

## Give Thanks



*Good Customer Service is  
your bread and butter.*



Spend a few minutes perusing your friends' Twitter feeds or Facebook posts, and you're almost guaranteed to see at least one thread by somebody sounding off about a poor service experience with a grocery store, dry cleaner, cell phone provider, satellite television or cable company, e-commerce site, or what have you.

Social media networks are just the beginning. We have not even mentioned the plethora of customer review sites. Don't write off these rants as inconsequential cyber chatter. The vents, the subsequent comments by their followers who concur and recount similar experiences, and the swell of similar comments that could go on for weeks on a *single topic* should have a CMO quaking in his Allen Edmonds.

The top marketing executive may be removed from the day-to-day customer interactions, but the dollars-and-cents consequences of bad service will fall squarely at his or her feet if provisions for and measurements of Customer Lifetime Value and a Customer Relationship Management contingency—i.e. customer service—are not part of his product bundle and marketing plan. Further, the immediate question the marketing executive should be asking

is: Why in the midst of the growing, customer-specific, digitally-driven quest for business success, has so much been left to competitors rather than captured and retained?

Let's look at all that's at stake because of bad customer service, courtesy of a 2010 analysis by Greenfield Online and Datamonitor/Ovum.

- **\$83 billion:** Sales that American firms lose each year from negative customer experiences
- **\$50.6 billion:** Portion of the \$83 billion lost to customer churn and defections within the industry
- **\$32.4 billion:** Other portion of that same \$83 billion in business abandoned and lost to an entire industry
- **2/3:** Proportion of consumers surveyed who said they ended a relationship with a brand because of poor customer service alone
- **61%:** Proportion of dissatisfied customers who took their business to a competitor
- **71%:** Proportion of all U.S. consumers who have ended a relationship due to a poor customer service experience

The top complaints of those lost customers? How many of us haven't experienced one or all of the following cited in the study:

- *"I'm sorry, that is an invalid entry. Please select from the following 459 options."*  
In other words, being trapped in automated self-service
- *"Your wait time is estimated at 120 minutes"*— long waits for service
- *"But I just told the other representative my life story,"* i.e. having to repeat themselves
- *"I'm not sure—I'll have to ask my supervisor,"* or poorly trained associates

While no industry is immune to losing customers due to poor service, the same study points out that the worst offenders are financial services companies, cable and satellite TV providers, and telecommunications companies.

One financial services company has attempted to turn customer service complaints to its advantage—and managed to make us laugh in the process. Recall Discover Card's "Peggy," the gruff call center representative answering the phones for the fictitious "USA Prime Credit" from a presumed far-away Eastern European locale.

The message from Discover? Unlike those other guys, our representatives are just like your friends and neighbors. We listen. We care about your issue and will resolve it.

We'd be curious about Discover's goals and degree of success from this campaign, but the larger point is that someone with marketing responsibilities at Discover recognized the importance of customer service in its overall marketing strategy. Of course, this presumes Discover's ability to meet the expectation set and to mine customers to optimize revenue, profit, and lifetime value.

Discover is not alone: others like Enterprise Rent-A-Car are now touting customer service in their marketing messages. Is the emphasis on the customer experience in advertising messages by accident, or part of an overall marketing strategy which takes into account the real dollars-and-cents value of the customer relationship? This question is reasonable considering the data reported above and experiences we've all endured.

We say customer service should not be considered an after-thought, but actually ought to be considered a cost of goods sold- built into the product bundle— just like any other deliverable.

### **Remember: bad news baits...**

A negative experience will ride high in your customer's recollection. And, we know that the customer has virtually unlimited channels to vent their bad service experiences. The good news is the market function has myriad analytical tools, many digitally enhanced, to monitor, measure and react to customer experiences in ways that sustain or improve the customer's experience, save the brand's reputation—and save the bottom line.

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## At your service

Here are a few ingredients for incorporating customer service into your marketing planning:



### Segment, inside and out

- Start with knowing the customer—Set out to stimulate business from a predetermined group of people whose needs your product and service have been engineered to fulfill.
- But also... know the internal audience as well. In your marketing plan, identify and provide training for the operational functions and personnel responsible for fulfilling the brand promise to deliver the desired experience. Otherwise, some key attributes related to customer satisfaction could be left behind and nobody owns them.



### Communicate

- Here is an area where social media and other digital tools can actually facilitate good customer service. A good marketing plan includes identification of the communication channels to customers, and timing for the communication. In other words, how and when: whether via Facebook before purchase, or a targeted e-mail or text message to mobile devices after purchase.
- Follow up! Use the communications means available to stay in touch with your customers after purchase. Even satisfied customers may leave you simply because you failed to follow up after their service experience—positive though it might have been. You may be surprised to see the returns from a system of post-service follow-up which includes things as simple as a telephone call or a thank-you letter with an invitation to call back with any concerns or needs.



### Monitor and respond

- Responding to customer issues at all touch points—pre-purchase experience, purchase experience, use of the product or service, and post-purchase service experience—not only leaves a good impression with the customer, but provides the opportunity to build rapport, right the wrongs, insulate your customer from competitive offers, and earn additional sales. Such a system can only facilitate another purchase and/or positive word of mouth.
- Identify, serve and retain high-value customers better than competitors through customer interactions, tuned to their particular needs.



### Measure

- Why guess when you already possess the marketing tools to develop a controlled system? Aside from rating the degree of satisfaction and knowing its role in influencing repurchase, your system has to be diagnostic; meaning it needs to help you determine what to do to correct experiential shortcomings to achieve and improve sales.
- Keep your team involved in evaluating the system you've created. Some CRM experts recommend meeting quarterly at least, and weekly at most, to evaluate market performance and customer feedback, and weigh in on adjustments necessary for improvement.
- If you want to know how you're doing, just ask. Survey your customers and customer service staff to measure and gauge how customers perceive your product or service, tabulate and analyze the results, and respond to negatives and concerns when and wherever they are discovered. Again: the idea here is to encourage repeat business or a positive overall experience with your brand.