



Building Customer Satisfaction

The sagging economy, the September 11th horror, a broken stock market, corporate accounting scandals, employment uncertainties and rumors of war have combined to create widespread anxiety and discontent among consumers. The profound and lasting effects have been felt across the board in all industries, from steel to stocks, and from soda to sports. Hotels and airlines suffered tremendous losses, numerous failures, great uncertainty and negative growth as a result. It's possible that a full, complete economic recovery could take three or more years. Even then, businesses and industries as we once knew them have forever changed. The golf industry is no exception to the hardship and the pending changes.

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What has changed in golf in light of the most recent slump? Maybe we should take a look at what **hasn't** changed for many years. Golf growth is flat! According to the National Golf Foundation (NGF), golf produces around 2 to 3 million new players each year, and, oddly, it loses the same amount each year. Yet the number of courses continues to grow. Why? Over-building of golf courses has led to saturation, and in combination with the economic slump, declining round counts have followed. There are not enough golfers being introduced into the game for all golf courses to be as profitable as in years past, particularly in the upscale sector of public golf. New golf construction starts have made competition fierce. Consequently, in light of a declining market for golf rounds, increased competition and bottom-line profit pressures, club managers have had to adopt cost-containment measures to minimize expenses and improve profits while limiting the impact these cuts have on the quality of their customers' golf experience—or suffer trying. Therein lies the big dilemma in the golf industry: How do we maximize profit, increase customer base and develop new golfers within the current economic setting and available budget? Clubs that can create profitable customer relationships through enhanced customer service and added value will continue being successful.

Customer Service

The Chicagoland golf industry has never before had so many high-quality and affordable places to play golf. Arguably, public golf in Chicagoland is the finest public golf market in the United States. Competition is fierce, and the striving for greater customer satisfaction and expanded clientele base is fiercer. In order to draw more customers to your club and improve your bottom line, the establishment of customer loyalty through good customer relationships is critical. By truly learning to "serve" our customers, long-term profitability and success is achieved.

Customer service is an expression that is used commonly to mean "taking care of one's customers." The fundamental goal of a customer-centered business is to maximize its customers' satisfaction. The rationale

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derives from the fact that customers who are satisfied with the service they receive are inclined to return and share their satisfaction with others.

Regardless of the industry, most organizations know that their level of service directly affects the success of their business. But, does every employee at your club know how his or her job affects the entire operation? When customer service is a cornerstone, it takes only one weak link in the chain to damage the service reputation of the entire club. All employees need to know their value and how their role fits into the overall company business plan. We should hire and train employees to go above and beyond in the world of exceeding customer expectations. **Every** employee has to sell and market. **Every** employee must develop his or her own way of providing positive impact on the customers' experience in order to ensure they are satisfied.

Are your customers satisfied? How do you know if you don't ask? Many ways exist through which a club can determine whether or not its customers are being satisfied—and if the customers' needs are being met. Using customer satisfaction surveys and entering the gathered information into a database for analysis will improve service and reveal any areas that need improvement. Surveys are useful to managers because they can identify, measure and quantify customer expectations. Customer satisfaction surveys are in many ways more valuable than currency, helping to increase customer retention and loyalty.

Building Relationships

Relationships are very important to customers. Consider the old adage that says, "People do business with people they like." Strong customer relationships and loyalty take energy and time, lots of energy and time! You can't establish or develop any relationship without first developing trust. Reliability, good faith and professional integrity are the ingredients of trust. Be upfront and honest from the start. Certainly, there are times when customers will not be satisfied. But, by handling problems quickly and openly, customers may

have a greater understanding if problems do arise. "Promise only what you can deliver and deliver what you promised." Learn what is important to your customers and partner with them to help them achieve their goals. Once you demonstrate that you have the customers' best interests in mind, and you have tied your success to their satisfaction, you've built a strong relationship.

Customers like personal attention. They like being greeted by name, having kindnesses and courtesies extended to them, and feeling appreciated. Warm, sincere, personal attention and service are what make customers feel comfortable. By building close personal relationships with your core customers, clubs can record and analyze their preferences and habits in order to better serve their future golf business needs, and operate more productively.

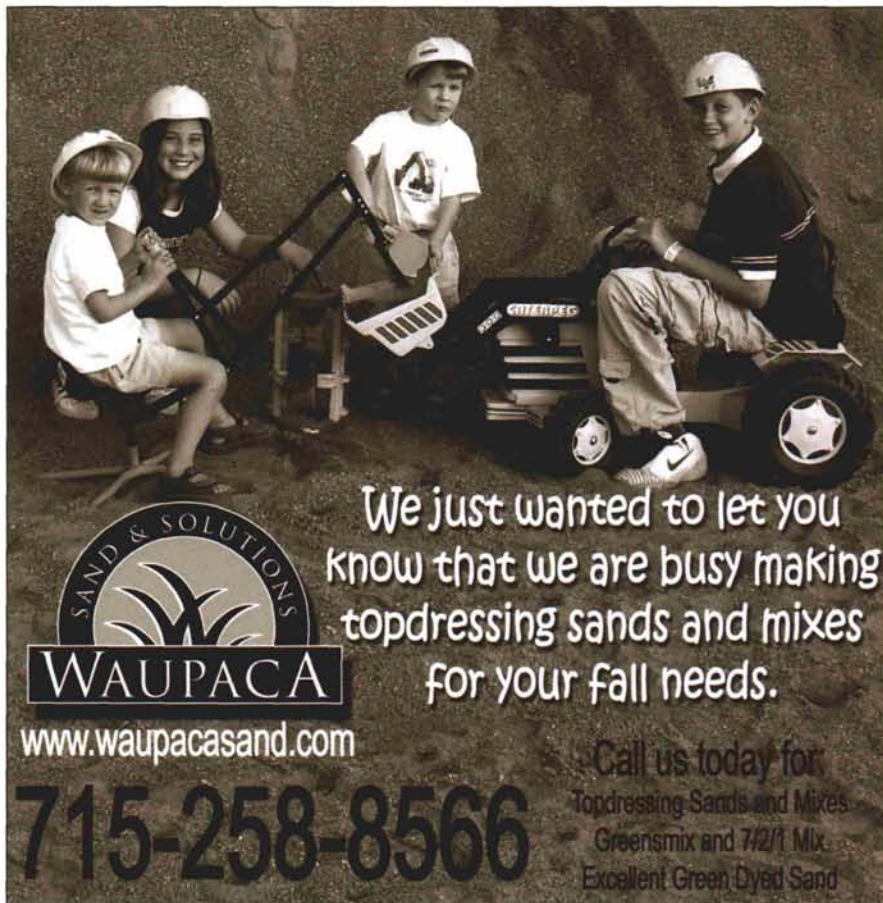
Perception of Value

Warren Buffet, multibillionaire and chairman of Berkshire Securities,

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once said, "Price is what you pay—value is what you buy." Price-driven consumers make up a large sector of the public golf clientele. Customers will not pay for golf services or experiences they don't value. They simply will not return. Buffet added, "Cus-

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The advertisement features a photograph of a family of four—a mother, a young girl, a young boy, and a teenage boy—all wearing white hard hats and riding a go-kart. The go-kart is black and has 'WAUPACA' written on its side. The background is a dark, textured surface, possibly a dirt track. Below the photograph is the company logo, which consists of a circular emblem with a stylized plant and the text 'SAND & SOLUTIONS' around the top edge, and 'WAUPACA' in a dark box below it. Underneath the logo is the website address 'www.waupacasand.com' and the phone number '715-258-8566'. To the right of the logo, the text reads: 'We just wanted to let you know that we are busy making topdressing sands and mixes for your fall needs.' At the bottom right, there is a list of products: 'Call us today for: Topdressing Sands and Mixes, Greensmix and 7/2/1 Mix, Excellent Green Dyed Sand'.

tomers show little loyalty, especially if their perception of your company's product and value is low. Deliver value that your customers recognize, appreciate and reward, and they'll come back repeatedly." That is the challenge in the upscale public golf market—ensuring that your customers see more value in their experience than the cost to them.

What is perceived value? How can we enhance the perceived value of our courses? The value of a product is not its cost. In fact, the value of the product should far outweigh its cost, **should** being the key word. For example, let's say a product you offer is priced at \$80. You have assigned a value of \$80 to that product. The value to the customer, however, should be more than the selling price. If it is worth less than \$80 to the customer, then he or she has no motivation to buy. But if the value seems equal to or greater than the selling price, they are motivated to trade their money—the cost—for the item or experience—the value. The product may be worth \$100 to the customer.

Then he or she will gladly give up \$80 for the experience. The more the perceived value surpasses the cost of the product, the more the customer will want to buy it from you.

Ensure that the customer sees much more value than cost. Marketing and advertising strategies that emphasize your value are the surest way to differentiate yourself from your competitors—and gain a greater share of business. Clubs embracing the principles of value exchange are operating on an entirely new playing field. They don't evaluate their performance based on comparisons with last year's figures or with their competitors. They define their target customer base, build relationships with that base, quantify the current and the full value of these relationships, and commit the entire company to building strong customer service skills.

Conclusion

The bottom line in any business is profit. Satisfactory profit means staying in business. Any business that is customer-driven is controlled by

the viability of its customer base. Clubs can increase customer base by providing satisfying service to existing customers while working to attract new ones. The ultimate goal of any customer-based business is to maintain customer satisfaction and add value to the purchases they make. The golf industry is no exception. If this goal can be attained, growth is all but guaranteed.



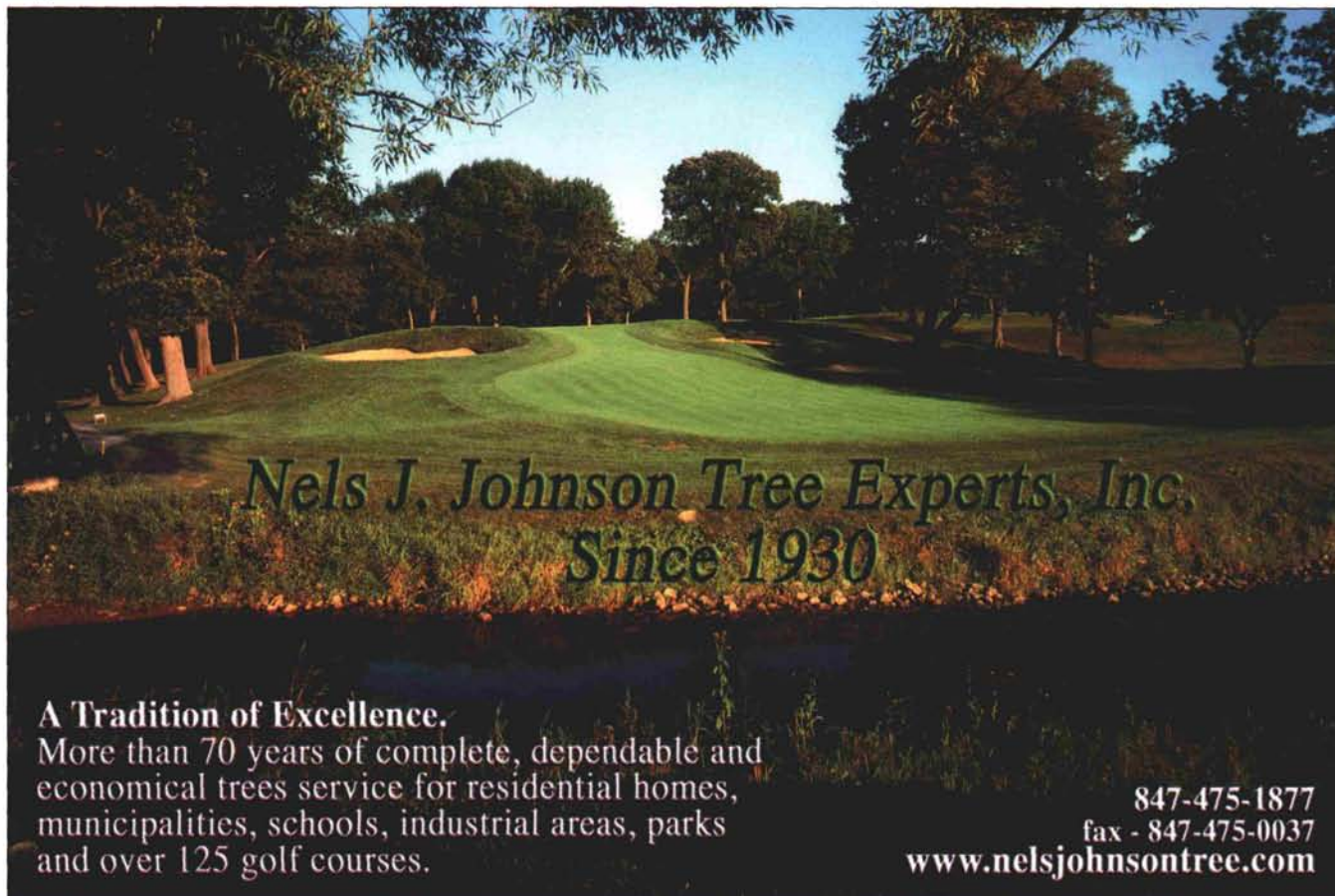
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