

Get Service Smart



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✖ One of the green industry's biggest areas of competition – the do-it-yourself market – just elevated its service, and it's starting to pay off in sales, profits and shopper satisfaction.

The large home improvement companies like Home Depot and Lowe's have been busy training store associates to spend more time with customers, improving the information and advice they offer, installing Wi-Fi computer service in stores and refining do-it-yourself instructions, according to an article by the Los Angeles Times.

As a result of the economic downturn, they also came up with more and better ways to reach consumers with smaller budgets – mostly online. Most how-to workshops have moved to YouTube, while photos on Facebook and Pinterest have replaced magazine and catalog clippings. Ideas sparked on Pinterest, for instance, can be pulled up on a smartphone where products can be immediately searched for and purchased. This social media dialogue consistently links back to store websites for product information and prices.

These improvements have paid off. Over the past year, the price of Home Depot stock shares increased 74 percent and Lowe's shares rose 35 percent.

This isn't new news; many studies show businesses that provide better service increase sales. In fact, according to the American Express Global Customer Service Barometer, three in five Americans say they would try a new brand or company for a better service experience. The study revealed nearly two-thirds of consumers feel companies aren't paying enough attention to service, two in five say companies are helpful but don't do anything extra to keep their business, and one in five people think companies take their business for granted.

As the DIY market makes it simpler for customers to believe they can do their own outdoor makeovers, the landscape industry has an opportunity to show

customers who aren't as confident in their skills why hiring a contractor is a better decision. An American Express study suggests that the odds are already in small business' favor: 81 percent of consumers think small businesses delivers better service than big businesses.

One way to improve service for the most impact is to focus on most valuable customers, points out Barry Moltz, author of business books including "You Need to Be a Little Crazy: The Truth About Starting and Growing Your Business" and "Small Town Rules: How Small Business and Big Brands Can Profit in a Connected Economy."



He offers these tips for identifying customers who add the most long-term value to a business.

- 1. Sales Minus Cost.** The two figures – not just one – are important to the overall equation. "Many customers provide a lot of revenue, but the cost to fulfill those sales sometimes exceeds their value," says Moltz.
- 2. Timing is Everything.** Sales that come in the off-peak season may be more profitable because they fill unused service capacity or may be done at a slightly higher price, Moltz explains. Adding more customers for spring services, for instance, may not be as impactful to a landscape business as adding more winter business.
- 3. Earned Media.** "If a customer is willing to be an evangelist of a company and spread their satisfaction story, it can be a powerful endorsement," says Moltz.
- 4. Reward Loyalty.** Many businesses are so busy attracting new customers, they don't take care of the customers they have. A customer who has been with a company a long time in general is more profitable, typically buys additional services and becomes an evangelist for the brand, Moltz explains.
- 5. Add-Ons Add Up.** Customers who buy more than one product from a company are more profitable, Moltz says, because the cost of acquiring that customer is now spread over a larger sales base.
- 6. Customers With Brands.** If you have a customer who is prominent in your market, brand him or her – the mayor of your town or a local celebrity, for instance. Their endorsement can be valuable to your business.
- 7. Feedback.** Most customers usually never tell a company what they think about its products. "Typically only the top 10 percent (very satisfied) and the bottom 10 percent (very dissatisfied) share their thoughts about a company's service," Moltz says. "Any customer willing to share his or her opinion with a business is valuable."

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