



# SHOPTALK

By Margie Johnson



## S.O.S.— STRETCH OUR STAFF

Shop Talk is a continuing series of consumer-oriented retail articles by Margie Johnson, president of Shop Talk, a retail consulting firm that specializes in showing organizations how to become leaders in their marketplaces and industries through customer-centered training. Over the past 15 years, Margie has worked in many Main Street towns throughout the nation. She is passionate about helping small business owners become more successful.

Many of today's highly competitive retail formats are floundering during the dramatic shift in "consumer thinking and the expectations" of businesses for both physical and on-line stores. While consulting with small and large businesses around the country, I have become convinced that independent business owners can be hugely successful in this highly competitive marketplace.

The key to this success is having a *fully engaged staff* that is committed to "extra-mile" service! The competitive playing field can be leveled by businesses that are aesthetically pleasing, sell "trendy/hot items," create a competitive presence (web sites, Facebook, e-mails, etc), develop powerful marketing campaigns, and offer exciting events.

The significant differentiator that too often is underfunded and underdeveloped is the commitment to putting together a team that creates rapport and a sense of connection to all customers and prospects. Small businesses *can* do this very well. *Staff with an enthusiastic spirit to please are easily spotted and greatly appreciated.*

Today's consumers are quick to go where they will get the best service, be it in "brick and mortar" stores or "click and

order" websites. From my own personal observations and from our mystery shopping programs, we too often see patterns of complacency and apathy on the frontline. Such indifference rarely leads to making a sale. At the end of the day when the votes are in (the day's dollars), the question that must be asked is "Did customers vote with their feet as they walked away or stomped out the door without making a purchase?" In such cases, the business owner must be viewed as losing "the election" as the customers *elected* to take their business elsewhere.

Shoppers will take their business where they are made to feel special; where staff helps them find solutions; or where the

staff knows the products, executes prompt follow up, and displays a keen appreciation for their business.

Yes, there are businesses that are vivid examples of an S.O.S. (Sea of Sameness) mentality on the frontline. Extremely successful businesses, on the other hand, exhibit another form of S.O.S. (Stretch Our Staff). These businesses S-T-R-E-T-C-H to please their clients.

### Why Customers Leave

Can you think of the last place where you had exceptional service? How about a business where you encountered a salesperson

*Staff who are enthusiastic and eager to please are easily spotted and greatly appreciated by customers.*





Small businesses that are aesthetically pleasing, sell “trendy” items, and put together a friendly selling team that connects with all customers can level the competitive playing field.

who was indifferent or rude? The statistics on why people leave a place of business are very compelling:

- 14% judge all business by one bad encounter; and
  - 68% leave because of indifference, rudeness, or lack of service from employees.
- Now, let's examine the impact of the silent majority as it relates to customer service:
- 26 of 27 customers who have had a bad experience with a company fail to report it.
  - About 85% of those who complain will not come back unless they receive a positive response.
  - The average person with a complaint tells 12 to 14 others and 13% of complainants will tell 20+ people. When they have a great experience, they only tell 3 to 4 people.
  - 85 to 92% of customers return if the company resolves their complaint in a timely way.
  - It costs 5 times more to secure new customers than it does to retain current ones.

Source: Technical Assistance Research Programs (TARP).

### Building Customer Loyalty

To get a “true customer perspective,” business owners must continually ask these 10 questions:

1. Why would potential customers want to do business with you?

“Small businesses that have experienced growth over the past few years clearly have one advantage that gives them a competitive edge. They are committed to creating customer loyalty.”

2. What are you doing to ensure that your customers will do business with you tomorrow?
3. How do your customers perceive the value you offer?
4. Are you fulfilling the promises you make to your customers every day?
5. Are you respectful of customers' time in every phase of your operation?
6. How effectively do you communicate with your customers?
7. Would your customers agree that you are not just meeting their expectations, but exceeding them?

8. Are your policies always sensitive to maintaining a long-term relationship with customers?
9. What do you consider your competitive advantage?
10. What is your unique selling position?

Small businesses that have experienced growth over the past few years clearly have one advantage that gives them a competitive edge. Simply stated, they are committed to creating customer loyalty. They make it happen! This conscious commitment includes a “winning combination” of these five factors:

1. Tactics to build customer loyalty
  - Personalize and specialize—create relationships;
  - Become a part of their life/lifestyle;
  - Use customers as a resource and value their opinions;
  - Seek to create an emotional bond; and
  - Make it easy for customers to work with you.
2. Respect the customer's view
  - Make it easy for the customer's voice to be heard, through voice mail, e-mail, website, social media, and/or blogs;
  - Solicit feedback through various channels;
  - Be open and respond to constructive criticism;
  - Thank customers for complaining; and
  - Save the customer, not the sale.



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### 3. Seek to exceed expectations

- Distinguish and differentiate your business;
- Be consistent;
- Go beyond “the average”;
- Seek to delight and create a “wow” experience; and
- Deliver on your promises.

### 4. Make a commitment to customer service

- State the vision and re-enforce the commitment to the desired customer service;
- Work constantly on building a rapport and creating a sense of connection;
- Develop a high “touch” service environment;
- Create a guest attitude—an attitude of gratitude;
- Practice great listening skills; and
- Develop a service recovery strategy that the entire organization understands and is empowered to use.

### 5. Measurements of customer loyalty

- Amount of time spent at a business;
- Frequency of visits;
- Share of wallet—in-store or on-line;
- Depth of products or services used;
- Participation in offers and events;
- Referrals and relationship opportunities.

## Going the Extra Mile

A spirit of contagious enthusiasm that is incorporated into a service culture can produce amazing results. Small business owners

“The best advertising continues to be word of mouth. You have to earn it; you can’t buy it.”

need to step out of their comfort zone to create this atmosphere, but they don’t have to do it on their own. They should engage their staff to help create ways to embrace and execute “extra mile service.” Consider these two steps as way to improve service delivery and ensure customer satisfaction.

- **Throw a “problem party.”** Immediately after work, take 10 minutes and identify the top three problems. Give each employee a worksheet and ask them to come up with three solutions. Have them bring back their answers in 24 hours. Then summarize and discuss their solutions during a “cluster” meeting.
- **Today’s solution.** Hold a five-minute meeting to discuss your most pressing service issues. Brainstorm ideas, commit to implementing them, and then give each member of the team a small token of appreciation for their ideas and their commitment to a new standard of customer service. They own it in a different way when they help author the policy. Your Main Street business owners can

use these thoughts and ideas to make their shops the ones “people are excited to talk about.” The best advertising continues to be positive word of mouth: *You have to earn it; you can’t buy it.*

Finally, every business owner should take a few minutes to reflect on the types of memories their enterprise is generating. *Are they bad memories or great memories?* As they open their businesses every morning, they should hold onto this thought: **“You are in the Memory Business.”**

**Service is the ultimate memory maker. Commit and turn your S.O.S. signal into a Sea of Smiles!**

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