

Topic 4: Creating Value In Your Business

Customer service is the lifeblood of any business, regardless of size, industry or product portfolio



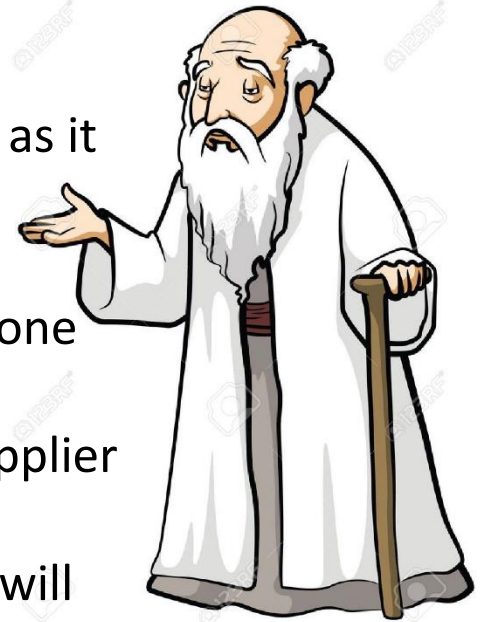
When everything is equal, people buy on price. So if you don't want to sell on price, make things unequal

Michael Porter, Industrialist, economics
Professor

That Value is generated and sustained by customer engagement and service excellence throughout the company.

Words of obvious wisdom

- ❖ The best customers are those you already have
- ❖ It costs at least seven times as much to win a customer as it does to keep one
- ❖ It takes months to win a customer and seconds to lose one
- ❖ 68%(+?) leave due to indifference on the part of the supplier
- ❖ If you don't keep your customers happy, someone else will
- ❖ 80% of revenue comes from 20% of customers*



* Pareto's Law

Customers are in Control

“If you try to understand the ups and downs of the economy by focusing on technology trends and investment fads, you're going to miss the true underlying shift that's underway.

Customers are in control. They're changing the face of business as we know it. And your company's value is in their hands."



Patricia Seybold
Author of Customers.com
The Customer Revolution

Smiley's People

Empathy (How you do it)

Affinity



Lodger



Advocate



Raving Fan

Courteous



Defector



Lodger



Advocate

Irritate



Terrorist



Defector



Lodger

Fail

Succeed

Exceed

Quality (what you do)

Smiley's People

Empathy (How you do it)

Affinity



Lodger



Advocate



Raving Fan

Courteous



Defector



Lodger



Advocate

Irritate



Terrorist



Defector



Lodger

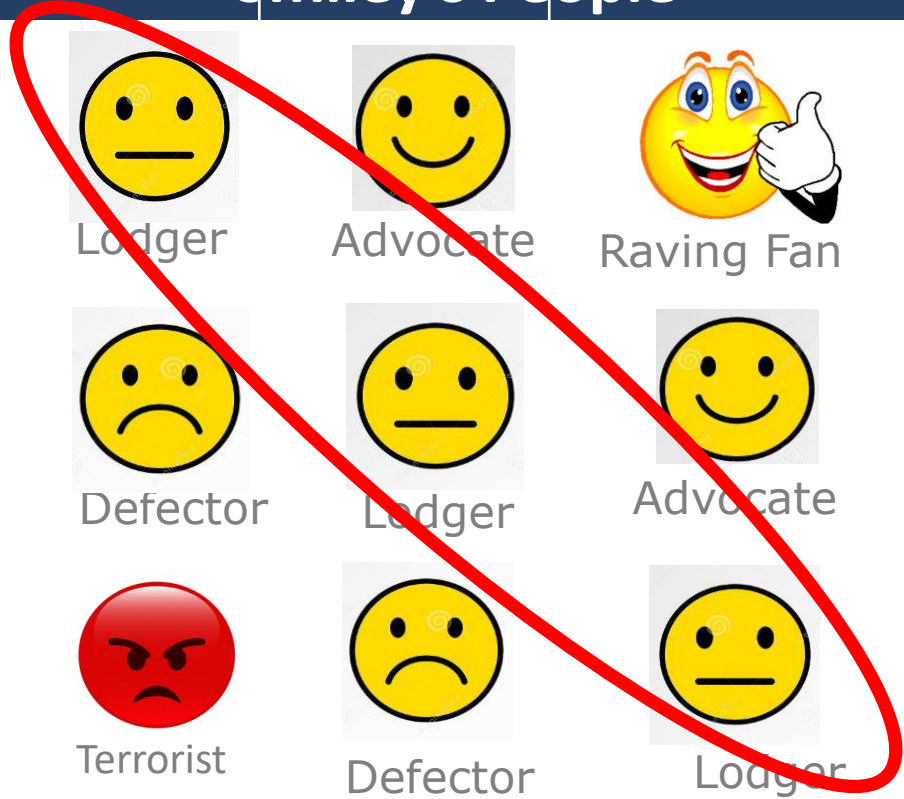
Fail

Succeed

Exceed

Quality (what you do)

Will stay until something Cheaper and/or better comes along



Smiley's People

Empathy How you do it)

Affinity



Lodger



Advocate



Raving Fan

Courteous



Defector



Lodger



Advocate

Irritate



Terrorist



Defector



Lodger

Help them to find another supplier!

Fail

Succeed

Exceed

Quality (what you do)

Looking to leave.
A strain on the business, Likely to raise 80% of complaints and issues

Will tell others about you!

Smiley's People

Empathy How you do it)

Affinity



Lodger



Advocate



Raving Fan

Will stay even when you get it wrong...

Courteous



Defector



Lodger



Advocate

And tell you...

And help you to put it right!

Irritate



Terrorist



Defector



Lodger

Will provide testimonials (if asked) and tell others about you

Fail

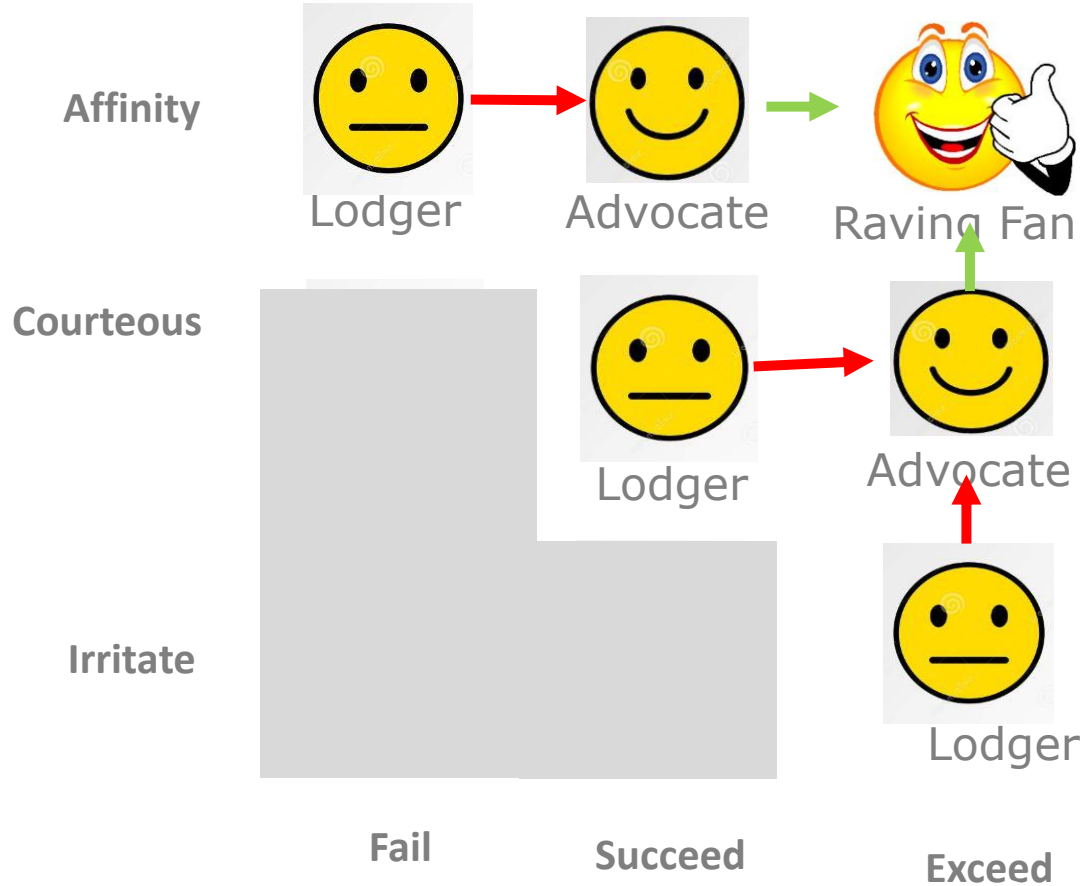
Succeed

Exceed

Quality (what you do)

Building Loyalty

Empathy How you do it)



The challenge is to build the service relationship with your “lodgers” so that they stay and become advocates.

And with Advocates so they become Raving Fans.

Quality (what you do)

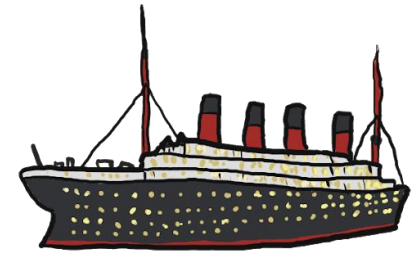
Creating Advocates and Raving Fans

Plus One Categories

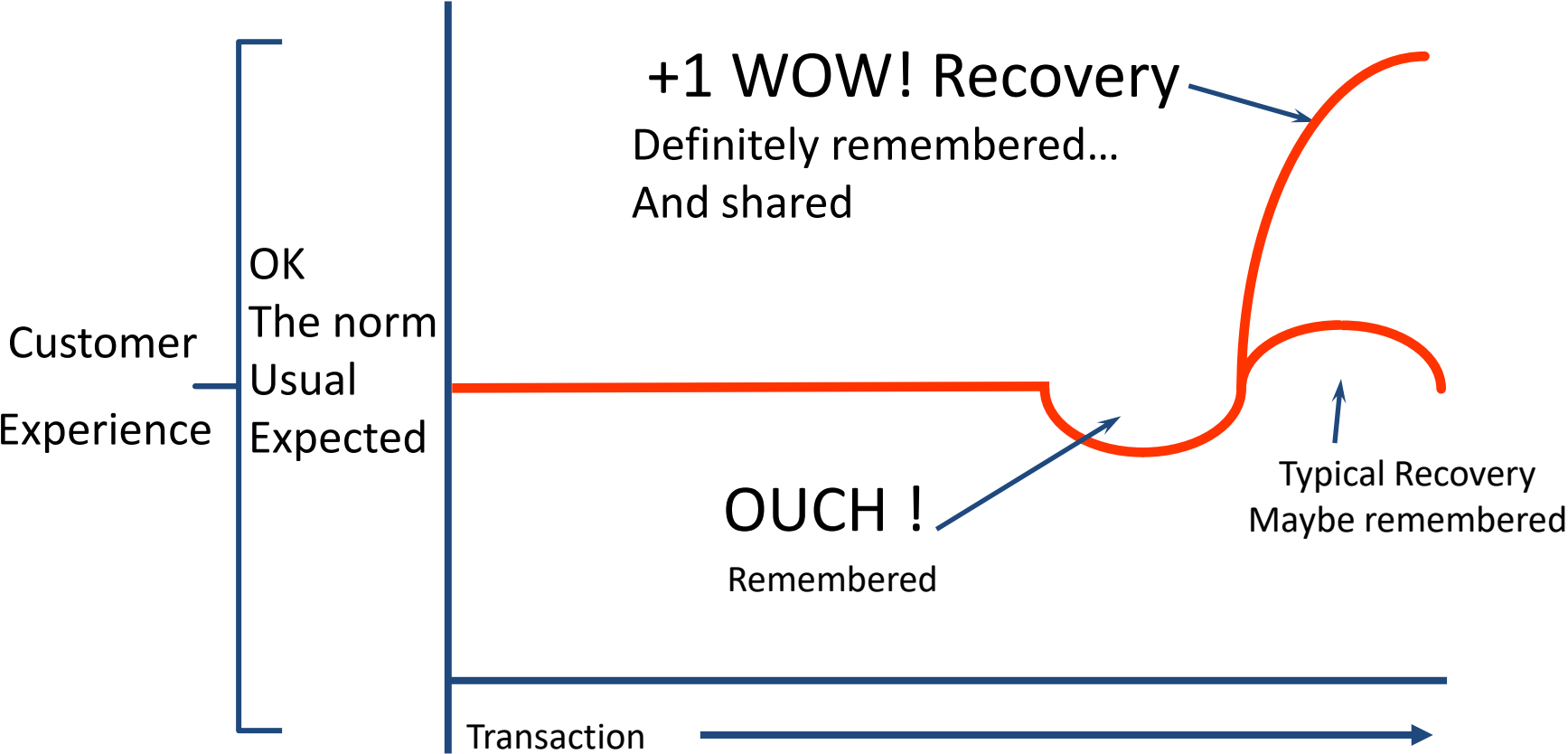
- ✓ Banish the Bland
- ✓ Melt away problems
- ✓ Excel with Grace
- ✓ Mesmerise with Anticipation
- ✓ Charm with Care
- ✓ Be a star
- ✓ Be a friend

“Never be afraid to try something new.
Remember that amateurs built the Ark.
Professionals built the Titanic.”

Dave Barry, Humour Columnist



Dazzling Service Recovery



Lifetime Value Exercise

Do you know the Lifetime Value of each of your customers/clients? – If not, why not?

A simple calculation

A typical spend per purchase x the number of purchases per year

The number of years they have been with you + the number you hope they remain

Take my supermarket spend

£100 per week x 50 weeks per year = £5,000pa

10 years of shopping = £50,000 !

10 years more = £50,000!!



So when I visit the supermarket do I get treated like a £100,000 value customer?

Recommended Actions

- ✓ Talk to your team, colleagues etc to find/create your Plus Ones
- ✓ Review your customers/clients and map them on the Smile chart
- ✓ Calculate the Lifetime values and make sure everyone know the true value of a customer/client