



GENERAL MEDIA RELEASE

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Business warned to brace for tough customers in hard times

Business is being warned to expect customers to become more demanding as tough times set in.

KiwiHost New Zealand joint managing director, Jared Brixton, says that as the recession strengthens its grip, customers will not only take their time about their purchasing decisions, they will also be much more intolerant of anything they don't like during the transaction process.

“In tough times business needs the customer more than the customer needs them, and the customer knows it.”

He said the recent property slow-down is a good example. Buyers are taking their time, and if things don't go their way, they simply go elsewhere. This is simply fore-shadowing what's going to happen to business across the board.

“When customers are taking their time about a purchasing decision, it puts more pressure on the business because it draws out the transaction process, increasing the danger of mistakes and relationship killers, like impatience.”

Mr Brixton said some research done in the United Kingdom in June (RightNow Technologies commissioned Loudhouse Research to survey 1000 adults) confirms what KiwiHost's New Zealand clients are saying, that customer service is a core influencer of where people spend their money during tough times.

“During a recession most companies have to increase prices at some stage. Consumers meanwhile reduce their spending and become more discerning about where they put their dollar. The upshot is that business must deliver more value, and must be perceived to be delivery more value, by putting more 'effort' into the process.”



Mr Brixton says five steps businesses can take to make sure they stay on the right side of customers in a tougher climate include:

1. Respond faster to telephone calls and email inquiries;
2. Make sure customers are kept informed of developments, including price rises, before they happen;
3. Be diligent about keeping any promises, whether stated or implied;
4. Sympathise with the customer's predicament and suggest ways for them to save money or maximise their benefit;
5. Personalise any communications.

"The quality of relationships will be the difference between businesses which thrive and those which don't. Customers can live with paying more in tough times, provided they know that you value their business and their own perception of value is increased through better customer service," Mr Brixton said.

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