1-8-2013

Customer Service and Innovation are Key Today

USU Jon M. Huntsman School of Business

Eric Schulz  
*Utah State University*

Follow this and additional works at: https://digitalcommons.usu.edu/huntsman_news

Part of the Business Commons

**Recommended Citation**

https://digitalcommons.usu.edu/huntsman_news/153

This Book is brought to you for free and open access by the Colleges at DigitalCommons@USU. It has been accepted for inclusion in Jon M. Huntsman School of Business News Collection by an authorized administrator of DigitalCommons@USU. For more information, please contact digitalcommons@usu.edu.
Customer Service and Innovation are Key Today

Huntsman Post

Customer Service and Innovation are Key Today

Editor's note: Eric Schulz can draw from his marketing experience at Procter & Gamble, Disney, Coca-Cola, and several other major companies. Today he shares some insight on the importance of customer service and innovation.

By Eric Schulz, senior lecturer and co-director of strategic marketing and brand management

Just about every company pays lip service to “the customer is king” philosophy, but nobody does it as well as Disney. The sign over the entrance to Disneyland Park says, “The Happiest Place on Earth,” but how does Disney make good on that promise?

By empowering each and every employee to fix any problem they encounter, right there on the spot. No “Let me get my supervisor;” no “let me check on that;” no “I’ll get back to you.” Every employee in the park is told if the customer has a problem, fix it immediately, and fix it to their delight! Is there any other company on the planet that does that? Why not?

When I worked at Disney, I was in awe of the amount of attention given to training in customer satisfaction. Several days were spent training each and every employee, and awards were given daily to “cast members” who demonstrated by their actions their commitment to pleasing the customers. Guess what the first training exercise focused on? Smiling!

Smiling = happy. Happy = fun. Fun = Disney. The Mastercard commercial that ran this Christmas season mimicking the Disney Store with the smiling, bubbly clerk telling the tired mom, “Have a super sparkly day!” is a vintage example of Disney training.

Recently a study was done on companies that were trying to improve their bottom line, with some of the companies using cost-cutting strategies, while others focused on improved customer satisfaction. Guess what? The companies that showed higher profitability, growth in sales, and improved stock prices were all those that focused on improved customer satisfaction!

So is the answer to every business problem just training your staff to be Disneysque, with happy faces and an aim to please? That’s a good start. But another area to look at is your business itself – do you have a clearly articulated
value proposition and benefit you offer your customers, a highly desirable product or service, one that is superior in the marketplace? Do you have a spirit of innovation in your company DNA, and a desire for continual improvement?

At Procter & Gamble, one of the key performance criteria used in annual reviews is in measuring the employee’s “healthy dissatisfaction for the status quo.” P&G found that the people who make a difference are the ones who are never satisfied, who are always seeking to improve how their products perform, improving packaging, advertising, etc.

There is a model used in marketing called “the product life cycle,” which holds that all products grow, peak, then slowly die. This model is true if you just stand still, but companies and products that innovate have shown that you can “restart” the life cycle time and time again through innovations that delight your customer. If ever there were a product that in the product life cycle model should have died decades ago, it would be Tide detergent. Born in 1946, Tide has introduced 61 product innovations in the past 67 years, from liquid Tide to Tide with bleach, Tide Pods, Tide with Downy, Tide with Act-Lift, Tide with Febreze … the list goes on and on. And the brand has grown time and time again, now commanding an overpowering 41% share of the detergent category, generating more than $3 billion in annual sales!

Delight your customers both in your attention to customer satisfaction as well as in the performance of your products and services. Courage is to change when you don’t have to. Can you offer a product improvement? What kind of company would take its best selling products and every year discontinue them to introduce a product upgrade? Who would do that? Apple, that’s who, the highest valued company on the planet. Every year it takes its best-selling products and makes them better, and its customers are delighted to toss away their old iPhone and go grab the new version—or the new iPad or the new Mac Pro. Do things that your competition cannot, will not, or does not want to offer. Innovate and give your customers the best products and services available in the marketplace, and do it with a smile!