

10

Turning Your Business into a Shopping Service

BAN BANKER'S HOURS!

“Satisfaction is your right. We intend to see that you get it.”

—*Lee A. Iacocca, former Chairman, Chrysler Corporation*

“The customer is always right.”

—*Frank Wannamaker, founder of Wannamaker's Department Store, Philadelphia*

“The whole store is a shopping service,” says Luke Mansour, vice president of marketing for Mansour's of Columbus and LaGrange, Georgia, a family owned department and fine specialty store. Now, that's the spirit of a customer service operation that helps out the marketing and advertising departments by delivering what advertising leads customers to expect.

For a business to provide service that imitates up-close and personal service today, it must offer service that is fast and convenient because the American lifestyle is fast, and convenient service saves time, thereby accelerating the pace of personal achievement.

Fast service

NBC Evening News interviewed consumers for a report on

customer service. The consumers complained: “They make you wait. Clerks don’t know what they’re doing.” A California bank offers customers \$5 if they are kept waiting in line for more than five minutes. A bank officer said: “If they stand in line we’re going to pay. If we make mistakes on their statements we’re going to pay. If we don’t call them back in 24 hours, we’re going to pay.” To save time for customers, Nordstrom’s department stores provide such services as fetching items from other departments and wrapping merchandise at the counter where it is bought instead of at a distant counter on another floor.

So, instruct your employees to hurry to get merchandise, to demonstrate it, to write up sales slips, to settle claims. “Hustle” compliments customers.

Example: Passenger claims are settled at the departure gate as passengers leave American Airlines flights. That is an improvement in pace of service over the past when a passenger needed to wade through months of paperwork before being reimbursed for a cleaning bill necessitated by spaghetti sauce and salad dressing spilled on clothing by a flight attendant.

After the inconvenience of a soiled suit that required a change into a new suit of clothes and the unexpected delays that accompanied the need to change, passengers faced the additional time-consuming inconvenience of obtaining, filling out, and filing claim forms. It was as if the airline was consciously attempting to discourage complaints.

Other airlines maintain that company policy and procedures prevent swift response. All American did, though, was shift its mental attitude in regard to employee qualifications to handle claims immediately. They “empowered” employees.

Time Is Valuable

Today, people do not want to commit an hour to shopping any more. One reason that time is so highly valued is that both adults in many families work. When they reach home they have chores to do; they are intent on scratching out a little time for hobbies or special interests.

They become quickly “annoyed,” to use a gentle word, at long lines, employees who do not seem to know what they are doing and who take a long time doing it, incomprehensible merchandise presentation and organization, and products that stop

working and that require frequent service.

Long waits for service are high on any consumer's list of inconvenient and definitely unwelcome shopping situations.

Long waits are bad enough in themselves; but sometimes this happens: A customer patiently shuffles forward in line until — oh, wonderfulness, she or he reaches the head of the line and has just spoken two words to the clerk when, guess what? The phone rings. Instantaneously, the employee snatches up the phone, as if it were a cup of water and she'd been in the desert without drink for a week.

The customer is not so enthusiastic about the phone call.

Certainly, in this situation employees should ask the person on the phone to wait while they finish the transaction with the person in line. Then they should ask permission from the next person in line to answer the phone call and finish the call quickly.

Bankers Hours

Here is unexpected improvement in pace of service: In deference to the high percentage of customers who are too busy during the week to do all their banking then, we are seeing the decline of the custom of "bankers hours." In the past, bankers' hours were a state of affairs to which many people aspired. Now, banks are staying open on Saturdays, evenings, and during all weekday working hours.

It seems amazing, from the vantage point of the early 1990s, that banks did not get into the swing of Saturday and all-day weekday openings until the late 1980s. A few banks, though, had begun to stay open on Saturdays as early as the late 1970s.

Commerce Bank – America's Most Convenient Bank

Commerce Bank in Cherry Hill, New Jersey, is a bank with a difference. It is the most customer-driven bank in the world. Its branches it calls stores, are open from 7:30 a.m. until 8 p.m. Monday – Friday, as well as on weekends — 7:30 a.m. until 6 p.m. on Saturdays and 11 a.m. until 4 p.m. on Sundays — all with live friendly tellers. They also open 10 minutes early and close 10 minutes late! How many organizations in the world understand the power of this strategy of opening early and closing late. None. Commerce Bank is light years ahead of its competition.

Vernon Hill founded the bank in 1973 at the age of 27. It

wants to be known as the most convenient bank with services whenever, wherever, and in whatever way its customers may want them. He said they are a retailer who just happens to be banking.

It has expanded to over 428 offices throughout New Jersey, Pennsylvania, New York, Connecticut, Maryland, Virginia, Delaware, Washington D.C and Southern Florida as of 2006. It will have nearly 500 by 2007 and 800 by 2011.

You might be cost structure wondering how Commerce Bank could be so profitable with this. A key is that it pays lower interest on deposits than its competition does. In my service strategy seminars throughout the world, when I ask people what the interest rate is on money they have in their account, virtually no one knows. It uses this huge savings to fund the best service customers will ever experience in their lifetimes. Customers do not seem to mind the lower interest rates. They would rather pay a one-time “fee” in the form of lower interest than face the nickel-and-dime of service charges for everything they do. And the bad service of its competitors. People prefer awesome service and convenience. Commerce provides service and convenience which is rare in the banking business. The average deposit life at Commerce is 13 years.

The ABA Banking Journal shows customers prefer convenience by 62 percent vs. a good rate of return of 3 percent. The research shows 29 percent prefer convenience, 16 percent checking account, 9 percent personnel friendly/nice, treated well, and 8 percent good services.

In a JD Powers national retail banking satisfaction study Commerce Bank rates number one nationally and in the New York area. It ranked highest in convenience, accuracy, products, transactions (all channels) and fees.

Commerce Bank is a Power Retailer. Vernon Hill does not want to think like a bank or act like a bank. He thinks most bankers are stupid. Hill is maybe the most visionary person I have ever met. He defines a Power Retailer as someone who redefines delivery, changes the customer experience, constantly crushes the competition, produces predictable financial results, and has reproducibility.

They are building a powerful brand with a model that differentiates itself from the competition, has a unique culture, and fanatical execution which creates fans not customers.

What’s really interesting about Commerce Bank from the standpoint of channel integration is that 924,068 of its customers,

a commanding fifty-two percent are online at www.mycommercebank.com. A web penetration that is higher than any other bank in the United States. It seems that people like to do their virtual banking with a firm that also provides great service in the physical world.

With the thousands of banks in the United States, it is great to see one of them focus on a service strategy. When I started to design customer service training programs in 1979, banks were the leading service offenders. Over the last 27 years little has changed. Banks still spend millions on capital renovations and advertising and fail to internalize the service strategy.

Commerce Bank has proven once again that a focus on a service strategy generates significant results.

A 2006 JD Power satisfaction study on the percentage of existing customers who are loyal to the company showed:

Commerce Bank	41%
Wachovia	25%
JetBlue	23%
Verizon	21%
Bank of America	20%
Chase	19%
PNC	17%
HSBC	16%
Citibank	15%
Southwest	15%

In a Consumer Reports Personal Banking survey, Commerce Bank was number one in overall customer satisfaction. Its key strengths were communication, telephone service, convenience, and online banking.

It grows by building its own branches. It opened four branches in Manhattan in 2001 after 9/11 and interviewed 3,600 people to get 42 employees. Hill says of prospects, we can teach people to be tellers or to open accounts. You cannot change a person's personality. There is a saying that Hill uses, "Hire for attitude, train for skills." Here is a hint: If you wish to apply at Commerce, smile during the interview. If you do not, forget about the job.

Commerce Bank had 98 stores in New York State by 2006. Pre-tax profits per store are \$38.2 million. Its current

annualized growth rate in New York City is \$39 million per store. It took Commerce's 55th and 6th Street branch four months to reach profitability and only eight months to exceed \$100 million in deposits. The goal is to open a total of 450 stores in Metro New York. Total deposits as of December 2006 were \$10.275 billion. Hill has said, "In 2001 J.P. Morgan/Chase and Citibank, with 60 percent market share, will be easy targets, I think it is the most under-served banking market in the country. New York City is the city that never sleeps — except for the banks, which close at 3 p.m." The New York Post rated Commerce Bank as New York City's only 5 Star Bank.

As for its vaunted service: Commerce Bank's strategy is to hire outgoing people pleasers. "Then we train, train, train," Hill said. Commerce will have 14,000 employees in 2007.

I opened my first account at Commerce in 2005. It is more than 1,000 miles from Minneapolis, where I live. They gave me \$10 to open the account. I had my new account, blank checks, debit Visa card, and online Internet access with my own password in 10 minutes. A few days later I received a hand written note from my personal banker. Can your bank move with this speed, technology and service?

Commerce Bank is listed on the New York Stock Exchange under the symbol CBH. As of March 1, 2007, its stock was \$33.17 a share vs. \$4.03 (split-adjusted) on August 1996. Results are awesome. Deposits have been growing at annual increase of 30 percent. Assets have been growing at the rate of 36 percent. I invested \$1,000 each in nine service leaders in May 2003. Year after year, Commerce Bank significantly out-performs the other service leaders. As of March 2007 my \$1000 was worth \$1,758.

Commerce's goal is to have 563 branches by 2008 with \$63.4 billion in assets, and 712 branches by 2010 with \$88.2 billion in assets. The growth will be internally funded, it does not believe in growth by acquisitions. Commerce Bank also has been growing deposits at an annual rate of 30 percent over the last five years.

Commerce Bank

	1973	2006
Assets	\$8 million	\$45 billion
Branches	1	428
Employees	9	14,000
CBH Stock Value	\$.17	\$33.17

2006 Summary

Total Assets	\$45.3 billion	+18%
Total Deposits	\$41.3 billion	+19%
Total (Net) Loans	\$15.5 billion	-23%

The financial results are because of its focus on service. A subject competition excels at talking about and rarely knows how to implement.

In the Metro Philadelphia area, deposit growth went from 1.6 percent in 1994 to 9.6 percent in 2006. In looking at its two major competitors Wachovia dropped market share from 25.5 percent in 1994 to 14.2 percent in 2006 and PNC started with 10.8 percent market share in 1994 and fell to 7.3 percent by 2006.

Few executives particularly in banking understand the financial impact of implementing a service strategy. Vernon Hill's annual return as of December 31, 2006 is as follows:

	<u>CBH</u>	S&P 500
One year	4%	16%
Five years	14%	6%
Ten years	23%	8%

The key to Commerce's business strategy is its branches, which Vernon Hill refers to as "stores." Other banks try to steer customers away from their branch offices by offering incentives to use ATMs or by limiting the number of teller visits allowed per month. Commerce does just the opposite. While it still gives customers the option of banking through its ATMs and its award-winning web-site, Hill and his staff are trying to lure more customers into the store. He said, "Commerce distinguishes itself

with its commitment to friendly and attentive service. That’s where customer relationships are built — relationships that start with checking accounts and eventually lead to mortgages.”

TOTAL RETURN

December 31, 1996 — December 31, 2006

10 Year	10	Year
Compounded Average	Total Return	
Commerce Bank:	672%	23%
Microsoft:	235%	13%
GE:	177%	11%
Berkshire:	223%	12%
S & P:	124%	8%

(Source: Bloomberg)

At some branches tellers take turns greeting customers inside the front door, just as Wal-Mart greeters do. “People will always choose to bank in person,” says Hill. “But banks keep pushing them to use ATM’s and online banking because those are lower-cost transactions. Everyone else has given up on branches.”

10 Year Annual Return
December 31, 2006

Commerce	23%
Wal-Mart	16%
Home Depot	14%

As an industry, commercial and savings banks saw deposits increase 4 percent in 2006. Commerce’s deposits grew 19 percent to \$41.3 billion. For the past 40 years, banks have said, “Let’s focus on growing loans,” says Hill. “But what we’ve learned to do is grow low-cost deposits Commerce offers free checking accounts in exchange for little or no interest, a trade-off that customers seem to accept.”

When Hill learned that other banks had started refusing to accept large numbers of coins or were charging customers to do so, he saw an opportunity. Commerce spent \$10 million initially to take their coins. The penny arcade is free. Hand your receipt to the teller, and you get back the full amount in cash. The investment per store is \$30,000.

The real appeal — and the payoff — is that it is fun. Kids want to use it. Pack rats need to use it. The Penny Arcade transforms the bank into a more interesting and appealing place and that says Hill, is how you create traffic. How many banks have kids going to the bank every week just to use the free coin counting Penny Arcade? At Commerce Bank it happens every day. In 2005 Andy Rooney on 60 Minutes, the most watched TV show in America, featured a segment on Commerce Bank's coin counting. See www.customer-service.com/commercebank.htm. In 2006, Commerce's Penny Arcades handled 5.6 million transactions and counted \$425 million coins.

Every new employee attends a one-day course at Commerce University called Traditions. It is part game show, part training session and part common sense. Banks do all sorts of stupid things to customers. The WOW Department Manager, has a "kill a stupid rule" program. If you identify a rule that prevents you from wowing customers, we will pay you fifty dollars."

The Commerce has another incentive. If a competitor closes a branch, the staff at the nearby Commerce branch is awarded \$5,000.

Most large firms in the world use voice activated systems to prevent a live person from having to talk to the customer. Many U.S. firms have outsourced their call centers to India and the Philippines. Quality and keeping customers don't seem to be a high priority. Commerce Bank has 832 people in its U.S. call centers, which are open 24 hours a day, 7 days a week in the U.S. Commerce has only one phone number in the U.S.. It is toll free 888-751-9000 (Outside the US you can call 856-751-9000. The phone is answered by a live, friendly person in 1-3 rings. I suggest you call at some weird hour, like 11 P.M. or on a Sunday at 8:00 A.M. to see how many rings it takes before they answer the phone and what the quality of the staff person is. While you're at it, inquire about opening an account. Everyone should have an account at Commerce Bank (www.commerceonline.com)so you can experience heaven at least once in your life. Benchmark yourself against the most customer-driven firm in the world.

Latin America Bank Focuses on a Service Strategy

Banco G & T Continental in Guatemala has 3,500 employees and has focused on a service strategy for the last two years. It has spent a substantial amount of money with Service Quality Institute to build a high-performing workforce. Every four months it introduces a new customer service training program to build a customer service mind set and keep employees focused on becoming Heroes for Exceptional Service.

The bank has assets of \$3.768 billion and is the second largest bank in Guatemala with 220 locations. In 2007 it became the first Guatemalan financial institution to acquire a Bank in Central America by buying BANEX.-FIGSA Group. Its focus on service has helped it expand market share

In 2005 the bank created SWAT Teams to focus on exceptional service. Flavio Montenegro, Director General, and Karla de Calderon, Marketing Manager had the vision and passion to drive this service strategy. Banco G & T has better hours now than any other bank in Guatemala. 8:00 a.m.– 7:30 p.m. Monday – Friday and Saturdays 8:00 a.m. – 1:00 p.m. It copied Commerce Bank and opens 10 minutes early and close 10 minutes late.

Banco G & T understands the service strategy. It believes in its employees and customers. Financially, it is very strong. It is an incredible role model for Latin America.

Convenience

In the customer service game the company's convenience is superfluous. If the customer loses, even if the company wins big, then the most progressive customer service organization must understand that in the long run the company will lose.

Keep customer needs in mind. Then do nothing that impedes customers in satisfying those needs. "Convenience" refers to a lessening of time and trouble for customers.

Packaging

Take a look at your product packaging some day. Is it so impenetrable that it is difficult for a customer to open it? How about an elderly customer with arthritis? How about a customer

who does not have a knife (or a pick ax) handy? If your packaging is designed to protect the product from marauding hordes until the year 2050 a. d., design new packaging. Make it easy to get at the product and to use it. It is in your interests to do so. Make the packaging secure but simple to open.

Long Lead Times

A customer inconvenience that goes unidentified by many businesses is long lead times for delivery of orders.

When you have long lead times that extend beyond a customer's ability to forecast his needs, customers experience planning problems. So, they sometimes take matters into their own hands and place "phantom" orders — orders for products or merchandise that they think they might need but are not committed to. This happens most often with infrequently bought products such as capital equipment.

The trouble that a business causes itself with long lead times is that phantom orders often are cancelled. And cancellation disrupts a company's production schedule and increases cost.

Is Self Service Inconvenient?

Action to reduce inconvenience for customers often is a very low priority. Consider the movement among major oil companies during the past several years to slash their networks of dealer-operated service stations and to replace them with a smaller number of company-operated convenience stores with gas pumps that offer no repairs.

The trend is being fueled by a number of complex factors including customer-buying patterns, quests for profits, undervalued land, fuel contamination and environmental regulations, and a need for judicious allocations of assets.

Where is the consideration for customers in this trend? The distance between garages is becoming a chasm for customers. Long waits for auto repairs are more and more common.

The reason self service gas stations have become more popular is not just because you can save up to \$.10 a gallon but because service when gas is pumped for you is non-existent. Rarely will someone recognize you, call you by your name, clean the windows, check the oil and pump the gas. This was common

practice 20 years ago.

REPAIR AND MAINTENANCE SERVICES: CUSTOMER RECRUITMENT TOOLS

Some companies such as IBM are renowned for repair and maintenance and service in general. You can name other outstanding companies.

Managers in these companies feel that service is as much of a competitive advantage as a product that gives them a technological edge. Repair and maintenance is their secret weapon in the customer service wars. It is “secret” because competitors never seem to catch on to the fact that they are being clobbered by their competitor’s customer service.

Many companies still cannot figure out why IBM is a consistent high performer, even though the company freely attributes much of its success to quality service.

Sales as Service

When the sales force applies service techniques they gain an advantage over salespeople for competitors who act as if their concern with their clients’ welfare ends with a name on the dotted line.

The vice president of a company offering drilling services to the oil and gas industry reports, “Our sales force visits the purchaser before every job begins. The sales engineer reviews the data and interprets it for the client’s chief engineer. The sales engineer then gets back to the home office and makes recommendations on the basis of these interpretations.”

That’s service.

Monitor service performance of field sales and service personnel to make sure they are making a good impression besides doing good work.

Contemporary service

The home appliance repair industry has adapted to current realities such as absence of both husband and wife during the day in many homes.

Dick Jones, one-time Director of Service Operations for Maycor, Maytag’s service organization, said that Maycor offered

“First Call in the Morning” and “Last Call of the Day” service.

That is, service people arrived at 8 a.m. and often finished before a homeowner’s usual morning departure time for work. Or, they arrived between 4 and 5 p.m. Customers find that it is easier to leave work early than it is to go home during the day to let the service technician in the house and then to return to work.

Home appliance repair services have rarely made appointments for specific times. Appointments, however, are becoming more common, said Joy Schrage of Whirlpool Corporation. Customers lose less time from work when a technician arrives at a scheduled time than they do when the technician comes whenever he or she finishes earlier jobs.

In May 2002, Sears installed our new home furnace. The installers typically came several hours late or did not show. My family was very upset. Their call center employees hung up on you or transferred you to phones that were never answered. Some firms like Sears still do not get it. They outsource installation to other firms using the Sears brand, but seem to not care about quality or service.

Business must monitor changes in customer needs and wants and be aware of social and economic changes that influence needs and wants.

“Troglydytes”

“Indeterminate” arrival times caused much customer exasperation in the past.

Dick Youngblood, outspoken business pages columnist for the *Star Tribune* newspaper of Minneapolis, brought up the subject in a column. He lambasted “those troglydytes of the service sector who insist on keeping 9-to-5 weekday hours despite the fact that more and more adults are working and thus are unable to avail themselves of such limited schedules.

“Worse yet,” he wrote, “are the cretins who hold you hostage all day when you finally are forced to stay home from work to have the plumbing fixed or the stove repaired.”

“Invariably, the service worker arrives late in the day — often too late to do the job, which means another weekday appointment some time later — or doesn’t show up at all.”

Savvy Service

Besides promptness, there are other tricks of the trade in achieving customer satisfaction by means of service.

Instruct employees never to say cheerfully, “If it doesn’t work, just bring it back.” Instead they should say: “If it doesn’t work, give us a call and we will bring it back for you and leave you a new one.” The best warranties include promises similar to this.

My wife had a Whirlpool microwave she purchased from Sears installed above the stove in our kitchen. Within a month she received a defect notice telling her not to use the microwave because it could start a fire. Sears said to bring it in. After having spent \$150 on the installation and significant time to get it installed, she was mad. She was so mad at Sears that she had the Maytag microwave taken out, returned it to Sears and purchased a microwave from another manufacturer and another firm.

When a customer hauls his washing machine to your shop that is fine for you. It means a lot of trouble for your customer, though. Here are other instances of savvy service: When a distributor sends out a serviceman, the serviceman brings along the right part so he does not have to interrupt the job to run back to the shop to get the part. He works without disrupting the customer’s business. And he cleans up before he leaves.

Customer Relations In Service

Quality service may involve “customer relations” ability. For instance, a customer may need repair work on a product, expect service immediately and be angry because he can’t get it. The service employee must be able to practice the placating techniques described in Chapter 12.

In the case of a big ticket item, the employee may have to deal with an irate customer who really believes that because the item was so expensive, regular maintenance and repairs should be free — regardless of whether the product is under warranty.

IN PRAISE OF OUTGOING TOLL FREE CALLS

In 1988, the Technical Assistance Research Program (TARP), the leading customer service research firm in the United States, updated a 1983 study of 800 number systems in cooperation with the Society of Customer Affairs Professionals (SOCAP). The 1988 study confirmed findings of the 1983 study: In many industries between 60 and 80 percent of customers who have questions but do not request assistance would do so if a readily accessible 800 number existed.

Customers whose needs are not satisfied (whose questions are not answered) are time bombs under a company's bottom line.

Most emails are not answered for 4-5 days. Of the 250 automotive, business, financial, health, music, package goods, retail, and travel web sites Jupiter surveyed between November 23 and December 10, 2001, only 30 percent responded to and resolved customer inquiries within the six hour window in which a majority of shoppers say they expect a reply.

Breaking Down Barriers

So, use an 800-phone number to break down barriers that customers perceive, to request assistance, or to answer questions. It is in an organization's best interests to know what customers want and need. When the company knows, the knowledge neutralizes the illusory and erroneous impression among executives in many companies that customers are satisfied and will continue to patronize their company indefinitely. Naturally, when the CEO and other senior executives see no reports of a major customer complaint problem, they assume customer satisfaction.

Of course, it happens that the result of installing and publicizing an 800 number sometimes is the same as opening the floodgates in a dam. Isn't this the way it should be? It is very difficult to manage successfully with your head in a sack.

A web site is critical to every company's success. Inquires and responses should be handled the same day. Unfortunately many firms prefer to use automated response equipment that rarely answers.

Loyalty

Customers who know that they have easy access to a company are more satisfied. And more loyal.

Industry specific research by shows that an 800 number is more effective than a correspondence-based system in maximizing customer loyalty. Significantly more customers who contact an 800 number are satisfied with results of the contact-handling process. Customers value the timely response that is the distinctive characteristic of 800-number systems.

Early Warning Device

An 800 number often tips you off early to problems such as product deficiencies, policy mistakes, and customer difficulties. Once a problem begins to appear, customers who call an 800 number can be questioned at once and in depth to obtain detail needed to identify root causes of problems.

Consumer reps answering 800 line calls often can pick up nuances of customer attitudes that do not emerge in formal studies. This is valuable information because most companies do little of the kind of research that reveals what drives consumer satisfaction.

So, develop a reporting and review system that locates these problems among the calls received on the 800 line.

Self-Confidence

The self-confidence principle comes into play in the hiring practices of Maurice Maio, San Diego plumbing tycoon and President of Maio Plumbing. He hires attractive, self-confident females for his pone work and then installs mirrors along the walls of the telephone area so that they can indulge in self-admiration. A woman who feels good about her appearance as a result of frequent self-assurance in the mirror is likely to be friendly and outgoing on the telephone, Maio believes.

Mirrors also are placed in positions where the women can see themselves while they are on the telephone — and notice whether or not they are smiling. According to Maio's theories, an individual's voice is naturally more pleasant when the individual

is smiling.

Toyota, a company that puts extraordinary emphasis on customer courtesy, ranks phone reps daily on productivity.

Cost

The cost of incoming 800 calls often is offset by an increase in employee productivity. Studies show that customer contact personnel require less time to respond by phone than by letter.

John Goodman, Vice Chairman of TARP Worldwide, says of 800 numbers: "They are very low risk. If you don't get many calls, then you don't incur very much cost.

"We find that each minute you spend on one of these calls probably is going to more than pay for itself in terms of enhanced profits and sales."

The American Management Association reports that the average 800-line service costs a half million dollars a year, for the largest users.

Average expenditure for 800-number operations is well over \$250,000. Oscar Meyer spends an average of \$6 per call. More than half of all companies with more than \$10 million in sales use 800 numbers to handle complaints, inquiries and orders, according to the AIVIA.

Case Histories: 800 Systems

Companies fashion their 800 systems to suit their needs, in working toward customer satisfaction and loyalty.

The GE Answer Center is a sophisticated customer service marketing tool that offers GE consumers a wide variety of pre-purchase and post-purchase services. Customers can contact the Answer Center by phone, email, or by visiting the geappliance.com web site. Answer Center specialists answer 1.7 million phone calls a year and handle over 90,000 email inquiries and the web site receives 1.3 million visits annually.

Wendy Brown, the manager of the GE Answer Center, says, "At GE Appliances, we believe the customer should have the option of contacting us using the communication vehicle that best suits their needs. They can talk to a live agent, contact us by email, use our IVR, or visit the web site which includes a

comprehensive set of self-help diagnostic tools.”

The GE Answer Center team takes great pride in satisfying their customers and increasing brand loyalty. The Center is open 24 hours a day, 365 days of the year so customers can contact them at their own convenience.

Coca-Cola installed its 1-800-GET-COKE lines to promote feedback. Roger Nunley, Manager of Industry and Consumer Affairs at Coca-Cola USA, says some studies indicated that only one unhappy person in 50 takes time to complain. “The other 49 switch brands; so it just makes good business sense to seek them out,” he says.

Without toll-free lines, Coca-Cola might never have understood the depths of its error in trying to replace old Coke with new Coke. Immediately after the company launched its reformulated New Coke in 1985, calls on the phone system skyrocketed from an average of 400 a day to more than 12,000 per day. Nine out of 10 were from customers who said they preferred the old cola to the new drink.

On the day after old Coke’s return as Coca-Cola Classic, 18,000 people called.

An ‘800’ Number for Each Rep

The 800-phone system at the Textile Fibers Department of E.I. du Pont de Nemours and Co. Inc. is the ultimate in accessibility. Each Customer Service Representative has a different number.

Efficiency is the watchword at Bio-Lab. Call activity is monitored and the numbers of lines are increased when business warrants it. This way customers do not get busy signals.

Bio-Lab’s Customer Service department has “universal call director” and recorder equipment that prevents incoming calls from ringing at representatives’ desks while they are already busy talking to customers. This equipment also prevents incoming calls from being randomly answered.

A billion-dollar chain of convenience stores spent \$200,000 on an 800 line to field customer queries and complaints, according to an American Management Association (AMA) Research Report. “Close to The Customer.” Sales revenues increased for the company in one year by 19 percent, the report stated. This company installed its 800 system even though it does all its selling over the counter of local stores.

A mid-sized chemical processor spent \$350,000 to leap over its retailers and put sales people directly in touch with consumers by phone. This method increased sales by 20 percent.

After-Hours '800' Number

The company that manufactures Humming Bird fish locators has an 800 number listed on its products for Saturdays and Sundays — times that are convenient for its customers. This is an organization that understands the power of customer service characterized by customer-friendly hours and knowledgeable, helpful employees on the phone.

Some companies tailor systems and procedures that make it convenient for the companies but inconvenient for customers.

Robert Pastorini, former Quality Director and Customer Marketing for Allstate, says that the future of the insurance industry belongs to companies that are accessible and ready to take action 24 hours a day, that do not just take messages and provide help when convenient but instead when it is needed.

Standard Rate & Data Service, Inc., that publishes directories listing advertising rates and specifications for periodicals, prints a direct line phone number for each of its top officers, including the president, near the front of its directories.

In the old days, trying to phone the Post Office was comparable to using the phone system in a third world country. It was difficult to get the right number. When you did find the right number, the line seemed to be busy all the time. If you were lucky enough to get through, the person answering often seemed unable or unwilling to deliver a straight answer.

The Canada Post Corporation (CPC), Canadian equivalent of the U.S. Postal Service, uses a computerized phone system that gives employees who answer the phones instant access to information on postal codes, rates, products and services and other subjects customers often ask about.

800 Service Training

At Procter & Gamble, new customer service representatives spend four to five weeks in classrooms learning to diffuse anger as well as to solve problems.

One telephone trainer teaches basic telephone techniques that may seem routine to some people but that are unknown to many employees:

- Use the hold button, when you put the phone down for any reason, to silence background conversations. Talk overheard by a customer may be embarrassing or may even reveal confidential information.
- Ask customers if you can put them on hold before doing so. Some employees ask but slam down the phone before hearing the answer. This practice enrages some people, according to surveys. In a similar situation, say that an employee has been taught to pick up a phone before the third ring. In cases where the employee must, however, finish with a transaction before conversing with the caller, that employee is likely to say, in mock courtesy, “Would you mind holding, please?” Cut-off! The caller is left with her or his mouth open, about to respond. That is how to make a customer mad.
- Never eat or drink while on the phone.
- Remember that your speaking voice is affected by your attitude. If you roll your eyes toward the heavens or grimace while talking, the customer may “hear” it.
- Speak with a smile on your face to project confidence and enthusiasm through your voice. It is a trick used every day on the job by radio disc jockeys.

LITTLE THINGS THAT MAKE BIG IMPRESSIONS

Million-dollar automated answering systems play an important part in a company’s overall service program, but so do “little things.” Remember: Dumping tea into Boston Harbor might seem like a little thing from the distance of a couple hundred years, but it played a major role in the American Revolution.

Here are some “little things:”

1. Helpfulness. When a customer has a question, patience and a courteous response are essential. This is a chance to help, and to win a customer’s commitment. Learn the needs of regular customers well. Anticipate them, if

- you can.
2. Honesty. Example: A waitress coming right out and telling restaurant guests about a backlog in the kitchen and that their meals will be delayed, instead of telling them little white lies calculated to keep them happy.
 3. Reliability. Return phone calls promptly. Be on time for appointments. Call customers promptly when ordered merchandise for them arrives.
 4. Extending yourself. Do more than customers expect. A customer who needed his order on Saturday so he could be up and running early Monday probably would remember for years that you got the order out of the warehouse for him on Saturday. It is being reliable when employees still fill out an order when a computer that ordinarily handles the job is not functioning. When employees claim that they cannot take an order because they would have to write it they are saying to a customer: "I don't want to help you if it means I have to work at it."
 5. Taking personal responsibility: No "hand offs" allowed. At the Norfolk (Virginia) Airport Hilton hotel, anyone collared by a guest complaining that he or she does not have enough towels will go to Housekeeping and get the towels and deliver them to the guest themselves, immediately. Even if the employee that the guest approaches is the sales manager.

The general managers of Garlin Hotels Corporation have outlawed the phrase "It's not my job." Anyone caught with those words on his lips is likely to receive an ultimatum similar to the U.S. Navy saying, "Shape up or ship out." Management would much rather hear employees say: "I'm sorry, sir, but I don't have the facts on this situation. But I'll get the facts; and I'll take care of this for you myself, right away."

When Jack Kimball was general manager at the Rivers Club in Pittsburgh, Pennsylvania, he said, "We handle complaints with overkill. For example, if a member is unhappy with his meal the table eats free."

Day-to-day actions of support employees, unnoticed internally, can create a sense of silent

antagonism by the customer toward the company. Service reps, billing clerks, and other internal staff members have the most frequent dealings with customers, yet these employees — even people whose assigned job is “service” — often unwittingly sabotage the corporate image.

Lower and mid-level employees, operating out of sight of both management and the customer, undermine the effect of millions of dollars spent on marketing and advertising.

Insulting collection notices, unfriendly phone operators and bills that sound like accusations make enemies out of customers’ everyday.

The “little things” loom large in a customer’s memory.

They help make a store, manufacturer, supplier, or service organization seem like “a shopping service” to customers.