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# Service Lapse Recovery Requires Local Accountability

(Version 2)

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## What to do When You Fall Short in Delivering Service

People have an innate need to connect with each other.  It's what drives us to be close to our families and friends.   For some, this desire includes the businesses with whom they commonly associate.  It's likely that your regular customers see your business as a friend and as part of the community, even though you may be one of hundreds of franchises.

Think of young mother playgroups at McDonalds, or groups of college students frequently gathering at Starbucks.   These customers are vital for obvious reasons, such as recurring revenue and positive word-of-mouth marketing.   Theirs is a devotion that goes further than simple brand loyalty; it's much more personal than that.  Your main job is to keep them happy, which isn't actually that difficult...until you mess up.

Face it, customers who regularly purchase goods or services from you will eventually run into a problem.  While you may be tempted to assume that they'll overlook one faulty product, you shouldn't take it lightly.  In fact, **keeping these customers happy should be of the highest priority, and any complaints they have should be treated with urgency.**

## Addressing Customer Complaints
The good news is that a swift resolution can create even stronger bonds between you and your customers, because you're showing them that they are important to you and that their happiness is a high priority.  In my experiences over the years, I've found four keys to properly addressing customer complaints:

1.  Give them a convenient forum to voice their complaint.
2.  Find a system that alerts you immediately to urgent concerns.
3.  Respond immediately!
4.  Respond on the local level.

The notion is to discover the issue and act quickly *on the local level*.  If the problem isn't resolved in a satisfactory manner you risk losing a lifetime customer.

Let me share a scenario that illustrates these four keys in action: Every Friday evening a woman stops at her neighborhood pizza chain (which happens to be a franchise) on her way home from work.  One night she finds that her pizza is uncooked in the center.  Upset, she seeks a way to voice her complaint with the pizzeria.

At risk here is more than just a pizza – this is a lifetime customer and a company advocate.  She needs to be treated with her lifetime value in mind, not just one Friday night's pizza.

So, will she tell your company about the bad pizza?  Studies show that only one in three customers complains when a problem occurs.  A large part of this is convenience (a lot of feedback systems require too much effort on the customer's behalf) and wanting to avoid confrontation.  There are systems designed with this customer in mind that could give her a convenient, private forum to voice her concern.

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## Anonymous, Automated Surveys

You've probably seen survey invitations before on the bottom of a receipt.  Companies offer their customers a small incentive in exchange for spending a few minutes answering an anonymous, automated survey about their experience.  These systems are designed with the quiet customer in mind, and all that's required of them is a few minutes on the phone or a short web survey.

Let's say that our pizza lover notices the survey invitation on her receipt and calls to let the company know she's not happy with her partially-frozen pizza.   These automated systems will allow her to call an 800 number or click on a web site, and provide her feedback in real-time.   She can answer yes/no questions, rate service on ranking scales, select from multiple choice, input information, and provide suggestions.    The best of these systems also give customers the option of leaving verbal comments on the phone and open-ended text input on the web.  This is where she'll likely say the things she'd never say to the manager face-to-face.

Now, as the customer warms up some leftovers in her microwave, what happens to her feedback?  She's already going to think twice about stopping at your pizza place next week, especially if she has no indication that her complaint has been heard.

## Accountability and Real-Time Alerts

But what if alerts could be sent out immediately to the management of the offending store? In the top-tier feedback systems, the same technology that automates the feedback comes with a reporting system that includes customizable alerts that can be sent to various groups, from upper management all the way down to the individual store manager.   It's "incident management" for companies looking to improve their customer relations.

**An immediate alert requires immediate action.**  For companies that really believe in the customer-first strategy, nothing should get in the way of meeting an individual customer's needs.  So, what do you do?  Give her a call from the national call center two time zones away?  Pop a coupon in the mail?  Have a regional executive write an apology letter?

Sure, these are better than no action at all.    But the real trick is to **drive accountability and response down to the level of the service lapse.   Local service lapses are best remedied by local response**.  Going back to the interpersonal relationship I mentioned at the beginning of this article, this customer trusted the pizzeria like a part of her family.  The manager needs to reach out to her in kind, with a phone call and a generous make-up offer.  After all, the problem originated at his store; therefore he needs to be held accountable.

Is this overkill for one little customer?  Not at all, if you think about her in terms of the lifetime value she represents to this company.    The potential of losing her business forever goes far beyond whatever freebies you offer her.  This is someone who has already shown loyalty to the establishment and will share her feelings about you (good or bad) with her family and friends for the rest of her life.

Think of it this way: over a lifetime, one customer like her equals hundreds of one-time, sporadic customers.

If the recovery is done swiftly, empathetically, and sincerely, this customer will realize just how important she is to your local store associates, because they went out of their way to immediately ensure her happiness.  If more companies treated their valued customers like this, there wouldn't be a need for the customer complaint forums and gripe blogs that now flourish on the web.

New technology makes this kind of customer feedback easier than ever before.  Automated feedback can help you build relationships with customers by making improvements based directly upon what they've asked for.  As in the example I've walked you through in this article, you can use automated feedback to build stronger bonds, even with customers who are already sold on your product.

No matter how good your marketing may be, the best way to accelerate revenue is through cultivating loyal, repeat customers.   They're not easy to gain, but they are easy to lose.   Keeping them through thick and thin takes effort, but the automated survey system I've mentioned can be one of the most important tools at your disposal.

This is how I see it.

**About Richard D. Hanks and Mindshare**
*Richard D. Hanks is the President of Mindshare Technologies, a leading provider of real-time, automated customer and employee feedback solutions. His experience spans multiple industries and disciplines, including many years as an adjunct professor at Cornell.  He is an author and frequent teacher/speaker at trade, academic, and professional gatherings.  Mindshare's business monitoring tools help companies improve operational excellence and minimize customer attrition through personal customer involvement.  Mindshare's proprietary survey technology captures the voice of the customer in real-time and immediately transforms it into actionable intelligence through powerful enterprise reporting. As a hosted system, Mindshare is affordable and flexible, with surveys and reports tailored to fit a company's individual needs. For more information please visit: www.mshare.net. To reach Rich directly, contact him at rhanks@mshare.net or (801) 263-2333.*

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