

# When a Customer Wins, Nobody Loses!



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## 1. An Unlikely Hero

*“We can beat them, just for one day. We can be heroes, just for one day” – David Bowie*

On July 9, 2009, there was a seminal event in the world of customer service, and possibly in an even larger universe. This event had an unlikely geographic starting point and an even more unlikely but totally likable and sympathetic hero. Perhaps the only other surprise was that this “Black Swan” had such a long winter of discontent before finally showing us its plumage. But then again, the communication vehicle used to deliver what was to be a hammer blow to the already fading concept of the compliant customer was still a neophyte. However, it led to a sea change in the definition and influence of the new consumer and has become among other things, a weapon of mass brand and trust destruction.

Let me introduce the Canadian musician and folk hero Dave Carroll, whose YouTube video “United Breaks Guitars”, had such an enormous impact when it hit the world of social media like a ton of guitars. For those unfamiliar with the story, Dave and his band had travelled from Halifax, Nova Scotia to Nebraska, via Chicago on United Airlines (UA). On the way, his Taylor guitar had been damaged by the UA baggage crew in Chicago. His attempts to get compensation from UA was met with disdain and disinterest by a number of UA employees and, after a saga lasting nine months, he decided that rather than getting mad, he’d get even. After

writing a song about the experience and, with the help of some friends in Halifax, he put together a video that cost \$150 and posted it on YouTube.

His objective was to get 1 million hits in a year, but had achieved that number within 4 days, along with a huge amount of media attention. The BBC reported the stock price of United Airlines dropped by \$180 million that day, and while the share price may have recovered, that's not a headline that I'd want on my CEO CV.

Since then the video has truly gone viral and now has over 17 million hits and counting. It's not the first video to achieve a huge following, but the reason I believe that this was the tipping point in the ever changing customer service landscape, has been its longevity and continuing expanding influence. It's a story that plays and plays and is still shared by millions as if it's "new news".

### **No Lessons learnt here!**

As I write this it is now almost 9 years later, March 2018. United Airlines customer service has hit new lows, and their latest YouTube video reached new viewing highs as they forcibly removed a customer who had been 'bumped' from a flight. Then BA had a complete computer meltdown, cancelled hundreds of flights and stranded thousands of customers for days. Then just when you thought it was safe to fly Ryanair again, they hit their customers with the cancellation of thousands of flights that they put down to "Messing up pilot holidays." The common themes running through all of these incidents were each company's inability to recognize the impact the events had, not to mention their

massive failure to communicate or respond in a sensitive, empathetic and timely fashion.

Most people will understand that things don't always go right, but they also don't easily forgive or forget companies that fail to respond quickly, pro-actively and authentically when addressing the issues. Clearly, the original and subsequent United Airlines videos struck a chord with millions of disenfranchised and frustrated customers. This has led to many similar stories and resultant social and other media exposure about companies like UA, BA and Ryanair, who continue to ignore their customers' complaints and hope they'll just go away and leave them alone. More are doing just that by not flying with them and has led to a group being formed called *Anyone but BA* or ABBA. I guess their theme song might be "Take a chance on me" or perhaps "Ring Ring" reflecting the only thing that most customers hear when they call customer service!

I don't believe that these companies are just ignoring their customer's complaints – they are ignoring their customers completely or, amazingly, don't care about them. And it's not just me that thinks that. American business blogger and investor Tim Ferris asks a lot of people in his weekly podcasts "What would you put on a billboard?" Comedian Mike Birbiglia replied: "I'd put it in Times Square", where many businesses feature large and bold adverts and it would say, "None of these companies care about you." While that may be an extreme view, many businesses feel that investing in customer experience belongs in the 'too hard' or 'too expensive' pile. In case you think these are the

musings of anti-capitalist, rabble-rouser, let me refer you to a well cited Rockefeller Corporation study that showed that 68% of customers leave a company because “They believe you don’t care about them.”

What else could explain the strange behaviour of United Airlines, BA and Ryanair, apart from the fact that they’re airlines!

### **A Black Swan?**

I earlier mentioned that the original UA story really was a *Black Swan*, or at least I believe it broadly meets the three criteria that Nassim Nicholas Taleb cites in his excellent book of the same name. For those of you who haven’t paddled down the “Swanee” river, Taleb identifies three attributes that characterize a Black Swan event. First, it is an *outlier*, lying outside the realm of regular expectation (a non-celebrity, Dave Carroll, posting a video on YouTube, which was a far less regular occurrence in 2009). Second, it carries an extreme impact (17 million hits and a \$180 million drop in share value). Third, despite its *outlier* status, people attempt to explain its occurrence after the fact, its retrospective predictability. (UA claimed that he was effectively just an unreasonable customer who hadn’t followed proper procedures, otherwise they would have compensated him and it wouldn’t have been necessary to post a video.)

### **Let them eat Cake! – But there’ll be a charge for that**

Now why did this collision of guitar and tarmac have such explosive qualities and what else has happened to change

the attitudes and actions of customers? While I believe that this alone could have started the revolution, there is yet another key contributor to this perfect storm that resulted in more than just a broken G string, and focused even more attention on financial inequality and corporate misdeeds. This was the mad, bad economic tidal wave that rolled across the oceans of the world and is still washing up on the financial beaches of many countries and drowning their businesses.

Once again I turn to a renowned literary source for inspiration and validation. Ferdinand Mount, the author of the *"New Few Or A Very British Oligarchy"*, who argues very effectively that "Power and wealth in Britain, have slowly been consolidated in the hands of a small elite, while the rest of the country, (who recently have been brought to life via Theresa May's *Just About Managing* bunnies aka the JAMS) struggles financially and switches off politically." Nowhere was this more in evidence than the 2016 General Election in the UK, and it clearly had a similar impact on the US election in 2016. Although it's clear from both results, and the unexpected surge in Labour's popularity in the UK, that many have not only found the 'on' switch, but know how to work it.

While Mount doesn't explicitly make the connection between this central theme and a customer, it's not too much of a stretch to assume that the 'rest of the country' includes customers within their ranks. He recites a delightful and telling story about not being sorry about deserting Barclays Bank after having his account there for fifty years.

He goes on to say that “Barclays doesn’t seem to be very sorry either, judging by the fact that I did not even receive a letter when I told them I was leaving. On the other hand the assistants in the branch were courtesy and sweetness itself. As always in my experience there was a **striking contrast** between the **solicitude** of the staff and the **indifference** of the top management.”

Many people are quick to blame customer service employees when they have had a bad experience, but this is a soft, unfair and more often than not, wrong target for their ire. Increasing numbers of employees are recognizing the contrast that Mount references in his book, especially when they look at the huge discrepancies in pay with their leaders, and discover they are no longer willing to be embarrassed apologists for senseless, unexplainable rules and poorly designed and implemented customer service ‘policies’.

The people at UA that Dave Carroll encountered were not inherently bad or intentionally rude. As he says in his book, *“I... was reminded again how my issue with the airline was about policies, not individuals.”* But he was still probably the hundredth person that day to make a complaint or a claim, and the employees knew that their bosses would most likely berate them for even following through with it, let alone resolving it in the customer’s favour, and so potentially affecting their executive bonus pot.

## **“We’re mad as hell”**

The expanding effects of the “Shareholder Spring” that first surfaced in 2013, also suggest that a return to the good old days of compliant and non-complaining customers is unlikely, although many companies continue to believe and hope that these ‘milquetoasts’ still exist in large numbers. Given that most shareholder revolts have been focusing on executive level remuneration, poor financial returns and benign, benevolent boards, there is a perceptible shift to the gathering storm of austerity-plagued, enraged, avenging customers, dispensing justice by taking their business elsewhere and trashing the company into the bargain.

Peter Finch’s impassioned speech from the film *Network* (1976) and the 2017 London stage revival, “I’m mad as hell and not going to take it anymore”, is primed and ready for full-on customer revival. What’s interesting is that if you read the full version of the script, you’ll see he’s mad at pretty much the same thing that most people are going crazy about today.

A large portion of the world stopped trusting those in political power long ago as various global elections have continued to show us, even if it’s still a “Hobson’s Choice” in many countries. This was born out by the 2018 Edelman Global Trust Index (effectively a Net Promoter Score (NPS) for countries, institutions and businesses) that contained a plethora of telling and alarming statistics. The highlights included distrust in government as the default position, that 20 out of 28 countries (including the UK and US) are



distrusters and that 42% of respondents said they didn't know what brands to trust.

This extends to almost anyone in a corporate leadership position. I'll spare you the lengthy list of those in the dock ranging from the banking, utility, telecoms and train company gangs, but you know who they are. People (customers) have been making their feelings known in ever increasing numbers and in more innovative ways, as social media platforms have made this task even easier. However, this isn't just a political argument; it's reflective of the frustration and anger that many people feel about so many aspects of society, including how they are treated as customers. While many have sought to politicize the various protest movements, the economic train wreck that has enveloped most countries has had broad ranging effects on most segments of society, except perhaps Senior Executives! The resultant letters to the editor, and affirmative action, has come from the *bien-pensant* of all political stripes.

As a regular 'Joe Bloggs' customer, I know that I'm as frustrated and certainly more angry and vocal about poor customer service than almost anyone else that I know. As I've noted in the Preface, I've spent much of my business life involved in various customer service endeavours, and it's the ongoing disconnect between what is being said, and actually being done by companies, that continues to amaze and disappoint me in equal measure.

## **Is it all just talk?**

Every day I read articles, blogs, and receive invitations to attend webinars and conferences, (although my faith and interest in the latter is fading fast), where Senior Executives are continuing to talk about the importance of improving customer service and delivering a great customer experience, and that it's a key corporate strategic objective for 2018. The harsh reality is that you can substitute almost any year since 2010 for the last item.

However, despite this implied and often false sense of CEO care and urgency, my own experiences as a customer and that of a customer service practitioner, flies in the face of this newfound 'feeling of concern' for customers, and a recent survey from InMoment also supports this.

A significantly higher proportion of consumers in India (45%), Japan (38%) and Mexico (36%) think that companies 'value their business and will go the extra mile.' In Germany, the Netherlands (32%, each) and the UK (28%), finds more consumers believe that companies 'take their business for granted.' While in France (21%), Australia (13%), and Italy (12%) more consumers think that companies 'don't care about their business.' And this is backed up by an often cited Rockefeller Corporation study that said 68% of people stop doing business with a company because "They believe that you don't care about them."

Now these figures would be alarming even if everything was going along swimmingly economically. But, in today's world, shouldn't companies be going to extraordinary

lengths to both win and retain customers and grow their businesses rather than the opposite?

When I first started thinking about putting my feelings into a book, I was going to title it 'The Death of Customer Service'. However, I soon realized that this wasn't really what was happening, and that some companies have very effectively and consistently resuscitated the patient.

Customers and their expectations are changing beyond all recognition, but many companies have been slow to recognize or react to this. Clearly they thought it would be much easier to address, and have neither devoted the time nor the financial investment required. But who said it would be easy? It takes a strong, committed and company-wide effort to slog through the treacle that is causing many businesses to become stuck in a morass of "We've always done it this way", or "We're as good as our competitors".

### **It'll be alright on the night**

As I noted in the Preface and despite this gloomy introduction, I believe there is, as always, hope for the future. As with many cases in life, you can never go back and so perhaps while the customers as we know them have changed, there is emerging in their place a stronger, more well-informed, better connected (digitally) and less compliant consumer, stakeholder, client aka The New Consumer.

A major source of this new found strength is the power of social media and the Internet in general. This isn't going away anytime soon and tomorrow's New Consumer will

have no truck with being forgotten in long phone queues, let down by poor websites, or misunderstood by disinterested, powerless customer service agents. Companies that fail to see this shift and continue as if nothing has changed, will themselves be lined up in the corporate obituary columns.

I believe that the New Consumer will join forces with the shareholder activists in a new, powerful and effective coalition that will convince companies, perhaps kicking and screaming, to work cooperatively with them for their mutual good. Those businesses that go willingly and recognize, cultivate and embrace these newbies, will survive and prosper. This may not be a formal coalition but, as with many movements, political or otherwise, they will gather momentum through shared values and interests, or simply as a marriage of convenience.

A dazzling and uncomfortably blinding spotlight will shine on those businesses that are making short-sighted, ill-informed decisions to cut costs, especially those associated with reduced investment in staff education, hiring and technology that actually end up decreasing the value and profitability of the company. (Many banks faced with finding money to pay huge fines for their previous misdeeds are making the most of the large deposits in this account.) These reactive decisions to wield the knife are based on these companies' perception of shareholders' financial prudence expectations, and perhaps ironically, are self-defeating inasmuch as the opposite could actually deliver improved financial performance. In some cases, companies are deciding not to invest at all in the initiatives that could have

a beneficial effect on customer service, based on the flawed theory that doing nothing and hoping that customers will 'get over it', is financially responsible and operationally valid. Not unsurprisingly, the potential cost of investments in improving customer experience pale in comparison to even moderate executive remuneration.

Once again, the fundamental issue at work here is the total loss of trust that is felt by customers, and that can be the death knell for any relationship. Rebuilding that trust will take time and for many businesses and industries this may take a total reorganization with a totally new and sustainable strategy. When the New Consumers look at companies that consistently get rave customer reviews, such as Zappos, John Lewis and Metro Bank, they'll make another valuable connection. They'll see that these companies, which actually invest more money to improve their quality of service, staff, technology and processes (rather than just spewing out the rhetoric and auditioning Z-list celebrities to promote their products), are not only making money, and yes, increasing their shareholder value, but they are also staying under the combative press radar and away from the toxic headlines that are deemed deadly for customer relations and employee morale.