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In bruising times, companies use secret weapon: customer service

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Paperwork had piled up, claims were sometimes ignored and the customer service representatives were stressed and overworked at Sycamore Township brokerage Kinker-Eveleigh Insurance.

President Sam Tuten knew something had to change or the customers he'd spent his career acquiring would take their business elsewhere.

"We were not providing a proactive, quality service," he says. It turns out that Kinker-Eveleigh needed more than just a new customer service strategy. His organization needed an overhaul.

Customer service: Two words that can spark outrage or induce euphoria.

Nearly everyone has a baffling story about a rude store cashier or elusive call center operator. Homeowners have waited hours for the cable guy, and customers have listened to 10 different voices to resolve a banking issue.

But people also remember times when the salesperson went above and beyond to be helpful, efficient and anticipate their needs. It's for that reputation that Nordstrom, opening at Kenwood Towne Centre next week, has become known.

During the toughest of economic times - amid cost-cutting measures, staffing reductions and delayed investments - customer service often suffers as well. Yet excellent service is one of the most crucial ways for a company to withstand and ensure success in the future, experts say.

"We're going to get out of this and when we do, what people remember are the ones who were good to them when times were tough," says Crystal Kendrick, president of Walnut Hills-based consultancy, The Voice of Your Customer.

Kendrick works with companies to evaluate their customer service efforts through secret shopping, customer panels and surveys. She's noticed this year that companies that have cut staff or reduced services also are struggling to keep customers happy.

"It means hold times are longer. They don't necessarily have the experienced person familiar with the account to create ease of doing business," she says.

Airlines are a good example. To boost profits, they've reduced flights, added layovers and created extra fees associated with luggage or snacks. The impact? Even lower traffic and reduced sales.

Customers also are more picky because they have less money to spend. They take longer to make

buying decisions, and they have higher expectations for the purchase and the experience while making it, says Joan Fox, a Blue Ash-based consultant who provides customer service training and talks around the nation.

"There are people out there that say in this economy price is all that matters, but I think it's the opposite," Fox says. "Service is what matters in order to be able to compete because expectations are higher."

Winning loyalty

A recent Convergys U.S. Customer Scorecard Research study shows that 80 percent of Americans are loyal to at least one company, but just 31 percent of those say they'd stay loyal after a single bad experience.

Recognizing this, companies like Remke Markets and Macy's have renewed their emphasis on customer service in today's recession.

"Consumers look at the ads for the week to decide where they are going to go these days," says Connie Flynn, Remke's director of human resources. "Once you get them in, that's when customer service is so important."

The Northern Kentucky grocery store operator will launch new training for its Positively Outrageous Service program this month. It's a series of video presentations for managers and associates to re-emphasize Remke's passion for the customer.

"Helping a customer today may mean that you have a solid customer for life or a year," she says. "That's what we're re-emphasizing."

Macy's launched its My Macy's strategy earlier this year. It's an effort to tailor each store's merchandise to customer preferences in the specific community that it serves. Macy's also engages customers through special events, says Andrea Schwartz, director of media relations for Macy's North and Midwest divisions.

At its Kenwood Towne Centre location this month, Macy's is offering cooking demonstrations, cosmetics consultations, shopping with wardrobe experts and several charity events.

Companies that have invested in customer service, such as Nordstrom, Disney, Marriott and American Express, fare better than most in today's recession, Fox says. They don't tout their service, and some don't even have customer service departments. But service is part of their DNA, which the company underscores by recruiting the right people for the right jobs, treating them with respect and training them to wrap themselves around the customer, Fox says.

Maximizing skills

At Kinker-Eveleigh, Tuten needed to refine job titles and move people within the organization to maximize their skills. He found that employees who were dissatisfied with their jobs weren't motivated to make sure their customers were satisfied.

"When an organization is dysfunctional inside, it cannot give great service. You can't give what you don't have," Fox says.

Tuten realized he needed people dedicated only to serving the customer and a quality control position to ensure that the company could guarantee response times and that paperwork would be processed

promptly.

"We've done a better job of tightening down job descriptions, and we have a more proactive management approach," he says.

To Jamie Gerdson, customer service in the heating-and-cooling business means every single employee performs the exact same procedure and provides the exact same excellent service for every client. That predictability and consistency helps secure a customer for life, he says.

The president of Apollo Heating and Cooling in Norwood created Apollo University three years ago. It's a training program to teach his employees technical expertise, company systems and processes and how to inform and educate the customer.

"It's creating a culture that trains technicians how to create a good will situation in your home. We're not trying to sell you, we're trying to educate you," he says.

And an educated consumer is one who will buy.

Measuring results

Good customer service must also be measured.

Kroger studies every aspect of the customer experience in its grocery stores - what shoppers see, hear and come into contact with, says Rachael Betzler, a company spokeswoman. The grocer also listens to customers' feedback about what they like and dislike about shopping at Kroger. From that have come new technologies like U-Scans and ability to text message customers with product recall information.

"Customers have many more choices today in where they shop, so we blend innovation with old determination in our business," Betzler says.

Employees at Apollo committed to calling every single customer after a job to ensure it was complete and done according to company standards.

When Rick Flynn focused on customer service at his accountancy Flynn & Co. in Sycamore Township, he created a scorecard for the business and for each employee. Customer service was weighed along with financial performance, internal processes and learning and growth. Additional levels of compensation would be tied to achievement in these areas, he says.

"Accountants are transaction oriented. It takes a lot of discipline to step back, listen to the client and really think about what they're saying to fill even the needs that sometimes are unspoken," Flynn says. The challenge is getting each employee to buy in and help shift the culture of the organization.

Flynn now offers free business seminars for his clients. Some sessions deal with tax or accounting issues. Others help customers with general information to help them sustain or grow their businesses. This month's talk is about social networking.

"We've always been strong in customer service, but we wanted it to be a differentiator for our firm going forward," Flynn says.

More on service

On <http://cincinnati.com/LOL>, read CincyChic's blog about touring the store.

Additional Facts

Shoppers' top picks

The National Retail Federation Foundation annually polls 10,000 shoppers on their customer service experience while visiting retailers nationwide.

Here are the winners of the 2008 Customers' Choice Awards:

1. L.L. Bean
2. Overstock.com
3. Zappos.com
4. Amazon.com
5. Lands' End
6. Newegg.com
7. JCPenney
8. QVC
9. Coldwater Creek
10. Nordstrom

Finalists:

Cabela's, TigerDirect.com, Lane Bryant, eBay, Sears, HSN, Best Buy, Kohl's, Macy's.

Radio Shack, Belk, Circuit City, Ace Hardware, Old Navy, Target, Apple, Victoria's Secret, Dillard's.

Wegmans, Kroger, Walmart, Lowe's, Publix, Meijer, Costco, Kmart, Home Depot, Staples.

Safeway, Walgreens, Sam's Club, Verizon, Dell, CVS.
