



THE CUSTOMER EXPERIENCE NEEDS TO BE AN OBSESSION



BUYERS ARE BETTER INFORMED THAN EVER BEFORE, AND EXCEEDING THEIR EXPECTATIONS HAS NEVER BEEN MORE IMPORTANT

By Jimmy Diffie

There's nothing new about offering a great customer experience, but the idea has enjoyed a major resurgence in the past few years. With tech giants such as Amazon, Google, and Apple leveraging customer experience to dominate entire industries, corporations worldwide are taking notice.

Customer relations expert Harley Manning defines customer experience as "how customers perceive their interactions with your company." In his book "Outside In," Manning makes a clear distinction between customer experience and customer service. He uses the analogy of a high-flying circus act and describes customer service as the net that catches the acrobats should anything go wrong. On the other hand, the customer experience is the entire performance as seen by the audience.

For builders, investing in customer service is a no-brainer. There's much that can go wrong, so we have nets, such as warranty programs. But thought leaders like McKinsey, Deloitte, and Forbes say that relying on these is short-sighted. What's needed is a systematic overhaul in order to improve the entire customer experience, not just service. This requires a shift in company culture, where everyone in the organization is accountable for customer experience metrics.

Transforming culture can be a monumental undertaking. We're an industry strongly set in its ways, where the sales funnel is almighty: Marketing is responsible for leads, sales is responsible for contracts, construction is responsible for delivery, and warranty is responsible for customer service. But change is coming. We're at a critical point when silos are

crushing companies from within. The customer experience matters now more than ever for builders. Here's why.

1 | Customer Control

"The consumer is in control, and that's changing the industry," says Linda Mamet, vice president of corporate marketing for Irvine, Calif.-based TRI Pointe Group. "They are using their own tools (outside of what we builders produce) to do their research. As a result, they are making decisions before they even engage with us."

Open access to information via the internet and social media has put the power into the hands of the buyer. Customers know what great experiences look like, and they expect them from builders.

2 | Homes as a Commodity.

Look at nearly any builder's sales and marketing materials, and it's obvious that quality, craftsmanship, design, cost per square foot, and energy efficiency are de facto unique selling propositions. High turnover in the industry has led to previously proprietary processes becoming commonplace. As a result, there is nothing unique about most builders' offerings. In an industry that is more focused on chasing competitors than breaking the mold, we're creating a sea of sameness for our buyers.

"A quality product at a good value in a preferred location is the cost of entry, not a differentiator, unless it is substantially better in one or more of those areas," says Rob Krohn, franchise digital marketing manager at Epcon Communities Franchising



in Dublin, Ohio. “But how you and your company treat people, which either comes from within or originates from the top, ... is something that customers really feel and will set you apart.”

3 | Disruption. Those of us in the industry are always wondering what the “Next Big Thing” will be. We hear about new technologies like virtual reality or smart home tech and wonder how we can add it to our offerings in order to keep up. But something bigger is coming. In an article last year about industries that are primed for disruption, Fortune listed construction as No. 1 and real estate as No. 4.

Tom Walsh, vice president of Maryville, Tenn.-based Clayton Properties Group, couldn't agree more. “This industry is absolutely ripe for disruption,” he says. “When you look at housing, there are so many opportunities to improve efficiencies, minimize waste, and use technology to improve the customer experience. The dream of homeownership is real, and buyers deserve a world-class experience that is personalized and memorable.”

The disrupter may be prefab housing, self-service, 3-D printing, or something completely different, but it will fundamentally shift the way we sell and build homes. And you can bet that a great customer experience will be at the center of the disruption.

4 | Millennial Demands. This is the one everyone can agree on. The Millennials are coming, and we have to be prepared. For this generation, authentic customer experiences are the norm. They expect it for a \$5 latte, and they demand it for a \$300,000 home. “Their home buying experience should be stellar,” says Sonja Sims, Atlanta-based Beazer Homes' director of marketing. “Millennials are looking for real experiences. Sugar coating won't work with them. They see through the fluff.” And because they live their lives on social media, they're going to tell the world about their experience.

5 | Referral Programs Are History. Most builders would probably agree that referral programs are becoming obsolete. In their place is something more powerful, yet vastly underutilized by builders: the unbiased review, posted online, also known as user-generated content. User-generated

content is what made Amazon the global leader it is today. Reviews are posted for all to see, and they're the first thing buyers look for when vetting builders. Mamet says, “Our buyers are going to generate content about us; we might as well embrace it.”

6 | Bottom Line Improvement. Great customer experiences have a proven impact on bottom line: Shorter sales cycles, decreased warranty claims, lower cost per sale, lower employee churn, and good customer reviews are benefits too large to ignore. Improving the customer experience is a long-term investment that delivers measurable value to the entire organization. It takes time, but it's worth it. “Enduring customer satisfaction often involves trading short-term gains for the long-term success of the organization,” says Krohn.

7 | Doing the Right Thing. An organization that's obsessed with the customer experience has tangential benefits that are hard to measure but easy to recognize: It has a culture where people are rewarded for doing the right thing in life and business. This leads to greater happiness and job satisfaction. Establishing a culture like this creates fanatical employees, something all business owners want. This strong recruiting tool continues to reinforce the culture.

Transformation to customer obsession is a huge undertaking. Luckily, there are lots of resources available to help. **PB**

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