

*[Editor's note: Even before the economic challenges and pharma consolidations in recent months, the cost of acquiring a new client was about eight times the cost of keeping an existing one. In this article, author Sean D'Souza provides compelling reasons to maintain close ties with your clients and actively seek their feedback. Much can be learned from the dialogue between you, and it can pay off in a big way. JLM]*

## Never Trust a “Silent” Customer

*By Sean D'Souza*

In a Bain & Company survey of major corporations, they found that on average, U.S. Corporations lose half their customers in five years. Notice, it wasn't “one year” or “suddenly”. Clients have a tipping point. They get unhappy bit by bit and then its camel-back-breaking time. So, if you think that all your customers are happy with you—they aren't. It's a basic fact of life.

[In] a study...done on a bank, they found they had as many accounts as they'd had a year ago. What they failed to measure was how most of the people had “silently” transferred the money out into other banks and the closure of the account was a last measure, somewhere down the line.

The same thing applies to your customer. Like a patient Buddha, they will seemingly appear to put up with everything, till suddenly you find they don't use you anymore. This is a classic flight of business. You hear nothing of it, till it's almost gone and it takes a mammoth effort just to hold on to the business.

If you look at it from another perspective, you might even be getting equal to or slightly less business from your customer. Naturally this doesn't ring any alarm bells. However, if...your customer has grown bigger and richer [but] your business with them has not grown exponentially, you are actually LOSING OUT.

No matter how successful your business, you will always have scope for improvement. Best of all, you will always have complaining customers. Don't deny the fact. Accept it and then do something about it.

### The Real Reason You Lose Customers

Last month we went to KFC to pick up some chicken and chips for dinner. On the way home we discovered that the chicken and the chips were soggy and tasted terrible.

How would most customers react? It would depend on their history with the product, but most people would grumble and simply not go back. We complained. We picked up the phone and called the toll free line at KFC. They asked us to place our order. We said we didn't want to place an order; we just wanted to complain.

They said, "We don't take complaints on this line. You'll have to call the manager at the branch where you bought it and talk to him."

Now why would I bother to go through all that trouble? It's easier to never go back. All that money that KFC spends trying to get new customers is going down the drain and out the back door because they don't have a complaint line.

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Most companies act precisely in the same manner. For one, they have no real complaint department. If clients are unhappy, they feel embarrassed to complain and because no route has been cleared to vent their feelings, they avoid it completely. Then they leave.

Obviously, you can't wait for something to go wrong. Your job is to find ways to get the client to complain. If they complain, you are getting feedback that is extremely valuable and is probably relevant for all your other clients as well. Best of all, empowered with a complaint channel, a well-trained client will complain at every juncture, giving you the opportunity to fix the problem and regain their trust.

### **How Companies React to Complaints**

Virgin Airlines CEO, Richard Branson, sometimes makes an appearance at the gates when a flight is late, apologizing profusely to all passengers as they check out. How mad would you continue to be if you ran into a situation like this?

Yet most companies detest complaints...so they never ask for feedback. On the rare occasion that clients get mad enough to put it in words, it's too late. Even then, a complaint is treated with nuisance value.

The first step a company takes when dealing with complaints is that they fix it.

Yeah, Right!

Because of their crummy service, the plane took off without you, you missed your meeting and lost more than just your temper. Do you think, just replacing something is going to erase all that trouble? It's going to take much, much more. A simple replacement is never the answer. It has to be [far] more than just a numb "sorry." You've got to woo the customer back.

### **The Problem With Zero Defect**

Lots of companies ran themselves into the ground trying to achieve zero defect. In an unpredictable world like ours, that goal is unreal. Even the best of intentions aren't much use if you run into a flash flood. Clients recognize that. However, it's up to you to have a disaster recovery plan in place.

At Nordstrom stores across the U.S., salespeople are empowered to do "whatever it takes" to fix a problem, even if it means going to the store across the street and buying the product at a higher price. It's called the art of immediate recovery, and it assumes that something will go wrong and you will have a Plan B to fix it. The more you prepare yourself for this inevitable event, the less chance the client has to complain.

More often than not, a complaining client is complaining about everything but the product. Ever see people complaining about the food at a restaurant? The principal purpose of the restaurant is food, yet people leave because of loud music, bad service and everything else. Your job is to assume you're a restaurant and find out what your "everything else" is.

### **Getting Complaints is Like Winning Lotto!**

1. What you need to do to ensure a regular stream of complaints. Dump the feedback form and go out and ask your customers face to face. Do it regularly and have them know to whom they can complain if anything goes wrong. There is no such thing as a silent customer.

2. Complaining customers are always very precise. They eliminate the vagueness of feedback forms. Listen to them, act on their complaints. It's not that they want to leave. They want to be wooed back. Fix the problem and then let them know how you fixed it.
3. They're giving you free feedback that would cost a fortune at a research company, so reward them. They've been inconvenienced...[and] that inconvenience factor deserves payment in the form of a reward over and above just fixing the problem. Customers who are bought back from the brink are extremely loyal and extremely 'noisy.' Treat them like the asset they are.
4. Remember, it costs eight times as much to get a new customer [as] it takes to keep an existing one. Keep them at all costs. Atone for your sins.
5. Rule #1: The complaining customer is always right.  
Rule #2: When in doubt, refer to Rule #1.

**About the Author**

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