

# How to Turn Anger into Advocacy

For centuries, golfers have used a simple but effective trick to help guide their shots: they drop a pinch of grass in the air and observe which way it falls. In this way, smart golfers can tell the direction and strength of the wind and adjust their drives accordingly.

For businesses, customer feedback is the equivalent of this rudimentary but useful wind vane. Although there are scores of reports and tools one can use to determine the health of a company, customer feedback is the best and fastest way to judge whether your business is moving in the right direction: Positive feedback suggests minimal resistance – you're moving forward – while negative feedback is an indicator that headwinds are ahead.

Fortunately, even companies experiencing serious resistance from negative feedback can course correct. Consider, for instance, the results of a 2013 study by loyalty management company LoyaltyOne. Titled The Positive Power of Negative Word-of-Mouth, the study examined positive and negative web commentary made by customers of AIR MILES, a Canadian frequent-shopper program that rewards consumers with airline miles

for their purchases. Its findings: Among customers who made negative comments on AIR MILES' online forum, approximately a third redeemed miles after making their comments. Downstream, those customers experienced a 36 percent increase in program activity, compared to a 21 percent increase in the control group.

LoyaltyOne attributes this increase to the fact that unhappy customers are actually an untapped source of brand loyalty because unhappy, vocal customers are typically passionate customers. In the case of AIR MILES, their dissatisfied customers weren't unhappy because they hated the brand, but rather voicing their discontent because they loved AIR MILES and were disappointed by it. AIR MILES, which responded to all the negative comments, understood this and leveraged the love. In its exchanges with negative, unhappy customers the brand encouraged their clientele to reflect on why they liked the brand in the first place. The idea worked and stimulated more activity when customers ultimately remembered.

So what's the 'moral' of the story? Simply put: Angry customers used to

be happy customers. When their concerns are addressed, their disappointment evaporates and they remember why they liked the brand in the first place, which ultimately turns their short-term anger into long-term advocacy.

Consider the experiences of Sewell Direct and Swap.com, two e-commerce companies that learned this lesson firsthand.

## Sewell Direct: 'Make It Right'

Although many of its competitors moved 100 percent of their customer service operations to email and chat, Sewell Direct of Orem, Utah, refuses to hang up on phone support. The reason is simple: The online seller of electronic cables and connectors wants to solve customers' problems quickly and completely so it can turn dissatisfied customers into satisfied brand advocates.

"Sometimes, the phone is the fastest way to get all the information and solve the problem," says Customer Experience Manager Mark Wainwright. "If you do it by chat or email it can take hours or days because responses are slow; if you do it by phone it takes a couple of minutes."

If a customer has a problem, a speedy solution nips the issue in the bud before it has a chance to escalate. Phone support isn't just prompt, however; it's also personal. In fact, customer service agents are unscripted and unfettered so they can give as personal an experience as possible.

"Our front line people are empowered," continues Wainwright, who says customer service agents have an all-access pass to the company. For instance, if a customer is upset because a product didn't match its description on the website, the customer service agent can go directly to the web department to have the description fixed. "One of the mantras we use is 'make it right.' If something's wrong, we'll own it and take the steps necessary to resolve it."

Often, that means overnighting a replacement product — free of charge. Sometimes, however, it's as simple as offering an apology or answering a question. "It doesn't usually take much to make things right," concludes Wainwright, who says Sewell's approach regularly turns unhappy customers around, persuading them not only to place future orders, but also to recommend the company to friends and give it positive online reviews. "We find that if we care enough to fix whatever problem they had, they typically care enough to become an advocate for us."

### Swap.com: Customers for Life

As a startup, Swap.com is at a critical

stage of development: If happy customers tell their friends how great it is, the company will flourish; if they don't, it will flounder. That's why the online consignment store for baby and kids' goods is investing more in customer service than it is in traditional marketing.

"We definitely believe in the power of word of mouth," says Director of Customer Acquisition & Retention Michelle Thompson. "We're still a startup, so complaints could be very detrimental to our business. If we fail one customer, we fail their entire network. But if we can get that customer back, they'll tell people the story of how we solved their problem."

How Swap.com solves problems is a combination of refunding and resolving. Naturally, Thompson says, the company refunds customers' money when they're dissatisfied with an order. Getting them to place another order in the future, however, also requires resolving the problem.

"First, we educate the customer about what their options are — 'Did you know we have a 100 percent refund guarantee?' or, 'We'll pay for your return shipping' — and then we provide a benefit," Thompson says. "Depending on the situation, we'll throw in free shipping on your next order or a free gift card."

Sometimes, the company goes even further. "We recently had a complaint from a customer who had placed our biggest order to date," Thompson

continues. "She had some checkout issues and alerted us. Most people would have [abandoned their shopping cart], but she continued on and made a very large purchase, and then helped us identify some bugs in our software that we needed to fix. So, we sent her family a pizza on a Friday night."

It's a long-term play. By spending a little money to impress customers today, Swap.com is betting that those customers will be loyal tomorrow. "When someone has a problem, we believe in fixing it," Thompson concludes. "Because it's not just about that one item they ordered; it's about their potential as a lifelong customer."