

DOING BUSINESS: Merchant Alert
Consumer Alert: 2nd Article in 12 month series
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Perplexing Perceptions Can Create Pitfalls in Revenue

Your customers have expectations. That should come as no surprise at all, but where do they get them? How are they formed and what do they do to a consumer's perception of your service or product quality?

You own or run a business and you've had a few customers and you've used the marvels of advertising in hopes of attracting more. You are setting your customer's expectations. If your restaurant has photographed picture perfect parfaits with nuts dancing a top fluffy cream adorned with a cherry, and then publicized this item in a feature ad, your customers expect what's in that picture. This must be obvious, yes? Well, no. The consumer who orders that dessert which arrives with no cream, half a cherry, and two nuts on one side, shakes his or her head in dismay, and wonders why the merchant hasn't figured it out. Or worse yet, that consumer votes with his feet and leaves with no intention of coming back for more. If a merchant sets the expectations, meeting them is a must, exceeding them will grow the business.

The consumers that have already done business with you are also helping to set the expectation of your future customers. It's called "word-of-mouth" and there is no more effective form of advertising that will work for OR against you. A consumer drops off her dry-cleaning and requests rush service. The cleaners, new to the area, delivers the clothes as promised per her special directions, and on time, with a smile. How do you think she will respond when a neighbor says "Have you tried those new cleaners?"

Consumers do not expect perfection, usually, though there are a select few with unreasonable expectations, but they do expect what they expect, in either case. The difference between what they expect and what they actually get is called perceived service quality. If the consumer perceives your product quality to be poor, expectations may have been set higher than achievable by the merchant or other consumers via "word-of-mouth". If the consumer arrived at your place of business with low expectations and you provide high quality service then you are successfully exceeding their initial expectations and you are successfully creating a loyal customer.

You create loyal customers that is, if you continue to exceed expectations. Restaurants are well known for playing this game with portion and plate size. Not long ago, I visited a restaurant in the Central Florida area. It was their grand opening and they had been open only a few weeks. The portion sizes and plates were absolutely enormous and impressive. Yet, only a week ago, I returned to this same restaurant who had now been open for more than six months, only to find portions sizes less than super in size and paltry by comparison to what I had seen there before. My expectations were initially exceeded, but also set to a new level, only serving to let me down, not meet my new

expectations, and causing me not to return or share with friends this great new dining venue.

No matter how hard you believe you are trying and how much you know you must run your business profitably and efficiently, the customers' perception measures if you are working hard and efficiently on those things that will make the biggest difference: repeat customers walking through the door or calling to place an order for goods or services. Ask the customers how they perceive your business. Actually talk to them in person, by survey, or over the phone, with their permission. Hire a mystery shopper (for example: www.shadowshopper.com) to determine how those on your front line staff are treating customers when you are not looking. Invite them to share their input in a focus group setting or customer appreciation event. After all, it is the consumer's perception that is reality to them and you want that reality to include doing business with you, over and over and over and over and over. Don't you?