average consumer does not have the ability to discern true expertise. If you have a shingle and a marketing effort, competence is assumed. Where obvious product differentiation is absent, let service set you apart.

In creating a service brand, an organization must be relentless in creating positive impressions. Every single interaction with the customer must leave a good impression. Creating a service brand therefore requires an analysis of any policy, procedure, practice or process that affects your

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customers in any way. The benchmark questions should be (1) For whom does this policy exist? And (2) Does this procedure exist for the convenience of the company or the customer? It also requires the evaluation, development of, and monitoring of those employees to whom our valued customers have been entrusted. Such an effort is not for those less than 100 percent committed because this analysis requires time, effort, money and human resources.

There is a difference between getting served and feeling served.

3. The third prong in the service strategy is to make your customer *feel* served. You see, there is a difference between *getting* served and *feeling* served. To close the gap between *getting* served and *feeling* served, attention needs to be paid to polite and respectful communication, making

the customer feel welcomed by perhaps greeting them by name, using eye contact, smiling, projecting a positive attitude, spirit of helpfulness and proactive measures.

To gain a competitive advantage with a service strategy, you've gotta walk the walk. However, it is the difference maker. Remember, the stakes are high. Your choices are to either continue to do what every one else is doing—like run the ball, run the ball, run the ball — or to throw a forward pass. I have an amazing client right now. With top down commitment, their efforts to become a premier provider in their industry are becoming a reality. Did this happen overnight? No. Was it cheap? No. Was there resistance from the organization? Yes. Is it an ongoing effort to keep the initiative living? Yes.

What are probable benefits? A premier position in the marketplace with few true competitors. Would your organization be able to compete with them?

The sooner you activate a service strategy, the sooner you can start scoring touchdowns. Go get 'em.

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