

SAFA Entrepreneurial Lesson

**The importance of maintaining a satisfied
consumer base**

Reflect on what this means...

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“Maintaining a satisfied consumer base is important for the success of a startup company”

Reflect on the following

- What that statement means to you, and why do you think it would be true?
- Think about what it means to have a “satisfied consumer base” and why exactly it would be important?
- How can you ensure that your consumers are satisfied?

Video Time

Watch the following video



How to ensure your consumer base is satisfied with your company

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1. Avoid unethical pricing strategies.
 - a. Price Gouging
 - b. Collusion
2. Offering promotions
 - a. Discounts
 - b. Seasonal sales
3. Promoting open reviews about consumer experience with your product
 - a. Gauges customer satisfaction
 - b. Gives you input through constructive criticism
4. Shipping/Tracking efficiency
 - a. Making sure products arrive in a timely manner
 - b. Tracking services are offered to the customer once they place their order
5. Fair policies for lost, damaged, or unwanted product after receiving their order.

Activity Time!

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In your entrepreneur journal, write down one kind of promotion that you will offer to your customers. Be SPECIFIC, write down everything about the promotion such as dates, times, discount rate, and purpose.

What happens when consumers aren't satisfied?

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1. Company gets in hot water

- a. Your company can lose many potential customers, and you will quickly see a loss in profits.
- b. Lawsuits can be filed against you which can cause massive monetary losses.

2. Businesses collaboration halts

- a. Other companies, retailers, distributors, investors, and employees will not want to work with you.
- b. This is because collaborating with a business that is in social trouble will often cause them to be in hot water as well.

If you find that there is a source of dissatisfaction among your customers, tackle the problem directly to ensure it is fixed. Sometimes this will cause a loss in profits, and this is usually a loss that you should accept because it will save money for your company in the long run.

Why do you care if consumers are satisfied with your company?

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Think through the perspective of an entrepreneur. At the beginning of these lessons, you have to find a problem and an innovative solution to that problem. This formed into a product which you could sell to consumers.

The only reason that your company is getting sales is because there are consumers who believe in your company's product to fix the problem that they are experiencing. If that trust is broken, then consumers will stop trusting your ability to help alleviate their problems with your innovative product. This decreases your demand, and will cause a major loss in profits. Even from a moral standpoint, it is always better to engage in ethical practices and place your customers first.

Hence the saying: "The customer is always right"