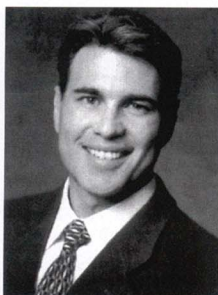## MANAGEMENT CONCEPTS

INFLUENCE WITH EASE

Keeping Customers When Things Go Wrong

Five key ways to turn upset customers into fans

by Jeff Mowatt

When it comes to dealing with dissatisfied customers, most business owners and managers believe that money-back guarantees and/or exchange policies will fix the problem. Lousy strategy. Money-back guarantees and exchanges may fix the problem, but they do nothing to fix the relationship. Policies don't fix relationships – people do.

When I speak at conventions and meetings on how to boost customer retention, I often find that there is little attention paid to how employees can fix the damaged relationship when the customer has been let down. The consequences of this are staggering.

Inadequately trained front line employees chase away repeat customers and referrals, spread damaging word-of-mouth advertising, and become frustrated and unmotivated because they're constantly dealing with upset customers.

On the other hand, by applying just a few critical people skills, front line employees can create such positive feelings – for both themselves and their customers – that an upset customer will become even more loyal. They'll be transformed from being a *critic* of your organization to becoming an *advocate*. Here are five key strategies:

1. Focus on *concerns* vs complaints. No one likes to hear customers *complain*. Employees become impatient and defensive when faced with these 'trouble-makers'. One of my seminar participants equated listening to customer complaints to undergoing amateur eyeball surgery. (That can't be good).

To prevent this defensive mindset, employees need to be trained to treat customer complaints as *concerns*. Employees should be made aware of the fact that customers who express concerns are helping you to stay sharp, competitive and successful. Focusing on customer *concerns* vs *complaints* will immediately shift a potentially negative situation into one that is positive, helpful, and productive.

2. Empower front-line employees. For their 43rd wedding anniversary, my father called a florist to order 43 roses for my mother. When Dad asked for the price, the clerk quoted the single rose price times 43. She offered no quantity discount despite the fact that they're usually cheaper by the dozen. She admitted that this didn't make sense, adding that her boss wasn't in and the policy was to issue no discounts without the manager's approval. Result – a competitor got

the order and Dad will never go back to the first florist.

The lesson is that you can often *prevent* customers from becoming upset if you empower your front line employees to make reasonable on-the-spot decisions. This type of delegation requires two important factors: training and trust. The irony is that a lot of managers say they can't afford to train employees, when in fact they can't afford *not* to. You don't get customers for free. You earn customers by investing in front line training.

3. Prove that you're listening. When a customer is voicing their dissatisfaction, stop whatever you're doing, turn towards them and give them an expression of total concern. Listen without interrupting.

Then prove that you've heard them. That means repeating and paraphrasing. IMPORTANT: make sure you tell them *why* you're repeating what they've said. For example, you might say, "I want to make sure I've got this straight..." (then you paraphrase and repeat). That ensures that the customer knows that you truly understand the problem.

4. Express sincere empathy. Virtually every upset customer feels frustrated because they didn't get what they expected. It's that simple. Whether or not they have a *valid* reason for feeling frustrated is completely irrelevant. Upset customers need to know that you care – not just about their problem – but about their frustration. So, empathize. That's something that no refund or exchange will ever do. Use phrases like, "Gosh, that sounds frustrating." Or, "I'd feel the same way if I were you." Empathizing will diffuse an angry customer faster than any thing else you can do.

5. Apologize and provide extras. Tell the customer, "I'm sorry." Even if it wasn't your fault, but your co-worker's, you represent your organization to that customer, so apologize on behalf of the entire company. Even when you suspect the customer may have erred, it's better to give the customer the benefit of the doubt, than to be 'right' and loose a lifetime of repeat and spin-off business.

If your product or service really did fall short of the mark, then to retain the customer, of course you'd give them a refund or exchange. But that's not enough. *On top of the exchange or refund, give them something for their inconvenience.* Any small gesture or token of appreciation (that