



[ STRATEGIC SOLUTIONS ]

# The hidden value of customer satisfaction

**H**OW IMPORTANT IS customer satisfaction? Not an easy question to answer. We all have opinions. Few of us have real, experience-based answers.

How important is building profits and ensuring a greater return over time? To accomplish it, would you consider creating what can be a cultural paradigm shift in your company? Is an investment in re-tooling — or at the very least enhancing — your approach to building customer satisfaction worth the effort?

## Sustaining ongoing profits

First, generating and sustaining ongoing profits in this economy is far from a slam-dunk proposition.

I see two general approaches to making money in the Green Industry today. First, the big company approach, involving lots of high-risk marketing and lead generation, followed by an intense,

**Use this long-term business strategy to drive profit.**

BY **BILL HOOPES**

high-pressure sales process. The idea is to focus on selling more customers and selling current customers more of everything.

The second general approach, used mostly by small to mid-sized operators, is to generate leads via the referral process, sell the benefits of a relatively higher ticket

service and maximize referral business, while minimizing customer turnover in the service delivery side of the business.

But, since the bottom fell out of the economy in 2008, marketing effectiveness, by any estimation, has been “iffy” at best. And, even if your marketing strategy has been satisfactory, it’s still not cheap. If recent trends hold up, it’s clear that the days of low cost customer acquisition are gone.

With this background, consider what I’ve found effective.

The most successful Green Industry businesses focus on satisfaction — measurable, tangible satisfaction.

## Satisfaction guaranteed?

Understanding what really satisfies customers — what pushes them to refer your company to others — is not simple, but it happens.

Satisfied customers do two things consistently and very well: First, they deliver higher lifetime value. They are with you longer and spend more money. Second, they sell your company for you. Both are, in tough economic times, invaluable.

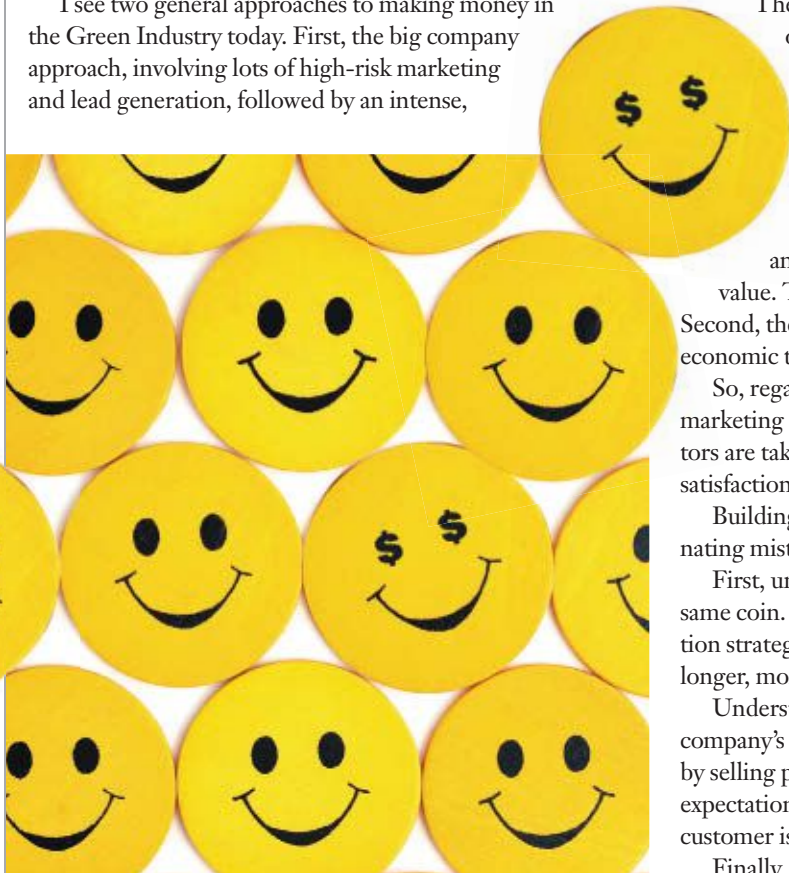
So, regardless of their status today and track record of marketing and selling successfully in the past, more operators are taking a very serious look at building or rebuilding a satisfaction culture. Notice, I did not say service culture.

Building a satisfaction culture requires a process for eliminating mistakes and making each customer feel special.

First, understand sales and service are two sides of the same coin. If properly joined in a well-planned communication strategy, they result in higher customer satisfaction and longer, more profitable relationships.

Understand also that in the vast majority of cases, a company’s marketing plan (generating interest), followed by selling process (closing leads), typically sets unrealistic expectations in the prospect’s mind. Once sold, over time, the customer is disappointed and dissatisfied.

Finally, accept the fact that your leadership style — your





words, deeds and general interface with your team of employees — has created a positive or negative culture in terms of employee attitudes and opinions about the importance of maintaining satisfied customers. If negative, you simply need to acknowledge it. Making changes for the better will also take time.

To a psychologist, you'll be creating a paradigm shift. Defined, a paradigm shift is a "radical change in a person's basic assumptions about something," like the importance of creating and maintaining customer satisfaction. Most companies will acknowledge the need to change but find the process overwhelming. Still, it has been done and, as a long-term business strategy aimed at ultimately greater profits, is being done today.

### Building satisfaction

To build customer satisfaction, look at the following areas:

**1. What is your customer satisfaction level today?** Focus groups and surveys can help you find out. Talking to individual customers when there are no problems is also useful.



### GROWTH GOALS

1. Spend time initiating the customer satisfaction change process.
  2. **Monitor small changes to ensure progress vs. goals.**
  3. Keep talking to front-line people. Input is important.
  4. **Step up communications with customers. Look for positives.**
  5. Meet frequently to relay and build on positives.
  6. **Measure results continually, and react.**
- 2. Get staff input.** Blind input taken from your staff can be unbelievably revealing.
- 3. Look at cancellations and referral trends.** Then, sit down and consider what changing your customer satisfaction strategy will be like.

Know that your team members will resist. Change often requires people do more. If the value of change to the individual is not pre-sold and backed up by action, it won't work.

Prepare to spend extra time and money initiating the

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## A LOYALTY BOOST

Here are a few innovative ways to improve customer loyalty:

- 1. Establish a customer focus group.** Invite some customers to a periodic meeting and provide incentives.
- 2. Host an off-site meeting for key customers.** Find out how you are meeting their needs; build relationships.
- 3. Talk to your front-line people.** Most of the time they know the problems and the solutions.
- 4. Collect e-mail addresses.** People are more likely to read and respond to e-mail. Periodically send updates, tips, facts and stories to your client list.
- 5. Make your direct mail stand out.** No mailing labels; use colorful stamps.
- 6. Discover your competition.** Talk to your competitors and your competitor's customers. Pizza Hut didn't begin delivering pizzas until Domino's arrived on the scene.
- 7. Steal ideas.** Look for new business or marketing ideas from other companies. Don't only look at similar businesses.
- 8. Be different.** Stand out from the

crowd. Some ideas: Send complimentary movie tickets to best customers on opening weekends with a thank-you note, send gifts to customers on the anniversary date they started doing business with you, send disposable cameras with your logos to customers including a photo of you so they have a thank you message when they develop the film, and send customers poinsettias during the holidays.

- 9. Survey customers.** Ritz-Carlton hotels and Pizza Hut survey up to 40% of their customers each month to find out what they did and didn't like.
- 10. Write a column.** Hire a ghost writer or write a weekly or monthly column for a newspaper or trade journal.
- 11. Hire a key customer representative.** Appoint a special employee to keep in touch with your special customers.
- 12. Treat your employees the way you want your customers treated.** The front-line people are the most important people in your organization. If they feel management cares about them, they will reflect the same respect to your customers.

— Gregory Smith, a business motivation, training, development and leadership expert

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change process. Provide ongoing, visible support for change.

Then lay it all out on paper and communicate. Start with managers. Be sure you have 100% buy-in. Next, enlist support from veteran employees.

Once you initiate your strategy, take it one step at a time, using this guide:

- 1. Monitor small changes to ensure progress vs. goals.**
- 2. Keep talking to front-line people.** Input is important.
- 3. Step up communications with customers.** Look for positives.
- 4. Meet frequently to relay and build on positives.**
- 5. When one change has become part of the process, move on.**

### Continuing satisfaction

Another important part of improving customer satisfaction is measuring results continually and then reacting to the information you gather. An example is responding to customers who answered negatively on satisfaction surveys with a goal of converting all negatives to positives over time.

Review all marketing materials. Evaluate your message and don't make claims you cannot live up to.

Next is sales. What are your people actually saying to prospective customers? Are they overpromising?

Continue to train your crews on communicating the real benefits of your services as well as handling customers contacts in the field and on the

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## I CAN'T GET NO ... SATISFACTION

phone. Benefits equal value, and value is what people pay for, not features.

Follow up to confirm each new sale is treated like a new baby in the family. Build the relationship based on early, positive "touch points."

Review the process for handling customer questions and complaints. Who is on the phones? How are incoming

contacts handled? Monitor all customer service contacts. Who did what and when? Was each question handled as it should have been?

Then, assign increased individual responsibility as staff members show positive results.

Establishing a customer satisfaction culture may seem like an insurmountable project. It can be. But it can — and is — being done.

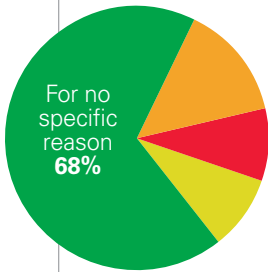
The payoff? Everyone wins: a happier staff and more satisfied customers. For ownership and senior management: greater profits in good times and bad. Isn't it worth another look? **LM**

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Here are some eye-opening facts about customer behavior and satisfaction:

- Forum Corporation showed that up to **40%** of the customers in its study who claimed they were satisfied switched suppliers without hesitation.
  - A *Harvard Business Review* study reported that **65% to 85%** of customers who switched suppliers said they were satisfied or very satisfied with their former supplier.
  - An average American company loses **15% to 20%** of its customers each year.
  - "Businesses can boost profits **25% to 85%** by increasing customer retention by as little as **5%**."
- Jill Griffin, author of *Customer Loyalty: How to Earn It, How to Keep It*

### DEFECT Why do customers defect?



- Because the company did not respond to their complaints **14%**
- Because of the competition **9%**
- Because they moved **9%**

Source: Rockefeller Study

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