The Cost of Bad Customer Service

Customer Service is the new marketing! This is not only an oft used phrase in business discussions, but it is reality. The fact is that good service is not only the right thing to do, but it also makes good business sense.

While some companies see customer service as nothing more than a necessary expense, the data shows that providing great service is as rewarding for customers as it is for your bottom line.

According to an infographic from Help Scout, the most common complaint from customers is not that they are dissatisfied with the product or service they bought, but rather the post-sale customer service. This is why 86 percent of customers take their business elsewhere.

Unfortunately, most small-business owners just sit back and think that dissatisfied customers will contact them. According to Help Scout, only 4 percent actually do. This means that the vast majority of customers will leave a business without telling you why! With social media, dissatisfied customers can spread the word far and wide about their bad experience. This kind of bad publicity would hurt any company, no doubt.

What can a small business do to keep its customers? Barry Moltz of Open Forum suggests “Let them be heard. Most customers just want an easy way to explain their problem and want an empathetic employee to listen to them. This can be done by phone, email or social media at every stage of the transaction. Customers will stick around if they can interact with people they like.”

Giving excellent service will always make a small-business more money. Help Scout shares that 80 percent of consumers say they would pay more to ensure superior customer service. In fact, 78 percent of satisfied online customers will recommend that company to friends and contacts.

Customer service used to be an afterthought. The only goal was to make sure that customers didn’t complain too much. Fast forward to 2013 and with the Internet, customer service needs to now become a strategic part of any small business. With customers broadcasting their opinion over social media, they have a real effect on the sales of every company.
My observation is that customer service in 2013 may require a new set of skills and tools for the small business. They may include:

- A constant social media presence. Customers are giving feedback on Twitter and Facebook. Every small business needs to engage with them every day in real time.
- A company YouTube channel tied to your website. This can be used effectively for how-to-videos or to answer frequent customer questions.
- A company blog. This is an excellent way to keep the customer engaged without just selling to them all the time and also for you to share your expertise to the community.

Customers need to be able to interact and to give feedback to the company at every phase of the sale cycle by email, phone or social media. While this makes the process slightly more complicated, using these tools will create an ongoing relationship with customers and prospects so the company can be there when those people are ready to buy. Investments in customer service in 2013 will pay off more than ever before.

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