



One of the most compelling ways that businesses can differentiate themselves in the market is to offer outstanding customer service.

Consider the budget and time that you allocate to finding new clients and customers through your marketing. Did you know that it costs six times more to find a new customer than it does to sell more to an existing customer? Ask yourself, are you treating every client all of the time so well that they are delighted to spend more with you?

The challenge for many business owners is ensuring that staff are delivering a consistently high standard of customer service all of the time. It's all about what the client expects compared with what is actually delivered. Deliver more than they expect and they will be delighted, and their sense of loyalty and commitment will be elevated. Deliver less than or differently from what was anticipated, and you run the risk of disappointing the customer. Disappointed customers are vulnerable to the competition!

It is the simple things - if a client is offered a coffee at reception when they visit their lawyer, they feel valued and come to expect this as part of the service, and they may even look forward to it. If one day they arrive and are not offered this level of service, they may feel de-valued. Their view of the service or product they are buying is altered. Perhaps that same day, a friend is bragging about the great service that they get when they visit their lawyer, that they are always offered a coffee and complimentary newspaper. The friend mentions the name of the firm and offers a business card, and your client can't help but think that perhaps he should call them - all because your systems were not in place.

The key to creating a genuine advantage from customer service is to develop a system so that service is constant, with the potential to add extras to impress. By being inconsistent, you risk disappointing customers. Too many businesses set themselves and their customers up to have unrealistic expectations. It is better to deliver a standard service that never fails than to have a service level that is inconsistently high and low.

The Facts

The American Association for Quality said: "Unless a customer is completely satisfied to the point of being positively delighted and willing to brag about the product or service received, there exists a great potential for market damage and future trouble for the provider of those products and services."

If you are not impressing clients with your service, then they are not well insulated from the competition. Research shows that by far the greatest reason we lose clients and customers is that they experience indifference. Customer service is all about people feeling valued and cared for, and this ultimately leads to their loyalty.

The American Association for Quality conducted a large survey of customers throughout the country and came up with the following reasons why customers are lost.

Death	1%
Moved Away	3%
Influenced by Friends	5%
Lured Away by the Competition	9%
Dissatisfied with the Product	14%
Turned away by an attitude of indifference on the part of the person serving them.	68%

The problem we have is that only 4% of dissatisfied customers complain. The other 96% just quietly go away and never return. That represents a serious financial loss for organisations whose people do not know how to treat customers, and a tremendous gain to those who do.

A typical dissatisfied customer will tell eight to ten people about the problem. One in five will tell twenty. It takes twelve positive service incidents to make up for one negative incident.

Seven out of ten complaining customers will do business with you again if you resolve the complaint in their favour. If you resolve it on the spot, 95% will do business with you again. On average, a satisfied complainer will tell five people about the problem and how it was satisfactorily resolved.

Creating a Customer Service System

To develop your own service system, consider each stage in the customer experience cycle.

A typical system will have four key stages:

1. Initial approach by client (phone call, walk in, email, etc.)

2. First visit/first product sale
3. Follow up
4. Repeat or ongoing service / product experience

Follow-Up is Key

Following up after a client has purchased is key to any customer service system, and it is an area that is traditionally neglected. With consistent follow-up, client retention increases as there is less opportunity for the client to be attracted to a competitor if you remain on their radar.

The hairdresser who phones a first time client to check their satisfaction is more inclined to secure future appointments from that client. The owner of the top-end restaurant who calls to enquire if all was satisfactory with your meal the evening before is likely to have a customer base of mostly "regulars", regardless of its higher prices.

By following up, the advantages are two-fold - your customers will feel cared for and you will be more likely to unearth any complaints that might be lurking. Remember, only 4% of clients feel comfortable enough to complain without being prompted. As New Zealanders, we avoid complaining face-to-face but we are more comfortable expressing our views with some distance.

Handling Customer Complaints

Treat complaints as a gift! They provide the opportunity to discover a reason why sales may not be as great as you'd hoped, why client retention is low or why your competitors appear to be doing better than you. It is a chance to improve your product or service.

So what do you do when a customer complains?

Listen completely and carefully - don't interrupt, don't leap to the defence of your company - remember the complaint is the customer's perception.

1. Get the facts - don't blame a computer, colleagues or the company.
2. Apologise - say "I'm sorry" and take personal responsibility for fixing the problem.
3. Offer assurance - tell the customer what you are going to do and when you will do it.
4. Explain the change - tell the customer what has been done to ensure this cannot occur again.
5. Follow-up - phone the customer in 1 week or 1 month to check on progress and see if there have been any other problems.

Go For It!

Those businesses offering great customer service in New Zealand have the opportunity to shine. In doing so, they will experience higher levels of customer retention and loyalty, not to mention a decrease in the spending required to find new customers.

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