



Creating Experiences: On the Front Lines of Customer Service



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Simple Tools for Customer Service



What We KNOW



Giving excellent customer service is important to our business!

Rural customers report:

Customer Service

Convenient Hours

Store Cleanliness

Local Support

Decision Makers for Shopping with YOU



World of Customer Service

Like and Dislikes



Relationships



Trust

Lifetime Customer Value



Customer Lifetime Value Calculator



HARVARD
BUSINESS
SCHOOL
PUBLISHING

Intro

Conceptual Overview

Sample Problem

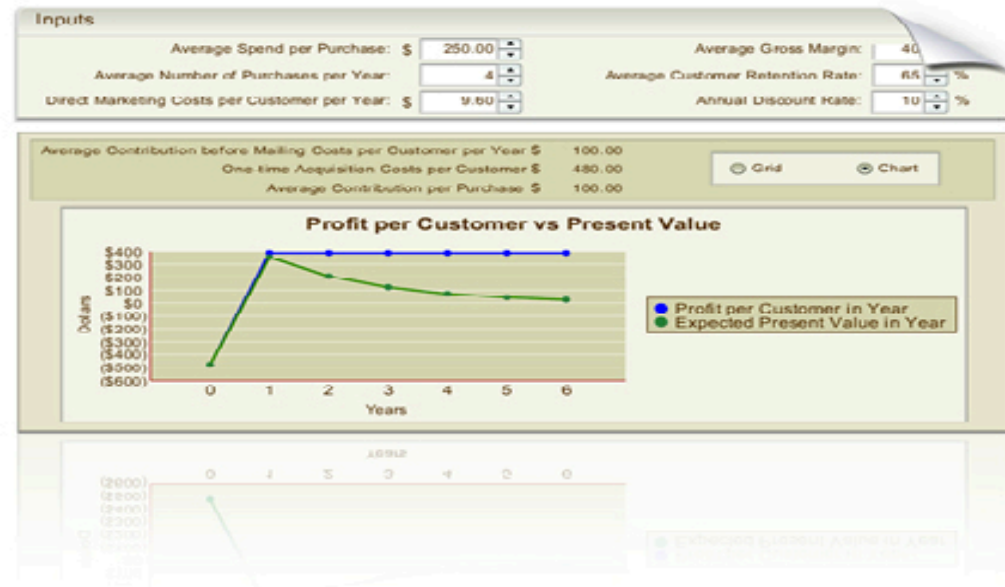
Tool

GLOSSARY | PRINT

Marketing managers today are collecting more information about their customer base than ever before. Managers can capitalize on the value of this information by applying a simple formula to determine the lifetime value of a customer. Customer lifetime value (CLTV) is a formula that helps a marketing manager arrive at the dollar value associated with the long-term relationship with any given customer, revealing just how much a customer relationship is worth over a period of time. Understanding CLTV is a very powerful tool. It becomes extremely useful in considering customer acquisition processes as well as selecting optimal service levels to provide different customer groups.

You might want to determine the lifetime value of a customer for a number of reasons. One is to identify different valuations for customers with different characteristics. Another could be with the goal of influencing the behavior of different customers and consequently changing their LTV.

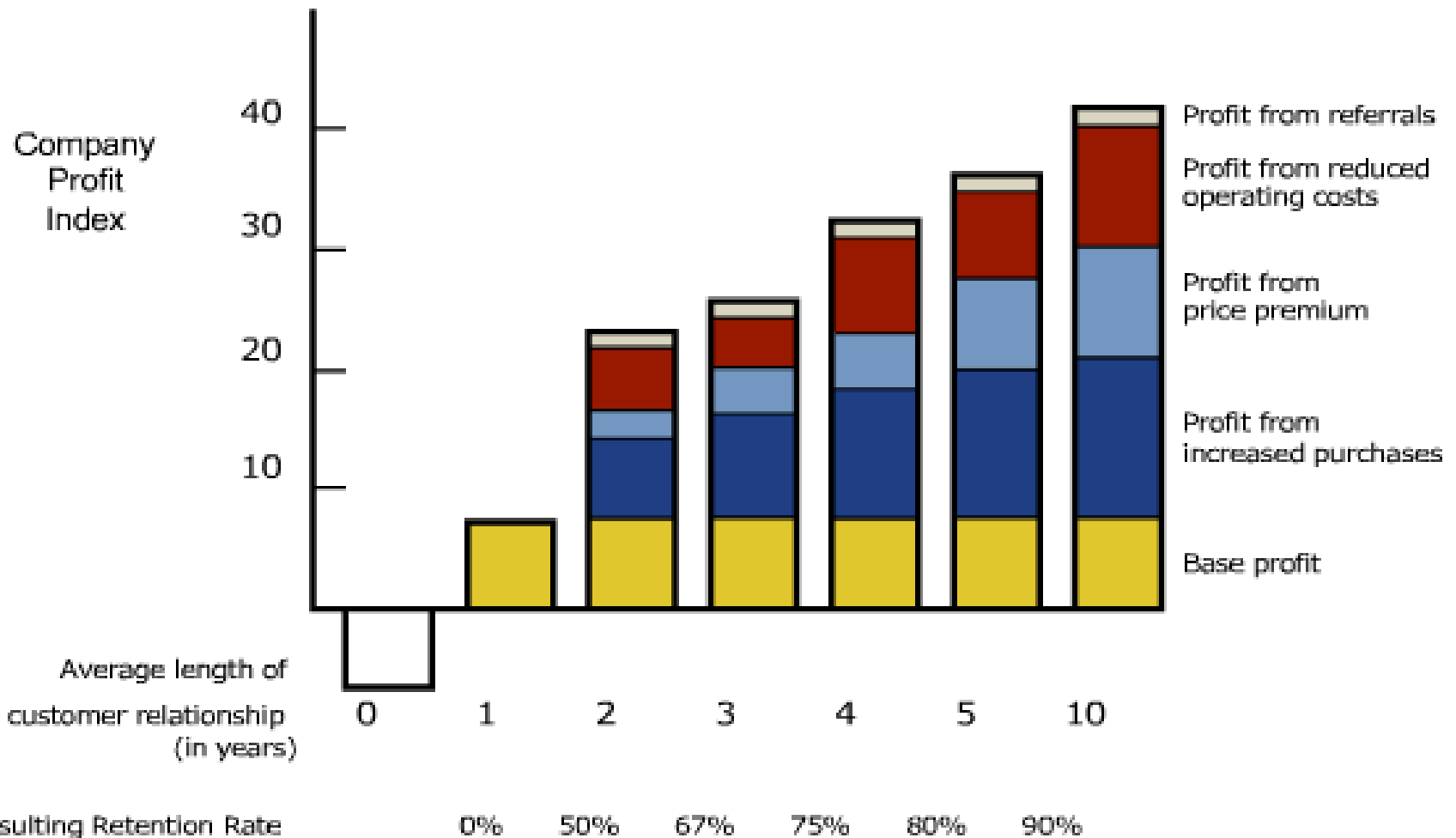
The CLTV tool will not only help you determine the value of a customer, it will also allow you to modify assumptions regarding the input variables in the formula. As you modify these assumptions, you will understand how each impacts the CLTV result. The CLTV tool enables you to identify different valuations for customers with different characteristics. Moreover, you may ultimately be able to influence the behavior of certain customers and consequently



Lifetime Customer Value



The Impact of Customer Retention on Profits



Excellent Customer Service



Smaller is BETTER!

The Buzz Word: CRM (Customer Relationship Mgmt)

Big Three

- **Keeping those existing customers**
- **Building connections with the top dogs**
- **Creating a referral networks with mavens**



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CRM's #1 Goal



The main goal of any CRM program should be to maintain relationships with your best customers

Creating Positive Customer Experiences



Great service starts at the top: Leadership

Attitude is everything: Contagious

Those generational differences: Awareness



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Creating Positive Customer Experiences



Happy Employees = Happy Customers

Hire the right people



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Creating Positive Customer Experiences



Empowerment

Create a internal culture that has clear directives

Allow for self-directed decisions

Challenge and encourage

Creating Positive Customer Experiences



Remember, great customer service is:

- **Deliverable**
- **Relational**
- **Emotional**
- **Measurable**

Setting and Measuring Standards



Simple System by **REVCO**

Every customer, every time

Greet customers every time they enter the stores

Ask the customer if they need assistance

Look at the customer when speaking



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Setting and Measuring Standards



Results!

“Mystery shoppers” deployed

90% Compliance



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Customer Service Quotes



"Well done is better than well said."

BENJAMIN FRANKLIN

"If you make customers unhappy in the physical world, they might each tell 6 friends. If you make customers unhappy on the Internet, they can each tell 6,000 friends."

JEFF BEZOS



Customer Complaints



Get rid of the formal response and be genuine

They don't want to hear your "policy"

Limit the choices to fit their need

Creating Customer Experiences



What the pros say.....

“Creating Magic” by Lee Cockerell

**Leadership strategies from the world of
Disney**

“It’s not the magic that makes it work; it’s the way we work that makes it magic.” - Cockerell



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The Main Lessons



Your whole staff is IMPORTANT

Let your people advertise who you are

Leverage appreciation and recognition

Give people more than a job, give them a purpose

Green Hill Farms



Customer Loyalty Program - 1993

Knowing best customers - rewards

Frozen turkey thieves

Diamond customers

Data collection – spend trends

Deal loyalty vs. Relationship loyalty



Johnny the Bagger from The Simple Truths



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Customer Service Resources



Lifetime Value Calculator:

hbsp.harvard.edu/multimedia/flashtools/cltv/index.html

Green Hills Farm Case Study:

www.inc.com/magazine/20010601/22701.html

The Disney Institute:

<http://disneyinstitute.com/>

Zappos Core Values:

<http://about.zappos.com/our-unique-culture/zappos-core-values>



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Questions



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