

Protect Your Brand with Service Recovery

by John Tschohl

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When it comes to customer retention, banks are naturally sticky. Opening an account or taking out a loan, after all, are very different from buying a pair of shoes or booking a hotel room. But that doesn't mean banks can afford to take their existing customers for granted. Excellent customer service is one of the few great differentiators among banks. Brand strength depends on it.

And while opportunities for service mishaps are numerous, so are opportunities for service recovery. The key is training and empowering employees to respond appropriately when something goes wrong. When frontline staff go beyond the call of duty to solve customers' problems, the bank turns customers into brand advocates.

But first, it's important to develop a process that allows employees some latitude in serving the customer—one that includes specifically defined steps for providing service recovery. Doing so requires decision making and knowing when to go off script—exactly what most employees have been conditioned against. Even if they'd like to help the customer, frontline staff are often frustrated by the fact that they are not able to do it. Worse yet, they don't know how.

Empowerment—the backbone of service recovery

To be a service leader—to be customer centric and focus on a service strategy—it's necessary to empower the employees who interact with customers. Of course, in a highly regulated industry like banking, employees are limited by the law in how far they can go to placate a disgruntled customer. However, when they are given the authority and the appropriate training, there are countless things they can do to put the customers' needs first.

Here are three essential powers that every employee should have in order to provide outstanding service recovery:

- **Act Quickly** – Service recovery works best when it’s provided by the employee at the initial point of contact. Avoid moving problems and complaints up the chain of command.
- **Take Responsibility** – Don’t place blame, make excuses or lie to cover a mistake. Sincerely apologize and thank the customer for pointing out the problem.
- **Compensate** – Give the customer something of value. Every organization has something of value it can offer to a customer who has experienced a problem.

Specific steps to service recovery

The surest way to recover from service mishaps is for workers on the front line to identify and solve the customer’s problem.

1. **Respond to their needs calmly and emphatically.** This approach can serve as the key to getting more cooperation from emotionally agitated people. Often, the way an issue is handled becomes much bigger than the original problem.
2. **Remember that empathy is a powerful tool.** If a customer expresses anger and you fail to react to it, they feel like they aren’t getting through—that you’re not listening. Think about how you would feel in a similar situation.
3. **Ask questions.** Once you have an understanding of the situation, try to avoid making excuses or defending your actions (or those of your team or organization). Ask what you can do to make things right. You need to show the customer that, as an employee and as the face of your organization, you are invested in solving the problem.
4. **Suggest alternatives.** Solicit what the customer wants from you. You want to keep moving the situation along in a productive way. After the customer expresses what he or she wants, decide what you’re able to do and explain what it is. Think outside the box. You can stay within your organization’s guidelines and still come up with an alternative. Customers will view it as a sign of respect and an indication that you are listening to their specific concerns.
5. **Say “I’m sorry.”** Apologizing without laying blame will better position you to act in a manner that your customer will perceive to be in his or her best interest.
6. **Solve the problem.** Take everything you have learned about the situation in preparation for this final step. At this time both you and your customer share a strong desire to find a solution. If you need help while you are solving the problem, find it. Regardless of how a problem is solved, getting it done quickly is necessary in bringing this customer back. Provide the customer your contact information in case they have any questions or lingering problems.

Think of customer service in terms of its function—maintaining old customers, attracting new customers, and leaving all customers with an impression that induces them to do business with your company again. And consider it as a state of mind, encompassing thoughtfulness, courtesy, integrity, helpfulness, efficiency, availability, friendliness, knowledge and professionalism.

Your employees are your brand—so it’s important that they act the part. Every customer experience either weakens or strengthens that brand.



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