

Give your customers a good listening to



Give your customers
a good ~~talking~~
listening to!

Building business
success through
effective customer
relationships



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Agenda

- Introductions
- Customers – Their views and ours
- Customer relationships
- Customer Feedback Options
- The Voice of the Customer
- Take away points



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Customers : Your view and their's Important Features of Coffee breaks at Seminars

Hoteliers Views

- Good Coffee
- Clean Cups
- Clean Linen
- Presentation
- Extras - Biscuits etc.

Attendees Views

- Good Coffee
- Availability of Refills
- Proximity of Phones
- Availability of Toilets
- Space



Customer Perceptions – why they are different to ours

- We have different objectives to customers
- We have different experiences
- We have different needs
- We have different knowledge
- We are different people
- What is important to you when you are a customer?



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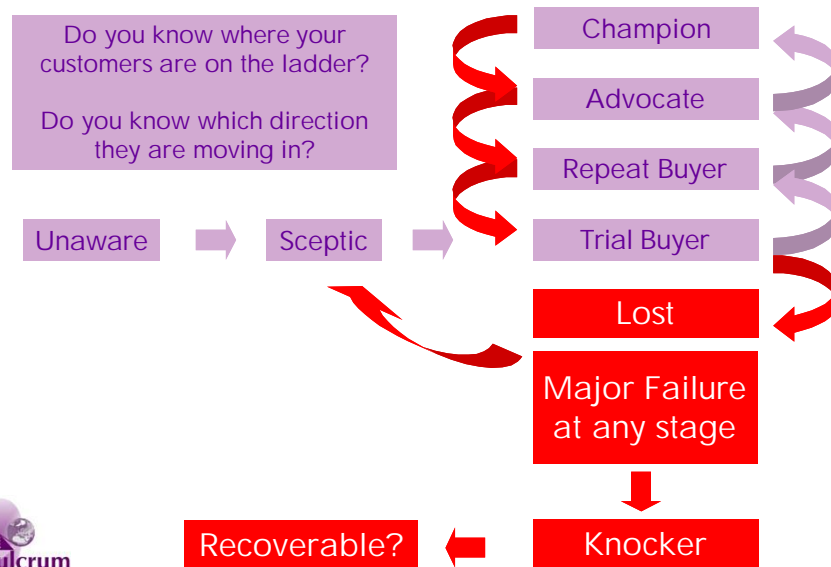
Have you ever

What would your customers say?

- Bought an item or service which didn't meet your needs but was the nearest you could get?
- Felt let down by a supplier who refused to do something you thought was trivial?
- Had service which demonstrated that the supplier fully understood your needs?
- Had something supplied that you hadn't previously thought was important but made a real difference?
- Felt you had to accept something or jump through hoops for the supplier's convenience?



Customer Ladder



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Sales Pipeline Development



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Building or replenishing?



Customer Pipeline



Customer Base



Customer Losses



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**Most companies loose
between 10 and 30% of their
customers each year and often
don't even know who they are.**



Reasons for switching

- 15% - Because they find a better product
- 15% - Because they find a cheaper product
- 20% - Because they experience too little contact and individual attention
- 49% - Because the attention they receive is poor in quality
- ~70% - Because they don't get good customer care



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Relationship Breakdowns

- Most relationships don't break down because of big things
- They break down because of an accumulation of minor things that say
- I don't care about you



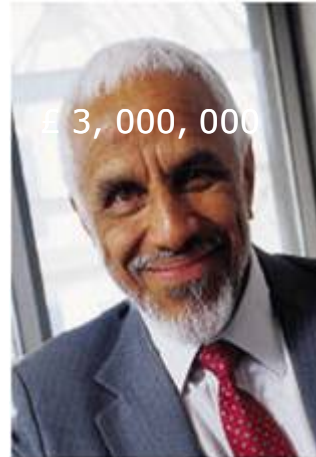
It costs five times as much to get a new customer as it does to get repeat orders from an existing one



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Life Time Value of Customers

- What do you think of when you see your customers?
- Is it positive or negative?
- How do you talk about them?
- Try imagining them with their lifetime value to the company on their forehead!
- What does a frown cost you?



Left to our own devices we do more and more which is of less and less interest to the customer - Ron Zempke



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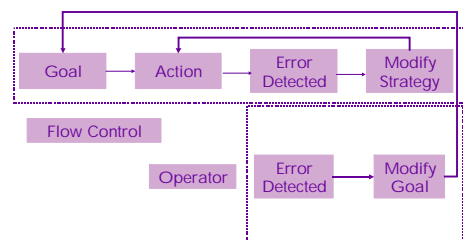
Benefits of customer retention

- Less effort to find new customers
- Increased likelihood of moving up the customer ladder
 - More sales per customer
 - More referrals
 - Better reputation
 - Increased “word of mouth”
- Increased Corporate “Self Esteem”



Customer Feedback Options

- Do Nothing
- Unstructured Approach
- Questionnaires
- Complaints System
- Mystery Shoppers
- Voice of the customer



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None

➤ Advantages

- Low Cost
- Low Maintenance
- No training needed

➤ Disadvantages

- Working in the dark – the ostrich?



- Risk
- Forces reactive stance and fire fighting



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Unstructured Approach



➤ Advantages

- Can be low cost
- Needs little management attention
- Can be tagged on to other things
 - Networking
 - Golf
 - Club Membership
- You are talking to customers

➤ Disadvantages

- Lack of structure
- Relies on luck
- Information storage and retrieval
- Depends on interpersonal skills of a few
- Validity of information
- Largely reactive – unless you are lucky
- Not seen as important



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Questionnaires

➤ Advantages

- Easy to set up
- Relatively low cost
- Easy to analyse
- Staff understand them



➤ Disadvantages

- Return rate
- Validity
- Only asks about what you are interested in
- Only asks your customers
- Arbitrary scale
- Customers rarely involved in design
- Not taken seriously

Complaints Systems



➤ Advantages

- Focus on what is important to the customer
- Gives you a second chance
- Can provide opportunities for good PR
- Can provide useful measures of performance

➤ Disadvantages

- You've already dissatisfied the customer
- Costs of setting up and managing
- Good system can influence complaints
- Potentially demotivating for staff
- Risk of "blame" rather than improvement



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Mystery Shoppers

➤ Advantages

- Based on real events
- Can test the customer : staff interface
- Easy to implement



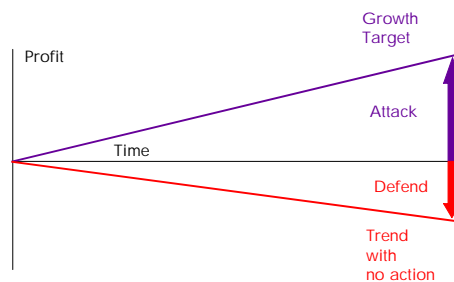
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➤ Disadvantages

- Costly
- Follows your agenda
- Staff get wise
- Difficult to abstract general from specific
- Difficult to cover significant proportion of activity
- More suitable for some businesses

From retention to development

- Retention is a defensive approach
- To grow you need to defend and attack
- You can use customer retention approaches to grow your business by understanding your customers' needs



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“Voice of the Customer”

The need

- Response from a major customer where customer care procedures were showing satisfactory scores
- I’m not sufficiently dissatisfied to complain, but I’m not so satisfied that I would comment on it - I’m certainly not delighted.
- Justified the process and lead to greater understanding of the customer’s real needs.



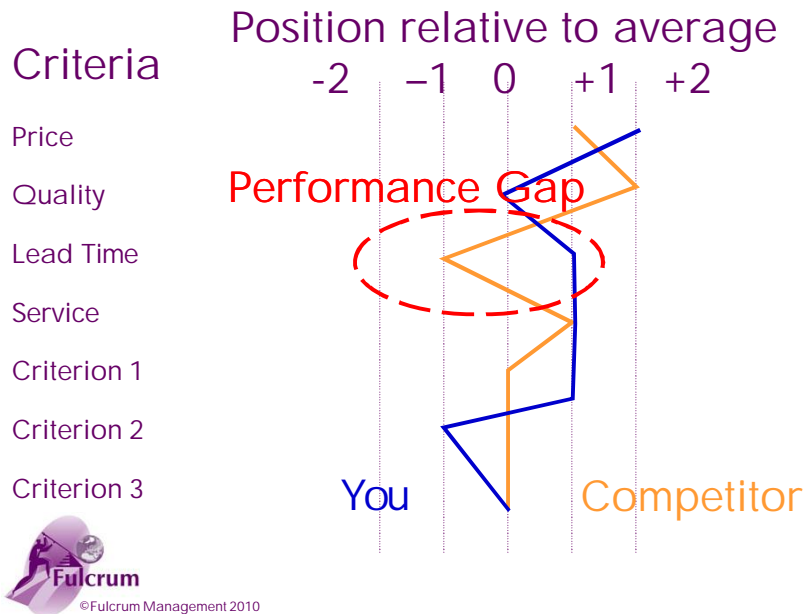
The “Voice of the Customer”

- A structured market research based tool for identifying
 - Customer expectations
 - Desires
 - Unperceived needs
- Stronger than traditional Market research tools because the customer gives you
 - The questions you should have asked
 - The answer to improving products and services

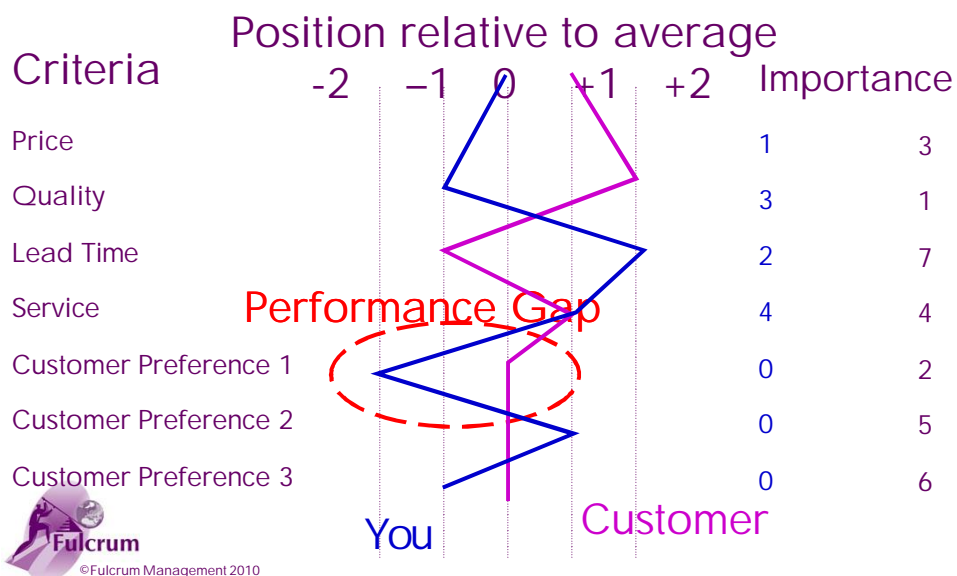


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Competitive Positioning 1



Competitive Positioning 2



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Voice of the Customer Outcomes

- Identification of what is important to the customer
- Identification of future trends
- Validation of your position in the customer's eyes
- Identification of specific issues, irritations and desires
- Competitive position clarified
- Areas requiring attention brought to surface



Voice of the customer - Benefits

- It helps you gain the customer's perspective
- It highlights the most appropriate areas for attention
- Provides a basis for change which is easily communicated to the workforce
- Helps build relationships between you, your customers and your suppliers



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Conclusions

- Take customer retention seriously, it is good for your wealth
- The customer's view is different to yours
- Make it easy to complain and act on them
- Service - Take care of the little things
- Do what you say you are going to do
- Remember the importance of process
- Listen to the "Voice of the Customer"



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