

Thinking Like a Customer – Using Lessons from Wal-Mart®

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Ever wonder why companies like Wal-Mart® continue to grow at astronomical rates while companies like Sears and J.C. Penny, who have been in business for over 100 years, continue to struggle to hold market share? One key is thinking like a customer.

Wal-Mart® does extensive and ongoing research and analysis on products it offers. In a recent television documentary on the company, one senior representative talked of how they share inventory software with suppliers so that both can have up-to-date analysis of sales of a particular product by store. At any given time, suppliers can check to see how a product is selling nationwide and in a region on any particular day. This timely updating of information allows suppliers to produce and maintain sufficient levels of products to meet the demands of Wal-Mart® and other customers. This out-of-the-box thinking about fulfillment and inventory is why customers are normally able to get the most current products in a short time through this marketing behemoth. Wal-Mart® also looks at how customers prefer to shop and what they need from a convenience standpoint. This has led to online shopping, 24/7 store access, and the Super Center concept in which retail, pharmacy, and grocery functions are combined along with franchises such as optical, hair and nail care, photography studios, and MacDonald's restaurants. In addition, the stores offer jewelry, horticulture, electronics, automotive maintenance, and deli features. They truly are offering a one-stop opportunity for customers at reduced prices. This convenience, functionality, and magnitude of products and service are making it extremely difficult for other companies to compete and survive.

Of course there are downsides due to the powerhouse size of Wal-Mart®. Many customers are turned off by having to deal with parking lots that stretch for acres and endless customer service and check-out lines at virtually any time of day. In many parts of the country, there have been actual consumer rebellions and backlashes when stores have attempted to open because many small business owners typically go out of business as a result.

So how do you, as a service provider in a smaller organization, implement the Wal-Mart® strategy for effective customer service and more effectively compete against competition? The answer is simple – think like your customers. While you may not be in retail, a for-profit organization, or a large company, the concepts of Wal-Mart® can be boiled down to several simple strategies:

View your organization from your customer's perspective. No matter what product(s) or service(s) that you provide, ask the question, "Why do my customers need our products or services?" Once you determine that, you can start to focus on ways to make them more attractive to your customers.

Communicate benefits and not features to customers. This strategy has been used by effective sales people for decades. Customers do not care that you offer twenty-five

different colors, four sizes, three optional accessories, and a special bonus feature to your gizmo. They want to know how your gizmo will satisfy their needs, make their lives easier, save them money (put this in numbers to make it more real to them), and help reduce their stress levels because they are overburdened with life tasks. If you can tell customers these things and more, you are on your way to personalizing your product or services to you're their needs. In doing this, you are also on you way to competing with Wal-Mart and the other big organizations that have far larger marketing and sales budgets than your organization does.

If you work in a non-profit or service industry (e.g. a homeless shelter or medical office), you have the added challenge of dealing with people who are already emotionally charged and who may be in some sort of pain or distress. This means that your need for compassion and understanding are essential in appropriate service delivery. It does not mean that you are helpless to compete. In addition to the above suggestions, the next tip is especially important for you.

Create a “can do” atmosphere. Customers do not care what you cannot do due related to policy, procedure, lack of training, technology breakdowns or delays, or poor management. They DO care about what you say or do when interacting with them. Always focus on the positive aspects of any situation and strive to help resolve a customer need or issue expediently. For example, if you are out of a specific product they want, apologize and offer suggestions about any alternatives that will do the same or similar thing. At least inform them when the product will be available and what YOU will do to make sure they get it in a timely fashion. Again, think of how you would feel in a similar situation and what you would possibly expect a service provider to do. Certainly some customers have realistic expectations, but that does not mean that you assume the worst from each person with whom you come into contact and just give up. Be positive, professional and upbeat in your customer interactions (even negative ones); your reputation and that of your organization rest on your shoulders.

No matter what organization that you work for, you have customers (internal or external) and they have specific needs. As a professional, your real choice is how to you meet those needs.

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