

SERVICE CHECK



Experts have a thing or two to say about the landscape industry's practices when it comes to customer service...and you're not going to like it. But hopefully, you'll learn from it.

John Tschohl has a passion for his yard. He resides in a tiny suburb of Minneapolis where the outdoor season is compacted into a short window of time. That's why he was particularly furious when he needed a new installation last summer and found the majority of landscapers on his list never returned his calls, and when they did, failed to follow through on scheduled appointments.

These landscapers picked the wrong guy to reckon with. Tschohl is no ordinary consumer. In fact, he's known as the guru of customer service and president and founder of Global Quality Institute, which coaches leading companies worldwide on customer service issues.

Tschohl's personal experience with landscapers, coupled with his own compelling research, makes him think the landscape industry is for the most part "clueless" when it comes to customer service standards. Tschohl can only rant, and certainly not rave, about this industry. "I am convinced most landscapers don't want more business," he says. "Why? Because they are not customer-driven. That's precisely why they don't get the volume of business they want."

Tschohl believes landscapers haven't quite yet made the paradigm shift from the heady times when customers were falling out of the trees to the current economy where customers are hiding in the trees. He also believes most landscapers are still taking care of themselves rather than their customers. "Until landscapers understand they are first a customer service company and second a landscaping company, they don't stand a chance," he says.

Tschohl is not alone in his thinking. And landscape contractors are feeling it – according to *Lawn & Landscape* research, 58 percent of contractors say their customers are more critical of their service in this recession. Some customers and customer service experts think landscape businesses have a long way to go in securing and hanging on to customers during this extreme economic downturn.

THE CUTBACK CHALLENGE. "To make matters worse, customers are also in a "nitty" mood," according to Laurie Brown, a Detroit-based speaker, author and trainer on improving sales, customer service and presentation skills. It's so easy in this economy for customers to say: "I don't have to go with your published list of services. If you don't accommodate me with exactly what I want, I'll just go somewhere else."

Sixty-three percent of landscape contractors report their customers are feeling more apprehensive and concerned about spending money on landscape and lawn care services this year while only 30 percent say customer mood is the same as they've seen in previous years, according to *Lawn & Landscape* research.

"In times of economic struggles, it's a matter of what do consumers give up," adds Michael McCall, marketing/law professor with specialties in marketing strategy and consumer behavior at Ithaca College. "When consumers are stressed economically, they have to make choices. He says in this recession consumers are already in the second tier of things to give up – services people believe they can do themselves even though it takes their time – and that includes landscaping.

Bill S., an IT consultant and landscape customer based in Atlanta, is doing just that. Over the years, he has hired a landscape service to take care of his yard maintenance. This year, he and his wife are for the first time planting their own flower beds, edging and foregoing half of their fertilizing applications even though they have less leisure time. "I am fortunate my business hasn't been affected yet," he says on Yelp.com (a geo-specific Web site for service provider reviews), "but we're taking the necessary steps just in case things sour on us."

Matt Noon, co-owner of Boston-based Noon Lawn & Landscape, is seeing the same worries and concerns with his customers. "Our wealthy clients are recoiling, pulling back on everything. We are dealing with more cancellations. We find the more confident and wealthy our clients are, the more they use the economic climate as an excuse to get out of services such as lawn maintenance."

If customers are cutting back on landscape services, large design/build projects are getting cut most, with 57 percent of contractors reporting, followed by extra services like aeration (44 percent), then small design/build projects (36 percent) and then chemical lawn care services (32 percent), Lawn & Landscape statistics show.

"We have experienced customers cutting back on frequency of fertilizer applications and dropping enhancements such as lawn seeding and seasonal garden color installations," shares Rob Schucker, owner of R & S Landscaping in New Jersey's Bergen County area, adding that he finds his company's customer retention is good, but cutbacks of services are higher this year.

"Everyone is trying to save money," says Brown. "Small businesses have to acknowledge this and not fight it. If your customer knows you are trying to save them money, you will gain their loyalty. Give them choices. Offer various packages and plan on them picking the one in the middle."

Noon finds this recession is requiring a lot more of his staff's time to sit down and educate his customers. "My sales managers have to act like managers of 401(k)s. We find it helpful to explain to our customers that if they stop fertilizing and weeding all together, just like if they divest their money in the stock market, it will take three to four years to gain what may be their only remaining investment back, which is their lawn. We didn't have to do too much of that before."

"It's up to us to educate our customers about the fact that maintaining a good lawn is not in that frivolous category," says Todd Reinhart, owner of Reinhart Grounds Maintenance in Bloomington, Ill. "We know many of our clients are down to their last investment – their home. So we get them to recognize that a good lawn is part of increasing the value of their investment."

GET CLOSER. Experts say now is prime time for small businesses to keep in close touch with their customers. "Since 2004 when the economy was booming, many small businesses weren't able to go back to fallen away customers," says Kate Zabriskie, founder of Business Training Works, a Washington-based business training firm with clients worldwide. "Now, with the slower economy, it's a good time to re-visit them."

Pamela B., San Francisco, awarded a second installation to one of her several contractors because he was the only one who kept in touch with her. "Even when he was done with the garden patio installation, he kept calling me and furnishing me with his observations on how the garden was doing, offering suggestions on what I could do myself to improve upon it, and even stopped over a few times to deadhead and edge for free. When it came time for a second installation, it was a no-brainer."

Unfortunately, a majority of landscape contractors – 72 percent – report they do not conduct annual customer surveys, and a majority 43 percent do not offer extras like holiday presents as thank-yous, e.g. poinsettias during the holidays or pumpkins around Halloween. However, most – 65 percent – realize customer service is more important in a down economy, and most – 64 percent – reward customers for referrals that turn into sales with either a future service discount (27 percent), a thank-you note (23 percent) or a gift certificate to a local establishment (13 percent).

Earthtones Landscaping Services in Atlanta is paying particular attention to valuing its long-term customers, too. "I'll throw in a few things like aeration that our loyal customers don't expect, and not charge for them," says owner Chris Eckl. "We might also blow roofs and clean gutters as a 'throw in' for loyal customers."

Earthtones also is much more sensitive to responding to customers. "We are getting back to their calls and concerns more quickly than ever before," says Eckl. They have also recently upgraded their Web site design to improve their customer service even though they are cutting back in other areas.

R & S Landscaping is now offering free consultations to identify how customers can reduce high maintenance aspects of their landscapes, such as identifying which plants require a higher amount of pesticides. "They appreciate this and will want to give you more business if they know you are looking out for their own best interest," says Schucker.

TRAIN FOR ATTITUDE – NOT JUST SKILL. Erin G., Plano, Texas, gave a scathing report on Yelp.com about her latest landscape maintenance company. "The owner and account manager seemed great on the phone, and had great credentials and creative renderings, but what a disappointment the crew turned out to be. They were dropping cigarette butts all over my driveway, put off when asked questions about plant care, and had no knowledge of the services on my contract other than the one they were working on that day. I would never rehire this company again based on their frontline."

Tschohl agrees landscaping requires a high degree of artistry and technique to remain competitive in a bad economy. "Sure, training for these two skills are very important, but most landscapers ignore the most important skills training of all – that of customer service."

Ninety percent of contractors report they train employees on customer service, but Tschohl thinks maybe that training could be more focused on customer interaction rather than task training. Customer service training must include all employees who have any interaction with a customer, Tschohl insists. "Ninety-nine percent of employees haven't been trained in customer service," he claims. "The mentality of the small business owner is: 'If I train this guy in customer service, he is going to be gone within a year anyway.' It doesn't matter how long they are with you or how low on the totem pole they may be. Customer service starts with the owner and extends down to the frontline employees. The myth is that everyone from birth understands customer service. It has to be taught."

DISCOUNTING NOT ALWAYS PAY DIRT. McCall cautions contractors to be careful with discounting prices – a tendency offered more generously in a down economy. "Once your customers become used to a lower price, it's then hard to raise it," he explains. "Put simply, most people associate price with value. If you lower your price, what does that say about value? Develop loyalty and rewards programs instead. Reward patronage ... this makes people feel special."

The landscape industry seems to be following suit on this suggestion. According to *Lawn & Landscape* research, 24 percent of contractors are standing by their prices, while 37 percent are working with customers to keep price but reduce total cost by reducing services. Only 20 percent of contractors said they have lowered prices this year to prevent the loss of a customer.

Zabriskie points out: "If you are a Cadillac, stay a Cadillac. If you are a Hyundai, stay a Hyundai. If you've never run discounts before because you are known for superior service and/or talent, don't all of sudden shift gears."

Experts do agree in a down economy it is imperative to negotiate more with customers one-on-one. "This may be a time to roll out a new program that allows pricing choices low enough for customers to still use you," Zabriskie suggests. "Offer more price points but make sure your customers know that if they are getting a cheaper deal, there will be something taken away from their usual package (i.e., taking longer to complete a service or no more lawn analysis after each fertilization)."

BAD ECONOMY IS ALL THE BUZZ. Customers are going to be talking a lot about the bad economy with their service providers for quite some time. And using it as an excuse to cut loose or not bite.

"Especially over the past six months, people have been in a daze," says McCall. "They are shell-shocked. There's a depressed, subdued feeling – a malaise lingering over us like a dark cloud."

Brown believes when customers talk about the bad economy, contractors may want to shut them down, but should not. "Look at this as an opportunity to get their business. Empathize with them. Turn it into a positive. This is an opening to offer them your solutions to their woes."

Zabriskie advises it's OK to play a therapist role to them. "Acknowledge what they've said. But what you don't want to do is match them with tales of woe about your own business. They need to know that your

company is solid; it won't be going away. It's OK to say something like: 'We've had to look at different ways to manage our business to weather the storm.' "

In this economy, Noon sometimes has to shake his customers out of their quandary. "We have to sit down with them and tell them that the world is not ending. There's still food on the table."

Schucker is convinced there is a ray of hope demonstrating the beginnings of an economic turnaround. "In the last couple of months, I'm finding customers are tired of waiting and finally signing contracts they've been sitting on for the past year. It could be the recent turn of events (like the stock market increase) is making them more confident about the economy."

Tschohl reminds landscapers that regardless of when the economy rebounds, they need to always place customer service first and foremost in their businesses.

"Keep looking at all policies and procedures that make things difficult for your customers," he says. "Just good service doesn't get anyone to talk about you. Stellar customer service is what gets them buzzing about you."