



# Entrepreneur Incubator

## Reference Article

---

### Cement Customer Loyalty

Customers have expectations on both a functional and emotional level. At a functional level, they expect a product or service to adequately fulfill the purpose for which it was purchased, to be easy to use, to meet quality requirements and to be worth what they paid for it. If your product or service does not do what a customer thinks it will when they purchase it, if it is complicated to use and is not as durable as they expect, or they feel ripped off after buying it, then your chance of receiving future business from that person or customer are probably doomed.

On an emotional level, customers subconsciously process how they feel about an interaction with a company. A customer's emotional experience can be influenced by both sensing and behavioural factors. Sensing factors are the things that the customer sees, smells, tastes, hears and touches on his or her interaction with the business. If you have ever sat on a plane with a horrible smell pumping through the air conditioner, or engaged with a salesperson who has something stuck in their teeth, or sat in a restaurant where loud music interferes with your conversation, then you know that these things significantly influence the likelihood of your ever returning to that provider for future business. The behavioural factors are the interactions that the customer has with people in the business. An upbeat, positive sales person, consultant or receptionist can leave a customer feeling energized. A dull, negative employee can leave a customer feeling dejected and downbeat. Which employee do you think is more likely to positively influence a customer's decision to do future business with the company?

When the economy is working against you, and you want to survive and succeed as a business manager, you need to work really hard to continually exceed your customers' expectations, on both a functional and emotional level. Subconsciously, each customer has a "delight account" – similar to a traditional bank account. When your company exceeds a customer's expectation on either a functional or emotional level, then it is the equivalent of making a deposit into that delight account. Similarly when a product or service does not meet a customer's expectations, you cause a withdrawal from that customer's account. In most cases customers won't tolerate an account in deficit – in other words, no overdraft facility exists on the customer delight account. Since customers generally have a great deal of choice when making buying decisions, previous disappointment with your company and a delight account in the red, will mean that they will take their business elsewhere. Successful businesses are therefore the ones that are depositing far more into their customers' delight accounts than they are withdrawing. The things that are likely to create deposits and cause withdrawals are summarized in the table.



## Entrepreneur Incubator Reference Article

---

Deposits	Withdrawals
A product or service that delivers more benefits than expected	A product or service that fails to deliver the benefits expected
A product or service delivering benefits for longer than expected	A product that stops delivering benefits sooner than expected
A holistic customer experience positively engaging three or more senses	A shallow customer experience that either does not engage the senses or engages them in a negative way
An uplifting interaction with an employee from the business	A dull, downbeat or conflict ridden interaction with someone from the organization
A warranty honoured, no questions asked	Failure to honour a warranty or asking excessive questions before honouring a warranty
Getting very good value for money	Overcharging. Leaving a customer feeling ripped off
A customer complaint handled with respect and transparency. Willingness to admit a mistake and correct it as well and as quickly as possible	Unwillingness to admit when a mistake has been made and failure to fix a mistake quickly and transparently
Ease of interaction with the business e.g. easy to contact, buy, get product	Making it difficult to transact e.g. difficult to opt in and out of service, difficult to contact the company, unresponsive



## Entrepreneur Incubator Reference Article

---

Nothing in the table is surprising. It's all common sense, but the reality for most companies is that it is NOT common practice. Bain and Company's recent survey of customer of 362 companies highlights that only 8% of customers described their experience as "superior", yet 80% of the companies surveyed believed that the experience they had been providing was superior. A quick visit to the South African website [hellopeter.com](http://hellopeter.com), which provides an opportunity for consumers to report good and bad customer service, illustrates how prolific this problem is in South Africa. The website is littered with reports of horrid experiences at well-known South African companies. But the good news is that poor service, bad experiences and unmet expectations in South Africa offer a great opportunity to any business owner. By putting the right processes and practices in place to effectively serve customers, you can distinguish yourself in a crowded market place.

So, what can a business manager do to effectively implement the common sense aspects of managing the delight account as a source of competitive advantage? There are nine tools and practices that can be used to positively influence the experience that customers have when transacting with your business. These nine tools force you, the manager, to focus on the future, engage in the present, and learn from the past in crafting superb customer experiences. They also ensure that you focus on customer experiences at a business, customer and employee level.

### **FUTURE**

Creating a good customer experience begins when a company plans to please customers and makes it a priority. If you don't make it your intention to provide customers with a good experience then the likelihood of you doing so is minimal. Deep down most people have a desire to please others but that desire can only be exercised by your employees if they have access to the right information, if they have adequate resources and if they are provided with an incentive to do so. By building customer service into your business plan, you are forced to consider how each aspect of your business is orientated toward providing the right customer experience. This includes making strategic decisions about what, how, when and where you plan to deliver your product or service, about what expectations you plan to create in the mind of your customers and about how you plan to motivate employees to serve customers effectively.

#### **1. Strategy**

***Decided what you plan to deliver in terms of function, emotion and price.***

No business can be everything to everyone. Making strategic choices is about making clear choices about what you plan to do, what market you plan to serve, at what price point you will deliver your offering and what experience you will deliver to customers. These decisions imply trade-offs. It is usually impossible to be the lowest cost provider, with the most innovative product and the highest levels of intimate customer service, for the broadest market possible. That kind of approach pulls a business in too many directions. It is important to decide how you plan to balance price of product, innovation, service levels and target market to ensure that you are able to



# Entrepreneur Incubator

## Reference Article

---

deliver the customer experience that aligns with your positioning. Your role as the leader of a business is to get this balance right and to make sure that you are creating and delivering the customer experience that aligns with the other strategic factors. Not all businesses get this right immediately; sometimes it takes some tweaking and experimentation to get your business recipe right.

### **2. Expectations**

#### ***Establish clear expectations with customers.***

Once you are clear on your strategy, it is critical that your customers know what to expect. One of the major issues at the heart of poor customer service is expectation differences between customer and service provider – the customer expects to receive one thing and the service provider expects to deliver another. Your most powerful tool for managing a customer's experience is to manage their expectations. Many smaller business owners and start-up entrepreneurs are so focused on just winning a deal that they over-promise – committing to deliver more, sooner, at a higher quality than what is reasonable or possible. This is a sure way to send your business into rapid decline as one missed deadline leads to another and then another and before you know it you are in continuous crisis management mode. A much better strategy is to hold back on promises, tell prospective customer what you know you can do and then try to deliver a little more, a little quicker with a little extra zest. By delivering a little extra, over and above client expectation, you will retain customers and create powerful word of mouth marketing as your customers speak to others in their network. You can only do this effectively, though, if you are conservative in your original promises to clients.

### **3. Empowerment**

#### ***Hire employees with the right attitude, empower and incentivise them to deliver great expectations.***

Every time your employees interact with an external stakeholder they either facilitate a withdrawal or a deposit into your customer's delight account. Are your employees motivated and incentivised to create deposits? Building a motivated workforce starts the minute you hire someone. The first thing to do is to assess a person's inclination to give good service before hiring them: ask previous employers about their service orientation and consider how good their turnaround times and demeanor are. Once you have the right people in frontline jobs, give them the motivation, latitude and information they need to really wow customers. Put incentives in place to recognize those who make a difference in the lives of your customers. Customer service is often related to access to information. Employees need access to information to be able to answer questions and deliver to customers. If you create a culture of positive service in an organization, it will be self-reinforcing and will spread throughout the employee base. But negative service orientation spreads similarly through organisations.



# Entrepreneur Incubator

## Reference Article

---

### **PRESENT**

Great service companies don't only think about the future, they also need to operate in the here and now. Leaders take cognizance of the overall customer experience that their clients are currently exposed to. They get involved on the frontline, interacting with customers and modeling behaviour to set an example for other in the company.

#### **4. Audit**

##### ***Conduct and experience audit within your business***

A customer's interaction with an organization can involve many touch points – telephone conversations, web visits, email contact, person-to-person interaction. A customer experience audit entails understanding what customers experience at each touch point linked to your business. The principle is to capture and analyse a typical customer experience. The important thing is to regularly take stock of what customers are experiencing – what people see, hear, smell, taste and feel- when they interact with your organization.

#### **5. Listen**

##### ***Engage and listen to customers as they interact with your business.***

A customer experience audit is a deliberate and well thought through exercise to ensure that the organisation is delivering what you wish it to deliver. It is particularly important for senior people in your organisation to spend "time on the ground" listening to customers, making sales calls in the call centre or following up on customer complaints. So much can be learnt by just engaging with customers and listening to what they are saying. Bosses or supervisors who casually make themselves available to frontline employees and spend time interacting with customers are more effective in ensuring seamless service to customers and high levels of motivation among employees.

#### **6. Model**

##### ***Display and model the behaviour and approach that you expect from employees***

The leader of an organization has a big influence on the culture of that organization. If you wish to have a service culture, you need to live it – you need to set the tone for your organisation by being service orientated yourself. This means treating customers and employees the way you want your employees to treat your customers.

### **PAST**

In order to move towards a place where you are consistently delivering great customer experiences, you also need to learn from the past. This can mean changing systems and processes in the business, rewarding people differently, or fixing a previous mistake in a way that will have the customer raving about how you solved



## Entrepreneur Incubator Reference Article

---

their problem. The past provides valuable information and ushers in opportunities to correct and improve things.

### **7. Realignment**

***Realign the business practices when they are not delivering the experiences you desire.***

After auditing the customer experience, or as a result of spending time on the ground interacting with customers, you are likely to find things that you don't like. This should spur you on to take action. Even though many organisations collect reams of data, they seldom make use of it to make changes. If you are serious about service you need to use data about customer experience to realign your business to focus more strongly on addressing customer service needs.

### **8. React**

***Right a wrong when an expectation has not been delivered on.***

Learning about a bad customer experience is a great opportunity to fix a mistake and send a customer away feeling even better about the company than they would have had everything been right in the first place. The companies whose service I value most are the ones that have made a mistake but been happy to resolve it quickly and seamlessly – with as little inconvenience to me as possible. They are also the companies that have given me the benefit of the doubt when I have first approached them with a problem or complaint – that have not immediately been on the defensive. Fixing a problem creates loyalty and positive word of mouth marketing. Set up your systems to avoid mistakes but when you do make them, fix them quickly and fix them well.

### **9. Reward**

***Celebrate good feedback and reward employees who provide great experiences.***

At an employee level, one of the most positive things that you can do for the service orientation in your organization is to catch people doing things well. Little things make a big difference in this regard: making a big deal when a customer provides positive feedback, complimenting someone on the way they handled a sales call and displaying all positive customer feedback in a visible location. People naturally like to please, and if they know they are succeeding and are being recognized for it, they will want to do more.

### **Conclusion**

Companies that are serious about delivering positive customer experiences see it as an holistic process in which you plan for the future, embrace the present and learn from the past; and which gets embedded at a strategic, customer and employee level within an enterprise. As a manager you need to decide how serious you are about managing your customers' delight accounts. If you are serious about having a base of customers with massive deposits in their delight account, consider the nine clear tools that this article provides for keeping customers happy, loyal and positive.