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View Customer Service as a Cycle, not an Event

Not long ago I was working with a company that wanted a new mission statement. After much discussion, the final version emerged with this closing phrase: "... creating the urgency so customers will buy again." I guess I had never heard it put so succinctly. This company would not be happy until it had created a continuous "buy again" mentality in its customers. It would never again be satisfied with a sale unless it ended with the customer reappearing to buy.

This was a radical departure from the company's former mission, which was simply to "offer a wide array of products." The new orientation defined the business as a cycle of service.

This particular client discovered the company had no measures to determine how many repeat customers it had. The firm's officers realized as they crafted their new mission statement that it would change virtually everything about their normal course of business; and it did. Sales went up 40 percent in one year.

The customer service cycle is skillfully presented by Karl Albrecht in *The Only Thing that Matters: Bringing the Power of the Customer into the Center of your Business* (HarperCollins, 1992). This model is best looked at solely from the perspective of the customers. They don't care which department gives what service, which is why so many hotels now have a "one call handles all" mentality. When a customer hands you a problem, you must stay with him until he is satisfied or has been connected with the person who will satisfy him.

The ideal is to design an organization so it directly services the cycle of needs from the customer's perspective. I can just about guarantee that you do not know this cycle from your customers' perspective, and that you do not have the correct system in place to move the customer from step to step in your cycle. Few companies do.

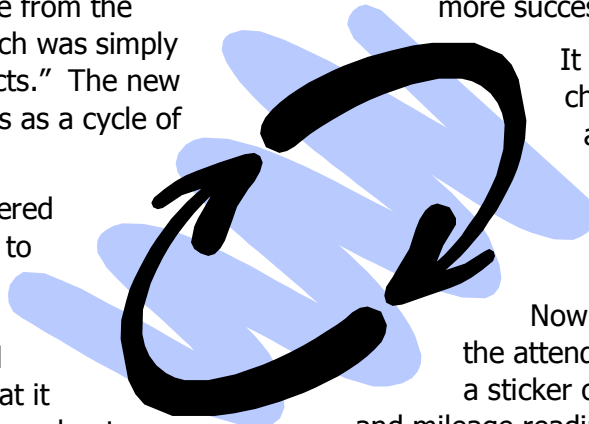
The goal is to design your organization to serve customers. The closer the customer service cycle is to the actual needs of your customers, the more successful you will be.

It used to be when I got the oil changed in my car, the gas station attendant put a sticker on the door that stated the date of service. It said nothing about when I was to come back in.

Now when I have the oil changed, the attendant at the quick-lube place puts a sticker on my windshield with the date and mileage reading for my next oil change. The company has found a way to build me into its cycle of service.

Your neighborhood video rental outlet is a great place to check out this model. Does the staff ask for your phone number, take your money, and get you quickly out the door? That's customer service as an event.

At a different store, does the staff greet you by name, ask you regularly what you or your kids enjoy seeing, and if you'd like to reserve ahead for the next great action-adventure? That's customer service as a cycle. It's more satisfying and usually results in a greater number of repeat customers.



Moments of Truth

Customer service is a cycle with numerous points of contact. It may be a phone call, a letter, an advertising piece, or a personal meeting. Each of these contact points is critical, as it creates a lasting impression of you and your company. Customers judge the value, integrity and quality of your business through their experiences in the customer service cycle.

Jan Carlzon, chief executive of Scandinavian Airlines, popularized this concept by calling each point of contact a potential "moment of truth". He described the experience of an airline passenger who noticed coffee stains on the food tray: "If they can't keep the stains off the food tray, how could they properly maintain the engines? Is the plane safe? Should I be flying on this airline?" One point of contact poorly handled can damage your reputation and hurt your business.

What is the first point of customer contact in your business? If it's the telephone, is your receptionist pleasant, informative, caring and helpful? If it is a letter, is the recipient's name spelled correctly? Is the information accurate? Does each point of contact establish customer satisfaction and ensure repeat business?

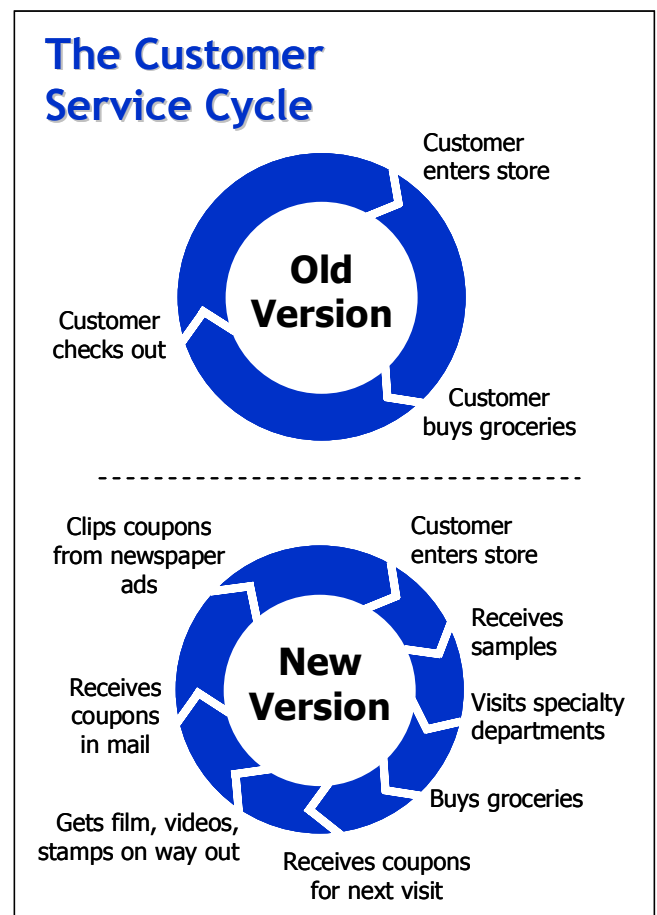
Let's examine your customer service cycle. Draw a circle on a sheet of paper. Somewhere on the circle identify each point of contact from your customer's point of view. Identify what customers want at each point of contact.

As you complete the documentation of your service cycle, look for the many opportunities where you fail to trigger the next step in your business relationship (creating repeat business).

Building the Service Cycle

As an example, let's document the service cycle for a grocery store (see below). In the old version, customer service is a one-time event. Nothing has been designed to create momentum, to move the customer to the next step in the service cycle.

In the new version, customer service is seen as a vehicle to build customer satisfaction, loyalty, and commitment. What if the grocery store mails a monthly coupon book to every customer within a certain radius of the store? Plus a weekly circular that lets customers double the value of manufacturers' coupons? Suddenly, they find themselves clipping coupons and the store is building customers into its service cycle.



For the grocery store, it's a cycle designed to create satisfied customers and repeat business. The larger stores cater to customer needs with specialty departments (bakery, meat, seafood), film developing services, video rentals, stamps, etc. Upon checkout customers often receive additional coupons good on their next visit. The cycle is reinforced when the bagger carries out their groceries, loads them into their car and wishes them a nice day.

How important is customer service in a grocery store? Look at the numbers. The average family spends \$500 a month on groceries or \$6,000 a year. Over a 20-year period, it adds up to a whopping \$120,000. If you figure that 100 people go through a single checkout line every day, that means each cashier manages a potential \$12 million portfolio of business. That point of contact (the cashier) can affect your business in ways you never imagined – for better or worse!

Cycles in the Car Biz

Ever wonder why Acura and Saturn owners are treated like part of an organization? Because it is more profitable to treat car owners as part of a loop than as event purchasers. My daughter receives a regular postcard telling her the trade-in value of her Honda on any one of a dozen new models. This creates a next purchase and it is superior customer service. My daughter is constantly reminded of what a great value her car is, whether she decides to trade it in or not.

Summary

It's no wonder that successful companies are expanding their view of customer service beyond a series of one-time events to a completed cycle of service. If you want to remain competitive in the new global economy, this sort of continuous-process, cyclical mentality is one of the best ways of minding your business.■

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