

A Book Report on  
**How To Win Customers & Keep Them For Life**  
By Michael LeBoeuf, Ph.D.

(Book Report by Gary Tomlinson)

**Forward:**

“Practicing what Michael LeBoeuf preaches in this book will not guarantee outstanding business success. Failure to practice the ideas and principles, however, will almost certainly guarantee failure.”

Frank D. Walker, Chairman  
Walker Research, Inc.

**Are “Nice Customers” Ruining Your Business?**

I’m a nice customer. You all know me. I’m the one who never complains, no matter what kind of service I get. I never kick. I never nag. I never criticize. And I wouldn’t dream of making a scene, as I’ve seen some people do in public places, no matter how bad the service is. I think that is uncalled for. No, I’m the nice customer. And I’ll tell you who else I am – *I’m the customer who never comes back!*

**Something to Think About:**

1. A typical business hears from only 4 percent of its dissatisfied customers. The other 96 percent just quietly go away and 91 percent will never come back. That represents a serious financial loss for companies whose people don’t know how to treat customers, and a tremendous gain to those that do.
2. A survey on “Why customers quit” found the following:
  - a. 3 percent move away
  - b. 5 percent develop other friendships
  - c. 9 percent leave for competitive reasons
  - d. 14 percent are dissatisfied with the product
  - e. **68 percent quit because of an attitude of indifference toward the customer by the owner, manager, or some employee.**
3. A typical dissatisfied customer will tell eight to ten people about his problem. One in five will tell twenty. It takes twelve positive service incidents to make up for one negative incident.
4. Seven out of ten complaining customers will do business with you again if you resolve the complaint in their favor. If you resolve it on the spot 95 percent will do business with you again. On average, a satisfied complainer will tell five people about the problem and how it was satisfactorily resolved.
5. The average business spends six times more to attract new customers than it does to keep old ones. Yet customer loyalty is in most cases worth ten times the price of a single purchase.

6. Businesses having a low service quality average only a 1 percent return on sales and lose market share at the rate of 2 percent per year. Businesses with high service quality average a 12 percent return on sales, gain market share at the rate of 6 percent per year, and charge significantly higher prices.
7. A typical corporation loses half of its customers every five years. Yet by increasing the yearly customer retention rate by as little as five percent, companies can increase their bottom line profits from 25 to 100 percent.

## **Preface to the Twenty-first Century Edition:**

Since its initial publication in the late 1980's, *How to Win Customers and Keep Them for Life* has been back to press over thirty times.

Simply put, the business world is undergoing nothing less than a major revolution in the way customers shop, buy, and decide to come back or take their business elsewhere. In the 1980's companies began to realize that the balance of power was shifting from sellers to buyers. The customer's message was "Give me what I want, how I want it, or I'll buy from someone who will." Today, that message has been expanded and amplified to "Give me what I want, how I want it, when I want it, at the lowest possible price, and make me feel special, or I'll buy from someone who will." Why are customers making such demands? Because they can!

Today's customer is better educated and better informed, and has more choices than ever. In the global economy, geographic distance between buyers and sellers is irrelevant. In earlier times the seller told the buyer, "Price, quality, speed – choose any two." Today, a company that can't deliver all three is out of the race.

*How to Win Customers and Keep Them for Life* is not a book about technology. It's a book about the human side of winning and keeping customers. It isn't high tech. It's high touch. It's a handbook written for everyone from the mail room to the executive suite, in the hope they will work together to win and keep customers.

## **An Essential Introduction:**

*How to Win Customers and Keep Them for Life* is much, much more than just another treatise about how to smile and be nice to customers. It's a handbook for transforming the people of any size organization into a customer driven, turned-on-team.

One of the greatest keys to long-term business success can be summed up in three simple words: ***quality customer service***. Yet as customers, you and I are painfully aware that outstanding service is far too rare.

Why is excellent service so rare? Basically, there are three problems involved.

1. Employees don't know the basics on what it takes to create and keep customers.
2. The "moments of truth" – those crucial points of customer contact that can make or break a business – are not being properly identified and managed.
3. The "reward system." Quite simply, excellent service is rare because most managers fail to reward workers for giving excellent customer service.

In today's service-oriented economy, excellent service is more than a competitive weapon – it's a survival skill. Knowing how to win and keep customers is the single most important skill that anyone can learn.

## **Part One – The Basics:**

### **The Greatest Business Secret in the World:**

When we think of success in business, most of us think in terms of dollars, cents, statistics, facts, and figures. Yet all those measures of success are determined by the *behavior* of customers and the employees who serve them. Reward customers, and you'll create and keep them. Fail to reward customers and you're out of business. That's the Greatest Business Secret in the World. So simple. So obvious. And so ignored.

Don't ever make the mistake of thinking of buildings, computers, consultants, or even employees as your company's greatest assets. Every company's greatest assets are its customers, because without customers there is no company. It's that simple.

### **Better Than Selling:**

Focus on what customers want and need, help them to buy what's best for them, and make them feel good about it.

Three key points that all of us in business need to know and understand. They are:

1. The most important goal of any employee, including salespersons, is to create and keep customers.
2. There's a big difference between selling and helping people to buy.
3. People love to buy but hate to be sold.

The better than selling principle turns out to be the most important selling principle of all. It's tough to resist someone who sincerely wants to help you.

## **The Greatest Customer You'll Ever Win:**

People are far more persuaded by the depths of your beliefs and emotions than any amount of logic or knowledge you possess.

People don't care about how much you know until they know how much you care about:

1. Your products and services
2. Them

There is absolutely no substitute for an honest, unshakable, enthusiastic belief that the products and services your business offers are the best available anywhere. Couple this with a sincere passion for helping people, and you have an unbeatable combination for creating and keeping customers. And that's why: *The greatest customer you'll ever win is you!*

## **The World is Your Mirror and Your Mind is a Magnet:**

Your world is a mirror and your mind is a magnet. What you perceive in this world is largely a reflection of your own attitudes and beliefs. And life will give you what you attract with your thoughts. Think, act, and talk negatively, and your world will likely be negative. Think, act, and talk with enthusiasm, and you will attract positive results.

If you know what you're doing, love what you're doing, and believe in what you're doing, you'll be totally sold on the products and services you offer. *And that's the greatest customer you'll ever win.*

## **The Only Two Things People Ever Buy:**

Customers don't buy what your company sells. Instead they buy what those goods and services do for them. To illustrate, consider the following plea from an anonymous customer:

- Don't sell me clothes. Sell me a sharp appearance, style, and attractiveness.
- Don't sell me insurance. Sell me peace of mind and a great future for my family and me.
- Don't sell me a house. Sell me comfort, contentment, a good investment, and pride of ownership.

Despite all of the untold millions of products and services for sale in today's marketplace, customers will exchange their hard-earned money for only two things:

1. Good feelings
2. Solutions to problems

## **A Crash Course in Customer Behavior:**

If customers buy good feeling and solutions, then it's your job to know how to provide them. And that, in turn, means understanding more about the feelings customers have and how they go about making a decision to buy.

The first point to remember is that *people buy emotionally and justify with logic*. The second point to remember is that *people spend money when and where they feel good*.

## **The Four Emotional States:**

According to psychologists, a person is capable of experiencing only four basic emotions. Those emotions are:

- Glad
- Sad
- Mad
- Scared

At any given point in time a person is feeling either glad, mad, sad, or scared, and that emotional state will govern his behavior. *Customers buy only when they are feeling glad about you and your products and services.*

## **Solutions to Problems:**

A popular marketing axiom states, "People don't buy goods, they buy solutions to problems. They don't buy quarter-inch drill bits, they buy quarter-inch holes." When people buy solutions to problems, what they are actually buying is the expectation of feeling glad.

A problem is the difference between what you have and what you want. So, if you want to solve a customer's problem, ask him, "What do you have?" (What's the situation now?) and "What do you want?" (How would you like it to be?) Once you have the answers to those two questions, you can decide if and how you can solve the problem. But until you know the answers to those two questions, any problem-solving you do will be purely accidental.

## **The Right Touch:**

Your company may sell the finest products and services in the marketplace, but it's how customers *feel* about your products and services that, ultimately determines how successful your business will be. If they feel good, they'll buy and come back. If they don't, they won't. With that thought in mind, here are some key ideas you can use to put the right touch to work where you work.

1. Put yourself in the glad emotional state. (Act the way you want to feel and soon you'll feel the way you act)
2. Never tell customers your problems. (Most of them don't care. Telling people your problems makes them sad, and sad people don't buy as often)
3. Remember that customers buy for their reasons, not ours.
4. Act as if you are the only personal contact that the customer has with the company and behave as if the entire company's image depends on you.
5. Use both logic and emotion to win and keep customers.
6. Use the problem-solving approach to move customers from mad, sad, or scared to glad.

In summary, the degree of success of any business hinges on how many people it rewards with good feelings and solutions to their problems and how well it does both.

### **They'll Buy Much More When They Buy You:**

How customers feel about the people that serve them or sell them is a key factor in winning and keeping them.

In any business, the people who deal directly with the customers can make or break the business. Make a good impression and the customer buys, multiplies, and comes back. Make a poor impression and you run him off. It's as simple as that. And the more service-oriented the business is, the more crucial it becomes to have front-line people who know how to sell themselves.

To be sure, selling yourself to a customer is an art that must be tailored to your own personality, the customer, and the situation. Yet there is one underlying strategy whose application will almost always guarantee that you'll make a good impression. Here it is: **Help them to like themselves better and they'll love you.** Here are five specific ideas to help you toward that end.

1. Develop a genuine interest in and admiration for your customers.
2. Recognize and praise people for what they want to be recognized and praised for.
3. Put them at ease and establish rapport.
4. Use humor where it's relevant and appropriate.
5. Let them know that you're thinking about them.

### **The Customer's Perception is Everything:**

It's not the quality of service that you give but the quality of service that the customer perceives that causes him to buy and come back. Now for the big question: What causes customers to perceive service as good or bad? Here's a

very important concept to remember: **Perceived service quality is the difference between what they get and what they expect.**

Every customer comes with certain expectations about the quality of the goods, the services, and the total experience of dealing with your business. When you exceed his expectations he perceives the quality as relatively high. When you fail to meet his expectations he perceives the quality as relatively low.

**This is important because relative perceived quality is the single most important factor in determining long-term profitability.**

### **Key To Shaping Customer Perception:**

It's not enough to reward your customers with good service. You have to make them aware of the good deal they're getting for doing business with you and keep reminding them in many subtle, different ways. In reality there's no such thing as a good deal or a bad deal. Only the customer's thinking makes it so.

Here are some essentials to shaping a high-quality service image in the customer's eyes:

1. Develop a customer profile.
2. Look at your business through your customer's eyes.
3. Beware of over-promising and building unrealistic expectations.
4. Use problems as opportunities to demonstrate just what great service your company gives. (Customers judge the quality of service in two basic ways: 1) how well you deliver what you promise and 2) how you handle exceptions and problems.)
5. Develop a unique relationship with your customers and treat each one as someone special.
6. Keep in touch and keep them informed.
7. Remember that a large part of good service is showbiz.

In summary, the acid test for the success of any business is the perceived overall value that customers think they are getting. The companies that offer value consistently to their customers are the ones that win and keep them. But when perceived value disappears, so do the customers. When it comes to customers, what matters most isn't what you know or whom you know, but how you are known to them.

### **To Win New Customers, Ask the Golden Question:**

Virtually every successful businessperson you ask will tell you that finding and meeting unmet wants is the name of the game when it comes to winning customers. The better you do this, the more customers you'll win.

You don't have to be a genius to create customers. But you do have to find practical, workable answers to what I call the golden question: **What's the unmet want?** The art of finding and meeting the unmet want is the high road to winning customers.

### **Putting the Golden Question to Work:**

To be sure, finding workable, profitable answers to the golden question is more an art than a science, and one that often involves a large amount of risk. There are some things that you can do to stack the odds more in your favor. The following ideas will help you toward that end:

1. Always start by defining markets instead of your company's talents and strengths.
2. Ask your customers and potential customers the golden question.
3. Create new products and services by giving the familiar a new twist.
4. Brainstorm ideas for creating new customers.
5. Be a trend-spotter.
6. Look before you leap.
7. Once you decide to go ahead, move quickly.
8. Be prepared for a large number of ideas that don't work out.

### **To Keep Customers for Life, Ask the Platinum Questions:**

No matter what business you're in, you can't improve on the rewards you offer your customers until you know what they like and dislike about the job you're doing now. And you get that precious knowledge by asking them the platinum questions:

**How are we doing?**

**How can we get better?**

Finding the answers to those two questions tells you:

- The customer's perception of your quality of service
- What to do in order to increase that perception

Lest you forgot or missed an important point that I made earlier, let me repeat it here: *Relative quality as perceived by customers is the single most important factor in determining long-term profitability.* The big dollars aren't so much in winning as in keeping customers. And you keep them by providing better service than your competitors, as the customer perceives it.

### **The Ostrich Syndrome:**

When it comes to winning and keeping customers, a company without a well-planned system of customer feedback is burying its head in the sand and hoping for the best.

### **Service Quality Can Be Measured:**

For better or worse your customers have an opinion about the quality of service that you offer, and collecting, gathering, and measuring those opinions on a regular basis provides the crucial information that you need to keep them buying, multiplying, and coming back.

### **The Five Best Ways to Keep Customers Coming Back:**

Here are the most important ingredients for providing the kind of service that keeps customers coming back.

**Be Reliable:** Without question, consistent performance is what customers want most. More than anything else, the customer wants service that he can depend on. More specifically this means:

- Do what you say you are going to do
- Do it when you say you're going to do it
- Do it right the first time
- Get it done on time

**Be Credible:** One thing customers will readily pay for is peace of mind. As customers we all willingly go back to people and businesses who sincerely want to help us and have our best interest at heart. We want security, integrity, and the assurance that if there is a problem, it will be handled at no extra cost. Credibility brings customers back.

**Be Attractive:** Appearances can be deceiving, but customers draw a lot of conclusions about the quality of service on the basis of what they see. Anything your customer sees, feels, touches, hears, or smells concerning your business is shaping his opinion of your service for better or worse.

**Be Responsive:** Being responsive means being accessible, available, and willing to help customers whenever they have a problem. It also means keeping them informed and providing the service as soon as possible.

**Be Empathic:** Being empathic means putting yourself in the customer's shoes, trying to grasp his point of view, and feeling what he feels. It means listening intently, asking the right questions, speaking his language, and tailoring your services to help him as best you can.

So there you have the five major factors on which customers judge the quality of service: reliability, credibility, appearance, responsiveness, and empathy. Commit them to memory by remembering the words, “**reliable care.**” The word “**reliable**” will remind you that reliability is what customers value most, and the word “**care**” is an acronym for the other four factors: **C** for credibility, **A** for appearance, **R** for responsiveness, and **E** for empathy. Taking “**reliable care**” of your customers is what keeps them buying, multiplying, and coming back.

## **Part Two – Managing the Moments of Truth: Ten Action-Ready Strategies**

You now have a good, overall understanding of what it takes to win and keep customers. The next step is to put those ideas to work at the moments of truth – those moments of customer contact. Whenever you or anyone else who works for your company has contact with a customer, be it in person, by telephone, or through the mail, the customer will come away feeling better, worse, or the same about your company.

If the customer’s experience is rewarding, chances are he will buy recommend you to others, and come back. If his experience is neutral, he may or may not come back. But if he walks away feeling negative, he probably won’t be back and will likely tell up to twenty other people. In short, your job is to reward each customer at the moment of truth to make him feel positive about you and your company.

Excellent service isn’t the result of doing any one thing 1,000 percent better. It’s the result of doing thousands of things 1 percent better.

### **Ten Moments of Truth:**

Inasmuch as every business is unique, there is no way I can cover every possible moment of truth. Consequently, I have chosen ten moments of truth that are common to customer contact situations in almost every business. These ten action-ready strategies will help to turn people into customers and customers into lifetime partners.

#### **1. What to Do When the Customer Appears, Calls, or Inquires:**

*“You never get a second chance to make a good first impression.”*

The most crucial contact of all is the first one that the customer makes with your business, because if you lose him here, he’s likely lost forever. This makes it imperative that those having initial contact with customers do their utmost to help

the customer and make him feel appreciated, rather than treating him like an interruption.

### **What Is a Customer?**

(Poster in the headquarters of L.L. Bean)

A Customer is the most important person ever in this office – in person or by mail.

A Customer is not dependent on us – we are dependent on him.

A Customer is not an interruption of our work – he is the purpose of it.

We are not doing a favor by serving him – he is doing us a favor by giving us the opportunity to do so.

A Customer is not someone to argue or match wits with. Nobody ever won an argument with a customer.

A Customer is a person who brings us his wants. It is our job to handle them profitably to him and ourselves.

### **Promptness and Preparation Are the Keys:**

Rewarding a customer at the initial moment of truth begins long before he ever appears, writes, calls, or agrees to see you. It takes a sound, well-thought-out strategy and a good deal of groundwork to make first contacts successful. Putting the following ideas to work will help you and those you work with make a positive first impression.

1. As soon as you see a customer, politely acknowledge his presence. Never, never, never, ever ignore a customer.
2. Be equally prompt and polite when answering the telephone.
3. If a customer has a scheduled appointment, make it your business to be on time.
4. Prepare for customers' questions by having the answers before they ask.
5. Whenever possible, prepare in advance for each individual customer.
6. Start each day with a checkup.
7. Ask the right questions.
8. Listen for total meaning.
9. Match your solutions with their problems.

10. Make them feel good about being your customer.

## **2. What to Do When the Customer is Angry or Defensive:**

Whenever you encounter an angry or defensive customer you have a choice. You can react either defensively or helpfully. Reacting to angry people with a defensive attitude is only asking for more abuse. We teach others how to treat us with our own behavior. And if you are continually being mistreated, chances are you're cooperating with the treatment.

### **Reward with Kindness, Empathy, and Solutions:**

The problem of an irate customer is actually two problems in one. First, you have to deal with the customer's feelings. Then you have to try as best you can to solve the problem that made him mad in the first place. If you simply solve the problem without making an effort to soothe his anger, he probably won't be back. Remember, people come back to buy where they feel good. The next time you encounter an angry customer, keep these ideas in mind and put them to work.

1. Keep your cool.
2. Listen with empathy and for the facts.
3. Take action to solve the customer's problem.
4. Bring the incident to a polite close.
5. Don't expect to win them all.

## **3. What to Do When the Customer Has Special Requests:**

Every customer is an individual person or group of people having special wants and needs. And the better you meet those unique wants and needs, the greater the odds of winning and keeping customers.

Thanks to digital technology, successful businesses are moving away from mass marketing and replacing it with mass customization. Simply put, this means that the era of one-size-fits-all products and services is being supplanted with one-to-one marketing where each individual customer gets a product or service custom tailored to his or her specific and unique wants.

### **Five Excellent Reasons for Customizing:**

You may be thinking, “Customizing takes a whole lot of extra time and effort, and I’m not sure that it’s worth it where I work.” Well, more often than not, the extra time and effort invested have a handsome payoff. Here’s why:

1. It shows people that you really care about serving them.
2. It gives you and your team a source of pride and confidence.
3. It’s great for repeat business.
4. It overcomes customer defensiveness and gains you quicker acceptance.
5. It virtually eliminates the competition.

### **The Mark of Professionalism:**

In today’s world, professionalism has little to do with what you do for a living. It’s how well you do what you do that separates the pros from the also-rans. The mark of a true professional is that by his contact he gives the customer excellent value for his dollars as the customer perceives it. And there is no better way to build perceived value than by tailoring your efforts to benefit each individual customer. Keep these ideas in mind as you strive to reward with customization.

1. Fill any and all special requests as best you can.
2. Search for unmet wants in each customer and meet them.
3. Treat each person and his requests as unique and special.

*“Don’t homogenize. Customize!”*

## **4. What to Do When the Customer Can’t Make Up His Mind:**

One major obstacle that frequently prevents customers from buying is the stress of making a decision. An indecisive customer is afraid of making a bad choice and getting stuck with the consequences. And the greater the purchase, the greater the fear. As a result, it’s common for customers to get caught up in the paralysis-by-analysis syndrome. They get so involved in agonizing over what to buy that they never get around to buying. Whenever you have an indecisive customer reward his indecision with recommendations.

More often than not, an indecisive customer wants you to take the weight of decision-making off his shoulders, recommend a choice for him, and reassure him

that he is doing the right thing. More specifically, here are some guidelines to follow the next time you encounter a customer who cannot make up his mind:

1. Make sure that the customer has the authority to make a buying decision.
2. Ask, listen, and learn before recommending.
3. Make a recommendation and tell the customer why. As pointed out earlier, people buy emotionally and justify with logic. In most cases the undecided buyer wants you to make the buying decision for him and give him one or two reasons to convince him that it's the right choice.
4. Don't give the customer too many options.
5. Be caring, confident, and decisive in your tone of voice and behavior.

## **5. What to Do When the Customer Raises Obstacles or Objections to Buying:**

Whenever a customer (or perspective customer) raises obstacles or objects to buying, reward him by agreeing, empathizing, and building value. Whenever you encounter an objection or stall, it's only natural to want to show the customer why he is wrong and that only an idiot would pass up the fantastic deal that you're offering him. But that's only going to make him mad and cost you a customer. Like the angry customer, the stalling or objecting customer has certain feelings and a point of view that must be dealt with first.

The next time a customer raises an obstacle or objection, begin by listening intently and *agreeing* with his point of view. Empathetic agreement is the first crucial step to melting obstacles and objections. The barriers to buying won't go away unless the customer feels that you really want to understand and help him.

Once you get in sync with the customer's feelings and point of view and establish rapport, he will likely listen to you. And that's your cue to start building value by explaining the many benefits of owning what you're offering. When the customer's perceived value of what you're selling is greater than his reasons for not buying, he will buy.

### **How to Remove Obstacles by Building Value:**

It's generally agreed by selling practitioners that four major obstacles to buying must be removed before a sale can take place. Those four obstacles are popularly known as the four no's of selling:

- |             |             |
|-------------|-------------|
| 1. No Trust | 3. No Help  |
| 2. No Need  | 4. No Hurry |

## **Agreement, Empathy, and Building Value Melt Objections Too:**

Removing the four basic obstacles to a sale makes one possible but it's no guarantee of success. You still may encounter objections from the customer before he is ready to sign on the dotted line. The difference between an obstacle and an objection is that an objection is a definite statement of interest. Here are several basic strategies you can use to handle objections like a pro by rewarding the customer with agreement, empathy, and value:

1. Anticipate objections and deal with them before the customer brings them up.
2. "Never let them see you sweat."
3. Use the feel, felt, found formula. Whenever you get a negative response from people, take a deep breath, look them right in their eyeballs, and calmly say, "I understand how you feel..." Then let them know that others felt the same way until they found out... (and here inject what they found out that changed their minds). This is one of the most disarming strategies that a salesperson can use.
4. Translate features into benefits using the six magic words. Remember, people don't buy products or services. They buy what the products or services will do for them. Consequently, your job as a value builder is to tell the customer how he is going to benefit from what you're offering. So, whenever you mention a feature, follow it up with the six magic words: "*What this means to you is...*" Then complete the sentence by explaining how the customer will benefit from the feature.
5. Be alert for smoke screens and yes-but customers.
6. Let the customer experience the benefits of buying. The more customers can see, hear, touch, smell, taste, and feel how wonderful it is to buy what you sell, the more value they will perceive and the more likely it is they will buy.

## **6. What to Do When the Customer Gives Buying Signals:**

It's all too common for salespeople to spend a half hour selling their services and two hours buying them back. There's a time to talk, a time to listen, and a time to close. And those who succeed at winning and keeping customers know how to recognize, respond to, and reward those moments of truth when the customer gives buying signals. Whenever you recognize that a customer is giving definite buying signals, that's your cue to do three things in the following order:

1. Reinforce the buying signal
2. Make it easy to buy
3. Ask for the business

## **How to Recognize and Reinforce Buying Signals:**

In general, a buying signal is anything that a customer says or does that indicates enthusiasm or excitement about what you're offering. For example:

- He agrees with what you are saying
- He talks positively about what it would be like to own what you're offering.
- He wants more information, such as how much down payment is required or whether financing can be arranged.

Once you explain a benefit that brings forth a buying signal, there's no need to keep explaining other benefits. Keep the buying decision simple for the customer. You've found the hot button and it's time to start closing.

## **Make It Easy to Buy:**

Once the customer decides that he wants to buy, he is confronted with a whole new set of problems, such as:

- How will I pay for it?
- Where will I put it?
- What if it doesn't work?
- What if it breaks?
- How can I justify it to my spouse or boss?

In short, most customers go into the scared emotional state before making the final buying decision. And if you don't take steps to eliminate that fear, you'll likely lose the sale. Ask the customer, "Does all of this make sense to you? It really fits your needs and I don't want you to pass it up because I haven't done a good enough job of explaining what it will do for you." This is a non-threatening way to get the customer to open up and it takes the burden off of him for not understanding.

Remember, people like to feel they are buying their own good judgment as a result of the information that the salesman has given them.

## **Closing is Asking for the Business:**

If you have established rapport with your customer, decided you can help him and shown him how, received buying signals, and removed the worry and risk from the buying decision, there's only one thing left to do: Tactfully ask for the order. "Let's order one for you." "Can we choose a delivery date?" "How many would you like?" You don't need 101 sure-fire closes to manipulate people into buying if you have completed the preceding steps. **But you have to ask for the order!**

Incredible as it seems, almost two-thirds of all sales calls conclude without the salesperson asking for the order. Yet it's one of the most crucial ingredients to winning and keeping customers. You may offer the greatest products and services and have the greatest marketing strategy in the world, but unless you cultivate the habit of asking for the order, you're going to lose a lot of business. Recognizing and rewarding buying signals is much more an art than a science and has to be tailored to your personality, the customer you're dealing with, and the situation. It's like most things – you'll get better with practice. But if you make a conscious effort to reinforce buying signals, make it easy to buy, and ask for the order, chances are you'll be well on your way to the next moment of truth.

## **7. What to Do When the Customer Buys:**

I believe that the sale really begins when the customer says “yes.” It's how you perform after the customer buys that determines whether you *keep* him. And remember, it's a whole lot easier and more profitable to keep the customers you have than it is to win new ones. People prefer to buy from those that they already know. Consequently, when the customer buys, your basic strategy is to:

### **Reward Buying by Delivering More Than You Promise:**

The surest way to make customers fall in love with your business, come back for more, and tell others how wonderful you are is to practice the “and then some” principle. Your products do all that you said they would do – and then some. Your service is prompt, reliable, and courteous as you promised it would be – and then some. If the customer needs help after the sale, you provide that help – and then some. It's the willingness to go that extra mile that separates the true champions from the also-rans.

### **When You Go That Extra Mile, Take These Steps:**

1. Reinforce the buying decision immediately.
2. Keep tabs on the order to insure that the customer gets what you promised.
3. Make a non-selling follow-up call. (This will really set you apart from the competition)
4. Keep good records and stay in touch.
5. Turn your customers into goodwill ambassadors.

Once a customer decides to buy, he is ultimately going to feel rewarded or regretful, and it's your job to help him feel the former. **You win and keep customers by exceeding their expectations.**

## **8. What to Do When the Customer Refuse to Buy:**

In one sense, refusals are like knives. They can help or hurt you, depending on whether you grab them by the handle or the blade. It's all in how you choose to think and behave when the customer says no. Regardless of how you feel, whenever a customer refuses to buy:

### **Reward Refusals With Polite Appreciation:**

When the customer says no, keep these points in mind:

1. Make every moment of truth count.
2. Think long term and keep the big picture in mind. It's not the customers you lose but the ones you win and keep that count.
3. Don't take refusals personally or let them immobilize you.
4. Resolve to learn something from every refusal.
5. Cultivate the habit of intelligent persistence. While you should never abandon your ultimate goal of winning and keeping customers, there are times when giving up on a particular prospect makes good sense. While I don't advocate giving up easily, there's a fine line between persistence and foolishness.

The most successful people at winning and keeping customers hear a whole lot more no's than yes's. But they have become winners because they realize that the way to become a winner is to make it okay to lose. And they practice the famous Winston Churchill formula for success: "Never, never, never quit."

## **9. What to Do When the Customer Complains:**

Seeking out and identifying customer complaints is one of the most potentially profitable activities that a business can engage in. Customer complaint programs pay off handsomely for three basic reasons:

1. Complaints point out areas that need improvement.
2. Complaints give you a second chance to provide service and satisfaction to dissatisfied customers.
3. Complaints are a wonderful opportunity to strengthen customer loyalty.

Remember, 70 percent of complaining customers will buy from you again if you resolve the problem in their favor, and 95 percent will buy again if you resolve the

problem on the spot. Consequently, the most important thing to remember is to **reward complaints with fast, positive action.**

### **Some General Guidelines for Handling Complaints:**

Complaining customers can be a gold mine of future business or a blueprint for disaster, depending largely on how you reward them at the moment of truth. Here are some general guidelines about complaints that every business and every employee need to understand:

1. Seek out and welcome complaints.
2. Take every complaint seriously.
3. Get people at the top actively involved in both listening to and helping people resolve customer complaints.
4. Consider setting up a system to document and classify complaints.
5. Set goals for resolving complaints.
6. Learn and get better from complaints.

### **Specifics for the Moments of Truth:**

Reacting helpfully rather than defensively, keeping your cool, and listening with empathy and for the facts will always help you in resolving customer complaints. More specifically, here are some tips for handling complaints:

1. Listen with understanding.
2. Paraphrase and record what the customer tells you.
3. Find out what the customer wants.
4. Propose a solution and get his support.
5. If the customer doesn't like your solution, ask him what he would consider a fair settlement.
6. Make a follow-up call to insure satisfaction.
7. Never let the customer lose face.

## 10. What to Do When the Customer Is Going to Be Disappointed:

There will be times when your customers are in for bad news. For example:

- You can't complete the job at the time it was promised.
- What you thought was a minor problem is a major one and the cost exceeds the estimate you gave the customer.
- The customer misunderstood what your product or service would do for him and is expecting more than you can deliver.
- Being only human, you or someone else made mistakes that will inconvenience the customer.

When you realize that the customer is going to be disappointed, it's only normal not to want to give him the bad news. But it's also the worst possible thing you can do. It's far better to tell the customer and take heat than it is to keep him in the dark and ultimately lose him.

Whenever things go wrong that will affect the customer, let him know immediately. While the message may be initially disappointing, keeping customers informed builds the confidence and trust necessary for a continuing relationship. On the other hand, letting the customer find out the bad news for himself magnifies and multiplies the disappointment.

### **Reward With Positive Perks:**

When you give a customer disappointing news, you are, in effect, making a withdrawal from their emotional bank account. Consequently, it's important to make a deposit to offset, or at least minimize, the withdrawal. Do something special for the customer to offset the hurt.

In addition to doing something special for the disappointed or inconvenienced customer, here are two other ideas to keep in mind:

1. When things go wrong, apologize and take total responsibility for setting things straight.
2. Remember that how people react to bad news depends largely on how you tell them.
  - a. For example, if you can't keep an 11:00 A.M. appointment, don't call and say "I can't come at eleven." Instead say something like, "Some problems have come up and I would like to come at three this afternoon or another time that is convenient for you. I apologize for the delay and hope this doesn't inconvenience you too much."

Finally, remember that the best way to handle a disappointed customer is to keep him from becoming one in the first place. Take preventive steps to keep problems

from occurring. And if a problem does occur and you can correct it without inconveniencing the customer, do it.

## **Summing Up Part Two – To Manage Any Moment of Truth, Ask the Winning Question:**

As I mentioned at the start of Part Two, there is no way that I can cover every possible moment of truth for every situation. However, I can give you a simple question whose answers will help you to make the best of any moment of truth, in any situation, with any customer, and at any time. Here's what I want you to do: Before and during your contact with every customer, cultivate the habit of mentally asking yourself the winning question:

### **How can I make him glad he talked to me?**

For example, some possible answers to this question could be:

- I can help him solve a problem.
- I can save him time.
- I can save or make him money.
- I can empathize and listen to him.
- I can always let him know that I appreciate his business and ask for his advice on how I can better serve him.

Those are just a few of many possible answers to the winning question. I call it the winning question because putting the answers to work makes the moments of truth a winning one for both you and the customer.

And here's a final suggestion for managing every moment of truth. As you walk away from each customer:

- Visualize him with a plus sign stamped on his forehead if you think he feels rewarded. He will probably buy, multiply, and come back.
- Visualize him with a minus sign stamped on his forehead if you think he feels disappointed. He probably won't be back and will tell up to twenty people.
- Visualize him with a zero stamped on his forehead if you think he feels neutral about the experience. He may or may not come back.

## Part Three – The Triple-Win Reward System:

### Introduction:

Motivate them, train them, care about them and make winners out of them – we know that if we treat our employees correctly, they'll treat the customers right. And if customers are treated right, they'll come back.

J.W. Marriott, Jr., chairman & president, Marriott Corporation

It's great to talk about how important customers are and how it's everybody's job to do whatever it takes to win and keep them. But unless management rewards employees for providing outstanding service, you may as well forget it. It simply isn't going to happen. Employees, like customers, do things for their own reasons, not ours.

### What Gets Rewarded Gets Done:

By and large, people behave the way the reward system teaches them to behave. **The single greatest obstacle to effective performance in most organizations is the giant mismatch between the behavior needed and the behavior rewarded.** Organizations of all kinds fall into the trap of hoping for A, rewarding B, and wondering why they get B. Here are two examples:

- Corporate boards of directors ask their top-level executives to focus on long-term results, but pay them huge bonuses based on short-term profits and threaten their jobs when profits decline. Then they wonder why executives are preoccupied with short-term profits instead of long-term growth.
- University administrators ask college professors to be dedicated teachers, but the raises, promotions, and tenure go to those who do the most research and publishing. Then they wonder why students (who happen to be the customers) aren't getting the quality of education that they need.

Whenever you have difficulty understanding why people behave the way they do, all you have to do is ask the magic question: **What's being rewarded?**

Whether it's planned or not, every organization has some kind of reward system. And sooner or later, almost everyone figures it out and behaves the way the system teaches them to behave. Reward the right behavior and you get the right results. Fail to reward the right behavior and you're going to get the wrong results.

## The Three Key Players in the Triple Win:

Companies that give good service have a well-planned reward system that meets the needs and wants of three distinct parties. First, the **customer** must be rewarded with superior products or services, because without customers there is no business. Second, **employees** must be rewarded (for rewarding the customer) with adequate pay, opportunities for growth, and an environment that makes them feel like winners. Finally, the **company** needs to be rewarded with a meaningful profit so it can continue to grow and reward its customers, owners, and employees. The key is balance. If any one of these three groups isn't rewarded for an extended period, the quality of service and the future of the business are in jeopardy.

There are three basic ways for a manager to teach employees how to treat customers:

1. Tell them what you want.
2. Show them what you want.
3. Measure and reward what you want.

Where service is excellent, the people in charge do a whole lot more than tell employees what they want. They act as role models and show a genuine concern for customers by taking the time to listen to and help them. And they back up their commitment to customer service by looking for, measuring, recognizing, and rewarding performance that results in good service at all levels and in all jobs.

In other words, *how customers get treated is a direct reflection of how management is treating employees.*

## How to Keep the Spotlight on the Customer:

Getting an employee, group, or organization of any size to focus on rewarding the customer takes two main ingredients. First, it takes a reward system that rewards employees for rewarding the customer. Second, it takes leaders who set the tone with their own customer-driven behavior.

The success of such a strategy depends on every manager finding the answers to four key questions. They are:

### 1. What kind of behavior and results do I want?

Good management always starts with clearly communicated expectations and solid, specific written goals. Begin by asking every employee and work group to write an answer to the following question in 250 words (one page) or less:

*What results do I (we) produce and how do they benefit the customer?*

Answering this question will force everyone to think about the basics of their job in terms of the customer. Everyone, not just frontline employees, needs to answer the question.

Once you and your team have decided on which goals to pursue, you are ready to tackle the second question.

## **2. How will I measure it?**

People do what gets measured. Every important goal needs to be accompanied with a way to keep score so that you and your team can measure the progress toward the results you are trying to get. Additionally, keeping score and letting people know how they are doing is a tremendous motivational tool.

Almost anything can be measured in either dollars, percentages, or units in a given period. For example:

- Dollars of sales per month
- Number of customer complaints received per week
- Percentage of on-time deliveries per month

When deciding what to use as a performance measure, keep these points in mind:

- Don't let anybody con you into believing that you can't measure what they do. If what they are doing can't be measured, they aren't contributing.
- Keep it simple. Otherwise, people will spend too much time measuring, rather than pursuing goals.
- Measure progress towards goals achieved and not activities. A good measurement system encourages smart work, not busy work.
- Remember that it's far more important to measure group goals than individual goals. Team performance counts most.
- Finally, remember that the best performance measures give employees frequent feedbacks so that they can see how they are doing and adjust their behavior accordingly.

## **3. How Will I Reward It When I Get It?**

Goals and measures only start people moving in the right direction. You need specific rewards to keep them moving. Remember, the right rewards for the right behavior get the right results. The reason so many goal-setting programs fail is that they aren't directly linked to the reward system.

In thinking about rewards it helps to break them into three categories:

1. *Conditional rewards* are those that are promised and handed out for achieving specifically stated goals. (i.e. production bonuses, sales commissions, and promotions)
2. *On-the-spot-rewards* are the ones handed out immediately for behavior that you want to encourage.
3. *Surprise rewards* are rewards bestowed for achieving exceptional performance.

The numbers of ways to reward good performance is limited only by your imagination. The next time you are trying to decide what to use as a reward, here are ten types of rewards to consider:

1. Money
2. Recognition and praise

(Money and recognition are the two most powerful rewards. Almost everyone responds to praises and raises. And it's best to award some money with recognition. If you keep praising and recognizing people without paying them, pretty soon they start thinking, "If we are so great, why don't they pay us more?")

3. Time off
4. A piece of the action
5. Favorite work
6. Advancement
7. Freedom
8. Personal growth
9. Prizes
10. Fun

#### **4. How Can I Show Employees That the Customer Comes First?**

For a manager it's important to lead with rewards, but it isn't enough. **You also have to lead with your actions.** And that means getting out from behind your desk, meeting and talking to customers about their wants, and finding out from your employees how you can help them help the customer. Customer-driven managers talk about, reward, and live the message that rewarding the customer is the name of the game.

In summary, putting and keeping the spotlight on the customer begins with every manager finding the answer to four crucial questions:

1. What behavior and results do I want?
2. How will I measure it?

3. How will I reward it when I get it?
4. How can I show employees that the customer comes first?

## **The Quality Customer Service Action Plan:**

If you are an owner or top manager, I have a very important question for you about the quality of your service: **Do you want to act or do you want to talk?** There is no deep, dark secret to providing quality customer service. It all begins with the behavior of management, starting at the very top. The few organizations that provide great service do so because the top brass put their time, effort, and money where their mouths are. Instead of organizing the business around territories, products, or departments, *they organize the business around the customer.* They make excellent service a continuing, company-wide top priority. They provide extensive training to their frontline people on the basics of excellent service and managing the moments of truth. They personally involve themselves in the business of listening to and helping both the employees and customers. Then they set service goals, measure the quality of service, and reward employees for delivering.

If you are not willing to pay the price to deliver quality service, then don't mention it to your employees or customers. It's a waste of everyone's time and will get you a poor service image as a company that delivers less than it promises.

But if you are serious about providing excellent service, the following action plan contains the basic ingredients for making a customer-driven team out of any size organization. The plan consists of seven major recommendations.

1. Treat Your Customers Like Lifetime Partners.
2. Ask Everyone Where You Work For Service Improvement Ideas
3. If You Don't Have A Service Strategy, Get One
4. Carefully Select And Heavily Train Your Frontline People In The Art of Quality Customer Service
5. Set Service Quality Goals And Rewards
6. Get Out of Your Office And Find Out What's Happening
7. Always Be Patient But Never Be Satisfied

## Epilogue:

Now you know the greatest business secret in the world: *Reward the Customer*. The next time you want to win customers, ask the golden question, *What's the unmet want?* and let the answers point the way. More important, to keep the customers you have, ask them the platinum questions, *How are we doing?* and *How can we get better?* and let the answers be your guide. And most important, no matter what your job is, work hard every day at making each moment of truth a rewarding one for your customers. Because the bottom line is simply this:  
**Customer retention is the best business strategy of them all.**

**Summary of How to Win Customers and Keep Them for Life:** (Make a photocopy of this summary and put it somewhere where you will see it frequently everyday)

### Part One - The Basics

- The secret to winning and keeping customers is to *reward* them.
- Forget about selling. People love to buy but hate to be sold. Concentrate on helping customers buy what's best for them.
- The greatest customer you'll ever win is *you*, because the best salesperson is the true believer.
- The only two things people ever buy are good feelings and solutions to problems.
- Whenever you have contact with a customer, *you are the company* to that customer.
- It's not enough to give the customer excellent service. You must subtly make him aware of the great service he is getting.
- To win new customers, ask the golden question: "*What's the unmet want?*"
- To keep them for life, ask the platinum questions: "*How are we doing?*" and "*How can we get better?*"
- The five best ways to keep customers coming back are: *Be Reliable, be Credible, be Attractive, be Responsive, and be Empathic*. "Reliable care" keeps customers coming back.

## Part - Managing the Moments of Truth

### When the Customer

1. Appears, calls, or inquires
2. Is angry or defensive
3. Has special requests
4. Can't make up his mind
5. Raises obstacles or objections to buying
6. Gives buying signals
7. Buys
8. Refuses to Buy
9. Complains
10. Is going to be disappointed

### Reward Him:

1. By being prompt and prepared
2. With kindness and empathy
3. By customizing
4. With a specific recommendation
5. By agreeing, empathizing, and building value
6. By reinforcing the signal, making it easy to buy, and asking for the business
7. By delivering more than you promised
8. With polite appreciation
9. With fast, positive action
10. With positive perks

To manage any moment of truth, ask yourself the winning question: *“How can I make him glad he talked to me?”* And put the answer to work. Practice the plus, minus, zero theory at every moment of truth.

## The Triple-Win Reward System

Implications from the Greatest Management Principle in the World:

- Companies that give excellent service reward employees for providing it.
- If your quality of service is poor, ask the magic question: *What's being rewarded?* Chances are that your employees are being rewarded for something other than taking care of the customer.

- Rewarding the customer is everybody’s job. Rewarding those who reward the customer is management’s job. How customers get treated is a direct reflection of how management is treating employees.

To keep your team focused on rewarding the customer, find the answer to these four questions and put them to work:

1. What behavior and results do I want?
2. How will I measure it?
3. How will I reward it when I get it?
4. How can I show them that the customer comes first?

The quality customer service action plan for managers:

- Treat your customers like lifetime partners.
- Ask everyone where you work for service improvements ideas.
- If you don’t have a service strategy, get one.
- Carefully select and heavily train your frontline service people.
- Set service quality goals and rewards.
- Get out of your office and find out what’s happening.
- Always be patient but never satisfied.

**The bottom line: Customer retention is the best business strategy of all.**

**Message from Gary Tomlinson:**

I hope you enjoyed this book report. It is important for you to understand that this book report should not take the place of you reading *How to Win Customers and Keep Them for Life*. This is a must read for leaders, at every level, of an organization. Getting and keeping customers should be every employee’s responsibility.

“How to Win Customers and Keep Them for Life”  
by Micheal LeBoeuff, Ph.D.  
ISBN 0-425-17501-4

Keep them informed, and provide service ASAP. 5. Empathy. Treat each customer as special. Treat them the way they want to be treated. Mnemonic: Reliable CARE. To learn about problem, ask, "What went wrong?" "What did you do then?" Paraphrase important points and ask, "Do I have that correct?" If possible, offer several options for fixing the problem, and let customer choose. When you offer solutions, state them positively. Instead of "I can't give you a refund today," say, "I'll have it for you first thing tomorrow morning." Give indecisive customers 1-2 recommendations and 1-2 reasons for each. When they agree, assure that they're making the right choice. Be confident, caring, and decisive.