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Satisfied Customers Are Not Good Enough

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CORNHUSKER ECONOMICS

University of Nebraska–Lincoln Extension

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Satisfied Customers Are Not Good Enough

Market Report	Yr Ago	4 Wks Ago	7/15/11
Livestock and Products, Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	$94.00	$110.53	$111.00
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	133.68	146.62	162.88
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	118.43	136.39	147.55
Choice Boxed Beef, 600-750 lb. Carcass	154.04	172.57	180.86
Western Corn Belt Base Hog Price Carcass, Negotiated	74.53	94.66	93.18
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	81.76	93.03	98.85
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct	135.25	207.62	196.00
National Carcass Lamb Cutout, FOB	309.24	405.72	400.63
Crops, Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	4.34	6.99	6.71
Corn, No. 2, Yellow Omaha, bu.	3.61	6.90	7.34
Soybeans, No. 1, Yellow Omaha, bu.	10.09	13.33	13.86
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	5.98	11.07	11.80
Oats, No. 2, Heavy Minneapolis, MN , bu.	2.67	3.58	3.70
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	150.00	140.00	175.00
Alfalfa, Large Rounds, Good Platte Valley, ton.	75.00	87.50	135.00
Grass Hay, Large Rounds, Good Nebraska, ton.	75.50	72.50	72.50
Dried Distillers Grains, 10% Moisture, Nebraska Average.	87.50	202.50	200.50
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.	31.50	67.50	72.50

*No Market

There used to be a time when all a business wanted were satisfied customers. Having satisfied customers ***was*** seen as the pinnacle of success. But today it appears that is not the case.

With everyone wanting to take their business to "the next level," it is no surprise that businesses, especially in the service and sales area, are looking for new ways to take their satisfied customers and transform them into passionate advocates.

Are you rolling your eyes at the term, "passionate advocate"? You shouldn't be. Everyone has seen them …. you may even be one! They are everywhere - they might be an advocate for a vendor at a local farmers market, a local bank, a retail chain such as Nordstroms or even Wal-Mart. The type or size of the business does not matter. What does matter, according to the book *Human Sigma,* by J. H. Fleming and J. Asplund (2007), is that they are an emotionally engaged customer.

Why should businesses be so interested in creating and retaining emotionally engaged customers? Based on Gallup's research, which has touched 10 million employees and customers from around the globe, it boils down to return on investment (ROI). The Gallup organization looked at customers in several business sectors: international private banking, international lodging and hospitality, U.S. retailing and global business-to-business cargo shipping. Then these same customers were divided into three categories: emotional advocates (those that were passionate about the business); rational advocates (those that used the business but merely talked about it); and non-advocates (those that did not regularly use the business). "The emotional advocates delivered significantly enhanced business results when compared to their rational

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counterparts" (*Human Sigma*, pg. 83). Or more simply stated, it was the emotional advocate group that generated the most income.

What might be the most surprising aspect of the research is that the rational advocates and the non-advocates generally did not differ on many of the key financial measures, such as number of visits or total dollars spent.

So How Does My Business Create "Emotionally Engaged Customers"?

If a business owner wants to develop these passionate customers they need to positively orchestrate and support the moments where employees interact with customers. Fleming and Asplund provide convincing evidence that the implementation of five key operating rules is one way to bring excellence to the employee-customer encounters.

Rule #1 – The employee and customer experience should be managed together within an organization, not as separate entities.

Typically, employees are managed by human resource departments and the customer experience by operations departments. Great customer care should be linked to great employee performance. Having them linked together creates a streamlined feedback system for the employee. If improvements are needed, an employee sees the effects of the change by linking it to customer interactions.

Rule #2 - Feelings are facts.

Emotions drive the employee-customer encounter. How a person perceives a situation determines how they will react to it. Taking opportunities to positively manage customer perceptions can pay large dividends.

Rule #3 – Think globally, measure and act loyally.

The strength of the employee-customer relationship will ultimately make or break a business. This relationship is core to the overall business mission. However, each business location is unique and needs to be measured and examined individually. If you want to positively reinforce the employee-customer interaction within your organization, feedback needs to take place at the site level where the interaction takes place.

Rule #4 – Integrate current employee performance measurements into a simple system focused on outcomes, not "how to" processes.

There are a lot of ways for people to get from point A to point B. Businesses typically stifle employee creativity and the ability to interact positively with customers when the business limits flexibility. When the outcome, not the process is the end result, more options become available to the employee.

Rule #5 – If you pray for potatoes, you'd better grab a hoe.

In other words, good intentions are not enough when it comes to developing an organizational plan of action. Improvements in the employee-customer encounter need a system-wide commitment that encourages the recruitment and hiring of the right employee for the role, careful positioning within the team environment and opportunities for reward and recognition.

Positively managing the moments when employees interact with customers can be one of the hardest business challenges of today. New thinking on ways to create and retain the coveted emotionally engaged customer should to be a part of every organization's strategic action plan.

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