

The Top 10 Ways to Fail at Customer Service

By Elaine Appleton Grant

Providing customer service seems as if it should be a matter of common sense. But there are so many different ways to go wrong.



After combing the company's Web site for 10 minutes to find a telephone number, you dial, only to be greeted by the company's seven-layer voice-mail system.

Once you finally get a human being on the line, he or she insists that you screwed up or puts you on hold while finding someone who might be qualified to answer your questions. It's Dante's customer service hell.

My husband, an independent videographer, was there last week. He spent three hours on the phone with a leading video-editing software company, trying to get his new software to work. He lost three days of work while he struggled to fix the broken desktop system. Customer service reps insisted the problems were his fault. Normally a restrained man, he ended up screaming at one of them. Call it customer rage.

In its 2004 study of 1,000 respondents, the Customer Care Alliance found that one in three consumers had yelled at a service rep in the previous year, and one in 10 had cursed at them.

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accompanies customer rage, we can all understand it as the unfortunate-and inevitable-result of poor service.

If you have anything to do with customer service at your midsize company, you've probably already been on the receiving end of customer rage. While no one condones such over-the-top behavior, we can all understand it as the unfortunate—and inevitable—result of poor service.

Following are our picks for the top 10 ways to fail at customer service - and what you should do instead.

1. Waste customers' time.

Last year's Customer Rage Survey asked respondents to identify what they had lost as a result of poor service. For most, the biggest complaint wasn't lost money but lost time, says Scott Broetzmann, founder of the Customer Care Alliance. Don't force customers to cool their heels while you figure out what went wrong and who's at fault. Instead, address their concerns promptly and then figure out how to do better going forward.

2. Treat your workers badly.

Give them little chance for increased responsibility or promotion. They'll be sure to take out their misery on your customers. That's why Jill Leonard Tavello, vice president of culture and communication at Stew Leonard's, spends most of her time ensuring that the Connecticut grocery chain's 2,000 employees are satisfied. "To have happy customers, you first have to have happy people," Tavello says. Among the workplace strategies the company uses: maintaining flexible schedules, recognizing high performers, promoting from within, publishing a daily companywide newsletter and encouraging community involvement. Employees provide such great service that executives from other companies worldwide travel to take Stew Leonard's customer service seminars.

3. Forget to train your frontline employees in interpersonal skills.

Everyone knows how to be friendly, right? Wrong. Many service representatives treat customers badly either because they simply don't understand basic courtesy or because they're reacting to their own high-stress jobs. "They're constantly barraged and berated by angry customers," says Jeffrey Gitomer, a Charlotte, North Carolina-based customer service trainer and the author of *Customer Satisfaction Is Worthless, Customer Loyalty Is Priceless* (Bard Press, 1998). By the end of the day, they're likely to vent their frustration on customers. Instruct your employees exactly how you want them to treat your customers, especially those with complaints.

Neither Rain, nor Snow, nor Sleet, nor Hurricanes...

Diane Bok prides herself on the way her company, American Traveler Staffing Professionals, uses technology to serve its customers.

The Boca Raton, Florida-based health care staffing agency opened in 1999.

Today the privately held company places traveling nurses in more than 2,300 hospitals and has projected annual revenues for 2005 at more than \$50 million.

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In a highly competitive industry (Bok estimates there are 150 to 200 temporary nurse businesses nationwide), American Traveler has made it to the top 20 in part by relying on a custom-built database that contains everything from the credentials a hospital requires of its neonatal nurses to the names of beaches and restaurants in that hospital's hometown. Using the database, a clinical coordinator can fill an urgent slot for a nurse who may need to start in two weeks—or two days—without wasting an overworked hospital recruiter's time. "Our best service is providing hospitals with qualified candidates on the first submission to interview," says Bok, who is the company's managing director. You might think that if the company's computers were down, it would be out of business, at least

out of business, at least temporarily. Not so. Even when a string of four hurricanes hit Florida last year, the agency kept working, often using cell phones to call Florida hospitals during power outages. The day before Hurricane Frances arrived, American Traveler had to evacuate its own offices, packing up the computers and the phones. Ultimately, only the receptionist's phone remained on. When she received a desperate call from a California hospital seeking an emergency-room nurse who could start work in 72 hours, she handled the request the old-fashioned way. "We took a computer out, hooked it back up, found the nurse information, called the candidate and plugged a fax machine back in to send all of the documents the hospital needed," says Mary Kay Hull, vice president of recruitment. The skeleton crew found the

crew found the information they needed by combing reports generated in Microsoft® Excel. They created documents for the hospital in Word and, in addition to cell phones, used Outlook® to send urgent messages. Despite the impending hurricane, says Hull, "We got the nurse interviewed and enabled her to start that Monday."
-E.A.G.

4. Restrict your employees' abilities to provide high-quality customer service.

Some companies give employees the authority they need to make customers happy. "Our team members are empowered to make decisions right there on the spot—to give exchanges, refunds, to get a customer something else," says Stew Leonard's Tavello. "There are no hassles, no going through channels." Customers can return products at any time for any reason. While a few have returned gnawed turkey bones after Thanksgiving, complaining that the meat was dry, 99 percent of customers never test the company's no-hassle policy. In fact, Tavello credits the policy for creating strong customer loyalty and contributing to industry-leading sales records.

5. Rely on customer self-service.

Customers detest voice-response telephone systems. "Lots of studies have been conducted where people compared automated phone systems to going to the dentist,"

Broetzmann says. He lauds what he calls "courageous" companies like L.L. Bean for spending the money necessary to staff the order department with human beings. "Our goal is to answer every call," says Cindy Williams, an L.L. Bean customer service representative who answered the phone on the first ring. "We do have an automated system, but it would be really unusual for it to kick in." Unlike many companies for which the automated system is the first line of customer service, L.L. Bean wisely employs it only as a backup for extraordinarily busy times.

6. Respond slowly—or not at all—to e-mail requests.

Nobody likes thinking that an impassioned plea for help is heading into a black hole. In one recent speech, a United Way chapter's marketing director had this to say about trying to contact her organization before she worked there: "I sent them an e-mail asking for more information on volunteer opportunities—and they actually replied!" You can delight your customers by immediately acknowledging that you've received their e-mail inquiries, even if you can't answer their questions right away. Most will be quite satisfied if you answer within 24 hours.

7. Fail to recognize the opportunity in an unhappy customer.

Mistakes offer a good way to retain a customer for life while generating tremendous word of mouth about your excellent service, says Donna Fenn, the author of *Alpha Dogs: How Your Small Business Can Become the Leader of the Pack* (forthcoming from Harper Collins). Whenever you make an error, acknowledge and apologize for it immediately, Fenn says. Then solve the problem quickly and give the customer a small gift. Can't be bothered? It'll cost you: 85 percent of the respondents to the Customer Rage Survey shared their service-nightmare stories with others, and 59 percent vowed never to do business with the offending company again.

On the other hand, rapid remedies provide enormous gains. Jack Mitchell, the author of *Hug Your Customer* (Hyperion, 2003) and the CEO of Mitchell's and Richard's, two Connecticut clothing stores with revenues of more than \$65 million, says his associates will drive to a customer's home to pick up clothing that was tailored incorrectly, retailor it that day and bring it back—and give the customer a gift as well. "We make heroes out of people who make mistakes," Mitchell says. "Customers say, 'Wow, these people at Mitchell's aren't afraid to make a mistake and fix it.'" In fact, he says, "we'll open a store early or come in on a Sunday to fix a mistake."

8. Don't bother using technology to understand who your customers are and what they need.

You wouldn't think a clothing store would need to know much about its customers—most retailers don't. But Mitchell's keeps detailed information about all its customers, from what they purchased to the names of their pets. Furthermore, the company has integrated its inventory, customer and marketing databases, so that when new apparel from a particular designer arrives, employees can call customers who love that designer's clothing. Bottom line: Consider investing in the best technology you can afford to learn about your customers. However, remember that consumers are growing increasingly wary of data-collection systems. Be sure to use the information you collect wisely and ethically.

9. Measure satisfaction to get ratings, not responses.

Most companies send out perfunctory customer satisfaction surveys. But asking customers "Are you satisfied?" or "How can we improve?" yields superficial answers, often geared solely to get high (but unreliable) ratings. Jonathan Copulsky, a principal with Deloitte Consulting in Chicago, offers these far more probing and useful questions: "What do our competitors do better than we do?" and "If we lost

your business, what do you think the cause would be?"

10. Don't solve their problems.

Big surprise: Customers' No. 1 desire, according to the Customer Rage Survey, is for their products to be fixed or their service issue to be resolved. Do it. No matter what it costs. The loss of one customer—and all of the potential customers he or she vents to—will ultimately be far greater than the cost of solving one problem.

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Customer Care: The Multibillion-Dollar Sinkhole: A Case of Customer Rage Unassuaged (registration required)

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Elaine Appleton Grant is a contributing writer for Momentum, the Microsoft® newsletter, magazine and Web site for midsize businesses in the United States.