

Complaints Should Delight You! Really.

Few business owners or managers like to hear complaints, but to quote the title of a book by Janelle Barlow and Claus Møller, *A Complaint Is a Gift*. As counter-intuitive as that seems, its an important part of customer CPR.

CPR in this case means *comprehend, propose, and respond* and it depends on seeking out complaints that you're not hearing about today.

Business writers describe the life-cycle of a customer in a fairy-tale scenario: Suspects are converted to prospects who become first-time buyers, then customers, loyal customers, and (sometimes) evangelists. And everybody lives happily ever after.

The Broadway musical *Into the Woods* exploded that myth. Based on a book by James Lapine, with music and lyrics by Stephen Sondheim, the musical followed the characters from several fairy tales through the *happily ever after* part and we found that it wasn't always so happy.

Business works that way, too. Not all first-time buyers come back. Even loyal customers sometimes leave. CPR can help plug the slow leak in your customer base, but only when you know that a problem exists.

I'll come back to CPR in a moment, but first it's important to understand whether CPR is warranted.

Winning Back Lost Customers

Customers may leave for any of several reasons and you shouldn't try to win all of them back. For example, there are customers that you fired for one reason or another. You certainly don't want them back! Or maybe the customer's needs changed and your product or service is no longer something they need. Trying to win back that customer would be pointless.

If a competitor *bought* the customer from you by offering nothing more than a lower price, you might or might not want to win the customer back but those who buy solely on price aren't good prospects for living happily ever after.

That leaves two categories of defecting customers that you definitely want to pursue:

- Customers that you effectively pushed away because of poor service, and
- Customers who were pulled away by a better value. This second classification isn't the same as a customer who left based on price alone.

By extrapolation, then, you don't want to save every customer, either. Most managers can think of one or two customers that wouldn't be missed if they left. But you'd like to have an early-warning system in place for others who might be thinking about leaving.

Complaints Enhance Loyalty

Nothing could be less obvious than the fact that complaints enhance loyalty. When someone complains, that person is dissatisfied with your product, your service, or the way they were treated. What seems obvious is that the person who complains is at risk of leaving.

Not so. Or at least not *necessarily* so. A large bank conducted an extensive research project and found that people who have never had a complaint about the bank have an 82% likelihood of remaining with the bank and an 89% likelihood of recommending it. No surprise there.

But if a customer has had a complaint and the complaint was resolved in a positive manner, their likelihood of remaining with the bank increases to 87% and their likelihood of recommending the bank is 91%.

Complaint?	Expressed?	Handled?	Continue to use	Recommend
No - 55%			82%	89%
	Yes - 60%	Positive - 55%	87%	91%
		Neutral - 25%	53%	54%
		Negative - 20%	21%	17%
Yes - 45%			62%	66%
	No - 40%		55%	61%



So when you and your staff actively seek out complaints by asking customers if there's anything they feel you could have done better, you create the opportunity to address complaints in a positive manner and further cement the relationship between the customer and your business.

Remember 3-term New York City Mayor Ed Koch? Whenever he was out among voters, the first thing he asked was "How am I doing?" Here is a politician who understood that complaints are indeed gifts.

Deal with Complaints Promptly

The Internet has changed our perception of what constitutes prompt service. In an earlier age, few people expected to receive a response to a letter in less than a week. The understanding was that the letter would take several days to arrive and then be routed to the person who would investigate. A response would be prepared and mailed.

Today we fill out an online form with a complaint and we expect a reply within an hour.

Only the largest companies can provide that kind of response, but every company should strive at least to acknowledge all complaints (indeed, all communications) within 24 hours. For online forms and e-mail messages that arrive during off hours, you should minimally have an *autoresponder* that will acknowledge the writer's message and set the expectations for a response.

In addition to responding promptly, it's essential that you respond well.

In the chart that illustrates how a complaint's positive resolution can enhance customers' attitudes and customer retention, a neutral or negative resolution will hurt both of these factors.

The Right Response

An acquaintance was out of town on vacation when his credit card payment was due. About the same time, an automatic payment was deducted from a special checking account he maintains specifically for

monthly automatic payments. He had neglected to make arrangements to pay the credit card and he also forgot to *top off* the checking account so that it would be ready for the month's payments. Both of these errors were clearly the fault of my acquaintance.

On return, he called the credit card company because he pays the balance in full each month. *No problem at all*, the account representative said, *we'll waive the interest fee*. So the credit card company waived less than \$100 worth of interest and greatly impressed a loyal customer who has recommended this credit card many times to people he knows.

His bank wasn't so understanding. One payment request had been presented 3 times and had been refused 3 times. Additionally, the bank charged a \$39 fee for each of the 3 rejections. When he called, he was told the bank could do nothing. The fees were carved in stone. After escalating the complaint to the customer service representative's supervisor and finally to a bank vice president, they grudgingly waived one of the fees.

That turned out to be the wrong answer and the bank lost two checking accounts, two savings accounts, and several CD as a result of their response.

Penny wise and pound foolish is, I believe, the aphorism that applies here. **B**

This is the final issue of Random Thoughts, but it's not the end. A new publication will take its place next month.

Passwords, Spam, and Data Security

Has your e-mail account been used by a spammer yet? I don't mean just having mail sent so that it claims to come from your address but actually using your e-mail account to send spam.

In the past month, I have received spams that actually came from accounts of people I know or people who have my e-mail address in their contact list. In many cases, these spams address me by name because the spammer was able to obtain this information from the victim's contact list.

Some of the messages have served poisoned links. Others have been standard spams.

Passwords can be obtained when ...

- The victim uses a simple word that's easily guessed. By "easily guessed", I include any word that's in a dictionary: "123", "abc", "password", "pusillanimous", "mustard", and "letmein".
- The victim logs on via an unencrypted Wi-Fi link to an account and someone nearby plucks the password out of the air.
- The victim uses the same password at multiple sites. As soon as any one location is compromised (and some have exceedingly lax security) the crook has thousands or millions of passwords and user names that will probably work at other sites.

If you have a favorite password that you use for multiple sites, I encourage you to change it. Now, not later.

It's possible to use a favorite password in combination with a prefix, infix, or suffix that you modify from site to site and this produces reasonably strong and secure passwords. Let's say you create a base password "fizzy8beans". You'll use this at various sites, but with a combination of other characters. When you register for a site, you would always use the same base password and combine it with a set-length prefix, suffix, or infix that's always placed at the same location.

For "example.com" you might choose EXfizzy8beans, fizzyEX8beans, fizzy8EXbeans, or fizzy8beansEX. Or, instead of the 2 additional characters, a longer string. The key is to make the pattern something that will allow you to reconstruct the password from something you see on the page (in this case, I use the domain name).

Other possible patterns:

- Characters 2 & 3 of the name. (XAfizzy8beans)
- Final characters of the name. (PLEXfizzy8beans)

Although this process will create reasonably strong passwords, passwords for accounts that you consider important (banks, for example) should be both strong and unique. No password should be used for multiple sites.

For your own benefit, don't reuse passwords! **B**