

WHAT'S YOUR **DEFINITION OF SERVICE?**

One of the greatest problems in customer service is the reluctance of upper management to look at service as a marketing strategy. Many of them see it as an after-sale service, something relating back to a previous sale rather than ahead to the next one. Marketing is everything that the consumer encounters when it comes to your business, from advertising, to what they hear, to the customer service that they receive, to the follow-up care that you provide. It's all marketing and creating the decision within the consumer's mind whether or not to choose you initially or for repeat business.

Arthur Blank, one of the founders of Home Depot stated: "Nobody loves a company. A company is just a sign. Nobody loves brick and mortar. We are in the relationship business, not the transaction business." Few retailers understand the power of this thinking.

Marketing brings a customer in; customer service keeps them coming back. In a thriving business customers are not optional it's a requirement for businesses to survive. Your customer services marketing strategy must focus on delivering processes, experiences, and intangibles to customers rather than physical goods and transactions. It involves integrating a focus on the customer throughout the firm and across all functions.

Marketing is not just advertising. The whole purpose of advertising is to get the customer to come in the front door. After that, advertising can't do anything more for you. It's up to the people in the store to take over. Your advertising may bring them in the door but it's up to your people to keep them there and to bring them back. It's up to your people to build a bridge between your company's strategy and exceptional customer experiences. It's these exceptional customer experiences that are the reason you can enjoy customer advocacy and loyalty.

Bottom-Line Value of Service. Is customer loyalty important to the bottom line? Your local supermarket expects at least \$4,400 to \$22,000 from each consumer during the five years that market research shows the consumer lives in the same neighborhood. Auto industry studies have found that a brand-loyal new car dealer's customer represents average revenue of at least \$140,000 over the customer's lifetime.

High-growth companies stay in touch with their markets—and willingly spend the money to do so. They know their customers and they keep their knowledge fresh. Yes, knowing your customers so you can give them what they want and keep them as customers, costs money. But

spending money on something that pays off in profit has never been a problem for well-known companies.

Thinking outside the box. Why is it businesses spend 80% of their marketing dollars going after new customers and clients rather than nurturing, retaining, and maintaining the customer relationships they already have? Take your local cable company, they never offer a savings to present customers, nor do they offer any free services to keep them. They spend all their money and effort going after new customers with a short term deal that will change shortly into a long term unhappy relationship.

Before you spend your time and money going after new customers and clients you do not currently have a relationship with consider the following statistics:

- Repeat customers spend 33% more than new customers.
- Referrals among repeat customers are 107% greater.
- It costs six times more to sell something to a prospect than to sell that same thing to a customer.

Achieving a state of affairs in which quality service becomes an integral element in the organizational culture must be the objective of every organization that truly considers service to be an essential management strategy.

Once a company reaches a happy state of flourishing customer service supported by a consensus and yielding a legacy of commitment, it will realize the full power of quality service. Greater sales and profit are your reward.

Something to think about. During the same time that well-known companies are getting so profitable, they, coincidentally rank at the top in customer satisfaction. What happened? Customer service happened. These companies, like Metro Bank of London, Northeast Delta Dental, Starbucks, JetBlue Airways, GE, Disney, Nordstrom and others, steamrolled over the competition. You'd think the competitors would get a clue.

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