

## **Follow The Leader -- And Leave the Rest of the Pack Behind**

*by John Tschohl - November 12, 2012*

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Amazon.com is a master at courting—and keeping—customers. It builds everything around the customer and has a better grasp of the power of the customer experience than any other company in the world. You would do well to study Amazon's focus on the customer and to do everything in your power to emulate it.

Let me share with you the experience my friend, Vicki, had with Amazon, when she placed an online order for a Kindle Fire HD. Amazon immediately confirmed the order, then sent two more emails the day the Kindle was shipped. The first provided the tracking number and estimated delivery date, the second—sent at the same time and the same day—provided Vicki with information she would need to immediately begin using her new Kindle once it arrived, including how to upload music and photos, connect with Facebook, and download music, books, movies, and TV shows.

"I was blown away," Vicki says. "My new Kindle arrived a day earlier than anticipated and, once I took it out of the box and turned it on, I discovered that it already contained the book library and other items from my previous Kindle. I was up and running in a matter of minutes."

Amazon's focus on the customer, combined with its focus on speed and price, resulted in 2011 sales of \$41 billion, a whopping 41 percent increase over the previous year. Amazon has more than 164 million customers, offers more than 20 million products, and has been rewarded with an increase of more than 397 percent in its stock during the past five years.

I recommend that, if you are going to emulate a company, emulate the best company in the world. Read everything you can get your hands on about Amazon and how it uses technology and people to provide a customer experience that is unparalleled. Let me share with you a quick look at how Amazon does that.

It starts with Amazon founder Jeff Bezos. Three statements he made during an interview with Fortune magazine sum up his winning philosophy:

"We will continue to focus relentlessly on our customers."

"We believe the principle competitive factors in our retail business include selection, price, and convenience, including fast and reliable fulfillment."

"We maintain a dogged focus on improving the shopping experience."

Amazon's focus on the customer is apparent during meetings with upper management. During the company's early years, he would place an empty chair in the meeting room, forcing those attending to think about the crucial participant who was not at that meeting—the customer. Today, specially trained employees sit in that chair and react as they think Amazon's customers will to the discussion taking place and the decisions being made.

Bezos has attributed Amazon's success, in part, to its commitment to determine what its customers need and then working backwards to meet that need. For example, he says, the company's new products, such as the Kindle, were defined by customers' desires, not by engineers' tastes.

Price is also at the forefront of Amazon's commitment to its customers, which translates to customer value. Bezos has said there are two kinds of companies: One tries to figure out how to charge more, the other tries to lower prices and charge less. Amazon, he says, falls into the second category.

Bezos also places great importance on word-of-mouth advertising, which means that, for a company the size of Amazon, very little money is spent on advertising. He prefers, he says, to provide customers with service that is so amazing that those customers tell everyone they know about it.

What is your business philosophy? Do you focus on your customers? Do you work to provide them an experience that will keep them coming back to you? What are customers saying about their experiences with your company?

Follow the leader—follow in Amazon's philosophical footsteps—and you not only will leave the rest of the pack behind, you will realize success beyond your wildest dreams.

John Tschohl, the internationally recognized service strategist, is founder and president of the Service Quality Institute in Minneapolis, Minnesota. Described by USA Today, Time and Entrepreneur as a "customer service guru," he has written several books on customer service and has developed more than 26 customer-service training programs that have been distributed throughout the world. John's strategic newsletter is available online.