

a MANA resource for principals and reps

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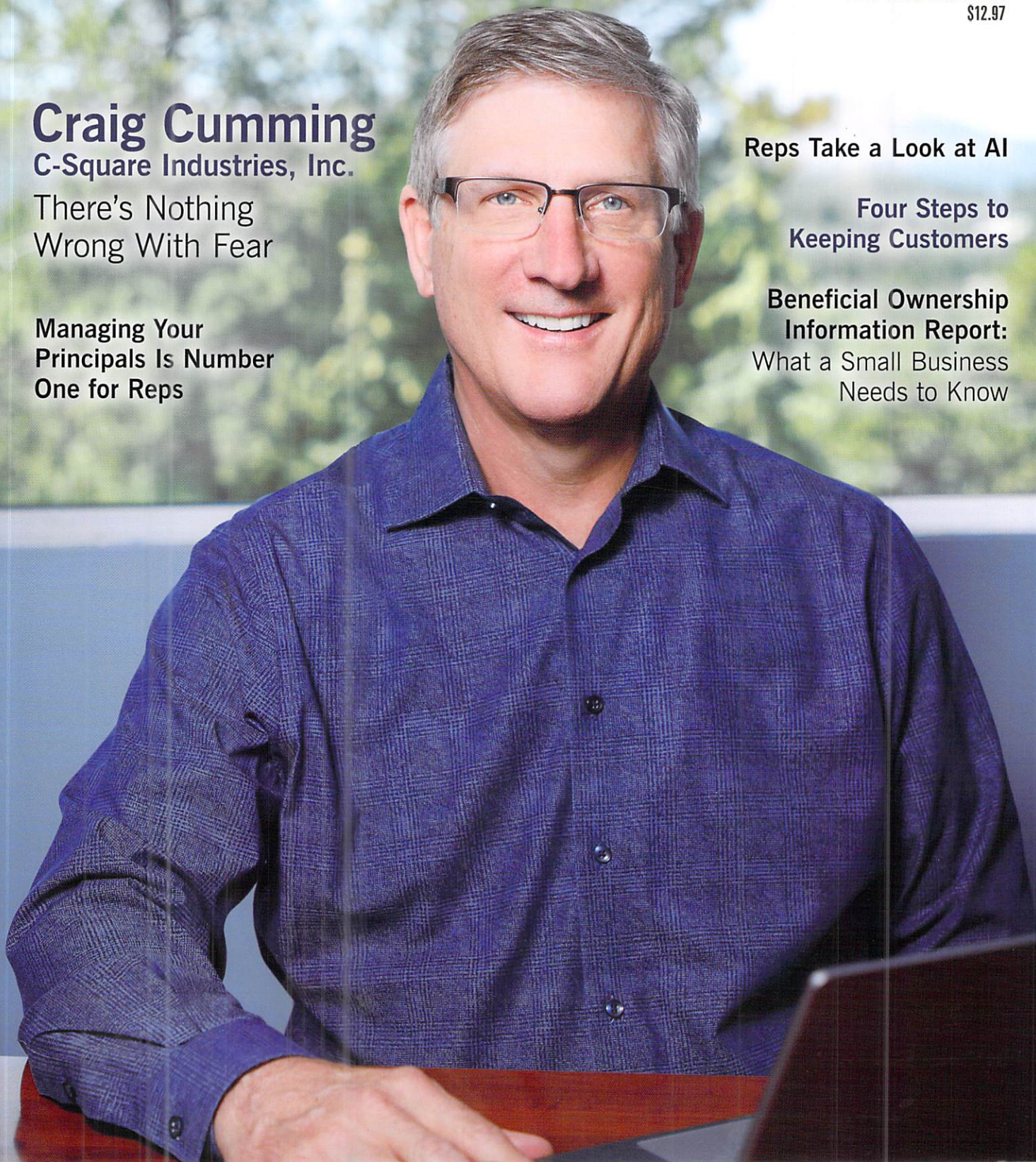
There's Nothing
Wrong With Fear

Managing Your
Principals Is Number
One for Reps

Reps Take a Look at AI

Four Steps to
Keeping Customers

Beneficial Ownership
Information Report:
What a Small Business
Needs to Know



Four Steps to Keeping Customers

BY JOHN TSCHOHL

We all make mistakes. If anyone tells you they never make a mistake, that's a lie. More likely, what those people actually are telling you is that, even when they make a mistake, they won't own it.

Owning our mistakes is a critical step in service recovery — and service recovery is critical to the success of your business, no matter what that business is.

I estimate that, in the United States, 80 percent of employees lie when there's a problem instead of confessing to it and solving it. When you make a mistake, you can either solve it and keep the customer, or you can say goodbye. In order to keep the customer, I encourage you to take these four steps — and to take them within 60 seconds.

1 Act Quickly

Listen to what the customer has to say while describing the problem. Then act quickly. That's when the magic occurs. The faster you respond, the better, and you won't need to move the problem up the chain of command.

2 Take Responsibility

Don't let pride or the fear of los-

ing face get in the way. Simply — and sincerely — apologize and admit to the mistake. It doesn't matter who in the company made that mistake, you must own it on behalf of your organization. Don't argue with the customer, even if he's wrong. Your objective is to get him to return and continue to do business with your company.

3 Be Empowered

Take care of the customer to that customer's satisfaction. When you are empowered to do so, you won't have to send the problem up the line to a manager.

This gets a little tricky because the company has to empower its employees for this to work. Management must commit to empowering — and supporting — every employee in the company, particularly frontline employees who have the most direct contact with customers. The company also has to train every employee on service recovery.

Employees must be trusted to

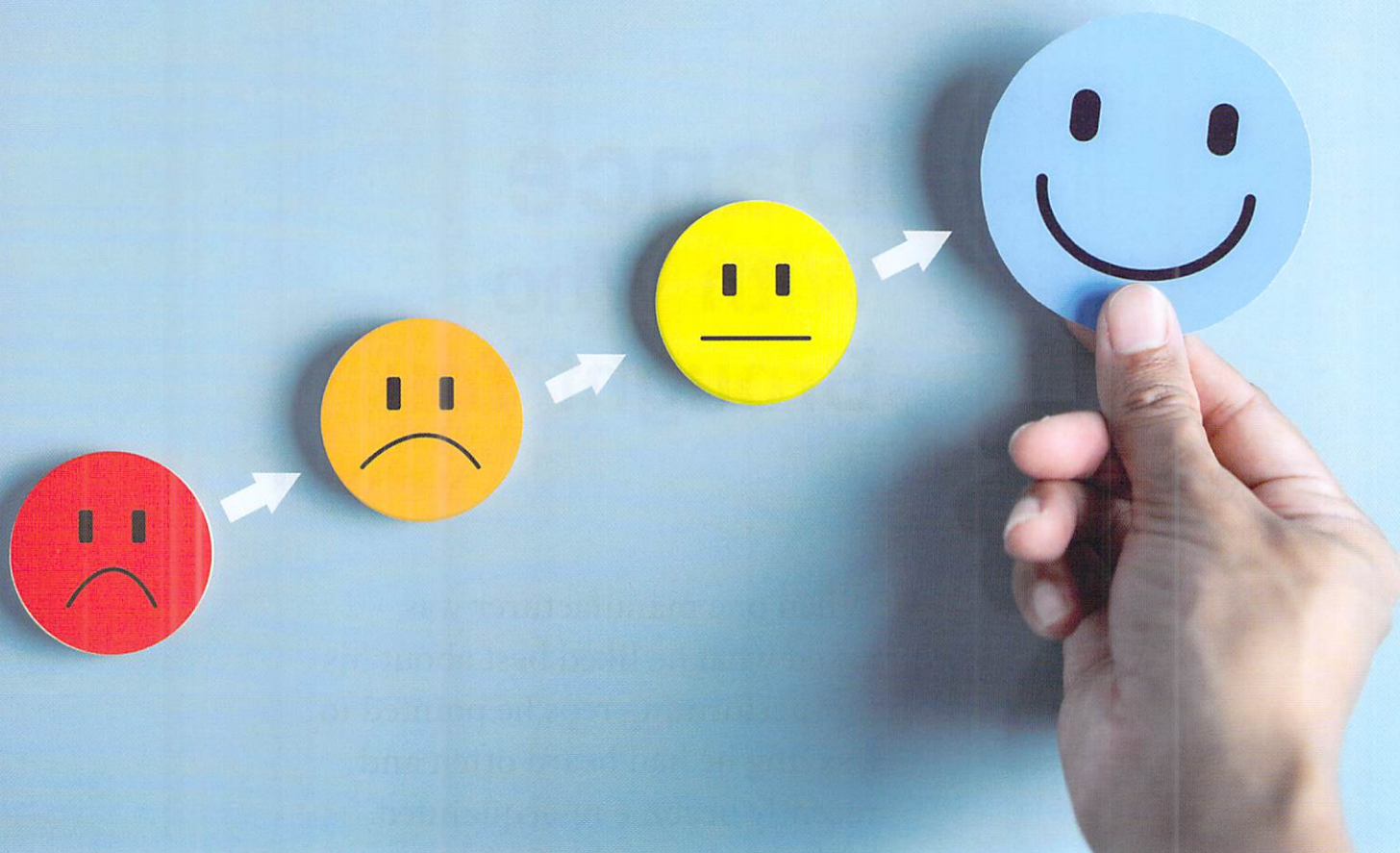
make decisions that will solve customers' problems. When they do so, those customers will be more loyal to you and your company than if they had never had a problem or complaint.

4 Give Customers Something of Value

Compensate them for their problems by, in essence, paying them for their inconvenience. That something must be of high value, but its cost to the company can be almost nothing.

Every company has something of high value and low cost they can give to customers who experience a problem with a product or service. If it's cheap, it has no value. Management should identify five to 10 things its employees can give to a customer to solve a problem and retain the customer's business.

Let me give you some examples. If you work for a car dealership and have told a customer that his car will be serviced and ready to pick up by



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5 p.m., but it isn't ready at that time, you can give him a free oil change. If your customer has a problem with his laptop computer, you can give him a one-year extension of the warranty on it. If you work for an airline, you can give a customer access to the first-class lounge or add 20,000 miles to her account.

If you work for a hotel, give a customer who had a problem a free night, upgrade him to a suite, or give him a voucher for a free dinner at your restaurant. If you work for a restaurant and a customer's meal took 45 minutes to arrive at his table, don't give him a free cup of coffee; give him a free dessert. A dentist who messed up a patient's appointment can offer to clean her teeth at no charge.

Remember this because it's im-

portant: Whatever you give customers must have high value in their eyes. When you do that, chances are good that they will tell everyone they know about how well you worked with them to solve their problems. On the other hand, if you don't take the steps I offer here, chances are good that your disgruntled customers will leave bad reviews on Facebook and Twitter. Those reviews can last for years and can wreak havoc

with your bottom line. A greater concern is that the customer won't come back to you.

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

MANA welcomes your comments on this article. Write to us at mana@manaonline.org.



John Tschohl is the founder and president of Service Quality Institute — the global leader in customer service — with operations in more than 40 countries. He is considered one of the world's foremost authorities on all aspects of customer service and has developed 17 customer service training programs, including his book and training program *Coaching for Success*. His monthly strategic newsletter is available online at no charge at www.customer-service.com. He can also be reached on Facebook, LinkedIn and Twitter.