



Dear Friend,

The Customer's Always...What?

I've had some interesting jobs. One of my favorites was the summer, as a college student, that I spent at B. Altman & Co. in New York.

Think about it. I got to go into Manhattan daily. Camp counselor cut-offs and sneakers were replaced that summer by skirts and pumps. I split my time between the book and confectionery departments, which was heaven for an English major with a sweet tooth. And, did I mention the fabulous employee discount that I always managed to couple with a great sale? It could get no better!

There was just one hurdle. For those of you not from the New York area (or just not shoppers at heart), the name B. Altman & Co probably means nothing. Altman's, though, was one of the last "white-glove" department stores. You know, these are the stores that offer their customers not just *special*, but *extra special*, care and attention. Now, as a shopper, that's fantastic. As a young sales associate, it was more than a notion! However, the Altman's management interviewed for it, hired for it, taught it, and expected it daily. Staff members (whether working on the floor or just passing through) had to live by the motto: The customer is always right (and I do mean *always*). And, you couldn't just grit your teeth through it; it had to be ingrained, and believed, and demonstrated in every action.

The customer truly was at the core of Altman's business. It was that way when my mom worked there as a college student; it was that way during my stint; and it was that way for friends who followed in later years. I'll admit that I didn't really understand the rationale at the time, and the justice side of me got downright irked when people were allowed to return obviously read books. (Thankfully, no sweets could be returned!) Nonetheless, the Altman's folks were on to something huge, despite occasional customer abuses. What did they know? If you focus on your customers, if you develop a genuine connection with them, they'll come through for you. And, in the long run, the one (or even five) slightly read books won't matter, because you will have sold hundreds more.

So, in this month's edition of **EA Insights**, let's take a look at customer loyalty. After all, customers really are (or should be) at the center of all we do!

All the best,

June

June Melvin Mickens
Executive Advantage, LLC



What's Your Rep? Just Ask Your Customers.

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Years ago there was a television commercial for United Airlines that left a lasting impression on me.

Picture a conference room full of execs or sales people. In walks the owner, saying that they'd just been fired by an old friend, and that was not good. Phoning customers is fine, but they needed to get back out there...see people, interact with them. So, he moves around the table, handing out plane tickets. They're going to see EVERYONE; they're going to get back to basics. Then, someone asks about the one ticket pouch that's left. The owner responds that that ticket is his; he was going to reconnect with an old friend.

The sentiment of that commercial has stayed with me to this day. Connect with customers continually about their needs and wants. Secure input about how you're doing in meeting, and with hope exceeding, expectations. And, most of all, don't take customers for granted!

Ah, but how many of us do just that? We often assume that customers always will be there. Or, we view customers, and their requests, simply as interruptions in our daily agenda. Or, we lose our hunger for providing exceptional service each and every time, and instead default to patching something together and daring people to be anything but thrilled with the offering.

So, if asked, what would your customers say about you? Unnerving thought, isn't it?

Yet, your reputation with customers is something that every person in every organization should consider daily. (No, you don't get a pass if you work in HR or accounting, in government, or in the nonprofit arena. You have internal and/or external customers too!) Moreover, creating a loyal customer base does not start and stop with the front office, and it's not exclusively the role of Customer Service representatives. The job

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"Quotes"

"The costs of attracting new customers are exponentially higher than in keeping existing customers, so it's important...to earn loyalty through customer satisfaction measures. While less satisfied customers are more easily lured away by...low prices, providers that deliver high quality service are rewarded with stronger customer loyalty and higher renewal rates."

Customer satisfaction is one of those business cases where [we] do well by doing good, and [there is a] financial return available...for providing quality service."

~Jeremy Bowler

"Customer service is the No. 1 priority..., so when we identify an opportunity to improve it, we jump on it."

~Ron Brown

"At Lexus, we believe that the ultimate success is a satisfied and loyal customer. Our business model is based on treating every customer like a guest in our own home, which means providing the highest quality of attention and care at every level from design conception to dealership and from purchase to service. This, more than any number, is our goal at all times."

~Bob Carter

"If you're a small business, maybe you can't compete on size or price but you have to compete on customer service."

~Chris Denove

"We provide the things people want and need... We strive to provide quality customer service, a

of developing and maintaining a loyal customer base rests with each one of us.

Why is cultivating a loyal customer base important?

A loyal customer base results in greater predictability. Start by thinking about this from a business perspective. If people are dissatisfied, or maybe just satisfied, with your products or services, what can you predict about them as customers? Can you forecast how often or when they'll visit, what or how much they'll purchase, how many staff you'll need in place, what kind of revenue to expect? You see, the level of guesswork increases with each dissatisfied or only marginally satisfied customer.



On the other hand, with a loyal customer base, predictability rises. Here's an example. My husband and I tend to do our grocery shopping early on Saturday mornings at a market we've frequented for more than a decade. Staff members know us; we swap stories about children, and grilling, and sports, and a ton of other things; and there's always concern if a shopping trip only involves one of us or if our schedule is altered. With the loyalty it's cultivated, that store also has acquired a level of predictability...regarding us and the many folks like us. Because of how it functions, that store is better able to gauge the shopping patterns and buying habits of its loyal customers, which in turn should allow for realistic revenue projections and insight into matters like product selection and staffing levels. So, our market experiences a predictability benefit.

But, even if you're not in the owner's or leader's seat, don't write off the pursuit of customer loyalty as something above your pay grade. Cultivating loyal customers adds predictability for the individual staff member as well. In my history of hiring and evaluating staff (and supporting leaders to do the same), I've found that people notice when a staff member is dedicated to providing consistent, excellent service to the organization's customers (internal or external). So, increased predictability here plays itself out as improved job satisfaction, advancement, or security. (And, who doesn't want any of those?)

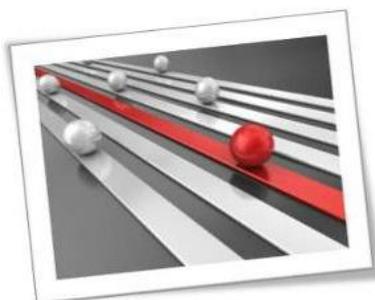


A loyal customer base does (at least some) of your marketing for you. Earlier this week, I received an email from a member of a process improvement work team that our firm is facilitating. Attached to the message was the copy of a glowing email this person had sent to a local leader who's in need of the type of consulting support we provide. The note described our

current work with the process group and offered specific examples of how our support has been extremely effective. Then, (surprise, surprise) it noted that the writer knew and had spoken with another client who, though accessing different EA services, gave equally complementary feedback. Believe me, that was a gift, wrapped and tied with a bow!

The bottom line is that there's word of mouth out there about you and your business. The question is what type of scuttlebutt is it? As you think about pursuing a culture of customer loyalty, an added benefit is that your customers truly become your partners. You'll find that they're not only willing, but excited, to sing your praises to others.

A loyal customer base provides a competitive advantage. Unless you've cornered the market on something absolutely unique, you have competition. However, when your goal is to create loyalty among your customers, a byproduct is an advantage over your competition. People won't just use your competitors because they're closer, or less expensive, or offer the newest version of a product. They'll stick with you, no matter who else is in the game, because they know you and trust you.



You've gotten some of my thoughts about the benefits of customer loyalty, and I'm sure you could add others. But, understanding benefits and putting them to work for you are entirely different. And, the real value lies with developing (not just reading about) loyal customers, who help you increase predictability, who share the marketing load, and who give you a greater competitive advantage.

So, it's practical application time (and, honestly, this is the hard part). Do you know how you're doing in the customer loyalty department? How's the loyalty rating impacting your organization or you? What steps do you need to take in order to move loyalty to the next level?

I invite you to contact us [online](#) or 301-280-5950, and tell us what you've put in place and how it's working. However, if you need assistance, reach out to us as well. Let's explore whether **Executive Advantage** can help you diagnose what's happening now with your customers and partner with you to develop solutions.

knowledgeable staff, and good programming."
~Beth Hansen

"As we plan for tomorrow's demands, we are setting our standards higher than ever. Every day, we strive to exceed yesterday's performance in operations, customer service and overall reliability -- because we believe that excellence is never where you are, but always where you are headed."

~Bill Johnson

"That is an important area for us, for customer loyalty and customer satisfaction, to stand behind our products not just through the warranty period but beyond. We want our customers to remain loyal to us, so that when they get into their next purchase cycle, they've had a good product experience with us."

~Jim Kahler

"Rule number one: The customer is always right. Rule number two: If the customer is wrong, see rule number one."

~Steve Leonard

"In today's increasingly competitive environment, retailers understand that there is a heightened importance on accelerated growth and differentiation in order to set themselves apart from the pack. We are now seeing retailers refocus their efforts on growth initiatives in an effort to increase sales, expand their consumer base and retain customer loyalty."

~Tracy Mullin

"There is nothing more fundamental to achieving success than providing superior customer service."

~Mary Powell

"[G]enerally, if you're losing market share, reducing customer service does very little to stem that loss."

~Donald Trott

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About Executive Advantage

At **Executive Advantage**, we are committed to providing results-based business and management consulting, leadership development, and coaching support. We partner with business leaders to build healthy, well-functioning organizations, where goals are met and people thrive. We also partner with individuals to create professional (and personal) lives with clearer direction, improved results, and greater balance.

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