



SALES SUPPORT

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How to Fail

Six proven ways to lose customers and damage your business

IF YOU'RE FAMILIAR WITH MY PINNACLE PERFORMANCE TRAINING or you've been reading my columns in TIRE REVIEW over the past several years, then you know my focus is on success – creating a winning sales, customer-service and workplace culture that both differentiates and elevates independent tire and service businesses above and beyond the competitors.

TAKEAWAYS

- > Following the crowd and playing it safe will not help you stand out.
- > If you want to damage your business, avoid spending time preparing your people or investing in happy customers.
- > People often prefer value over price alone, so avoid the trap of constant discounts and coupons. Sell value instead.
- > Deliver on your promises and be consistent.

But this month, I'm literally flipping that on its head and taking an opposing view of many of these proven success principles. Since 80% of all businesses are not performing at the level of the top 20%, it's logical to assume that most tire businesses are closer to the following positions than the minority who are succeeding at the highest level.

With that, here are six proven ways to lose customers and damage your business:

1) Don't Prepare

When Ben Franklin said, "By failing to prepare, you are preparing to fail," he was clearly misinformed. You've been getting by all these years without proper preparation, so why start now? Sure, your sales and service people "wing it" in their customer interactions and you're no doubt losing business sales (especially on the phone) to well-prepared competitors, but that's okay. It's the way we roll around here; we're born to be wild!

Besides, all that "preparation" stuff takes time, and time is in short supply around here. We don't have the time to properly prepare or to do things right at the moment, yet we always seem to find the time to fix it later.

2) Focus on Sales, not Service

Business is really all about the numbers. All this mumbo jumbo about putting the customer first and enhancing their experience to create sales and loyalty to your shop is just a fad. What your business needs is sales today, not customers tomorrow!

You're also going to want to spend that marketing budget on a lot more advertising to drive more traffic to your locations. Why invest in your existing customers' experiences (which could help build loyalty, generate referrals and reap long-term gains) when you can spend much more money on advertising to attract new customers and make a few sales today?

It's probably a good idea to have a sales meeting and yell at the team for poor production. "Close more deals!" Yes, tell them. That should help. Better yet, you should hire a consulting firm to train your sales team to be more aggressive and pushy to sell more prospects. After all, making sales today is more important than building customer relationships for tomorrow, plus all that pesky repeat business and new business referrals it can create.

3) Focus on Price, Not Value

Focusing on value means delivering more, dollar for dollar, than your competition does. Consumer research confirms that when a customer perceives additional value, they are willing to pay more for a business's products and/or services.

The primary driver of a customer's perception of value is the quality of the service provided them. To lose customers and damage your business, you should absolutely avoid improving the quality of service to increase perceived value altogether. Instead, focus on coupons and aggressive discounting. People love coupons and discounts! As long as sales are coming in, who needs profits?

Since most tire shoppers don't really understand tires, consider them a commodity and often want the cheapest available, you'll also want to make sure your sales staff doesn't communicate the value of better quality tires. And do away with any value-added services you may be offering with your tire installation price. That will only enhance your customers' perception of value and

drive more profitable sales. Yuck. To fail effectively, your sales staff should avoid value selling. Instead, discount early and often.

4) Fail to Deliver

There are a number of ways to fail to deliver and each one is proven to help you lose customers and damage your business.

Let's start with quality work. Tire

and auto service businesses build their reputations on quality work, so you'll want to stop doing any of that straight away. Of course, you should never ever do anything less than honest, but there are other ways to dramatically reduce quality. As an example, skip those multi-point quality assurance inspections and you'll be well positioned to have disgruntled customers come back to you with problems you missed and how they'll gladly take their vehicle to a competitor next time.

Customers value service providers who are responsive and proactive to their needs so, presto. Just flip that around and be unresponsive and reactive. If a customer waits while their vehicle is being serviced, don't provide any progress updates. Let the customer get up and come to the counter. If they leave their vehicle, let them call you – ideally several times – to check on their vehicle status.

No doubt you're familiar with the popular phrase "under-promise and over-deliver." This is another for an easy role reversal to now "over-promise and under-deliver." Here's a great little gem from an actual tire business that did a masterful job at this:

A customer walks up to the counter and asks how long it's going to be to have their new tires installed. The employee responds, "We'll have you in and out in about a half hour." Customer replies, "Great, I'll wait then," and goes and sits in waiting area.

A half hour later, her vehicle is still parked in the lot with absolutely no explanation from any store employee. Another customer walks in and the first customer overhears the same empty "we'll have you in and out in about a half hour" pledge. As soon as the second customer sits down in the waiting area, the first customer says, "They're lying; I've been here over a half hour already and they haven't even taken my car in yet."

Later, that same customer posts a negative review on the Internet making a case that the entire business is dishonest. Not only will she never

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come back, but now she also told all of her friends and co-workers not to do business there. One incident of failing to deliver as promised has now produced dozens of potential customers lost.

5) Be Inconsistent

As I wrote in my previous “The Real Case for Consistency” article (May 2014), when customers can count on consistently great service each time they do business with you, their confidence increases and they are far less likely to shop around for their tire or vehicle service needs. However, when the customer’s experience is inconsistent – exceptional one visit and so-so or poor the next – his or her confidence is compromised and (as influenced by the perceived risk) they are far more likely to consider competing alternatives.

A consistent customer experience builds consumer confidence and strengthens a company’s brand, but where’s the fun in that? Be spontaneous

and mix it up a bit instead. All those successful service businesses, hotels, restaurant chains and franchises with their fancy systems and processes, boring! Be hit or miss and send a clear message to customers that they likely will not receive the same level of service in the future. That should do wonders when it comes to losing customers and damaging your business!

6) Be Unremarkable

Consumer research has shown that approximately seven out of 10 customers leave a business because of indifference. They feel like “just another transaction” and have no emotional engagement with the business.

As your potential customers shop around with very little to distinguish one tire business from the next, they naturally default to the cheapest price for the product or service they’re seeking. Losing on price or discounting is perhaps the single biggest consequence tire businesses suffer for

being unremarkable.

Of course, in sticking with our “losing customers and damaging your business” theme, you’ll want to follow the crowd, play it safe, stick to the norm and deliver ordinary, unremarkable customer experiences. Any remarkable efforts will only foster customer engagement and rave referrals, creating loyal customers and even more business.

And who needs that? **TR**

Steve Ferrante is the CEO of Sale Away LLC. As producer and host of the highly-acclaimed “Pinnacle Performance Training” program, Steve is recognized as the leading provider of sales, customer service and corporate culture training and coaching for independent tire/auto service businesses across North America. Steve can be reached at 866-721-6086 ext. 701 or steve@saleawayllc.com. Steve Ferrante, CEO, Sale Away LLC.



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