

### **Would You Want to be One of Your Own Customers?**

I hope you did not answer that because there is no way for you to answer that question unless you are a customer of your company. I strongly suggest you become one, at least to the point of calling or visiting your own company on a regular basis or, if you are too recognizable, have someone close to you do it for you. Ask questions, ask about products, prices, hours, delivery, service, and anything else that applies to your business.

Speak to as many departments as you can. I think you will be disappointed with the results. At the very least. I can almost guarantee that you will feel you can do better. How quickly was your call answered? How many times were you put on hold? How many times were you transferred? How were you greeted? How friendly were the people? How helpful were they? How accurate was the information they gave you?

Is the way you were treated the way you want your customers and prospects to be treated? If you are a retail business. I suggest you spend time periodically visiting your stores or, again, if you are too recognizable, have someone close to you do it.

If you have someone do it for you, make sure you prepare them for the call or visit with questions and the knowledge of what you are looking for. Make sure you use someone who will not be afraid to give it to you straight. Sugar coating feedback like this will be of no use to you. In fact, it could be very harmful to your organization as it may lead you to believe things are great when in fact, you may have some serious problems. Problems that are costing you customers.

We would all rather hear good things about our business, our people, and our efforts, but the negative things will normally be much more valuable to us as they indicate any weaknesses we have and problem areas we need to address.

You can't afford to alienate one single customer or prospect. Few things will drive your customers and prospects away faster than an attitude of indifference, incompetence, or inaccurate information.

**It has been estimated that it costs 5 times more to get a customer than it does to keep one. The cost of getting someone to call your company or visit your store is simply too high to lose out on business because of poor customer service. This is inexcusable and should never be tolerated.**

**The most important element in your business is your customer.** Don't take your customers for granted. Who does this? Many, many companies. They will work very hard to get a customer. They will spend hundreds or thousands of dollars to get a customer and then ignore them or take them for granted.

Your existing customers are your best prospects for future and ongoing sales. You have already spent the time, effort, and money to get them. Now work to keep them. Don't invite your competition to take them from you.

Like any relationship, you cannot neglect it if you expect it to work. You must stay in touch with your customers and you must provide the type of service and product that you used in order to get them in the first place. The cost of getting a new customer can be very high. **It will always be much cheaper to keep an existing customer than it will be to get a new one.**

Why do customers leave you? According to a study conducted by the American Productivity and Quality Center, 68% of all customers are lost solely because they received poor service, were treated indifferently, or received discourteous treatment.

Another 14% left because their problems were not satisfactorily resolved. When you consider the problems that caused the 14% to leave, you can really say 82% of all customers who are lost, are lost as a direct result of a failure in the area of customer service and customer appreciation.

Not because of competition. In fact, only 5% of your customers are likely to be stolen away by your competition. **No, face the facts, it is far more likely that you or your people are driving them away.**

If you want to eliminate the overwhelming reason why you lose customers it will cost you nothing. All that is required is that you treat your customers as though they are the most important thing in the world to you. This should not be too hard because this is exactly what they are to your business.

Let me tell you, if you don't treat them this way someone else will!

Attracting a new customer costs five times as much as the cost of selling to an existing one. The average company loses 10% to 30% of its customers each year with the most common cause of losing a customer being dissatisfaction with service. Think of how much money you can save by simply keeping the customers you have.

**Why did you lose that customer?** Whenever you lose a customer try to find out why. You should never assume you know the answer. You should not rely on the input of others in your organization for the answer. They may be the problem and as such will be giving you inaccurate information be it intentional or not.

How can you prevent other customers from leaving if you do not find out why you are losing customers? You can't fix something if you do not know it is broken.

I once pulled \$10,000 out of a bank and closed my account out. Not once was I asked why? Not one person in the bank cared enough to ask me if there was anything they could do to keep my business. Not one person even thanked me for doing business with them. No closed account card was ever sent. No follow up call was ever made. No one cared.

Yet this bank is a very aggressive advertiser who consistently spends a great deal of money trying to attract new customers.

Nevertheless, they let one walk right out the door without even asking why or saying thank you. This happens all the time. How many \$10,000 depositors do you think they have? How much negative word of mouth advertising do you think I gave them?

It is said that the best type of advertising is word of mouth advertising. If this is true, then it is logical to assume that the worst type of marketing problem a company can have is negative word of mouth advertising.

Do you want this? Find out the why, when you lose a customer. Do all you can to get that customer back and take whatever steps are necessary to prevent this problem from happening again.

This edition of The Welch Report has been provided by Derrick Welch the author of **'In Pursuit of Profits: How to at Least Double your Profits Without Increasing Your Sales'. Including 1,000 Cost Control, Expense Reduction, and Income Producing Strategies You Can Start Using Today To Dramatically Increase Your Bottom Line.**

And **'Defy Mediocrity. Choose to be Uncommon. Think of the Alternative'**.

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