

# Customer Recovery

*The 7 Golden Rules for Restoring Customer Confidence and  
Regaining Goodwill After Service Failures*

Myra Golden

Customer experience designer



Mona Shaw

# Insights from Mona

- Customers and emotion must be acknowledged
- Show genuine concern and empathy
- Don't leave a customer alone

The problem is not the  
problem.

In most “problem”  
situations, the way the  
problem is handled  
becomes the real  
problem.





United Broke My  
Guitar

"Within four days of the song going online, the gathering thunderclouds of bad PR caused United Airlines' stock price to suffer a mid-flight stall, and it plunged by 10 per cent, costing shareholders \$180 million. Which, incidentally, would have bought Carroll more than 51,000 replacement guitars."

--Chris Ayres of the Times Online in the U.K.



# What's Missing?

- Inability to relate and respond
- No acknowledgement of the customer's problem
- No sense of urgency
- Inability to truly re establish trust
- No personal connection

# What the Best Do

- Apology
- Trust
- Empathy
- Connection

# 7 Steps

1. Acknowledge impact and express empathy
2. Apologize
3. Demonstrate sense of urgency
4. Offer an explanation
5. Ask for necessary information
6. Own and resolve
7. {optional, but so good} Surprise & delight



Acknowledge me!

- Relate and respond
- Psychology of recovery
- Empathic listening
- Empathy





HAPPY JETTING

TRAVEL ALERT

[Hurricane Igor Travel Alert](#)

(Last updated 9/15/2010 11:37:00 AM EST)

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## An apology from David Neeleman

### David's apology

Dear JetBlue Customers,

We are sorry and embarrassed. But most of all, we are deeply sorry.

Last week was the worst operational week in JetBlue's seven year history. Many of you were either stranded, delayed or had flights cancelled following the severe winter ice storm in the Northeast. The storm disrupted the movement of aircraft, and, more importantly, disrupted the movement of JetBlue's pilot and inflight crewmembers who were depending on those planes to get them to the airports where they were scheduled to serve you. With the busy President's Day weekend upon us, rebooking opportunities were scarce and hold times at 1-800-JETBLUE were unusually long or not even available, further hindering our recovery efforts.

Words cannot express how truly sorry we are for the anxiety, frustration and inconvenience that you, your family, friends and colleagues experienced. This is especially saddening because JetBlue was founded on the promise of bringing humanity back to air travel, and making the experience of flying happier and easier for everyone who chooses to fly with us. We know we failed to deliver on this promise last week.

We are committed to you, our valued customers, and are taking immediate corrective steps to regain your confidence in us. We have begun putting a comprehensive plan in place to provide better and more timely information to you, more tools and resources for our crewmembers and improved procedures for handling operational difficulties. Most importantly, we have published the JetBlue Airways Customer Bill of Rights – our official commitment to you of how we will handle operational interruptions going forward –

### Also see

[JetBlue Customer Promise](#)

Learn about our commitment to making things right.





# Psychology of Recovery

# You're on their side

- *“Getting to the bottom of this is just as important to me as it is to you.”*
- *“This is no more acceptable to us than it was to you.”*
- *“Thank you for taking the time to let us know about this.”*





It's frustrating when...

Seek to understand.

Then be understood.

# The Million Dollar Question

How do you get Reps to Convey Empathy?







# Reactions

- *“Getting old sucks, even if it’s just make believe.”*
- *“Wow.”*
- *“I never realized how insensitive I was.”*
- *“As a direct result of this experience, I will be a better nurse, a better person.”*



Acknowledge  
customers and  
and they won't  
have to fight  
through the  
brick wall.



# How to Apologize



“I’ll fix the problem, but I won’t  
apologize for a problem that I  
didn’t cause.”

# Apologize for Effects

- Apologize for the consequences customer experienced
- Ex: Delayed, traveled out of way, had to pay a fee
- Express apology for the inconvenience

# Don't apologize for causes

- Apologizing for past causes is not helpful
- Nothing you can do about what has happened
- Apologizing for past directs customer's thoughts to past



“I’m sorry.” vs “I’m  
responsible.”

# “I’m sorry.”

- An expression of regret
- An expression of empathy
- *“I’m sorry you spilled your coffee.”*

# I take responsibility

- You are taking responsibility for what happened
- *“I’m sorry I bumped into you and made you spill your coffee.”*

# Risk Management

- State only the facts of the situation
- Don't assume fault for mishap
- Don't place blame on others
- Apologize for impact only
- Don't state your haunch
- Deliver a great customer experience

# Options

- *“I’m sorry you spilled your coffee.”*
- *“I’m sorry for any frustration you may have experienced.”*
- *“I’m sorry you had to make this call today.”*
- *“I’m sorry for any inconvenience you may have experienced.”*

Relate and Respond



# Urgency

What it is. What it does.

# Urgency at Apple

Provide a solution for the customer to take home today



# The opposite of urgency



# Explanation

Why we do this. How we do this.

*“In many cases, a clear, believable explanation as to why the policy or performance is reasonable will at least mollify the customer and, in some cases, satisfy him or her.”*

--John Goodman

*I'm already a pretty loyal Southwest customer, but this was an unexpected (to me at least) gesture!*

Southwest's letter:

*I'm sorry for the unexpected circumstances surrounding the disruption of your Aug 10 flight from Oakland. In addition to my apologies, I'd like to provide you with some information about what happened that afternoon.*

*Shortly after takeoff, the Pilots received a low pressure indication for one of the two independent hydraulic systems (A&B) on the aircraft. In response to this situation the Captain returned to have the aircraft inspected. In this case, the problem was with the A hydraulic System — there was a fluid leak. After speaking with our Maintenance Department, I learned that the supply line which helps operate one of the movable panels on the aircraft's wing surface was leaking hydraulic fluid, and as such, the corresponding line was then replaced to fix the problem.*

*Thank you for your patience while alternate flight arrangements were made to continue your trip. With the hope that you will grant us the opportunity to prove there are better experiences to have with us, I'm sending a LUV Voucher to each person who was onboard your flight that we invite you to apply toward future Southwest reservations. We truly appreciate your valued patronage, and we look forward to welcoming you back again real soon.*

*Kind Regards  
Melissa Chalupa*

*Enclose : One Southwest LUV Voucher.*

Compare Southwest's response to [U.S. Airways'](#). The situations are obviously different, but Southwest is [practically eager](#) to throw around vouchers to keep customers happy. As we've seen, [happy customers mean profitable companies](#). The difference is just one of the reasons U.S. Airways' profit plummeted by almost 20% last quarter, while Southwest's soared 11%.

PREVIOUSLY: [Above And Beyond: Southwest Melts Customer's Heart After Deicing Snafu Retain 5% More Customers, Reap 35-95% More Profit](#)  
[How To Beat The Stock Market: Buy Companies With High Customer Satisfaction Scores](#)  
 (Photo: [dooleymtv](#))

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« [U.S. Airways: Abandoning Passengers "Is Not A Compensation Issue"](#) [Morning Deals](#) »

## Comments



**jamar0303 says:**

September 2, 2008 at 8:18 am

If most of my travel wasn't trans-Pacific I'd be flying with them. I probably will anyway- fly an Asian carrier to a big airport then Southwest the rest of the way (but I don't know where they are at the big international airports- lugging my stuff half a mile from international arrivals isn't my idea of a fun layover)





First 4 steps are  
psychology



# 7 Steps

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7. {optional, but so good} Surprise & delight

# Don't Miss Complaints!

Southwest Airlines did

**STOCK WATCH** **LinkedIn Sinks After Hours (Click for Quote)**

## Southwest Airlines Fined \$150,000 For Ignoring Customer Complaints

**BUSINESS INSIDER** By Alex Davies | Business Insider — 5 hours ago

Email Recommend 34 Tweet 10 Share 1 +1 0 Print



Stefan Zaklin/Stringer/Getty Images

The Federal Aviation Administration (FAA) has fined [Southwest Airlines](#) \$150,000 for late and incomplete responses to consumer complaints, it announced Wednesday.

The [FAA](#) found that due to an issue with its website, Southwest was unaware of a large number of disability- and consumer-related complaints filed between June 2011 and January 2012.

When Southwest did respond to the complaints, according to the FAA, its replies were late, and did not contain information required by Department of Transportation rules.

According to the [FAA report](#), the airline "concedes that its responses to the disability-related complaints that it received during that time period were dated outside of the [prescribed] timeframes."

In a statement sent to [Business Insider](#), Southwest said the website glitch impacted a small number of passengers, and that airline employees "worked around the clock" to reply to each missed complaint, and that it put safeguards in place to avoid similar problems in the future.

The \$150,000 penalty was decided on by the FAA and Southwest to avoid litigation. \$35,000 is due within 30 days of the order being issued (and will be paid to the U.S. Treasury, via pay.gov).

The remaining \$115,000 will be credited to Southwest, to be used to refund passengers whose complaints were not properly addressed.

In its statement, Southwest noted those refunds have already been issued.

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### ! TODAY ON YAHOO!

1 - 6 of 48

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- Unlikely love story from country's struggle
- Buy this salsa for your Cinco de Mayo party
- Ice cream man threatens rival on his
- Buy this salsa for your Cinco de Mayo party
- Ice cream man threatens rival on his

Control the  
experience



## Emergency First Aid for Emotional Customers

+ Reassure the customer that you are here to help.

+ Look for the underlying cause of the person's reaction. Is it frustration, fear, confusion, etc.?

+ Listen and limit your responses to simple reassurances that you are doing so. "Uh-huh" "I understand", etc.

+ Apologize when appropriate. "On behalf of Apple, I would like to apologize for....."

+ Take notes. Even when the person is venting, they are often providing important details. It will save time later and help you listen without interrupting.

+ Are you feeling anxious? Is your breathing getting shorter and faster? Relax. Take deep controlled breaths.

+ Acknowledge the customer's underlying reaction. "I can certainly understand how frustrating this can be." "I know this can seem very confusing."

A page from Apple's  
playbook

# A P P L E

- Approach customers with a personalized warm welcome
- Probe politely to understand all the customer's needs
- Present a solution for the customer to take home today
- Listen for and resolve any issues or concerns
- End with a fond farewell

We are at our best  
when we deliver  
enriching experiences.

--Apple credo



{PEC}

Personal emotional connection

The  
**Cheesecake  
Factory**®

RESTAURANT • BAKERY • BAR

[www.thecheesecakefactory.com](http://www.thecheesecakefactory.com)

White Chocolate Raspberry

Chocolate Mousse Dulce de Leche Caramel Chocolate

Vanilla Bean Adam's Peanut Butter Cup Fudge Ripple Che

Original Chocolate Fresh Banana Cream

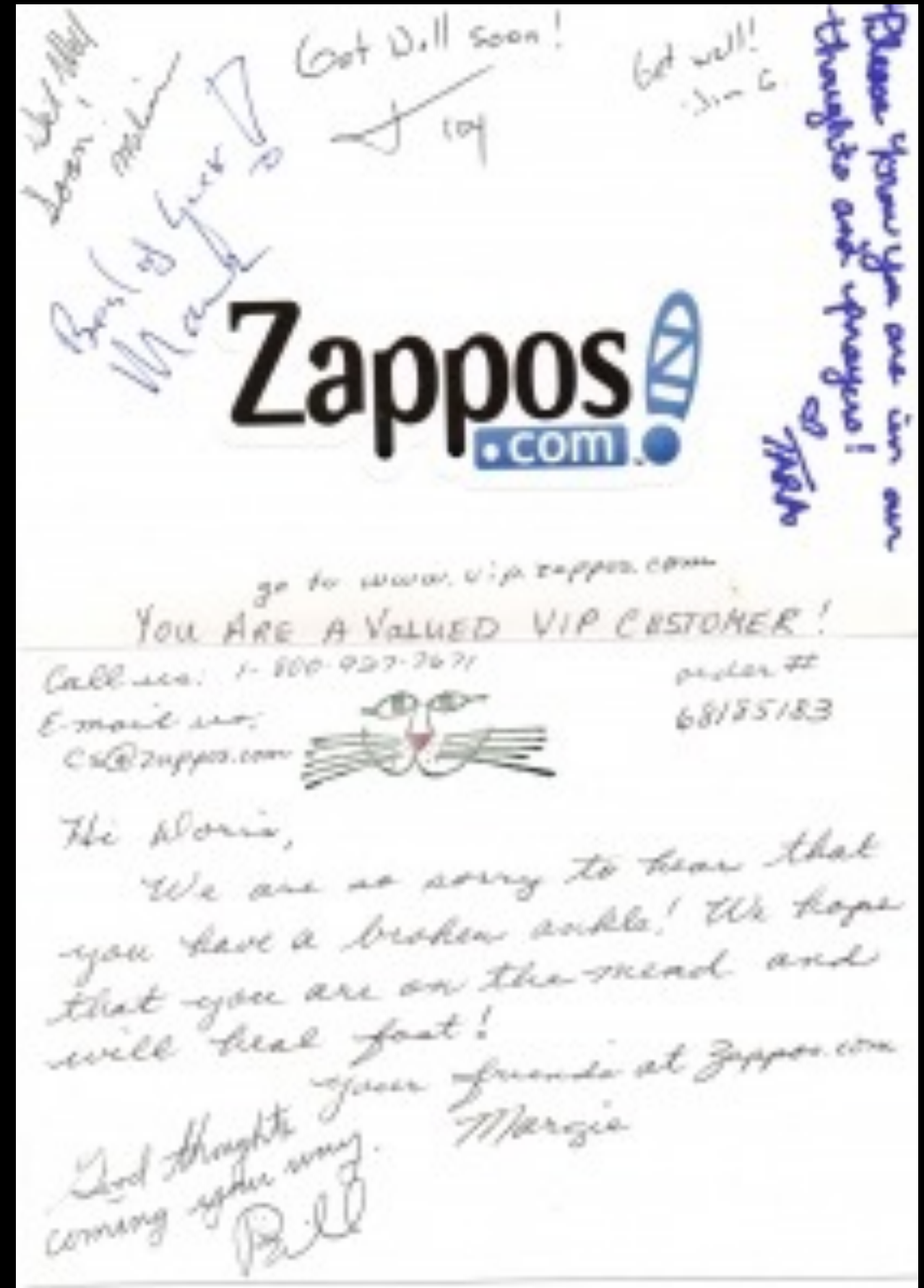
Original Pecan Tui eam Fresh Strawberry

Chocolate Raspberry Caramel Steel

Raspberry Cheesecake Mousse Key Lime Pie



What 15  
minutes a day  
can do



### JC Penney Complaint Response

Thank you for sending an email to JCPenney Portraits. We truly appreciate customers who take the time to let us know about their experiences with our studios.

I am very sorry to hear of your recent disappointment in our studio services. We assure you that customer satisfaction is our top priority and we want the service at our studios to reflect that principle. We realize the importance of having portraits taken and the time and effort involved in preparing for a sitting. As a mother of three children I can certainly understand the frustration and disappointment you had with having to wait so long and then not having the quality sitting you are entitled to.

On behalf of JCPenney Portraits please accept my sincerest apologies. It is clear that measures need to be taken to improve the quality of service at this studio. To that end, you can be assured that your email will be forwarded to the District Manager, Ms. Johnson for her review and investigation. Additionally you will be receiving a letter for four free sheets of portraits at a future sitting as a way of apology. I realize that this does not make up for the time and effort already spent with all of this but I do hope that it does in some way show how truly regretful I am.

We want to thank you for your patronage and for bringing these concerns to our attention. We certainly do not wish to lose you as a valued customer. I am confident that a future visit to our studio will better reflect our commitment to customer satisfaction. Please do not hesitate to contact me if I can be of any further assistance.

Sincerely,

Joan S., Customer Service Representative  
1-800-597-6453

email: [jschulz@lifetouch.com](mailto:jschulz@lifetouch.com)

**info:** Please wait for a QVC representative to respond.

**info:** Welcome to QVC's live chat service. This is 'Kathi P'. How may I help you?

**Myra Golden:** Hi Kathi. Can you tell me the status of my return of the Canon HV30 camcorder?

**Kathi P:** Thanks for waiting.

**Kathi P:** I'll be glad to check for you.

**Kathi P:** Thank you for waiting while I check on this for you.

**Kathi P:** Thanks for waiting.

**Kathi P:** I appreciate your patience.

**Kathi P:** Ms Golden, I'm so sorry the Canon Vixia HV30 MiniDV HD Camcorder hasn't been processed as of yet. I know you're anxious to have this completed. The return processing time can take up to 17 days from the date an order is returned to QVC. I hope your item is processed soon.

**Myra Golden:** Thank you.

**Kathi P:** You're certainly welcome, my pleasure! Have a wonderful day and please don't hesitate to contact us anytime, we're always glad to help.

**info:** Your chat transcript will be sent to myra@myragolden.com at the end of your chat.

Relate and Respond





Complaints via email



*“Things happen in manufacturing if your unhappy you have 7 days from the day your item ships for a refund. You placed a pre order just like any software title the gets a date moved due to the tweaks and bugs not being worked out and GameStop or any other place holds your cash and **im** sure you don’t complain to activision or epic games so put on your big boy hat and wait it out like everyone else. The benefit is a token of our **appreaciation** for everyone no one is special including you or any first time buyer . Feel free to cancel we need the units were back ordered 11,000 units so your 2 will be gone fast. Maybe I’ll put them on eBay for 150.00 myself. Have a good day Dan.”*

*“We do value our customers but sometimes we get children like you we just have to put you in the corner with your im stupid hat on. See you at CES , E3 , Pax East ....? Oh wait you have to ask mom and pa dukes your not an industry professional and you have no money on snap you just got told.”*

# Handling Email Complaints

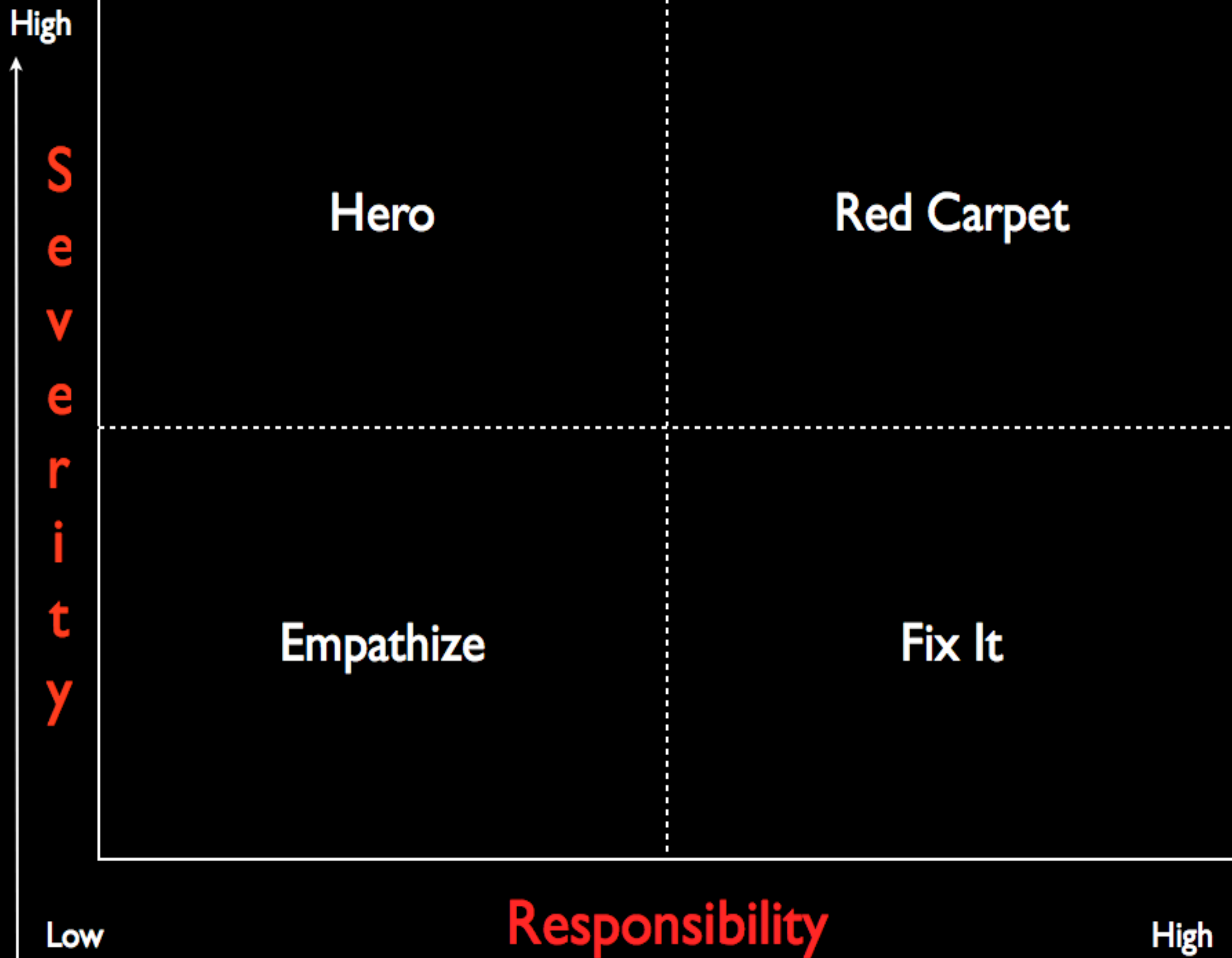
- Focused and concise
- Apologize
- Offer a recovery when needed
- Write in a casual, conversational tone
- Find a way to connect with customer



# How the Best Serve and Recover

# Disney Recovery

- Develop a corporate philosophy
- Implement a training strategy
- Empower front-line employees
- Fix the problem
- Advise management for review and possible action



# Training Strategy

- Initial and “update” training
- Make it fun
- Use active listening techniques
- Don’t be afraid to apologize
- Know when to involve management
- Ask the customer what you can do





# Man in the Desert



Be Gumby!

# Empowerment

at Starbucks





Green means  
**yes**, red means  
**no** and yellow  
means **maybe**





My client probed

Start

Stop

Continue



# Let's connect

- For a copy of today's slides, go to [MyraGolden.Wordpress.com](http://MyraGolden.Wordpress.com)
- For questions not answered today, email me at [myra@myragolden.com](mailto:myra@myragolden.com).
- Web: [MyraGolden.com](http://MyraGolden.com)
- Twitter: [@myragolden](https://twitter.com/myragolden)
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