

Customer Service Legends

Setting Your Community Apart From the Pack

Most successful property management firms are continually looking for ways to increase their revenues and cut their costs. Those who have been in property management for a while usually have gained valuable experience, and have many tools at their disposal to help achieve these goals. But even if you operate the most ship-shape property on earth, is that really enough? Are you simply being efficient, without being effective as well? Many customer service experiences are below expectations, which opens up tremendous opportunity for the apartment community willing to kick it up a notch.

To be truly effective in the long-term success of your communities, one must go beyond the basics of running a tight ship. Ask yourself if you have overlooked a key tool that you can use to distinguish your company and your communities – Superior Customer Service. Superior Customer Service is the easiest way to distinguish yourself from other communities with similar amenities and services. Online research has shown that for the most part, people compare apples to apples when shopping for a community. This means that the tangible, physical product is likely the same at each property. Sure, one might have Pergo kitchen floors while the other has ceramic tile, but overall the product is similar. That leaves the intangibles as your primary sales “hook”. Focusing on customer service gives you the edge over your competition. Don’t think just about our industry. Think about names you know for their customer service culture - the true legends in their fields. Names that appear on most people lists include the Ritz-Carlton hotel corporation and Nordstrom Department Stores. Why not add the name of your management company to that list?

First let’s explore Ritz-Carlton. The chain’s motto is “we are ladies and gentlemen serving ladies and gentlemen”. Those of you who have been through a Ritz at some point are likely to remember all sorts of things – the amount of fresh

flowers for one, the amazingly helpful concierge, the fact that each employee will smile and greet you – not just the people behind the check-in desk. Each year, the executive management team devotes about one fourth of their time to quality related matters! The president of the company, prior to the opening of any new hotel, does the initial induction and quality training himself – to insure the Ritz-Carlton standards are understood, employed and embraced. The result of this is approach is that 97% of all guests have reported a “memorable experience” on customer service satisfaction surveys! 97%! Can you imagine? That is far better than just a satisfactory customer experience. It is results like these that have garnered Ritz-Carlton with a Malcolm Baldrige award for Quality – the only one ever given out in the hotel industry, and they have received it twice. That is why they have also grown to now operate 58 hotels across the United States and around the world and are many people’s first choice when it comes to upscale hotel accommodations. Okay, you are thinking that any organization that charges a minimum \$250 a night for a hotel room can afford to have great customer service – but it really has nothing to do with the charges. They have a customer service oriented culture. The hotel can be breathtakingly beautiful, the food sublime – but a poor employee attitude can quickly sour the experience. Let’s think of that philosophy in the context of the apartment industry, your management company in particular. Let’s say your communities are beautiful – with most of the top amenities that residents today are looking for. The competition is few and far between. But imagine a customer’s impression of your firm if every interaction with the management team, after the lease is signed, is a negative one? At least in the subconscious, the plan to move out at the expiration of their lease has already begun. One key point of the Ritz-Carlton strategy is that the employee who receives a complaint owns it and is empowered to resolve it. This means NO PASSING THE BUCK! This means that a leasing agent who takes a maintenance request doesn’t just write it down and forget about it. They repeat the problem to the resident, to be sure that they have the correct details. They empathize and communicate how this type of problem is handled and what to expect. They follow-up again once service has been performed to be sure that everything is in order. The saying “that’s not my problem” should never be heard at

your communities. Management companies who have put systems in place where one leasing agent, usually the low man on the totem pole, gathers together the prior weeks maintenance requests for a follow-up call are completely missing the point. Those calls mean nothing to the resident unless they are performed by the person who took the call in the first place.

Clothing retailer Nordstrom has had explosive growth throughout the past two decades primarily due to its' reputation for un-matched customer service. Especially in the crowded specialty goods market, where names such as Neiman-Marcus are famous for their lack of customer service as much as their prices, Nordstrom stands alone. The department store chain empowers its staff to do virtually anything it takes to ensure customer delight. Not just satisfaction, but customer delight! The staff exhibits an entrepreneurial spirit and develops outstanding people skills, and they each operate as self-motivating, self managing individuals where the good of the customer and the company are one in the same. A spectacular illustration of this spirit is this: A Nordstrom customer fell in love with a particular sweater that she wanted desperately. The store was out of the size 8 the woman requested. The sweater was made by a popular designer that the salesperson knew was also carried at Saks, just across the mall. The salesperson offered to locate the sweater at a Nordstrom store in another city and have it over-nighted to the customers' home. When the customer explained that she really wanted it to wear to a party that evening, the salesperson suggested the customer give her twenty minutes, continue her browsing and she would track her down shortly. In this time, the salesperson took cash from her sales drawer, went across the mall to the Saks Fifth Avenue and purchased the same sweater in the proper size 8. The sweater was priced higher at Saks, but the salesperson offered it to her customer at the same price as others in the Nordstrom store. So the company took the hit – but because this was such a perfect example of how to go above and beyond for a customer, this salesperson was not punished for this decision, but promoted to management. She runs a bay-area Nordstrom store today. So what can we learn from Nordstrom? Don't go buy all your residents sweaters in their size, although that may be a creative resident

retention idea. Do keep this in mind - companies that do everything the same way and do not react individually to their customers needs are not serving the customer, they are serving the company. This is not the way to create customer delight. To cope with the demands of a self-managed, self-motivating team of employees; those driven by customer need, a company must develop a plan of empowering individuals to use their best judgment at all times. The company has a series of “what-if” scenarios, intended to provide guidance on the types of things a Nordstrom associate can do in order to satisfy a customer. The store’s management team also excels at coaching it’s employees towards best practices in customer service. How many on-site property managers that you know possess this all-important ability to coach employees? Nordstrom believes this philosophy is in the interests of the greater whole. Customers benefit by receiving quick, efficient customer service and resolution to their problems. The staff at Nordstrom then becomes a consultant to the customer, someone who can create loyalty – rather than just another sales person. Good management, hands-on coaching, constant training and leadership coupled with good hiring practices allow this culture to thrive. Utilizing this strategy with your apartment professionals will finally fulfill the promise of the “leasing consultant” nametag.

You want your property and management company to be perceived as Nordstrom, not as Neiman-Marcus. So again, as with Ritz-Carlton, having each and every employee empowered to get things done, to insure customer delight, is how Nordstrom has achieved legendary status in customer service. There are many other lessons learned by these legends of customer service that can be applied to the property management industry. The trick is to not only think like a property manager or marketing director – but think like a customer service professional. Legendary management and customer service guru Peter Drucker, often studied in business schools, once said - “The most important thing to remember about any business is that there are no results inside its walls. The only result of a successful business is a satisfied customer”. But a satisfied customer is exactly that – satisfied. Going above satisfaction is what makes the customer delighted. Adapt ideas that

have worked in other industries, to use that tired old cliché “think outside the box”!
Uncovering these successful strategies and implementing them at your management company will insure your name will be on that list of customer service legends.



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