

On the horns of a dilemma – exceeding customer expectations

I have never been a great fan of mission statements, especially those that incorporate that cliché, “exceeding our customers’ expectations”. There is plenty of evidence- including that from our own Customer Feedback Surveys – that confirms that exceeding your customers’ expectations is a two edged sword.

When in the late 80’s and early 90’s, Australia got religion and started to seriously address the issue of customer service, there was a stream of US consultants talking and writing about customer service and the one company that featured in everyone’s repertoire of anecdotes was Nordstrom – the US department store.

Stories abounded – of the lady Nordstrom flew from the East to the West coast of the States so that she could shop at her favourite store – of the assistant who made up the difference between \$10.00 and the cost of a dressing gown a child wanted to buy her Mother for Mother’s Day – and of the manager who forwarded a customer’s suit by Federal Express 2000 kms to a convention that the customer was attending after failing to complete the alterations requested by the date given - these stories and more added to the legend of Nordstrom’s customer service. It got to the stage where if you were travelling in the States and went to a Nordstrom store, you were half expecting to be personally greeted by the manager with a Vegemite sandwich or the resident pianist striking up Waltzing Matilda in your honour.

The problem is that if you consistently exceed your customers’ expectations, your customers quickly adjust their expectations to the new level that you have set.

Our feedback surveys show that adjectives to describe our client’s performance such as consistent, reliable, flexible and professional are preferred to ones such as exceptional, outstanding, extraordinary. If your business is described in these latter terms then the one thing that we can guarantee is that you will not be able to sustain such performance – repeat surveys where the Customer Satisfaction Index remains above 80% are rare indeed. What the customer judged as outstanding one year will be perceived as nothing out of the ordinary the next and rated accordingly. It’s what we call “Expectation creep”.

No – what your customers are looking for is predictability – that you always deliver at 10.00am on Wednesdays - that you never make promises or commitments that you subsequently don’t fulfil. Don’t get me wrong – I’m not saying that you don’t occasionally perform a small miracle of customer service - but you never allow such acts to be perceived as the new norm.

One of the key managerial roles these days is the management of customer expectations and no one does it better than McDonald’s. No one expects a gastronomic experience when they visit McDonald’s, no one expects silver service – hell, we don’t even expect a plate or a knife and fork. But what we

have come to expect that if we eat in a McDonald's in Melbourne, Minneapolis or Manchester then there will be very little, apart from the accents, to tell them apart. To me the key to McDonald's success is dependability – you are never going to be delighted, but you are never going to be disappointed either. You get just what you have come to expect – no more, no less.

It is just the same with a small business like mine. I always give clients a completion time for a survey and on the odd occasion when I have been able to present the report ahead of schedule, I'm not aware that the client was in raptures over this achievement.

Tom Peters summed up the situation with the formula:

$$CP = \frac{D}{E} = \frac{1}{1}$$

Where CP - Customer Perceptions - are a factor of Delivery over Expectations. The challenge is to keep D at the same value as E and E at a level that you can economically and consistently meet.

Do you meet, fall short or exceed your customers' expectations? If you don't know, why not find out?

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September 2003