

The Manager Comes Down From the Mountaintop

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The 1985 PBS documentary, *Search of Excellence*, adapted from Thomas J. Peters' and Robert H. Waterman Jr.'s landmark book, looks at eight American companies and what makes them thrive. In general, they succeed because they make both their customers and employees happy. The same thing is true today. In the film, one of the business owners, Stu Leonard, attributes the success of his Connecticut grocery store to his belief that only satisfied customers come back. No surprise there! While that is good to know, it doesn't answer the important question that all businesses, yours and mine, face every day: So just how do we satisfy our customers?

In looking for that elusive answer, I've talked with scores of successful business owners/managers/entrepreneurs, reviewed a myriad of books, articles and market studies, and come to the conclusion that there's both bad news and good news. The bad news is, of course, that no single answer exists. No one can sprinkle pixie dust over your business. There is no so-called magic bullet. Even though most of us would like to have a simple solution, we're not that lucky. That's the bad news.

The good news is, however, that there are several unifying threads which do run throughout all the conversations I've had and all the reading I've done on customer satisfaction. When woven together, these threads form a picture of a set of answers to the "how" question. This set I call the *10 Laws from the Mountaintop* and I'd like to share them with you.

Law of Recognition: The most beautiful words in any language are your name. When we walk into a business and are greeted by a “Welcome back, Ms. Jones,” or a “Mr. Smith, how are doing today,” we feel special and we like that feeling. While it may be impractical to expect every employee to recognize every customer by name, a genuine smile and a warm greeting go a long way toward becoming as beautiful to your guest as his or her name.

Law of First Impression: You never have a second chance to make a good first impression. The first experience customers have with your business will be indelibly fixed in their minds. Your website, your brochure, or trade booth. Your signage, your parking lot, or your front door. Your sales person, your reservationist, or your front office staff. This is akin to the process animal biologists call “**imprinting**” – a term used to describe the few seconds it takes to etch the identity of its parent into the mind of a young animal.

Law of Expectations: Guests expect a hassle-free experience. Customers haven’t read your operating manuals; they don’t understand your policies and procedures. Nor do they care. All they know is that they to get something to solve a problem, and they want to do so without aggravation. Increasingly, businesses strive to emulate the legendary Ritz Carlton service quality and that is good – for their industry as well as their bottom-lines. Or as the old saying goes, **“The answer is yes, what is the question.”**

Law of Effort: Customers want to expend as little effort as possible. The effort has to come from the business’s side. Think about it: When you buy something in a department store, do you want to walk back to “Customer Service” to get a **gift box**? We have become a “time rich/money poor” society. Convenience is the customers’ byword. And anything businesses do to make it easier and more convenient for their customers will be rewarded with repeat

business and positive word-of-mouth...or, in this world of social media, make that word of finger!

Law of Decision Making: Basically customers don't like to make decisions. In their minds, **you are the expert**; that's why they came to your business. What a great opportunity for **suggestive selling** of add-on products/services. But notice, I didn't say **up-selling**. **Customers don't like to be "sold;" they like to "buy."** There is a big difference.

Law of Perception: A customer's perception is the customer's reality. Your customers don't necessarily see things the way you do. It doesn't matter if your prices are in line with your competition or if you have knowledgeable service people. If your customer sees your product as more expensive, then you are more expensive, no matter what the price sheet says. If your customer believes that your salesperson doesn't know enough to solve a problem, he/she doesn't know enough. The guest is always right – in his or her own mind.

Law of Time Warp: The mind warps real time by a 4/1 ratio. This is a **corollary** to the Law of Perception. In other words, for every minute a customer waits for something, it seems like four. Think about the last time you sat in a waiting room, were put on hold, or expected a shipment from a supplier. How long did it seem to you?

Law of Motivation: People are motivated to recreate the good times they remember. This is why a business can build loyalty. If your customers feel good about their experience with you, you can bet they will back. And, if they feel really good, they will probably tell others about it too. That's that **word-of-mouth (or finger)** advertising – the best that money cannot buy.

Law of Memory: People remember bad experiences longer and in better detail than positive experiences. And in a world of social media, they live forever and travel around the

world as fast as people can tweet or type. If you ever played the game “Telephone” as a child, this law needs no further commentary.

Law of Who Owes Whom: After your customers return home, they must feel that they “owe” you, not that you “owe” them. You want them to walk away from the buying experience feeling that the price value teeter-totter is tipped all the way in their direction. You want them to feel as if they got so much value for the price they paid that they own you another visit. That’s the key to loyalty and increasing revenues.

Three other points: **First**, aside from the altruistic motive of satisfying your customers, there’s an underlying cost motive to the premise that only satisfied customers come back. Simply stated, it **costs more to get a new customer than to keep one**. While the numbers vary, it is commonly thought to be about 6 to 1. So for every six dollars you spend on advertising, public relations, price incentives and other promotions to influence potential customer to buy from you, it costs you only one dollar in service quality to satisfy them so that they come back. And get that positive word-of-mouth going.

For any business sector, this becomes particularly important for three broad reasons. First, everyone is face increasing competition from a proliferation of options available to today’s B2B and B2C. Add to this the advent of **third party providers** such as Amazon.com, Expedia.com, or Overstock.com— and you have a public with, not only more choices, but information overload about those choices.

As early as 1970, futurist Alvin Toffler predicted that the rapidly increasing amounts of information being produced would eventually cause people problems. It also causes problems for businesses. As the world continues to globalize, more people are connecting to the Internet to do their own research. And they are also becoming **active reviewers**, posting their brand

evaluations on everything from Yelp to Facebook. It is no longer word-of-mouth, but word-of-finger. And what they say comes from these *10 Laws*.

Second, there is far more uncertainty in the world economy than ever before. Business experts Philip Kotler and John A. Caslione call it “chaotics.” They say, and I agree, that globalization and technology have created a **new normality** in which your business exists in an economy of continuous and unpredictable turbulence. This makes them more vulnerable to business upturns and downturns, but it also gives them more opportunities for creative marketing and operations.

Finally, consumers are not nearly as loyal as they used to be – even members of loyalty programs. Adam Weissenberg, vice chairman and U.S. leader of Deloitte’s travel, hospitality and leisure sector, points out that, “the current environment for building loyalty really isn’t crating long-term **sustainable** loyalty.” Ouch!

What this all means is that every business has to go back to the mountain top – the basics. **The fundamental laws remain the same; they are timeless.** A person’s name will always be the most beautiful words they hear, their perception will always be their reality, and customers will always want to recreate good experiences. What will change is how you implement these laws. **In the future, all business leaders/managers/owners/entrepreneurs will have access to the same information.** It is the innovative opportunity that they see in that information and how they creatively take advantage of it that will set them apart from their competition. It is what will make them leaders. So I conclude by posing these famous three questions to each of you:

Is yours a business that makes things happen?

Is yours a business that watches things happen?

Is yours a business that wonders what has happened?

