

## **CUSTOMER SERVICE IMPERATIVE: Customers are Demanding Service Again**

The Golden Rule, "do unto others as you would have them do unto you," may seem self-evident in the way we try to conduct our personal lives. Yet this axiom is assuming new importance as a guiding principle in the world of business.

The climate of the early years of this new century, when customers blithely traded away high-quality service in exchange for price reductions or convenience, is no more. Instead, customers are demanding service again. And companies of all sizes are realizing that their strongest selling point can sometimes boil down to treating customers as they would like to be treated – or better.

"Homeowners and construction professionals are beginning to feel that their needs aren't being met," explains Bonnie Jansen of the U.S. Office of Consumer Affairs. "They're sick of getting poor service all the time."

And the message is getting through. According to John Goodman, president of the Technical Assistance Research Programs Institute (TARP): "In the past few years, companies began to realize service truly is a competitive factor, and it as an integral part of their product offerings."

The growing significance of meeting – or exceeding – customer demands for quality service has special implications for the ready-mix industry. For it is in this arena individual companies can, in a cost-effective way, stand apart from their competition.

In fact, a recent three-year study by the National Federation of Independent Business (NFIB) in Washington, D.C., showed that small businesses putting heavy emphasis on customer service were more likely to survive and succeed than competitors who emphasized such advantages as lower prices or type of product.

Golden Rules of Customer Service follow.

### **Golden Rule #1: Put the Customer First**

"A strong customer ethic must guide your business from the inception," writes author and business owner Paul Hawken in his book, ***Growing a Business***. "No matter whether you manufacture, grow, produce, distribute or sell, you are 'in service.'"

Quality customer service begins with employees. An owner of a successful chain of hair salons advises that the first step is to set service standards. Then make sure everyone in the company understands them.

### **Golden Rule #2: Stay Close to Your Customers**

In the smartest companies, asking questions and listening carefully to the answers is an important part of customer service. These firms train their employees to focus on what the customer is saying, and then tailor products or services to meet customer needs. Says one corporate executive, and his words hold true for ready-mix firms as well, "Knowing what's on the customer's mind is the smartest thing you can do."

It is also cheaper than attracting new customers. According to the Customer Service Institute (CSI), 65% of a company's business comes in the form of repeat and referral business from existing customers. CSI reports it costs five times as much to attract a new customer than to keep an existing customer satisfied.

Losing a customer is even more expensive. According to studies by the Technical Assistance Research Programs Institute, 91% of unhappy customers will never buy again from a company that has displeased them. Unhappy customers will also voice their dissatisfaction ... to at least seven other people.

### **Golden Rule #3: Pay Attention to the Little Details**

Many owners search for a special touch that will make them stand out from the crowd. Discount coupons, longer hours, home delivery or free coffee, for example, all show customers you want to take that extra step to please them.

Some of the most effective "extras" are really very basic adages of conducting good business, although customers are often surprised when they take place. These include answering the phone by the third ring; treating customers respectfully and courteously at all times; greeting them by name; promptly answering their questions and, if you can't, getting back to them with an answer as quickly as possible; and manufacturing high-quality goods that work the first time and keep working.

### **Conclusion**

Customer service is definitely enjoying resurgence. No business, whatever its size, can afford to take customers for granted, because it's without question a buyer's market and becoming more so every day.

To succeed, you must give your customers what they want, not what you think they want. And as you never know who might eventually become a customer, that means providing courteous, friendly service to your suppliers and others with whom you come in contact, as well as current customers.

If you want to keep customers coming back for more, practicing the Golden Rule has never made better business sense.

**From the Small Business Administration Web Site**