



**GREAT
CUSTOMER
SERVICE:
THE BEST WAY
TO AVOID A
DISCOUNTED
SALE.**



By Daniel C. Feistad

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Preface

The purpose of this book is to show you better ways to run your business by proving the importance of great customer service. The focus is on Customer Service because great Customer Service is the best way to avoid a discounted sale. Many business owners have come to rely on discount sales to bring in traffic, which I will argue is not the best strategy to follow to bring customers to your shop. I will provide dozens of strategies and tactics that will strengthen the ties between you and your customers. These strategies and tactics will help you build customer loyalty, which is the basis for stronger sales. When your customers are more loyal you won't need to rely on a discounted sale to bring in customers. The strategies and tactics found in this book will teach you how to drive traffic in subtle, yet very successful ways. When you apply these strategies and tactics you will learn that excellent customer service is the easiest way to increase sales of products, loyalty of customers, and profits, which will make your company more valuable.

As the world changes, standard marketing methods are no longer working. You see this everyday when you try to attract customers to your business. But there are strategies that have been proven to increase sales. They are found in the Direct Marketing field, where all of these strategies and tactics come from. The funny thing is these strategies and tactics were once the rule. I am glad to announce that they are back.

“Americans believe that they got better service from retailers in the “good old days.”¹ What does that say for your business today? It says that we are not listening to our customers. Herein you will find a plethora of ways to listen to your customers. You will find ways to get your customers to do some of your advertising for you. You will find best practices to set new standards for your company and its marketing efforts. You will find examples of how to implement these strategies. And most importantly, you will see how important customer service is to your success.

“Cheating²” as Seth Godin says gives you an unfair advantage—that's what direct marketing is. This book will show you ways to influence your customers to buy more products more often and to do it happily—cheating if you will. Let your competition decrease

their profit margins by having a discounted sale. It is a strategy that has seen its day. I will show you how to have a discounted sale because you want to, not because you need to drive traffic.

With that said, I feel that it is vital for companies to change their mindset towards their customers. Too many business owners feel that if they just offer products or services it is enough. Fulfilling the needs of their customers is a better way. I expect that over the next few years, and throughout my career I will be focusing on defining and implementing these best practices. I will continue to document and expound on the best practices of others and add my opinions on how to implement them.

To many, incorporating Direct Marketing practices will be a revolution in the way you conduct business. Large companies and visionary business owners alike have embraced and expounded on these best practices. This book is a comprial of their best practices with additional strategies and case studies that prove these facts to be successful. It is time to bring these best practices to you.

Use this book as a guideline for transforming your view of the world. One way you can use this book is to create life files. Life-files are a collection of the following: A GAP file (Guidelines and Procedures), a love file (examples of marketing materials you think are especially effective), a hate file (examples of marketing materials you think are especially poor—what not to do), and a swipe file (examples you want to incorporate in future marketing efforts). Use these files to collect examples of good and bad practices that you come across through your reading, research, etc. and save these examples in these files for future use and reference. These files will come in handy throughout your career, a resource center that helps you train your employees and grow your business (see Chapter Three for more on life-files).

Finally I would like to thank those who have supported me and sacrificed much while I pursued this advanced degree. First, my wife, Cheryl who I truly love for raising my family and putting her desires on hold while I worked on this degree and our children, Kenya and Yzabel. You all make life worth living. Second, Professor Walter Neff, Dean of Direct Marketing at Mercy College, who loves Direct Marketing and has inspired me to pursue a career is

this exciting area. Third, my mentoring professor Frank Calandrucio for all that he has taught me about customer service, which is where I want to focus my career. Thanks, you have helped shape my life. Fourth, Ron Hayes, my intellectual editor, who kept me focused and on target—your suggestions were invaluable. Finally all those who practice great customer service, and the Direct Marketing community; your examples have inspired me to seek out the best of the best and bring that knowledge to others.

Daniel Felsted

DATE: 10/03/03

ENDNOTES

Preface

- 1 Susan K. Jones, “Creative Strategy in Direct Marketing,” NTC Business Books, Chicago, 1998, p.13
- 2 Seth Godin, “Purple Cow,” Portfolio—Penguin Group, Hudson New York, 2003, p. 38

PART 1—Direct Marketing According to Customer Service

Chapter 1—An introduction to Direct Marketing & How It Ties Into Customer Service

Too many business owners are happy with the status quo. Survey after survey shows that they are not listening to their customers. “Customer Satisfaction” is as low as it has ever been. Businesses that do not pay attention to their customers’ suggestions are, first, selling themselves and their customers short by not giving the customer what they really want, a relationship, and secondly, are digging a hole for their business that they may not be able to get out of because they cannot see the weaknesses. But your customers can sure see the weaknesses. They are flocking to the Internet and big box store, like Wal-Mart and Target that at least try to cater to the customer and give them the best perceived price.

Most businesses combat this by having a sale in an attempt to draw customers back to their store. I wish to bring the best practices of Direct Marketing to the retail industry so that retailers can benefit from the lessons already learned and mastered by Direct Marketers. So they don’t have to rely on a sale to bring in customers.

A revolution in the thoughts of business owners and managers is needed to change the focus away from your competition back to you. See, when you have a sale to bring customers back or to increase profits, you have effectively changed the subject from you and your products, and the advantage of buying them from you, to who has the same products you offer at a lower price. Anyone can beat your price, but you don’t want your customer to be thinking about the price until they have already made the decision to buy their products from you. And the strategies and tactics found in the Direct Marketing field are the ones that will help you keep your customers focused on your end goal, which is, buying more products from you.

Direct Marketing Defined

Henry R. “Pete” Hoke Jr., publisher of Direct Marketing magazine, has defined direct marketing as:

An interactive system of marketing that uses one or more advertising media to affect a measurable response and/or transaction at any location, with this activity stored on your database.¹

This is as fine and as accurate a definition of Direct Marketing as I have read anyplace. We will discuss each of the following points of the definition throughout this book.

- The importance of having an interactive marketing system
- The use of advertising
- Measuring response and/or transaction
- Storing gathered resources in your database
- Testing to make sure that you are maximizing your time, money, and profits

Direct Marketing is the items you products that ask for a sale, some examples are: Mailings, advertising, radio/TV spots, newspaper inserts and ads are but a few that you may use regularly. The difference between regular advertising and Direct Marketing is that in Direct Marketing you ask for a sale and give them a way to respond, be it your phone number or a website or you invite them to your store and track their response to the ad. One way you might track sales is by offering a coupon which not only serves as a reminder but provides the customer with an incentive to respond to your Direct Marketing offer.

What can Direct Marketing do for you that regular marketing cannot? Direct Marketing has the ability to combine the strengths of advertising, salesmanship, marketing, accounting, analysis, and customer service to get the most profitable customers to your doorstep. By the time you are finished reading this book you will have learned many of the strategies and techniques that make Direct Marketing so successful. You will have the tools to recognize your most loyal customers; and be able to treat them as your best customers. You will be able to communicate with your customers in ways that they appreciate. You will be able to set yourself apart from your competition and increase profits. As Seth Godin so eloquently stated

in his book *Purple Cow* “Stop advertising and start innovating.” Throughout this book I will present ideas and examples of that you can use to set yourself apart from your competition. I will also show you how others have done it, and how their efforts have impacted their profits.

In their book *The New Marketing Paradigm*, Don E. Schultz, Stanley I. Tannerbaum, and Robert F. Lauterborn challenge all to “start with the customer and work back to the brand.” This is exactly where we will begin this book, with the customer. It is only when we can give the customer more than they expect that they will become loyal long-time customers. When you have the customer’s attention you can use the strategies in this book to increase your profitability.

In laying the groundwork you must create a WOW factor: That is, you must create simple strategies that consistently impress your customers from visit to visit over their lifetime as your customer. “Recognition is one of the greatest motivating factors for human beings.”² This being the case, you must let your customers know how important they are to you. A simple “Hi, John, It’s good to see you again.” can go a long way.

Customer service has declined in the last few years. Customers believe that customer service was better in the “good old days.” Since this is the perception of the majority of customers I believe that it is really easy to impress your customers. Because customer service is so poor across the board, it is in your best interest to take advantage of your poorly performing competition. By paying extra attention to your customers when they come to your place of business, while they are shopping, and when they check out, you are well on your way to improving your profits. Remember, they expect to be treated badly. You can take advantage of this fact and impress your customers by simply providing great customer service. When you can consistently give the customer more than they expect, the WOW factor, you are set to really bring in the profits. But, before you start learning how to impress your customers lets examine how successful businesses have treated their customers.

About 150 years ago the principles of Direct Marketing were fully understood by frontier shop owners. They knew that after the

harvest Mr. Smith would come in looking for the newest tools to improve his farming operation and replace broken items. So, the shopkeeper made sure to keep these special items in stock. He knew that Mrs. Smith cooked roast on Sundays and because she came into the store every week he made sure to save her the best cut. And because he knew that the Smiths' daughters loved to sew he was able to tell Mrs. Smith about a newly arrived bolt of fabric that they might be interested in for the fall dance. He also knew that the Smith's sons would soon need new shoes, so the shop owner would send someone over to tell the Smith's boys when the new shoes arrived. The shop owner also knew that after a long cattle drive the cowboys would need new supplies so he made sure to tell cowboys when to expect shipment of their replacement order.

Here are the lessons we can learn from the businessman of old; how he was able to meet the special needs of his customers:

1. Customer service—by listening to the customer and giving them what they want, how they want it, and making it easy for them to do business with you. Make it a pleasure to do business with you and your customers will be beating down your doors.
2. When customers can purchase a good selection of products from many vendors, what is unique about your offer? You need to show the customer how they can't live without your version of the products you sell. This is accomplished by the value you add into the purchase. Something only you can offer. Throughout this book there will be many suggestions on how you can add value to your product or service.
3. Your best customers' needs are known and fulfilled.
4. Target special offerings of products and/or services to your customers just when they are looking for are provided just when the products and/or services are needed.
5. You are able to understand and fill your customers' needs through direct customer contact.
6. You target your advertising and then let your reputation for excellent customer service be spread by word of mouth.

Direct Marketing Is Your Chance to Stand Out

Direct Marketing provides many advantages over traditional marketing methods and it must be adopted by retailers in order to stay competitive. Our business environment is changing so quickly it is imperative that you change with the times to survive. The principles of Direct Marketing will help you stay ahead of the curve. Direct Marketing is targeted, personal, measurable, testable, flexible, customer focused, profitable and non-interruptive; it is the future!

Direct Marketing Can Be Targeted³

Why should you be interested in marketing to your current customers? Well, “on average, you have a 60 percent to 70 percent chance of doing business again with a current customer, a 20 percent to 40 percent chance with a former customer, but only a 5 percent to 10 percent chance of ever doing business with a non-customer.”⁴ This statistic should start you thinking of what you can do to increase marketing to your current customers!

By keeping a database of customer purchase history you know who your customers are and can focus your contacts to those who want to hear from you. In the process, you avoid those who don't want to hear from you and you are able to save a great deal of your marketing budget. The following case study illustrates the success you can have when you target the correct customers.

“A major health club chain did an excellent job of acquiring members. Its advertising and promotions brought prospects into the clubs and had people joining. It was not as strong at getting members to renew when their annual membership was about to expire.

By conducting focus groups and asking members what it would take to continue their membership, the chain learned the most appealing offers to encourage renewal, put those in place in its clubs and achieved a 30 percent rise in renewals.”⁵

Only your imagination limits the countless ways you can engage your customers. A few examples of how to target customers are: create a bounce back program, make a special offer for customers who have been with you for one year, two, five, etc, give away premiums to customers that buy on a regular basis, create a referral program,

and most importantly build value into what you offer, to set your company apart from your competition.

Imagine if you sold wood-burning stoves, and you developed a free guide called *Wood Burning Stoves: Which Ones Actually Work! And Which Ones Are Guaranteed to Drain your Wallet?* In the guide you compile and compare the top 25 wood burning stoves on the market and explain the pros and cons of each. You will have set yourself up as the leading authority on Wood-Burning Stoves by virtue of your Free Guide. If, for example, your booklet is 25-pages long, your customers will have invested a considerable amount of his/her valuable time educating themselves on which wood-burning stove is the best. And since they are interested in wood-burning stoves they will probably read it. Now why would they go to a competitor when they have invested so much time with you and your, “how to” guide? The answer is, most won't. Their time is valuable and they will realize that for them to reinvest their time into your competition is not a wise move.

This tactic will help you target interested customers and keep them loyal to you, not your competition (See Chapter Nine: How to Excel in Customer Service for additional reference).

Direct Marketing Can Be Personal

Direct Marketing allows you to do certain things that mass advertising can't. Messages are directed to persons or groups of people. Its principles help you segment your pool of interested customers from the people who don't want to hear from you, thus saving you money. In other words, it allows you to talk to people who are interested in your product!

Direct Marketing is relevant to the needs of your customers. You already have some contact with your current customers. You may know many by name. You may remember the last thing they bought from you or their desire to have a specific item. All this information should be recorded in your database so you can continue your next conversation with them from where you left off.

If you know how to use the information in your database you can use it to personalize your contacts with customers. Techniques relat-

ing to the importance of training to achieve this personalization of the stored data is discussed in Chapter Three: Do you have an Interdependent Relationship. Chapter Four: HMM Hearts, Minds, Money, tells you the importance of really knowing your customer and how to make them loyal advocates of your business. In Chapter Nine: How to excel in Customer Service, you will find numerous examples of how to personalize your product offering to your customers needs.

Direct Marketing Is Measurable and Testable

One of the most important principles of Direct Marketing is that it is measurable. You can measure each and every strategy you undertake to see if it is profitable or not. From there you can test other strategies. You build as you go.

Why testing is important? “Testing is a basis for developing real-world performance measures of creative ideas.”⁶ Testing is key because you want to know which of your strategies and tactics are working and which are not. For example, you can test a new creative approach against what you are currently doing. Does it bring in a greater response? If yes, it may be a winner. Continue with it and you may want to establish the tested approach as your new standard. If the test does not work, try something else. (See Chapter Nine for more on testing.)

Direct Marketing Is flexible

Flexibility is most notable in direct mail but not confined to it. Direct mail comes in many forms. You have seen the piles of post cards, number 10 envelopes, brochures, 6” x 9” envelopes, 9” x 12” envelopes, catalogs of all sizes and even unique items like empty soda bottles with a message inside. Another advantage of direct mail is that you have flexibility on how and when they are delivered. I have a client who prints 10,000 pieces but mails out only 200 a week. Other clients will canvas a region, a state, or the country with pieces numbering as many as 1,500,000 and more.

While direct mailing is an important part of Direct Marketing, it is not the only means of getting customer attention. If you own a retail shop, you should talk to your customers when they come into

your shop. But how? You can and should provide, “how to” guides, to help and encourage them to use and enjoy your products or services. You should also provide a community or public area such as a suggestion or question box where customers can share their voice and/or interact with you. You should post important information you want your customer to see in a prominent location. All of this is Direct Marketing too—interfacing directly with your customers.

Another flexible aspect of Direct Marketing is you can make and change in-store or online displays, posters, and notes in a matter of minutes. You can also target different customers within different areas of your shop. Direct women to a specific area and have literature, posters or photographs that cater specifically to them. Show them where to go to find items via signage, posters, banners and maps. Direct them to their personal Resident Expert Pointman (REP). (See Chapter Nine for more on REPs).

The beauty of Direct Marketing flexibility is that you can continually test what works best for directing your customers to and informing them about your services.

Direct Marketing Is Customer Focused

You should continue your conversation with your customers from where you left off—their last visit to your shop. With little or no effort you can learn your customers preferences, purchase history, likes and dislikes, hobbies, preferred mode of contact, and their contact information. You can collect valuable customer information by simply asking your customers a few pre-planned questions while serve them or you check them. All of this personal information will help keep you focused on the needs of your customers the next time you talk with them.

When you are focused on your customers you can provide them what they want and how they want it rather than what you want and how you want it. It sounds so simple doesn't it? Giving your customer what they want! Most of the time we think that we do give our customers what they want. You provide products for your consumers to browse through until they find what they want. But you could have known what they wanted before they arrived if you had asked the right questions the last time you talked to them. Start

asking your customer what they want and how they want it. Then listen carefully because they will tell you exactly how to be more successful. Stay focused and listen to your customer's needs!

Direct Marketing Is More Profitable

Because you can test what is working and what isn't, you can focus your marketing dollars on the more profitable activities. You will not be wasting your money; you will be spending it wisely. In my town there are four companies that produce phone books. I was at a seminar where one participant asked which book was used most? He then said, "I don't know which book to advertise in. I can't afford to advertise in all four!" If you don't know something, such as which book your customers are using, ask them. Your customers will happily answer questions if they think the answer will be beneficial. They love it when they are asked for advice. Ask their opinion and you will be surprised at how much they can and are willing to tell you. When you can provide your customers with what they want, there is a greater chance of them buying more from you, thereby making your business more profitable (See Chapter Four: HMM Hearts, Minds, Money).

Lastly, when you invest your marketing dollars in areas that give you the most positive response, your business will again be more profitable (See Chapter Three: Do You Have an Interdependent Relationship). Through testing you can determine what strategies and tactics are working best. When you know what is working you can focus on it. Then you start the process all over again by testing further improvements in your service or products in order to stay ahead of your competition and increase your profits.

I helped one client develop a promising product through market research and testing. I gathered every resource I could find, print media, online reviews, etc. I compiled charts and images. I provided all the information a customer could possibly want to make an educated decision. The results of this experiment were astounding. This single item became their best selling product. And even more impressive, this strategy turned their slowest season into their busiest. Again, through testing to find what their customers wanted I found a way to increase their profits/sales.

Direct Marketing Talks Directly to Interested Customers

Usually customers don't believe the things we say in advertising. Why, because we use words that are uninteresting to our customers—platitudes. How many people care that you have been in business since 1922? How many people care that you say you have quality products, reliable products, or that you are experienced? Not many! Statements like these are platitudes and because everyone else can say the same thing they are discounted. We are talking advertising, not real life. Every contact you have with your customers should include a testimonial of a satisfied customer. When you use your customers' comments you are providing real life examples that customers can relate to and can believe. You strengthen your position when you use customer's testimonials!

You must engage your customers. You must educate your customers. You must give your customers “a low-risk way to take the next step in the buying process ... put more information in their hands and allow them to feel in total control of the buying decision,”⁷ to get real results. To do this you must talk directly to the interests of your customers.

Most companies begin their ads with their company logo. When you are Nike and you spend \$300,000,000+ a year this is wise, but when you are a small or medium sized business, starting with your logo is usually not enough to interest or engage your customer. A more effective way to engage your customer is to start with something that interests your customer—address a concern your customers have or pique their interest enough to find out who provides that product or service. This is when your logo and a call to action may become relevant. When talking directly to your interested customers you will see greater results from your marketing efforts.

Direct Marketing Is Not Interruptive

OK, this is a little misleading. What I mean is, when you know who your customers are you can talk directly to them. You can target the customer and direct your marketing message exactly where it is most effective. When you send out general messages you are not as effective as you could be. But when you send out targeted messages you can speak directly to a more interested group of customers.

What happens when we use general interruptive media like a TV commercial, a radio ad, or a newspaper ad? We turn people off. Consumers are bombarded by more than 3,000 ads a week⁸. What do people do when they receive this much junk? They turn off, they tune out, they ignore you and you waste your money. Yes you need to get the attention of those who may be interested in your message. But, when you do, you better well have something good to say to them when you interrupt them or they may ignore you for evermore.

Seth Godin teaches us that the consumer is nearly impossible to reach because they are bombarded by advertising; there are too many products to choose from (See Figure 1-1). They are busy with their jobs, their families, their hobbies, etc. Only with the principles of Direct Marketing—One-to-One marketing can you break through this clutter to find and talk to those who might be interested in your product offerings. Throughout this book you will find scores of “how to” principles for engaging your customers.

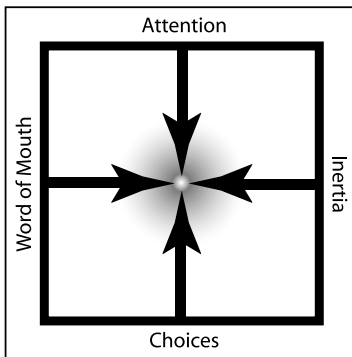


Figure 1-1 Seth Godin's Squeeze Play⁹

Direct Marketing Is The Future

Stan Rapp of MRM Partners Worldwide said it so perfectly “In the 21st century, the database is the marketplace.” We will talk about the importance of databases a little more in Chapter Nine: How to Excel in Customer Service. But for now, keep in mind that things are changing and changing quickly. If you are not ahead of the game or at least changing with the times, you and your company will perish. You will be left behind in the surging tide of the new marketplace. I believe that most businesses are frantically trading

water as it is, and they don't know it. With the big box shops out competing you on price and the internet slicing away a section of customers that don't want to deal with untrained and unfriendly sales people—what are your plans to for survival?

The only way to stay ahead of the curve is to set your company apart! One way to set your company apart is to develop a database and start using it to find the buried treasure that is right in front of your eyes—your customers. Another way is to educate your customer. As Kaj Storbacka stated in his book CRM “Emotions determine the use of knowledge ... Knowledge in turn determines acts.” When you can own the emotions of your customer actions you are well on your way to making a sale.

Study your database and divide your customer base into groups. Are those who buy from you the most bringing in your biggest profits? If so, they need to be treated like assets, which they are. Place them in one group and treat them accordingly. Look at the next most frequent customers, group them and devise strategies to bring them into the most valuable categories, and so on through your customer base.

All of the methods taught in the Direct Marketing field and in this book are what you need to know to stay afloat and get ahead of the game. So, read on and carefully study these principles. Learn how you can incorporate these principles into your daily business practices.

ENDNOTES

Chapter One

- 1 Susan K. Jones, “Creative Strategy in Direct Marketing,” NTC Business Books, Chicago, 1998, p. 5
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- 8 Kaj Storbacka & Jarmo R. Lehtinen, “Customer Relationship Management: Creating competitive Advantage Through Win-Win Relationship Strategies,” Mc Graw Hill, Singapore, 2001, p.71
- 9 Seth Godin, “Purple Cow,” Portfolio—Penguin Group, Hudson New York, 2003, p. 7

Chapter 2— Ways to Never Have a Sale Again

“In order to avoid the danger of commoditization, price should not be the only issue discussed in a relationship.”

—Kaj Storbacka & Jarmo R. Lehtinen

Never having a sale is a radical change from everything that you have ever heard before. How am I supposed to bring in customers? How do I get traffic into my shop? How do I increase my profits margins? These are all valid questions which you have no doubt asked yourself and which will all be answered throughout this book. You might have to change your standard operating procedures. But by building lasting relationships with your customers through strategies found in this book you will no longer need to rely on sales to increase the traffic in your place of business.

OK, lets set the record straight. There are two types of consumers: transaction buyers and relationship buyers.¹ The transactional buyer is price driven and is rarely a profitable customer. They look for sales and/or the best deal in every shop. We have conditioned many shoppers to become transactional buyers. On the other hand, there are also relationship buyers. These are the customers we will be focusing on. This latter group is larger than you might imagine, and they will stick with you even when your competition is having a sale. If you take the time needed to build bonds with this segment of your customer base, subsequent marketing to this group will provide more profit potential than any other marketing campaign you have ever undertaken.

Bloomingdale's top 20% of customers account for 73% of its business and they shop more than 30 times a year in its best stores. You

better believe that Bloomingdale treats these top 20% like gold. A New York retailer discovered from their database that it's top 100 of customers nets them \$500,000 a year.² These customers receive VIP treatment at every contact point. Is it a wonder why?

Why a Sale Hurts You. Stop Changing the Subject!

Lets look at the repercussions of having a sale. You advertise a 25% off sale for either selected items, or better yet, everything in the store because you really want to move merchandise. You bring in transactional customers looking for the best price. They may buy an item or two or even stock up but may never come back until your next year's sale. When you analyze the data, cost to advertise plus overhead plus product sold, you'll find that you may have made a profit for the day. But if they never come back, what are you going to do to bring in customers on the days you are not having sales? You soon realize that you need the traffic to make any profit so you do it over and over again at smaller and smaller margins. In Part II: Direct Marketing According to Customer Service, we will discuss strategies that set you apart by changing the focus back to you (rather than the sale) and what you have to offers your customers.

“The first sale to a newly acquired customer is but the forerunner of additional sales to that customer in the future.”³ This being the case, are you prepared to build a relationship or are you only thinking short term—that a sale today will help the bottom line?

Auto Dealers Change the Subject

We have all heard the local car ads. Their ads scream that they are having a Presidents Day sale, an Easter Day Sale, a Memorial Day Sale, a mid-summer sale. On and on they go. They put up flags on all of their light posts. The hoods of cars are open with the letters “S” in the first car, “A” in the second, “L” in the third, and “E” in the last. All too many have inflatable Monkeys and Monsters or maybe they have FREE hotdogs and soda. They do this three times a month it seems. Who hears this? Most listeners tune it out. “Why go down to look at cars this weekend?” “They will have another sale next weekend,” is what almost every car buyer says. How loud do they have to screech to get any attention? Do they think that they aren't obnoxious enough, so they have still another sale to get you

to come in and buy a new car.

Now lets look at some ways that they can tone down this approach and actually increase sales. Make sure that their salesmen are not perceived as “slick” salesmen. They can build customer trust by employing numerous relationship-building activities. They can explore customer interest in specific car models. Find out what the customers really need verses what they want or what the salesman wants to sell them. Ask questions or hand out a questionnaire designed to help the customer decide how they plan to use this new car or identify their fears doubts. These techniques let the customer feel like they are in control of the process. Use such relationship building dialogues to build customer trust instead of worrying about making an immediate sale. Finally, offer quality services not offered by your competition.

Gus Paulos Chevrolet of Salt Lake City Utah has been running advertisement on television for many years. I can't recall a single one that talked about a sale. Every commercial focuses on their superior customer service. Gus Paulos is appealing to relationship buyers, buyers that will buy multiple cars over their lifetime. By focusing on this customer group, you will be developing lasting relationships that are more profitable and bring in more customers through referrals than the hard sell tactics of the stereotypic car salesman that we all fear and detest.

A Computer Shop Changes the Subject

In a small town in northern Utah a computer shop planned to win big by selling cheap computers. Their strategy was taken from the screaming auto dealer example described above. They hired a high school student to wear a pink gorilla suit and wave to all the people driving by in the hopes that this would get them noticed. Their advertising talked more about the pink gorilla than their low prices. Because they changed the subject they went out of business in less than two years.

On the other hand, Wal-Mart has successfully changed the subject by making their products into commodities. They have diverted the customer's attention away from the products and service they offer and instead focused on the price as the most important issue. As you know, they work on volume and structure their business

towards low profit margins. Most business's can't compete using this strategy. You will never be a Wal-Mart. You need to learn to implement other strategies that will make you more competitive than your competition.

Building trust and a relationship that will last long past the first sale is the key. You want your customers to buy their second, third, fourth, and even fifth product from you. Do what you need to do to get to know them; court them, remember their likes, dislikes and preferences, remember their birthdays and be sure to keep informed of their ever-changing circumstances.

You are right when you say that this is not easy, but it is worth the effort and it is much more profitable. You want to find out who your most profitable customers are and build a relationship with them.

To illustrate let's examine the following Lifetime Value chart of a Customer as composed by Moran Consulting. Have you ever wondered how customer service impacts your company? Take a look at the formula described below to see why treating each and every customer with excellent customer service is so important.

First determine the yearly income of your average customers. To do this, take this customer's average purchase and multiply this amount by the number of times they return each year. This is your customer's yearly income.

Then, multiply this amount by 20.

This total represents the estimated lifetime value of the average customer.

Now, multiply this amount again by 10, the approximate number of people a satisfied customer will talk to about your company. This final amount represents the total dollars your company can earn from 1 delighted customer!

On the other hand, now take the lifetime amount again and multiply it by 20, the approximate number of people an unhappy customer tells about their experience. This represents the amount of money that is lost by your company if you have one unhappy customer.⁴

As you can see, the way you treat your customers affects your bottom line.

Remember, a relationship is a long-term commitment! It costs far less to keep a current customer than it does to obtain a new one. So building a long-term relationship makes sense. You do need to be prepared with strategies and tactics that will engage your customers and keep them coming back for more. Lets look at some successful strategies that keep customers engaged and loyal.

What can you do to keep your customers focused on you and your products?

Strategy: Talk About Your Brands

What is a brand? Among other things it is an educational vehicle. Use your brand to teach your customers why you and your brand are important to them. A brand must stand for something meaningful. Smart brands identify what customers truly care about—themselves. They make an emotional connections with the customers. Successful companies use valuable space to brag about their brand. They show what their brand means and they show its benefits. They provide an experience of what the brand is and what it means to them. They tell their customers what it means to be associated with their brand. Capitalize on this. Incorporate it into your brand experience.

“People will tout a product they like, but they will shout from the rooftops about a product that also is an experience. Experience sells.”

—Kristine Kirby Webster, Principal of The Canterbury Group

We all resonate with the values of one brand or another. Which ones do you believe in? Buy regularly? Talk about? Is it your brand? It should be.

Examples of Talking About Your Brand

Nike is a perfect example of the successful brand experience. Each contact they make is a scripted experience. They have created a per-

sona that people want to become part of. “Just Do It” reinforces what you know to be true. “I don’t have time to get out and do it”—Just do it, make the time, they persuade you. They set out to own the spirit and passion of being an athlete. They own it with “Just Do It.” It says nothing about shoes. The reason why most Americans buy their shoes from Nike is to participate in the brand experience.

Strategy: Comparison Charts

Do you have a great product? Should customers be busting down your door to get it? If there not, why aren’t they? You can benefit greatly from this strategy. Make posters, banners, and tables that compare your product to your competitors product; us vs. them, this vs. that, etc. Explain to your customers how/what features will benefit them. When your customers can plainly see why your product is superior to others the product will sell itself. Your job is to give your customers the facts so that they can make an educated purchase decision.

Examples of Comparison Charts

Filson’s catalog does an excellent job of this. They have a picture of one of their duffel bags with a Volkswagen Engine in it, followed by this copy—“Our duffel bag will carry a Volkswagen engine. Will yours?”

On Kimberly Clark’s website, www.block-it.com, you will find charts that compare the advantages of each car cover fabric for protecting your car’s finish from to a number of possible damaging events.


Product / Product fabric	Noah	Evolution	Dustop	Block-it
Providing nicks and dents on your automobile				●●●●
Storing you automobile indoors			●●●●	
Storing your automobile inside and outside		●●●●		
Protection from all-weather conditions	●●●●			
Warranty	 5 Years	4 Years	4 Years	3 Years

Figure 2-1 Comparison Chart

These companies know how important it is to educate their customers and information materials that support their buying decision. Look for ways to educate your customers. When you educate your customers you increase their probability of buying.

Strategy: Tout Exclusive Items

Do you carry items that no one else sells? Maybe you have items for which you have exclusive rights in a given territory. Let people know that you are the source for these items. Tell them why you carry such items. What are the advantages of buying these “Great” items? Talk to your customers! What features does your product have that others don’t? Tell your customers. ! How will they benefit from these exclusive features/products? Tell your customers and they will have what they need to make an educated decision.

This is something that manufacturers should do more often. If they sell 10 products in 10 stores in your area, what would the effect be if they gave each store one exclusive item to sell? What an advantage it would be to have exclusive items. “You can compare this product but no one else in town has this model. It is the best in its class.” Is there a greater selling point? Ask your manufacturer for exclusive products so you can set yourself apart from your competition.

Examples of Touting Exclusive Items

The cataloger Filson thinks this is so important that they dedicate an entire spread—two pages of their catalog, valuable selling space, on their exclusive fabrics. The spread features four fabrics: Filson’s 100% Virgin Mackinaw Wool, Filson’s Tin Cloth, Filson’s Shelter Cloth, and Filson’s Cover Cloth covering 2/3 of the page. The remaining 1/3 highlights 6 additional exclusive products: Filson’s Feather Cloth, Filson’s Sarari Cloth, Filson’s Brushed Twill, Folson’s Moleskin, Filson’s Rugged Twill, and Filson’s Bridle Leather. No selling, only touting their exclusives!

Strategy: Your Guarantee

Your guarantee is a strong selling tool. It shows your customers how much you trust your product offering. Do you have a great product or service? Use a strong guarantee to tell your customers how much

you believe in the products and or services you sell. Conversely, a poor or unpopular policy will chase customers away or at least offend them and they will never shop with you again.

Examples of Great Guarantees

Neiman Marcus's Guarantee

“If you are not completely satisfied with your Neiman Marcus purchase, please return it for exchange, credit, or refund.”

Williams-Sonoma Guarantee

“We want you to be perfectly satisfied with your purchase. If for any reason a selection does not meet your expectations, please return it to us for and exchange or refund.”

L. L. Bean's Guarantee

“Our products are guaranteed to give 100% satisfaction in every way. Return anything purchased from us at any time if it proves otherwise. We do not want you to have anything from L. L. Bean that is not completely satisfactory.” What a great lifetime warranty!

Filson Clothing's Guarantee

“Our guarantee for over 100 years has never changed: ‘We guarantee every item purchased from us. No more, no less. Your satisfaction is the sole purpose of our transaction.’ ”

—Clinton C. Filson, 1897

eBags.com



Free Returns, 110% Price Guarantee On This Item

Figure 2-2 eBags.com Price Guarantee

This appears on every page. “Customers feel comfortable when buying from eBags.com, so much so that they have bought 2,337,166 bags since 1999.”

Examples of Unpopular Guarantees

A popular online retailer charges a 20% restocking fee.

An auto manufacturer charged a 25% restocking fee.

An in-home party company only gives credit for returns.

These examples produce customers that may never shop with them again because of their policies. Is it worth it to alienate customer from a lifetime of purchases? It might be, but weigh the impact carefully. If you choose to implement a guarantee such as these, latter examples, let your customers know up front so there is no surprise. This way your customers will be able to make an educated decision of whether to purchase from you.

Strategy: Testimonials

A testimonial is probably more powerful than any advertising you do. Many customers don't believe advertising. They think it is false, overstated or exaggerated and discount it. Ask your customers for testimonials. If you have gone out of your way to satisfy your customer they will happily give you testimonials. Post them so your prospective customers can see how you will treat them if/when they become customers.

Strategy: Be a Customer Service Superstar

It is rather easy to become a Customer Service Superstar. In most cases it is the little things that matter. When you talk to customers and take the time to acknowledge their concerns, respect their time, solve their problems or issues, and educate them you are doing things that have been lost in many consumers eyes. Some of the Superstars that I am loyal to are:

Examples of Customer Service Superstars

The Checkers at Macey's Super Market in Logan, Utah

A few years ago my wife and I were in a checkout line at Macey's. The person in front of us was just finishing up. There was some sort of a delay, a technical issue, which only took a few moments to correct. When we got to the check out the cashier gave us a candy bar with the following note attached to it:

“A treat for your trouble. We apologize for the delay. Have a great day!! Macey’s”

This in fact has happened to us twice and has contributed to our being a loyal customer to Macey’s. On average we spend \$2,400 a year at Macey’s because we feel cared for and looked after. Of the additional five major supermarkets in our town, all within ten minutes of the Macey’s, they probably get another \$500-\$700 a year from us combined. Why? Loyalty plays a major roll in the buying decisions of customers. We are loyal to the amount of \$2,400 a year. This small and inexpensive act cemented our loyalty to Macey’s.

Brent Sandburg of Jones Simkins CPA’s, Logan, Utah

Each year we visit the same tax advisor, Brent Sandburg of Jones Simkins CPAs. At first we were neighbors and asked a few questions one year and Brent gladly gave us the advice we were seeking. Now, before each April, we call Brent and schedule an appointment

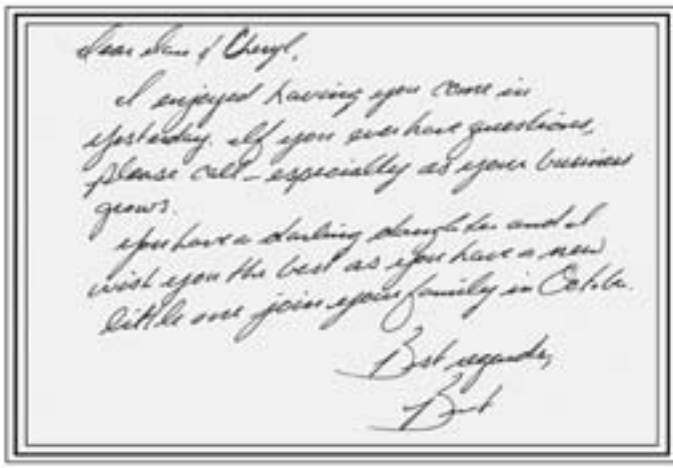


Figure 2-3 Letter From My Accountant

with him to review our taxes. Even though he is a partner now and much more expensive than other associates in his office we have a relationship with him. We trust his advice and want it from him, our friend.

Last year after our visit he sent us a card. It was simple and endearing and is a major factor in our being loyal to him and his business.

The strategies and tactics mentioned in this chapter are designed to help you keep your customers focused on you and the products you

ENDNOTES

Chapter Two

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- 2 Steve Gasner, “Direct Marketing 550 Database Development and Marketing” interview by author, class notes, <http://pipe.mercy.edu>, March 2003
- 3 Bob Stone & Rob Jacobs, “Successful Direct Marketing Methods,” McGraw-Hill, New York, 2001, p. 55
- 4 How to calculate lifetime value of a customer, Moran Consulting Service Essentials, December 2003, eNewsletter, <http://www.moraninc.com>

Chapter 3

Do you have an Interdependent Relationship With Your Employees?

“People want to be proud of what they do and of where they work.”

—Kaj Storbacka & Jarmo R. Lehtinen

What Is an Interdependent Relationship?

In order to create an optimal work environment an interdependent relationship must exist so that each contact point with the customer is as positive as possible. An interdependent relationship is one where each employee, no matter what their position is, knows that they are an integral part of the company and that no single employee is entirely responsible for the success of the company. “Success comes as the result of the unified effort of all participants contributing to the whole.”¹

When employees know that they are part of a team which has a goal of doing what is best for the customer/company you have a greater chance for a harmonious workplace. Foster a company culture where all of your employees are free from the pettiness of office politics. Don't allow company politics to drive down productivity.

Look for signs of conflict. If there is backbiting, gossip, habitual tardiness, and martyrs in the office, you need to look for ways to bring your staff together and end these time killing activities, which rob you of your employee's full attention. Don't allow these productivity/morale killers to thrive.

Train your staff and conduct employee reviews. One criterion that

you must judge employees by is how each employee works with their peers. It is important that each employee knows that it takes a team to accomplish the company's goals and that their job is just as important to the company as the president's job. When each employee knows he/she is valued they are freed from the unknown and will perform at a higher rate than an employee that is burdened by low morale.

One way to foster an interdependent relationship between your employees is to develop an employee review form. Explain to each employee how much weight is given to the comments of peers during their reviews and that it is a major factor in whether or not their review is positive or negative. Teach them that without teamwork they will have to work harder to get the same work done.

Teach them whom to turn to when different situations arise. "John is an expert in customer returns. Maria is one of our software experts; her specialty is Microsoft office. Jason is our computer expert." Explain to each employee how these experts can help them and that they are always available to serve the employee. Also teach the experts that they are expected to help fellow employees when needed. This is important because if an employee knows where to turn and knows that the experts are willing to help, the workplace is more open and this fosters a positive working environment. When employees are left to themselves to solve their problems, time is wasted and productivity is not optimized. (See Chapter Six for case studies on workplace experts.)

Who Are Your Customers?

For your company's success, it is vital that you teach your employees that they are accountable for two types of customers.

When I ask people "Who are your customers?" I am often greeted with a curious stare. Not because they don't know their customers, but because they can tell by my questioning that I'm after a deeper answer than they were prepared to give. Their perception is correct. My question is out of context. I am trying to assess their understanding or knowledge of who are their internal and external customers. It is important that we pay special attention to both groups of customers. After all, these customer groups are not only

our buying customer but also members of the community of individuals that support our business as well.

Internal Customers: Those Who Work With You Or For You

These customers are your employees. These internal customers are those you deal with on a daily basis to get the job done. When I was a designer, the internal customers that I dealt with in order to get my project completed and delivered on time were other designers, the art director, photographers, project managers, the mailroom staff (shipping and receiving), customer service representatives, salesmen, IT department, and other support staff.

When there was friction between any of these people and myself, getting the job to the client was in danger of being delayed. With the number of personalities involved in each project, the obstacles of scheduling and the deadlines involved there was always pressure to perform. These pressures, combined with the pressures of our daily personal lives, can at times cause us to react in inappropriate ways. This is life. But, when an employee knows that they are accountable for their actions and that come review time what their colleagues say about them is, in part, taken into account whether or not their review is positive or negative, they will be more careful and attentive to their dealings with others. How we treat others is important. A good working relationship with internal customers is vital to having harmonious interdependent relationship and this harmony directly translates into likeminded interactions with your external customers.

External Customers/Potential Customers: Those Who Buy From You and Who Service Your Business

External customers are your buying customers; which is the focus of this book. Let me step aside from the traditional meanings of external customers and suggest that you look more closely into the group of potential customers you deal with on a regular basis. This closer look will reveal a group of potential customer consisting of the mail carrier, the trash collector or your radio-advertising representative, to name a few. This group is commonly ignored but are still important for getting your job done on a daily basis and

can influence your business for good or bad—yet they are important and should be acknowledged. With the pressure of getting the job done we often don't take the time to distinguish between who are our customers and who are our potential customers. However, this neglect doesn't lessen their importance in our daily life. Internally, if the accounting department or custodial staff don't do their jobs we won't have paychecks on time, offices to work in or clean bathrooms. Externally, if your support people view your business in a bad light, the word will spread and it will negatively impact your business reputation. Both traditional and potential customers effect how we perceive and perform our jobs.

These potential customers are important for accomplishing our business objectives. The UPS or FedEx delivery person, the copier serviceman or the grounds keepers all have a relationship with you and your staff. How do you and your staff treat them? Do you thank them for the service they render to you or is it just expected? Is it possible that extending such courtesies might improve your delivery schedules or get your grounds crew to do better job? If getting mail in and out is vital to your business or the way your property looks is important to your customers and if you want people saying good things about your business, the thoughtful acknowledgement of people you might otherwise take for granted can yield significant returns. It could strengthen your “word-of-mouth” advertising as well. Recognize all those you deal with. Each person in the chain is important for your businesses success. A simple “thank you” will go a long way. So would an ice cold coke on a hot day!

Getting back to the original question: When asking businesses, “Who are your customers?,” I really want to know how they treat their internal customer—their employees! I also want to know how they treat their external service customers such as the FedEx man and the print saleswoman, etc. But I always start with asking “Who are your customers?” in order to emphasize the importance of focusing on all of their customers.

Of course, I also want to know how they came to know their traditional customers. Did they solicit their customers' feedback or was it voluntarily offered? I am trying to ascertain if they really know all of their customers or if they only think they know all their customers. I'm also trying to find out if they know how to treat

those customers. I try to encourage them to communicate with all of their customers and to understand what they, as employees, need to do to build customer relationships.

When customer relationships are strong everyone is more willing to finish just one more task before the end of the day or serve just one more customer before they end their shift. Keep in mind that when you actively educate your employees to recognize and meet the needs of each customer, you are increasing the caliber of your employees, an effort which directly affects your buying customers and your sales. You will also do wonders for your brand at the same time. Too often employers don't emphasize training for their front-line employees nor do they realize how important training really is for every employee. It is worth every penny spent and it is not for just a select few.

Roy H. Williams said it best in his book *The Wizard of Ads*, "Any investment in sales training is an investment in your gross profits. The only thing more expensive than hiring a sales trainer is not hiring one."

Examples Where Internal Customers Are Not Respected And Work Suffers

Susan worked for a company that had a very possessive company culture. "I have been doing this for a long time. I don't need your input," was a common sentiment. Members of different teams wouldn't talk to one another. On one occasion the marketing department organized a potluck luncheon to celebrate a holiday. Susan invited a person from another department to participate in the luncheon. Susan told members of the marketing team that she had invited a guest from another division that worked closely with them. Susan was told by one project manager that she had overstepped her bounds and to "uninvite" the member of the other department. Susan, embarrassed, uninvited this colleague and as a result, damaged their working relationship. Never again did Susan respect or initiate a conversation with this project manager. If this business had had a positive interdependent environment, with mutual respect and common goals, this kind of incident would never occur and each employee would experience a more enjoyable work environment. As it stands, Susan does her job but she doesn't do

anything extra because of unfavorable interdependent relationships.

Jason thinks of a more efficient way to perform his assigned job and informs his manager of his discovery. Offended by the suggestion, his manager put Jason in his place in no uncertain terms and told him to do the job the way he was taught. As it turned out, the manager was responsible for developing the original job protocol and resented the suggested. Because of the way the manager reacted to the suggestion, henceforth Jason performed his job as instructed and never offered another idea. What a waste! Is the arrogance and perceived self-worth of one employee alienating his co-workers and hurting your chances for increase efficiency and success? “Recognition is one of the most motivating factors for human beings.”² But, when there is no recognition or there are negative reactions to original suggestions, motivation is squelched and a desirable interdependent relationship cannot be established.

While all too common, situations like these can easily be avoided. Through employee training you can establish an environment where open communication and mutual respect between all your people, be they a customer service rep or the vice president. All employees are on the same page and all are working towards a common goal. Regular scheduled employee reviews (see Chapter Five - When to Review Goals), peer reviews, mentoring, reward and acknowledgement programs are great ways to foster a positive interdependent relationship. Just remember that you are training a team to work together for accomplishing a common goal.

Examples Where Internal Customers Are Respected And Productivity Increases

Pat once told me that his boss knows both his strengths and weaknesses. This would concern most employees. I know that when he first told me this story I said to myself that I wouldn't want my boss to know my weaknesses. He went on to say that because his boss knows him, his boss plays to Pat's strengths. By giving Pat projects which play to his strengths where he can excel and avoids giving him projects for which he is unsuited. Consequently, most of Pat's projects are in the areas where his expertise and passion enables him to excel, all because his boss knows Pat's strengths and uses them.

Pat also tells of his commitment to his boss, to the company and how much he loves his work. This, in a time of certainly uncertainty, is worth its weight in gold to both parties. Pat works as hard today as he did when he started working for this company 12 plus years ago.

Bob, the general manager of another company understands the importance of favorable interdependent relationship. He treats his employees with respect and understanding and fosters an environment of open communications. He meets with a dozen different employees on a daily bases. When he visits Peter, one of the company programmers, Bob's special projects are always given priority, not because of his position, but because of their relationship. Every time Peter gives priority to one of Bob's jobs Bob recognizes him for his efforts. One time Bob may just say thank you, other times he sends him a personal email or a hand written note. On some occasions he will even send Peter a gift certificate for a burger or an ice cream. Little acknowledgements such as these are much appreciated and encourage Peter to make the extra effort to finish his assignments on time and squeeze more work into his busy schedule.

Why An Interdependent Relationship Is Important

It is vital to let your employees know that they are an integral component of your business's success. Without an interdependent relationship, the "that's not my job" and "he did this ..." negativity takes hold and you begin to suffer from employees and departments which protect their own parochial interests at the expense of others in the company. I often call this "government work mentality" where you do what ever you can to keep what you currently have and try to get more of it for the next year. With this mentality your business develops favorites, those that can do no harm, and their stepchildren, those that can do no good.

I have seen it happen time and again. Department "A" is important and they have large budgets, excess staff, and everyone gets on-the-job training. Where department "B" is not considered as important and they have no budget, old equipment, no job training, no incentives, little job satisfaction, high turn over, and are picked on or looked down on by others within the business structure. Where this is the case, the business is unhealthy and many of its functions

are not running at optimal levels and the support people, whether internal or external, are not working as hard for the company as they could.

To avoid these kind of problems, you need to look carefully at how you treat your employees, you need to create an environment where interdependent relationships prosper! Employees want and need a good leader. A good leader doesn't make company decisions based on personal opinions, prejudices or strictly on budget concerns. Instead, a good leader first asks for input from his employees. He also trains employees to make decisions on their own; decisions which are in the best interest of the customer! This kind of leadership takes time and planning. It involves retraining and reviewing employees on a regular basis. This is how you foster an interdependent relationship between all of your employees! And keep in mind, when you make your employees the best they can be, your customers will benefit and your company will grow.

When you don't have an environment where interdependent relationships exist, your employees are worrying about their turf and are susceptible to all too common workplace practices which do your organization more harm than good. Your employees are not encouraged to excel and to become the experts that your buying customers depend upon in order to make the best buying decisions. If you are not offering your customers the best possible service, even extraordinary service, your customers will leave you in search of a company that will. So interdependent relationship means giving your customer what they really want a good product with great service—a relationship.

Also be aware of the standards your competition sets for you. Your customers will hold you to the standards set by others if you don't your business will suffer.

Your Employees Will Have Confidence

“One of the biggest complaints that customers have about customer contact people is that the contact people have no authority.”³

After you have established an environment where interdependent relationships flourish, your employees will know, through continued training, that they have the power to make decisions that help their customers and your company and which, in turn, reflects positively upon them. They will take pride in their work. They will feel empowered and learn how to make quicker decisions that benefit their customers. And surprisingly, in many cases their decisions will be more cost conscious and thoughtful. Delta airlines created a board game to teach employees how Delta runs their business. The game is called *Our Airline, Our Business* and is designed to increase business literacy among its work force. How does this help Delta? “If an employee knows what part he or she plays in the financial health of the company, you’ve got an invaluable tool,” says Kristi Tucker, a Delta spokeswoman.

In playing the game, employees are given responsibility for making financial decisions in running the company. “It’s interesting to hear how frugal and discerning employees become when they must make financial decisions themselves. “They really gain some business savvy—you’ll hear them say, ‘we can’t spend this much on that!’” she says. In this way Delta’s leaders impress upon the employees that almost every decision they makes can impact the company’s bottom line.

In their internal newsletter, *NewsDigest*, Fred Reid, Delta’s President said, “Delta’s greatest asset is not detailed on our balance sheet. It’s our people, and *Our Airline, Our Business* gives you the information you need to be a more knowledgeable business person, to make smart business decisions—for you and our company every day.” Delta knows how important it is to their bottom line to teach their employees to make sound decision for their company’s success.

Your Employees Will Have Enthusiasm

By training your employees to become experts in their field they will be confident and that confidence will translate into more natural interactions with your customers. Imagine a customer’s impression when they walk into your shop and see two employees standing in a corner talking to themselves, not noticing her standing there! Yikes, that has happened to me on a number of occasions in a variety of stores.

There have been times when I could not find someone to answer my questions or even take my money when I wanted to give it. I immediately knew that I was not important and that I would not get the kind of attention that would make me a lifetime customer.

Now contrast this with the following: My wife and I like winter sports. I liked down-hill skiing and my wife likes cross-country skiing. She had no desire to do down-hill and I had no desire to do cross-country. That was a problem until we decided that we would try snowshoeing as a family activity.

But we knew relatively little about snowshoes so we went into the local sporting goods shop to look for more information on snowshoes. We picked up the few brochures that were available and looked up at the snowshoes on the wall they had for sell.

My first thought was that “Those are big, they must be the good.” As I looked through the brochure my next thought was, “Those are blue, I like blue. I think I would like that blue pair. A friendly salesman came up to us and introduced himself. He asked a few questions to assess our interest and ability. We exchanged some small talk but didn’t commit to anything. After a few questions we discovered a common interest, we knew his mother. We quickly warmed up and he went into how much he loved snowshoeing. He told us of his most recent trip, 3 days snowshoeing in Yellowstone’s backcountry. He talked about what to look for in a pair of snowshoes; the pros and cons intermixed with personal experiences. Before we knew it we had spent an hour talking to him and getting educated on snowshoes.

While we didn’t make an immediate purchase, by Christmas we were the excited owners of two new pairs of the coolest snowshoes one could buy. We spent over \$500 on snowshoes at that store because we established a relationship with a salesman. There were more than 10 shops that sold snowshoes in our area, in addition to the possibility of buying them online. But we were motivated to reward this well trained employee because we had developed a relationship with him. Such emotional bonds drive more sales than you can imagine (more about this story in Chapter Four). Also, this is an example of how employees will act in a work environment free from pettiness and “office politics.”

When you train your employees you equip them with the power, ability, and enthusiasm to serve their customers. As you increase their responsibilities their confidence grows and they will be motivated to seek out the additional knowledge that will benefit their customers and your business. The first step in making your employees experts in their field is to establish an interdependent relationship between your staff.

Your Employees Will Be Attentive to Your Customers

When you encourage your employees to become experts in your product lines, you are helping them to serve their customers. Like the salesman that educated us about snowshoes, as the knowledge of your employees increases they will become more effective salespeople, as manifested in ever increasing sales.

You will most likely need to develop strategies to encourage and reward employees who seek out extra knowledge. There are many ways to reward your employees. Some may be enticed by a more flexible work schedule while others may appreciate a greater discount on the products you sell. Still others will be happy to have learned lessons which contribute to their increasing skills and support their long term careers.

When your employees become experts they will be more confident. As an expert, they will have a database of resources to draw from in order to counsel their customers. They will have experiences and examples to think about or share. They will know what questions to ask in order to properly address their customers' needs. They will instinctively understand and be able to implement the strategies of cross-selling and up-selling (See Chapter Nine for more on cross-selling and up-selling). They will help your business become the destination for answering customers' questions and keeping them focused on you rather than your competition.

Your Customers Will Tell Others

Studies have shown that a happy customer will tell ten friends and acquaintances of their good experiences with a company. This is great news if you treat your customer well or "WOW" (discussed in Chapter One) them with your customer service! Unhappy custom-

ers, on the other hand, will tell twenty friends and acquaintances of the poor service or bad experience with a business (see Figure 3-1 Loyalty-focused Companies).

You determine how your customers talk about you. By taking a little time each day to teach your employees the importance of an interdependent relationship, you have the potential of taking customers away from your competition, even if they are a “big box” store, thereby dramatically increase your sales and profits.

Loyalty-focused companies out perform nonloyalty-focused companies 2-1

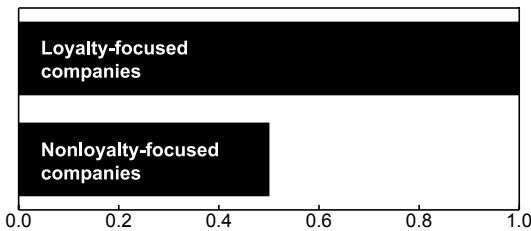


Figure 3-1 Loyalty-focused Companies

How Can You Support Your Employees?

Training is the key to turning your employees into experts. You should layout a plan to decide those areas in which you need your employees to become experts. Record the names of each of your employees and a list of areas where you believe being an expert would benefit their customer base. Counsel with your employees to determine their strengths and weaknesses and get their feedback on areas in which they want to be an expert. What you may find is that your employees are already expert in one or two areas but would welcome the chance to become an expert in others. By encouraging your employees to increase their skills you benefit them and your business.

Make products available to your employees to help them become familiar with the products and gain valuable experience in their use. Encourage your “new experts” to build “life-files” (discussed in the Preface and below) where they can collect and store documentation and references supporting their new experience and knowledge regarding your products and services.

To make myself the best I can be in my areas of expertise I collect and study examples of direct mail, advertising, packaging, and articles from trade magazines. Even my friends save examples for me of items they think might be interesting to me.

Because of my life-file I have ready access to many examples of what to do or not to do in almost every situations. I often ask myself, “How did they do that?” or “That’s brilliant!” and record those items in my file. My GAP (Guidance and Procedures) file has articles and “how-to guides” which can help me to do my job better. Sometimes I use these facts as reminders or I pass them along to someone who could benefit from the information I have gathered.

Help your employees develop life-files. Encourage them to gather information and resources they can use to educate your customers. Encourage them to use the products they sell in their private activities in order to help them polish their knowledge and experience.

Sponsor events and invite outside experts to train your employees. Many manufacturers have representatives who will come to your shop and demonstrate their products. You can even use the event to build relations with your community. Invite members of the community to come in and try-out the products. I have attended “try-out” events which have provided a great benefit not only for the sponsoring business but also for the manufacturer and community.

Do what you can to encourage your employees to be the expert. Then promote their knowledge and experience in your advertising and marketing. Many catalogers refer to their customer service representatives as experts and put photos of them in their catalogs to make customers more willing and comfortable to call and place an order. It puts a “face on the voice.” Tout the collective experience of all of your “expert” staff members and invite the community to seek their advice for their needs. Remember that all of these strategies are derived from the premise of this chapter. “Success comes as the result of the unified effort of all participants contributing to the whole,” where your team of employees’ work hard to serve each other and your customer’s needs. In doing so, your shop will become the destination of customers for miles around.

What Your Employees Will Do For You And Your Business

As in the examples discussed in Chapter Two describing how to determine the life-time value of your customers, your company will also benefit from this support of your employees. You will build bonds and your employees will have a greater potential to reach extraordinary goals. They will stand by you through thick and thin and perform like never before.

One of my former bosses stands out from the rest as trusting his employees the most. He stood up for the decisions made by his employees. He encouraged us to excel and polish our skills. Because of his leadership and encouragement we worked harder and longer and were more productive. Our department mostly worked under the premise of this chapter, establishing an interdependent working relationship, and we excelled beyond all expectations. He was able to get the best out of his staff. We were willing to do whatever it took to get the job done because of his management style. We gladly took work home and solved problems in our free time. When your employees understand your vision for them and that you want to help them to become experts, they will exceed your expectations by working to “WOW” your customers.

What You Need To Do For Your Employees

When your employees become experts, take time to recognize them. In my local paper there is a section called “People in Business” where companies post a picture and a brief biographical description of employees who have displayed exceptional achievements. Others use this forum to inform the public of a new hire or just acknowledge a great employee. All of these examples build strength between your employees and the community and are an important contact point with potential customers that shouldn’t be ignored. In fact, these types of recognition and outreach efforts should be a regular part of your marketing budget.

Show your employees by your actions, not just your words, that you are committed to the premise of an interdependent relationship. Recognize your employees for the excellent service they provide. Post “employee of the month” photos and hand out certificates. Give a gift card or a gift certificate to employees who meet or exceed the goals you have set. Develop strategies that foster their

learning and growth. Consider offering benefits such as flextime, which many employees consider beneficial. Look for opportunities to do little things that show your employees that you care about them. Encourage them to keep up their good work and they will help you achieve the “WOW” factor you seek.

ENDNOTES

Chapter Three

- 1 Elaine K. Harris, "Customer Service A Practical Approach,"
New Jersey, Prentice Hall, 2003 3rd edition, p.120
- 2 Lois K. Geller, Customers For Keeps, Avon, Massachusetts,
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- 3 _____. Customers For Keeps, Avon, Massachusetts,
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Chapter 4 HMM—Hearts, Mind, and Money

“Organizations need to shift their level of thinking from the management of business transactions to the management of customer relationships.”

—Kai Storbacka, Customer Relationship Management

The Psychology of a Customer

Everything begins and ends with the customer. By this I mean you must gain an in-depth understanding of who your customer is. When you understand the needs of your customers you can offer them products and services that solve their problems. If you are not able or willing to satisfy their needs they will go to someone who will. It is very important that each and every decision you make is in harmony with your customer's needs. Your customers lead busy lives. They have more and more pressure placed on their time and resources. If you don't make the experience as painless as possible they will seek out someone who will. Your customers' needs must be taken into consideration if you want to build a relationship with them; a relationship that translates into a buying customer.

Recognition, satisfaction, and service are tools that help build relationships of trust between your customers and your organization and remind the customer why they should shop with you and not your competition.

To satisfy your customers, do things right, right from the beginning. You cannot easily change the mind of your customers, so the image they form of your company from the first contact is a large obstacle to overcome if it is negative. Doing it right the first time makes life easier. Customers are too busy; waiting for another

chance to win their heart is risky at best. By being proactive and applying the great customer service practices found herein you are setting the stage to “WOW” your customers and “WOWing” your customer is one way to build a strong relationship with them.

“Marketing is a battle of perceptions, not products.”

—Jack Trout, *The 22 Immutable Laws of Marketing*

Money spent trying to convince someone that you are better than the competition may be money better spent elsewhere. It is very difficult to change the mind of someone who is already satisfied with a competitor’s product or service. But you can win them over. How? Develop strategies to show them that you are different! We have already described many strategies for showing customers that you care about them and how to translated that realization into profits for your business. This chapter will introduce and elaborate upon two infinitely important goals to keep in mind when dealing with your customers, namely, winning their hearts and minds! By winning the hearts and minds of your customers through superior service, you will win the battle with your competitors and gain market share or a greater share of your customer’s wallet. Of course to achieve these two goals, you must understand your customers!

“We don’t buy brands. We join them.”

—Missy Park, *Title 9 Sports*

Winning Hearts

From the moment you meet a new customer you must be ready to do things right! Studies have shown that as many as 80% of purchase decisions are emotional. Scott Rockwood CEO of Richter 7 contends that it is much higher when he said, “99.9 % of the buying decision is emotional.” In either case, if the majority of the consumers are making their buying decisions based on emotion, what are you doing to win their hearts? How do you make an emotional connection between your customers and the products and services you sell? Is each contact with your customers an experience to remember? Are these contacts something that they will walk

away from and tell their friends and colleagues about? Are they so impressed that they can't help talking about you? Why not? They should be. Here is your opportunity to "WOW" them. They are standing in your store, visiting your website or reading or listening to your advertisements. Are you educating your customers and tapping into their emotional decision making processes? Each contact you make with your customer is a vital stepping-stone to winning their hearts.

"Emotions determine the use of knowledge ... Knowledge in turn determines acts."

—Kaj Storbacka & Jarmo R. Lehtinen

In their book, *Customer Relationship Management: Creating Competitive Advantage Through Win-Win Relationship Strategies*, Kaj Storbacka and Jarmo R. Lehtinen speak at length about how important it is to building a bond between your customers and your business. While each decision to buy is based on knowledge, our emotions determine if we have enough knowledge to go ahead and buy the product.

Everyday customers decide, based on their emotions, if the products before them are more valuable than the cash in hand. They may ask themselves "Will this brand impress my peers?" or "Can this tool help me get the job done quicker?" or "Can I live with this model even though I want a different one that I can't afford?" The decisions we make are based on the knowledge we have but are driven by our emotions. You are the liaison between your customer's knowledge-base and their wallet. You play a vital role in shaping their emotions; their buying decisions! You have the power to tip the scales so to speak. You can apply strategies and tactics that help them convince themselves that the products and services you offer are right for them. Some ways that you can engage your customers and shape their buying decisions, that is win their hearts, are presented as follows:

Smile At Those You Meet

A pleasant salutation should be the very first thing out of your

mouth when you meet anyone, especially customers. A smile will relax your customers and let them know that you are close by and willing to be of assistance at a moments notice.

Engage Their Senses

Appeal to as many of the 5 senses as possible. Sight, smell, touch, taste, and hearing. Each sense you reach will increase your chance of selling. Play music that will enhance your customers shopping experience. Take your customer outside with the smell of the great outdoors. Display large posters featuring the use of your products are to help your customers imagine using your product as depicted or associate it with other applications. Will offering free samples encourage buying? Will taking the product out of the box, so customers can touch and feel, facilitate buying? Investigate ways that you can enhance the customers experience by appealing to these senses.

Stork's Landing, a maternity and baby products store serves the "Craving-of-the-Month" to the customers in their store. Can you think of a better way to win the hearts of soon-to-be-mothers then offering them free samples of predictably craved food? What expecting woman wouldn't walk into your store for free chocolates, Cheesecake, ice cream or whatever the "craving product" may be for that month? What person, expecting or not, wouldn't take advantage of free high quality refreshments while they are shopping in your store? Expecting mothers need a plethora of products for their babies. Stork's Landing strives to make the buying process more satisfying by offering a whole range of unanticipated related products.

Leaving a Voice Mail Message

There are times when you must call a customer. When leaving a voicemail messages remember to speak clearly and slowly especially when leaving a phone number. To often people are nervous and rambling. Practice leaving message that are brief and to the point.

Your Company's Voice Mail Message

When your customers call and get your company's voice mail message, what do they hear? Do they get an energetic message? Are they excited or intrigued to come to your shop because of what your

phone message said or implied? They should be! You have a chance to make an impression on your customers each time they call you. Do you make it easy for them to talk to you in person if they need to? Take a look at how your phone message represents your business. You may be missing an opportunity to “WOW” your customers.

Show Your Customers How Much You Care

Request feedback from your customers and respond to every comment received. When you show your customers that you listen to their comments and concerns by responding promptly, they will come to believe that you care about them.

Develop strategies such as these to capture your customers’ heart. When your customer’s heart is engaged, you are poised to “WOW” him all the way to the bank.

“The first sale to a newly acquired customer is but a forerunner of additional sales to that customer in the future.”

—Stone, Jacobs, *Successful Direct Marketing Strategies*

Winning Minds

Now, if in fact upwards of 80% of the purchase decision is emotional, what determines the remaining 20%? Strategies are needed to reinforce the “heart’s” decision by talking to the customers “minds.” There is an overlap between the heart and the mind. You cannot get into their minds until you win their hearts. After you have set the stage and prepared your customer emotionally to make the purchase, you need to justify that emotional decision in their mind. The customer needs facts to help justify the price and the features, benefits and claims of the product. They are about to trade their hard earned money for the products you offer. They want to see the value of your product or service. They examine the product. They read the hang-tag, or the outside of the box. They are searching for facts to help them justify their desires to purchase your product.

To cement the customer’s actions during this stage you need to be prepared with facts, charts, benefits, testimonials, stories, articles and booklets, just to name a few. To be ready you need to have a

plan—strategies that will see you through to the purchase of your products and services—lower the risk of buying if you will. One of the best ways to educate your customer and help them to make the purchase decision is to educate your employees. You need to equip your staff with facts and other resource and support materials for inclusion in their personal reference libraries. Then encourage them to use that library in their sales strategies.

Training Employees to Win

Nanette is a manager of an Inkley's Ritz Camera store in Rexberg, Idaho. She sells more large prints than all the other Inkley's stores in her region combined. She told me that other managers always ask her how she sells so many. She says it's simple. She knows the value of the larger prints and how to present them—they are irresistible to her customers.

After she takes the pictures of a couple or family she sits them down in her studio and discusses the sizes of prints the family should consider. She starts by telling the customer the advantages of the 8x10" size. "This is the perfect size for giving to parents or for putting on your desk at work." She then explains that to really show the beauty of the pictures you want to have an 18" X 24" or 24" x 36" print. She pulls out a beautiful 18" X 24" print and hangs it on the wall for them to admire. She talks about how it will look over their fireplace or in their entry. Usually, her customers then ask about a smaller size, for example the 11" X 14." She says, "Let me go get one," and she leaves the studio. She takes her time finding the 11" X 14" frame, leaving the customer time to admire the larger size print on the wall.

When she returns she then holds the 11" X 14" frame up next to the 18" X 24" print to contrast the difference of the smaller frame vs. the beautiful larger portrait. The customer sees the difference and 9 times out of 10 chooses the latter. Nanette has perfected her soft sell skills. She presents the facts and lets the customers convince themselves that the bigger size is better. If another customer ever wonders what size to buy, she explains 9 out of 10 of her customers chose the larger size and she tells/shows them why.

We have discussed employee training in previous chapters and I will

reinforce it again here. Training is the keystone to your success! A little training will not do. You must always look for opportunities to train and retrain your staff. My wife and I often eat at a local Mexican restaurant. This restaurant is one of our favorites and we go there more frequently than we go to any other. Although I usually order the same dish, once I decided to try something new. I asked the server a few questions about their nachos which sounded appealing. Her reply was “I think that it has onions and ... peppers. I don't really know. I have never had the Nachos. I don't really know.” She wasn't able to tell me much about the dish I was willing to try. In fact she told me less than what I had already learned from the menu. She was no help at all and almost lost the sale. Because of the lack of good service I was tempted to order my favorite.

This server wasn't ready to meet her customer's needs. She may have had some training but it obviously wasn't enough. As most businesses, this restaurant would benefit from more thorough training of their staff.

Some time ago I spent several years training people how to teach English as a Second Language. Surprisingly, the biggest challenge was teaching people who already had prior teaching experience. These teachers felt that they were already good teachers and didn't want or didn't need to spend more time being trained. In fact, while in some cases they may have been good teachers, they nevertheless needed to be re-trained in our new time-tested and proven methods.

This may also be true with some of your employees. Your employees come to you with a variety of talents and experiences. However remember, re-training will be easier and more productive if you encourage the active participation of your most experienced. They will be able to share real life experiences and shorten the learning process. So, use your experienced employees to help train those with less experience.

Do not depend upon the training your employee might have previously received from a former employer. Your customers are different from the customers of your employees' former employer and so your employees need special training. Training is so important to leading businesses that they have created special courses in “best practices” and insist that their employees master the material in

those courses before they meet customers. Kiddy Kandids, a digital children's photo studio requires each new employee to successfully complete their specially designed photo certification classes before they take a single picture. Gerber gives each employee 8 weeks of training before they work with customers on their own. Convergys requires 6 weeks of training. How much training do you give to your employees before they meet your customers? Are your employees prepared to win the minds and hearts of your customers?

Relationship

Many employees worry about up-selling and cross-selling. Cross-selling is the art of assessing the intended use of a product and, where appropriate, suggesting an additional product or products that complements the product being purchases by your customers. Up-selling is providing additional information about a product that enhance the use of the item being purchased (see Chapter Ten for more on cross-selling and up-selling). They may not see themselves as professional salesmen and may be afraid that they will offend the customer. In your training, you should remind them that their customers come to you for their expertise. By providing their customers with helpful information which increases customer knowledge and appreciation of the product you are confirming your expertise and providing them a valuable service.

You could ask your customer... "Did you know that most customers who purchased this set of pans returned to buy this complimentary serving set. And most of those who bought the serving set said that they wished that they had had the set the first time they used the pans. Would you like me to show you the set?"

In this case you don't even need to suggest that they buy the item. All you are doing is showing them the value of a complementary product. They can decide if they are interested in buying or not.

If your customer is buying a network copier, do you neglect to sell them the network cable. Of course not, the cable is necessary for using the copier; and so is the paper, the toner, the staples and a staple remover. Also, what about a binding system, labels, envelopes, and stamps? In other words, make sure that your customer knows about all of the accessories used with the product that will help them to

do their job more efficiently. This would be a perfect opportunity to give the customer a checklist or a “Top 10” list if the most important companion items for a network copier. This principle applies to every item you sell. Look for opportunities to inform your special customers of useful specialized product applications.

So, applying the principles of up-selling and cross-selling only means that you are being the expert that your customers expect. You know how to help them and they depend upon you to do your job. You are building a relationship with them by helping them to be more efficient and more productive—that is your job!

Facts and Resources

Providing product facts and associated product resources, a service neglected by many businesses, is an opportunity to gain an advantage over your competition. Don't rely solely on resource materials supplied by the manufacturer. Search out independent reviews that relate to your product. Use newspaper and magazine reviews to drive the point that you carry and offer the best products. Compile and display this information for customers to see. Be careful not to only put the information in a binder behind the counter. Display the information by the products they describe. You want to build the case with your customers that you offer extra value beyond that which is offered by your competition. Also, keep the manufacturers informed as to the type of materials to which your customers respond positively or negatively and which materials you want. This will be of great help to the manufacturers and in the future they will be better able to supply you with what you need.

Compile charts comparing your products to your competitor's products. Highlight on the ones that you carry and your competitor doesn't. This will demonstrate why you sell your particular products. One way to do this is to have good/better/best comparison information. The advantage of this strategy is that you are adding a tool which works for you even if a salesman is not available. Focus on the best product in the comparison. Give your customers reasons to buy that product. Show your customers that you are offering more value for the same product rather than relying just on price. Help the customer to make an educated decision. Show the customer that you are offering more value for the same product.

Why would your customer shop somewhere else? You have all of the information about all available products that your customers would ever want to know about.

Get photographs, artwork, line art, etc. from your manufacturers or shoot the photographs yourself. Use these graphics to call out the product features you want to emphasize. This is another great way to help the customers sell themselves (see Figure 4-1, Hot Water Heater/Tap example below). Explain how the product in the box works if the manufacturer doesn't make it clear.

The purpose of using these strategies is to focus on the value that you offer. They are investing their valuable time with you. You are educating them, winning their minds. This education is vital for getting your customer ready to buy.



Figure 4-1 Hot Water Heater/Tap

Testimonials

Testimonials are the best sales tools you have. Ask your customers how they use your products. Ask them if it lives up to their expectations. Find out what their favorite features are. Also inquire what their friends think about your products. You will really be surprised by what you learn from your customers. A comment like “I love the pocket on the top of the pack, I use it all of the time. My stuff is easy to get to,” could be the deciding factor on whether or not additional customers buy the pack.

Ask your customers to submit reviews of the product. Even if you have to offer them an incentive to write the review, it will be worth it. People like to be noticed. They appreciate it when others value their opinion. As soon as you have your first testimonial, post it in an area close to the front of the store where everyone will see it or near the product you want to feature.

Teach your employees to use the testimonials as a sales aid. They should refer to the testimonials when checking out customers. Use testimonials in all your advertising. They are powerful and more convincing than any advertisement a skilled copywriter can create. Remember, you are building the case in the customer's mind, that your product is more valuable when purchased from you than from your competition.

Support Materials

I conducted a test for one of my clients who was skeptical that support materials would increase their sales. I gathered newspaper articles, TV reviews, online reviews, manufacturers test results and customer testimonials. I created charts that explained how the product worked and compiled pictures demonstrating its use. I included support materials from the manufacturer and made it available to the customers as they were shopping. It quickly became their best selling product. In fact it turned their slowest season into their busiest sales period and changed the way they did business.

Customers need facts to make buying decisions. Are the two or three bullet points on the front of the packaging good enough to make the sell? In many cases, I believe it is not! Your customers need more information to make an educated choice. Good educational materials are a good way to win over their minds.

Helpful Staff

A tool that is valuable at any price is a helpful staff. When hiring new employees do your best to find people that like to help others. I have found it useful to teach employees the following definition of "Schmooze."

Schmooze—Making an emotional contact with someone.

Two examples illustrate the point: You talk to a customer about a great place for a hike and follow up by contacting them with directions to the hike location. Or, you talk to another customer who can't decide between products "A" or "B." You tell them of an article you read comparing both products and get their email address so you can send them the information from your "Life-file."

Thoughtful actions like these don't necessarily come natural to everyone, but they can be taught. Teach your staff to constantly be looking for similar ways to help their customers. I know of one company that encourages their employees to keep a diary of what they say and do and what they learn from each customer reactions. Personal notes should also be taken at staff meeting and regularly reviewed.

As part of your regular training, propose hypothetical customer situations and have your staff research solutions and report back. You can use such exercises to help your staff build databases of resources that can be used with their customers. In addition to teaching your staff valuable skills you will be building character. On many occasions thoughtful sales people have motivated me to buy from their business rather than from a competitor even though their competitor might be more convenient or even a little cheaper. This works because after investing their time and effort with helpful sales people, customers are motivated to reward them by making a purchase because of an emotional commitment and the simple fact that buying from your helpful employee is easier than building a new relationship with another sales person at another store.

When your employees become experts they are able to show the advantages of your products to your customers. Your customers will grow to appreciate the advice your employees can give and to rely on the resources they have collected. These strategies that will set you apart from your competition!

Providing knowledge and educating your customers is the easiest way to win the minds of your customers.

Winning Money—Growing Profits

The fastest way to build profits is to win the "Hearts and Minds" of your customers. Treat customers so that when they leave your place

of business they resolve to return. Most likely the thing that brings your customer back is the value added by your business. Each contact point with your customer can make a difference. Make it easier to shop with you than with your competition. Also offer multiple shopping channels so that all of your customers can shop in the way they feel most comfortable. This could be the most defining decision you make this decade.

“There are only two things of importance. One is the customer, and the other is the product. If you take care of the customer, they come back. If you take care of your product, it doesn’t come back. It’s just that simple. And it’s just that difficult.”

— Stanley Marcus of Neiman Marcus

Chapter 5 Strategies/Preparation—Why Training is Key

“Nothing you do is as important as hiring the right people. I don’t care how smart someone is or how much experience they have, if they cannot embrace the company’s values don’t hire them. It won’t work for them and it won’t work for the company.”

—Bradley Johnson, CFO, REI

Set your employees up for success. Set the expectation and they will rise to meet it and exceed it. If you have specific procedures or protocols for customer interactions, whether they are internal or external customers, then you must train your employees to follow those rules. Don’t expect them to know your procedures instinctively or be able to learn them entirely by observation or osmosis. Nor do you want your employees using approaches they have learned elsewhere which may not be beneficial to your company. You can’t rely on someone else’s training approach for your business’s success. This chapter will discuss the importance of backend processes—preparing your employees to interact with your customers. The importance of creating and training your employees how to use backend processes is essential for working with and meeting your customer’s needs.

What is the cost of not taking the time to train your employees? Many argue that they are too busy and/or what good does it do anyway? “After I train them they just leave.” Training your employees is just as important as any of your other marketing efforts. In fact it is the most important! After all, if your staff isn’t completely trained and ready to deliver on your marketing promises, you have wasted your marketing dollars spent elsewhere.

In Chapter Six I tell a story where a customer asking an employee “How are you making my life easier?” and the employee cavalierly replied, “I have no idea.” This example illustrates the importance of training. How much money is wasted in the production of materials when the company neglects to teach the employee it’s meaning? The following steps will help to illustrate the importance of preparing your employees to meet your customer’s needs and how they can meet and exceed your marketing goals.

Find Good People

Invest the time necessary to find the very best employees. This will be one of the most important efforts you make for your business. Good employees are employees who want to be challenged; and they want to be part of the solution. Keep in mind that in most cases when a person takes a new position “it is not the end of a job search, it is the beginning of a new way of life.”¹ Train them, support them and encourage them to better themselves. And remember that a good employee is worth 1,000 times of an average employee!

Goals: Why They Are Important

Do you set goals for your company? Do you thoroughly plan how you are going to reach these goals? Where do your employees fit into those plans? Do you realize that your employees are your company’s greatest asset and shape how you achieve your goals? If you want your company to grow, train your employees to focus on your company’s goals. Establishing goals and training employees to achieve those goals is time consuming but well worth the effort.

As you establish your goals, write them down. Also record other employee training efforts. Careful documentation will help you to learn what works and what doesn’t work. Investments in such efforts will ultimately save you time by helping you to develop the best possible practices for future training sessions.

Each business is unique! New employees must be trained to meet the situations and challenges unique to your particular business. It is not enough to say you expect them to work hard. You need to spell out exactly what is expected. Sit down with each new employee. Teach him or her to establish personal goals for achieving

the company goals. Prepare them to understand what is expected of them, the challenges they may face and how to be successful working with customers. As an employer, here are some of the questions you should ask yourself: What information does your employee need to learn his job? How do you expect them to learn their jobs? Who can they turn to if questions arise? Do you expect them to learn your systems within the first 30 or 60 days? You need to make it possible for them to succeed, to meet or exceed your expectations! The better you train your employees to understand and achieve your company's goals the sooner those goals will be met.

Where to Begin?

Start with the job description. A well-defined job description should spell out all of the employee responsibilities. Also include short-term, mid-term and long-term objective, including how you expect the employee to report on his or her progress. Do you want them to demonstrate mastery of their jobs by preparing reports? Do you want them to document how, when and where they have achieved their person and company goals? Set them up for success by providing job aids (For more on job aids see Chapter Eight: [How to Get Employees to Work Harder and Love Doing it!](#)) which help them to reach their set goals. Finally, provide a timeline for achieving each goal. Of course be careful not to bog your employees down with too many goals and too much paper work. Make sure that the achievement of goals is practical, for their work situation. If a goal is productive, it will make sense to the employee not just look good on paper. Following is how to effectively set goals.

How To Effectively Set Goals	
1	Record the goals to be accomplished
2	Establish criteria for accomplishing each goal, and
3	Provide a timeline for obtaining each goal
4	Review set goals daily

Figure 5-1 How To Effectively Set Goals

When to Review Goals?

There are many schools of thought on when to review. From my work experience, I have always wanted better communication from my employer as to how I am performing my job. I never appreciated my boss ignoring my weaknesses until they had become bad habits. Review your employees as often as necessary, depending on the individual and his particular responsibility. For new employees I suggest reviewing at a minimum of every thirty days for the first six months—every ninety days thereafter. Specific job training can be conducted at any time including during regular reviews with new job performance goals established for subsequent follow-up reviews.

Another advantage of regular reviews is the chance to learn more about your employees' desires and needs. During one of my reviews I was asked in what direction I wanted my career to go. In response to my comments the company redefined my job description to better suit my strengths and goals. This adjustment turned out to be positive for my career and the company benefited because the newly defined job responsibilities made me a more productive employee.

Vision—Leadership

“In general, people don't change easily or naturally. They need time; they need support. The sensitive leader knows they do and responds by giving people the space to struggle, even fail. He or she knows that if people fail it means they are trying, and that these failures are milestones on the road to success.”²

—Richard C. Whiteley

Employees need good leadership. As their leader you are both a coach and a counselor. A leader has the responsibility to provide the necessary training so that the employee has an opportunity to perform their job to the best of their abilities. There will be times when you need to refocus an employee or retrain them. This is a never-ending process. “A job well done is a job that's never really done.”³ One of your most important tasks is to teach your employees how to make wise decisions, decisions that benefit the company as well as your customer.

You must make yourself available to your employees. You must be ready with a vision of what needs to be accomplished, ready to train, retrain, correct and encourage your staff (See MBWA below).

Being able to motivate your staff is equally important. Your previous experience in setting and achieving company goals will equip you with real life examples for training and motivating your staff.

Help your staff to be self-motivate. Provide incentives for obtaining goals. When you help your staff to focused on their assigned tasks you avoid conflicts and productivity killing mistakes. Again, encourage them to set personal goals and to constantly expand their knowledge base. This helps them to remain motivated and excited about their work. “If you want to get a large number of people to knock themselves out on behalf of the business, nine times out of ten they’re going to do it for a good manager.”⁴

Look for ways to encourage a team environment. In your training, show employees how they can support one another. For example: If John is an expert in floor coverings and you are an expert in plumbing and a customer asks you a detailed question about floor coverings, you know that you can call John to come over and answer the question. Or, you can gain valuable knowledge and training by trusting John to teach you how to address customers’ frequent questions and concerns about plumbing. Schedule regular meetings and set-aside time to discuss topics which challenge your employees’ intellect and stimulate their curiosity and creativity. On the other hand, beware that meetings can also kill productivity, stifle creativity and be a huge waste of time if they are too numerous or are not focused. Meetings are therefore a double-edged sword; you need to find the right balance. Emphasize the importance of always seeking to learn something new and encourage everyone to share what they have recently learned or are learning. (For more on being an expert refer to Chapter Three)

“Lead by example. People that enjoy your management style and your work ethics will work hard for you. I was recently told by my manager ‘you make my job easy.’ I took this as a great compliment and can say I’ve learned a lot from her. She has empowered me in my position. This empowerment has helped our relationship grow which ultimately has positively impacted the company as a whole.”

—Maureen Pechinak, Marketing Director, Highlights Magazine

Incentives and Acknowledgement

Recognition is one of the most basic human needs and is a powerful incentive. Acknowledgements need not be elaborate or expensive but they are vital to a healthy work environment. Employees remember the little things you do to let them know that their service is valuable to you and your company. Some people like private recognition, others like public recognition; equally to some is a simple note of appreciation is what is needed. You will need to experiment to see what works best for your staff.

No matter what type of incentive you use, remember that acknowledging employee accomplishments is an important tool for binding team spirit and a positive company culture. Employees want to know that they are important and how they fit into the company plan for success. They will know that they are important and feel that they are contributing when you acknowledge their individual contributions.

Communication

In her book, “Customer Service: A Practical Approach,” Elaine K. Harris lists five essential ingredients for effective communication as: listening, talking, writing, reading, and nonverbal expression. By practicing these skills yourself and teaching them to your employees, you all will become more effective communicators, thereby reducing misunderstandings and build stronger relationships with customers.

For example let’s suppose that your business is having a temporary cash flow problem and needs to communicate to your employees the importance of being cost conscious until the cash flow problem can be resolved. You probably should not say, “Don’t spend any money!” Because if your staff must spend money to get their job done, then when you say, “Don’t spend any money!” you are in effect interfering with their productivity. Instead you should communicate the need to conserve and stretch current resources and that if purchases are necessary, for them to provide justification on why the purchase is necessary for productivity and/or how it will help the company in the long run.

MBWA—Management By Walking Around⁵

MBWA is a simple yet effective means for keeping tabs on what

is going around the office or shop. The goal is to make yourself visible and readily available to your staff on a regular basis. Literally walk around the office. Stop and visit with employees and ask them about their accomplishments and challenges. Initiate dialogues about interactions with their customers. Inquire if your employees feel they have the tools they need to do their job effectively. Make sure to take the time to listen to what they have to say. As Byrd Baggett said, “You are not learning anything when you are talking.” Take time to listen and learn what is going on in the office!

To be a respected leader, it is important that you show genuine concern and understanding for employee lives and activities. Make sure that they know that this “walking around” is not for “spying on them” or “baby sitting.” It must be positive for both the employee and the manager.

Empowerment

Empowerment is giving your employees the authority to make decisions for the betterment of a customer. This frees you, as their boss, to focus on the big picture and helps to resolve customer issues quickly and effectively. Empowerment is a great opportunity to really excel over your competition. Nothing is more frustrating for a customer than when they cannot get their questions or concerns resolved in a timely manner. You are inviting trouble and will drive customers away when they have to explain a situation again and again simply because employees do not have the authority to resolve an issue.

I recently called the customer service department at William-Sonoma with an issue about my order. The empowered representative quickly made the decision needed to resolve my concern. I hung up feeling satisfied and viewed the interaction as a positive experience. On another occasion I called a large software company with a problem and was transferred through ten different representatives until I finally reached someone who had the authority to make a decision. Alas, after an hour I was told that nothing could be done about my situation. I felt helpless, trapped and angry and wished I could live without their software!

Review recurring company-customer interaction issues and explore

ways to solve those issues quickly by giving your employees the authority to make decisions. Require that each issue be recorded. Collect information such as: issue at hand, solution requested, solution proposed, customer reaction to solution, name of employee making the decision, follow-up contact information for determining if the customer was satisfied with the company response and finally, a judgment whether the situation was handled properly and whether this issue is an area you need to address in future training meetings? Use this information to acknowledge satisfactory employees decisions and as an opportunity for improving future employee-customer interactions.

Culture

“Your company’s customer service culture will determine your long term success.”

—Brad Johnson, CFO REI

Each business has a culture. The leaders of the company determine your company’s culture. Simply put, if you respect your employees they will respect your customers. However, if the leaders preach that the culture should be “Customer-Centric” but treat their employees poorly, the “Customer-Centric” culture will not be a reality. Your company’s culture is vital to your success. Work closely with your employees, delegate responsibilities and take time to build a culture that supports employees and encourages their success. When you help your employees to become successful, you will retain them longer as your employees and they will help you build a loyal customer base.

Foster Leadership

Create “Customer Service Super Stars” among your staff. Make them experts in the different areas where you need customer support. Steven Covey said, “90% of the people in an organization have more creative ability, talent, resourcefulness and intelligence than their present jobs require or allow.” Tap into the hidden expertise and resources of your employees. Again, have them share what they know with other employees. Show them how to improve

their presentation skills. Teach them to be positive with each other and with their customers and to recognize the accomplishments of others by giving positive feedback. Encourage initiative! When an employee goes out of his or her way to handle a situation successfully, be sure to recognize them as a valued employee and encourage similar actions in the future.

This chapter has focused on the hiring and training of your employees—getting them ready to meet their customers. When you have prepared your employees to satisfy their customer's needs your marketing goals will be achieved. Think of these suggestions as the building blocks of your marketing plan. Further steps that you need to address in improving customer interactions and building consistent brand experience are addressed in Chapter Seven; Contact Points, Part II Direct Marketing According to Customer Service.

ENDNOTES

Chapter Five

- 1 Karen Tripi, "Having trouble finding good people?," September 29, 2003, Dmnews
- 2 Richard C. Whiteley, "The Customer-Driven Company," Addison-Wesley, Massachusetts, 1992 5th edition, p.211
- 3 Headline from SmithBarney-citigroup Advertisement
- 4 Connie LaMotta and Victoria James, "The Leadership Spirit" http://directmag.com/ar/marketing_leadership_spirit_2/index.htm as part of a Direct Newslite, newsletter from Feb. 5, 2003, Accessed November 1, 2003
- 5 Timothy Holody, Article "Checking Your Operational Vital Signs," p. 46

Chapter 6 -Case Studies

In this chapter we will examine examples and case studies of companies that understand the importance of customer service and how it contributes to their business's success. In contrast, we will also examine a few companies the do not understand the importance of customer satisfaction and are thereby missing the profits that result from brand loyalty. These illustrations should give you a better understanding of the essential marketing strategies discussed in the preceding chapters.

Winners:

Tubb's Manufacturing

You may recall the experience my wife and I had with the salesman who sold us our first pair of snowshoes. After buying our snowshoes we planned a couple of day trips over the New Year's weekend. Since our intended destination was only 45 minutes away from home we decided that we would use the first day to get used to our snowshoes and then go on a serious hike the next day. During our first day's activities the binding on one of my wife's snowshoes broke. The next day, New Year's Day, we took a chance that someone would be in the office and called the manufacturer for help. After a few rings, none other than the director of marketing picked up the phone. My wife explained the situation. The marketing director responded by telling us that we were lucky to find someone in the office, but that this had been their busiest ever Christmas and that they were still trying to fill all of their orders. He apologized profusely for the faulty binding and for ruining our holiday plans and asked her the style and size that she had purchased. My wife told him and explained that she had originally wanted a different style which was out of stock at the time. He offered to ship the originally desired style the very next (Note: No pickups and shipping on New Years Day!) day and said that we could return the broken ones to him at our convenience. The marketing director was true to his word and the new snowshoes arrived in short order.

He also included a hand written note expressing sympathy for our ruined activity as well as a free ski cap. We were pleasantly surprised how helpful the marketing director had been and grateful for the free gift. It has been five years since that experience, but we never tire of re-telling the story of this experience. Each time we relate this story we influence the future buying decisions of our friends and acquaintances. This word of mouth advertising can be more valuable than 30 second TV or radio spots because our testimony is more personal, sincere and passionate than any actor and the story gets better and more detailed with each telling, thus turning Tubbs into the only choice for the purchase of winter sports equipment. All this because of the thoughtfulness and help of one valuable employee.

Cotton Tree Inn

While writing Chapter Three of this manuscript I was sitting in the great room in the Best Western Cotton Tree Inn in Rexburg, Idaho when a couple upon entering their room spotted one of the Cotton Tree Inn employees. With a smile, the guest asked, “Do you remember me?” The employee responded, “Yes, I remember you Mike.” Mike wraps his arm around his wife and says, “This is my wife Jill, and we’re back together ...

I sat there in amazement witnessing Mike share details of his and his wife’s personal lives with the inn employee. This employee obviously had made a favorable impression during Mike’s previous visits. No one can tell me that customer service doesn’t matter. Personal relationships between employees and customers influence customer buying decisions every day. Those businesses that understand this “fact of life” will receive a greater share of their customer’s hearts, minds, and money. Case in point, although I have family in Rexburg that I can stay with, our young family usually chooses to stay in the Cotton Tree Inn because of the great atmosphere and the excellent service.

Chili’s Restaurant, Logan, Utah

Kurt, Susan and Alison went to the newly opened Chili’s restaurant for a night out. When their order arrived Kurt cut into his chicken dish and discovered that the chicken was not adequately cooked. They brought this to the attention of the server who immediately informed the manager. The manager apologized and immediately

instructed that new meals be prepared. She also explained that the meal, including drinks and desserts, would be on the house. Even though they had to wait for the new meals everyone was pleased and satisfied. As they were finishing their desserts the manager returned to check that everything was satisfactory, offered them a \$50 gift certificate and again apologized for any inconvenience and invited them to return. They have in fact returned many times, spending a minimum of \$30 per month totaling more than \$1,400 over the next four years. Because Chili's understands the importance of satisfying the customer and is willing to spend upwards of \$100 fixing the original problem, they ensured that Kurk, Susan, and Alison will be loyal customers in the future. That manager won the hearts, minds, and just as important, the patronage (money) of these people.

JetBlue

Nigel Adams, Vice President of Customer Service for JetBlue claims that JetBlue employees are empowered to make decisions to help the passengers get to their destinations. JetBlue also teaches its employees not to just serve the customers but to delight them. Their five values, Safety, Caring, Integrity, Fun, and Passion, are evident in all their actions. For example, Amy, an employee, for seven days after her shift was finished, stopped by to visit a passenger who had become sick during a JetBlue flight. Because of such commitment and dedication, this incredible airline proudly boasts that over 70% of their first-time customers are referred by a friend.

On another occasion, a JetBlue employee jumped to action. The plane that was the connection for the flight that just arrived was out of service. She put every passenger on a competitor's plane, at JetBlue's expense just so everyone could get to his or her destinations. Expensive yes, but those passengers now know that JetBlue will do anything and everything they can to get their passengers to their destinations. This is customer service at its best. JetBlue gets it. And because they get it, they have been profitable every quarter since inception while their competitors have been struggling and losing millions. When you take care of your customer's needs your customers will repay you with loyalty and increased profits.

Doctors Foster & Smith

Doctors Foster & Smith has become one of the nations leading pet suppliers. One look at their catalog and you will see why. Strategically placed between their products for sale you find valuable tips that answer every pet owner's questions. Some examples are: "How to make your pet feel at home on the road," "How to measure your pets paw," "5 ways exercise pens make your life easier." "Considering buying a cage?" They include information on the good, better and best features to look for in cages. "Proper containment essentials for every pet." Listing the essentials every pet owner needs to know about. And interesting facts on specific pet breeds throughout the catalog. These pet facts educate the customer and help them to make the best possible decisions for their pets.

It is no wonder that they are the best of the best. When it comes to educating their customers you will be hard pressed to find a better example. No matter what your business you could learn a thing or two from the pages of their catalog. You will be amazed at what you can learn and apply to your business just by looking at other businesses. Be aware of the standards your competitors set for you be they direct or indirect competitors.

Losers:

A Local National Home Improvement Store

Paul was in a bind and needed some home improvement supplies. It was late but the store was still open. So he hopped into the car and drove to this home improvement store to get what he needed. He was looking for just a few plumbing supplies and answers to some questions. Paul arrived at the store at 8:45 pm, fifteen minutes before closing. He quickly found the isle and started gathering items. There happened to be a store clerk close by so he started asking his questions. At 8:56 the clerk said, "Do you have any more questions?" Paul answered, "Yes." To his astonishment, the clerk replied "My shift is over in 4 minutes, so you will have to find someone else to help you." The clerk turned and walked away.

Paul was shocked and left the store resenting for this poor service.

On another occasion, Paul who owns two four-plex rental unit and is often in the hardware supply shop for, remembering his last experi-

ence, considered going to another store. But because it was close by he decided to give it another try. This time he was looking for a for-rent sign with a stand and was disappointed when the only sign available with a stand was a for-sale sign. He found a clerk and asked if they had a for-rent sign with a stand like the for-sale sign/stand combo. The clerk said that they didn't have a for-rent sign/stand combo available. Paul inquired about buying the for-sale sign/stand combo and switching the for-rent sign with the for-sale sign. He was informed that SKU's could not be altered, "We cannot do that." Paul left frustrated, went directly to another store and purchased what he needed. Not surprisingly, now Paul frequently shops at the competitor's store.

If the clerk at the first home improvement store had the customer's best interest in mind, he would have helped Paul get the items he wanted and Paul would still be a loyal customer. Instead, now all they get is bad publicity each time the subject of home repairs come up, which is quite often when you have renters. Empower your employees to "break the rules" if it is necessary to satisfy the customers your balance sheet will show the value in this strategy.

National Retailer

Scott Hymas, CEO of RC Willey, ever looking for new ways to improve the perception of his companies' brand said that one day he was in a national retailer shopping with his wife when he noticed beautiful signage (posters) on the wall with the tag line "We are making your life easier." As he shopped he wondered what this retailer was doing to make his life easier. So while in the checkout line he pointed to the sign and asked the checker, "What are you doing to make my life easier?" The checker replied, "I have no idea. Corporate headquarters just sent it to us and told us to put it up."

Here is a great example of how the leaders of a company find a good tagline but neglect to train their employees on how to implement it. A lot of money is wasted and a single untrained employee did not know how to positively promote the company brand. As we discussed in Chapter 3, don't rely on the training an employee may have received from another company to know how to properly represent your brand. Take the time to make your employees ambassadors of your brand. With this knowledge they will serve you well and reward

your company for your investment in them by positively representing your brand.

Habanero's Restaurant

A group of friends went to a newly opened restaurant in town. It was a busy Friday night but the word was that this restaurant was worth the wait. After a 30 minute the party of seven was seated. While waiting for their drinks, the employee who was serving the table behind them accidentally dropped a hot plate of beans and rice onto the shoulder of a man at a nearby table. The embarrassed server quickly left the room. But when no one returned to deal with the problem another patron called the manager. The manager returned with some towels and cleaned up as best as he could, apologized and left the room. He didn't offer anything to correct the situation except the apology. The man's shirt was soiled from the spilt beans and the disgruntled group felt that he should have been offered a free meal or some other concession to ameliorate the situation. To make matters worse, the embarrassed server avoided the room for the rest of the evening, thereby causing further inconvenience to the other customers in the room.

The room had as many as 20 other patrons who were heard to commented as they left that the manager should have done more for the inconvenienced customer. Spilt beans can happen but what followed that accident should never have occurred. The situation only went from bad to worse. In contrast to the example of Chili's described above, Habanero's Restaurant didn't understand the importance of taking care of its customers and consequently were only in business for about one year.

These examples illustrate the importance of good customer/employee relations and should reinforce the importance of properly training your employees in order to be successful in your marketing efforts. Employees are the key to a successful marketing plan, they are your number one asset, and when they are not adequately prepared you damage your brand, and waste your marketing expenditures. See Chapter Five, Strategies/Preparation—to review why training is key and why it should be an integral part of your marketing plan for getting ready to meet your customers.

Part 2—Direct Marketing According to Customer Service

Chapter 7

Contact Points

“Price matters, but it’s the service that keeps people coming back.”
—Sean Carton, Chief Experience Officer,
Carton Donofrio Partners

We have talked at length on the importance of preparing to meet your customer’s needs. I have cited examples where companies that know and understand these principles have excelled. I have also mentioned a few that are suffering because of the lack of this knowledge. This chapter delves into the strengths of Direct Marketing. Contact with the customer is where Direct Marketers excel. Direct Marketers are at a disadvantage in a sense, because they are not able to talk face-to-face with the customer. This being the case, Direct Marketers have developed strategies that demonstrate to consumers the legitimacy and value of their offers. In the words of the visionary Direct Marketer Donald R. Libey “We already know how to treat customers 100 times better than the best retailer.”

I am convinced that this is truer than ever before and is one of the driving factors of this paper. I wish to bring the best practices of Direct Marketing to the retail industry so that retailers can benefit from the lessons already learned and mastered by Direct Marketers. Direct Marketers know that the customer is paramount. We know that without the customer our businesses are doomed. I know many re-

tailers know this too, but all too many take the customer for granted. They expect the customer to come in and buy simply because the product is available. Many retailers don't take the time needed to court the customer. Because of this their profits aren't as high as they should be and can be. As stated in Chapter Three, loyalty-focused companies out perform no loyalty-focused companies two to one. The companies that I have studied that focus on the customer and their needs are winning the battles of marketing and are bringing in much higher profits, even in tenuous economical times.

Treating the customer better than anyone else is vital in winning the battle of marketing. As Chapter Four discussed, the psychology of a customer, you need to look at all the areas you are talking to the customer and make sure that all contact points are saying the same thing.

What are Contact Points?

“Consistency is the most important ingredient in a relationship”
—Kristine Kirby Webster

Contact Points are your points of communication and the ways you interact with your customers (print materials, radio and TV advertising, web sites, telephone messages, customer service contacts, signage, etc.). It is your brand talking—telling others about your company and your products.

An inconsistent brand experience, be it poor customer service or a misleading ad, will damage your relationship with your customers faster than anything else you do. If you claim to have quick and reliable service and don't deliver, you have a problem. If you are not careful you will be sending mixed messages that confuse your customer base resulting in lost sales. You need to carefully look at all of your contact points and make sure they are consistently saying positive things about you and your brand.

Face-to-Face

In a retail environment your customers have many chances to inter-

act with your staff. Each contact is vital to the building of a long-term relationship with your customers. But not every customer walks away satisfied or happy let alone “WOWed!” How your staff handles your customers is key to whether they return or not.

Your customers come to you because you are the supposed authority on the products you offer. You must seize every contact and show that you are the authority your customers seek. For most businesses, dressing the part sets the tone of whether you are taken seriously or not. Imagine your reaction when visiting your lawyer and he greets you in shorts and a t-shirt. I am not saying that everyone must dress as professionally as a lawyer, but how your employees present themselves is important to the overall experience of your customer.

The words you use are equally important. Teach your employees to use positive and proactive words in their dealings with your customers. Words like Yes, Please, May I, Consider this, Do This, Thank you, Can, and Appreciate¹ in your conversations set a polite and positive tone. Your customers will respond well when they have positive experiences with your staff. You will be well on your way to “WOWing” your customers when each of your contact points is positive and rewarding.

Avoid using negative words. Words that anger your customers and cause more problems, especially when a customer has an issue. Words to be avoided are Can't, Won't, Not our policy, Not my job, You have to.² Using these words will only frustrate and anger your customers and no good will come of it.

Creating scenarios your employees may face and then role-playing is an excellent way to train employees to use positive, proactive words.

Telephone

A smile should be on your face when you talk to a customer on the telephone. The inflection of your voice says a lot about the experience that is about to happen when talking on the phone. A customer can tell by your responsiveness whether or not you are paying attention to them on the phone or someone else in your store. Practice speaking on the phone; record your voice to determine ways to improve your phone voice. Also practice your listening

skills. When talking to a customer you must communicate clearly and effectively to get the point across and to let the customer know you understand their situation.

I am often annoyed when listening to my voice mail. Most people say the telephone number so quickly that I don't have time to write it down before they go onto the next subject. You will remember from Chapter Four, the discussion on your voice mail. Make this contact point something to remember.

Cold Stone Creamery, an ice cream shop franchise has its employees sing every time you put money in their tip jar. What would the impression be if when you called they answered, "You have reached Cold Stone Creamery, home of the singing tip jar! How may I help you?" Wouldn't you want to go right in and see the singing tip jar and get an ice cream too? Maybe not, but it is memorable and positive, which is the point.

Online

Give more information and let the customer sort out what they want and don't want—but keep it organized.



Figure 7-1 Lodge Cast Iron, Accessed 10/30/03

This site assumes that you know what you want. If you do know exactly what you want then it is a fine approach, but if you don't you are left wanting more. What's worse, they don't have any references on how you can get more information. They are ignoring the needs of some customers. How many? Would you buy from Lodge? If you knew what the product was, and knew that Lodge made the best product in the industry, of course. But if you didn't, I contend most people would not. They simply don't have enough information to make an intelligent purchase. A simple fix would be to add a link by each Dutch oven and offer more information—give them the resources that they need to make a purchase.

The Internet is great for giving your customers more information. You can easily and affordably provide resources that customers need and ask for on a regular basis, saving you thousands of dollars. But pay close attention to your online presence. Make sure it consistently portrays who you are and what you stand for.

Email

Email is an affordable way to make contact with your customer base. Ask your customers if they want correspondence via email. Develop consistent brand promoting messages that have meaning for your customer and contact only those who want to be contacted by email. Always provide a way for your customers to opt out of receiving future emails.

A quick email reminder of an upcoming event, or an invitation to preferred customer viewing of the “spring line” could be a great brand building experience. Or offering an informative newsletter, a special offer for second time buyers, or even information about your referral program would be beneficial to most interested customers.

Mail

You have many opportunities to make contact with your customers. I have read and I agree that you should have a minimum of 6 contacts each year with your customer outside of your shop. A good way to do this is via mail. You can send your customers a postcard informing them of an upgrade on their favorite items. You might invite them to an open house at your shop with lectures from local

experts. Maybe you could solicit their opinion of the fall clothing line at an invitation only preview. Perhaps they would be intrigued if you had a customer appreciation dinner or picnic.

Send them your latest catalog and invite them to visit you with a callout or a sticker on the cover that says “See our full product line on our website” or “Come see the latest products in our store.” Using mail is a good way to make extra contact with your customers and also show them more than they might see visiting your store. Many consumers spend a lot of time viewing catalogs or mailers in the comfort of their own home. You might find that you have a captive audience willing to listen to your message when you contact them through the mail.

Advertising or Selling

Don't make it hard for your customers to come to you! The most important thing to evaluate is what are you telling your customers with the ads you are running? Is it consistent with your other contact points? I clipped a coupon from my local newspaper from our favorite Bed and Breakfast. As I read the ad, I noticed that they had spent a third of the advertising space telling me not to make a reservation with them (See Figure 7-2).

They said, “Offer valid Sunday - Thursday only. Expires December 31, 2003. Not valid with any other offers or discount. Excludes holidays. Not valid for online orders. Logan location only.”

Now I know that they don't want to erode their weekend business that has the highest occupancy rates but they are damaging their brand in my eyes. They could easily change this ad to a positive by making this ad a “Weekday Special.” Thus eliminating the negative, “not valid” copy. They don't need to say “Excludes holidays” they could, instead say based on availability and call for further details. We get caught up in all the exceptions and end up alienating our customers when doing so.



Figure 7-2 Anniversary Inn Coupon

Produced Materials—Assembly Instructions

According to research conducted by the Technical Assistance Research Programs Institute (TARP), in Washington DC, 2 out of 3 customers complain about a products instructions. This means that the customer is not adequately told how to assemble, use or maintain the product they have just purchased.

Each contact point you have with the customer is important. Special care needs to be taken into account when you are developing all of your materials the consumer will see. Many companies ignore assembly/operation instructions. How often I have suffered trying to assemble an item with poor instructions and diagrams. This is a mistake; the assembly instructions maybe the customer's last contact point with your company. If you are a retailer and carry products from various manufacturers, review their assembly instructions and give them feedback. If by chance they are hard to follow, the whole experience could affect your brand and your business.

Produced Materials—In-store Signage

Signage from manufacturers usually helps set the mood of your store, which is great, as long as it is good. Consider creating additional signage that tells the story of who you are as a company or as a member of the community. It could be a great forum for your customers. Use this space to educate your customers to where products can be found or to call out new products or to highlight

the benefits of a product.

Radio and TV

A local radio ad said, “Quality Service at a fair price.” Now who doesn’t have this? Everyone claims such nonsense. Such claims are platitudes, “Platitudes are words and phrases that are drearily commonplace and predictable, that lack power to evoke interest through overuse and repetition ... that are nevertheless stated as though they were original or significant.”³ To make a believable claim you must choose something that has a feasible opposite. This claim’s opposite would be “Poor service at an unfair price.” Since no one would claim this nether claims are worth very much.

You must think about what the customer wants to hear. Are you wasting your money when you talk about yourself? Maybe not, but carefully research your customers to find out what they want to hear from you and how they want to hear it. The advertiser’s name on the above-mentioned ad could easily be replaced by any of their competitors and no one would know the difference.

A better use of your advertising dollar would be to engage those customers who are in need of your service. A headline such as “3 Critical Characteristics to demand from your (add your service here)! Does yours stack up?,” followed by an explanation of these characteristics with a call to action such as “call now for more information.” will engage your customer and get dramatically greater response than telling them things that don’t matter very much to them.

Consistency in your branding is vital to your success, be it on the TV/Radio or in print. You are an expert in your field it would, and it may serve you well to go to a professional for help in the development of such materials that you are not trained in.

Referrals

Carefully evaluate all of your contact points and determine if they are consistent and positive. If they are positive, you will enjoy the power of word of mouth advertising. Referrals and testimonials are usually the best advertising you will ever have. People rely on infor-

mation from their friends and acquaintances about where to shop. People will talk about you whether you provide good service or bad. When you provide good service, it works for you not against you, when service is poor it works against you. Make sure you take advantage of this most important contact point. When you are consistent with your branded messages your customers will understand your messages and tell others.

Summation

Each of these points is vital to the convincing of your customers that you offer a superior product or service. But like the opening quote states “Price matters, but it’s the service that keeps people coming back.” Keeping your customer coming back is where you must focus the majority of your marketing attention. The longer you keep a customer shopping with you the higher your profits will be. It cost less to keep a current customer than it does to acquire a new one. Many experts state that it costs five times as much to acquire a new customer than to retain a current customer. You should focus on your highest profit ratio—repeat customer.

In Chapter Eight we will finish Part II Direct Marketing According to Customer Service, by discussing strategies that will help you motivate your employees to work harder and do it willingly, thus helping your customers.

ENDNOTES

Chapter Seven

- 1 Elaine K. Harris, *Customer Service A Practical Approach*, (New Jersey, Prentice Hall, 2003), p. 77
- 2 ———. *Customer Service A Practical Approach*, (New Jersey, Prentice Hall, 2003), p. 77
- 3 Richard Harshaw & Edward Earle, *Monopolize Your Marketplace—Separate Your Business From the Competition Then Eliminate Them*, Y2 Marketing, Texas, p.6

Chapter 8 How to Get Employees to Work Smarter and Love Doing It!

“You have a 60-70% chance of doing business again with a current customer. A 20-40% chance with a former customer. And a 5-10% chance with a non-customer.”

—Steven Yanovsky, The Sterling Park Group

Focus On Your Relationship With Your Employees

You have at your disposal able and willing employees that know your product. Take the opportunity to expand their knowledge. Train them in ways that will benefit your customers. Give them responsibilities and goals to achieve and watch them be productive contributors to your business' growth.

Many employers seem to believe that the employee should come to the table with all of the skills needed to succeed or already have these necessary skills when they arrive. Don't assume this to be true. Following are suggestions to keep you focused and prepare you to work with your employees. Remember your goal is to create an environment where you don't need to have a sale to draw in customers, this is done by keeping your customers focused on your company and the services you offer, and to never even think about your competition unless you send your customer there! Checking your focus is a great way to begin your training program.

1. Service—The most important tool is service. Begin by being more customer service-oriented with your employees—help them learn first by example and second by teaching, then apply this to your customer interactions. You will find that you will catch the spirit of this

endeavor and your attitude will be more positive and contagious.

2. Integrity—First, don't lie, cheat, or steal. Second, expect the same from your employees. Make it clear that you will not keep employees who break these rules.

3. Results—Measure the results of each campaign or implemented strategy based on how your employees satisfy your customer's needs. Identify what was expected and how it was executed and support your employees in achieving your goals.

4. Passion—It's hard to serve without a passion for the service or products that you sell. Develop areas where you and your employees can excel. Help them develop expertise at your business and let them use it to serve your customers better.

5. Persistence—Even when results are slow coming, stay focused and positive. Employees look to as their leader to keep morale high and to show them how their hard work is paying off.

6. Accolades—Recognize your employees' accomplishments whether they are on the job or in the community. By showing how their successes are important to you, you will build loyalty, dedication, and increase productivity.

7. Culture—Spend time to develop a company culture that fosters friendships between your employees and yourself. Some companies have barbecues on Fridays. Others go out to lunch together, and yet others ask employees to bring in potluck dishes. The point is to do more together.

8. Family—To foster a family environment, use non-cash rewards which provide a lasting, tangible reminder of achievements. Employees usually remember these gifts longer so they are a better way to motivate. A manufacturer/retailer may offer product they make or sell. An office setting may offer something to improve the work environment—a desk set or a clock/radio for example. Be creative and you will all become closer.

9. Inspiration—Encourage employees to volunteer time and service to a needy group or individual in your community. Show by example.

10. Customer-centric focus—Teach your employees that customers come first. No matter what they are doing, when a customer comes in, stop and serve the customer's needs first. After the customer leaves, the employees can return to their tasks.

11. Gratitude—Acknowledge hard working employees contributions to your team. Show how much you appreciate your employees with simple handwritten thank you notes.

12. Expertise—Your customers come to you because they believe that you are an expert on what you sell. With your employees, develop materials that support this. Become the destination for the products you offer.

13. Spontaneity—From time to time do something unexpected for your employees—perform random acts of kindness. It could be something simple like buying donuts or giving out a gift certificate to a local restaurant. This is contagious and will result in the same from those around you and will spread to your customers.

14. Loyalty—Look for ways to build loyalty with employees. Learn their strengths and weaknesses. Use their strengths to help your team and help them make their weaknesses strengths. Your sincere effort to help your employees improve will catapult confidence and productivity.

15. Helpfulness—Make yourself available to your employees. Create and announce an open door policy. By helping them improve their skills, you are making them more valuable to you and contributing to their future success.

These Fifteen strategies are the foundation to getting your employees to work harder. They will show your employees your commitment to the business, your customers and them. They will help you create an environment that is enjoyable to work in, a key factor in the success of many businesses.

Training will become easier when you work with your employees to strengthen their customer service skills. Lets now look at some tools to get your employees to work smarter and love doing it. These practices will make the workplace more dynamic. A synergy

between you and your staff will excite your customers and they will look forward to the next time they can visit your shop.

1. Motivate—Identify your employees' strengths. Employees are highly motivated to do what they do best. Encourage them to develop these strengths by showing them how it will help them perform better and further their careers.

2. Communicate—If you do not let your employees know what is going on, they will speculate about the situations or activities they see and come to their own conclusions (often negative and untrue). They will be less committed and more unproductive. By keeping them in the loop you will keep them working harder. To keep staff motivated, listen to your employees concerns and complaints. Record all communications and show your employees how you have addressed them.

3. Organize—Disorganization and lack of leadership are the most common reasons plans fail. Work hard to keep things in order. Provide a clean workspace; show pride for your environment. Don't give employees a reason to be negative.

4. Promote—Promote excellence. Expect excellence. Work hard and you will receive excellence. If an employee fails, but is trying, show them how to achieve their goals. They will rise to the expected standards.

5. Provide Tools—Ask your employees, "Do you have what you need to do your job?" Learn what your employees think they need to do their job better. Give your employees the tools they need to excel at their jobs. If you don't, productivity will suffer and morale will decrease.

6. Encourage—Employers that encourage and foster a fun work environment notice more energetic employees with positive attitudes and greater self worth. They also find greater team spirit and a substantial increase in personal motivation. All of these attributes translate into happier and more satisfied customer experiences.
Study by C. W. Metcalf

7. Appreciate—Show appreciation. Let your employees know that

they are valued members of your organization. When they feel appreciated they will work harder for you and your customers.

8. Listen—A good listener both acknowledges employees' problems and provides nonverbal reassurance¹. This translates to employee/customer relations as well. Byrd Baggett has aptly said, "You are not learning anything when you are talking."

9. Flexibility—Gear certain items to your employees' schedules. Offer variable lunch hours, come-early/leave-early or come-later/leave-later hours or four 10 hours a day work weeks. Flexible schedules help build loyalty.

10. Ask Questions—Spend time learning the thoughts and desires of your employees. Use this knowledge to help them reach their goals.

11. Commend—Remember don't forget the people who helped you get where you are. Reward the employees that go the extra mile for you and your customers.

12. Teach—Work with your employees to develop materials that teach your customers about you and about your product lines. These materials set the stage as the benchmark by which all products are measured in your industry. You will quickly become the standard by which all of your competition is measured.

13. Create—Create a contest like "Most Praised Employee!" Set up a program that encourages positive employee interaction with customers. To facilitate this, provide materials that employees can share with customers—this informs customers of all the resources available to them through your business. Provide a reward for the employee who gets the best feedback. Don't forget to post their picture for all of your customers to see.

14. Internal Resident Expert (REP)—Facilitate the development of employee experts in certain areas of your business. Let everyone know who these experts are and how they can use them. For example, if you use a certain variety of software at your business, then find those who know the software best and use their knowledge as a resource to teach other employees needing to learn these skills.

15. Transform Your Business—If you really want to make a difference in your business, ask your employees how you can improve your practices—ask for their feedback on how you do things. Implement the feedback and you will have released the greatest potential for growth that you could ever imagine. Conversely, if you ignore your employees' concerns and suggestions you are, in effect, telling them that their input is worthless. They will not respect you nor give you their all. They will cost you time, money, and customers; which, if not corrected, will ultimately cost you your business.

These fifteen strategies will really help you build your employees skills. They will reinforce your commitment to them and in turn they will rise to the standards set and perform at or above your expectations. You will have laid the foundation for highly developed and successfully employees. This training will make them ready to meet your customers with zeal. In Chapter Nine we will continue by discussing strategies that will help you strengthen your relationship with your customers—making them more loyal by creating and extending their lifetime value. This is a great way to use your employees' new skills.

ENDNOTES

Chapter Eight

- 1 Idea from Elaine K. Harris, “Customer Service A Practical Approach,” Prentice Hall, New Jersey, 2003 3rd edition, p. 73

Chapter 9 How to Get Your Customer to Pay More And Do it Happily!

“If you’re a customer, product quality is “What you get.”

“Service quality is “How you get it.”

—Richard C. Whiteley

You are the expert that your customers come to for their needs. When you are prepared to meet their needs you are poised to generate great customer service experiences, which will set you apart from your competition. Following are proven ways to keep you and your employees focused on the needs of your customers. When you successfully implement these strategies you are building the case to keep your customers focused on your products and services, and thus, eliminating the need to have a sale to bring in customers.

1. Create and Use a Database—Use the database to gather and store customer information. Examples of the type of information to consider storing: original purchase date, number of purchases (renewals) since inception, email address, physical address, preferred method of contact (email, direct mail, phone, no contact), age, name, birth dates, and the actual conversations that took place with customer to start with. (See Chapter Ten for more on Databases.)

2. Improve Dress Code—Require your employees to look the part of the professional that they are. Your image is very important to how your customers perceive you and your product. When you look top notch you will act it and your customers will think of you as a resource.

3. Add a Value Customer Card—Embed their info on it and use

it to bring up customer's file at register. Continue the conversation from where you left off, by this I mean use the stored information in your database to follow-up on past purchases, issues, satisfaction with product, birthdays, etc.

4. Add a Suggestion Box—Encourage customers to use it. Inform them that they are valued customers, and their satisfaction and opinions are important to you. Invite them to tell you how you can serve them better.

5. Start a VIP Program—Give advanced notice of special events, offer special pricing or have exclusive hours for long-term customers. Use emails, phone calls, or mail to inform them of specials on favorite items now in stock. Hold a special invitation-only party for your best customers—it could be an exclusive event to see new items before the general public. Remember to set the mood—let your customers know that such events have been created especially for them—treat them as your VIP customers.

6. Create a Mini-Catalog—Include additional items that you have access to but don't carry in you store. For example because of space limitations you many not carry a full line of products. In your mini-catalog you can offer the full line of products or complementary products to reach a broader customer base. Offer mail order service, phone and/or web ordering as well.

7. Build Loyalty—Create a bounce back program that invites new or 1st time buyers to return and make additional purchases—offer premiums or discounts on second or third purchases—an excellent way to start building loyal customers. Follow-up with other offers at regular intervals.

8. Invite Former Customers Back—Invite them to see improvements, new product lines, better service, etc. Inform them of something new you are doing that they might not know about. Consider offering an incentive, a gift for just stopping buy, etc.

9. Address Customers by Name—Use Mr., Mrs., or Ms. when dealing with your customer. Only use first names if the customer is a personal friend or you have been asked to do so. Act like the professional that you are. Expect employees to do the same.

10. Offer a Newsletter—Include trends in industry, care of products, reminder of your guarantee, upcoming industry/community events, new product information, sponsored events, etc. Use your newsletter to educate your customer by sharing your expertise—offer value. Solicit and share feedback given.

11. Compare Your Services to Others—“We aim to make our service, selection, etc, the best in the valley/city/state. Come in and let us prove it to you.” Set yourself apart from your competition by showing what they do as compared to what you do. Let your customers make the easy choice to use your service over your competitors.

12. Create a community events board—Encourage your customers to post related material. This is a great place for your suggestion box, your guarantee, and your employee recognition program.

13. Create a Conversation/Sitting Area—Consider offering refreshments and or drinks, have a video monitor with related media playing, offer literature, tips, top 10 checklists, sign-up for your newsletter, and “how-to” guides. Barns and Noble discovered that there was a direct relation between the amount of time a customer spent in their store and how much they spent—the longer they stayed the more they spent.

14. Create a Top 10 List—People love lists’, create a 10 reasons to buy from us or 10 reasons to act now, the 10 best selling products, the 10 most useful items bought, the 10 customer favorites, etc. Use these lists to suggest products or services that your customers many not have thought of before seeing the list—build desire for your products or services!

15. Post Testimonials and Pictures—A name and a face will give your testimonials more weight and personalize the service saying I really trust your company. Place these where customers can see them. By related products, in your conversation are, by the check-out anywhere customers gather or linger.

Between Chapters Eight and Nine you now have dozens of additional tools to set yourself apart from your competition. Use these

strategies to keep your customers focused on your business, the products you offer and the great customer service that you provide. I have found it helpful to use a calendar to set a time frame for working on each of these strategies. After your allotted time to learn each skill, review your progress but don't stop there, continue to work on them until they become second nature and then move on to the next strategy. These best practices will serve you and your customers well and will make a difference in the way your business is perceived.

Part 3—Bringing it together for success

Chapter 10 How to excel in Customer Service

“The customer is not a moron; she is your wife”

—David Ogilvy

This chapter is filled with Direct Marketing tools that have been proven to increase profits for countless businesses. These strategies have been gleaned from the best of the best in the business world. My hope is that you are the next successful business to implement them.

For many, too much information is crippling, so if this holds true for you, then get out a notebook and write down the five or ten strategies found in this paper that you can work on immediately. Every little bit of improvement you can add to your companies practices will help. The key is to start incorporating best practices that show your customers that you are different from your competition.

Create and Use a Database

“In the 21st century, the database is the market place.”

—Stan Rapp, MRM Partners Worldwide

In the last chapter we briefly discussed creating a database. A database is truly one of the greatest marketing tools at your disposal. When you gather and store important information about your customers and their purchases you will have a treasure trove of information, by this I mean you can find answers to many questions you have when trying to define your customer, which can be used to define your customers.

Once you have built a history of buying decisions, you are ready to go to work. Look at the data you have and divide your customers into distinctive groups, and rank them. Rank them from the most valuable customers (MVC's), those who buy the most often, then the most growable customers (MGC's), those with the greatest potential to become MVC's, and the below zero customers (BZ's), non-profitable customers, those who buy once in a while and/or require a lot of resources to be serviced. A ranking such as this will allow you to treat different customers differently. Giving priority to the most profitable segment of your customer database.

Another way you can rank your customers is by the simple A, B, C method. You create categories and divide your customers into groups of rank. Yet another powerful methods of ranking existing customers is by recency, frequency, and monetary (RFM). It is primarily used to predict trends in your customer buying habits that you can use to produce more targeted marketing.

Your database can also help you identify former customers, those who have stopped buying, so you can invite them back into your shop to see what is new. Many times reviving past clients has proven to be very profitable.

Earlier we talked about how to evaluate lifetime value. Look to your database to learn the lifetime value of your average customer. When you are armed with this knowledge you will know how much each customer is worth and be able to spend your marketing dollars appropriately—more on your existing customers and less on obtaining new ones.

You can identify different segments of your customer base via your ranking systems. For example, you can identify from your database all customers that have purchased the same item, say winter coats.

With this knowledge you could develop special advertising to sell them winter boots or snow pants. This group would have a higher probability of buying additional winter items when compared to customers that bought for example a backpack or a climbing rope.

You can separate customers that have an affinity for shoes and develop a special offering that caters to their desires. Maybe a “Spring is Coming” event where you feature the latest seasonal fashion in shoes and foot accessories. An event like this would be a great idea to host during one of your slow seasons.

You can interact with each segment of your customers in ways that are more in line with their interests. Instead of trying to address every consumer in your area, you can develop specific correspondence to a particular group of buyers. Say your database reveals that a certain segment of your customer base prefers correspondence via email. You could engage them in their preferred method of communication. When you talk to your customers in the ways they prefer, you are using your marketing dollars more wisely.

Finally, you can customize your interactions to fit the needs of your customers. For example, you know that you have a segment of your customer base that prefers to be contacted via email, and you also know from your database records that they purchase the same type of products regularly. Knowing this, you are able to talk directly to these customers. You can address them by name, you can attend to their regular purchase habits, you can inform them of an upcoming special on these products and/or you can tell them about a product that is a natural fit to the product they regularly buy. For example, for the customer that buys a new pair of leather dress shoes a natural fit would be a pair of shoetrees to keep the creases to a minimum—extending the life of the shoes.

As you can see, the database can really help you target specific customers and address their needs, which in turn, improve your chances of repeat business, and this is a segment of the business that is most profitable.

You may for instance, be able to move MGC's (Most Growable Customers) into the MVC's (Most Valuable Customers) category by adding service that this customer segment finds valuable. Creat-

ing a Loyalty Program may be well suited and be the strategy that moves customers into more profitable categories. A loyalty program can improve business by 20% if done right.¹ Many shops give cards that offer a free item after you buy 10 items at regular price. This has helped bring customers back again and again, increasing profits each time they do. Think of variations to this to bring different segments of customers to your place of business.

Additional suggestions are: a Birthday club—get a free item when you bring someone in on your birthday, honoring competitors' coupons, and a referral program—get a discount when someone you refer buys.

A Bounce Back Program, a program that invites new or 1st time buyers to return and make additional purchases, will increase your business. After you have identified recent first time buying customers, all those that have bought in the last 30 or 60 days, you can use this program to entice first time customers to buy again. Send them special advertising, invite them to see new merchandise, or in an attempt to make them more loyal give them a discount on their second purchase.

Testing

Perhaps the greatest lesson we can learn from the Direct Marketing field is the importance of testing. The lessons of testing apply to everything we have discussed in this book. Each strategy, idea, and advertising campaign you come up with should be tested. By this I mean, you should apply these principles to your customer base and check their response. If it is favorable you know that, to some degree, it is successful. But don't stop there. Just because you have learned from your testing that a particular idea seems successful you should test different scenarios to improve the response obtained from the previous success.

Say you are a moving company and have developed a new "how-to" brochure as a free resource to educate your customers on choosing a mover. Your brochure says "Ask these fifteen questions to make sure that your moving company's policies, procedures and standards will protect you from an unpleasant moving experience." You find that this brochure has dramatically increased your

business by fifteen percent over last year's campaign, of course you are happy. You should not stop there; test various aspects of the brochure to determine if you can get a higher increase. Would a different heading help? Say, "Last year, 3,545 complaints and lawsuits were filed against moving companies—Ask these questions to avoid these traumas."

You have many items that you can test; the copy, the size, the headline, the amount of questions to ask, and the photographs to name a few. Testing is the only way to know what will work on a consistent basis compared to what worked once because of an unknown set of circumstances.

Offer Something Money Can't Buy

"Money is no longer in products, it's in the information."

—Gregory Caravello

We've talked a lot about becoming an expert in your field throughout this book. When you have achieved this, many avenues will have opened to you. To leverage your expertise, create support materials like those mentioned above: "How-to" guides, FAQ (frequently asked questions) resources, classes, lectures, videos, book and booklets, product databases, and manuals. Give this valuable information away or at least offer it as a resource that anyone can come by and see at no charge. Flood the market with your expertise. Let everyone know that you are the place to come to for the knowledge they need.

When you have established yourself as "the destination," why would your customers go to your competition? If they come to you to get educated they won't readily go to a competitor to buy product. This is true marketing. By becoming experts you will establish yourself as "the leader" and the "only source" for those who are serious about your products. If they come to you for expertise they will come to you for your products.

Cross-Sell/Up-Sell More

Up-selling Defined

Up-selling is providing additional information about a product that enhances the use of the item being purchased. It should be something that makes the use of the product safer, easier, faster, more convenient, or even more productive.

Say one of your customers comes to you with questions about oil for his car. He has chosen to buy 10W30 weight motor oil. You ask him a few questions about his car. “What year is it? How many miles are on it? What size engine does it have?” You learn that his car has high mileage and is driven for commuting. Armed with these facts you suggest an oil that is a high mile option better suited for his car’s needs. You are simply helping the customer buy the correct product for their needs.

Cross-selling Defined

Cross-selling is the art of assessing the intended use of a product and, where appropriate, suggesting another product that more precisely fits the needs of your customers. Finding the best fit for your customers. That is why they come to you in the first place.

When selling a utility knife in a hardware store, the clerk can assess by a few simple questions that a customer is planning on cutting flooring on a cement floor. A simple, logical cross-sell is to suggest that the customer add a packet of blades to their order. It will eliminate the need for the customer to come back and purchase blades later that night.

A Helpful Hand

Many employees worry about up-selling and cross-selling. They may not see themselves as salespeople and think that they will offend the customer. In your training, you should remind them that your customers come to you for expertise; which you provide. By making suggestions to your customers, items that complement and enhance what they are buying from you, you are confirming your expertise and offering a valuable service.

For example you could ask: “Did you know, most customers that bought this sleeping bag came back in to buy a compression sack. Most said that they wished that they had it on their first use. Would you like me to show you how it works?”

In this case you don't even need to suggest that they buy the item. All you are doing is showing them the value of a complementary product and they can decide if they are interested or not.

If your customer is buying a network copier, you don't neglect to sell them the network cable do you? Of course not; the cable is necessary to use all that the copier has to offer, and so is the paper, the toner, the staples and a staple remover. So are a binding system, some labels, some envelopes, and some stamps. All the items that your customer uses in conjunction with the product you sell help them do their job more efficiently.

So, up-selling and cross-selling is only being the expert your customers are looking for. You know how to help them and they look to you for this help. Help them be more efficient and more productive—it's your job.

Practice Your Up-selling and Cross-selling Skills

There are many ways to improve your up-selling and cross-selling skills. The first is practice. Many times you might not know exactly where to begin. Here are a few suggestions.

- Offer related “sale of the day” items.
- Make a list of, and commit to memory, items that complement each item you carry and their related benefits.
- Offer a FREE how-to booklet or article related to the subject.
- Offer a catalog of extended product lines—items that you can get but don't stock.
- Offer free shipping and handling for online orders that reach a certain dollar amount, say \$100 or more.
- Discount second or third items purchased.

Value Matters

Remember, you are providing value, something each of us wants

and needs. Once you have a list of cross-sell and up-sell items that you can work with (See Making a List below) practice making suggestions and include stories of how they have helped your other customers enjoy the product.

“When the offer presents a true additional value, and it is presented in a positive manner, the process has marketing impact whether or not the customer buys. Every time a rep and a customer have a pleasant interaction, it creates an advertising impression that simultaneously delivers both product and service information.”

—Liz Kislik

When you and your staff are comfortable with your offers it will become natural. When teaching your staff, emphasize that consistently making the offer is more important than making the sale. It is the benefit to the customer, and their knowing that you are thinking of them, not whether or not a sale is made, that makes the difference.

Making a List of Items That Complementary Items

Example: Item being sold is a Dutch oven

Cross-sell items:

- Pan scrapper
- Stirring spoon/ladle
- Cast iron cleaner and conditioner
- Cookbook/single recipes
- Lid lifter
- Carry bag
- Trivet
- Charcoal/Charcoal basket/lighter

Up-sell items:

- Single or double burner stove
- Larger or additional Dutch ovens
- Dutch oven cooking table
- Other cast iron items—skillets or griddles

Customers are usually willing to pay as much as 30% more than they expected if they see value in what you offer them. So what are you waiting for? Work with your staff and become the experts that your customers are looking for, and watch loyalty and profits grow simultaneously.

Become a Customer and Find Out Your Weaknesses

One of the best ways to understand your customers is to spend time buying products from your business. If you can't go into your shop by yourself have a mystery shopper do it for you. When you can see things how your customers see things you can really give them what they want.

When online retailers order from your site, test such things such as how long it takes to get your order, how much information was supplied with your order, and what shape the packaging was in, inside and out. Do you give adequate return information, a guarantee? It is very important that you confirm that your customers made the right decision to buy from you.

How your product arrives makes an impression, usually the last impression of your company. How are you shaping up? Are you taking advantage of the opportunity to make a positive impression on your customers?

Call in orders too. Test how long it takes to actually talk to a representative and test how your employees represent you on the phone. There are many skills that your employees need to help your customers and if you don't help them become the expert who will? Again the more you can see your business through the eyes of your customers the easier it will be to improve the way you run your business.

There are many reasons customers come to your business to see the products you sell. One of the most important reasons should be the relationship you have with your customers. This chapter offers you tools that you can use to strengthen the bonds between your business and your customers emotions.

Excelling in customer service is one of the most important tools

that you can use to further your relationship between you and your customer. In doing so, you provide additional reasons why your customer should think of you when it comes time to buy another product. Add to these examples tactics to keep your customers thinking of your business.

In Chapter 11 we will discuss best practices that have been implemented by successful businesses that you can use to strengthen your customer service interactions with your customers.

ENDNOTES

Chapter Ten

- 1 Steve Gasner, “Direct Marketing 550 Database Development and Marketing” interview by author’s class, class notes, <http://pipe.mercy.edu>, March 2003

Chapter 11 Bench Marking: What The Best of The Best Do to Keep Customer Coming

“Today’s customers are buying services, not just products.”
—Henry Rossi

This chapter is designed to give you additional ideas and avenues to incorporate into your customer service practices, they are intended to support the many strategies and tactics already submitted in this paper. I have gathered these best practices, first because they are just that, and second, because they are scenarios that you can apply immediately to address the needs of your customers.

Benchmarking is the process of comparing existing products, services, and operations to industry leaders with the goal of setting standards to be met and surpassed.

Benchmarking Provides The Following Benefits:

- Judges performance using externally derived standards
- Assures competitiveness
- Provides a path to industry leadership
- Instills a mode of learning¹

Whether you are a retail shop, a cataloger, or an online business, the following tips are great ways to set yourself apart from your competition. It is more important than ever to be distinctive, and benchmarking leading companies and their practices are an economical way to get there. Plus, this brings the best practices of the best companies to your establishment, and these practices will really put you over the edge, helping you stand out over your competition.

The goal of this chapter is to give you ideas that will set you apart from your competition but more importantly help you avoid “Sales” to bring in traffic. When you rely on sales you train our customers to wait for a sale before they come in to your shop. By using these strategies to bring attention to your shop, your product offering, and your company—you are providing your customers with more than just products. You are educating them and making yourself the destination for their product needs by adding value to your offers.

The best way to use this chapter is to pick out the strategies that you think are the easiest to implement and start there. Every change for the better helps you. Set up a timeline; add the items you want to work on and work towards them. Remember that a goal not written down is a wish, and wishes don't get fulfilled. So get to work and make your company the best it can be and succeed like the companies that have incorporated these best practice strategies.

Strategy: Use Great Descriptive Words

There is a fine line between overkill and finesse, but when done well it sets the stage for information and confidence. Consider using words like: Original, Quality, Distinctive, New, Rugged, “Still the Best,” “Might as well have the best!” The ultimate ... are great words for rough and tough products. Words like Soft, Plush, and Comfortable work well for towels or carpet. Descriptive words can help set the mood of your offers and can attract the right type of customers.

Examples of Great Descriptive Words in Use

“... our materials are the very best obtainable, for we know that the best is none too good and that quality is of vital importance.”
C.C.Filson, 1914

This icon is placed by all best selling items that make great gifts.



Strategy 11-1 NeboGear Icon

Nordstrom's use of copy is an art. Following are lines from a recent catalog talking about shoes.

"It's only fitting—finding the shoe you want in the size you need."

"Sure black goes with everything, but fuchsia is so fun!"

"Going someplace? Have fun getting there," in our shoes is the connotation.

"A little extra cushion? Whatever makes you comfortable."

Strategy: Use Callouts

Callouts are point of interest placed in specific areas designed to get a specific reaction from the viewer. I believe those created as an icon are the most eye catching. (See callouts icon below.) Callouts have been used in large retail shops forever but have you noticed any lately? They are always the same and because of that are often get overlooked. This strategy is a good one; varying the look of callouts makes them more valuable than using the same one over and over again. Ways to capitalize on this are: "New & Improved" on products that are better than the last generation, "Save \$10 when you buy 4 or more," "Best Value" items, "The Ultimate" version, or create a product profiles—have an area that talks about how good this product line is, you could even focus on the manufacturer and how good they are. The goal is to keep your callouts fresh by varying them throughout your shop. Don't get stuck using the same old boring starbursts. You will be well served if you incorporate the services of a professional designer to help you achieve these goals.

Examples Use of Callouts



Strategy 11-2 Callouts

Strategy: Your Helpfulness

Post and show how willing you are to help your customers. Many successful companies show their customers how easy it is to do business with them. They invite customers to make purchases via their store, online at their website, by phone, and even by fax. Yet others keep extended shopping hours to meet the needs of their customers.

Teach customers that your staff is highly skilled and trained. Hang posters, and post banners that encourage customers to seek help from your staff. Train staff to cheerfully engage customers at every contact point.

Guide customers to areas where they can have their questions answered. Co-production is getting customers to provide part of the workload. Whenever you can have them answer their own questions you save man-hours giving you the freedom to help more customers at any given time.

You can apply this to cover a broad area of topics. Refer to articles; recommend books, maps, and links to areas on and off your site or in and out of your town. The goal is to add extra value by providing relevant materials that help them buy and use your products and services.

Examples of Your Helpfulness

Online retailers—you can put your 800 number on your website to encourage your customers to contact you. Most do, but how much more effective is it if next to your 800 number you say “Call us, we’re here to help you.” Or “We’re waiting and willing to answer you questions, call us now?”

Retailers—Wal-Mart workers wear jacks that say, “How can I help you?” This fosters interaction between customers and staff. Post FAQ (Frequently Asked Questions) for customers with their solutions—let them know how willing you are to help them. Share comments from customers that talk about how your staff has helped them. Amazon.com does a good job of recommending relevant materials—very helpful.

Post visual cues such as “Visit our “How-to” section at the end of

the aisle.” or “Visit our recommended resources section—click here.” You can also use this information as an ice breaker when a sales representative approaches a customer. “If you have any questions, my name is Dana, feel free to ask me or you can use our reference center found at the end of each aisle, right over there.”

Strategy: It's as easy as 1, 2, 3 ...

Help ease the fears your customers may have about certain products. Show them in simple steps how easy it is to use, buy or assemble your products. Whenever you can simplify the process for your customers you eliminate one more barrier that keeps them from buying.

Examples of Giving Easy Steps

A perfect example is “How to” choose a hydrations system found on CamelBak's website: www.Camelbak.com see examples below. CamelBak gives you three easy steps to buying a hydrations system. One—Pick an activity. Two—Pick your duration. Three—Pick your cargo size.



Strategy 11-3 Camelbak Images

Strategy: Make a Special Occasion Section

Though Christmas is the first thing that comes to mind when I say this, my point is to capitalize on the concept, not the date. You can foster the following model year round. Create a “Great Birthday Ideas” section, A “Hurray, Spring is Here” section, a “Wonderful Winter” products section, a “Summer Must Haves” section, and “It’s April” to name a few.

Choose one of your popular products or one that you think should be more popular. Make a display area. Add a header that states that this is something that needs special attention. Point out features that make this product great and add some support information and watch it make its way out the door. Everyone wants a deal but they also want something that is of great value. Try building attention and desire without a sale.

This way, you can create countless focal points for feature products without having a sale. Many times, a business will create a section to feature a new product. Extend this idea to any occasion you can think of to drive traffic and increase sales.

Examples of Make a Special Occasion Section

A great example of this is Wal-Mart; they place items (a whole row) in the entrance of their stores. These items move at an incredible pace. EBags.com is another a great example of this. They have an assortment of gift options like Gifts for Her, Gifts for Him, Gifts for Teens, Gifts under \$25, Gifts under \$100, Gifts over \$100, and Gift Certificates. The occasion could be any occasion for gift giving. (See Strategy 11-4 below).



Strategy 11-4 eBags.com Gift Center

Amazon.com has “the special at the bottom of the page” that really move products as well. It has been so successful they have trade-marked the phrase.

Strategy: Make The Customer The Expert

We could all take a few lessons from the web. This strategy is the perfect medium for building trust with customers. Why not ask your customers their opinions of the products they have bought? You can throw a reply form in their bag at checkout. Include it with the packing slip when sending packages in the mail. Put it inside the box with the instruction sheet. Or send it after the purchase as a follow-up that confirms that your customer made the right decision in buying from you.

For added convenience, invite customers to submit their comments on the web. Manufacturers can provide print and electronic copies to their retailers for display and tout how good their products are. And retailers can send the same to the manufacturers as a thank you for the good products they provide. By applying this principle to your business you can help ease the anxiety some customers feel when shopping.

Ask customers to rate your products. Ask about quality, usefulness, and satisfaction. Look for product reviews from magazines, newspapers, and online sources. Post them in prominent places where customers can review. Retailers—put them in a booklet and hang them next to the product. Online Retailers—put links to these reviews by the products for easy reference.

Examples of Making The Customer The Expert

Many online retailers have the consumers rate the product they buy, the service they receive and the overall experience of dealing with a certain business. The following image shows how the customers rated five aspects of a product. (See Strategy 11-5 Customer Rating)

Online retailers like Target.com and Amazon.com always allow you to check what others say about the products they sell. You can click on a link to get customers recommendations on practically every product they sell. What a great resource to bring to your customer



Strategy 11-5 Customer Ratings

base. Another great example can be found online at www.Camel-Bak.com. They provide buttons that link to user reviews, media reviews, and for someone to submit a review. You can see what others say, which helps your customers make an educated decision—again added value.



Strategy 11-6 Giving Resources

Strategy: Buying Suggestions

Everybody loves a list. It makes things simple and fast. Provide lists in various price structures and/or list the top 10 product purchases. Place lists in various areas for your customers to see. As always test to see what works best and which areas gets noticed the most. Adjust your list if items are not what your customers want.

Examples of Buying Suggestions

Top 25 gifts for \$25 or less. Top 50 gifts for \$50 or less. Top 10 gifts for \$100 or less. Top 10 gifts for \$100 and more. The top 10 gifts for students or the top 10 gadgets for businessmen, or the top 10 items needed for pet safety. Even the top 20 selling items will have an impact.

Strategy: Flaunt Products

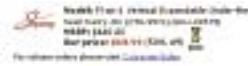
Create a way to show which of your products are the best in the house. It could be an icon, a poster, or even a section of your store or site. Go out of your way to let your customers know what your

other customers find to be the best of what you offer.

People are busy and want to make an educated decision. You must provide enough information for them to choose your product over competitors. The more objective information you can gather the better chance you have of closing the sale.

Examples of Flaunting Products

eBags.com does this exceptionally well. They have an icon “The best of the best.” And positions it by great products.



Strategy 11-7 Best of the Best

Strategy: Line Extension

Take advantage of the multi-channel sales opportunities around you. It has been predicted that half of the retailers in the U.S. will fall victim to Internet sales. Look at your product lines and look for natural extensions. If you don't want to add the products to your retail store add them to your online presence or offer items in a catalog.

Examples of Line Extension

Hallmark cards thought about their card business and realized that a natural fit to their card offering was flowers. They didn't want to retrofit their retail shops to provide flowers so they offered it as an online product. Every store has access to the flower network and can easily add an order of flowers to any purchase made in the store. They are strengthening their brand and extending their product offering in a natural and profitable way.

Wal-Mart did this by adding an online bookstore to their website. They bring in a hefty profit from this online venture.

As these strategies suggest look for creative ways to the way your present yourself and the products you offer. If you need help hire a consultant with Direct Marketing experience, one who knows how important it is to make meaningful contacts with your customers. Together you can “WOW” your customers to your most profitable year ever.

ENDNOTES

Chapter Eleven

- 1 John Stass, ‘How Are We Doing? Benchmarking Tells the Tale,’
p. 3

Chapter 12 Parting Words

“It is significant enough that organizations are going to have to change in momentous ways. They’re going to have to change their behavior, their attitudes, their structures, their compensation, their values. They’ll have to change their very culture to make this work.”¹

— Richard C. Whiteley

You now have an arsenal of tools to set yourself apart from all of your competition. And as you apply each strategy you will begin to see success. You will need to continually test these strategies; they are not try one-time only ideas. The business world is ever changing and as you get better and draw customers away from your competition, your competition will begin to adjust their approach to doing business in order to survive. They will need to improve their way of doing business or at least match your superior service. Once you are the industry leader, it is much easier to implement new strategies that keep you out in front of the pack. Here are a few parting words on setting yourself apart through great customer service.

Remember when you apply these strategies you will be able to avoid a discount sale for the purposes of bringing in traffic to increase sales. A recent study by Lois Geller confirms that price is not the driving factor for most customers. The first driving factor is consistent quality. Second is customer service. And third, is price. Keep your customers focused on the extras you do that add value to the products you provide and you can find this to be true for your business too.

Pay Attention

Whether you are the leader in your field or not you will want to pay close attention to a number of things on your way to greater success—your customers, your employees, how well these strategies work, and your competition. Track and record what works and what needs to be altered to keep your brand working for you. Remember, your brand is the impression it makes on your customers. By developing your employees and by consistency “WOWing” your customers through the service you render, you are building your brand. A strong brand will win over the competition every time even, if your prices are a bit higher.

Stay in tune with the interactions between your employees and your customers. Develop similar strategies to work with your employees. Ask them how you are doing and work with them to find ways to improve interactions with your customers. This will help build a family atmosphere where your customers will feel welcome.

Stay in Touch

Continuously ask your customers for their input. “Are we exceeding your expectations?” “Do you have any unresolved issues?” “Were we excited to help you when you were in our store today?” “Did we provide you with enough information and/or materials to make an educated purchasing decision today?”

Questions such as these will first, let your customers know that you are looking out for their best interests and second, will allow you to keep a pulse on your dealings with your customers and their feelings. This is important because how you treat your customers will ultimately reflect on how they talk about your business and how successful you are.

You want to always know how your customers feel about your business and the services you render. This is especially true when your competition sells the same items that you sell. When you have your hand on the pulse of your customer’s feelings by incorporating suggestions in this paper or using them to get your creative juices flowing you will “WOW” your customers. When you are “WOWing” your customers you will not have to have a “sale” to bring in customer, you will have one because you want to thank your

customers for being so good to you. They will come because you exceed their expectations and provided extra values that they want and will come to rely on.

Make Friends

Develop special relationships with your customers. Treat them as you would a good friend. Be personable and strive to make lasting impressions. Look for common ground and spend time listening to their wants and needs. Once you have gained a greater understanding of your customer's needs, meet them by developing materials and special information that addresses their needs. Share these with your customers.

These materials, while setting you apart, will help you build trust and help make your business a place your customers feel comfortable coming to. Use your position as a business leader to add value that strikes the emotions of your customers. All of these strategies and best practices will create an emotional bond that a competitor will find nearly impossible to break. These bonds can and will last many years, sometimes even a lifetime and more if passed down from one generation to another. My Dentist has grandchildren of customers that travel more than fifty miles to visit him. Lifetime bonds, now that's "WOWing" your customers!

Keep an Eye on Your Competition

This is a critical step. Shop from your competition so you know what they are offering and how they treat their customers. If you can't do it personally, send a mystery shopper to test the competition. Find out how they treat their customers and how easy it is to return a product. See if they make it easy to make a purchase from them or not. Notice which details they pay attention to and which ones they are lackadaisical on. Offer what your competition is not and their customers will come to you. "Successful retail is in the details."² Document their strengths and weaknesses and make sure you are ahead of them in the services you offer and the value you provide. Paying attention to these details will get you noticed and get you more customers.

Keep Learning

Stay ahead of your competition—keep learning. After you have applied strategies from this paper come back to them on a regular basis. Create and use “Life Files” to know what is going on so you will always be prepared for what’s next. Check to see if they are still being applied and effective. Another way is to keep a library of reading materials on the many subjects that affect your business. Encourage your employees to check out and read books from this library. Take time for discussion on how to apply what they have learned. To start your library, in the appendix you will find a list of reading materials on the various subjects brought up in this paper.

Use the skills available to you through your employees. Just because you hired a great employee for a certain job, that doesn’t mean they don’t have additional skills that can benefit you. Ask them how they would like to best use their talents to improve the business. Give them the opportunity to help define what they do for you and your business. Your employees will enjoy using their many talents and you will get a greater value out of them as employees. Use this paper to start your “Life Files.” Give a copy to each of your employees to and encourage them to start their own “Life Files.”

Results Matter

One of your main goals should be to become the leader in your field. Plan carefully when applying any of the strategies found in this paper. You want each strategy to be as productive as possible and effective in increasing the bottom line.

You now have ample marketing tools to take your business to the next level. With the many strategies and tactics provided in this paper you now have a template that will bring real change to your business. Use these strategies and tactics to set yourself apart from your competition and you will really drive customers to your business. The many case studies are proven strategies implemented by companies that already know their importance. By increasing your customer service skills you too will see how powerful these strategies truly are.

Each strategy is designed to help you avoid a discounted sale for the purpose of bringing in customers in an attempt to increase profits.

As you test each strategy you will learn how to increase profits by separating your business from your competition. You will drive paying customers to your shop by providing excellent customer service and “added value services” that customers are looking for. You will become more successful like the Direct Marketers who have developed these strategies and prove their worth every day. “WOW” your customers. Here’s to your success.

“Take care of your employees, take care of your customers, and everything else will take care of itself.”

—Gary Comer, Founder, Lands End

ENDNOTES

Chapter Twelve

- 1 Richard C. Whiteley, "The Customer-Driven Company," Addison-Wesley Publishing, Reading, MA, 1991, p.209
- 2 Lois Geller, "Customers For Keeps," Adams Media, MA, 2002, p. 93

APPENDIX

Additional Reading—My Top 20 Reading List

1. *Customer Service A Practical Approach*, Elaine K. Harris, New Jersey, Prentice Hall, 2003 3rd edition. Elaine's book is a virtual treasure trove of resources for dealing with customers. She covers all aspects of customer service and gives great case studies, examples and thought provoking exercises.
2. *Raving Fans*, Kenneth Blanchard, William Morrow, 1993. A great story of the importance of customer service to businesses.
3. *The Customer-Driven Company*, Richard Whiteley, Addison-Wesley, 1991. Richard's book covers the importance of customer service to businesses.
4. *Permission Marketing*, Seth Godin, Simon & Schuster, 1999. This is the book that really started my love for direct marketing—a must read.
5. *The Purple Cow*, Seth Godin, Portfolio—Penguin Group, 2003. Another Seth must read.
6. *Release the Idea Virus*, Seth Godin, Do You Zoom, 2000. Like all of Seth's books packed with innovative ideas—a must read.
7. *Marketing Management*, Philip Kotler, Prentice Hall, 2003 11th edition. Philip's book covers the basics of Direct Marketing, the essentials.
8. *Fantastic Customer Service Inside and Out* Compiled by Doug Smart, James & Brookfield Publishers, 2002, Stories and case studies from customer service experts.
9. *Uncommon Practices: People Who Deliver a Great Brand Experience*, Interbrand & Forum, Prentice Hall, 2002. Case studies on companies that deliver great brand experiences.
10. *Successful Direct Marketing Methods*, Bob Stone & Ron Jacobs, McGraw-Hill, 2001. Direct Marketing, the basics to “how-to.”
11. *The 22 Immutable Laws of Marketing*, Al Ries & Jack

Trout, Harper Business, 1993. This book lays out what to pay attention to when tackling any marketing and advertising campaign.

12. *Ogilvy on Advertising*, David Ogilvy, Vintage Books, 1985. A wonderful history on advertising that works.

13. *The One to One Fieldbook: The complete Toolkit for Implementing a 1 to 1 Marketing Program*, Don Peppers and Martha Rogers, Currency Doubleday, 1999. This book is a complete guide to one-to-one marketing.

14. *Strategic Database Marketing*, Arthur Huges, McGraw-Hill, 2000 2nd edition. To my knowledge the most definitive book on database marketing. Learn the importance of RFM (Recency, Frequency, and Monetary).

15. *The Wizard of Ads*, Roy H. Williams, Bard Press, 1998. A superb book on Marketing—a fun read.

16. *Customer Relationship Management: Creating Competitive Advantage Through Win-Win Relationship Strategies*, Storbacka, Kaj & Jarmo R. Lehtinen, Mc Graw Hill, Singapore, 2001. Kaj & Jarmo's book is the authoritative resource for Relationship Marketing principles. Something vital to each and every business.

17. *How to Write a Good Advertisement: A Short course in copywriting*, Victor O. Schwab, Harper & Row, 1962. Victor's book starts off with a bang and shows you 100 headlines that have been successful for years.

18. *Guerrilla Creativity*, Jay Conrad Levinson, Houghton Mifflin Company, Boston, 2001. Of the many great items in this book I especially love the fifty reasons why people buy.

19. *Creative Strategies in Direct Marketing*, Susan K. Jones, NTC Business Books, 1998. Another great read on Direct Marketing covering all aspects that need to be kept in mind from copy to creative.

20. *Monopolize Your Marketplace: Separate Your Business From the Competition Then Eliminate Them*, Richard Harshaw & Edward Earle, www.y2marketing.com, A .pdf with CD available from Y2Marketing. An awesome perspective on marketing with wonderful insights on what makes people buy

Great Customer Service: The Best Way to Avoid a Discounted Sale.

and even pay attention. Super read.

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ABBREVIATIONS

BZ	Below Zero Customers
CRM	Customer Relationship Management
CS	Customer Service
DB	Database
DM	Direct Marketing
FAQ	Frequently Asked Questions
GAP	Guidance and Procedures (How-to's)
HMM	Hearts, Minds, Money
IT	Infrastructure Technology
MBWA	Management By Walking Around
MGC	Most Growable Customers
MVC	Most Valuable Customers
REP	Resident Expert Pointman
RFM	Recency, Frequency, and Monetary
VIP	Very Important Person

SURVEY

I'd love to hear from you. Please take a few moments and share your comments with me. Copy this page and either mail or email your comments to me. Thanks.

Daniel,

I read your book *Great Customer Service: The Best Way to Avoid a Discounted Sale*, I have the following comments I'd love to get your feedback on. (What affected you most? What experiences do you have where these strategies play out? What were your favorite examples or case studies?)

I would like some more information on:

Please add me to your contact list for free support communications such as your Think Out Loud email Newsletter. My contact information is as followed.

Name:

Company:

Title:

Street

City/State/Zip:

E-mail:

Thanks,

Mail to:

Daniel Felsted

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