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## **A LESSON IN HOW NOT TO WIN CUSTOMERS**

Sarah Kohl-Leaf was looking forward to an evening out in February with her husband and another couple. What she got, however, was anything but enjoyable. In fact, it turned out to be such a disaster that her experience hit the Internet, TV and radio stations, and newspapers throughout the country.

In a nutshell, here is what occurred: The two couples went to the St. Croix Falls Cinema 8 to see "Shutter Island." Kohl-Leaf and her husband had brought with them enough cash to purchase snacks and beverages, planning to pay for the movie tickets with a cash or debit card. They quickly discovered that the theater did not accept either card—and the ATM in the lobby was out of cash. Their friends bailed them out by writing a check for the tickets.

The disastrous evening continued, however, when a few minutes into the movie, staff members announced that there were eight people in the theater who were not supposed to be there and began flashing lights and checking ticket stubs, a process that lasted about 20 minutes and created a distraction for other movie goers.

When she returned home, Kohl-Leaf sent a complaint by e-mail to the theater's owners, saying that she "would rather drive to White Bear Lake, where they obviously know how to run a theater than have this experience again." The response she received the next morning from Steve Payne, vice president of Evergreen Entertainment LL, which owns the theater in St. Croix Falls, as well as five others in Minnesota, shocked her.

It read in part: "Drive to White Bear Lake and also go [expletive] yourself. If you don't have money for entertainment, get a better job and don't pay for everything on your credit of check card. You can also shove your time and gas up your [expletive] ass. Also find better things to do with your time. This email is an absolute joke. We don't care to have you as a customer. Let me know if you need directions to White Bear Lake."

Payne later apologized for the e-mail, but it was too late—much too late. Kohl-Leaf had posted the e-mails on her Facebook page and it quickly took off from there. A friend then created Boycott St. Croix Falls Cinema 8, a Facebook page that within four days had drawn some 3,300 fans and, within a week, more than 5,100 fans. Payne later apologized, but the damage had been done.

"The only thing I can see that Mr. Payne did right was to respond quickly to the customer's complaint," says John Tschohl, founder and president of the Service Quality Institute in Minneapolis, Minnesota, and an international speaker and author on customer service. "He, like so many other executives, does not understand the power of customer service—and the power of negative publicity."

What Payne should have done, Tschohl says, was to take three steps he recommends to restore customers' loyalty after they have had a problem with a business.

Act quickly. "Whenever a customer contacts you, you should respond as quickly as possible," Tschohl says. "This is particularly important when a customer has a complaint. Acknowledge the complaint and then do whatever is necessary to rectify the situation Payne acted quickly, but everything after that quickly went downhill."

Take responsibility. "Payne should have apologized and admitted that the theater and its employees screwed up," Tschohl says. "Instead, he insulted Kohl-Leaf, used vulgar language,

and said he did not want her as a customer. Who, especially in today's economy, wants to insult customers and drive them away?"

Compensate the customer. "Payne could have retained Kohl-Leaf as a customer by apologizing and offering her something for her inconvenience, such as eight complimentary tickets for future movies," Tschohl says. "The cost would have been virtually nothing, and she would have purchased snacks and beverages when she returned to the theater. She also would have told her family, friends, and coworkers about the wonderful experience she had with the theater's management."

Instead, Tschohl says, Payne drove away Kohl-Leaf and countless other customers who heard and read about how he treated her. And he did serious damage to the company's reputation with the negative publicity that resulted from his actions.

"Payne didn't realize that he's in the customer service—not the cinema—business," Tschohl says. "And he didn't understand the power of service recovery, of doing whatever it takes to retain a customer. When it comes to customer service, he failed miserably."