

# CUSTOMER EXPERIENCE CAN BE **WORTH MILLIONS IN ANNUAL REVENUE**

**C**ustomer experience management has been recognized as the future of the customer service and sales industry. Companies are using this approach to anticipate customer needs and adopt the mindset of the customer. It's a strategy well worth pursuing and an opportunity for any business to turn customer experience into growth and profit.

In its 45th year of service, Dallas-based Southwest Airlines continues to differentiate itself from other air carriers with exemplary Customer Service delivered by more than 47,000 Employees to more than 100 million Customers annually. The reported record quarterly profit of \$691 million, is an all-time quarterly high and represents the 42nd consecutive year of profitability.

At Southwest Airlines they believe that developing a superior focus on customer experience starts with treating their employees well. They put a very high premium on how they treat their people, believing that when they make their employees happy, they will transfer that attitude to the customers. And, employees' dedication shows – they consistently hold one of the top rankings in customer satisfaction and have repeatedly been ranked as one of the World's Most Admired Companies by *FORTUNE*.

I have tracked the stock performance of several companies and even during the recession years of 2007-2012, customer experience leaders averaged double-digit gains in stock performance, beating customer experience laggards by an impressive margin. Leaders such as Amazon, Apple, Costco, Starbucks, Metro Bank and Southwest Airlines to name a few. They have proven that service and customer experience actually is more effective at enhancing volume and profit. They connected the dots a long time ago and are going to the bank with more customers and impressive profits.

Southwest's purpose is to connect people to what's important in their lives through friendly, reliable, and low-cost air travel. That was true on day one in 1971, and it continues to drive their passion. They work toward vision-oriented goals to become the:

• **Most Loved:** Own our culture, live our brand, win more customers

- **Most Flown:** Deliver safe, reliable, efficient operations
- **Most Profitable:** Regain our low-cost leadership to achieve and maintain our profit requirement

## THESE ARE PRINCIPLES AND STRATEGIES I BELIEVE WE CAN LEARN FROM SOUTHWEST AIRLINES:

1. It's in the customer service business, not the airline business. This is a mindset and paradigm switch. Very few firms realize they are in the service business.
2. It uses technology to increase speed and keep prices very low.
3. It values its employees. This is rare for most firms but a must for service leaders.
4. It uses price to drive business but it is built around service.
5. It is a great place to work.
6. It attracts high-performance employees the cream of the market, because of its reputation.
7. Recognition, not money, drives performance.
8. The marketplace values a service leader.
9. It uses its assets, planes and fuel more effectively.

The newsletter *Quality Assurance Report* states that only when a company knows exactly what kind of service its customers expect, delivers on those expectations 100 percent of the time, at a price that customers are willing to pay, while still getting an acceptable return, can the company claim to excel in customer service. Southwest excels in the customer experience and enjoys an impressive annual profit. They've known for years that **customer service doesn't cost... it pays!** **RO**

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