

Why Invest In Customer Service?

*Exceptional customer service does not come without a great deal of effort
But it can return a substantial benefit for the investment.
There are solid practical reasons why the effort is worthwhile.*

1. People Expect and Want Good Service

The Strategic Planning Institute found that there are two types of companies:

Type 1 *barely hold their own and fail in a recession*
Type 2 *ride out downturns and even grow*

Why the difference? Type 2 companies had little or no advantage in price or quality...instead type 2 provided exceptional customer service.

2. People Will Pay More for Good Service

It is service and not bargains that people are looking for. The same study showed that type 2 companies charged 9% more than type 1. A Gallop survey found that customers would pay more if they were treated well:

33% more for a car 50% more for a dishwasher
65% more for a T.V. 70% more for a sofa
200% more for a pair of shoes

3. Satisfied Customers Will Buy Again

A company built on repeat customers will have lower marketing costs. Here are a few facts to remember:

- Only 37% of first time customers *without complaints* will be repeat customers
- A mere 10% of customers *with complaints* will visit your business again
- 70% of customers with a *resolved complaint* will return
- **95% of customers will return if their complaint was resolved quickly**

*It costs 5 times more to bring in a new customer the first time
Than to bring an established customer back.*

4. Happy Customers Will Advertise for You

A satisfied customer will tell at least 3 others about your business. But beware.... Word of mouth advertising works just as will the other way around!

*The average dissatisfied customer complains to 9-10 others
and 13% of those will tell 20-30 others.*

Top Six Why You Will Lose Customers

*Not every customer will be a loyal, lifelong customer
but you will try to keep every customer you can.
Why do some customers leave and never come back?*

They Die: 1%

Tough break (unless you own a funeral home).

They Move Away: 3

That's life in the mobile 90's. Special discounts or mail order may keep a few of these.

Their Favorite Salesperson Goes to the Competition: 5%

One employee makes a big difference (especially in personnel intensive industries such as hairstyling, consulting and car repair). Do your best to make employees happy.

Product Price: 9%

Price is less important than is often thought but bargain shoppers are a fact of life.

You'll also lose customers if you do not have the product they are looking for.

Quality of Product: 14%

Customers won't buy inferior quality for long. Utilize a sensible return policy and a consistent quality control program.

Indifferent Customer Service: 68%

Hard to believe but true! The most common cause of lost customers is directly within your control.

Improve Your Customer Service

Image

There is no reason why every new business can't build customer service and high standards into its business image. Designer Coco Chanel was once asked why a person's appearance was so important. She replied, "Dress shabbily and they will notice the dress. Dress impeccably and they will notice the person." Don't let the business appearance get in the way of business.

Tangible image elements include;

- ⇒ Does your place of business reflect the image you want to send?
- ⇒ Is your home/office/truck/store tidy and clean?
- ⇒ Can your customer easily understand your product or service?
- ⇒ Is your merchandise visible/tangible and orderly for a potential client?
- ⇒ Are your work areas clean?
- ⇒ Is your staff welcoming and friendly?

A recent study of job applicants found that well-groomed individuals consistently rated "better" than messy ones... even when rating the same individual!

Why not build impeccable customer service directly into your market plan?

Attitude

Your attitude determines your performance.
It doesn't matter if you talk the talk, you have to mean it.

Information is carried by much more than the words we speak.

In person

7% by words

38% by tone of voice

55% by facial clues and body language

On the phone

18% by words

82% by the tone of voice

People can *hear* the difference when a person speaks with a smile. The importance of attitude is magnified during the first **30 seconds** of interaction as it is at that time the customer places a value judgment on you and your business.

Actions

Providing exceptional customer service will involve more than a plaque on the wall. All levels of the organization must be dedicated to where their income comes from – the customer.

Customers expect...

Reliability What you say must be true. The stock must be in place. The quality must be guaranteed. Someone must be available to help them.

Responsiveness They expect you to deal with their concerns. They expect solutions, not justifications. They expect service when they want it. Let them know what you will do to solve the problem.

Empathy You must understand how the customer feels. Whether they are right or wrong they have a right to have feelings. Apologize for problems.

Creating a Team Dedicated to Customer Service

- ⇒ Get everyone directly involved in customer relations
 - ✓ *Delegate real responsibilities to your employees*

- ⇒ Build feedback and evaluation for the common purpose
Manager —→ **Employees** **Employees** —→ **Manager**

- ⇒ Train your employees in customer service

- ⇒ Lead by example

- ⇒ Allow flexibility – customer needs over company policy

- ⇒ Develop a reward program for employee input

- ⇒ Learn from your customers
 - ✓ *Listen carefully and actively to complaints*
 - ✓ *Ask specific questions of concern*

- ⇒ Brainstorm informally with mentors, staff and friends