

May 17, 2018, Forbes.com

# Businesses Lose \$75 Billion Due To Poor Customer Service

Shep Hyken, Contributor

The numbers are out. NewVoiceMedia's 2018 "Serial Switchers" report reveals that poor customer service is costing businesses more than \$75 billion a year. That's up \$13 billion since its last report in 2016.

CEOs of companies large and small are recognizing the importance of delivering a better customer service experience. Some are now emphasizing customer service more than product quality and price lowest, at least competitive, although when the service experience is high the issue of price is less relevant. That doesn't mean quality and price are no longer important. It is. It should be a given that what a customer buys will do what it's supposed to do. It's expected that price will be, if not the.

The report claims, "Brands are failing to create the positive, emotional experiences that drive customer loyalty." The result is that 67 percent of customers have become "serial switchers," customers who are willing to switch brands because of a poor customer experience. That's an increase of 37 percent since NVM's last report. The main reasons for customers ceasing to do business with a company should be obvious:

1. Customers do not feel appreciated.
2. Customers are not able to speak to a person who can provide them the answers they are looking for.
3. Customers experience rude and unhelpful employees.
4. Customers are being passed around to multiple people.
5. Customers are put on hold for unreasonable lengths of time.

When the surveyed customers experienced poor service, 39 percent said they would never use the offending company again, and 36 percent would write a complaint letter or send an email.

So, what is a brand to do?

Eighty-six percent of customers surveyed said that if there was an emotional connection with a customer service agent, they would be willing to continue to do business. However, only 30 percent felt the companies they had interacted during the past year had made that connection.

And, what does all of this mean? If you're not already customer-focused, it's time. And even if you are, you must recognize the way your customers are thinking. Your customers no longer compare you to just your direct competitors. Instead, they compare you to the best service they have ever received – from any company. Yes, that service may have come from your competitor,

or it could be that knowledgeable and helpful shoe salesperson at the department store who just sold the customer a \$25 pair of “on-sale” shoes. Are you and your company as good as the last great experience your customer had? Whoever provided great service – from whatever company – has now set the benchmark for your customers’ expectations.

And, while the NewVoiceMedia survey focused on call centers and B2C customers, don’t think that B2B is immune from this customer behavior. A B2B customer may have fewer options than a typical retail consumer, but they do have options. And, when it’s time for a B2B customer to renew a big contract or restock supplies, don’t think they aren’t comparing you to that shoe salesperson too, because many of them are. Customers of any type of business want the same things. They want an experience that, at a minimum, meets their expectations, or even better, exceeds them.

If the numbers in the NVM survey scare you (and they should), there is some good news. For a company that provides good service, 66 percent of customers would be more loyal, 65 percent would be willing to recommend the company to others, and 48 percent would spend more money.

While the overall service experience is important, it’s the connection to the customer that can make an even bigger difference. Satisfied customers aren’t the same as loyal customers. Satisfactory is a rating. Loyalty is an emotion. Dennis Fois, CEO of NewVoiceMedia, states in the report, “In today’s Age of the Customer, personal, emotive customer interactions play a critical role in bridging the gap for what disruption and digital innovation alone cannot solve. For brands to compete – and win – in CX in 2018 and beyond, service leaders must ensure their teams optimize processes and communication in ways that create positive emotional experiences for customers.”

So, do you want to keep your customers? Don’t lose sight of that human connection. Yes, there is amazing technology today that businesses can use to simplify, speed up and enhance their customer service experience, but people will remember the way you make them feel. Make that connection, and hold on to your customers.

*Shep Hyken is a customer service & customer experience expert, keynote speaker and NYT bestselling author. Learn about his latest book *The Convenience Revolution*.*

<https://www.forbes.com/sites/shephyken/2018/05/17/businesses-lose-75-billion-due-to-poor-customer-service/#22fde60116f9>