

Smart Financial Move: Unhappy Customers

Inflation has officially hit us even harder than ever defined. And the last obstacle to all-out inflation has fallen:

Yes, the \$1 large drink at McDonald's is no more.

What began as a brilliant strategy to increase daily traffic to McDonald's in 2017 became a value branding message. While other fast-food restaurants offered a small or perhaps medium drink for \$1 or a little more, McDonald's became THE value source for drinks.

The campaign began as a limited-time offer in 2008 and became permanent - at least for five years - starting in 2017.

There were no happy hours... just a plain, simple offer: **\$1 for any drink, any size. Any time.** We were spoiled as customers and now, with that \$1 former price point firmly branded into our brains, the new price of anywhere from \$1.69 to \$1.89, depending on the franchisee's pricing, has led customers to complain.

The intense loyalty that McDonald's earned by discounting its best profit margin while other fast-food operations were in the \$3 range for the same drink, is being tested.

Rather than express appreciation for five years of exceptional value, McDonald's customers are complaining to the cashiers who have nothing to do with this decision.

Customers - already frustrated because of runaway inflation - felt that McDonald's was the last bastion of true value and now they feel betrayed.

Nobody should blame the Golden Arches because, after all, they held on as long as they could before bumping up the prices.

McDonald's employees and franchisees are learning once again that customers have short memories of the kindness shown them. In this instance, the mantra is true:

No good deed goes unpunished!



Smart Promotion: Brilliant Lesson

This story is worth replaying in case you missed it four years ago.

Did you hear about the **trendy retail shoe store called Palessi?**
Check out this BRILLIANT video!

The new Los Angeles store offered expensive shoes at expensive prices that you would expect to pay at a luxury retailer such as Neiman Marcus or Nordstrom.

Purchasers also received swag bags from this "new luxury brand." Customers gushed over the forward-thinking design and shared such comments as:

- "They're elegant... sophisticated"
- "They're just so classy"
- "I could tell it was made with high-quality materials"
- "I could definitely wear this to a Met Gala dinner"



The fashion influencers emptied their wallets and purses. One of the most popular pairs of shoes sold for \$645 and these VIP customers couldn't get enough of them.

The shoes were from **Payless Shoes** (get it now? Palessi? It's Payless Shoes!) Those shoes that were sold in this mocked-up luxury store actually sell every day for just \$34.95 at Payless. That's an 1,800% markup for the luxury shoes.

The problem?

Don't feel badly for the paying customers. Each was given a full refund and they were allowed to keep the "trendy" shoes that they had purchased.

In the end, the brand experts from Payless described the prank as "a provocative social experiment designed to challenge today's image-conscious culture."

Consider it to be an exercise in the old Danish folktale "The Emperor's New Clothes" story where everybody but the emperor claims to see what the emperor (in this example, you or me) cannot see.



USA Today reports that Southwest Airlines is **making five upgrades** to your flight experience. Every airline has a flight attendant read this or a similar message at the end of your flight: "We realize that you have a choice, and we thank you for flying (generic airline)."

Southwest Airlines is putting concept into action five ways:

1. **Adding USB-A and USB-C** power ports to every seatback starting next year
2. **Immediately doubling the number of movies available** in its FREE in-flight entertainment portal, and introducing improved flight tracker with 3D and cockpit views
3. Upgrading hardware **to immediately double current bandwidth** and up to 10-fold increasing bandwidth (Wi-Fi service costs \$8/day per device)
4. **Offering more overhead space** for larger carry-on storage starting next year
5. **Adding new alcohol options** to include Rose', hard seltzer, and other options

Smart Approach: Southwest Changes Flight Experience

And Southwest is honoring the free drink coupons that expired earlier during the pandemic through the end of this year.

It's one thing to talk ABOUT the customer experience; it's entirely different to make the actual improvements.

Tiebreaker: Fanatical Customer Service

I admit that I'm a customer service fanatic. I sing high praises when I see someone take care of a customer in a creative way and I grow frustrated when service providers don't seem to care. This past Saturday, I took my SUV to **Frank Kent Cadillac** in Arlington. I drive a Chevy Traverse that I bought from my long-time friends at Allen Samuels Auto Group's Hearne location, and I service it at my closest GM dealer, Frank Kent Cadillac, for convenience.

I took my Traverse to have the oil changed and get a front-end alignment. The service advisor was **Byron Miller**, a very pleasant man. As I prepared to step out of my SUV on the service drive, I immediately realized something was amiss - **I had left my wallet at home.** Embarrassed, I told him that I'd need to return home and come back.

He was having none of that. "I'll be glad to call you a Lyft or Uber so we can be servicing your Traverse while you're returning home and coming back."

I saw him scheduling the Lyft ride on his digital notebook. I returned with my wallet - and with a sheepish grin, as well - and ever so humble. At the scheduled time, Byron came to find me in the service waiting area and said that my newly-serviced Traverse was ready to go.

When I offered to have him add the price of the Lyft round trip to my ticket, he would not allow me to pay for that charge. The dealership gladly absorbed that cost and saw it as an investment in a customer.

What little things do you do to show your customers that you are thinking of them? And remember, I was not a Frank Kent sales customer; I'm a service customer. Byron was thinking of doing the right thing simply because it was the right thing.

We need a lot more Byron Millers on this planet!

P.S.: When I received my survey about the customer service experience, **I shared my story and asked if I could give Byron TEN stars instead of the maximum of five!**

