

Business of Customer Service

What business types are susceptible to being damaged by poor customer service?

Certainly, not all types of businesses have to have the same levels of customer service. However, some sectors are particularly sensitive to the effects of messing up on customer service. Here's a few criteria.

You're Service Quality Needs To Be Stellar If:

Your business serves the "high end" customers. More specifically, high end hotels and restaurants have little room for customer service mistakes, because one of the aspects their customers are paying for is the best service possible. When a customer spends \$1,000 on a hotel room, or \$200. per person an a restaurant meal, they demand as close to perfection as one can get. But more importantly, if they don't receive the "perfection" they want, **they will not come back, AND they will tell others not to patronize the establishment.**

The business niche is very competitive. The more options the customer has -- in other words, the more choices, the more likely she will simply take their business elsewhere. In a town where there's only one dry cleaning establishment, poor service may not end up in customer loss, because it's simply inconvenient to go elsewhere, and some industries are based on convenience. On the other hand, think, again of restaurants, and hotels, where there's almost always a huge variety of choices.

Businesses Where There Are Few Barriers To Switching To A Competitor. Some business niches make it quite difficult for a customer to switch vendors. For example, a lot of telecom and television providers require purchase or rental of equipment, which is not transferable if the customer chooses to switch. The flip side is also true. When a customer can simply "go next door", and they receive poor service from you, they will go next door.

The Business is NOT A "Convenience Business". Some businesses sell "convenience". The corner convenience store is a good example. People go there because it's handy, and hopefully, hassle free, and they are willing to pay a few cents more for their milk, just so they can get it at the same time as they fill up their car gas tank. Convenience businesses can get a way with poor customer service, provided they remain the most convenient way for the customer to get what he wants.

On the other hand, businesses that "sell" other than convenience have less leeway. For example, a business that guides customers to the best purchases that fit their needs will be damaged if their service is poor, because simply put, customers aren't getting what they came for.

Things To Think About

It obviously important, as a business, to do things right in the first place, and to provide the best customer service one can manage, **but it is NOT free to provide it.** That's why it's important to determine what level of service fits for the particular business type, in the particular location. There is no substitute for knowing your customers and your market place because understanding WHY customers come to you in the first place, will help you determine how good your customer service must be.

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Some business types simply won't profit much by improving their service, while other types will be hurt by even small drops in customer service levels.

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