

Sales & Marketing: Customer Loyalty

There's No Recession on Guest Expectations



By [Rob Rush](#), CEO, LRA Worldwide

Rob Rush Recently released unemployment figures indicate a continued rise in that cheery metric to 8.5-percent, a 25-year high. Even in light of some modest signs of life, the credit and housing markets continue to limp along as well. And despite the OK from President Obama to pursue business travel and corporate meetings, the damage may have already been done and those markets remained strained.

Human beings, however, must travel and, in fact, are traveling. I recently returned from business trips to Europe and South America, where most of the planes and hotels I saw were fairly crowded. I spoke with many folks genuinely excited to be on the road, scratching their burning itch to travel. Having watched the impact of at least two deep recessions and 9/11 on leisure travel during my career, I can report that this is a very resilient group. Despite the bad news and tales of woe on a daily basis, the need to travel is hard-wired into most of us. Volume may be off for a bit, but this market always bounces back as businesses conclude that one can only accomplish so much through a phone call or Web conference.

To succeed, businesses need to be face-to-face with prospects and customers, so I don't question whether a vibrant travel economy will return. It will. I'm more concerned by the damage some brands are doing to their customers and their reputation during this downturn, which brands will emerge in a better position...and which will be left in the dust.

Based on research my firm has conducted - as well as anecdotal information we've collected - customers are holding companies and brands more responsible than ever for delivering engaging and satisfying customer experiences. Simply put, customers are raising the bar. Quite frankly, they're not concerned with how the lousy economy may be impacting your business or how you've had to adapt to protect your business. And these expectations are coming in the face of staff and service cutbacks, where many businesses are trying to do more with less. Why now, you say, when many out there are struggling just to keep the doors open.

Reason Number One:

Customers (remember they're people) are a selfish, self-centered lot, principally interested in what's good for themselves. During this recession, I've found that many of us, including our customers, are understandably on edge. Feelings of entitlement are growing. Customers see every encounter they have with your business through their own lens and respond accordingly. They have zero interest in your company's organizational alignment or strategy, only how that impacts their experience. They expect your front-line people and managers to be good problem-solvers, resourceful and ingenuous, without regard to the company's rules and protocol. Patience is limited.

There's a simple acid test I apply to service businesses to test an institutional understanding of this truth. When I hear an employee explaining to a customer (at a hotel front desk, rental car counter, airline gate, etc.) how their company is organized as a justification of some real or perceived deficiency, I know we're in trouble. Customers don't care or need to care. Leave that to McKinsey.

The best service companies and brands create an environment and infrastructure for the specific purpose of supporting and protecting their employees, which in turn supports and protects their customers. They know that their customers don't want or need to hear about their strategy. Try tripping up an employee at an Apple retail store with a somewhat outlandish request. I think you'll see they are uniquely equipped to respond effectively and pleasantly surprise you. You will not find them bringing out the rule book. Remember, customers want what they want, and it's our job to respond and deliver within the boundaries of taste, decorum and the law. (Except in Vegas, but that's a different article.)

Reason Number Two:

In this recession, people are simply more judicious as to how they are spending their discretionary income. In case you haven't heard, that discretionary income – along with their 401Ks and stock portfolios - has been declining. People want and need those limited dollars to go further, in the name of personal validation and doing one's part to help resuscitate the economy. There is a feeling that, hey, I'm bold enough to spend some of my hard-earned money and I'm demanding a fabulous experience in return.

Customers are seeking rich experiences that can lift their spirits and get them out of the doldrums. This recession provides a unique opportunity to pleasantly surprise and go above and beyond. The payback on that is greater now than ever.

Reason Number Three:

Occasionally (ok, probably more like "infrequently"), your customer actually has a positive experience somewhere, perhaps when it is least expected. It leaves them stunned, wondering if it really happened. In turn, that customer now seeks that kind of experience from you and holds you up to that standard. In other words, exemplary

experience providers make it all the more difficult for the rest of us. They are game changers.

Witness how Southwest Airlines reshaped air travel while other carriers still cannot close the experiential or profitability gap decades later. How Google changed the Web experience forever, leaving us seeking that simplicity in other online experiences. Or how Trader Joe's cleverly established their store brands as the brand of choice and sold them via a hip and different retail experience. I know this recession is pinching our pockets, but when's the last time you really desired a store brand over an established name brand if cost was not a factor? It's better to be out front in this game rather than chasing the leaders.

A recession provides a unique opportunity to stand out from the pack. Customers want and need more, and will generously reward those brands who make them feel important and valued with additional spending and referrals. As companies and brands continue to layoff staff, reduce or eliminate training, and postpone capital expenditures, the customer experience can certainly suffer. Doing things that negatively impact the customer experience is a lot like cutting your prices or rates to keep business. When things do improve, getting those customers who had a poor experience with you to return will prove equally as difficult as reestablishing those price levels.

The hospitality and travel industry will weather this recession as we have others in the past. But some companies and brands will not. Make sure your playbook includes identifying those employees who are best predisposed to engage and serve customers, then give them the autonomy to meet and exceed those demanding customer expectations. While the stock market might be declining, those customer expectations are not.

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