

## ENOUGH EFFICIENCY ALREADY!

**The corporate preoccupation of providing cheaper customer service, rather than better, is often driving our customers away.**

In our rush to do things cheaply, we are not doing them very well. We also run the real risk of making our customers first impression of us, a bad one.

Some of our customers are comfortable with cheaper customer service options, such as online user manuals or chat room forums. The down side, is that those same customers, have a tendency for frugality and are unlikely to provide the next big order.

Research suggests that at least half of the world prefers a more personalised approach, and are prepared to pay for it. To accommodate these customers, we need to provide more than one service channel.

We need, at every touch point, to try and build a strong, long-term relationship. If we provide the option of face-to-face service, we give ourselves the best chance of achieving this.

### APPLES FOR APPLES

Apple deals with these types of customers very effectively with its retail service network, of Genius Bars. Despite the obvious cost to Apple of having large, heavily staffed shops, the customers come in droves. When they are in the shops they often buy more products. It is unsurprising that Samsung are opening a me-too version.

Traditionally there have been two ways to differentiate your organisation and become more competitive—focus on either quality or price. A third option is to be more effective, rather than more efficient. Instead of trying to cut costs, focus on doing something better for the same cost. The customers may well be happy to pay more.

This brings us to the definition of 'better'. Better, like beauty, is in the eyes of the beholder, or customer in this case. For example, you might think something is better because it's gold not silver. Unless you're paying, the only relevant opinion, is that of your customer..



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### YELLING AT PHONES

Let's take mobile device/internet plans as an example. If you can decipher them, you'll find they all aim to present the cheapest option. Many of us though, prefer things like better coverage, higher speed or customer service that doesn't involve having to talk to an automated voice.

If, like me, you leave those conversations diminished, yelling at the phone, and swearing you never want to deal with that company again, it is obvious that something is wrong. The company has clearly developed a very efficient way of driving its customers away.

Some would say that doing nothing at all is probably a better option. If we are going to create a group of protagonists, then we shouldn't have bothered.



## **SINCE WHEN DOES IT MAKE SENSE TO REWARD YOUR COMPETITOR'S CUSTOMERS?**

The financial sector has a different approach to customer focus. It spends a fortune attracting new customers but doesn't give existing customers the same level of service. "Take out a new loan with us and we'll cut your rate by 2% in the first year. No,

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**Alex Heaton & Andrew Crawshaw, Directors of Smarter Bathrooms**

### **JHW Workshop**

- Engagement Skills Workshop
- A Seat at the Table
- Consulting/Engagement Skills Refresher
- Gaining Commitment
- Project Launch
- Makin' Movies (Team Building Dynamics)
- Effective Presentations
- Outcome Focused Meetings
- Win/Win Negotiation
- Facilitation Services
- Power Without Authority
- Video Conference Ready

this is not available to our existing customers". Why would they reward their competitor's customers? We know that it's so much cheaper to keep an existing customer than it is to obtain a new one.

One of our clients, Smarter Bathrooms is Victoria's largest specialist bathroom renovator. Initially they placed more emphasis on technical excellence, rather than customer relationships. Their new business from referrals had, subsequently, been disappointing. After recognising this, the company, with our assistance, modified its approach. Twelve months on and: "The results are off the Richter scale. Referrals have jumped dramatically. Job completion time has decreased from 50 days to 30 days. And the conversion rate of a design concept to an order, has doubled".

The lesson in this is that the customers who have the highest attention to detail, and who often demand the highest levels of technical excellence, are not big 'repeat' buyers, nor are they inclined to broadcast their satisfaction to a large network of other potential customers.

Customers most likely to generate repeat business, and broadcast their satisfaction to a wide network, prioritise relationships over technical excellence. Your organisation needs to cater to both types of customers or at least recognise their existence.

Providing an effective service channel for the client, also delivers a side benefit of increased efficiency because happy customers are far less time consuming than angry ones.

Interestingly, this brings us back to the theme from our last column. When we become a commodity, it is only really about price. The next logical step for an organization, is to find the lowest price, and that is often offshore. We want to be adding value, not subtracting it.

Enough efficiency already. Effective is better.