

DOES IT REALLY PAY TO FOCUS ON EXCEPTIONAL SERVICE?

My consistent advice to companies that aspire to earn a top spot in their markets is based on my own lifelong observation. My advice couldn't be simpler – I tell them: “Focus feverishly on exceptional service and you WILL be rewarded.”

Over the years I've observed, with great consistency, that companies that can build their brand around exceptional service will increase their value by at least 25%. (In truth, it could well be 100% to 400%.)

Every now and then I run into exceptional service leaders who are worthy examples of the philosophy of relentless service. They've helped build companies whose names are universally recognized because they are energized by the power of incredible customer service.

- **Amazon.** From its humble beginnings in Jeff Bezos' garage, everything Amazon does is about enhancing the customer experience. Industry observers unanimously attribute Amazon's success to its approach to serving its customers. *In 2003 I invested \$1,000 in Amazon. On March 31, 2019 the stock was worth \$59,984.*
- **Home Depot.** Home Depot's goal is to provide the highest level of service, the broadest selection of products and the most competitive prices. *In 2003 I invested \$1,000 in Home Depot. On March 31, 2019 the stock was worth \$9,175.*
- **Costco.** Costco's corporate vision statement emphasizes customer experience and satisfaction and affirms Costco's aim of offering its members quality goods and services at the lowest possible price. As a result Costco's success is light years ahead of Sam's Club. *In 2003 I invested \$1,000 in Costco. On March 31, 2019 the stock was worth \$9,494.*
- **TD Bank.** TD's published Values Statement proclaims that they are client-driven, that they listen to each client, that each TD employee is empowered to deliver the solutions that best serve the client's needs, and that they aspire to deliver client experiences and interactions that they are proud to stand behind. *In 2003 I invested \$1,000 in TD Bank. On March 31, 2019 the stock was worth \$4,305.*
- **Southwest Airlines.** Southwest's founding vision was to become the world's most loved, most flown and most profitable airline. Southwest exists to connect people to what's important in their lives through friendly, reliable low-cost air travel. *In 2003 I invested \$1,000 in Southwest Airlines. On March 31, 2019 the stock was worth \$3,445.*
- **Apple.** Apple is committed to offering its customers the best user experience through innovative hardware, software and services. Apple provides an exceptional buying experience through its knowledgeable salespersons who are expert at conveying the value of the company's products and services, and who spark Apple's ability to attract and retain legions of fanatically loyal followers. *From its*

1980 initial public offering, Apple's share price has gained 98,000%. As of May 2017 Apple was the most valuable company in the world, with a market capitalization of approximately \$800 billion and nearly \$256 billion in cash. Apple stock has risen 270% over the last three years and 1030% in the last 12 months.

Despite the unmistakable message of these statistics, there are still only a bare handful of firms that genuinely provide awesome customer service. I have to ask: if these figures aren't lying, why do most firms feel satisfied with just okay customer service? I simply do not understand why more companies aren't tipping the scales in their own favor by copying the successes of great companies like these. The clear-cut message is that your success starts and ends with your customer experience.

EXCEPTIONAL SERVICE INCLUDES:

- Speed
- Eliminating stupid rules and policies
- Mastering empowerment
- Mastering service recovery
- Constant training on customer service
- Remembering and using customer names
- No IVR! Answer the phones with a live person in 1-2 rings.

Management should drive a customer service program that includes continuous training for all employees, reinforced by rewarding high-performing service employees and by regularly reviewing and refreshing management standards.

When management commits to A+ customer service in daily word and deed, it facilitates free communication internally and with customers. Strategy, objectives and support systems will, of course, continue to be the solid foundation for a service plan; but the entire program will collapse without a corporate culture and training to sustain it.

First and foremost for success is a chief executive who is as committed to customer satisfaction as to stockholder satisfaction.

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John Tschohl is a professional speaker, trainer, and consultant. He is the president and founder of Service Quality Institute – the global leader in customer service – with operations in over 40 countries. John speaks more than 50 times each year and is considered one of the foremost authorities on service strategy, success, empowerment and customer service. John's monthly strategic newsletter is available online at no charge. Contact John on Facebook, LinkedIn and Twitter.

