

Develop a Customer Satisfaction Culture in Your Company

The cost of acquiring customers is five to six times higher than retaining them and it's much easier to lose one than to gain one. Everyone has experienced varying levels of satisfaction and dissatisfaction as a customer. Why did that happen? Was delivery by your supplier delayed? Was product quality unacceptable? Could the supplier have prevented the problem with proactive attention to customer satisfaction?

We've heard various examples of the value of retaining customers. Here are some eye-openers from *Leading on the Edge of Chaos*:

- Acquiring a customer is five to six times more costly than keeping a customer
- Happy customers tell at least four others about a positive buying experience. Unhappy customers tell as many as 12 others about a bad experience
- Only one out of 25 dissatisfied customers will complain directly to you
- The average company loses 10% of its customers annually
- Customer profitability rate tends to grow over the life of a retained customer

Companies with a measurable Customer Satisfaction objective in their Strategic Marketing Plans are more likely to achieve that objective than companies without the same objective. Customer satisfaction doesn't happen automatically or by chance; it is the result of hard work and continuous attention to customer needs throughout the manufacturing, distribution and retail channels.

Think of all the decisions that are made in the creation of a product, whether it is a heavy manufactured product or a consumer product:

- Production employees must often make quick decisions that can immediately ruin a product, or lead to its early demise after it is sold
- Warehouse employees must handle all products with care to avoid breaking or disfiguring the product while putting it in inventory for storage and removing it from inventory for shipment

- Shipping employees must carefully package the product(s) for shipment; the packaging must protect the product through unknown handling techniques until it reaches the customer

Assume the product made it through all of these decision options unscathed and arrived at the customer's business in good shape. The customer calls with a question and is greeted by a rude or indifferent "customer service" rep and all of the attention to quality may be for naught.

Below are some keys to customer satisfaction that should become part of every company's culture:

1. Focus more on building relationships than on transactions. Maintaining regular contact with customers lets them know you value their business, and provides opportunities to learn more about their business and its needs. You may also call at a time the customer actually needs your product – what if your competitor had called instead of you?
2. Exceed customers' expectations. The importance of meeting delivery schedules is always understood, but find ways to help customers in ways they, or you, didn't expect; examples could be a special-ordered item or expedited shipment. You will earn valuable loyalty by exceeding reasonable expectations.
3. Define measurable objectives. When managing a large customer base, it is impossible to know the status of each order or the level of current satisfaction for each customer. Develop metrics that benchmark the type of service you are extending to customers. Measure things such as: on-time shipments, defects or quality complaints, complaint resolution, re-order frequency and customer attrition.
4. Share good and bad feedback with all employees. We've all felt the sting of criticism resulting from errors or omissions, and it's not pleasant. Share the compliments from customers and extend recognition to employees when the customer satisfaction metrics exceed objectives. Financial incentives for achieving customer service goals will reinforce the importance of always

focusing on customer needs throughout the process of creating and shipping a product.

By employing these concepts, you may generate comments from your customers to their peers that will earn you new customers and sales, at a direct marketing cost of \$0.

Good luck!

Our Experience

Reversed High Customer Dissatisfaction Rates

Taught production level and warehouse employees the importance of a continuous culture of customer satisfaction by bringing customers to employee meetings to discuss problems and developing metrics for cullage and quality complaints

Improve Customer Service Rep Problem Resolution Experience

Benchmarked customer service rep time spent on complaint resolution, and resulting customer satisfaction; developed manual for call center employees to use in responding to complaints

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