



Marketing Messages

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A customer who complains can be a business owner's best friend

Since gaining more customers is the ultimate goal of your marketing efforts, you must ensure the new ones you attract have a good experience. But even more important, is to know you are retaining the customers you've got. Replacing lost customers costs five times more than hanging onto loyal ones, and loyal customers are typically more profitable than new ones. If you're losing previously loyal customers out the back door, you don't have a marketing problem, you have a customer relations problem. Although there are a number of reasons why customers leave, the most significant factor, one completely within your control, is customer relations. When the customer has a problem with your company, how do you handle it? Hopefully problems are infrequent, but when they do occur, how often do you successfully recover the relationship? Although marketing is essential to grow your business, don't spend a dime until you know you've got good customer relations and a high retention rate. Otherwise much of your marketing budget is likely to be wasted.

I read recently that 96% of people don't complain when they experience bad customer service, but they do tell on average 10 other people. Many of these people simply leave quietly and take their business elsewhere. The sad part is, many businesses don't know why these customers have left. They are left scratching their heads, pondering increased marketing expenditures to lift lagging sales. Viewed in this light, the customer who complains is your friend.

When problems arise, most customers are simply looking for three things: They want to be acknowledged and listened to. They want to be respected and feel valued, and they want some assurance that their concern is important and will be addressed. The customer might be totally unreasonable, but these three things still apply.

1. Customers want to be acknowledged and listened to.

Most of us need to simply listen more and talk less. This mantra is critical for front line employees when dealing with customers. You should welcome and encourage complaints. Most customers simply don't like to address problems, but they will tell others. If a customer takes the time to complain, consider it a gift. Shut up and listen. Your biggest challenge is to be proactive and solicit customer input when your service has failed them.

2. They want respect, and they need to feel valued.

Treat customers fairly. All customers deserve respect, even the most unreasonable ones. They need to feel valued even if you feel hard-pressed to find any value in meeting their demands. Being respected and valued is a critical component to any relationship. And if you view yourself as being in a relationship with a customer, suddenly the way you communicate changes. Make that mind shift.

3. They want some assurance that their concern is important and will be addressed.

It's all about valuing what the customer has to say. Not only is the concern important, but it likely has financial value, because as the statistics suggest, the person who talks shares their message with at least 10 others. A single problem then multiplies exponentially. You should respond to concerns at the first point of contact. Nobody wants to be left hanging or passed from person to person. Take ownership of the complaint and solve it.

When Mike Lipkin, President of Environics/Lipkin spoke to the BC American Marketing Association conference back in May, he noted that Starbucks has a unique way of teaching their employees to deal with customer concerns. It's called, what else, the "latte method". Since we seem to consume an absurd amount of coffee in this town, I suspect we should all find this easy to remember:

L - listen to the customers concern.

A - acknowledge that you have heard their concern.

T - thank them for bringing it to your attention.

T - tell them what you're going to do about the problem.

E - encourage them to come back.

Having good customer relations is critical to running a successful business. Infact, it can become your advertising. The most powerful and cost-effective advertising is the enthusiastic recommendation of delighted customers. And in a materialistic world when something powerful comes for free, it's worth pursuing. Achieving excellence in customer relations and problem recovery should be a priority. Then go blow the budget on marketing.

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