COLUMNS

Clienteling: Relationships are bigger than Big Data

April 7, 2017

Martin Shanker is founder/president of Shanker Inc.

By Martin Shanker

Does magical thinking have you chasing shiny objects?

So many of us have come to believe in technology as the edge, the solution, the Holy Grail whether in retail, real estate, financial services, hospitality or any industry where superb service wins.

The faith is not entirely misplaced.

Yes, get the digital displays, applications, chatbots, virtual reality (VR), augmented reality (AR) beacons, social media and CRM platforms that make sense.

Yes, open up that customer data and exploit it.

The retailers I work with are doing all this and more.

But it is magical thinking to believe that capturing, categorizing and churning out personalized client data is enough to build and sustain customer relationships.

No recommendation engine can manage relationships for you. In the real world, the real edge is in clienteling.

Like technology, clienteling has changed. The best clienteling practices provide today's customers with what they crave: personalization, experience, time.

From the biggest business-to-business enterprise to the most intimate boutique, your business does not just depend on relationships relationships are your business.

Creating and maintaining relationships requires relevant, empathetic, customer-centric behavior. So far, there is no app for that. This could change. Honestly, with emerging artificial intelligence (AI), it probably will.

But for now, if you want software or hardware to deliver results, you have to put skilled wetware out in front of it. Clienteling requires humans doing what technology cannot.

Shaping of relationship

In luxury retail, this means becoming part of the client's inner circlenot just to drive sales, but to create the mysterious thing we call experience, which builds the near-extinct thing we call loyalty. And luxury has no corner on clienteling.

Consumers of every demographic are ready for it. They crave it. In fact, many customers will go elsewhere if you do not provide it. Great brands shape relationships with customers.

Let us call the new role "relationshaping." Sales associates and store managers do not just ply data to create a simulation of caring interaction.

Relationships are bigger than Big Data, and shaping them means crafting a personalized experience over time.

The relationshaper knows that we do not choose customers anymore. Customers choose us. Earn their trust and the ripple effects of their influence are vast.

In industries affected by declining tourism and vanishing store traffic, the stakes in sustaining real relationships are higher than ever.

Human problems, human solutions

Some retailers may say: "But you can't teach relationships." Well, in fact, you can. I do. And although there are inherent personal qualities that create advantage, almost anyone can learn to apply clienteling principles.

Once that lightbulb comes on, it illuminates a whole new outward focus. This solves problems, both for your customers and your business:

The problem of time. The relationshaper anticipates needs, weeds out irrelevant choices, and gives a customer the assured sense that "I've got people."

This level of service multiplies capacity and repays loyalty with time.

A brilliant style advisor such as Neiman Marcus' Catherine Bloom quickly draws out customer need and assigns specific curation tasks to her team, offering a range of workable options within specific parameters, giving hours back to the client.

Do not mistake this for mere wardrobing. It is a whole other level of being known, cared for and supported. Truly personal service takes timeand gives it back to customers.

The problem of differentiation. Everyone is vying for the same customers. We can all buy the same tech solutions. And lip service to "the relationship business" is universal.

But it is actual behavior that reveals authenticity, or lack thereof: Who has the people skills? Who uses data to support human connection instead of faking it? Who can create a deep exchange between sales associate and customer?

Make that your business, and your business wins.

The problem of No. Clienteling happens mostly outside the store. But relationships begin inside.

Intrusive sales associates who ignore a customer's journey or over-decide for them make it impossible to say yes or even stay in the store. And if that does not sink in, they will not understand that a customer's "no" is not just a sale that has been lost. It is often the relationship.

Without personal rapport, "no" is self-fulfilling.

But even loyal customers will jump ship if they sense their importance being eclipsed by transaction-focused behavior. The problem of No is ultimately a problem of trust.

Four trust-busters

In my work with thousands of sales associates to develop clienteling and sales acumen, I have discovered behavior patterns that undermine trust in both new and existing relationships:

1. *Derailer questions:* It is remarkable how many sales associates foster an intrusive vibe, or suddenly shift into interrogation mode without yet having earned trust.

2. *Too much selling:* At least 25 percent of follow-up contact needs to be cultural connecting, not "stop by the store, I've got something for you." Sales associates need to suggest events, ask about the weekend, and refer to news and

local color that might be relevant to customers' lives.

3. *Too frequent contact:* Beyond selling too much, some sales associates make nuisances of themselves with a barrage of follow-ups. This is often due to the employer: well-intentioned bad training, quotas especially when sales associates are overly selective in their clienteling or rigid processes. Let things air out a little.

4. *No value add.* This sums up all the trust-busters. I can almost always trace a robotic or formulaic sales approach to a failure to discover client dreams, not listening for the unspoken need, or viewing the customer as a transaction rather than as a potential relationship to shape through empathy, thought and managerial strategy.

My standard warning is that if you do clienteling wrong, it is worse than not doing it at all.

To customers, it feels like telemarketing and spam. Doing it right means focusing right.

You are what you emphasize
The wrong approaches tend to be seller-centric. New technology can actually hinder clienteling if your salespeople over-emphasize the tech itself over the customer. And if there is no human value added, all those bells and whistles ring hollow.

We need new metrics for success in clienteling, tooqualitative ways to assess the effects of relationshaping on customers. How many companies have overlooked their own nascent Catherine Blooms?

If Neiman Marcus had not been able to see her value back when she was a teenage sales associate, there would be no Bloom's Room today.

Measuring the results of tech implementation is important, too. But depth of customer focus and the experience it provides are whole new areas of inquiry. What metrics tell the deeper story?

Beyond metrics, or before them, we need scale.

Cultivate the Catherines, the naturals, and let them model behavior for others. But find the right learning programs to build these skills across sales teams. That is how we create a company culture of clienteling.

Big three
I see three qualities consistently showcased in great relationshaping behavior:

Authenticity. "Once you can fake that, you've got it made," goes the joke. But it is a joke for a reason. If we are the least bit tuned into people, we instantly recognize authenticity. We can spot a phony across a room. So can customers.

Many selling programs teach manipulative techniques that are transparent to today's consumer. The old school is no longer in session. Authenticity means being true to yourself.

Relevance. This means being true to the customer. Relevance used to mean knowing the product better than the customer knew it.

Now it means valuing people's experience and understanding that they are more than just consumers.

I teach three basic routes to relevance specific techniques are the secret sauce based on how people shop today:

Social acumen: How deeply can you listen? Can you advance a conversation to the level of personal sharing? What new information about preferences do you obtain?

Cultural acumen: How much cultural currency do you have? How much of the world can you bring to your interaction? What can you pull from the arts that is of interest to customers? How aware are you of what they might enjoy?

Business acumen: Do you understand customers' vocations? Do know how exchange rates affect luxury client purchases? Do you keep up on business trends? Are you a student of markets and innovation?

And the key personal quality that makes these kinds of acumen possible?

Curiosity. Some people have it. Others cannot be bothered.

Curiosity is the key that opens the door to clienteling. Hire for it, train for it, find ways to measure and reward it.

THERE IS NO algorithm yet that can do what clienteling does. Technology is not a fix for customer experience it is just a toolbox. It still takes a person to build and maintain a personal connection.

Now, while others struggle for digital dominance, is the moment to establish a customer-centered, associate-driven relationshaping practice and build the kind of reputation that elevates you in conversations about your industry.

In an increasingly impersonal and transactional world, customers are hungry for clienteling done right. Be their go-to, their top reco, their five-star online review, the one they tell stories about to show that great service still exists in their world.

Be curious.

Be ready to reclaim customer loyalty.

Be a relationshaper.

Martin Shanker is founder/president of Shanker Inc., *a New York-based international consulting firm specializing in improving business through people. Reach him at martin.shanker@shankerinc.com.*

Luxury Daily is published each business day. Thank you for reading us. Your feedback is welcome.