

Title:

Seven Key Findings in Customer Service Research

Word Count:

985

Summary:

According to data from The Butler Group, up to 70% of customer relationship improvement programs fail. At Customer Focus, Inc. (www.customerfocusinc.com) we believe that the primary reason for the poor results of many CRM, customer service training, and customer-centered programs is the failure to consider the total customer experience. Before starting any customer relationship improvement program, begin by understanding the implications of these customer experience findings.

Keywords:

crm, ceo, customer focus, customer service training, customer loyalty

Article Body:

According to data from The Butler Group, up to 70% of customer relationship improvement programs fail. At [Customer Focus, Inc.](http://www.customerfocusinc.com) (www.customerfocusinc.com) we believe that the primary reason for the poor results of many CRM, [customer service training](http://www.customerfocusinc.com), and customer-centered programs is the failure to consider the total customer experience. Before starting any customer relationship improvement program, begin by understanding the implications of these customer experience findings.

1. 95% of senior business leaders believe that the next competitive differentiator is [customer experience](http://www.customerfocusinc.com/index.php?option=com_content&task=view&id=48&Itemid=65).

What Colin Shaw's customer experience research revealed in his 2005 book, *Revolutionize Your Customer Experience* is that products and services quickly become commodities. Shorter product cycles, worldwide commerce, and the internet have all leveled the playing field. On the internet, every company is the size of the computer screen. To gain and keep profitable market share the most effective strategy is to enhance the customer experience. Whether building CRM, training, loyalty, or culture, focus on creating a unique customer experience with a personal touch that customers can't get in the self-service world of the web. Customers will seek out, pay a premium, and stay with those who provide superior customer experiences.

2. 80% of companies believe they deliver a superior customer experience. Only

8% of their customers agree.

This remarkable statistic from Bain & Company reported in the Harvard Business Review reveals that companies simply don't understand customer experiences. Most focus their research and customer feedback on narrow product- or service-related features. The key is to focus on the entire customer experience - on the breadth of customer emotions and perceptions, and on all the customer's points of contact and experiences with your products, systems, and people.

3. Only 14% of customers leave for product reasons; 68% leave because of poor treatment by employees.

The strongest determinant of the quality of customer experiences is whether customers perceive your employees and managers to be acting as their advocates and view them as being committed to their needs, feelings, and future experiences. If your people are truly not committed to the customer's experience and do not have superior service skills, your customers will walk out the door. Before spending more on CRM, loyalty, and culture programs, train your employees in the skills and attitudes of creating positive customer experiences.

4. Companies lose 50% of their satisfied customers.

Satisfaction does not guarantee long term customer loyalty. A deeper emotional bond is needed to create long-term loyalty. That emotional bond is formed when customers experience authentic relationships with your company and your employees. Customers need a personal connection to companies at every interaction - especially interpersonal interactions. Whatever your effort, train your employees to form authentic and personal relationships, not simply to respect them.

5. Only 4% of unhappy customers ever complain; 90% of non-complainers just go elsewhere.

Anybody who has ever experienced poor service knows how easy it is to never go back. Given a choice between complaining and going elsewhere, few people will pick confrontation. Build in customer feedback opportunities at each point of interaction. Train employees to continuously ask, "How are we doing?" and "How can we improve?"

6. The average value of a customer is 10 times their initial purchase. It costs six times as much to attract a new customer as it does to save an existing one.

Mass marketing doesn't work anymore. Customer decisions are more personal, imbedded in consumer communities, and built upon known and credible relationships. The solution is to train your employees with the skills to stop customer defections, build complete customer solutions, and create advocates who evangelize your products and people.

7. High service-quality companies average 12% ROS and grow 6% a year.

A 2000 study by Accenture and Montgomery showed that if a \$1 billion enterprise increased its investment in customer interactions from average to high, it could anticipate a \$42 million return on investment. Executives and managers need to know that the path to profits is through customer experiences.

At Customer Focus Inc. we show how you can turn your front-line employees into customer advocates as CEOs: Customer Experience Owners. By owning the customer's experience, your employees can build authentic bonds of trust that lead to long-term customer loyalty. Through a combination of developing the right skills, attitudes, and sense of personal empowerment and authenticity your employees can, as CEOs, ensure greater return on your investment in business systems and processes.

Customer Focus, Inc. is an international customer service training company that provides innovative, world-class customer service skill building and culture-building training programs at low cost. Contact Steve Fugate: (817) 303-5256

© Copyright 2007 Customer Focus Inc.

This Article is Copyright protected. Republishing & syndication of this article is granted only with the due credit, as mentioned, retained in the republished article. Permission to reprint or republish does not waive any copyright. The text, hyperlinks embedded on the article and headers should remain unaltered. This article must not be used in unsolicited mail.