

Do once customer-driven companies need to lose their customer focus?

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Looking at all companies, at some stage in their history, they were fantastic with customers - and then lost their way. Is the pressure to produce profit so forceful that, having worked so hard to attain brilliant status with customers, they chase growth and profit at the cost of weakening their previous focus on customer care?

Even worse, they wind up betraying once-loyal customers while fallaciously proclaiming that they remain customer-driven to the core.

It has happened in so many industries: big FMCG and other retailers, restaurant and fast-food chains, airlines, internet service providers, hotel chains, motor vehicle manufacturers and retailers, just about all financial services, and even new and successful internet businesses. The biggest losers are, of course customers, but in today's connected world, the company also loses - a lot.



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Worldwide, companies admit widespread customer service failings are hitting the bottom line. In research published in October 2013 by the Economist Intelligence Unit, nearly two-thirds of companies surveyed found bottom lines clearly and significantly hit by poor service. And yet, one in four of those same companies have failed to invest in customer service in the past two years. Less than 30% of the leaders of those companies feel that being obviously customer-driven is a key to career progression. Indeed, employee and other internal issues take precedence over customer concerns in around 90% of companies.

Yet the impact of poor customer service on profitability and reputation is widely reported. Losing customers is expensive, and, in around 15% of organisations, this has led to a drop in the share price. The company loses all the investment it made into winning over and retaining lost customers - the price paid also includes compensation, legal defence, poor staff morale, and the loss of reputation. Opportunities for cross-sales, up-sales, and referrals and recommendations are lost.

So, how do you keep your existing customers happy while you grow your start-up?

- Keep talking to your clients, not only to tell them where you're at, what you're doing, and where you're going, but also to listen carefully to how they feel about your business right now. They will offer you great clues if they feel you are off track, and you'll be able to respond immediately. If they think you are neglecting the basics, no matter what else you do it will be the equivalent of putting lipstick on a pig.
- Don't forget what it was that made your business great in the first place. (Hint: it's not your products.) What was it that your customers felt that was so appealing? Did they like that this was the first, unique and innovative time that they had ever experienced this? Was it because your warmth and special attention to them made them feel important and cared for? Did it make them look good with others? You'd better find out, and continue doing more.
- Constantly and continuously come up with innovative ways of adding value for them. If there's one thing that keeps customers loyal, it's the fact that they always get little surprises. You don't have to reward them with holidays in Mauritius: sometimes it's the smallest things that count the most.

Executives need to move away from the thinking that it's a trade-off between customer-drivenness and profitability. The evidence is clear: take care of your customers, and your business will succeed and grow. Neglect your customers, or destroy their trust, and you won't be around in five years to talk about it.

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