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The Impact of Good Customer Service in Small Business

by Kimberlee Leonard; Updated June 29, 2018



Small businesses must compete for every customer they have. The cost of customer acquisition is much greater for small businesses, compared to big competitors, which have larger advertising budgets and what seems like unlimited resources for promotions. If you've worked hard and you've spent money to get a good customer, make sure you keep that customer so you will realize the value of your acquisition. Every small business owner should consider the effects that customer service has on your bottom line.

Building Loyal and Raving Clients

One of the first impacts that a business will see from good customer service is consumer loyalty and raving fans. People will return to a business in which they feel they are treated with respect. Not only do these customers come back but they also tell their friends, post on social media and discuss the positive experience they had.

For example, a lot of people hate going to the dentist. They fear what the X-rays will show and dread the sound of the drill. For some, this creates so much anxiety that they avoid the dentist until something is really wrong making matters worse. If this customer finds a dentist who not only understands how fearful his patient is but also has methods of making the entire process more enjoyable, the client will certainly share his experience. Of course, few think about dentists and good customer service in the same sentence, but there is a way to make the client feel cared about and validated in his fears while still taking care of the issue at hand.

Treating Non-Sales As Customers

Sometimes a business gets a prospect in the door that they feel is a sure sale. Then the sale doesn't happen. It can be easy for a sales representative to take a negative tone. But if the representative takes a customer service perspective, he might get the sale later. An insurance agent is a good example of where this happens a lot. He might have a great rapport with the client and do the entire quote. The end might result in no sale either

because of some problem in underwriting for that particular prospect. If the agent just says, "Sorry, I can't help you," he loses the sale forever.

Instead, if the agent tries to help the prospect resolve the issue with resources to the DMV to remove an inaccurate ticket citation or correct accident details, he has provided the prospect with valuable information and great customer service. He now has a better chance of eventually getting the customer.

Preventing Negative Reviews or Returns

As much as good customer service aids the sale process, bad customer service can kill an otherwise sure sale. When customer service representatives speak to customers in a condescending tone or cut them off, customers won't tolerate it. When someone is willing to spend money with your business, they deserve to be heard and treated with respect.

Those customers who have negative experiences with your company are more likely to return products for the smallest issue. Additionally, those with negative customer service experiences will likely write negative reviews on social media platforms creating a bigger issue. The business will now need to work harder to overcome the negative publicity.

Tip

- Hold customer service training and do role playing so your team knows what is expected of customer interactions. Teach them how to deal with questions and problems that occur in daily operations. Prepare them to be great customer services representatives of the company.