Strengthening Your Competitive Edge
Part 3: Getting Positive Word-of-Mouth
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We've looked at how to get selected and how to provide excellent service. Now let's look at what you need to manage after the service is completed. It's easy to think that, once the service is delivered, that's the end of the story. But think for a minute about your own service experiences. If you received good service and then someone told you about a lousy experience they had with a different company, you probably felt even better about the service you received … perhaps even a bit smug. But if that other person began telling you about a super service experience that was even better than what you received, you probably felt not as great about your own service experience.

Customers continue to evaluate their experience long after the service is over, so you need to have strategies to manage that evaluation process. Here are some tips and questions to think about.

Soliciting Feedback

The only way we can know if a customer is satisfied with our service is to ask. Some retail businesses handle this by having a staff person ask customers, "Did you find what you were looking for?" This may work well if the customer is still shopping and could use help. It doesn't work well if the customer is already in a check-out line and frustrated.

Think for a comment about your own experience in providing feedback – what did you like, and what irritated you? If you are like others, the following factors probably matter to you:

- *Quick*. If someone says, "This questionnaire is short – it will only take 10 minutes of your time," how would you feel? Ten minutes is actually a long time. "Quick" is less than one minute.

- *Easy*. The hardest questions to answer are those that are open-ended – e.g., "What did you think about…?" The easiest questions are close-ended – e.g., specific response options to choose from. People typically resent having only two options, and differentiating among more than five options is often irritating.

- *Will make a difference*. Have you had the experience of answering a series of questions unrelated to your actual service experience and then, when you try to be specific about your concerns, being told that additional information will not be reported back? If you want your customers to feel valued and to provide you with useful feedback, then they need a way to be specific and get a response back.

One of the most important issues in soliciting feedback is to manage expectations. If you ask, "What else could we do?" customers will expect to see their suggestions implemented. Instead you can ask, "If we did one thing differently, what would you want it to be?"

Requesting Referrals

The best indicator of customer satisfaction is their willingness to recommend your service to others. So not only do you want to know if they would be willing to recommend you (and give you a testimonial for your website), but you also want to make it easy for them to refer. Think about your own experience as a customer – what induced you to make referrals?

Recovering Well

Sooner or later there are problems in service delivery that may be beyond our control. All is not lost … unless you do nothing. Problems provide you with the opportunity to show your customers how much you value them and how well you can recover. That recovery needs to be meaningful to the customer and communicate both your apology and how much you value the customer. Ironically, customers are even more loyal *after* there has been a problem and you have shown that you can recover well.

Rewarding Loyalty

Research tells us that it is ten times more expensive to recruit a new customer than it is to develop new or repeat business with an existing one. So existing customers are an important resource. If you are successful, the majority of your business will be repeat business. Even so, you can still increase the total services purchased by these customers through approaches like the following:

- Increasing the frequency of their purchase
- Cross-selling other services to increase the range of services that they use
- Increasing the quantity of their purchase
- Increasing the profitability of their purchase