

# Customer Satisfaction

## *The Elusive Goal*

Customers are people. Sure you already know that, but have you considered what it would be like if customers were a raw material that could be ordered, like lumber, bricks, or drywall?

"Hello, send us 107 new home buyers with incomes between \$75,000 and \$135,000, one or two children each, maybe a pet or two. Also, we need the ones with reasonable expectations this time; not like that last batch--they all wanted perfection! And please, don't back order anyone this time. It destroys our scheduling."

Fortunately or unfortunately, customers are not like lumber, bricks, or drywall. You must attract them with advertising (usually expensive, with unpredictable results), convince them to buy and then satisfy their expectations with the new homes you deliver.

However, customers who turn into buyers who turn into owners can do something for you that lumber, bricks, and drywall cannot: They can walk around telling other potential buyers what it's like to do business with your company, what it's like to live in one of your homes.

As a matter of fact, they are going to do exactly that--whether you want them to or not. Especially or not: An angry frustrated, disappointed owner will tell a dozen or more people how awful everything is. Each time the story is repeated your company's reputation gets a little more tarnished. This is not good for business.

How does a home builder (in a business for which exchanges and refunds are not especially practical) avoid this and achieve the elusive goal of customer satisfaction? It would be easy if it were not for the necessity of keeping some degree of control. Just do anything the buyer wants, forever. This is ok if you do not want to make any money or stay in business too long.

Assuming that is not the case, let's take a fresh look at this situation. What *is* a satisfied customer? How can you create satisfied customers?

## Expectations & Perceptions

First recognize that the products, the new homes, are *not* at the center of this issue. There is no price level, no specified number of square feet, no magic combination of features that will automatically result in a satisfied customer.

The first time buyer of a \$109,000 one bedroom condominium with no garage can be one of the biggest fans your company ever had. So can the family of six in the five bedroom 4800 square foot custom home with two wet bars, a three-car attached garage, solarium, and top of the line kitchen appliances. At the same time either of them might also become disgruntled, picket your models, appear on a local TV consumer activist programs or retain an attorney to resolve complaints. It can go either way regardless of price product or features.

The fact is, satisfaction is in the *mind* of the customer. The potential customer walks in the door with a set of expectations. These expectations are the heart of the matter. They are central to the entire relationship you have with that buyer and they have accumulated over the years--evolving, developing, and in some cases fermenting.

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Everyone who comes in to buy a home has lived somewhere else, usually several somewhere else. He has liked and disliked certain things in each home. His friends and relatives have also lived in homes with features this customer noticed and "collected" into his own mental scrapbook of housing dreams and nightmares. Add vacation travel, television and movies, magazines, and the Internet as additional sources of ideas that define a good home. Buyers want to duplicate all the good things experienced, eliminate any negative factors, meet current family size and lifestyle needs and do all of this at a price they can afford. *Buyer expectations* comprise this accumulation of details.

Given this perspective, it is easy to understand why customer satisfaction is such an elusive goal, as much a matter of perception and interpretation as it is fact. Satisfaction is not in the product; it is in the interaction of the buyer's expectations with your product and processes.

## Brutally Honest Self-Evaluation

Complete control of this interaction is beyond your reach. However, you can and should influence much of it. Begin by stepping back and reviewing your company's processes from the buyer's first visit through the warranty period.

### ***Documents***

Line up all the documents (included in "documents" are your show homes) that inform the buyer of what your product is and how your process works.

Where are the gaps in information? Contradictions? Areas where misinterpretations can occur? If two interpretations are possible, is there any doubt the buyer will select the one that benefits him? (Would you be any different?) Often the selection, addition, or deletion of just one or two words can eliminate any misunderstandings.

For example, years ago before green building and energy efficiency were buzzwords, one builder supplied buyers with a "preconstruction data sheet" that specified the materials and products to be used in building the home. For years this listing included "double pane, insulated windows." This was true, with the exception of the basement windows; those were single pane.

After debating this issue with two different buyers within four months, the builder wisely changed the description to "double pane insulated windows *in finished areas of the home*". This is more accurate and no further arguments occurred.

Look for potential problems and deal with them instead of hoping they will not come up. The criteria include, "Are we being *fair and honest* with our customer? Is our presentation of our product *accurate and complete*?" When you inform the customer clearly and comprehensively what he is buying, you have the beginning of customer satisfaction. This framework of forthright information acts as a screening tool—buyers for whom your product or process holds no promise of success are likely to purchase elsewhere.

### ***Processes***

Review each step in the process of purchasing one of your homes. Who does the buyer deal with? Where can he go with questions? Is getting the answer to a question a complicated, confusing circus that leads to the classic complaint, "They're really giving me the runaround"?

In many cases, the buyer deals directly with his salesperson throughout the process up to the time of closing. How long does it take for the salesperson to get answers? Are they the right answers?

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Pity the salesperson who is supplied with assumptions or guesses and has to face an angry buyer when the real answer comes out, as it inevitably will.

Streamline your system as much as possible, not because buyers are stupid or lazy, but because they hate hassle and red tape. Go on an energetic search for any unnecessary obstacles and eliminate them whenever or wherever you can.

### ***Delivery***

Next, examine the product you deliver. Does it live up to your promises? This is no time to be easy on yourself. Is the product complete? Clean? On time? If you miss on any of the three questions, you are letting your customer down.

### ***After Move-In Service***

How do you treat customers after their move-in? Expectations about performance and service on warranty items are just as important as any of the other customer expectations you satisfy. The important point is that you *deliver what you tell the customer you will deliver*. If you promise service on warranty items within ten days and then take five weeks, homeowners are likely to express some disappointment.

When you accurately inform the buyer, then deliver the product and services you promise—complete and on time—customer satisfaction becomes much less elusive.