



## THE ART OF PLEASING YOUR CUSTOMERS

Imagine that your business is growing, is the envy of your competitors, and that your customers are delighted with your service and keep coming back to spend more money with you.

How can you ensure this ideal vision becomes reality ?

In a nutshell, the real key to business success is to do as much as you can to make your business '*customer-focused*' and to '*please the customer*'. Sounds simple ? Well, yes, but in practice it isn't, otherwise every business in the land would be overwhelmed with success !

Being focused on the customer means doing several things well. Factors to get right include targeting customers carefully, knowing what your customers need, ensuring a competitive offer, promoting your business distinctively, delivering excellent service, and keeping track of customers' satisfaction and opinions.

Let's start by looking at what it actually means to 'please' a customer.

A pleased customer is a '*satisfied*' customer.

Now, you've surely heard about 'customer satisfaction' many times. It is created *when customers' actual, perceived experience of a product or service is actually better than what they were expecting.*

In the 1980's and 1990's satisfaction was *the* watchword for business. Everyone was rushing around to find ways to make customers happy by *meeting* and even *exceeding* their expectations. Hallelujah to those lucky businesses that actually felt they exceeded their customers' expectations, as they could declare they had reached the holy grail and created 'customer delight' !

The theory behind customer satisfaction is actually well-based. **If customers are satisfied, they will buy more, will do so more often and also tell their friends and relatives about you and you can enjoy even more business. Repeat customers are also cheaper to serve and so are usually much more profitable.**

Many different types of factor drive customer satisfaction and not all customers value the same things, so all businesses need to understand their customers well. Often satisfaction has little to do with the basic product or price, or even product quality (often assumed to be acceptable or on par with what competitors are offering) and has much more to do with how the customer is served or looked after and how they feel about the overall service 'experience'.

It's helpful to think of **three 'layers'** of what drives customer satisfaction.

### Levels of satisfaction

At **level 1** is the basic type of product or brand that the customer is looking to buy, but this often gives little opportunity for a supplier to add value because the consumer often knows what he/she is looking for and trusts the brand implicitly.

At **level 2** is the range of advice, information, services and facilities that your business offers alongside your range of products. For a pharmacy store, for example, these could be a leaflet about healthy living or guidance at the counter on how to treat an ailment or a suitable remedy.

At **level 3** is how customers are made to *feel* about the service they receive and their overall experience in dealing with you/your staff and ‘doing business with you’. Researchers involved in the field of service quality have identified a range of factors that determine customers’ satisfaction at this level:

- i) **tangibles** : the appearance of your physical facilities, equipment and personnel
- ii) **reliability**: how well staff perform the promised service dependably and accurately
- iii) **responsiveness** – how willing staff are to help customers and provide prompt service
- iv) **assurance** – how knowledgeable staff are and how much they inspire trust and confidence
- v) **empathy** – how much staff show a caring attitude and individual attention to customers

**The key point is that to stand a chance of creating customer satisfaction, you need to focus on levels 2 and 3 – especially the ‘service’ aspects of what your business does. Avoid over-promising what you will actually be able to deliver, though, or you will be bound to cause dissatisfaction.**

Your true aim should be not just to create positive satisfaction but rather a *very high level of satisfaction* (‘delight’) because this level has a disproportionately favourable effect on what customers think of you and leads them to keep buying from you. Furthermore, you need to develop not just repeat sales but a *positive emotional preference / bias* by the customer for using you as a supplier over other rivals.

**It is this combination of a bias in favour of using your business *and* a high level of repeat purchasing at your business that achieves the true nirvana of business – ‘customer loyalty’.**

It is helpful to recognize four types of customer loyalty:



		<i>Repeat purchase rate</i>	
		HIGH	LOW
<i>Degree of</i>	HIGH	Premium Loyalty	Latent Loyalty
<i>Positive bias</i>	LOW	Inertia Loyalty	No Loyalty

There is ‘**no loyalty**’ where there is an absence of or low level of positive preference and repeat purchasing. With ‘**inertia loyalty**’ there is some repeat purchasing by the consumer but this is based not on any real commitment but rather simply on habit, laziness, convenience or because there is seen to be no local alternative.

With ‘**latent loyalty**’ the consumer has a high regard for the store but this is not evidenced by purchase behaviour, possibly caused by influences like a previous out-of-stock experience, difficult parking or limited opening hours, or word-of-mouth comments. ‘**Premium loyalty**’ is clearly the most preferred of the four categories and where this exists management should focus on nurturing and strengthening relationships with customers.

### **Customer bonding**

If a business has worked to produce satisfaction on the three levels above, what else can it do to stimulate loyalty ? It boils down to trying to build a closer ‘**bond**’ between individual customers and your business such that individuals will find it undesirable or costly to switch to another supplier.

The following ways are examples:

- offering extra facilities or services not normally expected of a business like yours e.g. credit facilities
- being able to tailor or customize certain services to match some customers’ needs better
- building up and holding information about customers which rivals wouldn’t have or know of – including vital clinical data, lifestyle facts, product preferences etc.
- sending communications material to individual customers regularly – by post or email for example – about new services, product promotions etc
- simply becoming well-known and friendly in the local community – for example by holding an open information/advice day on health issues
- using technology or communications channels distinctively to reach certain customers e.g. using phone texts to reach young people

There’s no simple way to build customer loyalty. It’s a complex task !

Here I have just briefly introduced a range of issues that are involved. In following articles, I will take a look at each area in more detail.