

# Reputation can make or break a firm

By Tom Addyman on Monday, November 23, 2009

Now, more than ever, a company can live or die by its reputation. Everything from word of mouth to social media networks can make your business blossom or break, and hubs such as Dubai are more affected than anywhere.

We live and work in a transitory environment where, no matter how much we enjoy our lives, for most expats it will never be a retirement home.

When new arrivals come to town, think how often you have been asked about which bank to go with, who is most reliable when it comes to buying a car, is X letting agency better than Y etc. You are being asked about your experiences or about those companies you have heard about and before you know it, you're an ambassador or an enemy of the companies of which you speak.

Word of mouth is more powerful than you may think, and by man's very nature, extremes make life more interesting, so each gripe becomes a disaster and each speck of praise more breathtaking than its last telling.

Of course, if you can harness that praise and steer it in the right direction, the wildfire with which it spreads becomes a highly welcome hot potato. It's a great bonus when your customers, either industrial or individual, speak well about the quality of your service, but you can do far more than just trust to luck that they will pass it on.

Be proactive in the telling of their tales, whether that's asking for testimonials for your marketing materials, or even simple signage at point of sale requesting that satisfied customers refer you to others. It's not rocket science and it doesn't have to be cheap. Don't beg them to tell their friends, but suggest that if they're satisfied, others will be, too. The rumour mill has been around since the first barter, but never on the scale we have now.

The internet has revolutionised reputation and business should better live up to its promise. All it takes is for one bad experience to start a website snowball.

Clients, customers, suppliers et al will be looking for an outlet to vent their frustration if they can't get satisfaction from the company in question.

For the larger corporations, there is always the crutch of PR, but for SMEs, it's not so easy. The voice of rebuttal is not so large and the wisdom of trying to discredit the doomsayers is sometimes questionable.

Tempting as it may be, a slanging match in the world's most public arena rarely wins either sympathy or support.

Ironically, small- and medium-size businesses can use such criticism to their advantage.

Handing out comments slips is all well and good, but generally speaking, many customers prefer the cloak of anonymity to make their point.

It could be that you would never have known that your company's first point of contact was rude and unhelpful, or that your top salesman was quite so aggressive and overbearing (hence the lack of return business).

Only the best features come out when the boss is about. Make this clear to your staff without it becoming a threat and it could really make a difference to lift their performance. A few gentle reminders that your customers now have an unlimited audience and unlimited means with which to comment on their experiences will not hurt. Remember that while criticism is never welcome – after all it suggests a lack of quality – it can prove valuable.

If there is a regular theme, tweak your product, ask for feedback and seek opinion as to whether your changes have led to improvement. It's not all bad news. It's important though to remember that opinion is exactly that. A review or comment that does not allege specifics as fact is therefore not open to such drastic actions as libel.

It is worth remembering that one bad blog does not lead to bankruptcy. If one of your customers has had a bad experience, and that's very much the exception rather than the norm, there won't be many additions to that particular grumble. On the other hand, if you find yourself the subject of a string of bad news, you could lose an awful lot of business, particularly if you run a service based company. If you simply Google a company name and the word "complaint", the number of hits and the first few examples may well introduce an immediate element of suspicion.

*- Tom Addyman is Managing Director of Commercial Finance at Gulf Finance. The views expressed are his own*

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