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Voice of the Customer

by Sunil Thawani

Customer Service Encounter Experience 1^a:

Inoperable toilet system aboard Bangkok to Vienna Flight: The flight from Sydney to Bangkok on the Lauda Airline's new 747 had been smooth and uneventful, with the exception of a few toilets becoming inoperable. For some reason, the new vacuum toilet system, which saved space and weight, had been prone to occasional failures, so having a few toilets out of service was not particularly alarming. However, about an hour after reaching a cruising altitude of 43,000 feet on the 14-hour flight from Bangkok to Vienna, things got worse. The flight attendant, in a cheerful voice, announced to the 300 or so passengers who had just finished the first round of beverages, "We regret to inform you that all of the toilets have become inoperable. However, for your convenience, we have buckets at the rear of the aircraft if Mother Nature calls. Please feel free to ring your flight attendant button if we can be of assistance. Have an enjoyable flight!" the passengers squirmed nervously in their seats, wondering if they were going to need to use the buckets or if they could hold out until the landing.

Customer Service Encounter Experience 2^b:

The Conference Rate" at Hilton Hotel in Los Angeles: " I was making arrangements to attend the American Society of Training and Development annual Conference in Los Angeles. As a frequent flyer, I have many award coupons offering a 50 per cent discount from usual hotel rates.

I called Hilton Hotels in California to make my reservations. The reservations clerk was infinitely helpful. First, she took my name, then my contact numbers. She confirmed the dates, my room preference and credit card number.

She asked if I was a Hilton Honors Club member, which I was not. She signed me up on the spot and then remarked: "Now that you are a Hilton Honors Club member, I can offer you an even lower rate, and an upgraded Towers room on a higher floor. A fruit basket will be waiting for you upon arrival." I was delighted. And my special discount rate was just US\$85 per night.

In signing off, I said: "Thank you for your help. I am looking forward to staying at the Hilton during the conference." "The conference?". she shot back quickly. "What conference are you attending?"

I replied that I was attending the American Society for Training and Development's 50th Annual Conference at Disneyland. She said quickly: "Mr

Kaufman, if you are attending a conference during your stay, you must use our special conference rate of US\$112."

I laughed at her proposal and stated that I was happy with the special rate she had already confirmed on my behalf. "Oh no," she repeated. "If you are coming for a conference, you must use the special conference rate. We have a block of rooms set aside for conference participants on a lower floor. These rooms are specially reserved for the people who are attending the conference."

My protests were to no avail. She checked with her supervisor, who concurred. "I'm sorry, but that's our policy," she said without much concern.

I surrendered to her insistence, listened as she cancelled my Hilton Honors Club reservation, declined to have her book me back into the same hotel at the higher conference rate, and hung up the phone in disbelief.

I called right back. I reached a different reservations clerk and made another reservation. I used my frequent flyer award coupon and the new Hilton Honors Club membership number I had received in the previous phone call. This time I kept my mouth shut about attending any conference!

I paid just US\$85 when I went to Los Angeles. I enjoyed the Hilton Towers room and enjoyed the complimentary fruit basket upon arrival.

Customer Service Encounter Experience 3^b:

"Frequent Flyer Coupons" with Hertz Rent-A-Car in San Francisco : My next step was to make a three-day car reservation for a pre-conference visit to San Francisco. I called Hertz, where I am a member of the "Hertz Number One Club" for frequent travelers. I planned to use an award coupon for one free day rental from American Airlines and additional award coupons for two more free days from United Airlines.

The telephone reservation officer gave impeccable service. She greeted me pleasantly, acknowledged me as a member of the Number One Club, confirmed my dates, flights, pick-up location and my choice of automobile.

Then she asked me what time I would be returning the car after the first day of rental. "I want the car for all three days," I replied. "You can't keep the same car for all three days," she asserted. "After the first day you have to bring the car back and pick up a different car for the next two days. The first day is paid for with your American Airlines coupon, but the next two days are with your United coupons."

I was sceptical. "But I am the same person, with the same Hertz Number One Club member. I am the rightful owner of all the awards coupons, and I want a Hertz automobile for three consecutive days. Surely you will let me keep the

same car, and avoid having to come back to the airport in the middle of my Bay Area vacation."

"That's not the way our system works here, Mr Kaufman," she replied.

"But it should work that way, don't you agree?" I asked, appealing to her sense of logic, concern and elementary customer care.

"I don't make the rules here, Mr Kaufman. Just follow them. What time will you be returning the car after the first day?"

Somewhere deep inside the heart of Hertz, a group of senior accountants live comfortably with their precise policy of "one airline, one coupon, one car, no exceptions". But somewhere closer to this customer's heart lies, frustration, inconvenience, and incredible disbelief.

Research findings^a:

Such customer experiences are not uncommon. Most of us would have encountered them. Yet businesses wonder why customer quit. Let us look at research findings of the well known Technical Assistance Research Program studies :

- ◆ Why customers quit?
 - 3% move away
 - 5% develop other friendships
 - 9% leave
 - 14% are dissatisfied
 - 68%** quit because of an attitude of indifference toward them by owner, manager, or some employee
- ◆ 30% of customers with problems complaint to the direct provider of product or service, **but only 2-5%** of customer complaints get voiced to the headquarters level
- ◆ A satisfied customer tells 4-5 people about her or his experience;
- ◆ A dissatisfied customer tells 8-10 people about her or his problem;
- ◆ 70-90% of complaining customers will do business with you again if they are satisfied with the way the complaint was handled. If they are dissatisfied with the way their complaint was handled, then only **20-50%** will do business with you again.
- ◆ The average business spends 5 times more, on average, to attract new customers than it does to keep old ones

Key learning points:

- ◆ Are we “ close “ enough to customer to capture their voice?

- ◆ Have we provided easy and multiple channels to our customers to contact us?
- ◆ Do we have a system (funnel) of responding which is fast and effective to meet our customer needs;
- ◆ Are our systems, policies and procedures driving customers crazy?
- ◆ Does our Staff, especially front line, have been trained and given the required authority and responsibility to make obvious decisions in favour of the customer and company.
- ◆ Do we ask our customers on a regular basis – Is there anything we can
 - do more ?
 - do less ?
 - do often ?
 - stop doing it ?

Please remember "A customer is not a customer until he/ she buys from you the SECOND time. The first time customer is only a "trial user". The second time becomes a real "customer". The third time qualifies as a "repeat customer" and, over time, may become truly loyal."

On a concluding note, let me quote Tom Peters, the futurist:

“ Too few people, at too few levels, in too few functions, listen too little and too late and ignore what they hear too often and act too late. “

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- a. Customer Centered Six Sigma by Mr. Earl Naumann and Steven H. Hoisington
- b. as narrated by Mr. Ron Kaufman, Service Quality Consultant, Singapore)