

How to lose a customer in 5 steps

What not to do is just as important as what to do

By Jim Peduto, Esq., CBSE

Business owners often willingly invest tons of time and resources trying to attract new customers and grow the business. Meanwhile, they sacrifice valuable relationships through simple acts of carelessness and the failure to meet their current customers' needs. As a result, many businesses lose existing customers faster than they can gain new ones.

While securing new business is essential to business growth, retaining customers is just as important, if not more so – your business is not growing if customers are leaving faster than new ones are coming in. And trust me; your competitors are working overtime to steal your key accounts. If you want to make it easy for them to do so, check out these five easy steps to losing your best customers.

Step 1: Don't Listen.

Don't bother learning as much as you can about the customer's organization, facility and needs. Don't ask open-ended questions to get the most information as possible, and when they talk, be sure to interrupt them and dismiss their comments. Shutting your customers down is a great way to make sure you miss out on what you need to do to deliver quality service. If you want to keep customers, ask questions, listen, and take notes.

Step 2: Don't provide value.

Instead of providing what the customer views as valuable, assume what they want and deliver the services you think are best for the customer. After all, you are the expert and know what they want, right? Wrong. Find out exactly what they view is valuable and focus on delivering those things in the best way possible.

Step 3: Keep customers in the dark.

Customer relationships require constant communication in order to last. One of the fastest ways to destroy a customer relationship is to limit communication. This includes not letting the customer know when you're making any changes anything from staffing to service levels to billing. Making changes with little or no notice just gives customers unnecessary feelings of uncertainty and adds strain to your relationships.

Step 4: Don't treat customers with respect.

Sometimes, as the business owner, you might feel like the customer is being unreasonable. You may even be annoyed but, don't have the luxury of letting the customer know it. The age-old adage, "the customer is always right" must live on in your mind and in the minds of your staff. If you are rude or disrespectful to your customers, they will your competitor's customers tomorrow.

Step 5: Destroy trust.

Customers need to feel like they can trust you and your business or they won't stick around. There are many ways to destroy trust and it doesn't take one huge mistake; you can destroy trust little by little with small things. For example, don't return their phone calls in a timely manner (within 24 hours), don't follow up with them on issues or concerns or to see how they are doing, and be inconsistent so they just don't know what to expect from you. Just like any relationship, customer relationships require trust or they won't last.

Any of the above steps can easily send your customers packing. The key to keeping them from walking away is to do the just opposite of what the steps say: listen; provide what they define as valuable; communicate; treat them with respect; and work build and keep trust. Sometimes knowing what not to do is as important as knowing what to do.

***Columnist's Note:** This is my final column for Contracting Insights. Thank you to my readers for following my column for the past three years. I wish you much success in business. Also, thanks to the editorial staff at Contracting Profits for giving me the opportunity to write this column.*

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