

Customer Service in Dollars and Cents

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If you've ever wondered why you should bother going out of your way to deliver good service, read this.

It's expensive to get a new customer. If you do not meet your customer's expectations, they quickly turn to your competitors. Their loss is costly for your organization. Regardless of the industry, **it is six times more expensive to get a new customer than it is to keep the current customer happy.** Does it make sense *not* to do everything you can to satisfy an upset customer?

One dissatisfied customer can do a lot of damage. An upset customer typically tells eleven other people, and those people tell five more. If you do the math, that is 67 people spreading bad news about you and your company. It is as if someone took an ad on a billboard or in a newspaper.

It is actually good news when people complain. TARP, Technical Assistance Research Programs, says that ninety-six percent of the people do not complain. They just take their business elsewhere. When people complain, it is an opportunity to fix a procedure that isn't working or to take a good look at your organization.

If the complaint is not fixed, customer loyalty drops by 50 percent. On the other hand, if the complaint is resolved, 70 percent will come back. If it is resolved quickly, 95 percent will continue working with you. The loyalty of these dissatisfied customers will be equal to those people who have had no problems. Also, 73 percent of your customers base their purchasing decisions on the quality of service they received when problems occurred.

The longer your company retains a customer, the more that customer will spend. It is estimated that customers spend ten times the amount of the purchase that dissatisfied them over time if their original problem was quickly resolved. Also, consumers start out slowly. With good experiences, they increase the amount of spending they do with your company.

The bottom line is that companies with excellent customer service thrive. These companies increase sales by twelve percent yearly and market shares by six percent. Eventually, companies with poor or mediocre customer service self-destruct. Customers have other options. They will not put up with people who do not treat them well.

What does this mean to you? You are a key player in your company's success. You are worth billions. The better your customer service skills, the more your company prospers and the better your raises and job security.

Impact Communications, Inc. consults with individuals and businesses to improve their face-to-face and over the phone communication skills. It is not what you know but how you communicate it that makes a difference. To reach us, phone (847) 438-4480 or contact our web site, www.ImpactCommunicationsInc.com.