RICK CONLOW
INTERNATIONAL

THE CUSTOMER HAS THE POWER

BY RICK CONLOW
RICK CONLOW INTERNATIONAL

© 2016 RICK CONLOW INTERNATIONAL

Welcome

to this eBook! As a company leader this may be one of the most important books you read this year.

As you know business is more competitive than ever. New start-ups with divergent business models that leverage the "internet of things" have disrupted markets in all industries. Major brands are seeing their loyal customers lured away by new services, conveniences, and unheard-of prices. No company is immune to this.

Yet, the customer still has the power. Companies that understand this and focus on robust continuous improvement will continue to grow. This eBook will share with you three valuable insights into your customer experience (CX):

- The CX Problem
- The CX Bottom Line
- The CX Roadmap

All companies will need a partner to take advantage of these insights, simply because few have made considerable progress on their own. I have helped my clients win 48 quality service awards including JD Power, Ford's President recognition and Canada's Consumer Choice designation. Read this eBook and call for a confidential exploration of your obstacles and opportunity to succeed.

YOURS TRULY,

CEO/FOUNDER
RICK CONLOW INTERNATIONAL

© 2016, RICK CONLOW INTERNATIONAL

"Genuine customer service is in demand today but found in short supply."

rick conlow

the customer experience PROBLEM

What's the customer's problem, really?

Unfortunately, in the last twenty years according to ACSI data, customer service has only improved .1%. In other words, few companies take the customer experience issue seriously or really know how to fix it. See the challenging statistics on the following page concerning current customer attitudes, and reasons companies continue to struggle or fail at changing for the better.

© 2016, RICK CONLOW INTERNATIONAL

"Companies fail at customer service because they don't really care about their employees."

rick conlow

The Current Customer Mindset

- **50%** of service agents fail to answer customer questions appropriately.
- **66%** of customers went to a competitor due to bad service.
- **70%** of the buying experience is based on the way the customer feels they service reps treat them.
- **73%** of customers cite incompetent and rude customer support.
- **75%** of customers say it takes too long to reach a live person for help.
- **78%** of customers ended a business relationship due to bad service.
- **80%** of the daily 1M customer service tweets are negative.
- **86%** of customers will not buy from a company with negative online reviews.
- **89%** of customers who experience poor service will leave your brand.
- **95%** of unhappy customers tell others and will tell 3X as many people as delighted customers.
- **96%** of customers don't tell a company about their complaints, and 25% of customers have a level of complaint at any one time.

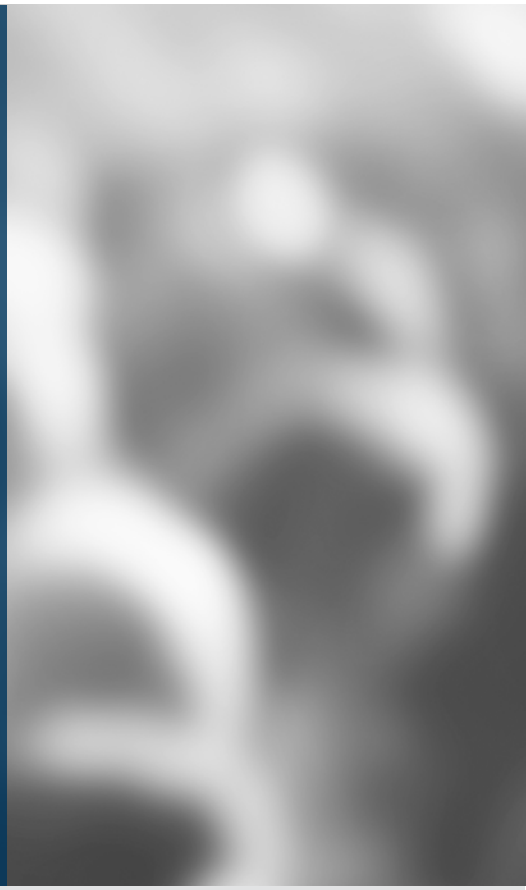
© 2016, RICK CONLOW INTERNATIONAL

The 10 Ten Reasons Companies Struggle to Improve their Customer Experience

1. Leadership doesn't buy into the need and doesn't lead by example.
2. Lack of a consistent goal and design.
3. Customer experience seen as a department.
4. Poor hiring and on-boarding processes.
5. Little ongoing leadership or customer service training.
6. Poor product delivery to support the customers' experience.
7. Don't understand the customer experience ROI and lack of delivery capability.
8. Poor data, companies think they are better than what the customer says.
9. **Poor employee engagement, treat customers one way and employees another, only 37% of companies measure this.**
10. More interested in profit than changing the business to improve.

Key research published in the Customer 2020 report shows that the buying experience will be more important than price within the next decade. Unfortunately, too many companies "turn a blind eye" to the data or issues, let alone the impact on their businesses. They only focus on what they know and dismiss the hidden potential of new market realities.

Executives in companies who want more profit and desire to stay in business must pay attention to these customer-driven numbers, and comments from other business leaders.



"Your most unhappy customers are your greatest source of learning."
bill gates

"The customer's perception is your reality."
kate zabriskie

"The customer experience is the next competitive battleground."
jerry gregoire

the customer experience BOTTOM LINE

"Every employee and manager in any company owns the customers' experience."

rick conlow

© 2016, RICK CONLOW INTERNATIONAL

RICK CONLOW INTERNATIONAL

What's the effect of significantly improving a company's customer experience? The numbers tell the story.

- **70%** of customers will continue to do business with you if you resolve a complaint effectively.
- **78%** of loyal customers spend more and recommend you to others.
- **90%** of customers will pay more for good customer service.
- Loyal customers are worth **10 times** as much as their first purchase.
- It is **7 times** more expensive to get a new customer than it is to keep a current customer.
- The PIMS database shows highly rated customer service companies grow more than **twice as fast** as lower rated companies.
- Companies who make customer service a priority make **60% higher** profits than rivals.
- Increasing customer retention by 5% can **increase profits up to 125%.**
- An ACSI study proved that the leading companies consistently outperformed the market by considerable margins. ACSI leading companies outperformed the Dow by **93%**, the Fortune 500 by **20%** and the NASDAQ by **335%.**
- **80%** of companies believe they deliver superior service, only **8%** of customers agree.

Companies lost $339B worldwide due to poor service. In the US it's $84B, which represents 1.4% of all corporate profits (before tax) in the last year. Did you catch that? What if you could cut that in half or more?

Here's an example. Let's compare company A, which has a customer experience rating of 82, with company B, rated 67. (These are ACSI numbers) Company A's stock price would be significantly greater, 20 to 93%, growth rates would be double, and profits would be at least 60% more. Which company would you rather be running?

Imagine the payoff for your company as a customer experience leader. It will gain a double portion: grow faster and make more profit than the competition. In addition, business is less chaotic and more consistent with fewer employee problems, higher morale, greater productivity, fewer customer complaints and a better overall reputation.

+

"Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves."

steve jobs

+

"Merely satisfying customers will not be enough to earn their loyalty. Instead, they must experience exceptional service worthy of their repeat business and referral. Understand the factors that drive this customer revolution."

rick tate

+

"Make your product easier to buy than your competition, or you will find your customers buying from them, not you."

mark cuban

© 2016, RICK CONLOW INTERNATIONAL

"Exceptional customer service is remembered long after the product or price is an afterthought."

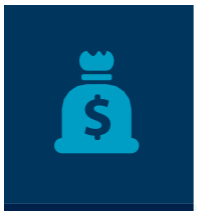
rick conlow

the customer experience ROADMAP

© 2016, RICK CONLOW INTERNATIONAL

RICK CONLOW INTERNATIONAL

What's the secret sauce to achieving the above results? Check this out:



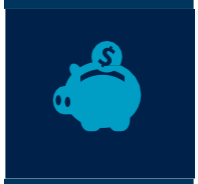
With **85**% of employees disengaged worldwide and 70% in the US, disengaged employees serve the customer poorly, this costs US companies $500B per year.

80% of disengaged employees are do not like or respect their direct supervisor.

The #1 reason employees quit their job is because of their boss.

According to management derailment studies at least **82**% of managers fail.

Leaders fail because of poor communication.



Increasing employee engagement increases profits by $2400 per year per employee.

Study of 23,910 business units compared top quartile and bottom quartile engagement scores and found that those in the top quartile averaged 12% higher profitability.

Companies with a highly engaged workforce outperform their peers by 147% earnings per share.

Companies with engaged employees outperform those who have disengaged employees up 202% on key metrics ***including significant gains in customer service.***

© 2016, RICK CONLOW INTERNATIONAL

"In great companies, the employees come first and the customers come second."

rick conlow

© 2015, RICK CONLOW INTERNATIONAL

The Secret Sauce

The "secret sauce" is how leaders engage their employee teams. It's about people inside the organization first, and then the customer second. The better they do it, the better customer experience and overall business results.

For lower performing organizations this is a challenge because it involves changing the very culture of the business. It's easier said than done. Most efforts fail according to Kotter, the change master. Inevitably, how a company delivers on building a customer experience team will determine:

- *how strategy is executed*
- *how a customer is engaged*
- *how a sale is made*
- *how a shelf is stocked*
- *how inventory is executed*
- *how product is merchandised and priced*
- *how a complaint is managed*
- *how leaders support their teams*

What happens is the "business of the business" gets in the way of managers improving working relationships even though they improve processes, facilities, or policies in the business. The leadership needs guidance and coaching on what to do, and how to get it done as part of the job, and not extra work. This is especially true for companies that have been through considerable changes, mergers, acquisitions, or corporate transitions. Our research into the customer experience process shows that it is almost impossible for a company to significantly improve the customer's experience without a business partner to help them if the culture wasn't there when it formed as a company.

For example, a retail giant tried for four years to improve its customer service and still maintained last place. We have seen this in all kinds of organizations repeatedly. They talk about it, spend money, make a couple of changes but results don't get better. Through a pilot with this company, RCI focused on the team, and improved their CX survey six points in four months and increased "same store sales" 1.5%. For a company that is serious, the average added growth increases over a year to improve the customers' experience equals 2.8% of revenue. This means:

- **$5B company=$140M**
- **$25B company=$700M**
- **$50B company=$1.4B**

I am sure you get the picture! Why not contact us today so you can begin together to achieve extraordinary results tomorrow?

+

"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better."

jeff bezos

+

"The goal as a company is to have customer service that is not just the best but legendary."

sam walton

+

"Very few companies can achieve or sustain high customer loyalty without a cadre of loyal, engaged employees."

bain and company

© 2016, RICK CONLOW INTERNATIONAL

Data SOURCEBOOK

Helpscout: 75 Customer Service Facts, Quotes & Statistics

https://www.helpscout.net/75-customer-service-facts-quotes-statistics/

Jitbit: 24 Data-Backed Reasons Why Great Customer Support is Your Most Important Marketing Strategy

https://www.jitbit.com/news/good-support/

Insight Squared: 100 Customer Service Statistics You Need To Know

http://www.insightsquared.com/2015/04/100-customer-service-statistics-you-need-to-know/

Culture IQ: Linking Employee Engagement and Customer Satisfaction

https://cultureiq.com/connecting-employee-engagement-customer-satisfaction/

Forbes: Why Employee Engagement? (These 28 Research Studies Prove the Benefits)

http://www.forbes.com/sites/kevinkruse/2012/09/04/why-employee-engagement/#6fafb5d66043%20Companies%202012.pdf

HelpScout: What Bad Customer Service Costs Your Business

https://www.helpscout.net/blog/bad-customer-service/

Connect The Dots Consulting:

http://www.connectthedotsconsulting.com/documents/Engagement/EE%20Engagement%20at%20DD%20Growth

Engage Customer: Linking Employee Engagement with Customer Engagement and Performance: The Evidence

http://engagecustomer.com/linking-employee-engagement-with-customer-engagement-and-performance-the-evidence/%20Companies%202012.pdf

Gallup: Employee Engagement Drives Growth

http://www.gallup.com/businessjournal/163130/employee-engagement-drives-growth.aspx

Talent Culture: 6 Eye Opening Employee Engagement Statistics

http://www.talentculture.com/6-eye-opening-employee-engagement-statistics/

Emplify: The Value of Employee Engagement

http://emplify.com/blog/the-value-of-employee-engagement/

Dale Carnegie: Engaged Employees Infographic

http://www.dalecarnegie.com/employee-engagement/engaged-employees-infographic

about rick conlow

I've been in your shoes; I was a manager just like you may be now. I wanted to succeed just like everyone. The first company I worked for believed in training, with this opportunity and my desire to learn, I attended over 100 training programs and conferences in a little over fifteen years. My results improved and I moved from teaching and selling to executive, with five promotions. Eventually, I co-founded WCW Partners and later started Rick Conlow International. Through servant leadership my goal is to bring out the best in people. We have collaborated with over two hundred clients and thousands of fine managers to achieve:

- *48 quality service awards including JD Power, Ford's President Award, and Canada's Consumers Choice Award.*
- *Record-breaking sales year after year: 30%, 48%, 52%, 75%, 122%, and 212% gains in sales.*
- *15-20 points on customer experience surveys and with eNPS ratings 50- 95%.*
- *12-19 points on employee engagement surveys with eNPS ratings 50-74%.*

.

POSITIVELY,

Rick Conlow

⇧ **8%**
Positive gains in retail sales growth

⇩ **57%**
Reduction in customer complaints

⇧ **5-7%**
Gains in transaction counts

⇧ **53%**
Improvement in sales

75%
Gains in sales to existing customers

48
Quality and customer service awards

Ford's President's Award

JD Power Award
for customer service

Canada's Consumer Choice Award

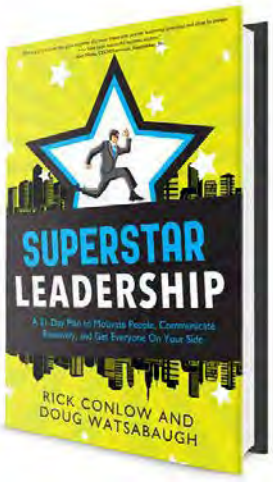
© 2016, RICK CONLOW INTERNATIONAL

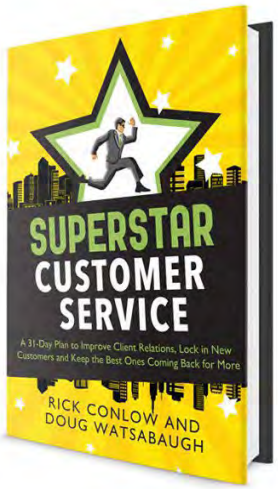
visit rick's website & blog!

website

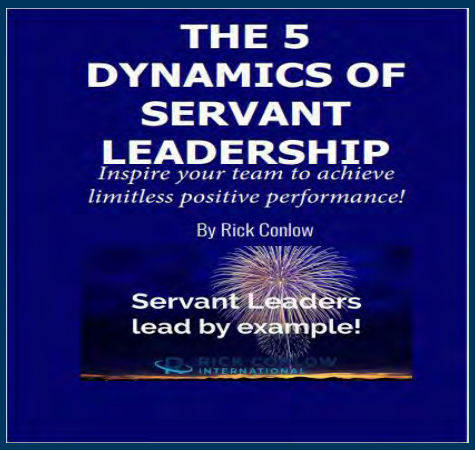
RICK CONLOW'S
SUPERSTAR LEADERSHIP BLOG

read rick's customer experience resources!





FIND MORE ON THE RCI STORE



VISIT RICKCONLOW.COM FOR MORE

call 612-868-8521 email info@rickconlow.com