

What would you do if you knew what customers want from you?

By DR. LARRY COLE

Everybody talks about customer service for the obvious reason that you need customer loyalty to support your dealership. The looming question is: *Do you really know what customer service might mean?* This article is going to introduce you to the psychological motivators for dealership loyalty.

The concept of customer service has been with us since St. Benedictine (AD 480-547) wrote a manual on how people should be treated when visiting monasteries. He made two customer service points. The first is, “all arriving guests should be treated as Christ...” The second is “everyone should do whatever needs done for the guests.” These quotes are from *Excellence Wins* by Horst Schulze founder of Ritz Carlton. By the way, Schulze’s book is recommended reading.

Recommending Schulze’s book is not the reason for this article. WEDA’s Dealer Institute has started a research project to further understand the psychological motivators that contribute to customer loyalty. My son, Michael Cole, Ph.D., a professor at TCU, and I are the lead researchers along with Michael Piercy, vice president of dealer development for the Dealer Institute. Scott Magids, et al, listed 10 psychological variables in a November 2015 *Harvard Business Review* article, *The New Science of Customer Emotion*, that create high-valued customer partnerships. The research by Michael Cole, Michael Piercy and me is to determine the extent these 10 psychological variables contribute to dealership loyalty in the agricultural industry.

Examples of psychological motivators include

- respects my independence to select my dealership of choice
- treats my family and me like we are family
- recognizes me as a producer of tomorrow using progressive farming practices

You can see these questions are different than the typical customer satisfaction survey.

The methodology includes collecting data through an online survey. First, customers are asked how important each motivator is to the working relationship with the dealership. Second, participants are asked to quantify the degree of satisfaction the dealership is delivering with regard to each of the 10 variables. The dealer’s management structure is asked to do

the same. Additionally, the participating dealership has the opportunity to add questions. Lastly, we’ll collect demographic data to assist in the data analyses.

To date, two research projects have been completed – one each in Canada and the U.S. Both of the participating dealerships received an in-depth report comparing their customers’ perceptions vs. those of their management structure. This report highlights the motivators deemed important by their customers, thus providing the dealership a target to hit.

Ultimately, the design intends to answer two additional questions: Does color of the machinery make a difference? What role does geography have on psychological motivators?

The results at this point

At this writing, I can share some of the results we’ve learned in this article.

The first one centers on the difference between customers’ and employees’ perspectives. The bottom line is **an employee’s perceptions are more optimistic than their customers.** Let me be psychological with you for just a moment. All of us have a psychological makeup that filters what we see. The fact is each employee sees the dealership through a set of psychological filters that cloud their vision while customers use a completely different set of filters to examine their interactions with the dealership.

The bottom line is that instead of employees’ armchair theorizing what customers think, the better procedure is to ask the customer. Many industries are doing so, even airports and restaurants ask you to select a “smiley face” depicting real-time customer experience.

Two, the research shows that **the working relationship with the dealership is more important than brand loyalty.** I might add there is a difference in the strength of this finding between the two participating dealerships. Additional research is needed to determine if this finding is specific to the dealership, the color of equipment or the dealership’s geographical location.

Three, **the Net Promoter Score that is popular within the ag industry is also tabulated.** The concept of the NPS was introduced by Fred Reichheld in 1953 in a *Harvard Business Review* article, *The One Number You Need to Grow*. A challenge with the widespread use of NPS is the methodological differences that exist when

calculating a dealership’s NPS. The industry needs to standardize this methodology to provide a more meaningful data set.

Four, **the results to date are also showing several differences between the U.S. and Canada.** However, the two participating dealerships also sold different color machinery, meaning we’re not able to finalize conclusions at this point.

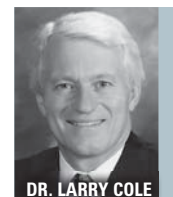
Stop and think about the importance of the subject matter of this article. The cliché is that customer service can be the differentiator between your competition and you. Consider the customer service impact your dealership can create if there is a specific psychological target to hit. As the Dealer Institute continues to learn about the psychological motivators contributing to dealer loyalty, then both the Dealer Institute and you would have the opportunity to implement the services to make customer service a differentiator for your dealership. That’s what the Dealer Institute is working to achieve in fulfillment of its mission: *To help our customers achieve operational excellence and long-term success.*

One last bit of information can be shared with you. Of the 10 psychological motivators that we’re researching, a couple of them are rated to be extremely important to farmers while three of them are not. Five of them make up the group between these two extremes.

Now the Dealer Institute needs your assistance.

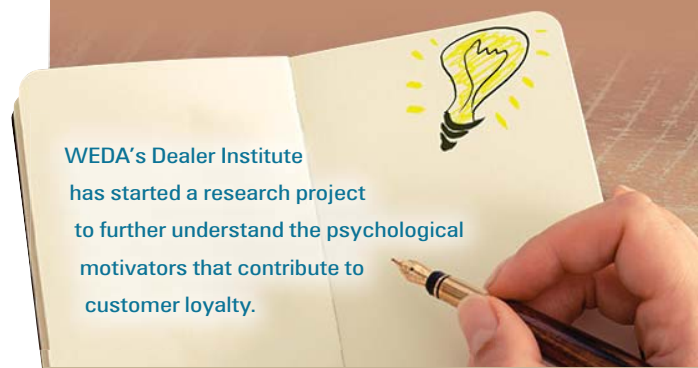
If you are interested to learn about how you can participate in this research project, write to Michael Piercy at mpiercy@westerneda.com or me, Larry Cole, at teammx100@gmail.com. In addition to contributing to the Dealer Institute’s capability to better serve WEDA’s membership, participating dealers will receive a written report of findings and recommendations for their dealerships. **WED**

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