

SELLING POINTS

We all know loyal, satisfied customers have value, but how much? Use the following formula to find out:

- A. Average transaction per sale: _____
- B. Number of sales per year: _____
- C. Revenue per year (A x B): _____
- D. Customer lifetime (in years): _____
- E. Customer lifetime value (C x D): _____
- F. Happy customer tells 5 people on average (E x 5): _____
- G. Revenue generated from referrals (assume 25% purchase from you) (F x .25): _____

TOTAL VALUE OF 1 LOYAL CUSTOMER (E + G): _____

TELL ME YOUR POSITIVE CUSTOMER EXPERIENCES. Win movie tickets if your story is published in our February newsletter! Email Connie@ConnieBrubaker.com.

Is your customer always right? That's the wrong question to ask

by **Connie Brubaker**

People love to share their customer service horror stories with me — probably because I get so passionate, disgruntled and empathetic at their tales of mistreatment. I've noticed that the number of complaints increases significantly at this time of the year as more customers encounter tired, poorly trained and harried retail



Connie's Comments

clerks during treks back to the stores for post-holiday gift exchanges.

And if it seems to you that you're being treated worse this January than in years past . . . well, you may be right. There is a growing wave of anti-customer sentiment focused on "problem customers." These include customers who only buy sale items, tie up salespeople without making a purchase, or file for a rebate and then return the item. Some retailers, including Best Buy, have even begun discriminating against shoppers they feel cost them money.

In his book, *Angel Customers & Demon Customers*, Larry Seldon, a business professor emeritus at Columbia University and a consultant for Best Buy, says that while retailers "probably can't hire a bouncer to stand at the door and identify the value destroyer," they're not powerless. "There are those customers that are just . . . out to cheat us," Seldon said in a recent telephone

interview. "It's not a large number of customers, but they can have a material impact on a business."

In 1996, I purchased an existing Kentucky Fried Chicken and closed down operations for one month for repairs — and to distance us from the previous owners. So you can imagine my shock when a customer called to complain about the quality of the food they had purchased . . . the night before. When I explained that we had been closed for weeks, they promptly hung up the phone. I was better pre-



pared the next time, asking the caller's name, phone number and address.

I could have put into place a stringent customer complaint policy. I could have always demanded proof in

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In this issue of SOLUTIONS:

- Putting customers first
- Selling Points: How much are your customers worth?
- Share your customer service stories



"To enquire about a shipment, press 1. For refund authorization, press 2. To send a mild electric shock to our Customer Service Manager, press 3."

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Connie Brubaker is a certified Integrity Systems® business consultant and professional speaker who focuses on sales, customer service and leadership.

QUOTE OF THE MONTH

"There is only one boss: the customer. And he can fire anybody in the company, from the chairman on down, simply by spending his money somewhere else."

— Sam Walton

Putting the customer first in this new year

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the form of a receipt. I could have taken steps to safeguard our profit margin at all costs.

But I didn't. I didn't want to create an environment of negativity toward satisfying customer complaints. I wanted to ensure that we put the customer first — every customer, every time. No excuses, no rationalizations.

Employees should reflect the company attitude that every customer is honest, appreciated and valued. Once you implement policies that allow arbitrary differentiation between good and bad customers, you risk introducing a negativity that might affect even your most valuable customers.

Want an example? Just this week, a

client shared a story with me about returning a CD to Best Buy because it was empty when she opened the case. Because it was a gift and she didn't have the receipt, the store refused to let her exchange it. She left feeling humiliated and enraged that she being essentially treated as a criminal, and vowed never to shop there again. Later, she totaled up the purchases she had made during the past year: about \$6000 worth! She promptly wrote the company to inform them of their loss. And, of course, she's telling the story to dozens of people.

Is the customer always right? That's the wrong question. The fact is, right or wrong, the customer is always the customer. It's your job to help them always feel right!