Marketing News

OCTOBER 27, 2003 | WWW.AMA.ORG | A PUBLICATION OF THE AMERICAN MARKETING ASSOCIATION

SATISFACTION ● *Make it personal*

Automated tools cause frustration, fall short

By GREG OTTERSBACH
and CHARLES SHILLINGBURG

SPECIAL REPORT

Customers see right through it. It's condescending, and consumers don't believe contrived, rote, scripted messages that tout how valued they are. They don't buy the "customers come first" claim because the delivery is insincere. And it's getting worse. Consumers are getting generic treatment throughout the marketplace and report little differentiation among companies or customer service practices. Many of the efficiency tools businesses use to manage and measure customer service are the source of their frustration.

Businesses have grafted efficiency-based manufacturing principles onto customer relations criterion, forcing customers into diminished, limited roles. Company declarations of stellar customer service are often calculated from standards-based checklists that automate shopper behavior in order to route customers through rigid sales and service queues. The call center may be fielding the requisite number of callers and the voice-activated response system is guiding customers to consistent, accurate answers. And yes, the company Web site includes extensive frequently asked questions, but these automated customer service tools fall short when they are ill-timed or irrelevant for even one individual.

Greater customer control improves sales and profits

Automated, standards-based customer service can goad even satisfied customers into questioning what a brand stands for. The customer who does not feel successful in their attempt to complain, get an answer or make a suggestion also represents the lost opportunity among those silent customers who have already lost interest and resist targeted marketing efforts and satisfaction surveys. Customers are growing more jaded because they continue to receive impersonal, generic service while companies proclaim falsely that customers are No. 1.

Brands that aren't considered honest in the first place require much greater resources to establish customer loyalty.

Our analysis of statistics from a major automotive manufacturer found measurable business advantages and increases in consumer satisfaction when customer-friendly approaches are integrated throughout business operations. Two distinct types of dealers within the company were observed. Of the two, performer dealers, (who used human-based customer service tactics) surpassed opportunity dealers (who used company-guided operations and sales activities).

Performer dealers heeded individual comfort level and pacing cues of each customer and relinquished control to the customer numerous times throughout the purchasing process. Performer dealers reflected 25% higher close rates, cut one hour off the time needed to complete each sale and achieved stronger auxiliary product and service sales. In contrast, opportunity dealers had smaller conversion rates (transition from shopper to buyer) and expended more time and facility resources per vehicle sale. Shoppers who encountered opportunity dealers were 19% more likely to terminate the encounter due to poor treatment during the sales process. The opportunity dealers still logged sales and still presented keys and operators manuals to customers, but they often did so according to pre-scripted and predetermined events geared to company efficiency rather than customer satisfaction. They spent more advertising dollars chasing a greater number of customers who yielded lower profit margins.

Although the more successful performer dealers spent less overall time with customers, shoppers did not perceive this as poor service. The entire process was shorter, yet milestone events were appropriately timed and individual responses resulted in customers feeling more respected and valued. Granted, automobile dealerships have to do a lot of things right to sustain return on investment. But refocusing leadership, service departments and sales personnel on humanistic principles conferred a whole different orientation to the customer that translated into visibly good business practice.

Human-centered strategy is good business strategy

There is no one remedy, but companies that steer away from the mechanized, automated tenets of customer relations can realize significant improvements to customer satisfaction and financial returns. Companies are more likely to increase costs, lose profits and risk customer abandonment when they don't do anything than by admitting that some of their internally held beliefs do not ring true. The fact is, customer service efficiency tools that companies have bought, installed and trained their sales and service forces on may be the annoying, bitter pill that customers resent having shoved down their throats.

Profound changes are possible when companies soften the manufacturing-based customer relations practices and return control to customers. Good companies achieve visible market differentiation, stronger brand identity and customer loyalty by carrying human-based principles throughout their business. Integrated customer service affects how a company designs and builds products, how it manages suppliers and how it treats internal and external customers. Integrated customer service is good business. There's no question companies can still be profitable doing things the other way, but is it smart? Can they maximize resources and increase return on investment by alienating customers with insincerity? The role of sophisticated and profit-enhancing customer service tools still is important, but we believe monumental opportunities exist for companies that decide to bridge the gap by refocusing their sights on customer-driven practices. ■

Greg Ottersbach is vice president and Charles Shillingburg is president at Insights & Solutions Inc. a Tempe, Ariz. based marketing research consulting firm that helps companies build and sustain their brands by focusing on key customer satisfaction and marketing principals. Website, insightssolutions.com Business Phone, 480 874 1222