

Customer Service = Competitive Advantage

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Every small business should... must... better... include customer service as a competitive advantage, or, a reason why someone buys from you rather than your competition.

Customer service and customer relationships are small business's most potent competitive tools. A small business with fewer total customers than big competitors has a built-in advantage in the ability to develop personal relationships with customers- getting to know what they want and giving it to them.

Knowing customers on a personal level allows small businesses to compete with large, lower-priced, competitors by supplying specialty products along with individualized service.

Good customer service is simply giving customers what we expect, and a little bit more, while letting us know, honestly, that we are appreciated. When we choose to do business somewhere we want to be appreciated. If we pay more than we value the service and treatment we receive, we are unhappy.

For example, we will pay much more for a meal at an upscale restaurant than from a fast food place. However, no matter what the cost, if we get what we consider bad service, bad treatment, or no appreciation, we don't go back. Our expectations are different, but no matter where we are- a drive-through or a 4-star restaurant- if our expectations are not met, we notice and we are unhappy.

The relationship you build with customers also has a high dollar value. It can cost up to 10 times more to bring in new customers as opposed to retaining current customers. In other words, it costs 10 times more to get somebody to make their first purchase as it does to get someone to buy from you again.

Unhappy customers will tell 7 to 10 people about a bad experience. Some people, like myself, will tell hundreds or thousands.

I am a customer service maniac... management's nightmare. Most people who have a bad experience never say a word about it, they just never come back. I, on the other hand, will make sure as many people as possible know about it, including managers up to CEOs.

My story of a bad experience with an arrogant car salesman has been repeated many times to entire classes full of college students. A recent experience with a satellite company also has been repeated to at least 100 people so far, and I'm certain, based on the service I did finally get, that at least some of the emails I sent to the CEO and several of the Vice Presidents got through to them.

I'm such a ruthless critic of customer service because good customer service is easy and there is no excuse, or place, for bad service so it should be dealt with as harshly as possible... which is one of my hobbies. Additionally, spectacular service is truly an art form which deserves the highest praise... also one of my hobbies.

A key success factor in small business is making sure everyone in the business knows what good customer service is and how to deliver it. Making customers happy is not a means to a goal, it should be the goal.