

Calming Upset Customers

Stay in control... in any situation

Fourth Edition

Rebecca L. Morgan, CSP, CMC

A Crisp Fifty-Minute™ Series Book

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Fourth Edition

Rebecca L. Morgan, CSP, CMC

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PREVIEW

About the Author

Rebecca L. Morgan, CSP, CMC, is a workforce effectiveness expert. Since 1980, she's traveled internationally to help make people and organizations more productive and profitable. Her areas of expertise include sales, time management, communication, and creating customer service excellence. She is the author of eight popular books:

- ▶ *Professional Selling: Practical Secrets for Successful Sales*
- ▶ *Remarkable Customer Service... and Disservice*
- ▶ *Grow Your Key Talent*
- ▶ *TurboTime: Maximizing Your Results through Technology*
- ▶ *Life's Lessons: Insights and Information for a Richer Life*
- ▶ *Inspiring Others to Win*
- ▶ *Best Practices in Customer Service*
- ▶ *Calming Upset Customers*

Rebecca has produced numerous audio programs, special reports, and customer service manager discussion guides. She's been featured on and in hundreds of media, including the Oprah Winfrey Show, 60 Minutes, *Wall Street Journal*, *USA Today*, National Public Radio, *Home Office Computing*, and *Sales and Marketing Management* magazine. She has been a regular columnist for *The Customer Communicator*, and has had articles published in and/or been interviewed by *The Service Edge*, *First-Rate Customer Service*, *CRM Magazine*, and many others.

She's helped numerous companies create environments that delight customers. Her long-term solutions focus on profitability and attracting and retaining customers.

Rebecca has earned the designation of Certified Speaking Professional (CSP), which is conferred by the National Speakers Association (NSA). In 1993, when Rebecca received her CSP degree, only 214 people worldwide—less than 7% of the 3,200 NSA members—had earned this designation. She's also earned the Certified Management Consultant (CMC) designation, making her only the fifteenth person in the world to earn both designations.

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Preface

Wouldn't it be wonderful if there were no upset customers to contend with? But that's not the way the world is. No matter how hard you try, you're bound to come across an upset person once in a while. You need to know how to respond quickly and professionally.

We have seen incidents of road rage, air rage, and general public anger escalate. C. Leslie Charles' popular book *Why Is Everyone So Cranky?* corroborates what we said in the very first edition of *Calming Upset Customers*—people are increasingly frustrated with everyday challenges, and often take out these frustrations on service personnel. This means that you have even more opportunity to hone your skills for calming upset customers! This book will help you develop those skills.

The Win/Win Solution

An article in *Nation's Business* quotes Doug Green, founder of New Hope Communications: "We've found that the solution to every problem comes from the spirit of cooperation. I am sure we can come up with something that can make both of us happy, but we must approach this in a very cooperative manner." This book will help you find those solutions.

"Upset" vs. "Difficult"

This book focuses on calming upset customers, who are different from *difficult* customers. When a reasonable person gets upset, she may have momentary lapses of unreasonableness, but she is still basically rational and reasonable. But difficult people have a psychological need to get attention by disruptive and negative means. They are chronically hard to communicate with.

Many of the ideas in this book will help you serve difficult people as well as upset people, but some people will be unreasonable no matter what you do. Sometimes you will have to call in your supervisor.

Customers Are Often a Challenge

You can learn from that challenge. The more you learn, the more you'll enjoy your job. Learning to calm upset people is not easy. There is no single technique that works with every upset person. But there are skills that can be learned, with a positive attitude and practice. By the way, the ideas and skills presented in this book also work at home.

Who Should Read This Book?

This book is designed to assist people who deal with the upset public to “keep their heads.” The ideas presented here have been useful to people in retail, banking, insurance, medicine, utilities government, hospitality, travel, manufacturing, and other vocations. These ideas and techniques can be adapted to your job, your personal life, and your customers.

“Customers” in this book refers to clients, patients, passengers, ratepayers, insureds, taxpayers, homeowners, guests, students, patrons, or any other member of the public that you deal with who ultimately pays your salary. The concepts discussed are applicable to face-to-face interactions, telephone conversations, and even e-mail and letters.

This fourth edition of *Calming Upset Customers* includes updated information. As before, this book provides practical, easily adaptable ideas that will help you to deal effectively with upset customers in all types of situations.

Learning Objectives

Complete this book, and you'll know how to:

- 1) Understand the importance of upset customers to improving your business.
- 2) Identify common causes of customer's upsets, and learn why listening is a critical skill in dealing with them.
- 3) Be proactive in preventing upset customers.
- 4) Use various techniques to calm upset customers.
- 5) Practice management behaviors that calm upset customers and employees.

Workplace and Management Competencies mapping

For over 30 years, business and industry has utilized competency models to select employees. The trend to use competency-based approaches in education and training, assessment, and development of workers has experienced a more recent emergence within the Employment and Training Administration (ETA), a division of the United States Department of Labor.

The ETA's General Competency Model Framework spans a wide array of competencies from the more basic competencies, such as reading and writing, to more advanced occupation-specific competencies. The Crisp Series finds its home in what the ETA refers to as the Workplace Competencies and the Management Competencies.

Calming Upset Customers covers information vital to mastering the following competencies:

Workplace Competencies:

- ▶ Adaptability & Flexibility
- ▶ Customer Focus
- ▶ Problem Solving & Decision Making

Management Competencies:

- ▶ Supporting Others
- ▶ Managing Conflict & Team Building

For a comprehensive mapping of Crisp Series titles to the Workplace and Management competencies, visit www.CrispSeries.com.

About the Crisp 50-Minute Series

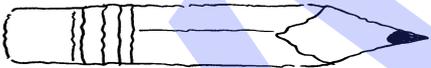
The Crisp 50-Minute Series was designed to cover critical business and professional development topics in the shortest possible time. Our easy-to-read, easy-to-understand format can be used for self-study or for classroom training. With a wealth of hands-on exercises, the 50-Minute books keep you engaged and help you retain critical skills.

What You Need to Know

We designed the Crisp 50-Minute Series to be as self-explanatory as possible. But there are a few things you should know before you begin the book.

Exercises

Exercises look like this:



EXERCISE TITLE

Questions and other information would be here.

Keep a pencil handy. Any time you see an exercise, you should try to complete it. If the exercise has specific answers, an answer key will be provided in the appendix. (Some exercises ask you to think about your own opinions or situation; these types of exercises will not have answer keys.)

Forms

A heading like this means that the rest of the page is a form:

FORMHEAD

Forms are meant to be reusable. You might want to make a photocopy of a form before you fill it out, so that you can use it again later.

A Note to Instructors

We've tried to make the Crisp 50-Minute Series books as useful as possible as classroom training manuals. Here are some of the features we provide for instructors:

- ▶ PowerPoint presentations
- ▶ Answer keys
- ▶ Assessments
- ▶ Customization

PowerPoint Presentations

You can download a PowerPoint presentation for this book from our Web site at www.CrispSeries.com.

Answer keys

If an exercise has specific answers, an answer key will be provided in the appendix. (Some exercises ask you to think about your own opinions or situation; these types of exercises will not have answer keys.)

Assessments

For each 50-Minute Series book, we have developed a 35- to 50-item assessment. The assessment for this book is available at www.CrispSeries.com. *Assessments should not be used in any employee-selection process.*

Customization

Crisp books can be quickly and easily customized to meet your needs—from adding your logo to developing proprietary content. Crisp books are available in print and electronic form. For more information on customization, see www.CrispSeries.com.

P A R T

1

The Importance of Calming Upset Customers

“

*If you can keep your head when all about you are losing theirs and
blaming it on you... yours is the Earth and everything that's in it.”*

–Rudyard Kipling

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In this part:

- ▶ Customer Satisfaction: Everyone's Job
- ▶ Upset Customers Don't Come Back
- ▶ You *Want* Customers to Complain
- ▶ A Customer Is...
- ▶ Assessing Yourself

Customer Satisfaction: Everyone’s Job

The Financial Institution Marketing Association and the Raddon Financial Group conducted a survey of service quality. It reported that 25% of customers had expressed a complaint in the previous 12 months. The survey went on to state:

“In light of this significant percentage, everyone in the organization—from teller to president—must become increasingly aware that he or she is either serving the customer directly or is serving someone in the organization who serves the customer. All positions exist because of the customer.”

Calming upset customers is rarely enjoyable, but it must be done. If upset people continue expressing their anger and frustration without intervention, it can upset the whole office.



THE IMPORTANCE OF CALMING UPSET CUSTOMERS

Why do you feel it’s important to calm upset customers?

Handwriting lines for the response.



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Upset Customers Don't Come Back

A recent study by e-Satisfy (formerly the Technical Assistance Research Program, a top research company on customer service issues based in Arlington, VA) showed the following breakdown for customer dissatisfaction:

- ▶ 20% is caused by employee actions.
- ▶ 40% is caused by corporate products and processes that have an inherent and unwanted surprise for the customer.
- ▶ 40% are caused by customer mistakes or incorrect expectations.

Another survey showed that one out of every five supermarket customers had switched stores in the last 12 months. What made them switch? The way they were treated at the cash registers, mostly. People want and expect good service, and when they are not treated well, they don't come back.

It can be expensive for your company if your customers decide not to come back. Researchers at e-Satisfy found that the cost ratio between winning a new customer versus retaining a current customer varies from 2 to 1 to 20 to 1. That money could be spent improving your work environment, giving you a raise, or keeping you employed.

Word of Mouth Spreads Quickly

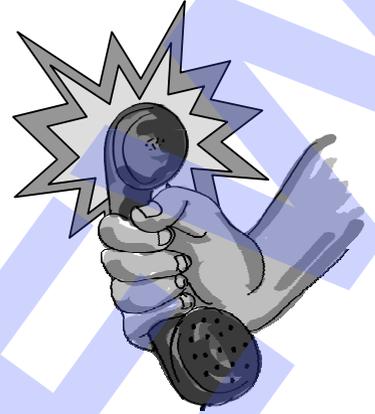
If your organization has a reputation for quick, courteous responses to complaints, people will be more apt to begin their conversation with you rationally. When customers scream and yell, it's often because that's what their friends had to do to get some action from your organization. One study found that, on average, one dissatisfied customer tells 11 other people, who each tells 5 others. That's 67 (1 + 11 + 55) people bad-mouthing your organization. Most organizations will be hurt by that much bad advertising.



A recent International Customer Service Association/e-Satisfy Benchmarking Study of Electronic Customer Service found that poor handling of online contacts created at least 30% lower customer loyalty among the two-thirds of online contacts who are not satisfied. Additionally, the study found that poor handling of online contacts resulted in a high level of negative word-of-mouth; dissatisfied online customers told twice as many people as satisfied customers (both online and offline) about their experience.

You *Want* Customers to Complain

Yes, you do. Because if they don't complain, you won't know there's a problem. They'll just take their business elsewhere, and tell their friends not to do business with you. Consider what happens when you are treated poorly: Do you usually complain? Many people don't. They just think, "I'm never coming here again."



A study conducted by e-Satisfy discovered that 96% of consumers do not complain to the retailer from whom they buy unsatisfactory items. This means that for every complaint the average business receives, there are possibly 24 silent unhappy customers.

Interestingly, e-Satisfy also found that on average, for large-ticket items, 50% of customers complain to frontline employees, and 50% of complainers escalate to local management or corporate heads. The existence of an 800 number at corporate headquarters will, on average, double the number of complaints at that level. However, only 1 out of 100–500 will actually be addressed to a senior executive. Complaint rates vary by type of problem. Problems that result in out-of-pocket monetary loss have high complaint rates (e.g., 50–75%), whereas mistreatment, quality, and incompetence problems result in only 5–30% complaint rates.

In addition, e-Satisfy found that customers who complain and are subsequently satisfied are up to 8% more loyal than if they had never had a problem at all.

Therefore, if a customer does complain, he or she is more likely to come back. The act of complaining can actually increase customer loyalty.

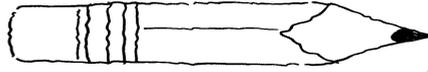
Unhappy Customer Return Rates*	
No complaint:	9% (91% won't come back)
Complaint not resolved:	19% (81% won't come back)
Complaint resolved:	54% (46% won't come back)
Complaint resolved quickly:	82% (18% won't come back)
*Percentage of customers with major cause for complaint (over \$100 losses) who will buy from you again.	

Source: U.S. OCA/White House National Consumer Survey

In a study reported in the Yankelovich Monitor, 54% of adults agreed with the following statement: "It is usually a waste of time to complain to a big company when you're not satisfied with a product or service."

Another study by Yankelovich Partners revealed that 90% of customers say they feel they pay enough to get the highest level of service. Yet, 64% say the service representatives they deal with don't care about their needs.

So remember: Encourage customers to complain when they have a problem. And then do something to help resolve the matter!



WHAT I CAN LEARN FROM UPSET CUSTOMERS

We can learn from every experience, if we choose to do so. A difficult encounter can be an opportunity to learn something new, or to apply what you've learned. What can you learn from dealing with upset customers?

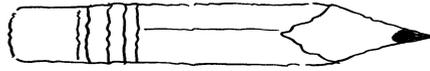
I can learn:

What You Can Learn

Recall your worst encounter with an upset customer. You don't ever want to complain like that. Isn't anger ugly when expressed inappropriately? If you practice the following, you will succeed at preventing and calming anger in others.

- ▶ Have patience. It takes a lot of patience to listen attentively to someone while they are yelling.
- ▶ Identify specific organization procedures or practices that may be annoying to your customers. Then you can work to change these.
- ▶ Improve yourself. There may be something in your behavior that irritates people. You can work at changing this.
- ▶ Show confidence. People can tell when you are confident in your skills. An irate person is more apt to hassle someone who appears unsure of himself.
- ▶ Learn how to calm upset people. Practice your calming skills.

Richard Bach, in his book, *Illusions*, wrote: “You are never given a problem without a gift for you in its hand.” We are given gifts in these upset people.



CALMING UPSET CUSTOMERS IN YOUR WORKPLACE

We looked at why it is important to calm upset customers, and to actually solicit complaints from unhappy customers. Now apply these ideas to your work situation.

Why is it important for *you* to calm upset customers?

Why is it important for you to encourage unhappy customers to complain?
