

5 Steps to Creating a Great Customer Experience

To be successful over the long-term, your business needs to have profitable customers who come back again and again and again. For that to happen, your customers must have a great experience every time they do business with you.

As I reported in the last issue of Customer Excellence, this does not appear to be happening. Results from studies around the Western world show that large numbers of customers are very unhappy with how they are being treated. What is staggering is not what upsets customers but the number who are upset. For example, 90% of British consumers who made a complaint last year were unhappy with the way the complaint was handled. Another study showed that 82% of people who used a call centre said they had to wait too long. In that same study, 77% complained about having to repeat their story to different people, and after all that, 70% said they did not get their problem solved.



In the same issue of Customer Excellence, Paul Linnell reported that his New Zealand banking survey found that approximately half of all bank customers had a problem with their bank last year. Only about half of these people thought it was worth complaining to their bank and of those who did complain, only 42% were satisfied with the way their complaint was handled. Indeed, at the time of the survey, 44% still had not had their problem resolved. Linnell argues this poor performance not only reduces customer loyalty puts up to 18% of a bank's profits at risk.

Since then, I've seen a global study showing that customer satisfaction with airlines is at a 15 year low and another British study where only one out of eight companies gave service their customers rated as excellent. Call centre customers are not that generous. In a recent study, not one customer surveyed said they had had an excellent call centre experience. Fifty percent described the service they experienced as poor or very poor. Companies appear to perform just as poorly when responding to emailed sales leads. Fourteen percent of such emails are never answered, and the companies that do respond take on average four days to send a standard automated response.

We should not think that New Zealand businesses perform any better. The business section of the October 9th, 2005 issue of the Sunday Star Times, contained a summary of a New Zealand study by Rainger and Brunton, showing that 42% of New Zealanders changed suppliers last year because of poor customer service. More alarmingly, a significant percentage of customers said customer service is deteriorating in New Zealand. One customer was even reported as saying that the level of service is so bad that, "you can understand how people become violent!"

Why are customers so unhappy? Is what they expect unreasonable? Are their demands so great it would be impossible to satisfy them?

Just exactly what do we have to do to provide a great experience for our customers? Here are five steps guaranteed to create an experience your customers would have no hesitation in describing as 'great.'

Step 1: Understand what your customers want.

Ironically, it is not that difficult to create a great customer experience because customers do not want much. An American study by IBM found that customers simply want fast and friendly service by someone who is knowledgeable. They would also like the service to be personalised because, not surprisingly, people do not like being treated like one of a mass.

Pat Waite, chief executive at Public Trust, says their research shows customers want to deal with

companies that are honest, that they can trust and that make them feel safe. They want to be treated with respect and have their transactions treated confidentially. Customers also want to feel the person they are dealing with will do what they say they are going to do and cares about looking after the customer's interests not those of the company.

If you did these few simple things, you would be well on your way to creating a good customer experience. But studies like these give you only broad indicators of how customers want to be treated. If you want to create a great experience for your customers, you must get to know your customers better so you can tailor the experience they receive to match their particular expectations.

When you do get a more in-depth understanding of your customers' preferences, you will quickly find that one size does not fit all and this will help you understand why so many customers say that service is poor. On the other hand, you will not find that every single customer has totally different expectations. What you will discover is that you can segment your customers according to how they would like to be treated, and this will make it possible for you to 'customise' the experience each segment has when doing business with you. This will lead to a better match between what an individual customer would like to experience and what they actually experience when they do business with you.

For your top customers, you might even be able to customise the experience for each individual. Your customers would certainly notice that if you did. I think treating each high value customer the way they would like to be treated would result in them believing they had received a great experience.

Step 2: Get the basics right.

I commonly hear senior managers exhort their staff to "delight" their customers by exceeding their expectations when the reality is the business falls a long way short of even meeting their customers' expectations because they cannot get the basics right.

Customers want results - not excuses, justifications, explanations or even apologies. They simply want the right product in the right place at the right time in the promised condition. They want the bill to be correct, and when they have paid, they would like their account to be credited with the right amount. When customers telephone, they would like to get through to a staff member without spending a long time listening to recorded music, the local radio station or messages promoting the company's other products. If they do have to leave a message, they would like their call returned. When they send an email, they would like a reply preferably within a period where they can still remember why they emailed you. They would like you to use their correct name when you talk to them and they would like you to know about their previous transactions with the company. Customers want their suppliers to be reliable and trustworthy. That means you need to do all these things consistently, not just occasionally.

If you want to get the basics right, you have to succeed in two areas. You must have: 1. Robust processes and systems. 2. The right people doing the right things. Robust processes are both effective (they produce what the customer wants) and they are efficient (there is minimum waste). The route to developing efficient and effective processes is through quality assurance. Remember TQM, ISO 9002, Kaizen and the other tools of quality management? They are not flavour of the month any more but that does not mean they are any less relevant or effective today. If you are not currently practicing the principles of quality management, dust off some of your old books and re-visit their content.

Every business has processes. You may understand your processes or you may not. They may be documented or in people's heads. They may be under control or highly variable. But you will have processes. They are the way work gets done.

A process is a series of activities that has a start point and an end point. A process has inputs and outputs. For a process to operate well, the activities must occur in a certain order and be

performed to a certain standard. Robust processes are owned by one person, documented and in control. The team operating robust processes understands how the process operates (not just their particular job), measures its performance through KPIs, and is constantly working to improve the performance of their process.

You neglect this area at your peril. Processes are the engines that drive your business and no business can outperform faulty processes. Customers expect you to do what you say you are going to do and in this competitive market I bet that to get their business you have been telling them you can do some pretty amazing things. If you do not deliver on these promises, they will not believe doing business with you was a great experience.

Customer-driven organisations know that customers are their business and that processes are the engines that drive their companies. They also understand, as Ray Kroc, the founder of McDonald's used to say, people make it happen. If you want the right things happening in your company, you need the right people doing the right things.

Getting the right people doing the right things starts by understanding the experience your customers want to have when they do business with you (see Step 1). Then you need to identify the skills, knowledge, attitudes and behaviours that will produce that experience. Next you must identify the attributes all employees need to have, from the chief executive to the most junior part-timer, if your customers are going to get that experience. Finally, hire those people.

When recruiting new staff, do not under-estimate the power of attitude. Herb Kelleher, the founder of Southwest Airlines, the only airline in the world that has made a profit every year since it began, used to say, "Hire for attitude and train for skill." He is right. It is relatively easy to teach people skills. It is much harder to change their attitude.

Once you have the right people, you need them to do the right things. Make sure they understand how your customers wish to be treated and also their expectations and preferences. Then recognise effort, reward success and celebrate achievement. Do not wait for perfect performance from your staff before you praise them. You will be waiting a long time and while you are waiting, your customers will have gone somewhere else. It is also important to recognise people when they try to get it right and help them to learn from their mistakes. If you build robust processes and have the right people doing the right things, you will get the basics right. At this point, your customers will start to enjoy doing business with you. The next step is to make dealing with you an absolute pleasure.

Step 3: Make it a pleasure for them to do business with you.

Having a customer is a privilege. Without them, your company would have no revenue and your staff no pay cheques. Yet human nature being what it is, we tend to focus on the tasks we have to complete and see customers as being a distraction or even a nuisance because they take our time and our energy. Even people who have nothing to do but look after customers can fall into the trap of seeing a customer with a special need or difficult problem as someone who is stopping them from serving other customers. And customers with a complaint are seen by most of us as a threat, someone to be got rid of quickly.

But if you work out the lifetime value of your customers, you will count yourself lucky to have them and as a result, you will build an organisation that works for your customers, not one that makes your customers work for your organisation. You will do things quickly and you will make it easy for your customers to do business with you. You will create policies and processes that ensure your customers are looked after and not ones that protect the company against your customers. You will put your customers in the centre of your world (probably on a pedestal) and learn as much about them as you possibly can. You will then use this information to change the way you run your business so it works better for your customer tomorrow than it did yesterday.

If your staff understand that it is the customers who are paying their wages, they will be glad to see them. They will treat them with respect and they will be focused on their customers and not

on what they will be having for lunch. Through their facial expression, body language, tone of voice and general behaviour, they will show their customers they are delighted to have the opportunity to help them and your customers will feel valued as a result. The attitude of your staff will be 'can do will do' and they will be keen to do whatever it takes to satisfy your customers, happily going the extra mile if that is what is needed.

Encourage your staff to think like your customers not about them. I have listened to a lot of customers in my lifetime and I know that what separates a great experience from an ordinary one is whether staff show compassion, patience and empathy. If your staff can put themselves in their customers shoes before they make a decision, take an action or even open their mouths, they are likely to make doing business with your company a pleasure.

People want to do business with companies they like. Does your company have a likable personality in the eyes of your customers? How do they want you to look? Does your image match that? What do they want you to support? Does your sponsorship programme reflect that? How do they want you to act? Is your behaviour consistent with that?

If your customers find themselves dealing with a company with whom it is easy to do business, with staff who are delighted to see them and care about their interests, and with an organisation whose personality they like, then they will find doing business with you to be a pleasure. Getting them to come back to buy again will be easy, and price will not be the issue.

Step 4: 'Wow' them.

When you have got the basics right and created an organisation that people like and enjoy doing business with, then you can aim to delight or 'Wow' your customers.

The secret to delighting your customers is to look for problems they would love you to solve, but cannot reasonably expect that you would, and then when you do, you will knock their socks off. For example, I once got into a taxi at the Toronto airport in Canada. It was the first taxi off the rank, not a special order. I found myself in a Ford LTD, which is a large luxury car, with a driver wearing a jacket and tie. As we left the airport and got on the highway, he told me that if I wanted to catch up on the news, there were three daily newspapers in the seat pocket in front of me. Then he asked me what kind of music I liked.

“Why do you ask?” I answered.

“Because I'll put it on the radio for you,” he said. “Would you like classical music, jazz, pop, rock, country and western, blues, talk-back radio, or shall I leave it off?”

I said jazz would be good. “Would you like something to drink,” he asked a few minutes later. “A cup of tea or coffee?”

I said coffee would be nice, thank you. “Do you prefer regular or decaffeinated coffee?”

“Regular, please.”

“Would you like milk or cream?”

“Milk, please.”

“Sugar?”

“No thank you.”

I did have to pour my own cup of coffee. He has not yet figured out how to drive at 150 kph down a 16 lane highway and pour the coffee but it was no trouble for me to fill the Styrofoam cup from

the pump thermos and pour in a little container of milk.

Now, that is what I call delighting the customer. You do not climb into a taxi and say: "I'd like the daily paper, jazz on the radio and a cup of coffee with milk, please." But when you get it, you think, 'Wow! That was magic!'

How do you find these problems? Ask your customers. They will tell you everything you need to know to succeed. Ask them what they are trying to do and which problems are hampering them from doing that. Make sure you do not talk about your products and services. Talk about their business. You could also invite your customers to talk to your staff about these things so your staff can hear it straight from the horse's mouth. Your staff might be able to think of things you could do to help your customers that you have missed. For the same reason, send your staff out to visit your customers in their workplace so they can see first hand what difficulties your customers encounter trying to satisfy their customers. Or even go one step further and talk to your customers' customers. Try to learn what opportunities your customers have to add value to their customers that they are not seeing and help them to develop those opportunities.

If you delight your customers on a regular basis, they will certainly find doing business with you a pleasure. But a word of caution, do not try to delight your customers until you can get the basics right. You will only end up making them angry.

Step 5: Make your customers successful.

The ultimate great experience is when your customer does not just enjoy doing business with you, or is even amazed by what you can do for them on one or two occasions, but when they see that what you can do for them is critical to their own success. When this happens, you will not have loyal customers, you will have business partners.

We aim too low. I believe that one of the reasons customers get a bad experience is because we try to give them good customer service. We sit inside our businesses and dream up things we think our customers would like us to do and then spend time, effort and money doing them. The trouble is, often what we do is not what our customers want us to do. For example, I regularly stay at four and five star hotels all over the world. I have noticed that all of them, even in countries like Brazil, fold the first sheet on the roll of toilet paper into a point. Now I do not know about you, but I rarely have the need for such accuracy! I often wonder how much it costs each year in a country like New Zealand to do that. And every time I have to wait in line to check in or out because there are too few people serving at the desk, I think to myself, "We are waiting because most of the staff are up in the rooms folding the toilet paper!"

When we think about giving our customers good service, we sit in our world and look out. What we should be doing, of course, is standing in our customers' shoes and looking back in to our business. We must use our scarce resources wisely and that means providing products and services that our customers value, not ones we think are a good idea.

It is better to focus on customer satisfaction than customer service. Satisfaction is the feeling we get when our needs are met, so if you aim to satisfy your customers, you will have to get out of your world and into theirs and find out what their needs are. More importantly, you will have to measure your performance, not by looking at what you have done, but by finding out how your customers about what you have done. That is a big difference. What do you measure to see whether you have had a good day, week or month? I bet nearly all of them relate to activities, things that you do. feel

How often do you go to your customers to learn whether they are satisfied with what you do? This is important, because whether your customers are prepared to pay the prices you need to charge to be profitable, and whether they will return to buy again, is dependent on how they feel, not on what you did.

It is not what you do that matters. It is how your customers feel about what you have done.

But even satisfying your customers is not enough because even satisfied customers defect. In fact, research shows that up to 86% of customers who switched suppliers were happy at the time they defected!

Why would a happy customer take their business somewhere else? Because when you satisfy a customer, you give them what they expect, and when you give someone what they expect to receive, they do not notice it. When you last ate at a restaurant, for example, were you impressed with the fact they provided tables and chairs for you to sit at? Or served the food on plates? Or gave you knives and forks to use? Of course not. Did it cost the restaurant owner time, effort and money to provide these things for you? Certainly. Would you have been upset if they had not had these amenities? You bet! By providing these products and services, the business incurred a cost and gained a customer who did not even notice what they had done for them. The customer was satisfied but unimpressed.

There are two types of customers: Those who are in business and those who are consumers. Business people are trying to increase their profits and consumers are trying to maintain or enhance a certain lifestyle for themselves and their families. You can make your customers successful if you focus on helping your customers to achieve the lifestyle they want and/or to improve the profitability of their businesses.

Business is tough but it is not complicated. Successful companies have profitable customers who stay with them for a long time. For that to happen, their customers must have a great experience every time they do business with the company.

Focus on the five steps I have outlined in this article and your customers will get a different experience from what they received in the past from either you or your competitors. When they realise that, you will experience a difference in their willingness to pay your prices and in their desire to do even more business with you.

And that has got to be good for your business.

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