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Negative Feedback Is Good Too

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We all like positive feedback. It's natural to feel good when someone gives you a pat on the back.

In business, that feeling is extrapolated ten times. There's nothing quite like the thrill of a satisfied customer telling you how perfect their experience was and that they want to come back. And for good reason – the more positive feedback you get, the more customers you'll keep for life, and the more revenue they'll bring.

But there are, in fact, no businesses anywhere that receive exclusively positive feedback. Of the six billion people living on earth right now, there are about... six billion different attitudes, tastes and preferences. No one could ever expect to please each one of them.

As much as we all like positive feedback, a negative comment has the opposite reaction. It cuts us personally when a departing guest tells us that they had a bad visit.

How you choose to react to that negative feedback is the key. Do you shrug it off and chalk it up to "just one customer" who won't come back? Or do you see an opportunity?

I hope it's the latter.

Let me explain the benefits of having flaws exposed by disgruntled customers, how to make them right, and then turn a disappointed guest into a lifetime advocate for your business.

Do You Even Know What They're Saying?

First, you need a method of obtaining customer feedback. As I've mentioned elsewhere, far too many service companies operate on outdated models of feedback. These include mystery guests (expensive, inefficient, inaccurate), comment cards (largely ignored, shallow), and general market research (also expensive, often irrelevant, stale). Many businesses aren't gathering the most accurate, real-time feedback that businesses these days need to thrive.

Most guests are reluctant to have a confrontation, even when they're in the right. If a hotel concierge is rude, most people will choose to keep quiet about it and simply avoid that hotel (and probably tell their friends, or even worse, blog about it). So there is a strong need for anonymity, a place they can air their gripes without confrontation, or fear of retribution.

There's a simple solution: upon checkout, offer your customers the chance to take a survey and deliver their thoughts through a simple phone call or web visit. Companies like Mindshare offer automated systems that are affordable and require little effort on your behalf. With questions that adapt based on previous answers, these systems go beyond simple scoring and uncover the details of a guest's experience. They also provide the customer a chance to leave anonymous comments, which typically reveal more than anything they would ever say to someone's face.

These systems require only three simple action steps:

1. Offer an incentive, such as a discount or add-on, to encourage guests to offer feedback.
2. Tailor the questions to your specific needs.
3. Act on the information!

The third step seems obvious, but too many companies simply ignore feedback until something big happens and they risk losing face with the larger public. This inattentiveness has weakened the reputation of some of the biggest companies in the world. It also encourages customers to feel like they need to grab the biggest bullhorn they can find in order to share their grief and get the company's attention.

The Right Way to Address Negative Feedback

If you're truly committed to customer happiness, you'll take note of every negative guest comment that comes through, and treat it like a valuable asset. Instead of moping about it, you need to jump on the chance to make things right.

Step one is alerting the appropriate staff to what happened. Even if it may not have been the fault of a specific person, a cold steak is still something that needs to be addressed with both your kitchen and service staff. You can then evaluate the process that takes a steak from the chef's grill to the guest's table (or room), find out where the delay occurred, and make sure it doesn't happen again.

Step two is contacting the customer (if they requested contact), telling them what you've done to fix the issue and offering them a solution. Tell them you're sincerely sorry for the cold steak, and you would like them to come back for a free meal.

What's at risk is NOT a free meal, but a customer who could become a loyal, lifetime guest who sings your praises to their peers. When you consider the amount of revenue that a customer like this generates, spending a few bucks on a free meal is a small, small price to pay to recover their feeling of loyalty.

If you operate a larger chain, you can use the guest feedback system to set up alerts for managers at each location. This allows local, on-site managers to react immediately to, say, a customer that had a run-in with a cranky associate. By acting on the local level, you can get to the customer much more quickly and squelch disappointment within minutes.

Besides negative feedback, you need to pay attention to the comments that fall into the middle range of responses. These are the customers who felt indifferent about their service experience. The automated systems I mentioned above pull all the guest feedback into easily understood charts and graphs, turning the data into actionable information. By examining results you can get a real sense of what is causing these guests to "sit on the fence," and make changes that will get them to be a customer advocate for life.

What Image Do You Want to Have?

Let's face it; your guests are going to talk about you, especially the frequent guests. They'll let their peers know what they experienced, good or bad. Those conversations will have a ripple effect. Let's review two scenarios using a hotel example:

Scenario one: A guest had a bad experience and tells his coworkers. The next time they travel, they look for anywhere to stay but your hotel.

Scenario two: Another customer also had a bad experience, but the hotel staff responded to his feedback, explained the changes that they would be making, and offered to make restitution. The customer feels important and tells his friends, who then seek out your hotel the next time they travel. After similar experiences, they all become lifetime guests, who trust your brand every time they need a place to stay.

Either way, thousands of dollars are at stake. People love attention, and they especially love it when a business makes them feel important. With so few businesses actually paying attention to their customers, you can really stand out by treating everyone like a VIP. In turn, they'll come back over and over again, as well as sing your praises to anyone interested.

The fact is, all it takes is simple automated technology, actionable reporting, and a commitment to daily improvement, and you can count on consistent revenue gains. Not to mention, you'll gain the reputation of being a company that practices service excellence. Because there are select few companies who focus attention on service excellence, you will stand out in this competitive economy.

This is how I see it.

About Richard D. Hanks and Mindshare

Richard D. Hanks is the President of **Mindshare Technologies**, a leading provider of real-time, automated customer and employee feedback solutions. His experience spans multiple industries and disciplines, including many years as an adjunct professor at Cornell. He is an author and frequent teacher/speaker at trade, academic, and professional gatherings. Mindshare's business monitoring tools help companies improve operational excellence and minimize customer attrition through personal customer involvement. Mindshare's proprietary survey technology captures the voice of the customer in real-time and immediately transforms it into actionable intelligence through powerful enterprise reporting. As a hosted system, Mindshare is affordable and flexible, with surveys and reports tailored to fit a company's individual needs. For more information please visit: www.mshare.net. To reach Rich directly, contact him at rhanks@mshare.net or (801) 263-2333

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