

The Value of a Customer - What Every Employee Should Know By Larry Johnson

In 1991, my family and I moved to a new neighborhood. On moving day, the professionals moved the furniture while my wife, daughter and I made several trips in separate cars, transferring the smaller items. As I completed the last trip for the evening, frazzled and ready for bed, I noticed my gas gauge showed dead empty, so I turned into a filling station, two miles from our new house.

The station had the old style pumps that let you fill the tank without a credit card, and then go inside to pay. As luck would have it, after filling up, I realized that I didn't have my wallet with me. I was unable to call my wife because the phone in our new house wasn't working yet, so I explained my dilemma to the attendant and asked him if he could trust me to drive home, get my wallet and return with the money.

He just said, "No way, man."

My car was full of knick-knacks from the house, and certainly there was something I could leave with him to cover the \$20 in gas, so I offered my prized ceramic elephant. His response was a hostile, "Look man, pay the cash, or go get it and come back – but your car stays here. Otherwise, I call the cops."

Exasperated, I saw no alternative, so I walked the two miles to my new house, cursing him, and my own stupidity, the entire way. My wife returned me to the station to get the car and pay for the gas.

We lived in that neighborhood for ten years. Although that gas station was the nearest and most convenient to our house, we NEVER returned to buy gas there. My family owns three cars (one for each of us), and we fill them up about once per week per car.

The average fill-up is \$23.50. In a ten year period that adds up to \$36,660 - lost gross revenues for that one gas station – all because an attendant wouldn't take the time or make the effort to help me solve a problem.

Now you may be saying, "Larry, get reasonable! It was your fault that you didn't have your wallet. The attendant was just doing his job." And you would be absolutely right. I'm a pretty reasonable guy. But I just couldn't bring myself to go back there. Maybe it was embarrassment over my own stupidity. And maybe it was resenting the attendant's attitude. But it doesn't matter. The owner of that gas station lost \$36,660.

How about your customers? Are they more reasonable than I? Or even less? Are you willing to take that risk?

As a speaker and trainer, I've given hundreds of speeches and seminars on the topic of customer service, all over the world to thousands of people. During those sessions, I always ask people to think of a time when they promised themselves that they would never again do business with a retailer, or a bank, or an insurance company, or a hospital, or any other business. I then ask them to share the reasons for their decision.

Seventy percent of the responses indicate that it was due to treatment they received from one individual with whom they had direct contact during the course of the transactions. Only 30% say it's due to systemic flaws like being overcharged or having a delivery missed.

That's a lot of power your front line staff have over your customers' decisions to stay or leave. And if your business is like most, these folks are the lowest paid in your organization, have the most tedious jobs, and get the least amount of training.

That's something to really lose sleep over!

Just think. Had that attendant been better trained, he might have taken a more problem solving approach with me. We'll never know; and neither will the station owner know that he lost \$36,660.

QUESTION: Do your employees know the life-time value of your customers?

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