



# BRAND RANCH

## BRAND & MARKETING CONSULTANCY

### BRAND DEVELOPEMENT NEWSLETTER

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#### Notes & Quotes:

- You can't do big things in business if you're content with doing things a little better than your rivals.
- Playing it safe is no longer playing it smart!
- The best way to predict the future is to invent it!
- Diverse minds attacking a problem from different angles always yields better solutions.

Dear Readers:

I hope you found our last newsletter informative, insightful, and enjoyable. This issue will focus on one of the best ways to differentiate your brand from the competition—and one that is too-often ignored in today's business world. I'm talking about great customer service, like that delivered by such world-class brands as Nordstrom's, Lexus, and Ritz-Carlton.



I shop a lot, not because I like the experience but because it gives me a way to observe consumers. I spend hours noting the actions and reactions of shoppers, asking them about products and services, and absorbing as much information as possible about the environment and process. When was the last time you shopped your own store, your competitor's stores, or a seller outside your category? Too many leaders focus on internal operations at the expense of attention to the world outside, missing out on the ideas/insights available in this laboratory. Get out of your office. The best leaders spend a lot of time out in the field talking to frontline workers and customers. It pays to get a naive perspective; people new to your company bring fresh eyes and ideas.

After you've spent awhile in your industry, you can get a little jaded and start to think you've seen it all. Think again. Fresh ideas often come from exposure to something new and different—in fact, the revolutions or insights that pay off often come from an industry you are not in. The best definition of insanity I've heard is, "doing the same thing over and over again and expecting a different result." When you talk to someone who sees the world differently, you're probably going to discover brand new ideas for your business. Get ideas from individuals who see the world in a fundamentally different way than your team, then ask yourself how you can take the ideas and modify them to be relevant to your business or industry.

Most of my ideas come from being exposed to the highly differentiated industries, categories, and brands that I have worked on, have studied, or with which I'm currently engaged. I always look at the leaders to see how they expand their playing fields in search of new ideas.

If you're ready for some fresh thinking, we're ready to give you our ideas and insights into your category or brand. Let us tackle your toughest business and branding challenges and opportunities.

Enjoy the issue,

Michael Blanck  
President



## CUSTOMER SERVICE – WORRYINGLY RARE

On one of my recent shopping excursions I visited a number of retail stores that offer sporting goods and outdoor recreation equipment. The checkout area was overcrowded with attendants, but none of them even acknowledged my presence, let alone asked if I needed help. As I moved through the store, all the clerks were too busy to offer assistance to the potential customer. After about thirty minutes in the store, I still hadn't received a single level of help or support, even though several clerks walked past me. This retailer is getting new competition in the marketplace—and guess where I'll be shopping.

In a series of recent independent research studies conducted by Maritz Research, the following consumer responses were uncovered:

- 68% said they want to take their business elsewhere—or have actually done so in the past two years—as the result of poor customer service/experience.

### Specific reasons for the defections were:

- 85% poor customer service systems or policies.
- 77% poor attitude of an employee.
- 76% employee's low level of knowledge about how to help.
- 72% employee's lack of decision-making authority or power to help.

My second experience in the same category happened the same day. I went to the grand opening of a new store that had just opened during the previous week. To my surprise, I had the same type of experience. You would think that most retailers would put their best efforts forward during a new store opening—first impressions being key to success and all that. But no, the four sales attendants were talking among themselves, standing behind the counter, and walking back and forth to the stock room. There was no greeting, no gesture of service. They were just too busy to take care of the customer.

This business won't even be around long enough to worry about new competitors entering the market.

How do companies that care about building loyalty and customer satisfaction approach and accomplish great customer service? It begins with an attitude and culture at the top and ends with a constant desire from all employees wanting to be the best at their business!

### Culture:

The CEO and executive management team must make this a priority and be committed to making customer service and satisfaction a cornerstone of their brand experience. Greatness doesn't happen by accident—it is a focus and a passion that is part of a customer-centric culture. Remember the Golden Rule of Business: the customer decides who is going to win or lose.

You and your marketing team can better understand the consumer and how your brand is meeting their wants/needs through any of the following activities:

- Listen in on customer service conversations at your call center.
- Take a road trip with one of your sales representatives.
- Go out to lunch with one of your store managers.
- Take a customer (at each level) to lunch.
- Conduct a customer satisfaction study to see how your organization is performing (benchmarking your findings).
- Spend time shopping your stores and those of other category leaders.

One of my first real learning experiences came when I was working on the McDonald's account. After a week at Hamburger University, I asked to spend two weeks working in a restaurant so I could understand how my marketing and advertising programs would affect the operations and

delivery of the products and services at the point of truth. In addition, I wanted to know how these programs affected the many young high school workers who delivered the brand on a daily basis to the most valued customers.

Not only did I learn a great deal about what was effective, I also gained a tremendous amount of respect among store managers and other departments. This was the first time this had been done at the Company.

I did the same thing when I went to work for Coca-Cola, spending a week riding on a delivery truck—which is the heart and soul of the beverage business. Once again, the overall knowledge of the business that I gained was extremely valuable in my work to develop new-product introductions and retail support materials. I could speak with authority, from experience.

I encourage you to make “getting out there” a requirement for any and all of your marketing and advertising support teams. You can't lead from behind a desk. The action is at the point of truth!

### Hiring:

The ability to deliver superior service—which is at the heart of a great brand and brand experience—starts with hiring the right person. In a marketplace with low or non-existent unemployment, it's a little more of a challenge, but it must become part of your business and brand strategy. Don't wait until you are in need; always be on the lookout for individuals who can impact and advance your business.

You may have heard the catch phrase, “hire for attitude and train for skills!” I concur. Your organization needs people who not only understand what excellent service is but who also pride themselves in the delivery of that level of quality. Study how some of the best brands handle hiring—the likes of Southwest Airlines, FedEx, Starbucks,

Commerce Bank, and Nordstrom's. Always hire up and not down.

Too often a business runs an ad in the classified section of the paper expecting to land that diamond-in-the-rough employee. Have you ever looked at the weekend want ads? They're not very inspiring. And who generally turns to the ads anyway? People without jobs or individuals who have problems in their current positions. Not exactly an optimal starting situation.

Start thinking out of the box to attract outstanding employees. People want to work for winners, companies that can offer them security, advancement, excellent compensation packages (not just more money), and skills that will benefit them in the future. Too many times we ask an applicant one or two questions, see when they can start, then hire them. Instead, take the time to ask innovative questions and role play with them to see how they would handle situational occurrences, how they communicate, and how they would handle tough questions. Don't settle for someone you are not 100 percent happy to employ and represent your business and brand—they are your front line!

What about their first day on the job? Do you just show them how to punch their time card, tell them when they can have lunch, and show them how to operate the cash register? That's a guaranteed disaster and one that will negatively affect your brand and business in both the short and long term, in poor customer experience and satisfaction, lost sales, and poor word of mouth about your brand. Right from the first day, make it a priority to ingrain your employees in how you expect them to represent your brand.

### Training:

The average Ritz-Carlton employee receives 232 hours of training per year, almost four times the average of their counterparts at peer hospitality companies. At the leading Lexus dealership in Dallas, each sales person receives over 186 hours of training. If you want and expect great service, you need to set clear expectations for your employees,

both about how you want them to perform, and how you will evaluate their work and reward their accomplishments.

Key training points for most retail sales personnel include:

- Define what "great service" means and how they are to provide that.
- Stress the importance of product knowledge—features/benefits, etc.
- Model how to greet and converse with customers.
- Hire the kind of employees who can establish a rapport with your customers.
- Enforce a dress code that represents the image of your brand.
- Give employees the knowledge and power to be able to handle questions, problems, returns, and damaged goods. Empower them to make decisions on the floor.
- Have weekly roundtable discussions with employees about what went right, what went wrong, and what they learned over the course of the week.
- Teach them how to sell through suggestion and recommend complementary products without being pushy.
- Show them how to watch customers and how to approach and provide assistance without appearing forceful or overbearing.

If you are not training and retraining your staff, it's your fault if they fail, not theirs. It's your responsibility to ensure that each and every employee meets or exceeds your expectations to deliver a superior customer experience.

### Rewards:

If you want and expect the best then you must reward the individuals who continually perform to high standards. It has been

written time and time again that most employees don't work just for a salary—they want and expect to be rewarded, praised for superior performance, recognized for outstanding contributions, and given opportunities to advance. They want to be viewed as a contributing member of the business team. Get them involved in all aspects of the business.

You could start a monthly sales incentive program, start a mystery shopper program to evaluate the staff, conduct follow-up customer satisfaction surveys, take a customer to lunch to see how they were treated (this gives you two levels of information), or present an employee with two tickets to a movie, dinner, or a day off with pay when you observe a superior performance. That will get their attention—guaranteed!

In the end, you can deliver poor customer service like I witnessed in my sporting goods shopping excursion, or you can differentiate your brand in a way that will pay enormous rewards for the entire organization. Your brand will stand out and become a leader in your market.

When employees recognize that they are valued and share in the rewards, they will commit themselves wholeheartedly to the company's mission. That, in turn, will demonstrate to outsiders that the brand not only has set strong values but also lives by them, and that these values make possible a growing reputation for superior products and services. Companies that deliver high standards enjoy strong customer loyalty. And that customer loyalty, in turn, drives superior growth and profitability while reinforcing and perpetuating the desired culture. This will make you a brand leader!

Remember that branding is a totally encompassing process that should affect each and every department and employee in your organization. Your business strategy and brand strategy must be in alignment if you are to succeed and be a category leader. It's your call!



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A recent annual survey of branding and marketing experts conducted by Interbrand demonstrates the importance of rigorous internal standards in building and managing brands.

In order of importance, the key aspects of successful branding are:

- Consistency
- Understanding customer or consumer targets
- Messaging and communications
- Creative, design, and brand identification
- Relevance (to target audience)
- Differentiation (uniqueness of benefits)
- Key stakeholder buy-in (training at all levels)
- Positioning
- Clarity
- Focus

Marketing and advertising ranked 24th and 25th on the list of importance. Yet most organizations don't spend the proper amount of time developing and managing the most important branding elements as listed above. They jump immediately to advertising—a big mistake.

