

## Building Lifetime Customer Relationships

BY GREG SCHINKEL

Is your organization creating positive customer experiences that create lifelong customer relationships or is the focus on the short term, putting in jeopardy the long term health of your company?

On a recent 18-day road trip through the Northeastern United States I had the opportunity to observe exceptional, mediocre and awful customer service. While many retail and restaurant operators can use the excuse of having trouble recruiting talented and friendly employees, it was evident throughout our trip that some establishments had overcome this challenge and others had not. Therefore responsibility rests with the manager to select the best possible staff, train them and monitor their performance.

### Long Term Customer Value

Businesses look at transaction costs instead of lifetime customer relationships. While there are some business relationships that are one-time only, most customer experiences will move toward creating long term brand value and a lifetime of purchases. While in Washington D.C. we stopped into the ESPN Zone, a sports-themed restaurant, catering to sports enthusiasts. The server brought our meals to us and said they had dropped my daughter's meal. She apologized and brought a plate of nachos to munch on as she waited for her food to be prepared for the second time. This was a pleasant surprise. Not only did we spend in excess of \$100 for food and video games on that visit,



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we returned two nights later to the Times Square location in New York City. After a third visit, the total expenditures were more than \$350. In addition, when the server heard that we were planning to drive to Baltimore, he printed off the directions and brought them to the table, again without us having to ask. So a \$7 plate of nachos helped create more than \$350 in revenue and support the brand.

Even the friendliest of staffs cannot make up for bad systems and avoidable mistakes. One server at another restaurant apologized more than seven times for delays and mistakes. While apologies are good, what people really want is service that requires no apology. Look at your customer experience from start to finish and reduce the causes of errors and dissatisfaction. Eliminate delay-causing steps in the process to improve speed. Customers will be attracted to fast service and be more likely to visit even when they are pressed for time.

### Differences Between Locations Reflect the Manager

After visiting numerous locations of a well known international fast food chain, we observed an interesting variation in store operations. Most operated consistently with expectations, providing what was ordered, quickly and with pleasant service. One location however required a total of one hour to order, receive and consume a meal, far too long to be called fast food. The operation was in complete disarray. Numerous customers expressed frustration and observed

how poorly run the location was. Managers were frantic, and yelling. Staff could not work the register and supplies were running out during the busy dinner hour when they should have been stocked in advance. The seating area was dirty.

### View Each Customer Experience as if Your Job Depends On It

The leader's job is to communicate the importance of positive customer experiences for long term success and train staff to perform job tasks efficiently and effectively. The attitude an individual brings to the job is evident in their behaviour. Customers can sense whether an employee treats customer service as a chore. Staff and management need to remember – no customer, no business, no job.

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# McLarens