The Top 3 Ways To Lose Customers

Most of what I've written for *Quick Printing* over the years has been about gaining new customers, or maximizing the value of the customers you already have. This month, I thought I'd write about losing customers—or at least about *how* printers seem to lose them far too often. What I'm hoping is that you'll see some of the things you may be doing—or not doing!—in this discussion, and that will help you to hang on to more of your current customers. Because one of the hard truths of this business is that gaining new customers doesn't help you to make money if you're losing them as fast as you gain them!

Quality Failures

One of the most popular ways to lose a customer is simply to deliver printing that doesn't meet their quality expectations. One of my clients has a sign on the wall in his production area that says: "Ugly Printing Creates Ugly Situations…And That's The Best Case Scenario!" I love that sign, because I know it reflects the absolute truth. The people who tell you they're unhappy at least give you some chance to make amends. Hard experience has shown that many people won't tell you that you've let them down in terms of quality; they'll just stop buying from you!

How do you avoid losing customers over quality failures? The first thing you do is avoid having those failures in the first place! That requires a combination of training and quality control, with a measure of good management thrown into the mix. First, you teach your people to do their jobs well. Second, you establish quality control procedures that support your quality objectives and provide accountability. At the very least, you need to be able to identify the "who/what/where" surrounding whatever quality problems are occurring. When you identify the causative factors, you correct them by applying training and/or discipline. You also pay attention to your equipment, because even though it's often said that only a poor workman blames his tools, it's also true that sometimes the equipment is the problem!

The second thing you do to keep from losing customers over quality failures is to follow up on every job—or at least on a regular enough basis to ensure that no one can establish a good relationship with another printer before you have a chance to do some damage control. More on that will follow.

Service Failures

Another very popular way to lose a customer is to fail to meet their delivery requirements. The client mentioned earlier has another sign on his wall now, saying "Late Deliveries Too!" (That one went up fairly recently, to remind his people that they can work very hard at eliminating quality problems—as they have—and still have service problems bite them where it hurts!)

How do you avoid losing customers over service failures? It's largely the same recipe as with quality failures: don't have them in the first place, and if you do, be sure to do whatever damage control you can in an effort to minimize the damage to your customer relationship.

Remember, too, that there's more to the definition of service failures than late deliveries. It's also far too common for printers to suffer from the quality of their service (or more correctly, from the lack thereof.) Poor communication and sloppy order entry and inadequate attention to detail are the common culprits here, and again, this is a problem that can only be solved with training and management. Remember that quality control policies and procedures are just as applicable to the quality of the service as to the quality of the printed product.

Buy Time!

There's something else that you can do to minimize the likelihood of missed deliveries, and that's to *buy time* at every opportunity. I've told most of my sales coaching clients to put a sign up on the mirror in their bathroom at home, so that they'll see the words "Buy Time!" every morning and again every night.

If you're smart, you'll never tell a customer that they'll have their job on some specific day based on your "normal" turnaround time. What you'll do instead is ask them "When do you need this?" If the answer is something longer than your normal turnaround time, you say "We should be able to do that" and if it turns out that you can deliver the job sooner, you've set up a situation where you've under-promised and then over-performed. That's always a good thing!

If their deadline is the same as your normal turnaround time, you say essentially the same thing but with one important addition. "We should be able to do that," you say. "But if it comes down to needing another day or so, would that still be OK?" The extra day or so may not always be there, but if it is, you want it!

If their deadline is shorter than your normal turnaround time, you say "I'll have to check our production schedule to make sure we can meet your deadline, and I'll get back to you as soon as I do that."

Please remember that every "rush" job that gets plugged into the production schedule is going to effect every job in line behind it. To put that another way, when you accept a rush job to make one customer happy, you're generally taking a chance on making some other customer(s) unhappy. The benefit of this strategy is that the time you buy on any other order increases the likelihood that you'll be able to handle the rush job or any other calamity (equipment breakdowns, employees out sick, etc.) without jeopardizing your relationships with other customers.

Contact Failures

The most popular way to lose a customer, it seems, is to lose touch with them. Industry-specific research indicates that only about 10% of all customer loss is due to quality failures, and only another 10% is due to service failures. The research indicates that 60% of all customer loss comes from simply losing touch. (To complete the picture, 15% of the people who change printers say they do so because they've found "better" pricing, and another 5% change for a variety of miscellaneous reasons.)

How do you keep from losing touch with your customers? The best strategy is to establish some interval that you will simply never let go by without either you hearing from them, or them hearing from you.

I work with my clients to build a "contact calendar" which sets the intervals at either 1 week, 2 weeks, 4 weeks or 8 weeks. The first step is to assign the appropriate interval to each customer. The second step is to lay that all out visually on the contact calendar. The third step is to transfer the whole interval plan into a computerized contact manager like ACT or Goldmine. The fourth step is to pay attention to when you're hearing from people, and when the interval reminder comes around, if they haven't called you or come in to see you within the designated time period, you call them or go to see them!

Direct Mail?

I'm often asked if this is something that a direct mail program can do for you, perhaps sending out a monthly newsletter to "keep your name in front of your customers." My answer is that direct mail can do exactly that—keep your name in front of your customers. It won't, however, tell them all how much you love them and value their business!

Let's face it, most of the newsletters printers send out go unread. That's OK, though, because as far as keeping your name in front of them goes, it's enough that the newsletter registers on either the conscious or subconscious level. "Oh yeah, here's that newsletter from my printer. I don't have time to read it, but I do know they're one of my suppliers." That qualifies as FOMA—Front-Of-Mind Awareness.

The critical question is whether FOMA and "keeping your name in front of your customers" is enough. I don't think it is, first of all because not everyone you send a newsletter to will see it and register the contact. Second, some will see it but not read it, and even though you do stand to benefit from the front-of-mind awareness, if they don't read the words and look at the pictures, they're not getting any of the *added value* that a well-written newsletter can bring to a seller-buyer relationship.

I think it boils down to this, direct mail experts will tell you that direct mail by itself is only so effective. I'm sure you've heard that response rates in the 3-5% range are considered pretty good. Direct mail followed up with a phone call is even more effective, though, and I think a direct mail program augmented with an interval telephone or face-to-face contact program gives you pretty good coverage of your current customers.

Now, here's what I mean by coverage. First of all, you get the opportunity to tell them things—about new products, about new services, and about how much you love them and value their business. Second, and perhaps more importantly, you get to ask them things—like "have you been completely satisfied with both our quality and service since we talked last?" If they haven't, you're a lot better off hearing it now than having them simply stop buying from you. Hopefully, you're within that window where they may not be all that happy with you, but they haven't taken irrevocable steps to replace you. In other words, you still have a chance to salvage the relationship!

Implementation

If I were you, I would make someone in my organization responsible for every single one of my customers. With an outside salesperson, that would certainly mean holding that person responsible for maintaining interval contact with every one of his/her customers. How about the "walk-in" customers and house accounts? I would assign each of them to somebody—probably a CSR, possibly a DTP/Design employee, and for a customer of sufficient importance, I'd make myself responsible!

If you're like most of the quick/digital/small commercial printers I work with, you have a whole bunch of "inactives" on your customers list. They've bought from you in the past, but they're not buying from you right now. Let's stop and think about how people like this became inactive?

One possibility is that they don't buy printing/copying anymore, possibly because they're not in business anymore. If that's the case, you're blameless (except you should feel silly if you're still sending them a monthly

newsletter.) The only other possibility is that you lost their business, either because of quality failure, service failure or contact failure. It may be too late to do anything about those failures, but it's not too late to try to prevent them from happening with your current active customers!