

> BY RENEE DESANTIS

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RETAIL & SERVICE



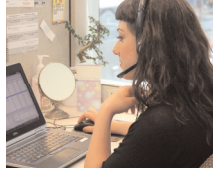
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+Mirror, Mirror

DO YOU KNOW WHAT'S GOING ON AT YOUR LOCATIONS? CUSTOMERS MIGHT BE RECEIVING A DIFFERENT EXPERIENCE THAN YOU THINK.

Executive-level managers expect front-line staff to provide customers with the highest level of service, knowing this translates into repeat business, increased revenue and customer loyalty. Merely holding that expectation, however, doesn't ensure that five-star service is actually being delivered. Accordingly, it is important for managers to use the best tools available to identify gaps between the expected and actual sales and service standards, and relentlessly pursue aligning the two for the benefit of the company's bottom line.

Behavior Doesn't Always Match Expectations

Identifying key performance indicators, such as average ticket price or conversion percentages, is one of the most critical ways organizations can achieve maximum success. Even more critical, though, is to understand the behaviors that lie behind the key performance indicators: the key performance drivers. These are the specific actions that, when ingrained into employees' behavior patterns, result in consistent revenue gains. Behavior can be learned through training. Once managers know the performance driver behind the performance indicator, training can reinforce those behaviors.

At top levels in an organization, executives and managers experience a high level of professionalism and courtesy in their

day-to-day interactions with retailers and service providers, even if the relationship is of a personal nature. Consequently, they assume that all people receive similar treatment, and implicitly expect their front-line staff to extend those courtesies to customers. More invested than store-level staff in the success of the organization at large, executives are frequently surprised by the lack of effort employees put forth to improve a customer's experience. In a study of 362 companies done by Bain & Company, 80 percent rated themselves as providing a superior experience to their customers. When customers were asked how they perceived the companies' customer service, only eight percent agreed. With that kind of disparity, it's incumbent on executives and managers to develop and deploy training tools that will change behaviors to meet the service expectations.

Mirrors Don't Lie

The way employees engage with customers drives sales either positively or negatively. Lack of attention or over-assertiveness by sales associates sends customers out the door with their dollars in hand. A study conducted by American Express showed that 78 percent of customers have not completed an intended transaction due to poor customer service. Conversely, 70 percent of customers are willing to pay up to 13 percent more with

companies whose service is excellent. Providing best-of-class service requires employees to not only have strong product knowledge, but also the ability to assess customers' needs. Asking questions about the customers' preferences, listening to their responses, suggesting complementary items and offering product samples are proven ways to increase sales. Each is quite simple in principle, but none is intuitive. Rather, they are skills that are learned through training and modeling.

Employees' attitudes toward providing service are the product of two factors: previous life experience and previous work experience. Employees holding entry-level positions rarely have enjoyed the highest caliber of service in their life experience, which highlights the necessity of teaching and modeling it within the organization. As managers demonstrate the increasingly rare but basic "common courtesies," such as expressing warm greetings and sincere gratitude, their employees have an example to emulate.

Act on the Truth

A vast array of tools exists to aid managers in acquiring feedback on company performance. Mystery shops, focus groups, audits and surveys provide enormous amounts of data with which to assess the organization's success through the eyes of its customers. However, the data is only valuable insofar as it is understood and acted upon. A training program developed around what's learned from the data can specifically target the desired behaviors. When the optimal behaviors are instilled, revenue will increase commensurately. To illustrate, when employees are trained to offer customers promotional items at the register, statistics show it is successful 30 percent of the time. Yet 68 percent of the time, the offer isn't extended. The revenue potential in such a small, trainable behavior is significant.

Employees establish their work behaviors rapidly. As such, training within the earliest days on a new job is imperative. A delay in training beyond the first week of work causes increased difficulty in reshaping behaviors. However, capitalizing on that initial window isn't enough: Training needs to be delivered on an on-going basis since people commonly revert to old behaviors after a period of approximately six weeks. With a well-designed program, a small, daily investment to reinforce the skills and behaviors that drive performance can yield increased sales conversions of up to 40 percent year over year. Consistent training produces consistent behavior and consistent results.

Look Hard

Forging a culture where feedback is appreciated enhances the success of any training program. Employees who perceive the feedback as a stick instead of a carrot won't be engaged in the process, nor will they reap rewards from it. Much like game film is reviewed by professional athletes to improve their performance, training and feedback are best viewed as tools to maximize potential for employee and company alike. When organizations implement a feedback-rich training program, there can be an uptick in staff attrition. That quickly converts to a higher rate of employee retention because managers more readily identify best hires among job candidates. Additionally, employees begin to view the training as a means to better achieve their professional and financial goals, which translates to improved outcomes for all parties.

The public perception of a company is based on collective first-hand experiences with the people who represent it, so changes are necessarily made at the store level. However, front-line managers are often ill-equipped or inexperienced in delivering training. To ensure success, the executive suite is responsible for providing store managers with a simple, easily duplicated program with which to train their employees. The result will be consistent, improved performance across the entire enterprise which bears fruit directly in sales, and passively through customer and staff loyalty.

Accurate Assessments Reap Rewards

The importance of executive-level managers knowing what's happening at the store level or point of customer interactions cannot be overstated. It is essential for everyone from the top down to be in tune with customers' experiences. But knowing isn't sufficient: Action is essential, too. Management needs to apply the knowledge they acquire from the mirrors of customer feedback in order to improve performance. The time and money spent equipping staff with revenue-increasing behaviors proves to be a fruitful investment with ongoing returns that ensure the vitality and long-term, fairest-of-them-all success of every business. *•mt*

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// Without a way to monitor your employees at each of your locations, the customer experience could be severely curtailed.