

Service Recovery:

WHAT TO DO WHEN YOU'VE MADE A MISTAKE

You arrive at the restaurant 10 minutes before your 7 p.m. reservation. Forty-five minutes later, you are finally seated. The maître d' restaurant doesn't offer an apology, and you are upset. Do you have a right to be? Absolutely! Will you return to that restaurant? Probably not. Scenarios such as this occur at businesses every day, and more often than not, leave owners and executives wondering why their repeat business is taking a nosedive. Instead of taking a good hard look at the reasons those customers are defecting, they invest hundreds of thousands of dollars in advertising to attract new customers—customers who also will defect when they experience poor customer service. And the cycle continues.

No matter how good a company or organization is in providing customer service, it's almost a given that at one time or another they will make a mistake. How they handle those mistakes is what separates them from the rest of the pack and keeps customers loyal for life.

Service recovery, is putting a smile on a customer's face after you've screwed up. It's solving a customer's problem or complaint and sending them out the door feeling as if they've just done business with the greatest company on earth. And it's doing so in 60 seconds or less. I have developed the following four techniques for providing quality service recovery:

- **Act Quickly.** You must acknowledge the mistake immediately. The employee at the point of contact is the person in the best position to successfully implement service recovery. When problems and mistakes are moved up the chain of command, they not only cost the organization more in time and money to deal with it, but the delay quickly increases the customer's level of frustration and anger.
- **Take responsibility.** No matter who is at fault, you must own the mistake and sincerely apologize: Don't place the blame on someone else; the customer doesn't care whose fault it was, he merely wants it rectified. It's also important to thank the customer for pointing out the problem and for giving you the opportunity to correct it.
- **Be empowered.** Employees are not making empowered decisions because they're afraid they're going to be reprimanded, fired, or have to pay for whatever they give the customer. Empowerment is the backbone of service recovery, and organizations that truly want to serve the customers and retain their business must not only allow, but insist, that employees bend and break the rules in order to

keep those customers coming back."

- **Compensate.** You must give the customer something of value, something that will impress the customer and give them the feeling that you really do value their business. Every company has something that doesn't cost a lot but has value in the eyes of the customer. An airline can upgrade a passenger to first class. A ski resort can give a free lift ticket. A computer repair store can extend the customer's warranty by a year.

Service recovery can have a major impact on an organization's bottom line. Word-of-mouth advertising as customers tells their family, friends, and coworkers about the exceptional service they received from you. Service recovery puts the 'wow!' in service and generates word-of-mouth advertising you couldn't buy if you wanted to.

So what should that maître d' have done when you were seated 30 minutes after your reservation time? He should have apologized and offered you something that had value. Such as a round of drinks or a free dessert, this would have cost the restaurant a few dollars but carries a perceived value of \$20 to \$25. The magic in service recovery occurs when a frontline employee solves a customer's problem and does so in 60 seconds or less. Acting quickly, taking responsibility, making an empowered decision, and compensating the customer will result in customer loyalty that will increase your sales and profits and help to ensure your success in an increasingly competitive world. **RO**

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