



## Are Customers Always Right ?

*In business, the squeaky wheel almost always winds up getting the grease. Customers tend to be rewarded for complaining, but that strategy leaves money on the table, according to marketing consultant Betsy Kruger.*

"No one likes hearing a complaint, so when a customer complains, a business quickly and resoundingly rectifies the complaint," said Kruger, author of **Top Market Strategy: Applying the 80/20 Rule** ([www.BetsyKruger.com](http://www.BetsyKruger.com)). "The problem with this strategy is that disgruntled customers bring in less profit than loyal customers. Your business should focus on gratifying your most profitable customers."

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**Contrary to popular opinion, the customer is not always right, Kruger says.**

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"It's wrong to reward complainers," she says. "You should reward loyal customers since they reward your business with higher profit. You should value their business since loyal customers value your business."

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**Kruger says the 80/20 rule governs all results, including profits from customers.**

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"When you sort customers by their profitability, this universal law predicts that the top 20 percent of your customers will generate 80 percent of your profit. Conversely, the bottom 80 percent of your customers will generate only 20 percent of your profit – and virtually all of your complaints. This means you should target the top 20 percent with a top market strategy."

**Your business can profit from the 80/20 rule by enacting these steps:**

- **Distinguish your top customers** – Identify ways the top 20 percent of your customers differ from other customers and what characteristics they have in common. Realize that your top customers are highly profitable.
- **Target your top customers** – Gratify your top customers with a top market strategy. Discontinue marketing to the bottom 80 percent of your customers by automating all interactions with that group.
- **Promote to top prospects** – Focus resources on converting similar prospects into top customers. When you replace your less profitable customers with these new customers, you can expect your total profit from customers to quadruple.

"You may feel it's rude to consider some customers as less valuable than others, but research proves it's true," Kruger says. "The top 20 percent of your customers magnifies your profit, whereas the bottom 20 percent of your customers magnifies your complaints."

*"I feel it's rude to reward complainers since loyal customers deserve to be rewarded. When you prioritize your customers with the 80/20 rule, you are prioritizing your profit."*

### About Betsy Kruger

Betsy Kruger heads Strategic Power, a marketing consultancy committed to empowering world prosperity, one business at a time. Business Expert Press released her book, *Top Market Strategy: Applying the 80/20 Rule*, in August 2011. This book enriches marketing and strategy textbooks and shows business leaders exactly how to quadruple their profit from customers. She writes articles, motivates groups, leads seminars, and consults with clients on how to prosper from the 80/20 rule.