

FOUR STEPS TO KEEPING CUSTOMERS

We all make mistakes. If anyone tells you they never flub-up, they're probably lying. Most likely what they mean is that they do make mistakes, but they refuse to own them.

Owning our mistakes is a critical first step in service recovery. And service recovery is critical to your company's success, no matter what your business is.

I estimate that 80% of employees lie when there's a problem, instead of fessing-up and solving it. Your options are simple – when you spot mistakes, you can either solve them and keep the customers, or you can wave them goodbye.

To keep the customer, I encourage you to consider taking these four steps – within 60 seconds after the mistake was made.

- 1. Act quickly.** Listen carefully to what the customer is telling you about the problem – then act fast, because this is when the magic happens. The faster you respond, the better the customer will think of you, and the less likely you'll have to move the issue up the line.
- 2. Take responsibility.** Don't let pride or fear of losing face get in your way. Simply and sincerely apologize and admit that a mistake was made. It doesn't matter who made it, you must own it on behalf of your organization. Don't argue, even if the customer is wrong. Your goal is to keep the customer doing business with your company.
- 3. Be empowered.** Take care of the customer to the customer's personal satisfaction. When you're empowered, you don't have to elevate problems to your manager.

It can get a little tricky, because solving problems at the level where they happen means the company must empower the employees to fix them there and then. Management must be sincerely committed to empowering and supporting each employee, particularly the frontline employees who interact with the customers. The company must also commit to training every employee on service recovery.

Employees should feel empowered and trusted to make the decisions that will solve the customers' problems. This is magic, because the customer's loyalty will be stronger than before the problem or complaint happened.

- 4. Give the customer something of value.** Compensate the customer for the inconvenience. That "something" must have real value to the

customer, even though its cost to the company may be small.

Every company has something of high value and low cost that they can give. If it's cheap, it will have no value. Management should identify five to ten things the employees can give customers to compensate them for problems and retain their business.

Some examples – If you work for a car dealership and tell a customer that his car will be ready by 5 p.m., but there are delays, you can give him a free oil change. If your customer has a problem with a laptop, you can give him a one-year extension on the warranty. If you work for an airline, you can give the customer access to the first-class lounge or add 20,000 miles to her account.

If you work for a hotel, you can give the customer a free night, an upgrade to a suite, or a voucher for a free dinner. If you work for a restaurant, and a customer's meal takes 45 minutes to arrive, don't give them a free cup of coffee! – give them a free dessert. A dentist who mis-schedules a patient's appointment can offer a free cleaning.

Remember this, because it's important: the compensation you give your customers must have high value in their eyes, because the chances are excellent that they'll tell everyone they know about how well you solved their issue. On the other hand, if you don't take these four steps, your disgruntled customers may leave negative reviews on Facebook and Twitter that will wreak havoc with your bottom line for years. An even greater concern is that the customer simply won't come back.

In a nutshell, when a customer has a complaint, act fast, take responsibility, make an empowered decision, and give the customer something of value.

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