Service Strategy
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Treat Complaints as Opportunities

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Serve UP Satisfaction

Take 10 tips for handling complaints.

by Ron Kaufman

SPIRIT AIRLINES recently flew into a big PR disaster. Sticking to a no-refunds policy, the airline refused to refund the airfare of a passenger who had to cancel his trip after finding out he has terminal cancer. The incident unearthed earlier cases of Spirit’s difficulty handling customer complaints. CEO Ben Baldanza hit “Reply All” on an email from two customers who had missed a concert due to a delayed flight. Essentially, he told his employees and (accidentally) the customers that Spirit Airlines didn’t owe the customers anything and the customers would be back the next time they wanted low airfare.

Spirit Airlines has a policy—and they are sticking to it. That’s how the company chooses to handle customer complaints. Unfortunately, that approach might not be what’s best for business. As the Spirit Airlines case shows, sticking to your guns is rarely the best way to handle customer complaints. Learn to handle complaints so that your unhappy customers become customers for life.

When any company receives a complaint, it has two choices: 1) treat the complaining customer like he’s a pain in the neck; 2) appreciate each complaining customer and use the complaint as an opportunity to improve.

One complaining customer represents many other customers who have the same problem, but don’t complain. So, try to uplift them every time. For every person who complains to you, many don’t complain but go off and tell somebody else, complain about you online, and take their business elsewhere. If only 1 out of 100 of your customers comes to you with their complaint, shouldn’t you value that person times 100, since he is representing all the other people who never came to you? You should be appreciative when someone takes the time to give you a second chance.

Here are 10 tips on using customer complaints to uplift your service.

1. Thank them for their complaint.
2. Don’t be defensive.
3. Acknowledge what’s important to them.

Give positive recognition by saying, “Thank you for reaching out.” Show appreciation for the complaining customer’s time, effort, communication, feedback, and suggestions. Remember that the customer didn’t have to come to you—he could have simply taken his business to your competitor. When a customer gives you the opportunity to recover their service, be grateful.

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2. Don’t be defensive. It’s easy to get defensive with angry customers. They may exaggerate situations, get confused, and lie about how things went down. It’s tempting to blow off the customer or say, “No! That’s not what happened. You’re wrong!” But getting defensive or denying the problem will lead only to more problems. When customers complain, they feel wronged in some way. You don’t have to agree with what they say, but you have to agree to hear them out. Keep the conversation moving in a positive direction.

3. Acknowledge what’s important to them. Find customers’ value dimension (what’s important to them). Even if you think the complaint is unfair, there is something they value that your company didn’t deliver on. Embrace that value! The customer wants to feel right. When you agree with the value dimension, you tell them they are right to value this...
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7. Educate your customer. Part of hearing the customer out is answering any questions and providing additional, useful information. If they ask a question that you can’t answer, tell them you’ll find out the answer and get back to them. And follow through. Contact the customer with the answers they requested. Even if they didn’t request an update, get back to them with one anyway. These are chances for you to say through your actions: We care about you. We value your business.

8. Contain the problem. Suppose a family is at a crowded theme park on a hot day. The youngest child starts to have a meltdown. Suddenly, a theme park staff member whisks the family into a special air-conditioned room with water and other beverages, an ice cream machine, a bathroom, a comfortable sitting area. That’s how you contain a problem.

Spirit Airlines could have educated a service provider in uplifting service in responding to the customer’s complaint. They might have said, “No matter what our rules or policies are, we see that your circumstance requires flexibility. We want to handle your special situation carefully. Let’s work together to figure out what’s best. Thank you for reaching out.”

9. Recover. Show customers you care about them—even if you feel the company did everything right—by making them an offer. Companies worry they’ll be taken advantage of if they give vouchers, discounts, or freebies in their service recovery, but that rarely happens. Offer the customer something as a gesture of goodwill or token of appreciation.

Sears now has a team of specially educated and empowered staff to handle recoveries. Once an issue goes to them, what they recommend is what gets done. Sears sees that a recovered customer can become a most loyal advocate and ally.

10. Give serial complainers an out. Some people love to complain, not so that they can become satisfied but because they are never satisfied. With them, you must limit your liability and isolate them from your brand. Give your constant complainers an out. In dealing with serial complainers, that’s the best thing you can do.

You and your customers are both on the same side. Your customer wants the product or service you provide, and you want to give it to them. When you treat complaints as opportunities to build loyalty, you create customers for life and uplift your company in the process.


ACTION: Improve in handling customer complaints.