

Part 3 of 7

FUELSTREAM
Fuel Industry Best Practice Newsletter



FUELSTREAM Newsletter #49: Top 5 Customer Obstructions and another 3 Management Rules

Top 5

Top 5 Customer Obstructions (or, "how to get customers to spend LESS")

We often focus on ideas on how to get customers to spend MORE. How to increase sales. How to up sell and promote. And, how to maximize profits. In this segment we'll look at it from a different angle and identify customer obstructions.

A customer obstruction is something that we control and that we can improve on. It's also something that makes it MORE difficult for customers to spend their money at our sites and therefore something we should manage more aggressively.

Obviously we don't want customers to spend less, but we may be helping them to do so without realizing it.

1. No price labels

- Why: Most customers will not take the risk of buying something if they are unsure about the price. It adds an unnecessary element of uncertainty.
- What: A price label should be neat, undamaged, clean, straight and accurate. It's also a requirement under the Consumer Protection Act that every item on display must have a price label.
- Where: Price labels should be placed below the product and on the left as customers read from left to right. The price label also serves as a place marker for your plannogram.
- When: You should do a daily walk around of your convenience store and identify any items without price labels.
- How: One way to do this is to take a basket and place one of each product in the basket and hand it to the back office to print labels.
- Best practice: Don't see it as an administrative activity. See it as a marketing activity. You're making sure a customer has all the information they need to make a purchase decision.

2. Queues

- Why: Service Stations address a very specific need - convenience. Convenience is described as "the state of being able to proceed with something without difficulty". Queues don't meet that criteria at all. Queues are for the convenience of the business, not the customer.
- What: Queues allow us to reduce the number of staff and other resources we need. A queue should be managed from the customer's perspective. This means that there should never be a queue. And if there is, the customer should feel as if the queue is moving forward.
- Where: Queues normally form at our busiest areas namely the forecourt, food offer, and cashier area.
- When: They generally form when people are on breaks or between meetings and destinations. E.g. when customers are going to work, going home, or during lunch breaks. This means that we can assume that when a queue has formed, customers are in more of a rush. Queues also form when the business or employees are unprepared. This is something that can be fixed with more detailed planning.
- How: We should make sure that we reduce or avoid queuing as far as possible. That places the responsibility on ourselves to monitor peak periods and schedule staff more accurately.

- Best practice: One of the reasons why queues form is that production, or service is not quick enough. This is where your supervisors and managers play an extremely important role. When it gets busy, they should get involved in the production, sale, payment or resolution process and increase productivity. E.g. when the forecourt is busy, it's likely that the shop will be busy as well, this puts pressure on the cashiers. If the manager steps in and helps the cashier to clear forecourt payments quicker and more accurately, the cashier is able to spend more time helping shop customers who also want to pay.

3. Employees who don't speak and can't answer questions

- Why: There are few things that stop a potential sale more quickly than an employee saying "I don't know", or keeping quiet when the customer asks a question. This shows the customer that the site is not interested in helping them make a more informed decision.
- What: Customers want more and more information about what they're buying and what they're getting. Employees play a critical role in this respect. They can help the customer to find products, choose between different options and, more importantly, consider buying more than what they planned originally.
- Where: The best place to answer a customer's question is right there where they are considering the product. This means on the forecourt, at the food counter and at the till.
- When: The best time to answer the question is immediately. There are many things competing for the customer's attention and if you provide the right answer at the right time, you're more likely to make a sale.
- How: A well-informed employee must understand the options available to a customer. They must understand the products, the prices and the variants. They should know where to find a product. And, be able to answer customer objections e.g. the price is too high, the product is too small, etc.
- Best practice: Remember that customers expect your employees to know everything about the products and services they sell. They expect them to be the experts. This means you should train them on the details and the different questions customers may ask.

4. Failure to ask

- Why: In point 3 we mentioned customers who ask questions. But, what about the hundreds of customers who never ask? It's up to your staff to offer assistance EVERY time a customer is near.
- What: Asking a customer if you can help shows the customer that you're not just willing to serve, but passionate. In many cases it shows customers that there is someone who is willing to listen if they have a question. This implies that many customers might say "No" at first, but then feel more comfortable to ask a question later.
- Where: Employees should ask if they can assist wherever they are working and wherever they walk past a customer. E.g. while merchandising a shelf or mopping the floor.
- When: Employees should ask if they can assist the moment a customer is close enough to hear. Customer's who walk past them should not just be ignored.
- How: There are many different ways to ask, here are a few:
 - "Good morning, can I help with anything?"
 - "If you have any questions just let me know"
 - "I see you're looking for something, can I help?"
 - "Can I tell you about the options?"
- Best practice: Don't train your staff to wait for the customer to take the first step. It's important for staff to offer to help, even before the customer has a question.

5. Treating a customer as "one of" instead of "our only"

- Why: You've probably heard someone say that they felt like "just a number" when talking about how a business treated them. In our industry it's even easier to treat customers as "one of" thousands, instead of "our only".
- What: Think about a new business that just opened its doors. Every single customer is treated like royalty. You act differently, talk differently and treat customers differently. Later, when the business is up and running, the owners and employees start focusing on other things. They start to take the customers for granted.
- Where: This happens wherever the business provides the same product or service over and over again. E.g. if you bake the same pies month in and month out, you are not so worried about a few pies being over baked or under baked.

- When: It also happens whenever the employees provide the same product or service over and over again. E.g. if your forecourt attendants work on the forecourt month in and month out, they are not so worried about service to every customer, but rather service in general.
- How: It's important to realise that although you do the same things over and over again, a customer may have only one interaction with you that determines if they are satisfied. E.g. You may be selling thousands of pies a month, but a customer only buys one at a time and that one determines how satisfied they are.
- Best practice: Remind your employees and yourself that there shouldn't be a difference in the product or service they get at different times of the day, week or month. The goal is not to provide excellence in general, but to provide excellence for every individual customer.

Management Rules

Here are another 3 rules to consider:

1. Operations - Clean as you go
 - a. Cleaning is not a task at the beginning and end of a day or shift. It should be a continuous way to work. There are a few simple reasons why:
 - Bacteria grows exponentially over time. This means the longer a utensil, container, or work surface is contaminated, the more bacteria can grow and the more difficult it is to clean.
 - Working with food is a disciplined process and if you are "cleaning as you go" it's a reminder that everything must be in place.
 - A dirty, disorganized kitchen leads to mistakes. This can be as small as food spills and food waste and as critical as food contamination and food poisoning.
2. Marketing - One customer per day

- a. We often face the question of how to increase volumes and turnover. This is a question every single Dealer and Manager struggles with every day. One rule that you can use is "one customer per day".
- b. Think about how you run a marathon? One step at a time. The same applies to how you build a business? One customer at a time.
- c. Here are a few options to consider:
 - Don't instruct your staff to go the extra mile for a thousand customers, ask them to do it for "one customer per day". This could be as small as remembering a customer's name, or offering to clean their ashtray.
 - Ask your forecourt attendants to remember the names of 10 customers. If you have 20 attendants that's potentially 200 hundred customers who are guaranteed to feel more special.
 - Ask your cashiers to give a simple compliment to "one customer per day". If you have 2 cashiers on duty that's 60 compliments per month that are guaranteed to make a customer's day.
 - Ask your supervisors to thank "one customer per day" for their business. No matter if it's a customer on the forecourt or in the shop it's guaranteed to make customers feel more appreciated.
 - Ask your managers to follow up with "one customer per day". That could be as small as making 100% sure that the customer was helped correctly, or as much as delivering a pie to their office because your pie warmer was empty when they visited the shop earlier that day.

3. People - Making the workplace a learning space

- a. Training has always been part of any employee's success in any job. But, it's always been expensive, or travelling is required, or it disrupts the operations at site.
- b. The new standard is to bring training to the employee, and not take the employee to the training. This implies that you break up training into smaller sections and make it more available on site. E.g. instead of sending your attendants on forecourt training once every 2-3 years, you have your supervisors do 10 minute training sessions, on the job. This means you can retrain and refresh skills more often, no travelling is required and the disruption on site is minimal.