

# The Only Shop in the Marketplace

The best thing you can do for your business right now has nothing to do with new technology, economies of scale, or first-mover advantage.

It's something simpler.

It's something more dependable.

The single best thing you can do for your business is to build true customer loyalty, one customer at a time.

Everything changes when a customer becomes a loyalist. To the truly loyal customer, you are the only shop in the marketplace. All the other brands and all the other vendors don't even come into focus. Like someone in love, the loyal customer only has eyes for you.

Few businesses realize how valuable customer loyalty is, and even fewer know how to achieve it consistently. But a company of any size can build great wealth and stability through customer loyalty. Businesses with loyal customers grow faster than others when times are good, and they have the most breathing room when times are bad.

At its root, creating loyal customers is about taking the time to learn about your customers individually and then using simple systems to turn that knowledge into enduring business relationships. In doing so, you

turn your offering into much more than a commodity—you turn it into a personal relationship.

The primary threat to a business today is the perception by customers that all you offer is a replaceable, interchangeable commodity. This hazard stalks your every move: No matter how unbreachable your business's advantages may appear right now, whether they are advantages of technology, geography, or branding, eventually your business model *is* going to be knocked off. And, in this era of accelerating change, it will likely happen sooner than you think.

Escape this threat of commoditization by creating enduring, loyal, *human* relationships with customers. It's the surest way to escape market obsolescence.

The payoff is huge.

Learning to create loyal customers has made all the difference for the companies where Leonardo has been involved, including The Ritz-Carlton; BVLGARI; The Walt Disney Company; and the new hotel brands—Capella and Solis—that Leonardo heads up with his partners. The principles that lead to loyal customers will work for you, too. They're simple, they're solid, and they're replicable. You needn't work in a luxury industry to apply them. Far from it.

As you'll learn, Micah used the principles of loyalty to transform a tiny manufacturing and entertainment services company he started in a single room in his basement, with financing that consisted of only a credit card, into a renowned and high-growth enterprise. His approach built his company, Oasis, into one of the top players in its field, as well as attracting attention in the business literature, including case studies in such places as *Success* magazine and Seth Godin's bestseller *Purple Cow*. Oasis catapulted to success because customers respond with loyalty when you treat them according to the principles and methods we will describe.

Since then, Leonardo and Micah have been able to lend their loyalty-based methodology to a great diversity of industries: from white shoe law firms to restaurants to banks to organic flower farms; from

tour operators to independent music labels to convention centers to hospitals. Loyalty pays off—measurably—for all of them.

The reward for using these principles isn't only financial. As you begin building customer loyalty, your pride in your profession, your integrity, and your ability to build positive relationships (at work, and even at home) will also bloom. This happens naturally, because the process of earning loyalty involves caring about your customers, respecting them, and thinking constantly about their needs. Spending this time being deeply attentive will tone your personality.

Building customer loyalty will require your hard work and thoughtfulness, but it is a refreshingly straightforward process. While so many aspects of business are out of your control—exchange rates, international tension, technological changes—the single most important process, creating loyal customers, obeys predictable, stable rules that can be mastered and then applied successfully for a lifetime.

We're pleased to help show the way.

## CHAPTER ONE

# The Engineer on the Ladder

*Reaching for the Highest Level of Service*

Suppose you're the manager of a group of hotels. In one of them, a maintenance engineer is replacing a light bulb in the lobby ceiling. Out of the corner of his eye he notices a woman and her two sons coming from the pool, wrapped in towels but still dripping wet. The woman has her hands full with bags. She fumbles with the door into the lobby, looking exasperated. The man on the ladder sees her predicament, puts down his tools, climbs down, crosses the lobby, smiles, and opens the door for her.

“Welcome back to the hotel, ma'am,” he says. “Let me help you with your bags. How was the pool? Did your two little guys have a good time? What floor are you going to?” He presses the button, exits the elevator, and heads back toward his ladder.

When we spin this story out for executives and managers in our seminars, the most common first reaction is envy: “I'd be thrilled to have my rank and file achieve this level of customer service,” runs a typical response. “The customer expressed a need, and ‘my’ employee responded energetically,” says a manager. “He got off the ladder rather than saying ‘That's not my job.’ So what's not to like?”

It's true: We've all seen worse. But there's still plenty to dislike. As

upbeat as this encounter was, it was *reactive*: The woman had to fumble with the door, thereby making her frustration known so the engineer would react. Reactive service is a pretty ineffective way to create loyal customers. To get on the fast track to customer loyalty, your company needs something better.

The magic happens when you, your systems, and your employees throughout the ranks of your business *anticipate* the wishes of your customers, learning to recognize and respond to the needs of your customers before they are expressed—sometimes before your customers even realize they have a need. That is the difference between providing ho-hum service by merely reacting to customer requests and building loyalty through true *anticipatory* service.

## Function Versus Purpose

Picture this instead: What if the moment your fellow on the ladder sees the overburdened mom returning from the pool, he thinks to himself, “My routine daily *function* is to change light bulbs, paint ceilings, and fix pipes, but the reason I’m here, *my purpose*, is to help create a memorable experience for customers”? Understanding this, he immediately climbs down and opens the door for her—*before* she has to fumble with the door handle or knock to get attention.

The maintenance engineer—inspired by your leadership—has now provided genuine service that *anticipates* the customer’s needs. The timing of the engineer’s intervention is the only measurable change, but what a difference that tiny change makes! Suddenly this employee has anticipated a customer’s need, a need she has not yet expressed. In doing so, he has honored her idiosyncratic life circumstances—her individual humanity.

This extraordinary kind of service is a highly reliable path to winning customer loyalty. In the chapters ahead we will equip you to make such service encounters the rule rather than the exception, at all levels of your company.

You probably have doubts.

You may doubt that *your* maintenance engineer or other rank and file worker would ever anticipate the needs of customers so masterfully. We'll show you how and why he can and will.

You may doubt that you can afford to create such lavish standards of service. As one of our students put it, "In one of Leonardo's six-star resorts, I can see it, maybe. But in Micah's bootstrapped ventures—how does *he* pull off that level of service? As for my own company, I need my maintenance workers to stay up on their ladders, thank you very much!"

Actually, creating extraordinary service systems is a cost-effective proposition for almost any business—the natural outcome of a systematic approach to customers. And such service pays great dividends in reasonably short order.

## First Steps First

Before we get to the creation of those all-important *loyal* customers through anticipatory service, we'd like to ensure you've pinned down a more basic initial step: creating simple customer *satisfaction*. We'll head there first.

# The Four Elements of Customer Satisfaction

*Perfect Product, Caring Delivery, Timeliness, and an Effective Problem Resolution Process*

There's not much point in taking a specialized upper-level course before you've studied the field's introductory concepts. In a similar vein, there are prerequisites to meet before you can learn to provide extraordinary, loyalty-building customer service:

First, become adept at meeting the more fundamental expectations of your customers. That is, learn to make them *satisfied*.

What does a satisfied customer look like? She thinks your business offers a reasonable solution that it delivers well. If *asked*, she'll say nice things about you. But although she may have some warm feelings for your business, she's not yet an advocate for your brand, and, unlike a truly loyal customer, she can still be wooed away. A merely satisfied customer is still a free agent, exploring the marketplace.

She still has a wandering eye.

Nonetheless, simple customer satisfaction is one of the underpinnings of the exceptional relationship we call true customer loyalty. And,

fortunately, customer satisfaction is based on four predictable factors. Customers are satisfied whenever they consistently receive:

1. A perfect product
2. Delivered by a caring, friendly person
3. In a timely fashion
  - . . . with (because any of those three elements may misfire),
4. The support of an effective problem resolution process.

## 1. A Perfect Product

Customers want defect-free products and services. You need to design your product or service so that it can be expected to function perfectly *within foreseeable boundaries*.

Things will sometimes go wrong. Your products, and people, will sometimes fail due to unpredictable circumstances. But sloppy or incomplete product or service design is, from a customer's perspective, intolerable.

Suppose you're staffing an online photo lab. Let's call it Stutterfly. You know from experience that one prepress technician (PPT) is needed for every 250 orders in-house. Now suppose you want to be ready for a maximum of 2,500 photo orders at any given time. How many prepress technicians do you need? Ten? Perhaps. But a "perfectly designed" answer needs to take into account absenteeism, last minute no-shows, and vacation time: any reasonably foreseeable scenario that could prevent you from actually having ten PPTs on hand to cover the orders in-house. In addition, your "perfect design" needs to include provisions for getting these technicians all the supplies, tools, resources, and information they'll need to do a great job.

Of course, something that is not realistically foreseeable could still happen: six of your ten PPTs might get the flu on the same night, or a major earthquake could knock a paper mill that supplies you out of commission. The product will not always be perfectly deliverable. We know.

But you must design it to be perfect—foreseeing all that is foreseeable.

### Designing the Defects In

Obviously, getting planes in the air and to their destination is complex and filled with variables. Any reasonable passenger will understand that delivery of this “product” (like most things in today’s marketplace, a combination actually of a service and a product) will be flawed from time to time. But that’s no excuse for designing the flaws in. Ask the frequent travelers you know if anyone has experienced a single on-time departure out of LaGuardia Airport on a Friday afternoon after 5 p.m. (Maybe our luck is extraordinarily bad, but we’re still waiting for our first one!) This service, in other words, is *designed to fail to function* within foreseeable boundaries.

## 2. Delivered by Caring People

Your perfect product now requires caring, friendly people to deliver it. Let’s visualize just how a product and its delivery work together to determine satisfaction. Let’s make the setting Hartsfield-Jackson International Airport in Atlanta. Picture featureless corridors, long ticket counters, and the reason you wish you didn’t have to exchange your ticket a few days before Thanksgiving: a maze of people waiting behind a roped line to speak with any of five agents. Eventually, you make it to the front of the maze. Now you’re first in line, waiting politely for an agent at the counter to help you.

What do you hear?

“Next!”

Hmmm. As you approach the agent, you see that her “Next” was premature.

So you stand there, waiting for her to finish the previous transaction.

Finally she finishes keyboarding, looks at you, and says curtly: “Yes?”

You answer, “My plans have changed. Would it be possible to exchange this ticket so I can fly to Washington Dulles?”

“Uh huh . . .”

She takes your ID, gives you your boarding pass—and never looks up at you.

“Next!”

You take the boarding pass, go through security, get on the plane, and land safely and on time at your destination. So, you got a perfect product: a product that would appear, if anyone charted it out, to be 100 percent free of defects.

But do you feel satisfied?

Of course not.

OK. Now let’s change the script. Same airport, same maze, same line of people ahead of you in the maze. Again, you eventually make it to the front of the line, where you quietly wait for an agent to call on you.

“*May I help the next person in line, please?*” (You step forward.)

“*Good morning, Sir. Thank you for your patience. How are you today?*”

“Not bad at all, thanks, considering, and how are you?”

“*Just fabulous. How may I assist you today?*”

“My plans have changed, and I need to get on a flight to Washington Dulles.”

“*It’ll be my pleasure. I hear the weather isn’t actually too bad in the D.C. area this weekend. Are you visiting family for Thanksgiving?*”

“No, it’s just business. But I’ll be flying back right afterward and will get home for the holiday.” (She checks ID and hands you your boarding pass.)

“*Is there anything else I can do for you today?*”

“No, I think that’s all.”

“*Well then, have a splendid day.*”

“Thank you very much.”

“*Thank you for flying with us.*”

How was *this* interaction? It was great, right? Interactions like this, with only a single caring, friendly employee, can make us feel good about doing business with an entire company.

Now you get through the long security line and to the gate. Only at that point do you notice your boarding pass says *Dallas*, not Dulles.

Uh . . . *Now* are you satisfied?

Again, no—not with a defective product or service, no matter how warmly delivered.

## In a Timely Fashion

In our world of iPhones and IM, your customers get to decide what is and isn’t an appropriate timeline. A perfect product delivered *late* by friendly, caring people *is the equivalent of a defective one*.

Customer experiences guide their expectations, so on-time delivery standards continue to get tougher all the time. What your customer today thinks of as on-time delivery is not only stricter than what her parents would have tolerated, it’s stricter than what even her older sister would have tolerated.

Amazon.com’s tight supply and delivery chain has single-handedly raised the timeliness bar in the online world, but that’s not the end of the story: Their speedy online delivery has raised *offline* expectations as well. In fact, the concept of special ordering for walk-in customers is obsolete for most brick-and-mortar merchants. If you don’t have it in stock when a customer walks in, a customer’s just going to go online and find it for herself.

This impatience rule can only be ignored, whether online or off, when a customer is commissioning something truly custom, something specially made by you for her alone, such as fine art, cabinetry, or a gourmet meal. In fact, for some truly custom items, providing something *too quickly* can be equated by customers with low quality or prefab

work. The trick here is the same: Learn your own customers' definition of "on time," and obey that definition—not your own.

### **Reset Customer Expectations You Can't Meet**

Suppose you are a lawyer. Your client calls and leaves a request on your voicemail. Without comment, you begin the research your answer will require. Proudly—four days after the client's request—you submit your carefully crafted, well-researched opinion, only to find yourself talking to an irritated client! Why? What's the matter with this guy? Doesn't he understand how complex this issue is?

Well, actually, no. In your client's eyes, you are an expert in everything related to law, and it's his expectation that you'll respond to a request promptly. Instead, you took four days to get back to him.

With a better understanding of your client's expectations, you could have picked up the phone and made a call at the outset: "Hello, Bill, This is Jenny. Thank you for your request. It is a fairly complicated issue, and I'll need a couple of days to research it. I'll send you the opinion by the end of the week. Talk with you soon!" You could have taken the initiative, reset the expectation, and prevented the erosion of the confidence and trust you've now suffered. You would have made him feel all the more grateful for your hard work when you eventually do call. This approach of setting clear expectations for deadlines is simple, yet curiously uncommon. Try it on for size.

## With the Support of an Effective Problem Resolution Process

Service breakdowns and other problems experienced by customers are crucial emotional moments in a business relationship. Therefore, solv-

ing these problems will have an outsized impact on your business success. That's why you need an effective problem resolution process.

Effective problem resolution sounds like a modest goal. But so does reaching base camp—until you find out the camp is on Denali. Here's what's so tough: *Effective* cannot be measured by whether you have restored the situation to the pre-problem status quo. *Effective* is measured by whether you have restored customer satisfaction.

This can be challenging, but it's well worth it. Resolve a service problem effectively and your customer is *more* likely to become loyal than if she'd never run into a problem in the first place. (On this point, our studies and practical experience are 100 percent conclusive.) Why is this so? *Because until a problem occurs, the customer doesn't fully get to see us strut our service.* Of course, we would never recommend that you make mistakes on purpose so you can engineer a splendid recovery and win yourself some client love in the process. But it is a silver lining to keep in mind when you're staring down a problem. The topic of effective problem resolution, especially the handling of service breakdowns, is so crucial that it will fill all of Chapter Four.

First though, we need to explore a fundamental tool: *language*. Because no matter what lengths you go to for your customers, if you don't use the right words with them, they'll never appreciate how good they have it. Language is crucial to how a customer experiences your business, which makes it a critical element of your brand. It's the next stop on our itinerary.

# Language Engineering:

*Every. Word. Counts.*

Your company has probably given more thought to the language it uses in marketing campaigns than to the words employees use when having conversations face-to-face with customers. That's a mistake, because customers don't generally get their make-or-break impressions of your company from high-minded branding exercises. They get them primarily from *day-to-day conversations with you*. And those are the impressions they spread to others.

Language underlies all other components of customer satisfaction. For example:

- ▶ A perfect product won't be *experienced* as perfect unless you also use the right language in describing it to customers.
- ▶ Even your most well-intentioned and technically flawless employees can alienate customers if they use the wrong language.
- ▶ When you have a service failure, the right words can be your best ally.

If you haven't given much thought to selecting and controlling your company language—what your staff, signage, emails, voicemails,

and web-based autoresponders should say, and should *never* say, to customers—it's time to do it now.

## Establish a Consistent Style of Speech

No brand is complete until a recognizable style of speaking with customers is in place at all levels of the enterprise. You should therefore work to achieve a consistent style of service speech.

A distinctive and consistent companywide style of service speech won't happen on its own. You'll need social engineering: that is, systematic training of employees. Imagine, for example, that you've selected ten promising salespeople for your new high-end jewelry boutique. You've provided them with uniforms and stylish haircuts and encouraged them to become your own brand's versions of a Mr. or Ms. Cartier, starting on opening day. But they'll still speak with customers much the way they speak in their own homes: that is, until you've trained them in a different language style.

Happily, “engineering” a company-wide style of speech can be a positive, collaborative experience. If you approach this correctly, you won't need to put a gag on anybody or twist any arms. Once everybody in an organization understands the reasons for language guidelines, it becomes a challenge, not a hindrance. The improved customer reactions and collaborative pride of mission are rewarding. As a consequence, our clients have found it to be a pretty easy sell companywide.

Here's how to make it happen.

## Create a Lexicon of Preferred Language and Phrasing

To help launch their Ritz-Carlton luxury hotel brand in the 1980s, founding President and Chief Operating Officer Horst Schulze and his team decided on a set of ideal phrases for use in conversation with customers, then trained employees to use those phrases. The frequent use of certain phrases helped unify their employees around a shared identity and contributed to a distinctive “Ritz style” that the public

could easily recognize: phrases like “My pleasure,” “Right away,” “Certainly,” and—a personal favorite—“We’re fully committed to-night.” (Translation: “We’re booked solid, bub!”) The list of words and phrases to be avoided included *folks*, *hey*, *you guys*, and *okay*.

(It’s easy in the 21st century to miss the conscious choices behind this, because a Ritz-style vocabulary now pervades the hospitality industry. This occurred for a few different reasons: through imitation by competitors, because it entered the public consciousness when William Safire and others in the mainstream press writers covered the phenomenon, and, most interestingly, because Ritz-Carlton alumni have dispersed to—and in some instances created—other companies, carrying their Ritz language with them as second nature.)

We recommend you take an approach similar to The Ritz’s, although not necessarily with their same English Country Manor overtones. Study the language that works best with your own customers, and identify harmful phrases that should be avoided. Codify this for your employees in a brief lexicon or language handbook that can be learned and referred to on the job. In the lexicon, you’ll spell out which words and phrases are best to use and which should be avoided in various common situations.

Putting together a lexicon is relatively simple (the word may be more daunting than the document). It doesn’t require an English degree. But it does require forethought, experimentation, and some pondering about human nature. Here, for example, are some good/bad language choices Micah uses in the manual he developed for use in his business ventures (see Appendix for more examples and scenarios from his company Oasis):

**Bad:** “You owe . . .”

**Good:** “Our records show a balance of . . .”

**Bad:** “You need to . . .” (*This makes some customers think: “I don’t need to do jack, buddy—I’m your customer!”*)

**Good:** “We find it usually works best when . . .”

**Bad:** “Please hold.”

**Good:** “May I briefly place you on hold?” (*and then actually listen to their answer*)

Good lexicons will vary depending on industry, clientele, and location. A cheerful “No worries!” sounds fine coming from the clerk at a Bose audio store in Portland (an informal business in an informal town) but bizarre if spoken by the concierge at the Four Seasons in Milan.

## Choose Language to Put Customers at Ease, Not to Dominate Them

No matter what your business is, make it your mission to avoid recommending any condescending or coercive language in your lexicon. Sometimes this kind of language is obvious, but sometimes it’s quite subtle. Here are examples:

***Subtly insulting:*** In an informal business, if a customer asks, “How are you?” the response, “I’m well,” is grammatically correct—but may not be the best choice for a casual business in the United States. Hearing it can make your customers momentarily self-conscious about their own, potentially imperfect grammar. It may be better to have your employee choose from more familiar alternatives like, “I’m doing great!” or “Super!” (Most important, of course, is to follow up with an inquiry about the customer’s *own* well-being: “And how are **you**, this morning?”)

***Unsubtly coercive:*** We’re not likely to forget the famous steakhouse that trained staff to ask as they seated us, “Which bottled water will you be enjoying with us this evening, still, or sparkling?” We took that phrasing to mean we weren’t permitted to ask for tap water.

In this situation, one that comes up in nearly every restaurant, what is a better choice of words? How about: “Would you prefer ice water or bottled water with your meal?” Or, considering that this question

offers an early chance for the waitstaff to build rapport with your guests, add some local flavor. In Chicago, a friend's restaurant a few years back was asking, "Will you be having bottled water or Mayor Daley's finest aqua with your meal?")

We believe a Ritz-Carlton style "Say *This* While Avoiding *This*" lexicon optimizes customer satisfaction in most businesses and helps bind staff members into a team. But if it strikes you as too prescriptive (or too much work) to develop scripted phrases and specific word choices for your employees, at least consider developing a brief "Negative Lexicon." A Negative Lexicon is basically a list of crucial *Thou Shalt Nots*.

We call the Negative Lexicon the Danny Meyer approach, after the teachings of the New York restaurateur and master of hospitality. Meyer feels uncomfortable giving his staff a list of what *to* say, but he doesn't hesitate to specifically *ban* phrases that grate on his ears ("Are we still working on the lamb?")<sup>1</sup>

A Negative Lexicon can be kept short, sweet, and easy to learn. Of course, new problematic words and phrases are sure to crop up as time moves on. Ideally, you'll update your Negative Lexicon as frequently as *Wired* magazine updates its "Jargon Watch" column.

## Concentrate Your Language Efforts on the Key Customer Moments: Hellos, Good-Byes, and the Times When Things Fall Apart

Concentrate your language efforts on the most vivid, emotionally crucial points in your conversations with customers. Social psychologists, notably Elizabeth Loftus, have proven that human memory radically simplifies our emotional experiences when it files them away for storage; our minds normally retain only the most vivid aspects from each situation, letting go of whatever else might have occurred.<sup>1</sup>

So focus your language efforts on moments that are known to remain vivid in memory: hellos (make yours unusually warm and per-

sonal), good-byes (make them wonderful), and recoveries after service failures (yours should be more graceful than anybody else's).

### Don't Forget Your History Class

Historical experiences can affect how customers with different backgrounds interpret *the exact same treatment* from you. The exact same treatment! It's not you—it's you *plus* them. This is just an extension of the principle that singled-sized customer service will never properly fit every customer.

Consider the 2007 survey in the *Archives of Internal Medicine* that reported the following: Compared to white patients, significantly more African-American patients preferred having a doctor address them formally, for example, as "Mr. Smith."<sup>2</sup> We think it likely that the discrepancy uncovered in this survey derives from the racial history of the United States. In years past, white men were addressed as *Mister*, while African-American men would be called *boy* by some whites or addressed in other ways that denied their individual personhood. For example, prior to unionization, members of the all-Black porter crew on Pullman trains were all called "George" by passengers, regardless of their real names, after the tradition of naming slaves after their master, *i.e.* railroad owner George Pullman. Refusing to answer to the name was grounds for dismissal, and earning the right to have individual name badges was one of the proud rights earned when they did succeed in forming their labor union.<sup>3</sup>

Other sensitivities arise for various ethnic and geographic customer groups you will serve, and you can learn much by studying them. Just remember the hazards of overgeneralization: Every customer needs to be treated differently, and only your own nimbleness can guide you once an interaction gets underway.

## Shut Up Sometimes: The Artie Bucco Principle

The tragicomic character on *The Sopranos* Artie Bucco starts the series as a successful restaurateur. Slowly, things begin to fall apart for him. Finally, his wife Charmaine has the painful job of telling him what is going so wrong: that his customers come to the restaurant to be with *each other*, not with him. Their special moments are for them, not for him, and interrupting them with what *he* thinks is important is driving them away. Artie never does get the message when he interacts with customers. If he had learned to listen between the lines, he could have picked it up, as his wife did.

*She* was listening.

Align your organization to the value of listening. Learn to adjust the flow of your comments to match your customer's interests and mood.

And practice shutting up sometimes.

## Words Have Their Limits

Visual and physical cues can speak louder than words. Make sure your words aren't being contradicted by nonverbal messages, such as:

- ▶ Employees who say "Welcome" while their body language telegraphs "Go away!"
- ▶ First point of contact employees whose chairs are oriented so their backs face arriving guests, or who, although oriented correctly, are so "efficiently" engaged in computer tasks that they may as well not be placed at a greeting location at all.
- ▶ An office building with obstructed ramps or heavy, hard-to-open doors. (What does that "say" to a customer who is in a wheelchair, has arthritis, or is pushing a stroller?)
- ▶ Small items kept under lock and key in a way that silently insults your customers: for example, a corkscrew that is *locked down with a security chain to prevent its theft*.—at a four star hotel?!

It's true—when travelling, we recently encountered a corkscrew tethered to a bicycle-style metal security chain atop the minibar in a very upscale hotel room. (*See the gory visuals at [www.micahsolomon.com](http://www.micahsolomon.com)*) Make sure you're not similarly insinuating that your customers aren't trustworthy. If you are, it'll be hard to ask for *their* trust and loyalty in return.

## Show, Don't Tell (And Don't Ever Just Point)

Don't give customers verbal directions. Getting directions in words is confusing and hard to remember. It unsettles many people. When a customer asks how to get somewhere, physically lead him there.

Even the private-jet setters who stay in Leonardo's ultra luxury Capella resorts do use a restroom from time to time. So, says Leonardo, "We don't tell them 'Go down the hall, turn right, walk fifteen feet, and then turn left.' We walk with them until the last turn. Then we back away, for discretion." Or, as the Capella service standard spells it out: "Escort guests until they feel comfortable with the directions or make visual contact with their destination."

This dictum has spread to other top service establishments. According to Phoebe Damrosch, formerly of Thomas Keller's four-star restaurant *Per Se*, Rule #20 in Keller's guidelines is "When asked, guide guests to the bathroom instead of pointing." (Phoebe also mentions a side effect that we haven't experienced: Some of the men, she says, seemed confused, perhaps mistakenly thinking that she planned to accompany them in and help. "The eighteen percent you will leave me, sir, I always wanted to say, would not cover that."<sup>4</sup>)

## Phone and Internet Language and Communication Pointers

► **Here's our advice about screening your calls: *Don't do it.*** Just don't! And do your best not to have anybody, anywhere in your business, screen calls.

This is perhaps our most wildly unpopular idea. When clients first hear it, they usually tell us we're crazy. (You hate it too, right?) But our experience demonstrates that this single change can greatly enhance customer satisfaction—and, as a fringe benefit, organizational effectiveness.

What's wrong with screening? There is no faster way to alienate potential customers (and business allies) than to make them run a gauntlet before you'll speak with them. If someone wants to talk with you, *let them*. If you're not the right person, you can quickly and politely transfer their call onward. How well this works will astound you.

What if you *do* need to screen your calls? (Maybe you're Jeff Bezos at Amazon.com, and potential vendors won't give you a moment's peace, even though you're the wrong person for them to speak with.) At least create a discreet call-screening protocol that protects the feelings of callers:

**Bad Screen:** “Who’s calling?” (Whether or not this is followed by a grudging “please.”) “Does he know why you are calling?” “Who are you with?” “What is the nature and purpose of your call?”

**Good Screen:** “Absolutely. May I tell Mr. Bezos who is calling?” (In reality, the caller won't necessarily get Jeff. But hackles aren't raised; feelings are spared. There's no feeling of a test that must be passed—even if, in fact, there is.)

We, by the way, put our mouths where our mouths are, so to speak. Leonardo and Micah—as well as the best bosses we've had in our own careers—are non-phone-screeners. And historically, many titans of industry, up to and including Sam Walton, have been famously accessible on the phone. (We do figure Sam did a few back flips in his grave when Walmart announced years later that online customers were to be banned from even basic 800 telephone support as part of an official Walmart “Customer Contact Reduction” program.)<sup>5</sup>

To “give good phone,” you've got to pick it up! While you're busy getting your words just right, you also need to set the right stage. An-

swer the phone in the right number of rings: One or two rings is best, and try to never wait more than three rings.

Here's why: After three rings, which is roughly twelve seconds, callers become anxious. After five or six rings, they become frustrated. After eight or nine, quite irritated. After eleven or twelve, they will of course become angry and/or alarmed, and will hang up. Explain these *reasons* to your staff, and they will be more apt to support the no-more-than-three-rings policy because they'll understand how much it reduces client anxiety.

In cyberspace, there are analogs to answering your phone promptly. The following may sound obvious, but bear with us, because we see ugly surprises in this area all the time. Do you know for sure that the “request for info” forms on your website actually get where they're going once a customer fills them out? And if so, whether they're answered quickly? You may be surprised to learn that because of a scripting error they never end up anywhere. Or, almost as bad, that they are delays at some point in your processes and responded to *en masse* days later—which is a completely unacceptable interval on the Web. These service failures are invisible at the time, but they will ultimately show up in the form of stalled company growth.

Your technical team can help with elaborate and “statistically valid” testing systems to prevent these problems, and that's important. But please *supplement* them with a simple reality check any time you get that nervous feeling inside: Try everything out yourself, as if you were a prospect or a customer. Do this repeatedly, and take nothing for granted. This “trust no one” technique puts you in the tiny minority who actually know that their systems work from their customers' perspective.

► **On the Internet, nobody knows you're human (so go out of your way to prove it).** Many businesses use Internet tricks as a way to give themselves a phony patina of personalization. As a result, even live customer service staffers attempting to engage online customers one on one may be met with inordinate suspicion. There are ways to turn

these negative expectations to your advantage—by flipping them on their heads in a very visible manner. Here are a few examples:

► **If you send out any mass electronic messages, build in a way for customers to immediately *reach a real person*.** If you are one of the 60,000 people who has asked to receive an automated business email “from Micah Solomon” each month, try *responding* to one of the messages. Who gets right back to you? The *real* Micah. (See the sidebar for Micah’s explanation of how he can do this and still get his other work done each day.) Compare this to the many online merchants whose mass email communications begin or end with something like:

“Please do not reply to this message.”

To customers, that sounds a lot like:

“Hush now, customer: Don’t distract us while we we’re busy counting the money you paid us!”

It doesn’t matter how competent, efficient, or technically “correct” your correspondence system is: If it makes you seem cold or robotic, your relationship with the customer will falter.

► **If your website features “live chat,” make it clear you’re staffing it with very real and personable human beings.** Even if you manned Web chat lines with your very best, most expert staffers, users will devalue the service if you withhold full names. Not even your most personable, endearing employee is going to build enduring bonds for you online by typing, “Hi! This is Jane at Company X.” Web visitors will assume that “Jane” is a corporate drone—or even a computer program!—sending canned advice out to customers she/it has no interest in hearing from again. This skepticism isn’t *your* Jane’s fault. It’s the fault of all the artificial Janes before her. But it’s easily remedied by calling her who she is: *Jane Chang-Katzenberg*.

► **Before anybody hits “send,” make sure each email starts out on the right foot.** You would never begin a printed letter without some kind of salutation (“Dear,” “Hi,” et cetera). So don’t forget the salutation in an email. Even “Yo Mark!” (depending on the formality of your business and relationship, obviously) is better than starting cold

with just their name (“Mark—”). Enforce this simple rule, and you’ll start making your Internet relationships warm up.

### **Adding a Real Human Touch to a Mass Email Takes Less Time Than You’d Think**

With a customer email list of 60,000, how can Micah find the time to answer replies from anyone who asks for him personally? It’s less daunting than it sounds, and you should try it too. Micah explains:

“Most customers who’ve asked to receive a monthly informational or sales email from me don’t actually feel a need to communicate one on one with me, so if they respond it’s by clicking on the automated link they were intended to click on—for whatever this month’s offer is, for example. But if someone’s aggravated with our service, or someone wants to pitch his kid’s Little League jersey sponsorship to me, I feel they ought to be able to get directly to me, right away, without going through any hoops. Because hopefully I can make sure we take care of the problem, or find someone who can, pronto. That’s why I make sure that hitting “reply” or clicking on the “Micah” link sends a message directly to me.

“That’s not very much to ask of me. Only a few people use the option, and it’s not difficult to set up—no matter what your Internet provider is telling you.”

## CHAPTER FOUR

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# Recovery:

### *Turning Service Failures Around*

Breakdowns in service are unavoidable. An ice storm forces you to miss a customer's shipping deadline. A waiter drops a tray in a customer's lap. A computer system goes down. A key person walks out on you with no notice—on the only day you couldn't possibly arrange coverage.

All of this, potentially, is good news.

Yes, service breakdowns are uncomfortable, and they require training to resolve. But you'll find an opportunity hidden inside your company's worst moments: the opportunity to bring a customer closer to you. Indeed, you can learn to handle service breakdowns so masterfully that they actually *help* you to create loyal customers. Our method is outlined below.

### The Italian Mama Method

The archetype of an adoring Italian mother is the spirit behind our approach to service recovery. Picture a doting parent after a toddler takes a tumble: