

TOP 5 REASONS WHY CUSTOMER SERVICE IS SO BAD

by Paul Levesque

It's now nearly 20 years since *Time* magazine ran its Feb 2, 1987 cover story *Why Is Service So Bad?* On Sept. 26, 2003, the front page of *USA Today* was still asking *Whatever Happened To Customer Service?* A *US News and World Report* study confirms that 68% of customers who stop buying from a particular business still do so because of "employee indifference towards their need and wants," whereas only 14% do so because of dissatisfaction with the product itself.

Yet right in the middle of this tidal wave of employee indifference and customer frustration, there remain little pockets of employee enthusiasm and customer delight. A prime example is a roadside restaurant near Orillia, Ontario, about 78 miles north of Toronto. For over forty years daily mob scenes have been gathering at the site of Webers hamburger restaurant; it's common to see two separate lines of customers extend out the doors and across the parking area, while nearby competitors remain almost deserted. Other towns, too, have their famous local business that consistently attracts customers from miles around. Whether it's a car dealership or a restaurant or a one-of-a-kind retail store, these are typically smaller businesses where turbo-charged employees pursue customer delight with a passion, places that ignite a flashpoint of contagious enthusiasm in employees and customers alike. The first and most basic lesson such flashpoint businesses teach us is that the combination of energized employees and delighted customers is achievable. Once we accept that inarguable fact, what remains is to figure out why such flashpoint businesses remain the exception. What are the top reasons why service remains so bad everywhere else?

First Reason for Bad Service: managers make it a training issue. Businesses continue to invest in customer service training programs that don't work. It's what employees sneeringly describe as "smile training." Its purpose is to identify for workers the kinds of behavior their employer expects them to exhibit, and then get them out there exhibiting it (whether doing so feels comfortable or not). At best, this produces workers that act in a purely mechanical and insincere way; at worst, it increases resentment and cynicism among the employees. "You cannot 'train' people to become outstanding service providers," says Pegasus Solutions senior VP Kass Kassum. "Excellent service only happens if you have (or you create) the right culture."

Instead of trying to legislate employee behavior, flashpoint businesses give workers opportunities to brainstorm their *own* ideas for how to improve the customer experience. "Empowering your workforce to make a difference personalizes the total customer experience, leading to customers coming back for more!" as International Customer Service Association president Kim Mims puts it. Management's role then becomes to help employees implement these ideas, and to allow workers to savor the motivational effect of the positive feedback that ensues from delighted customers. "You see the effect of positive customer feedback on all the employees," says Webers' general manager Ken Robbins.

Second Reason for Bad Service: managers blame it on employee cynicism. Whenever I hear managers complain about their cynical workforce (which is most of the time!), I always ask whether these employees were already cynical before their first day on the job. If so, it means a seriously flawed hiring process may be the real culprit; if not, it means something in the existing culture must be *making* them that way. What could it be?

The dictionary defines cynicism as the belief that "human conduct is motivated wholly by self-interest." Employee cynicism is the direct product of an organization's visible preoccupation with self-interest above all else—a purely internal focus on profit, for example, or the existence of maddening policies and procedures instituted solely for the convenience of upper management.

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In flashpoint businesses the focus is directed outward, toward the interests of customers and the community at large. At Webers, for example, customers have the option of dining outdoors in a beautifully-maintained park-like setting, or in a restored air-conditioned railway dining car. The restaurant also installed (entirely at its own expense) a sheltered pedestrian bridge spanning the four lanes of highway 11, to give southbound traffic safer access to the site. None of these amenities are reflected in higher food prices; they are in effect outright “gifts” the restaurant makes to its customers and community. This kind of semi-philanthropic approach acts as an antidote to cynicism at the same time as it’s delighting customers. Curves International founder and CEO Gary Heavin sums it up this way: “When businesses give more to their customers and communities, they end up getting more back in return.”

Third Reason for Bad Service: managers use customer feedback to uncover what went wrong. Businesses typically use surveys and other feedback mechanisms to get to the causes of customer problems and complaints. Employees come to dread these measurement and data-gathering efforts, since they so often lead to what feels like witch-hunts for employee scapegoats, formal exercises in the assigning of blame.

“We all react very positively to praise,” says Senator Fergal Quinn, founder of the legendary Superquinn chain of supermarkets in Ireland. “This is one reason why I insist that the reports of our customer listening panels, which exist mainly to identify problems, always faithfully report anything positive said by customers.” In flashpoint businesses customer feedback is also used to uncover what went *right*, which becomes the basis for ongoing recognition and celebration.

Fourth Reason for Bad Service: managers reserve top recognition for heroic recoveries. It happens all the time: something goes terribly wrong in a customer order or transaction, and a dedicated employee goes to heroic lengths to make things right. The delighted customer brings this employee’s outstanding effort to management’s attention, and the employee receives special recognition for his or her efforts. This is a *bad* thing?

It is when such recoveries are the primary—if not the only—catalysts for employee recognition. “Putting out fires” becomes the main mechanism for feeling appreciated on the job. When managers set out to eliminate the *causes* of such fires, they run the risk of turning their fire-fighters into arsonists. Workers may feel tempted to create problems themselves, just so they can later be perceived as the heroes who made everything right again.

Flashpoint businesses celebrate heroic recoveries, of course—but they’re also careful to uncover and celebrate employee efforts to delight customers where *no* mistakes or problems were involved. This makes it easier to get workers participating in efforts to permanently eliminate sources of customer dissatisfaction.

Fifth Reason for Bad Service: managers believe they’re ultimately competing on price. It’s one of the most common (and most costly) mistakes in business. Price becomes the deciding factor in purchasing decisions only when everything else is equal—and everything else is almost never equal. Businesses compete on the perception of *value*, and this includes more than price. It’s shaped by the total customer experience—and aspects such as “helpfulness,” “friendliness,” and “the personal touch” often give the competitive advantage to businesses that actually charge slightly more for their basic goods and services. This is why a smaller customer-focused business like Webers can consistently and dramatically outperform its bigger national-chain rivals, even despite their huge marketing and advertising budgets.

Those businesses that deliver a superior total experience *from the inside out* (that is, as a product of a strongly customer-focused culture) are typically those that enjoy a long-term competitive advantage—along with virtual immunity from the kinds of headaches that plague everybody else.

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Paul Levesque is CEO and President of Customer Focus Breakthroughs Inc. Paul is an author, speaker, and workshop deliverer with two decades' experience as an international consultant helping businesses around the world achieve their objectives

Audio versions of interviews with Webers management and staff can be heard at www.customerfocusbreakthroughs.com by clicking on *Book Supplements*. A step-by-step process for building a flashpoint culture in any business is outlined in Paul Levesque's latest book *Customer Service From The Inside Out Made Easy* (Entrepreneur Press, 2006).