

# HOW TO TAKE A CUSTOMER FROM HELL TO HEAVEN IN 60 SECONDS OR LESS

Every company makes mistakes that could make them lose customers. I don't care what business you are in, something will go wrong.

But the smart companies know how to recover a customer and turn them into loyal customers for life.

However, less than 2 percent of companies use service recovery techniques. That's really bad. All companies make mistakes. All companies have things go wrong. Many companies and most employees run for cover instead of solving the problem.

The problems are only getting worse thanks to social media. If customers aren't happy, they'll post the problem on Twitter, Facebook and Yelp! They'll do it fast. Then you'll have a massive public relations problem that will take time, effort and money to fix.

Instead of handling problems quickly and efficiently, most employees pass the buck or lie!

That's because people don't like confrontation. Instead of saying they messed up, they might say the product was shipped.

Companies spend a fortune on marketing. But they don't spend a dime teaching front-line employees to keep the customer from defecting.

Wouldn't it be better to spend that money on training employees to handle problems in the first place?

The most important person is the person who has direct contact with the customer. Unhappy customers won't call the company president. They will talk to whoever is in the store or who answers the phone. Those people need to follow the 5 Golden Rules of Customer Retention:

1. Apologize and offer a better option. For example, you might offer expedited delivery at the company's expense.
2. Act quickly. You must respond to the complaint within 60 seconds. That's when the magic happens.
3. Take responsibility. Most employees shovel the problem off and blame everyone else. Customers know when they are being passed along the chain and they don't like it.
4. Empower employees to make a fast decision. Each front-line employee should be able to take action quickly. They shouldn't have to ask for managers to get an approval or pass the buck to them. Take action.

5. Give away something that has high value and low cost. Customers will be pleasantly surprised and delighted with your company if you not only make things right, but make things better. For example, let's say a customer calls to complain about a new computer that has a hard drive crash in the first month. In addition to solving the problem, you might offer an extended warranty. It costs the company nothing but it has a high perceived value to the customer.

While I find it hard to find examples of companies doing this well, here are two companies that stand out from the pack:

- **Outback Steakhouse:** If there is any kind of a problem, they immediately take care of it. I once had a dirty knife with water stains. I only wanted a new knife. The waiter apologized and brought me a new knife. The manager also came over to apologize. He also offered me a free dessert that cost about \$8. The dessert might have cost him \$1 but it meant everything to me. Now I tell thousands of people about my positive experience.
- **Red Box:** I recently ordered a DVD movie but it wouldn't play on my TV. I called them and quickly realized that I ordered the Blue Ray version by mistake. Blue Ray doesn't work on my TV. Even though it was my mistake, they offered me two free rentals. What's the cost of two DVD rentals to them? Nothing. They turned me into a customer for life! Very few firms understand that.

Companies should spend some of their money on customers. Customer retention is all about creating loyalty and a fan base. Customers will come back on a regular basis more often. Their loyalty is greater when they have experienced service recovery. That's how you can take a customer from hell to heaven. **RO**

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