

Reasons for Poor Service

Ask any consumer why companies give poor service, and they'll tell you. Some problems are common to many businesses. Does your enterprise have any unique service problems? How many of the following reasons apply to your Business?

- Uncaring employees
- Poor employee training
- Negative attitudes of employees toward customers
- Differences in perception between what businesses think customers want and what customers actually want
- Differences in perception between the product or service businesses think they provide and what customers think they receive
- Differences in perception between the way businesses think customers want to be treated and the way customers really want to be treated, or are actually treated
- No customer service philosophy with the Business
- Poor handling and resolution of complaints
- Employees are not empowered to provide good service, take responsibility, and make decisions that will satisfy the customer
- Poor treatment of employees as customers

Shoppers are price conscious. They will switch brands or suppliers simply because one is cheaper than the other.

You can prevent this by:-

- Providing superior customer service and employing customer retention strategies.
- Make it hard for them to leave you.
- Establish a personal relationship with your customers so that you maintain their loyalty and they continue to do business with you.
- Never take a customer for granted.
- Be grateful they have decided to do business with you and not a competitor.
- Work as hard as you possibly can to deliver more than they expect, and you will have gone a long way towards retaining your customers.

We Want Your Business

- We open from 10 – 3 daily
- Closed for lunch 12.30 – 2.00
- Reduced/limited service at tea break time
- Closed for stock take every Tuesday morning
- Please take a number and wait quietly in the queue while you wait for service
- You can send us an email, (but not after 5.00pm, because no one is here)

Just how apocryphal is this sign?

Startling Service Statistics

- Only 4% of customers ever complain. That means your business may never hear from 96% of its customers, and 91% of those just go away because they feel complaining will no do them any good. In fact, complainers are more likely to continue doing business with you than non-complainers.
- For every complaint your business receives, there are 26 other customers with unresolved complaints or problems, and 6 of those customers have serious problems. These are people you probably will never hear from. These are also people who can tell you how to make your business better. **ACTION:** Get their feedback any way you can.
- Most customers who complain to you (54% - 70%) will do business with you again if you resolve their complaint. If they feel you acted quickly and to their satisfaction, then up to 95% of them will do business with you again, and they probably will refer other people to you.
- A dissatisfied customer will tell up to 10 people about it. Approximately 13% of those will tell up to 20 people about their problem. You cannot afford the advertising to overcome this negative word of mouth.
- Happy customers, or customers who have had their complaints resolved, will tell between 3 and 5 people about their positive experience. Therefore, you have to satisfy three to four customers for every one that is dissatisfied with you. It is very difficult in any business to work with a 4:1 ratio against you. **ACTION:** Customer retention programs will enhance the value of your customer service efforts.
- It costs five to six times more to attract new customers than to keep old ones, even when you have to go back and renew contacts with former customers. Additionally, customer loyalty and the lifetime value of a customer can be worth up to 10 times as much as the price of a single purchase.
- Businesses that provide superior service and achieve customer loyalty can charge more, realise greater profits, increase their market share and have customers willingly pay more for their products simply because of the good service. **ACTION:** In fact, you can gain an average of 6% a year in market share simply by providing good service: satisfying and keeping your customers.
- The lifetime value of a customer, or the amount of purchases that customer would make over 10 years, is worth more than the cost of your returning their purchase price of one item. For example, supermarkets may realise up to \$10,000 a year from one family. That means \$100,000 over 10 years. Is it worth it for them to provide refunds when the customer returns a purchase? Is it worth it to you to have the good will and positive word of mouth this type of retention service will bring you?
- Customers stop doing business with you because:
 - 1% die
 - 3% move away
 - 5% seek alternatives or develop other relationships
 - 9% begin doing business with the competition
 - 14% are dissatisfied with the product or service
 - 68% are upset with the treatment they have received
 - You actually have some control over 96% of the reasons customers stop doing business with you!