



JEFFREY GITOMER'S LITTLE EBOOK OF

React, Respond **RECOVER +1**



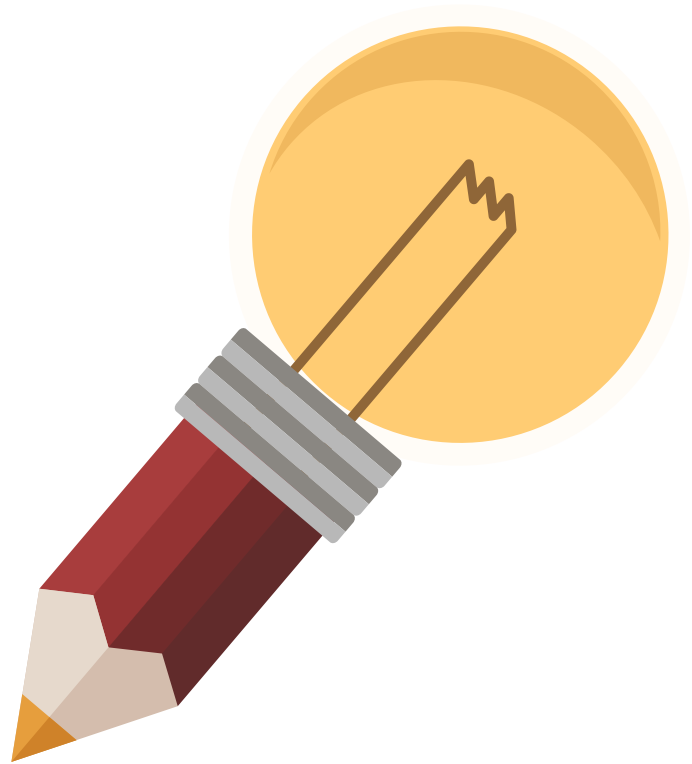
**13.5 Steps To Taking Responsibility
When Dealing With Unhappy Or
Dissatisfied Customers.**

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I SEEM TO HAVE LOST A CUSTOMER AROUND HERE SOMEPLACE.

How much is one customer worth?

How much does it cost to lose one customer?

More than you want to know.

More than you can measure in real dollars.

Most people only measure the dollar loss of a sale, or how much revenue was lost for the year. Big mistake. For openers, multiply that times 20 years. *Rats*. And don't even begin to count the people they could have recommended because it would only make you sick.

Then the REAL losses begin to pile up. Besides telling everyone in their immediate vicinity, they will tell all their branches, their home office, other customers of yours (their peers and counterparts in other companies you serve), everyone at the next association meeting, everyone at the next annual trade show and convention, and (if you do a real bad job of recovery or service) report it to people in the industry, media or local media. (Ouch!)

And, they'll tweet about it, they'll make a YouTube video about it, they'll Facebook post about it, and they'll tell everyone they know (or don't know) on social media. (Even bigger ouch!)



THAT'S NOT THE WORST PART:

Your competition knows (especially the ones who took the business away), and they're celebrating and doing a war victory dance and **TELLING EVERYONE**. (*See, I told you it would make you sick.*)

THE REAL COST IS THE DIFFERENCE BETWEEN "COST OF LOSS" AND "COST TO FIX:"

Now measure that against the cost to fix, discontinue, or replace the situation, defect, or problem when you first learned of it.

The painful part comes when you ask yourself, "How did this happen?" and "Could I have prevented this from happening?" and "How can I prevent this from occurring again?"

Have you ever lost a customer?

MAJOR CLUES: You aren't alone. It's not a one-man battle or a one-idea solution. You need your specific facts before ideas can be formulated.



HERE'S HOW TO WIN THEM BACK:



1.

START BY SWITCHING PLACES WITH THE CUSTOMER.

Try to use your stuff in their environment. Try to call yourself from their office. Wear their shoes, and walk around in them for a while.



2.

ASK YOUR CUSTOMER BRUTAL QUESTIONS.

The ones you don't want to hear the answers to. Get guerilla facts – hang out in the customers office and talk to (ask) the lowest level of people who use your product – they always know the big answers and the real truth.



3.

GET YOUR BEST TEAM OF POSITIVE THINKERS TOGETHER.

Solve or resolve problems as a group – form the DSIU (“don’t screw it up” again) team.



4.

BET BIG.

Identify and know the big picture, and be willing to gamble on a (multi-faceted) solution that has consensus from the group.



5.

DEVELOP A CORE-ISSUE BASE THAT COULD HAVE PREVENTED THE SITUATION FROM HAPPENING.

You only have 10 big recurring problems. List and dissect them. Then benchmark the best practice for resolve.

REMEMBER: Prevention is the cheapest medicine – and that’s the biggest clue for where to start fixing the problem.



6.

GET SMALL.

Get great little ideas. Lots of them. Eliminate the dumb ones. Figure out and detail what kind of memorability those actions create for the customer.



7.

NAME YOUR SOLUTIONS.

The new Gitomer Greeting Method. Brand your solutions, especially the cool ideas that bring value to the customer.



8.

ASK YOURSELF “WHAT’S WOW ABOUT THIS SOLUTION OR IDEA?”

If the answer is “nothing,” don’t bother doing it.



9.

ASK THE GROUP HOW THIS SOLUTION PREVENTS FUTURE OCCURRENCE OF THE SAME PROBLEM.

If the answer is, “It doesn’t,” don’t bother doing it.

10.

ASK THE GROUP HOW THIS SOLUTION WILL BENEFIT THE CUSTOMER OR BUILD THE CUSTOMER'S BUSINESS.

If the answer is "It doesn't," don't bother doing it.

11.

GET CLOSER TO THE CUSTOMER'S "REAL" LIFE.

Meals and ball games can reveal relevant truths that "arm's length" relationships won't uncover.

12.

HOW DO YOU DO THIS WITH YOUR EXISTING BUDGET? YOU CAN'T. YOU MUST HAVE A "WIN BACK" BUDGET.

Funds that are earmarked to fix problems, create resolve, and build goodwill.

12.5

WHEN YOU GET BACK IN, THANK THE CUSTOMER FOR DUMPING YOU.

Tell them that, without the loss of their business, this innovative solution would never have been possible. Let them know you are willing to offer some (major?) concessions for a retry at the business using these changes. (Notice I have not apologized or groveled. In my experience, customers are less interested in apology than they are in great ideas, recoverable actions, and solutions.)



GET REAL:

Know the difference between problem vs. symptom. Losing customers is a symptom. Poor service, late delivery, and backorders are problems.

RULE ONE:

It never costs as much to fix the problem as it does to not fix the problem.

RULE TWO:

It never costs as much to make the customer happy as it does to leave the customer mad.

Winning back the customer is a huge moral victory as well as financial gain. There's only one person angry when you get them back – your competition.

FREE GIT BIT

Now is the time to enact the Gitomer Customer Loyalty Formula and prevent the loss. If you'd like to learn the formula, go to **www.gitomer.com**, register if you're a first-time visitor, and enter the word **LOYAL** in the GitBit box.



CUSTOMER COMPLAINTS BREED SALES IF YOU HANDLE THEM CORRECTLY



The customer is always right, except when they are
wrong, which is most of the time.
In sales, right and wrong don't matter.

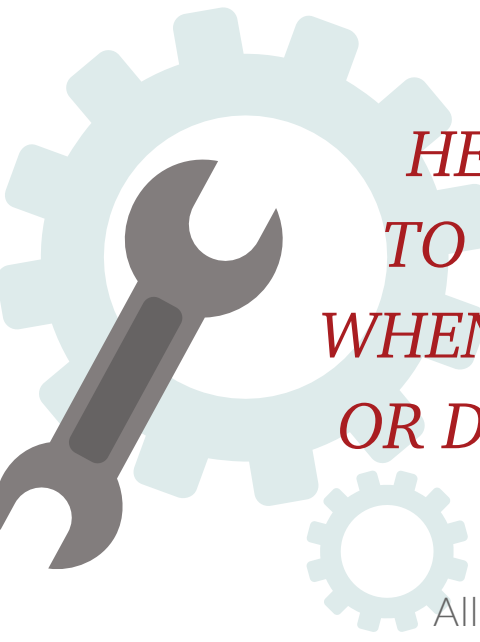


Keeping the customer happy is what matters.
What's the best method of handling the dreaded
CUSTOMER COMPLAINT?

Try The Personal Touch Method.

On the next page, there is a formula I developed
and have used over and over. To institute this
method you must first and foremost **TAKE
RESPONSIBILITY** even if the fault isn't yours,
or you won't be the one who handles it. The
customer doesn't care. He's pissed. He just wants
you to handle it. Now.





HERE ARE THE 13.5 STEPS TO TAKING RESPONSIBILITY WHEN DEALING WITH UNHAPPY OR DISSATISFIED CUSTOMERS.

All 13.5 steps must be used – or the loss of the customer will be the result.

1. *AGREE* with them at first. (Never argue.)
2. Tell them you *UNDERSTAND* how they feel.
3. *EMPATHIZE* with them. (Site a similar situation, and tell them that it makes you mad, too. Tell them a similar thing happened to you.)
4. *LISTEN* all the way out. Make sure the customer has told you everything. Don't interrupt. Ask questions.
5. *CONFIRM* that all is out and that they have said all they want or need to say.
6. *BE AN AMBASSADOR* for your company. Tell the customer you will personally handle it.

7. ***DON'T BLAME*** others. Admit you (and or the company) were wrong.
8. ***DON'T PASS THE BUCK.*** "It's not my job" and "I thought he said..." and "She's not here right now" and "Someone else handles that" are words that are never applicable or acceptable to the customer.
9. ***RESPOND IMMEDIATELY.*** When something is wrong, people want (and expect) it to be fixed immediately. The customer wants it perfect.
10. ***ESTABLISH RAPPORT.*** Try to find some common ground other than the problem.
11. ***USE HUMOR IF POSSIBLE.*** Making people laugh puts them at ease.
12. Figure out, communicate, and ***AGREE UPON A SOLUTION*** or resolve. Confirm it (in writing if necessary).
13. ***MAKE A FOLLOW-UP CALL*** after the situation is resolved.
- 13.5 ***GET A TESTIMONIAL IF YOU CAN.*** Resolving a problem in a favorable and positive way strengthens respect, builds character, and establishes a solid base for a long-term relationship. Tell the customer you would appreciate a sentence or two about how the situation was resolved.



IT IS IMPORTANT TO BE AWARE OF THESE PRACTICAL REALITIES WHEN TRYING TO ACCOMPLISH THE TASK OF SATISFYING THE CUSTOMER:

-  The customer knows exactly how they want it, or exactly what they want, but may be a lousy communicator and not tell you completely, or tell you in a way that is difficult to understand.
-  Remember that you're a customer elsewhere. Think of how you expect service when you're the customer.
-  Every customer thinks they're the only one you've got. Treat them that way. Make the customer feel important.
-  The customer is human and has problems just like you do.
-  The customer expects service at the flip of a switch. It all boils down to you.
-  The customer's perception is reality.
-  How big a deal is it to try to give them what they want?



Customers talk to their associates, friends, and neighbors.

Here is the number of people they will talk to based upon how well you handle their complaint:

3 if you do a good job

10 if you do a great job

25 if you do a bad job

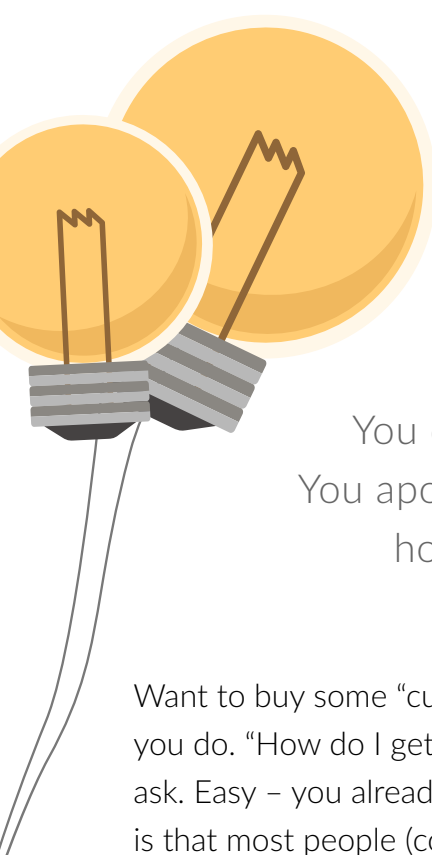
50 if you do a real bad job

And you will be on the six o'clock news if you do a horrible job!

When you satisfy an unhappy or dissatisfied customer, and you can get them to write you a testimonial telling you they're happy and loyal now, you have a solid shot at a long-term relationship. If the problem is left unresolved, the customer will surely find your competition.

FREE GIT BIT

Don't let poor communication keep you from winning back the customer and making the next sale. To read a short lesson "Toward Error Free Positive Communication" from The Sales Bible, go to **www.gitomer.com**, register if you're a first-time visitor, and enter the words **ERROR FREE** in the GitBit box.



THE SECRET FORMULA IS REACT, RESPOND, RECOVER, +1

You do something wrong. The customer gets mad.
You apologize and try to fix the problem, make nice, and
hope they don't go someplace else next time.

Want to buy some “customer insurance?” Sure
you do. “How do I get customer insurance?” you
ask. Easy – you already have it. The problem
is that most people (companies) don't use it.
Reason? Insurance costs a little extra. It's called
Plus One Insurance, and here's how it works...

When the customer is angry, or you can't deliver
the way they expect, the formula that will make
them forgive you, continue to do business
with you, and tell others about you is – **React,
Respond, Recover, +1.**

And here's what that means...

Let's say you're late for a delivery, or you
deliver the wrong thing, or you make an error in
something personalized, or you miss a deadline,
or you deliver bad food to the table. In
short, you make a business mistake that irritates
(or angers) the customer. Now you have to react,
respond, and recover from the mistake.



When you're done with your dance of apology and making amends, that's when the customer STARTS talking. They will say something good, nothing, or something bad about you depending on what you said, how you said it, what you did, and how you did it.

IMPORTANT NOTE: The customer's story was crafted by your words and deeds.

How much is a positive story worth? How much is a saved customer worth? How much does a negative story cost? How much does a lost customer cost? The answer is **"Plus 1."**

All you have to do to ensure that the story will be positive and that the customer will be saved is to add a "+" to the end of the transaction. Something extra that the customer was not expecting. Something that will add a smile.

Something that will add some "good" to the situation and make a pleasant surprise for the last memory the customer has.

For example, if your customer...

-  goes into your store for a sale item, and you're sold out
-  checks into your hotel, and their room isn't ready
-  orders something, and you deliver it wrong

...you figure if you just get the customer what they need, you're out of the woods, and they're "satisfied." But you figured wrong.



You may be out of the woods, but you'll still be in the dog house. **You need to add the extra. The "Plus."** You need to add a surprise. You need to add the memory. You need to add a reason to say something good about you, because the risk of NOT doing it is too large.

Let's take the three examples above and elaborate. Let's assume you can meet their fundamental needs and recover from the wrong. Here's the real question: *What can you ADD to the situation that will make it a memorable one?*

HERE'S HOW TO ADD THE "+" AND CREATE A WOW!:



YOU GO INTO THE STORE FOR A SALE ITEM, AND THEY'RE SOLD OUT.

The clerk gives you a rain check to ensure you get the item, AND (the plus) the clerk calls other stores, locates the item, and has it delivered to your home at no extra charge, AND (another plus) the clerk gives you a "private sale" card that lets you purchase anything else in the store – today only at a 15% discount.



YOU CHECK INTO A HOTEL, AND YOUR ROOM

ISN'T READY. The clerk says "Mr. Gitomer, you're in luck! – your room isn't ready. That means you get to eat breakfast for free AND (the plus) use our business center for free." WOW!



YOU ORDER SOMETHING, AND IT'S DELIVERED WRONG.

The correct response when confronted is NOT an excuse. The correct response is, "OH, THAT'S HORRIBLE." And then it should be followed by a statement of what will be done and when, followed by some bonus that has verbiage something like this, "Mr. Gitomer, you are in luck. You have qualified for our 'Wrong delivery customer bonus' program. Here's how it works..."

The **"PLUS"** is the difference between satisfaction and loyalty. The **"PLUS"** is the difference between a positive and negative story retold.

The story will be retold, but the only question is which way. I hope you're willing to invest in the "plus" customer insurance premium. **Some fools aren't.**

Gitomer Defined (git-o-mer) n.

1. a creative, on-the-edge, writer and speaker whose expertise on sales, customer loyalty, and personal development is world renowned. 2. known for presentations, seminars and keynote addresses that are funny, insightful, and in your face. 3. real world. 4. off the wall. 5. on the money. 6. gives audiences information they can take out in the street one minute after the seminar is over and turn it into money. He is the ruling King of Sales. See also: salesman.

AUTHOR. Jeffrey Gitomer is the author of The New York Times best sellers *The Sales Bible*, *The Little Red Book of Selling*, *The Little Black Book of Connections*, and *The Little Gold Book of YES! Attitude*. Most of his books have been number one best sellers on Amazon.com, including *Customer Satisfaction is Worthless*, *Customer Loyalty is Priceless*, *The Patterson Principles of Selling*, *The Little Red Book of Sales Answers*, *The Little Green Book of Getting Your Way*, *The Little Platinum Book of Cha-Ching!*, *The Little Teal Book of Trust*, *Social BOOM!*, *The Little Book of Leadership*, and the *21.5 Unbreakable Laws of Selling*. Jeffrey's books have appeared on major best-seller lists more than 500 times and have sold millions of copies worldwide.

OVER 50 PRESENTATIONS A YEAR. Jeffrey gives public and corporate seminars, runs annual



Jeffrey Gitomer is the author of thirteen best-selling books including *The Sales Bible*, *The Little Red Book of Selling*, and *The Little Gold Book of Yes! Attitude*. His real-world ideas and content are also available as online courses at www.GitomerLearningAcademy.com. For information about training and seminars visit www.Gitomer.com or email Jeffrey personally at salesman@gitomer.com.

sales meetings, and conducts live and Internet training programs on selling, customer loyalty, and personal development.

BIG CORPORATE CUSTOMERS. Jeffrey's customers include Coca-Cola, Adecco, Caterpillar, BMW, AT&T Wireless, MacGregor Golf, Ferguson Enterprises, Microsoft, Kimpton Hotels, Hilton, Enterprise Rent-A-Car, AmeriPride, NCR, Comcast Cable, Liberty Mutual Insurance, Principal Financial, BlueCross BlueShield, Hewlett Packard, Northwestern Mutual, MetLife, Honeywell, Sports Authority, Toyota, GlaxoSmithKline, IBM, The New York Post, and hundreds of others.

IN FRONT OF MILLIONS OF READERS EVERY WEEK. Jeffrey's syndicated column, Sales Moves, appears in scores of business journals and newspapers in the United States and Europe, and is read by more than four million people every week.

ON THE INTERNET. Jeffrey's WOW! websites, www.gitomer.com, www.salesblog.com, and www.GitomerLearningAcademy.com, get more than 100,000 hits per week from readers and seminar attendees. His state-of-the-art training on the web and e-commerce ability has set the standard among peers, won national awards, and has won huge praise and acceptance from his customers.

GITOMER CERTIFIED ADVISORS. Jeffrey is now licensing his classroom workshop training and virtual training to sales professionals around the globe. For more information, please visit www.GitomerCertifiedAdvisors.com.

GITOMER VIRTUAL TRAINING. Web-based sales training lessons are available at www.GitomerLearningAcademy.com. The subscription based content is pure Jeffrey — fun, pragmatic, real world — and can be implemented immediately.

SALES CAFFEINE. Jeffrey's weekly e-zine, Sales Caffeine, is a sales wake-up call delivered every Tuesday morning to more than 300,000 subscribers, free of charge. Sales Caffeine allows Jeffrey to communicate valuable sales information, strategies, and answers to sales professionals on a timely basis. You can subscribe at www.salescaffeine.com.

SALES ASSESSMENT ONLINE. The world's first customized sales assessment, renamed a "successment," will not only judge your selling skill level in 12 critical areas of sales knowledge, it will give you a diagnostic report that includes 50 mini sales lessons. This amazing sales tool will rate your sales abilities and explain your customized opportunities for sales knowledge growth.

AWARD FOR PRESENTATION EXCELLENCE. In 1997, Jeffrey was awarded the designation of Certified Speaking Professional (CSP) by the National Speakers Association. The CSP award has been given fewer than 500 times in the past 25 years and is the association's highest earned award.

SPEAKER HALL OF FAME. In August, 2008, Jeffrey was inducted into the National Speaker Association's Speaker Hall of Fame. The designation, CPAE (Counsel of Peers Award for Excellence), honors professional speakers who have reached the top echelon of performance excellence. Each candidate must demonstrate mastery in seven categories: originality of material, uniqueness of style, experience, delivery, image, professionalism, and communication. To date, 191 of the world's greatest speakers have been inducted including Ronald Reagan, Art Linkletter, Colin Powell, Norman Vincent Peale, Earl Nightingale, and Zig Ziglar.

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