

Overview: Customer Focus and Customer Relations

This paper summarizes the "customer focus" approach to business management, and has links to various resources about customer focus. Other terms that mean about the same thing as customer focus are "customer-centric," "customer-driven," "customer relations" and simply "customer service."

What is customer focus?

Customer focus is a management philosophy and way of doing business that is a key to growth and profitability. The idea behind "Customer focus" is that your company must understand what your customers want, and provide it to them at an attractive price. Yes, that's Marketing 101, but it remains a fact that nearly all companies have a long way to go before they master this approach.

Business empires have been built by those who HAVE mastered the customer focus philosophy. For example, [FedEx](#) created a new class of service - overnight air delivery because people wanted faster deliveries at reasonable prices. [Nordstrom](#) was built on exceptional service. The first of [Home Depot's](#) core values is "Excellent customer service. Doing whatever it takes to build customer loyalty." Reliable air service five or ten times a day to your destination city at very low prices - that would be [Southwest Airlines](#) earning profits while its competitors lose billions.

Who is trying the customer focus approach now?

Everyone is trying this approach. There are very few CEOs who would not put customer service and customer satisfaction among the top company priorities. In the past few years companies have spent more on customer relationship management software and services (CRM) than any other IT investment. Yet according to the [American Customer Satisfaction Index](#), customer satisfaction is lower than it was in the mid 1990's.

Why is this so challenging?

When we think of customer service we tend to think of our own personal interactions with businesses, where we want a helpful, courteous customer service person with the right product knowledge, who is empowered to take care of our needs. But this solution is very expensive. Just getting the right information to front line people is a major challenge in large organizations. Training is another major expense. And many companies have cut back on staffing or attempted to automate some functions to raise productivity. The result is one or more of the three key ingredients (helpful person available, right information, able to help) becomes the weak link in the chain. To get all three right takes a major commitment in larger companies, and CRM initiatives fail without that commitment. There is a lot of information about this at CRMguru.com.

So what else goes wrong?

Actually, there IS something else that goes wrong. Other programs may masquerade as customer focus. They're the efforts to cross-sell and up-sell based on the customer's past or current behavior. You get a new credit card and they ask if you'd also like a loan. You order a shirt and they try to also sell you a tie. These so-called "personalization" programs PUSH products at the customer rather than providing a favorable purchase and use experience that reinforces a positive brand image and PULLS customers back.

Customer focus means providing value. It's exactly the opposite of the nightly TV news teasers before commercial breaks that say, "What will the weather be like this weekend? We'll let you know in a few minutes", instead of "Nice weather this weekend. See the weather segment in a few minutes." Customer focus means treating customers the way you would like to be treated. Use every second of your "airtime" to deliver all the value you can. Don't alienate the majority in an effort to manipulate a few. Treat all customers with respect.

What CAN companies do to improve customer focus and customer service?

Solutions fall into these categories: CRM, training, hiring/re-staffing, process redesign, and product redesign to reduce problems or add convenience. The challenging goal is to cost-effectively provide a uniformly high quality purchase and use experience that customers value. This requires managing all the touchpoints that your product, service or brand has with the customer.

In order to manage these touchpoints you and your colleagues need to understand (1) what problem or problems customers are solving when they use your product, service, or brand, and (2) how satisfied customers are with your performance in each touchpoint area. For measuring touchpoints see our [measurement services](#), especially measuring [customer service](#) performance. It is also very helpful to measure your key competitors' customers, as this provides relevant benchmarks. Use the results of these measures to set improvement priorities and to track the impact of past improvement projects. Done on an ongoing basis, this creates a continuous feedback loop that allows managed improvement and creates competitive advantage. Learn more from [CRM books](#) at our website.

What more specific management tools does customer focus lead to?

Customer focus is the big picture. When it comes to implementing improvements in customer service and business processes the area of customer satisfaction and loyalty comes into play. Also, branding plays a major role in presenting the customer focused company to its customers.

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