

4imprint®
Blue Papers™



Customer Service

Make Gold: The Business Alchemy of Great Customer Service

The customer is always right. Ah, the fateful adage drilled into the heads of every new employee when crossing the threshold into new career territory. But, you may be surprised to hear the truth: the customer isn't always right, but he or she always comes first.

Keeping customer service top-of-mind isn't just important, it's necessary for survival. The truth is customer retention is truly the alpha (and the omega!) in terms of increasing profits and lowering advertising costs. Businesses spend an average of five to six times more money in working to attract new customers than it takes to keep the loyal customer base they've already



built. And, some field experts claim that a company can boost its profits from 25-125% simply by upping loyal customers' purchases by 5 percent.¹

Translation? Don't waste time spinning your wheels, earning and re-earning the trust and loyalty of the same customers due to bad customer service practices. Mix the right customer-centric elements together from the get-go and you'll have a recipe for gold!

Going for the gold will yield more than customer retention, too – it will boost your positive word-of-mouth feedback. Studies prove that impressed customers will spread the word to at least four other people (a.k.a. free advertising!). But, as you've probably guessed, a sour experience's power is even greater—10 or more negative referrals.

So here's the reality: no company is infallible. Chances are you're going to deal with your fair share of customer service snafus throughout your career. But the beauty of that is every negative can be turned into a positive, given the proper planning, communication, reaction and follow-up. Call it Business Alchemy.

¹ *Improving Customer Service, Issue 7-70 by Dr. John Self. Sideroad ezine.*
<http://www.sideroad.com/cscolumn7.html> Viewed 22 January 2008.

Business

Start with communication

It's a well-known fact that people love to complain. But, it turns out that only one-fourth of unsatisfied customers will complain to you, while the other three-fourths will tell everyone but you. Always make it possible for your customers to share their experiences with you, because feedback is the base ingredient to success!

Such open-line communication strategies include:

- Face-to-face communication
- Readily available phone numbers and e-mail addresses
- Web site reply forms and accessible 'contact us' information
- Suggestion boxes where applicable
- Feedback cards within easy reach
- Eager employees who are sympathetic to impromptu concerns



At 4imprint, we try to practice what we preach and it starts at the top. CEO, Kevin Lyons-Tarr, personally answers customer questions and complaints. You can find his email smattered throughout 4imprint's customer communications including customer surveys and emails. In fact, if you don't believe us ... kltarr@4imprint.com.

Infuse pride

In order for your customers to feel like they've made an impact when they voice their concerns, your employees must validate their feelings. Because, two-thirds of customers who share their concerns will still cease to give your organization business if they feel they weren't sufficiently dealt with.²

Employees at all levels are ambassadors to your organization and have an equal opportunity to help or hurt your business image. Take the time to motivate and educate them on the proper etiquette in regard to customer complaints, including such tactics as:

- Talking to everyone who will have contact with your customers and helping them understand the importance of positive responses to negative situations.



² TARP Customer Service Research Consultants Website. <http://www.tarp.com/services.html> Viewed on 22 January 2008

- Organizing a professionally run seminar to stress the importance of good customer service and offer up effective and diverse ways of handling criticism.
- Creating an atmosphere in your company of positive reinforcement, team spirit, and a sense of personal empowerment to make everyone feel involved and want to see the company succeed.

Don't underestimate "The Golden Rule," either – it may just be the most valuable tool you have when it comes to dealing with your organization's staff. "Do unto others as you would have done unto you," translates seamlessly into great customer service. Infusing pride in your employees will make it second nature to them to promote a positive image of your company to all the customers they contact.

Reward employees and give credit when it is due when they champion customer complaint situations. This doesn't mean you have to increase wages, thus tightening the budget elsewhere. While improving salaries can be a great employee reward, it isn't the only effective means of positive reinforcement. Small tokens of appreciation and a hearty, genuine pat on the back go a very long way to cultivating a great employee mentality.



Mix in training

Now that your employees feel both responsible and integral in dealing with customers, you must ensure that their actions speak equally as loud as their words. Add "the three P's" – poise, proficiency and a positive attitude – to your recipe for gold:

- **Poise:** When a customer confronts an employee with an issue, the employee's initial reaction sets the tone for the rest of the conflict resolution. Remind your employees to listen intently, use engaged body language, and respond when appropriate, all the while keeping their cool. This can defuse any proverbial bombs from exploding amidst the confrontation.
- **Proficiency:** After hashing out the situation, an employee's resolution strategy is key to retaining that customer's loyalty to your company. Inform staff members that they have the power to act upon whatever the customer needs resolved ... within reason, of course.

For most solutions, a simple, straightforward gesture is usually required, such as waving a shipping or convenience fee or giving credit toward future purchases,

Thus, if your employees feel they have the discretion to use their common sense and act accordingly without delay, your customer's happiness will be restored and your employees will feel genuine satisfaction when realizing it was them who personally put out the fire.

- **Positive Attitude:** This attribute could be placed at the beginning, middle or end of the three P's, because it's critical for the whole process to succeed. Being positive about the problem, and reassuring your customer that their issue is of the utmost concern to your company, has a universally calming effect on irate customers. If your employees have the proper skills and resolution empowerment, then a positive attitude will come naturally.

Add a scoop of "thank you"

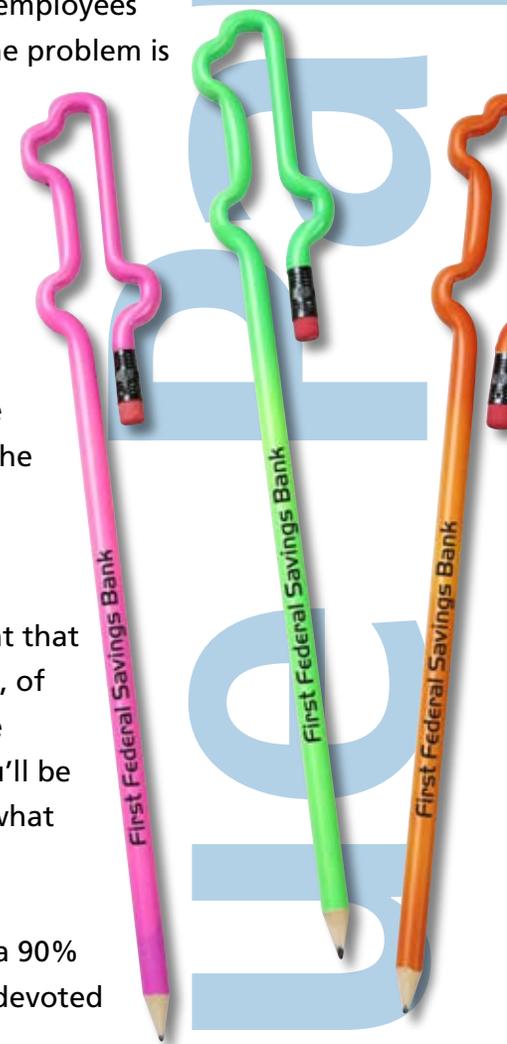
It's time to finish your alchemic efforts. The customer has complained, the employees have been given their license to care, and with hard work and creativity, the problem is being resolved.

As your employees conclude the resolution process, it's important your customers know your organization was sincere in taking their complaints to heart.

Take the extra time to thank customers for their opinions because, quite simply, they likely did your organization a favor by pushing you to improve yourselves. Your words will have an even greater impact if someone from the executive circle expresses that sentiment, too. Show them that the buck doesn't stop until it reaches the top. (kltarr@4imprint.com – remember?)

When it's appropriate, consider promoting the organizational improvement that resulted from the customer complaint. Use his or her name – if they permit, of course – to create improved relations with that customer and also to entice others to help your organization through constructive communication. You'll be showing how adaptive your organization really is and, more importantly, what you value most: your customers.

Believe it or not, utilizing these gold-star customer service tips can lead to a 90% return customer rate³, and it's so easy to execute once you've cultivated a devoted employee team.



³ *The Twenty Customer Service Facts You Should Know* by Virgilio Paralisan Customer Service Blogspot. 5 August 2005. <http://customerservicetools.blogspot.com/2005/08/20-customer-service-facts-you-should.html> Viewed 22 January 2008.

Case study: Old Mutual Group, the next “Happiest Place on Earth”?

For many years, The Disney Corporation has been known as the self-professed “Happiest Place on Earth.” That’s because it has turned customer service into a fine art that’s taught to its entire staff, thus creating a culture where exceptional customer interaction is the norm, not the exception. It envelops the people it serves so completely that consumers aren’t even always aware of the excellent treatment because they’re never reminded of the ways in which things could be improved.

So, it would seem quite obvious that other organizations would want to capitalize on the knowledge garnered over the years from these “customer service kings.” Welcome to the Disney Institute.



The Disney Institute was created to share customer service philosophies with other companies through organized training programs held on Disney grounds. And, it’s open to all forms of business, regardless of industry.

For example, in 2001, financial services company Old Mutual Group, a global business based out of South Africa, wanted to revamp their internal structure. They had found that customer service was at the center of what needed renovating. After researching through customer satisfaction surveys and talking to employees at all levels of their business, they decided to enroll a small group from their staff into the Disney Institute’s training program in Florida.

The Old Mutual group spent time at Disney learning about the culture of customer service and then spent another few days enjoying themselves at the self-proclaimed “Happiest Place on Earth”. After returning home, they spread the word to other staff members about what they’d learned and reformulated that information into practices that were very specific to Old Mutual Group.

Among their applications was the implementation of the acronym SMILE, which stands for “Service, Make It a Life Experience.” They distributed guidelines to everyone inside their company that helped explain the new program, as well as ways to apply it to everyday interaction with customers.

Another program conceived by Old Mutual Group was the concept of rewarding employees for exceptional customer service through an “Award for Excellence”

program. Employees are nominated by their peers and a select few are chosen as the recipients of the award at the end of each year. And, the prize? A trip to Disney World, of course!

Old Mutual Group is a perfect example of how applying the aforementioned customer service improvement practices can yield a bright future:

- There was first and foremost, an internal and external company re-evaluation to discern how customer service could be improved. In their case, it was time for an over-all tune up.
- They followed up their analysis with a program to build a stronger employee base that was both eager and well-versed on how to champion every situation, via the Disney Institute's guidance.
- And now, they're reaping the benefits for their hard work, and telling everyone how their experience with the Disney Institute was immensely transforming.

So, just how are they 'closing the loop' so to speak, and to what ends? They've experienced outstanding job satisfaction for the past five years running, which means turnover is on the decline. Their clients are noticing the difference in the improved employee attitudes and recent customer service studies have showed that "57% of clients were delighted by the service they had received, ten points above the industry average of 47%." ⁴

Between the warm fuzzies that employees feel in their interactions and the clinically proven improvement in the customer service experience, Old Mutual Group may not be the happiest place on earth, but they're right up there with the big dog.

Eureka! Gold

Turning lead into gold is no longer an alchemist's secret, but a metaphoric recipe for business growth and customer satisfaction. It starts easily enough with following the 'Golden-Rule' and putting yourself in 'their shoes'.

Because in the end, everyone wants to be treated with respect and know that their concerns are valid. If you help your employees understand the value in your customers' criticisms, they won't feel irritated when the inevitable confrontation happens. Instead, they will welcome the feedback for what it is ... a gold nugget of insight.



⁴ Adapting Disney's Quality Service Culture Case Study. http://www.disneyinstitute.com/pdf/CaseStudies/DI-412%20Old%20Mutual%20Group%20case%20Study_Low.pdf Viewed on 5 February 2008.