

OFF THE SHELF
PAUL B. BROWN

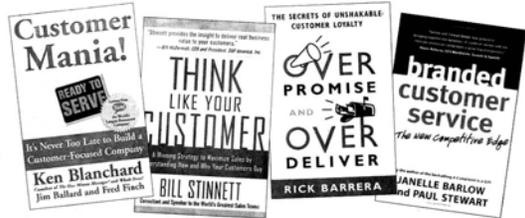
Pamper the People Who Know You Best

As the business climate improves, the natural inclination of executives everywhere will be to increase their marketing budgets to try to attract new clients. That idea makes perfect sense, of course. Now that the economy seems to be gaining some steam, companies may be eager to proceed with plans they had postponed, to make up the proverbial lost ground.

But as logical as it may be to go after new customers, it can be an expensive mistake. The odds are that there is much more business that executives could be doing with their existing customers, additional revenue they could get at a much lower cost.

That, at least, is the implicit message of a new crop of books. Their authors contend that before executives rush to find additional clients, they should make sure that they are doing everything they can to keep the ones they already have, then try to get a larger revenue stream from them, before looking for new customers.

Ken Blanchard, who has become famous as the co-author of "The One Minute Manager," describes the strategy as "Customer Mania" (Free Press, \$19.95), his case study of Yum Brands, the restaurant com-



pany. Yum Brands owns A&W All American Food, SFC Long John Silver's, Pizza Hut and Taco Bell.

Mr. Blanchard, along with his co-authors Jim Ballard and Fred Fitch, asserts that there is a four-step approach to making customer service a business strategy:

- **Decide to do it.** If you put your focus on pleasing customers, profits follow naturally.
- **Give customers what they want as they interact with every part of your company.**
- **Train employees correctly.** Almost employees won't provide good service, those who are rewarded for taking care of customers will.
- **Make service a leadership priority.** This, of course, starts the cycle again. If senior managers aren't committed to having their company offer superior service, it won't happen. If they are, the message will permeate the ranks.

Assuming that an executive makes the commitment to taking care of customers — the first step in the Blanchard model — he or she needs to figure out what customers want. Bill Stinnett, author of "Think Like Your Customer" (McGraw-Hill, \$16.95), says the answer is never going to be the executive's product. "Nobody wants to buy what you sell," writes Mr. Stinnett, who runs a sales training company. "What they want are the business results they can achieve by utilizing what you sell to pursue their own goals and objectives."

In other words, customers spend virtually no time thinking about you — but they do think about what you can do for them. Because of that, Mr. Stinnett says, you need to ask them what you can do to help in every possible way. The results of that effort, he adds, will be substantially higher revenues.

"It's a lot easier to sell somebody something if it's positioned as a way to help them achieve a goal or objective they already want to achieve," he writes.

And it is certainly easier still to keep them as customers if you follow the advice in the title of Rick Barlow's book, "Overpromise and Over-deliver" (Harvard, \$21.95), which is to be released late this month. When it comes to providing better customer service, the typical advice is to "underpromise and over-deliver" — the idea being that customers will be so impressed that you exceeded expectations that they will stick with your company forever. Many companies have adopted that approach. But that causes another problem: When everyone does the same thing, no one stands out.

Mr. Barlow, a consultant, argues that one quick way to break through such clutter is to make an outrageous claim — like, "We will search the entire World Wide Web for what you are looking for in less than a second!" — and then deliver on your promise some other time, as Google does.

The claim differentiates you from the competition, and making good on it persuades customers to do business with you after after time. This, he contends, largely accounts for the success of everything from T.V. (whose outrageous promise he contends can be expressed as "redaction the way you want it") to Lexus ("better than the best cars in the world").

In their book, "Branded Customer Service" (Dutton-Kochler, \$27.95), Janelle Barlow and Paul Stewart say businesses that can consistently deliver on their promises can build substantial value.

"At its most basic level, a brand is a unique identity," they write. "It is a shorthand way the public thinks about what you do, produce, serve and sell."

Brand equity, they contend, increases when everything associated with a product or service — the advertising, the packaging and especially the customer service — works together. As a result, the more that a brand exceeds its promises, the greater the brand equity.

When you add up all messages in these books, the payoff from better customer service is clear. If you can create a loyal customer base from which to derive future revenue, five things happen, all of them good:

- **Future sales become easier.** It is always simpler to sell to people you know than to those you don't.
- **Your competition is hurt.** These constant customers are buying from you, not your rivals.
- **Marketing costs decline.** You don't have to spend to figure out who your audience is. You already know.
- **Loyal customers are a bit less price-sensitive.** It is worth it to them to pay a bit more, to avoid having to look for another vendor who may or may not serve their needs as well.
- **They will be more willing to try another of your products.** They don't want to take a chance on a company with which they have no relationship.

In essence, all of these books seem to be saying, the creation and maintenance of a solid business reputation can reap dividends for a very, very long time.

The New York Times

Pamper the People Who Know You Best

By PAUL B. BROWN

Published: December 5, 2004

[Abridged]

As the business climate improves, the natural inclination of executives everywhere will be to increase their marketing budgets to try to attract new clients.

That idea makes perfect sense, of course. Now that the economy seems to be gaining some steam, companies may be eager to proceed with plans they had postponed, to make up the proverbial lost ground.

But as logical as it may be to go after new customers, it can be an expensive mistake. The odds are that there is much more business that executives could be doing with their existing customers, additional revenue they can get at a much lower cost.

That, at least, is the implicit message of a new crop of books. Their authors contend that before executives rush to find additional clients, they should make sure that they are doing everything they can to keep the ones they already have, then try to get a larger revenue stream from them, before looking for new customers.

In their book, "Branded Customer Service" (Berrett-Koehler, \$27.95), Janelle Barlow and Paul Stewart say businesses that can constantly deliver on their promises can build substantial value.

"At its most basic level, a brand is a unique identity," they write. "It is a shorthand way the public thinks about what you do, produce, serve and sell."

Brand equity, they contend, increases when everything associated with a product or service - the advertising, the packaging and especially the customer service - works together. As a result, the more that a brand exceeds its promises, the greater the brand equity.

If you can create a loyal customer base from which to derive future revenue, five things happen, all of them good:

Future sales become easier. It is always simpler to sell to people you know than to those you don't.

Your competition is hurt. These constant customers are buying from you, not your rivals.

Marketing costs decline. You don't have to spend to figure out who your audience is. You already know.

Loyal customers are a bit less price-sensitive. It is worth it to them to pay a bit more, to avoid having to look for another vendor who may or may not serve their needs as well.

They will be more willing to try another of your products. They don't want to take a chance on a company with which they have no relationship.

In essence, all of these books seem to be saying, the creation and maintenance of a solid business reputation can reap dividends for a very, very long time.

Ends.

For more information, please contact:
Paul Stewart, Author
Phone 021 543 546

www.brandedservice.com