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# **Recession? Steal Market Share Through Increased Customer Service!**

(Version 2)

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## Recession? Steal Market Share Through Increased Customer Service!

Mindshare Technologies, the leading provider of real-time, automated customer feedback solutions weighed in today with the following point of view on how service companies can weather a recession.

### What not to do during a recession

Do not follow the cost-cutting crowd (e.g. those who cut not only “corporate fat” but also “muscle”). Of course, now is the time to be frugal, but be frugal in areas that don’t touch the customer. Forget what everyone else is doing. Now is not the time to follow the masses. Now is the time to make difficult decisions that will poise your company for unprecedented growth coming out of the downturn.

But you may feel lonely in your decisions. Have you ever noticed that many of the big winners in business were willing to make bets that ran counter to the prevailing wisdom of the time? There are countless success stories of leaders who “zigged” when everyone else “zagged.”

If you lead any kind of service business, the conditions are ripe for you to be the next big winner emerging from the current economic stall.

Here’s how:

- 1) Think and act for the long term
- 2) Increase all things “customer”
- 3) Fight the temptation to cut – maybe even spend more

### 1) Think and act for the long term

One definition of “sacrifice” is “giving up something good now for something better later.” If your mindset is short-term, you might as well stop reading right now. Anyone can temporarily improve profits in the short term by cutting costs and reducing services. If you do, you might even weather the economic storm, but you’ll lose your customer’s loyalty in the long term. Want to win big in the end? There’s a good chance you might have to suffer financially for a quarter or two. You will need to have guts and a belief that winning the customer service battle now will pay off in spades later.

But this is not just some pipe dream. ***This is a strategy founded on strong economic principles.*** You see, the cost of losing your customers and the cost of acquiring new ones surely outweigh the costs of keeping existing customers happy and loyal. The long-term ROI leans strongly in favor of a customer-service strategy during a downturn, but for some reason, it just doesn’t “feel” right. Shouldn’t we all be cost-cutting our way out of this downturn? That’s probably what many of your peers will do. But you won’t – because you want to win. So, gather up your courage and exert the intestinal fortitude required to fight others’ perception that you are “over spending” on service.

### 2) Increase all things “customer”

Here’s your chance to really stand out from the crowd. As the economy tightens up, hold fast to your services and your per-capita customer service spending. Be the business where a customer can actually get served quickly. Have the call center with the shortest “on hold” wait times. Let your business be the one that doesn’t skimp on portion sizes, quality ingredients, packaging materials, or

add-ons. Be the business that surveys customers on service satisfaction and continuously improves based on customer feedback. Let your business be known for urgency, responsiveness, and quality.

### **3) Fight the temptation to cut. Maybe even spend more**

Prepare yourself. You're going to be tempted to cut. You'll find yourself saying, "I wonder if we can get by with one less staff member," or "Maybe the customer won't notice these inferior raw materials," or "Everyone else is cutting service..." Don't do it. Don't cave into the temptation of mediocrity. Don't make the popular, but absolutely wrong choice. Re-read numbers's 1 and 2 above.

Fabulous business success stories are rarely "written" during prosperous times. Most are forged during economic downturns where courageous leaders make disciplined decisions that often run counter to what everyone else is doing. Do you want your company to come out of this economic stall in the lead? Then have the courage to make tough decisions now, and increase, not decrease, your attention and your resources on customers: product execution, service delivery, and satisfaction measurement. You'll be glad you did.

This is how I see it.

#### **About Richard D. Hanks and Mindshare**

**Richard D. Hanks** is the President of **Mindshare Technologies**, a leading provider of real-time, automated customer and employee feedback solutions. His experience spans multiple industries and disciplines, including many years as an adjunct professor at Cornell. He is an author and frequent teacher/speaker at trade, academic, and professional gatherings. Mindshare's business monitoring tools help companies improve operational excellence and minimize customer attrition through personal customer involvement. Mindshare's proprietary survey technology captures the voice of the customer in real-time and immediately transforms it into actionable intelligence through powerful enterprise reporting. As a hosted system, Mindshare is affordable and flexible, with surveys and reports tailored to fit a company's individual needs. For more information please visit: [www.mshare.net](http://www.mshare.net). To reach Rich directly, contact him at [rhanks@mshare.net](mailto:rhanks@mshare.net) or (801) 263-2333.