

MERCHANDISING

by Keith Evans, Director of Communications and Public Relations

Creating Satisfied Customers The Goal of Any Business

"The goal of any business is creating satisfied customers," says John Young of Hewlett Packard, one of America's successful electronics firms.

Satisfied, repeat customers are valuable assets for numerous reasons.

First, they save money. It takes five times as much time, effort and money to attract a new customer as to keep an existing one.

Second, they promote growth of your business. Business research has shown that companies grow an average of 12 percent a year if customers are happy, compared to zero growth if they are unhappy.

Third, unhappy customers drive others away from your business. The 1981 Technical Assistance Research Project found that 96 percent of unhappy customers never complain, they just don't come back. Yet 90 percent of the unhappy customers will tell nine other people they were unhappy with you or your product, and 10 percent will tell 20 others.

Fourth, happy customers not only come back to buy from you regularly, they also tell five others of their satisfactory purchase.

It sounds so easy. But keeping customers satisfied can at times be trying, costly and time consuming. Recently the *Angus Journal* received a letter from a Montana cattleman praising the service he received from a registered Angus breeder in that state. He was so happy he wanted his letter praising the breeder printed in the *Angus Journal*.

He closed with the following P.S. "If you have any questions or if I didn't make it clear enough please call me and I'll be happy to tell you more." His satisfaction was evident.

In brief, the man's letter told of buying a registered Angus bull and then finding the bull was not breeding his cows. He called the breeder, not sure what would happen since the bull had been tested and turned out with the cows for several days. To his obvious surprise the Angus breeder told him not to worry.

They brought him a bull the next day to use while the bull in question was tested by a veterinarian.

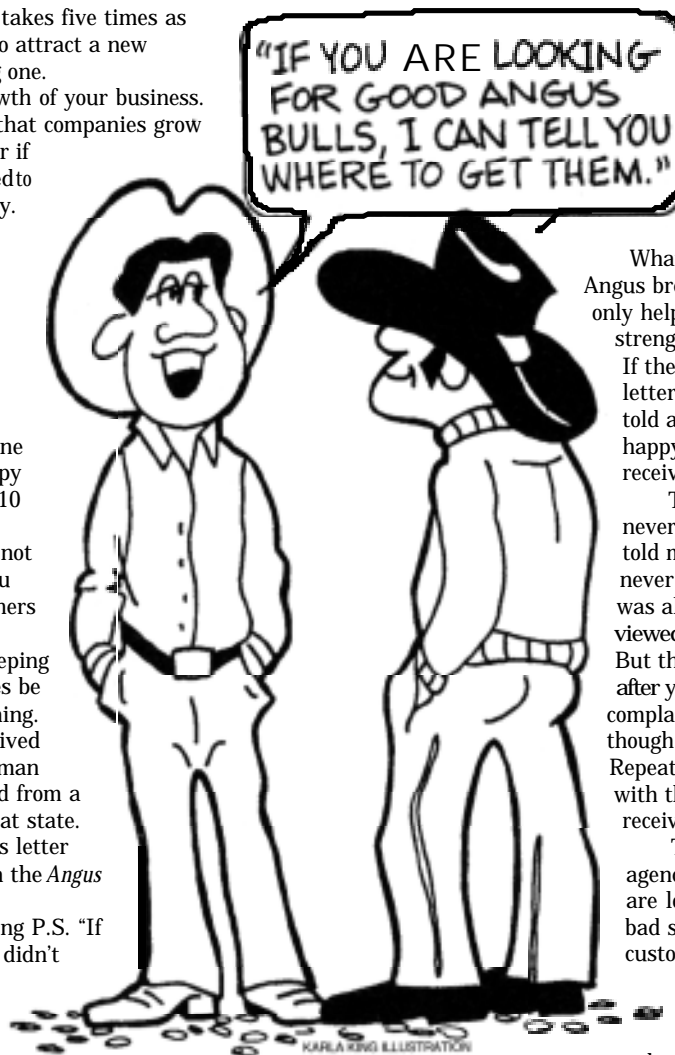
"The vet said he had a hair ring and a bad infection," the man wrote. "(The breeder) took the bull home and healed him up and then had him tested again. After all this they didn't want me to pay for the vet or the medicine."

The writer concluded with, "I can't tell you how much I appreciated all (they did) for me and that gives me more confidence in the Angus breed than I have ever had."

What this conscientious Montana Angus breeder did for his customer not only helped his business, but evidently strengthened the Angus breed as well. If the person took the time to write a letter to the *Angus Journal*, he likely told a lot more than five people how happy he was with the service he received.

There may be some people you can never satisfy. An Association member told me recently of a customer who was never happy with his purchases. He was always complaining and the seller viewed him as a real pain in the neck. But the man kept buying bulls year after year. Though he always complains, he may be satisfied, even though he doesn't always act like it. Repeat customers are usually satisfied with the service and product they receive.

The Leo Burnett advertising agency once found that most customers are lost because of bad service. And bad service is determined by the customer. If customers believe they weren't treated right that's all that counts. Of course you have to have the product they need and want. But aside from that, think "service, service, service." In the business of marketing, service is the competitive advantage.



Keith Evans