

## ALASKA JOURNAL OF COMMERCE:

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### The Art of Legendary Customer Service

by Tim Pearson

I have a friend, let's call her Cathy, who runs a world-class lodge here in Alaska. She doesn't advertise and she doesn't market. She has no sign and no website. She avoids email like the plague. What she offers is Cathy's hospitality. When you walk in the door, past the pond stocked with trout and walkways bordered with flowers, you're greeted with a smile and a choice of crème brûlée or a sticky cinnamon roll that just popped out of the oven. Everything is homemade. Meals range from Dall Sheep Stroganoff in a wine and sour cream sauce to smoked salmon omelets that live on in your memory. How does her business survive? Friends tell friends of their amazing experience. And you only tell your very best friends, because you wouldn't dare to do anything that would endanger her friendship. The result? She has more business than she can handle and when you call to make a reservation, you hope, no, you pray that she'll say yes.

Cathy's mastered the art of legendary customer service. She's not the only Alaskan who has done so. There's also Earl Cagle of Alaska's Silver Lining Charters ([www.ptialaska.net/~silvlin](http://www.ptialaska.net/~silvlin)). This summer Nathan Stamm gave his Dad a silver salmon fishing trip for Father's Day and invited along two of his friends. Our party of four went out in July and limited out on silvers and rockfish. The fishing was classic, but the real treat was watching Earl. He thinks like a silver and he never allowed any down time. Either the fish were hitting or he moved with them. Since the Silver Lining has twin 200 hp Evinrude engines and cruises at 40 mph, we flew. Earl has spent eighteen years fishing out of Seward and he knows Resurrection Bay like his Jacuzzi. He also treats you with the same warmth. So how did Nathan uncover him? He called numerous Seward fishing charter companies at random. Earl was the only one who returned his call.

And then there's the kind of customer service that matters to parents. A year ago, we had to take our six-year-old daughter in to have her blood drawn. I expected every parent's nightmare of tears due to her terror of needles. However, Di Worsley, a medical lab technician at Quest Diagnostics in Anchorage, has the ability to draw blood bloodlessly from little girls. She gave her a child's explanation of the procedure: "The rubber thingy gives a hug, can you feel the hug? It will be like a kitty scratch & sting like a mosquito bite. Have you ever had a mosquito bite? I'll start when I say 'Here 'kitty, kitty.'" And then most incredibly, she also gave our daughter the reassurance of control by giving her choice in the middle of having no choice. She looked her directly in the eyes and said: "Now, if you want me to stop at any time, we will stop, but I will draw blood for you. Understand?" The end result: a white faced little girl, a test tube full of blood, and no tears. Wow.

Cathy, Earl and Di don't have just have jobs, they have passion, excellence, and originality. They also live the following reality:

- 65% of retail business comes from repeat customers
- it costs five times as much to acquire a new customer as to retain an existing customer
- customers who are satisfied with the resolution of a problem tell four to eight people about their experience. Dissatisfied customers tell nine to sixteen people about their

experience. This means that 500 satisfied customers who make five referrals each can provide you with 2,500 new potential customers

- 50% of customers with a problem actually complain to your company. 80% of those whose complaints are resolved quickly will remain loyal compared to 30% of the customers whose complaints are unsatisfactorily resolved
- a 1% increase in service quality can increase sales by the same amount (Lang, 1997)
- seven out of ten customers who switch from one company to another cite poor service, not price or product quality as the main reason
- decreasing the customer defection rate by only 5% can increase profits by 25% to 85%, depending on the business, the industry, and the competitive climate (insurance brokerage organizations by 50%, credit card institutions by 75% and branch deposit institutions by 85%) (Reichheld and Sasser, 1990)

### **So how can we foster the art of legendary customer service in Alaska?**

- Make customer service personal. Start with providing extraordinary service to one person a day
- Celebrate what you want more of. Be generous with rewards and thank you's
- Check out the resources of the International Customer Service Association (ICSA) at [www.icsa.com](http://www.icsa.com)
- Join the Anchorage Customer Service Association (ACSA). It's dedicated to promoting the development and awareness of the customer service profession through networking and education. The ACSA meets the second Thursday of every month and has 65 members and associate members representing 37 organizations. At \$10, including lunch, speaker, and hot tips on who provides incredible customer service, it's the best deal in town. For more information, call Carol Hart, CHA, CHE at (907) 230-3885.

So, are you looking for the best crème brûlée in Alaska? Ask your friends. If you're really lucky, they'll know Cathy.

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