

## LET'S ALL THRIVE AND SURVIVE !

*Jan M. Smith  
Inland Management Group*

If you're reading this, and still operating a business, give yourself a pat on the back, and take a deep breath... you've just finished the first quarter of a tenuous year!

This month, we are going to look at thriving and surviving in the market today. We are still in for a wild ride through the rest of this year, and it's important to look at how we can seize a bigger slice of the pie out of our respective industry, yet, at the same time support our competitors to also succeed. I know it sounds like I'm talking out of both sides of my mouth, however an effort to gain market share through improved service, will help develop a first-rate reputation for our region. Ultimately, this should drive more visitors to Southern California Wine Country. Let's go with the premise we're all in this together!

Ask any hotelier, retailer, restaurateur, or any other service organization whose primary business revolves around tourism and they'll most likely say they've seen a drop in business and in some cases over 30% from the same time last year. Our region's service organizations are experiencing the same difficult business environment as those throughout the nation. Major tourism markets such as New York, Hawaii, and even Las Vegas, are reeling from the "AIG effect", where numerous cancellations of corporate travel for retreats and conferences are now routine. Our region is not immune to this loss of overnight and extended stays, which ultimately affects every one of you operating a service organization in town.

More than ever, you need to be creative in order to thrive and survive. The basic concept of service-related business success considers 3 elements that must be in balance: **product, value, and service**. In today's business environment, we should also add **experience** to the equation. It used to be all about value, but this may not be the Holy Grail it once was. Without a great product, service, and experience, the customer will go elsewhere. With our fickle (and frugal) customers today, all of these elements must exist in your organization.

Let's look at a few things we can do to help thrive and survive.

### APRIL SERVICE TIPS

#### **1) CONSIDER CUSTOMER SATISFACTION YOUR #1 PRIORITY**

Customer satisfaction must be the main objective of a business owner today. It's the customer who is keeping your business afloat, and if you wish to differentiate yourself from your competitor, you have to consider this part of the success equation as the single most essential element to thrive and survive.

Consider the customer's happiness and satisfaction as the only way to guarantee their return and to give you the positive praise you desire. Online social networks have created instantaneous critics, and if a customer has a less than perfect experience with your business, they'll be discussing it online within hours, or even worse, before they even leave your business, using their iPhone or Blackberry.

Take your eyes off the customer... and it could spell disaster for your company.

## **2) APPRECIATE AND LEARN FROM YOUR CRITICS**

As mentioned, everyone is a critic these days, so it's important to be aware of the multitude of social online resources for customers to complain, including Trip Advisor, and social networks like Twitter, Facebook, and the numerous Temecula Forums conversing about our local service businesses.

I know the concept to appreciate and learn from your critics is a hard pill to swallow, but it's important to research what is being written about your company. Online reviews are the new process for capturing the good, bad and the ugly customer experiences.

Read, evaluate and understand how your customer got to the point of being so disappointed with your organization. Fix the problem and fix it fast, because we all know bad press can quickly equate to a decline of customer base.

## **3) DEVELOP LOYALTY**

Today's frugal and discerning customer almost expects if they are loyal to you, you will reward them.

"Typically, industries with high purchase frequency and stiff competition – like airlines, retail, hotels and grocery chains – adopt loyalty programs. For grocery chains, participation is at 65%; for medium-size and larger hotel chains, 85%; for the major airlines, 100%. Restaurants fit the bill – high-frequency patronage and stiff competition, yet of the top 130 restaurant chains in the United States only 5% have loyalty programs.

A study by the National Restaurant Association concluded 50% of table-service customers said they'd be more likely to patronize a restaurant having a loyalty program.

The purpose of a loyalty program is *not* points or rewards or plastic cards or discounts. These are just means to an end. It's rather to discover who the restaurant's customers are, and to track their behavior, find out their preferences, cater to those preferences and keep two-way communication going. The result should be an ever-stronger relationship with customers that increases frequency, per-check revenue, marketing efficiency and competitive advantage."

(excerpt from *Late to the Table*, by Randolph Hobler)

It might be time to capitalize on the concept of a loyalty program in order to thrive and survive.

## **4) CREATE AN EXPERIENCE AND A CONNECTION**

Do you ever wonder why there are lines out the door at the local Starbucks? Is it the coffee or is it the experience?

My Dad refuses to pay \$4.00 for a cup of Joe he can pick up at McDonalds for around a buck. He's just not interested in the social experience of ordering and obtaining a cup of coffee. Starbucks isn't targeting someone like him, as their business model is designed around coffee *and* an experience.

Figure out what experience you are offering your customer. Do you know your customer? If your company isn't providing a great product, exceptional service, extraordinary value and all around experience, then you'll lose the market share you are trying so hard to achieve.

Think to yourself why you repeatedly return to a certain business, perhaps it's the unique product, or maybe it's the exceptional value, maybe it's just the over the top service, and more than likely, it includes an interesting experience. Regardless, it's probably all of these elements wrapped up in one conscience decision by the consumer to depart from their hard-earned dollar.

I've been frequenting the same Sushi restaurant for nearly 8 years. The food is always wonderfully prepared, the service is fantastic, the total experience is outstanding and the pricing is consistent with the other Sushi houses in town. Why do I return? I've supported this business owner since he opened his first restaurant in town (he's on his 5<sup>th</sup> one), and he always recognizes me when I visit his restaurant. He always comes over to the table and thanks me for being there, and he often offers a special treat to my table. He always goes out of his way to make a connection with me, therefore, I am loyal to his restaurant.

**Taking care of the customer...** this restaurant owner understands it well. He's *appreciative* of my visit to his business, especially when I have a choice of over 25 other Sushi houses in town.

Do you take care of and show appreciation to your loyal customer?

If we all commit to delivering great product, service, value and an extraordinary experience to our customer, we should be able to thrive, survive, and make it through to better days ahead. Customer commitment depends on satisfaction with the complete experience.

*Jan M. Smith is the Founder and Principal of Inland Management Group, a Human Resource Consultancy located in Temecula, specializing in the Hospitality and Entertainment industry. Please contact Jan Smith at (951) 302-6483, [www.inlandmgtgroup.com](http://www.inlandmgtgroup.com), or email at [jsmith@inlandmgtgroup.com](mailto:jsmith@inlandmgtgroup.com).*

Next Month: The *unsatisfied* customer: How to turn a bad situation into a great one.