



### How Influential Are Your customers?



**Sometimes, it is difficult to put your arms around actual costs related to losing a customer, but the fact remains the impact on your bottom line can be significant.** There is a good chance dissatisfied customers will not bother to say goodbye, or tell you why they are unhappy. Not long ago, pre-Internet and social media, an unhappy customer was likely local and would come in person or at least call on the telephone to let you know they were dissatisfied. If you were unwilling to make good on the problem, you'd know immediately if they were angry. Anger comes in many levels, some far worse than others. The more angry the customer is, the more likely they will share their displeasure with anyone who will listen. Today, that number can be far greater than it was

in the past. The Internet and social media have extended our reach exponentially around the globe.

**It is common knowledge that retaining existing customers is less expensive than courting new ones.** Once a dissatisfied customer leaves, deciding to take their business elsewhere, you lose control over the situation. You don't know if they will be back or buy from you again. Some companies won't even realize you have gone. You cannot count on them remaining silent about their issues with you or your company. They may not tell you why your company, your product or service fell short, but they will tell others. [Statistics show](#) each disgruntled customer will tell 8 to 16 others. In a world of social media, that number can increase, spreading bad news in a nanosecond. Their dissatisfaction will become costly unless you intervene quickly.

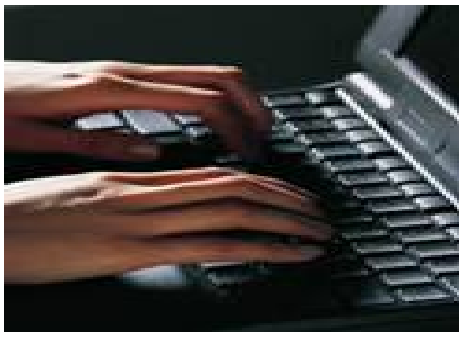


**Let me share a situation that clearly shows how much more reach customers have today because of the Internet and social media.** A young man involved in customizing cars ordered special parts from an Internet operation. The parts arrived in poor condition, due to the way they were packed for shipment. The box arrived with no external damage, but the parts inside had obvious paint damage from rubbing against each other in transit.

**He contacted the company about exchanging the parts, only to be given the run around for nearly two weeks.** They cited their policy of only allowing customers 24 hours to notify them of problems. When the package was

delivered, he happened to be out of town, so the box was received by someone else. With no obvious damage to the shipping carton, the package was set aside. When he returned several days later, the 24-hour policy time frame was already long past.

**After several phone calls and e-mails with images of the damage, the company finally agreed to take back the parts** -- at a 25% restocking charge. They even asked him to repack the individual parts in bubble wrap (which they never did) before shipping them back. Really. You can't make this stuff up. What are the odds this experience will bring him back in the future? Slim to none comes to mind. Do you think he shared his experience with friends and colleagues in his car customization circle? Of course he did.



**What the company didn't know was this particular young man is a moderator of two on-line car forums.** One of the forums has nearly 20,000 members, the other has over 6,000. Helping each other with their customization challenges is a big part of their daily discussions, as is where they can order needed parts for their projects. What kind of costs will be felt by that parts supplier when this customer shares his unpleasant experiences with other car enthusiasts on those forums? Do you think their run around was worth the risk? I doubt it. Most parts for car customization don't come cheap. If they lose just one potential customer, that restocking charge they demanded will amount to pocket change in their register. When the mistake is obviously yours, own up to it and make good on it. In the long run, the minor cost will be insignificant compared to the value of a happy customer.

**If you are not aware of what mistakes are made serving your customers, or what problems exist, your firm will continue to alienate customers.** To ensure the continued success of your firm, you need to know your customers are being treated in the very best manner. When they share information about your company you want it to be positive. They can bring more customers to your door. Happy customers don't just buy from you once, they keep coming back. Price is not the only thing that bring customers to your door. Customers want to do business where they are treated well. They want to deal with companies that are interested in them and their satisfaction.

**If you don't have a customer service policy, it's time to get one in place.** Set up reasonable return or replacement policies that will keep customers not only coming back, but telling others to buy from you as well. Develop processes for getting constant feedback from customers. Consider social media sites like Facebook to handle customer issues in a timely manner. Set policies for handling negative situations. Set up an 'alerts' program to watch for comments about your company, your products and services. You can't afford negative comments spreading across the Internet without the opportunity to rectify situations and keep customers satisfied. Plan now to devote time and resources to not only develop your customer service procedures and policies, but to train all of your staff about how to deal with dissatisfied customers.

**Something to think about: *If you don't take care of your customers, someone else will. How many people do your customers influence?***

***VISUALIZE -- ANALYZE - STRATEGIZE***

***Plan Your Way to Success!***

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