

The \$517,000 Customer

As you have seen, I believe in manners, saying please and thank you, sir and ma'am. Is there a payoff in being polite? In having a nice showroom? In treating people with respect? You bet. In the long run, we will do more business because we take care of our customers and their problems.

Will this way of doing business appeal to everybody?

No.

Are there people who are always going to be looking for the last dollar?

Yes.

That kind of person might enjoy going to Sears and buying his own oil filter, and then going to K Mart to get the oil on special. Then, convinced he has saved seven whole dollars, he happily crawls under his car and changes the oil and filter himself. He'll beat our price, but he'll spend three hours doing it.

How much could a person spend with you in the course of a lifetime? That's the question we ask every time we meet with a customer. You don't want to deal with somebody just once; you want his business forever. We don't want to sell a customer just one car, but ten or twenty in coming years.

Are we going to make an extra effort for someone who might buy twenty cars from us? You bet.

But most people have better things to do with their time than spend three hours changing their oil. They want as much hassle as

possible removed from their lives. When they shop, they want a pleasant environment, and we want to give it to them, not because we want to sell them one automobile, but so that we have a chance to sell them ten or twenty. That's the number of cars they'll buy in a lifetime, and it adds up to a lot of money. If cars are \$35,000 apiece, 12 cost \$420,000. Then you have the parts and service work that go on top of it. It adds up to a substantial number, in our case \$517,000. Every time you get a chance to sell a customer one item—be it a pack of gum or a car—you need to think about how much he represents in future business.

There is also the rock-in-the-pool theory to explain why you should treat customers this way. When we do a real good job for customers, they tell their friends. That word-of-mouth advertising is stronger than anything we can do on television. In fact our advertising line is, "Ask the person who drives one." If people will ask our customers about what it's like to do business with us, we have a much better chance of getting them to become customers themselves.

And every car we can sell to a friend represents another potential \$517,000 in business.

So you can see that, while I truly believe in treating customers as you would a spouse, parent, or friend, it's not all altruism. We are all motivated by self-interest. We do think about "What's in it for me?" And if we treat people in a positive, comfortable way, we're going to do more business than if we rough them up and bounce them around. The folks who feel comfortable roughing them up don't care if the customer comes back.

Now there are places like Sears, where, when you walk in the door, you know not to expect a lot of service. You're there for one reason, and that's price. But that's not why we're in business. We're trying to provide a warm, enjoyable experience, like going to a fine hotel. You're willing to pay a little more because they treat you so nice, and there's that piece of chocolate on the pillow, and the shower is not two drops a minute but comes out full force when you turn it on, and the towels are big and fluffy.

The cost of providing this kind of environment adds to our

cost—but it also adds to our volume. So, while our margins are not as great as some people's, the money we take to the bank is. Why? Because we take care of our customers, and they come back and bring their friends. As a result, we think we'll be in business for a long, long time.

CHECKLIST

- *Don't play them one at a time.* Don't look at customers as people who make a purchase and then disappear forever. Do everything in your power to make the first experience of dealing with you—and every subsequent one—as pleasant as possible. If you do, they'll come back. If you need to be motivated, think about all the money that customer could spend with you in the course of a lifetime.
- *Keep score.* You should know who your \$517,000 customers are and treat them accordingly. While you are going to be nice to everybody, these people should get extra attention. They should never have to wait—or want—for anything.
- *What are you really selling?* Most people are buying solutions, not products. And often they'll be happy to trade money for (more) time.