

# 7

## Building and Maintaining Customer Relationships

**'At Your Service' Spotlight: Wine for Dudes: Where customer service is King!**



John O'Connor with his new Wine for Dudes vehicle (Photo courtesy of John O'Connor)

Wine for Dudes is the brainchild of John O'Connor who set up his wine tour company in Margaret River, Western Australia back in 2003. As well as typical wine tours, he includes wine-blending in his itineraries as well as beer, cheese, venison and olive oil tastings.

The entrepreneurial company has been given many different business and enterprise awards for its innovative concept, service and marketing. Its approach is chatty, cheeky and light-hearted rather than the more snobbish ambience of traditional wine tasting. The idea is to make wine accessible to everyone – a daily quaff as in the Mediterranean rather than a special occasion drink.

As well as comprehensive information about its own tours and events – and virtual tours – the Wine for Dudes website provides a full service with information and photos for nearby accommodation plus all the necessary websites, email contacts and phone numbers. This is done with a view to creating the best possible all-round experience for the tourist beyond the actual Wine for Dudes tours. For Owner/Operator O'Connor, it is this type of complete customer service which is key to business success: 'Customer service is King! We rely on word of mouth as the most cost-effective form of marketing so we need our customers talking about positive experiences to friends and other travelers.'

O'Connor does his research personally: 'From personalized phone calls and email responses, I build a relationship with customers not only providing tour information, but also information about transport, accommodation, restaurants, bars, activities and the surf report, depending on an individual's needs.' Facebook is another means of both promoting the company's products and gaining valuable insight into the customer. He uses a quarterly newsletter to reach out to 9000 people who have been added to the company database through social networking. It's a 'low cost tool', he says, and a great way to provide news about the company and information about the region.

Recognizing the value of groups, O'Connor offers customized tours for families or groups of friends including scenic options and child-friendly venues. He makes a point of really getting to know his customers: 'If we have any customers with a birthday, I surprise them with a cake and candles. We go the extra yard making restaurant bookings, assisting parents with children and suggestions about the region's attractions.' He's even played golf and gone surfing with customers after one his tours. If a customer likes a particular wine at a tasting, O'Connor arranges nationwide freight. He also provides free photos from each tour which he posts on the website for clients to download free of charge.

Repeat customers are also important for Wine for Dudes and O'Connor encourages them to provide their own input to create new itineraries so they don't cover the same ground as on previous tours. The company produces a wide range of merchandise from hoodies to stubby holders (beer bottle holders) and uses these as gifts to repeaters. 'We give out "Dudes Dollars", our own currency for their next trip,' says O'Connor. 'And three-time customers enter our hall of fame and receive a free Wine for Dudes t-shirt.'

Much of O'Connor's market research comes from a daily wine quiz – the 'Dudes of Fortune Quiz Challenge'. Although ostensibly a fun competition with prizes, it also doubles as a customer feedback form. 'It's for comments, demographics, how they heard about us, any repeat customers and email collection,' says O'Connor. 'We then send out a thank

you email with a link to the day's photo gallery on our website as well as links to our Facebook page and the Trip Advisor review site.' The company also uses Facebook for posting regional photos, promoting other local businesses, favourite places in the area and events. They are experimenting with Twitter, too.

Service recovery can pose a communication challenge if there is ever a problem leading to a customer complaint. 'With dependence on text messages and voice mail, which isn't always 100% reliable as coverage is limited in our country area, issues can arise,' says O'Connor. However, the nature of his business can lead to a successful conclusion: 'With our game, wine is often part of the solution!' Staff members have the discretion to handle problem situations on the ground and are able to change an itinerary on the spot to suit a customer's needs. 'When it comes to a discerning customer who becomes disgruntled it is often a case of "wine heals all wounds",' says O'Connor. He makes a point of following up any problems after the customer has gone home with a phone call and email: 'It is much better to have happy customers bouncing around in Cyberspace than disgruntled ones.'

#### Sources

Personal Interview with John O'Connor, 7 February 2012; <http://www.winefordudes.com/>

## Relationship marketing

7

Relationship marketing is a form of marketing that attracts customers, retains them, and enhances their satisfaction (Berry, 1983). Historically, tourism and hospitality marketers have put more emphasis on attracting new customers, but in the last few decades, the idea of nurturing the individual relationships with current and past customers has received greater attention. Most marketers now accept that it is less expensive to attract repeat customers than to create new ones, and this is the basic concept behind relationship marketing. The key outcome of all relationship marketing efforts is to make individual customers feel unique and to make them believe that the organization has singled them out for special attention. The opening case demonstrated how Australian John O'Connor, owner of Wine for Dudes, takes such customization and personalization very seriously in his efforts to build relationships with customers.

The impetus for relationship marketing came from a number of studies demonstrating a dramatic increase in profits from small increases in customer retention rates (Reichheld and Sasser, 1990). Other studies by consultants like McKinsey have shown that repeat customers generate over twice as much gross income as new customers. Improvements in technology and innovation in loyalty programs have made it much easier to deliver on the promise of greater profitability from reduced customer attrition. But in order to build relationships with customers, there are a number of steps that companies need to follow, as suggested in the customer relationship management model (Figure 7.1).