

How Much Service Is Too Much?



I was meeting with a group of retailers in Salem, Oregon when we began discussing the difficulties of satisfying today's fussy consumers. The questions posed were universal. How much service is too much?

Unfortunately, the discussion focused on product returns without looking at the issue more widely.

No retailer plans to give poor service to their customers. The difficulty sometimes comes in defining customer service. In the end, the customer has the ultimate say in what is and what isn't great service.

The number of things that go into the broad umbrella of customer service is endless. It includes store accessibility; opening hours; and signage that helps customers navigate from area to area. Everything from the initial greeting, to the cash wrap and credit areas impact the customer's definition of the service received.

And customer's needs change from minute to minute.

On a grey, rainy Saturday afternoon, for instance, I may enjoy ambling through stores just to look at the displays and perhaps to see the latest technology or fashion. I may be happy just people-watching or strolling aimlessly.

But on a different day, I may be hurrying to catch an airplane and trying to quickly grab a replacement for my laptop battery that suddenly won't take a charge.

Sometimes I know exactly what I'm looking for and in other circumstances I may not have a clue what differentiates one product from another.

And no matter how hard dealers try, there's no cure for the day when half the scheduled staff is sick with the flu that circulated through the store all week.

Because of the number of variables, sometimes bad service just happens.

The real measure of great customer service may actually be in the way companies handle their service failures.

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Consumers who experience flawless service have simply had their expectations *met*. On the other hand, customers who have had a problem that is successfully resolved had their expectations *exceeded* since they were ready to do battle with their dealer.



A study conducted by the Strategic Planning Institute in Cambridge, MA showed that 70 % customers who have had a problem will do business with you again if the complaint is resolved. That figure jumps to 95% if the customer feels the problem was solved quickly.

The study also showed that better service performers charged about 9% more for their goods. They grew twice as fast and picked up market share at 6% a year, while those with poor customer service lost 2% per year. Service stars earned a 12% return on sales, vs. a paltry 1% for the rest.

Jan Carlzson, the former CEO of SAS airlines described his success in turning the failing airline around as the airline's effort to analyze what he called Moments of Truth—any opportunity to interact with a customer or prospect.

To improve your customer service, consider each Moment of Truth and analyze the way your customers might perceive those interactions. When it comes to service, try to always walk in the customer's shoes.

How does a customer feel when entering your store or department? Is he greeted warmly or left to wander through a maze of products?

Is your sales process customer-focused ensuring that each product sold exactly meets the customer's needs? Or is your sales process more focused on commissions, spiffs or moving on-hand inventory? Are your associates knowledgeable, helpful and attentive?

Does your sales staff fail at the Moment of Truth when an unsure customer asks for a recommendation? "Donna, I know you'll be happy with either the Sony or the

Toshiba,” instead of, “based on what you told me, I think you’d be happier with the larger one.”

Is your team trained to courteously help customers who are bringing products back to the store or do they scatter as soon as they sniff a possible return or product failure?

Do you continue to “own” your customers even though you may outsource your product service, or instead are they shuffled off to an 800-number when the purchases they made from you fail?

Do you form your store policies for the occasional “defective” customer or do your policies presume that most people are honest and fair?

You don’t have to have Taj Mahals to have great service. Costco and Nordstrom are *both* known for exceptional customer service.

Retailing is all about service. Plain and simple. Customer service is not a department but an attitude. It’s either great or it’s not.

The best merchandising, marketing and store design fall short if the service experience fails to meet the customers’ expectations.

Time-starved, shopped-out customers *will* pay more for better service. But no low price offer, guarantee or wild promise will overcome customer service shortfalls.



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