

Listening To Your Customers: Key To Your Club's Success

by Larry Johnson

While vacationing at a resort in Hawaii three years ago, my family and I discovered the joys of low-impact aerobics. When we returned home to Phoenix, we began searching for an aerobic studio that would give us a good, low-impact experience on a regular basis. The first place we tried, Linda Helm's Body Beat Aerobics, more than exceeded our expectations.

Linda and her staff were knowledgeable and enthusiastic. They made it fun while giving you a terrific work out (Linda likes to conduct her classes wearing a ten gallon cowboy hat and Elton John sun glasses). All of Linda's instructors were careful to make every move in their routines easy for the students to reproduce. Even the music was terrific - real songs: rock and roll, country western, upbeat classical - none of that rat-a-tat-tat noise that's recorded just for aerobics and is, at best, BORING, BORING, BORING; and is at worst, down right irritating. (I wonder if aerobics instructors who play that stuff ever really listen to it except during their own classes.)

Although we loved Body Beat, we continued to shop around, just to make sure there wasn't something better out there. The next three studios we tried either played rat-a-tat-tat music, or tried to mix low-impact aerobics with high-impact aerobics in the same class, something I find extremely frustrating. The fourth studio we checked out played good music, and didn't try to mix low-impact with high, but the instructor seemed to take delight in doing complicated moves the class couldn't follow. In the end, we returned to Body Beat, and have been happy regulars there ever since.

Looking back, it seems that Linda was able to retain our business because she gave us the kind of class that exactly met our needs, not what she thought we should want or what she happened to like doing herself. It reminded me that our perceptions of what our customers want are often shaped more by our personal views than by reality.

In his landmark book, *Service America*, author and lecturer Ron Zemke describes a study he conducted during some seminars he presented on customer service. He asked participants to list, in rank order, the five most important aspects, for them, of a seminar coffee break. Of all the things listed, the top five turned out to be: (1) availability of hot coffee, (2) a short or non-existent line so they wouldn't have to wait for a refill, (3) close, high capacity restrooms; again, so they wouldn't have to wait, (4) an adequate number of

available telephones so they could call the office for messages, and (5) enough room to chat with other seminar participants.

Since Zemke holds most of his seminars in hotels, he asked the banqueting directors at the same hotels to rank order the five aspects of a coffee break they thought their customers would want. Their answers were more than a little different than their customers' answers: (1) availability of hot coffee, (2) availability of extras (buns and fruit), (3) arrangement of the cups and saucers, (4) clean china, (5) clean table dressing. As you can see, the only item that matches the customer list is the first one, availability of hot coffee.

Zemke notes that if it is possible for hotel banquet professionals to miss the mark so completely about something so mundane and simple as what is important about a coffee break, is it not possible that we could make the same mistake with our customers?

One of my clients, Peter Costello, owns and operates a highly successful bicycle touring company in Scotland. He takes his customers on week-long tours through the Scottish countryside where they cycle 30 to 40 miles per day, staying in quaint country inns, soaking up rural Scottish culture, and enjoying a host of breathtaking views.

When he started his company 4 years ago, Peter modeled it on the large, successful, luxury style, bicycle touring companies of New Hampshire and Canada. For a premium price, these outfits treat their customers to 4 star hotels, and 5 star meals each night of the tour. Peter was sure that if he could combine this tried and true approach with offering his customers the chance to see the spectacular scenery of Scotland from the seat of a bicycle, he would surely have a winner.

A season of less-than sparkling business - 2 tours, 1 customer per tour - taught him that perhaps he was shooting for the wrong market. He got smart and spent two months interviewing people vacationing in Scotland. Most told him that if they were to take a bicycle tour of the countryside, luxury would not be a critical item for them. Rather, they wanted cozy and charming accommodations, a chance to mingle with the local color, reasonable prices, and rides that included spectacular views but did not overly tax the rider. Peter designed his program to give his customers exactly that kind of package and now both he and his company are flourishing.

Again and again, it appears that the winners in business are those who focus on the customer's needs first, and then fulfill those needs as if their life depended on it. It follows that if you want your business to succeed, you must do the same. This means listening to your customers every chance you get.

Unfortunately, unless asked, most customers will never give you the chance to listen. It's just too much trouble for them. For example, I probably should have told those other aerobic studios that we didn't like their music or their routines. How can they improve if they don't know what they're doing wrong? But, like most customers, my family and I were more concerned with getting the best exercise program we could get. We felt no obligation to help those who wouldn't or couldn't provide it. Besides, like most people, we tend to avoid unpleasantness if we can. Consequently, we just moved on until we found what pleased us.

This is precisely what most of your customers will do. The research tells us that only 1 in 25 unhappy customers will ever express their displeasure to you. The other 24 will simply take their business elsewhere.

Your challenge, then, is to make it as easy as possible for your customers to give you the vital information you need to keep your business on the right track. Here are some things you can do:

Use customer surveys

This is a great way to get impartial, honest feedback from your customers. Many customers are hesitant to tell you anything negative because it might create an uncomfortable situation. With a survey, they can express their feelings anonymously and not worry about your reaction. Be sure you select questions that reflect the heart of the matter for the customer. For example, it may seem to you that having state-of-the-art equipment is a real plus, but your customers may be more concerned about equipment availability than whether it's the absolute latest model. If your questions focus on state of the art equipment but don't address availability, you've missed the mark.

Also, be sure to make the survey simple and easy to complete - one page or less, no more than 5 questions. Most people don't like to take the time to complete a complex document.

Likewise, make it worth your customers' time to complete the survey. You might offer an incentive. Hotels that cater to business customers often place their surveys next to a new leather brief case at the check-out counter. A sign tells the customers that if they complete the survey and put it in the open brief case, they become eligible for a monthly drawing, with the brief case as the prize. Just think of the enticements you could offer your customers: a nice piece of athletic equipment, a new work-out suit, or a gift certificate to your club. The important thing is to make the enticement something your customers will perceive as worth their valuable time.

Interview customers

If you can get a customer to give you feedback in a conversation, this can be very valuable. It gives you the chance to ask questions that will help you arrive at the heart of your customer's issue. For example, a customer might tell you in a survey that he didn't think your club was as clean as it should be. If he hasn't elaborated, you're left to wonder if he's talking about the locker rooms, the floors, the equipment, or the club's general appearance. An interview gives you the chance to ask more and learn more.

Again, you want to make it worth your customer's time to share information with you. You might ask him to join you for coffee or a cold drink. Even taking a customer to lunch could pay off for you. In the relaxed atmosphere of a restaurant, with you picking up the tab, he or she may share a suggestion that could be the key to getting the jump on your competition.

Caution - Do not argue with the feedback your customer gives you. No one likes to hear criticism and it is natural for you to reply with an excuse or to rationalize the problem away if you don't like what you hear. This only discourages the customer from telling you more, and can often cause irritation.

For example, three years ago I dropped off some film to be developed at the photo laboratory I'd patronized for several years. A week later, while driving past the laboratory, I remembered that I needed to pick up the pictures. I didn't have the claim tickets with me but I assumed, and correctly so, that the lab personnel could find the pictures without the tickets.

After leaving the lab and driving across town, I realized the clerk had given me only three packages of pictures instead of the four I had left to be developed. Cursing under my breath, I drove back across town through rush hour traffic, and arrived at the laboratory, feeling like this was becoming a less-than-sparkling day.

When I informed the clerk of the problem, she said "oh," then perfunctorily retrieved the fourth package, said "that will be \$12.95 please," and held out her hand.

After paying and walking out the door, I thought to myself, "Hey, wait a minute, I'm the customer here and I've just been inconvenienced by what I perceived to be her lack of thoroughness. The least she could do is apologize." I returned to the counter and ask her if I could give her some feedback.

"Feed what?" she asked.

I said, "feedback, you know, that stuff that either helps us to improve the way we operate in the world, or causes our stereos to make funny noises." Her expression indicated she didn't appreciate my brilliant sense of humor, so I explained that I thought she should have apologized to me after I told her what

a royal pain it was to drive back across town to get the fourth package of pictures.

With that, she threw her pen down and said in a terse tone of voice, “I don’t have to put up with this #*@#,” and marched into the back room. I sensed right away she was probably having a less-than-sparkling day herself. On the other hand, as a student of the art of customer service, I can recognize quality service when I see it, and this was not “state of the art.” So I ask the one remaining clerk if I could speak to the manager of the laboratory.

Some minutes later he appeared out the same door through which the first clerk had made her dramatic exit. His rigid posture and the serious expression on his face told me either his shoes were too tight or he had already talked to the clerk and had made up his mind there was a trouble maker out in the lobby.

His first comment, “What seems to be the problem here?” tipped me to the latter.

I then described the events leading up to my asking for him. I explained that since he was the manager, I thought he might be interested in what had transpired. (Hey, maybe he can do something with the feedback.) Although I can’t say I was expecting the best from him, his response was truly amazing.

With a straight face and solemn expression, he said, “you know, if you’d brought your claim tickets with you like you’re supposed to, this wouldn’t have happened.”

He gave me some feedback. Now, isn’t that special?

Don’t get me wrong here, I can always use good feedback. Heaven knows I’m not perfect, especially when it comes to remembering things like claim tickets. I’m also bad about turning out the lights when I leave the house, flossing after every meal, and bringing a towel with me when I go to Body Beat.

In this case, however, I really wasn’t in the mood to get a lecture from this guy. Besides, it seemed to me I was doing him a favor by taking the time to give him information he could use to manage his business better. Needless to say, I no longer have my film developed at that photo lab.

Hang out

As a seminar leader, I’ve found I can sometimes overhear the most helpful feedback about my seminars by hanging out by the coffee table during the break. Even better, I sometimes go into the men’s room at the break and lock myself in one of the stalls. This may sound like peculiar behavior, but I’ve found that people will say things to each other about the seminar in the men’s room they normally wouldn’t say to me. The point is, you can learn nothing about your

customers by sitting behind your desk. Hanging out with with them puts you where the action is and where the information flows, so get out there and mingle, you might hear something.

Shop the competition

Picasso once said, “Good artists imitate, great artists steal.” Your competitors are in business because they have discovered something that enables them to capture some share of the market (if this wasn’t true, they wouldn’t be in business long). You can learn a lot by dropping in on them now and then.

Better yet, join the clubs that compete with you. Observe how they deal with their customers, how they resolve complaints, how they schedule programs, the type of equipment they use, the condition of their building, how they organize their program, how they treat their staff. There is no reason for you to reinvent the wheel, so pick and choose the great ideas your competition’s using and improve on them.

Interview competitors’ customers

Your competition’s customers are a valuable source of information. They can give you insights into your competitor’s strengths and weaknesses from the most accurate and important perspective of all, that of the customer. Caution: be sure not to come on too strong as most people will find that offensive. Nobody wants to be badgered. Besides, you’re on your competitor’s turf, and common courtesy demands discretion. Simply ask why they chose your competitor and what they like best and least about the service they’re getting.

Sponsor Customer Appreciation Parties

Childress Buick is the leading Buick dealership in my home state of Arizona. They consistently achieve the highest customer service ratings for Buick dealerships in the western U.S., and their strong sales reflect the terrific reputation for service they enjoy in the Phoenix area.

According to owner, Rusty Childress, one of the most effective ways they keep their fingers on the pulse of customer wishes is to invite them to a quarterly Customer Appreciation Party where the dealership provides a buffet dinner and a live band for dancing. They hold the event in the new car showroom where staff and customers mingle while they eat and dance in and around the shiny new cars. This gives the Childress staff a chance to discuss service with customers and get a first hand feel for how their day to day work affects customer perceptions. The added benefit from these parties is added sales. Although they never make overt attempts to sell cars during these parties, several have been sold, simply because customers insisted on driving a new model home.

Each year more and more health and recreation companies enter the market to capture the finite number of customers willing to pay for those services. The primary way you can stay ahead of these companies is to learn more about this market, and to do so faster than your competition. Your best teachers for this learning are the customers themselves. All you have to do is ask them and listen. Who knows, they may want ten gallon hats and Elton John sunglasses.

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