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Adding Value To Your Products And Services Learn To Differentiate Your Offerings

by Fred Firestone

Arriving home from the supermarket, the customer realizes that a pound of butter she bought is not in her bag. She goes back to the store and presents the problem. The service clerk glances at her as if to say, "Are you really on the level?" No apology is offered. The clerk picks up the phone and asks the dairy department to send up the butter. The customer tells the clerk that she feels she's being treated as if she's dishonest. The clerk doesn't respond. The butter arrives, the clerk gives it to her and tells her to have a nice day. As she walks out she sees the store's perfectly crafted and beautifully displayed customer commitment policy.

The customer goes to check out of the hotel. The desk clerk gives him his bill and asks how he enjoyed his stay. He says everything was fine except that after the false fire alarm went off at 3:30 that morning, he was unable to get back to sleep. Before he can say another word, the clerk genuinely apologizes and says that because of the inconvenience, there will be no charge for the room that evening. The clerk thanks him for his business and tells him to have a nice day. As he walks out he sees the store's perfectly crafted and beautifully displayed customer commitment policy.

Both situations have a dissatisfied customer. And, both situations involve a "moment of truth" that ultimately influences service image. The hotel clerk succeeds in recovering and delivering on the customer commitment policy; the grocery clerk does not.

The success of an organization depends on

how it manages its moments of truth. When a customer comes into contact with any aspect of your business, be it interacting with an employee or using a restroom, that's a moment of truth. That's when an impression is formed of your company and the service you provide. The key is what service the customer thinks she's getting—not what service a company says she's to get.

It's not what's in the mission statement or customer commitment policy that hangs on the wall that influences service image. The fact is, the icons of customer service—these customer policies, 800 numbers, guarantees, suggestion cards, surveys, etc.—have become no more than a ticket of admission to today's marketplace. Delivering on a service image in the mind of the customer is about delivering on moments of truth.

And, how you recover when something goes wrong has a more significant impact on customer loyalty than whether or not something goes wrong. Every business fails at one time or another to satisfy its customers. How these situations are handled influences whether you get your share of repeat business.

In a poll of the top nine reasons consumers gave for buying a specific product, eight related to the abilities of the customer service system and its ability to deliver on a moment of truth.

A survey on "why customers quit" found that 68% did so because they perceived an attitude of indifference toward them by the owner, manager or an employee.

A major study for the United States Office of Consumer Affairs looked at dissatisfied customers in industries as diverse as utilities, automotive service banking and retailing and concluded that ...

- Approximately one of four purchases results in some type of consumer problem, ranging up to 65% in some categories.
- A majority of unhappy customers do not complain because they feel no one is really interested in hearing about their problem.
- A significant percentage of those customers who don't complain simply don't come back.
- In some categories, those dissatisfied consumers who complained and got their problem resolved were almost six times more loyal than dissatisfied customers who did not complain.

Two things are clear: that you can recover a dissatisfied customer through moments of truth and that the American public chooses not to complain because they don't believe businesses will deliver on their moments of truth. Next time you have a dissatisfied customer, take advantage of the opportunity.

Does your company successfully differentiate its offerings? E-mail me at firestone@sempact.com.

Fred Firestone (firestone@sempact.com) is president of Sempact, Inc., a seminar and consulting company working with businesses on how they can further differentiate their offerings.