

# The Effects of Bad Customer Service

Customer service is arguably the most important thing for your business to get right. Inbound marketing is customer-focused and inherently aids customer service, but that doesn't mean companies who use it can't still be guilty of bad service experiences.

## Top Side Effects of Bad Customer Service

- A Damaged Reputation
- Leads Don't Convert
- Your Customer Lifetime Value Drops
- You Lose Your Best Employees

Of course, "good" customer service is often up for interpretation. It's only normal for small mistakes to happen or to encounter customers that are impossible. These are generally small bumps in the road and don't constitute bad customer service.

These situations, however, are usually considered universally unacceptable:

- Long wait times and response times
- Poor attention to detail
- Company reps with lack of experience and knowledge
- Unprofessional and impersonal interactions

Companies who are guilty of these bad customer service traits often face negative consequences - many of which are difficult to overcome and can lead to the company's failure.

The good news is that even the worst customer service habits can be corrected without detrimental damage to your brand, assuming you take action quickly.

## 1. A Damaged Reputation

Your brand's reputation is incredibly valuable. However, especially with the internet, your reputation is the first thing to take a hit when you have an extended streak of bad customer service.

Customers today are quick to write negative reviews online when they have a bad experience with a company. In addition to leaving critical reviews, customers also vent their frustrations on social media for their friends, family, colleagues, and the entire world to see.

In a recent study, 95% of respondents said they usually tell at least one other person about a bad customer experience with a company, while 54% said they share it with at

least 5 other people. Just in case you think people aren't reading reviews or searching for discussions about brands on social media, that same study found 88% of respondents have been influenced by an online review when making a buying decision.

What this adds up to is a decrease in overall sales, but more importantly, a major decrease in word of mouth marketing - arguably the most valuable marketing outlet a brand can have.

### ***How to Repair the Damage***

Have a key figure in your company reach out to those who have received bad customer service to make amends.

Responding publicly to negative reviews, accepting responsibility for the wrongdoing, and informing people that you're making strides to permanently solve the issue can do wonders for negative perspectives people may have of your brand.

Always, however, make it a point to move this conversation to a private discussion. Don't go back and forth publicly because you risk doing more damage than good.

After you've reached out to the consumer, based on the negative feedback, address the problems internally. Set a higher standard for customer service and make it a top priority until it has become a permanent fixture in your operations.

## **2. Leads Don't Convert**

Bad customer service kills conversions. Although the term customer service implies current customers, all interactions with prospects, leads, and anyone else can fall into this realm.

How many times have you reached out to a business and never heard back? How frustrated were you? Now, imagine what your leads are thinking when they request a consultation and never hear back, when they have to wait on hold forever, or when sales reps are slow to respond.

Customer service departments already have a negative stigma associated with them as a whole, so why not surprise people with a positive experience? Great customer service upfront leaves an awesome first impression and gets leads excited about doing business with your company.

### ***How to Repair the Damage***

Train your representatives early. There should be an initial onboarding process that teaches your new employees the proper ways to address both current & prospective clients. This way, there can be no misunderstandings or miscommunications.

Also, make sure your strategy aligns marketing and sales goals. Having this makes it easier for sales reps to deliver the best customer service, while also using marketing to deliver more value to leads before they interact with sales reps.

### **3. Your Customer Lifetime Value Drops**

By now you're aware that acquiring new customers is usually more expensive than keeping your current customers. That is one of the primary reasons delivering great customer service is so important.

Did you know 9 out of 10 customers say they're willing to pay more to ensure a good customer experience and as much as 70% will continue to do business with you if you resolve a complaint?

#### ***How to Repair the Damage***

Develop a customer retention strategy that builds brand loyalty.

Inbound marketing can be used effectively to retain customers by providing: Webinars, How-to and Educational articles, FAQ pages, Special/exclusive deals, and Newsletters. Marketers often get caught up in focusing solely on customer acquisition when customer retention generally has a higher ROI.

### **4. You Lose Your Best Employees**

Bad customer service has negative side effects in all areas of business. Not only do you lose customers, but you run the risk of losing your best employees. When your company has a customer service problem, your best employees are forced to pick up the slack for bad employees. This leads to burnout and dissatisfaction from the people you rely on most.

If your company develops a bad reputation, your top performers may also leave when they realize things are going south.

#### ***How to Repair the Damage***

Reward your best employees and don't keep bad employees around. Great customer service starts with a great company culture.

Average employees will perform to the level that's considered "normal" in your company culture. When bad customer service is the norm, they don't feel incentivized to improve. However, a company culture where quick, friendly, and professional customer service is expected sets the bar higher for average employees.

The positive side effect of a great company culture is that it attracts better employees and gives them a reason to stick around, which ultimately improves all areas of business.

Address problems with customer service early and often. Regularly survey customers and chat with them when you can.

The best way to solve bad customer service is to prevent it, but the second-best way is to get it corrected before it gets out of hand.