



V3 PARTNERS

ENTREPRENEURIAL TECHNIQUES

CHAPTER 6 - CUSTOMERS

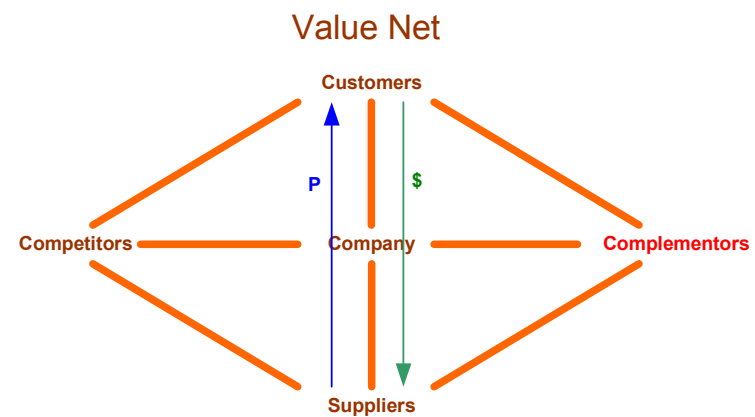
“WE NEED TO TAKE EXCELLENT CARE OF OUR
CUSTOMERS, AND DO SO AT A PROFIT.”

- GERARD ARPEYREAD



CONTENT

- motivation
- real customers
- as the player in the game
- acquisition
- service





MOTIVATION

“Ice Tea” Man - I used to work at McDonald's and we got some really rude customers, but nothing like the 'Iced Tea' man. Every single Saturday the 'Iced Tea' man would come in and order an unsweetened iced tea, and then hold up the entire line so you could count out EXACTLY 15 packets of sugar for this guy. If you were off by mistake, he would act like his ass got bit and start yelling and screaming because you didn't give him exactly 15 packets of sugar. He once made my co-worker cry. Sometimes he'd come through the drive thru and make you count his sugar. He'd hold up the entire damn line of cars so you count his sugar. Who the hell need's that much sugar anyway?”

“Crazy Indian Lady - Follows you around on day shifts and brings random food over to you and asks you to reduce it for her. I once spent an entire afternoon (4 hours) being hassled by her. “



CUSTOMERS

- definition: one who buys products or services
- synonyms: chump, client, clientele, consumer, easy make, float, front, habitué, head, live one
- a bunch of people like you and me who are impetuous, unfriendly, demanding, irritating, unreasonable, pigheaded, etc.
- yet they make your business successful or unsuccessful



CUSTOMER ACQUISITION

- it costs you much money to acquire their purchases
- varying acquisition cost: \$50 - \$500
- acquisition by sales channels
- marketing communications and programs support acquisition



CUSTOMER ACQUISITION

1. touching

- media communication
- word of mouth

2. mind share

- thinking
- weighing
- considering

3. interested

- looking for additional information

4. desire

- wants to explore offer more intimately
- consults with professional
- getting close to deciding

5. close

- got all information
- decided to accept offer
- commits



CUSTOMER ACQUISITION

| State | Description | P(%) | Expected values | Action | Responsible |
|-----------|--------------------|------|-----------------|----------------|------------------|
| touched | target market | - | 100,000 | cognizant | marketing, agent |
| attention | candidate | 2% | 2,000 | thinks | marketing, agent |
| interest | prospect | 50% | 1,000 | info request | company, agent |
| desire | potential customer | 50% | 500 | customer visit | company, agent |
| close | customer | 25% | 125 | accepts offer | company |

Acquisition equation: $2\% * 50\% * 50\% * 25\% = .125\%$ of touched



CUSTOMER SERVICE

if you don't take care of your customers,
some else will!



CUSTOMER SERVICE

- keeping service promise
- 3-ring telephone response
- 2-day written response
- 5-minute max waiting time
- positive attitude
- proactive communication
- honesty, openness
- systems reliability
- swift reparation
- being in the know
- front-line ownership
- little extras
- attention to detail
- immaculate appearance



CUSTOMER SERVICE

- overriding commitment at the top
- integral part of strategy
- clear company goals re service
- creating customer service culture
- enablers, freedom to act
people, money, communications, property, consumables
- make an investment



CUSTOMER SERVICE

- recruiting for customer service
- training
- rewarding
- continuous monitoring
- constant improvement
- management



SELECTED READINGS

Customer acquisition is a topic under sales and will be treated there in more detail. Customer service is fashionable to talk about but little solid information, other than great case studies exist on serving customers well. However here is a list:

Gary S. Goodman

“Monitoring, Measuring, & Managing Customer Service”

2000

Ron Zemke

„Best Practices in Customer Service a collection of articles”

1999



THE END

CHAPTER 6