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SUSTAINING LOYALTY WHEN CUSTOMERS BRISTLE

DEALING AUTHENTICALLY WITH CUSTOMERS

by B. Joseph Pine II and James H. Gilmore

Financial customers interact more with machines and less with people than ever. As a result, every in-person interaction between a financial institution and its account holders assumes unprecedented importance — whether that interaction occurs over the counter, across a desk or on the phone.

Such person-to-person interactions are especially critical in this an age of increasing self-service, poor service or no service at all. People today insist on getting something real from a genuine service provider. Fakes and phonies are not tolerated.

Nowhere does this authenticity matter more than in managing service recovery issues. In anticipating and responding to problems, customers desire real interactions with businesses on an individual-by-individual basis. Financial institutions that successfully fulfill on this customer desire create an image of *exceptional* authenticity.

AVOID FIASCOS

Think of your most recent hotel nightmare — check-in, checkout or at any point in between.

Now imagine staying at a Ritz-Carlton. With its motto *We Are Ladies and Gentlemen Serving Ladies and Gentlemen*, Ritz-Carlton goes beyond simply doing the right things, to doing them in a way that enhances the stay and heightens the experience. This includes remembering guest names and faces, fulfilling unique preferences and having employees drop what they're doing to help guests in need (and *never* merely pointing guests in the right direction, but personally escorting them to a queried destination).

Ritz-Carlton offers authentic service precisely because it's so exceptional, thereby avoiding those problems that so easily escalate into disasters.

If your last hotel fiasco was at a Ritz-Carlton, well, nobody's perfect. But if you contact this company about an incident, watch the amazing lengths Ritz-Carlton will go to make your next visit exceptional. How would you handle such a call?

RECOGNIZE EACH INDIVIDUAL

Sharp HealthCare of San Diego took a cue from Ritz-Carlton and other luxury hoteliers when it recently redesigned its outpatient endoscopy unit with the theme "Five Star Experience."

After procedures are completed that require sedation, nurses deliver cookies or crackers on a silver tray with juice in stemware. Patients also get a handwritten thank-you note from someone they encountered during their stay, making everyone feel special and individually recognized. Do your services leave account holders feeling this way?

Such an interaction shouldn't come off as artificially friendly, as this will seem forced. Rather, be frank. Candid, plainspoken words and actions render exceptional authenticity more effectively than going through the typical motions that seem "nicer" on the surface, but often come across as disingenuous.

Even intentionally snide food servers at places such as Ed Debevic's and Dick's Last Resort come off as real compared with the humdrum help at many casual dining restaurants. So, too, do Amy and Sarah Blessing, owners of Apartment Number 9, the hip Chicago men's clothing store. They practice what they call "the honest crampdown" — unhesitatingly candid opinions about what does and does not look good on each customer. Don't you have account holders who require similar frank advice about their finances?



More than ever, we are heavily judged on how genuinely we seem to conduct our business.

SAY YOU'RE SORRY

Frankness is also called for when making an apology to customers. This is something financial service providers can learn from the healthcare industry, which has found that apologies are incredibly effective in limiting liability after mistakes get made. This policy only works, however, when apologies get “authentically offered,” according to Colorado surgeon Michael Woods, who teaches other doctors how to properly say they’re sorry.

The recipient of one such apology cited in the *Wall Street Journal* — involving none other than San Diego’s Sharp HealthCare — makes clear the connection to exceptional authenticity. “They honored me as a human being,” this patient said, and all was forgiven.

Southwest Airlines even focuses one executive, Fred Taylor, Jr., solely on investigating customer complaints and service issues. He advocates for customers whenever needed, and then personally writes candid — and often humorous, in telltale Southwest fashion — apologies to every single customer affected. How does your financial institution compare? How authentically do you offer apologies?

FORGO RULES

Southwest also appeals to exceptional authenticity by sidestepping any rules that might prevent employees from appropriately resolving a situation. As president Colleen Barrett notes, “We don’t *always* do anything. We believe in individually handling individual situations.”

In your dealings with customers, no matter where in the process they may be, be willing to forgo the rote rules that have become ensconced over the years, so you can handle each customer uniquely and create an enduring image of authenticity for your financial institution. And never be afraid to say you’re sorry.



In their new book, Authenticity: What Consumers Really Want, authors, speakers, and management advisors B. Joseph Pine II (left) and James H. Gilmore (right) specialize in showing companies how they can — and must — get real. They also co-founded Strategic Horizons LLP, an Aurora, Ohio-based organization dedicated to helping companies conceive and design new ways of adding value to their economic offerings.

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INFORM

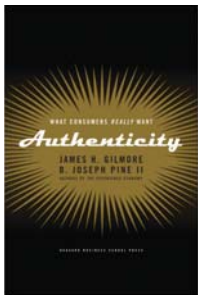
BOOKS & ARTICLES



KNOCK YOUR SOCKS OFF SERVICE RECOVERY

by Ron Zemke and Chip R. Bell

Just as certainly as problems will arise, angry — even furious — customers will become loyal once again if the proper measures are taken. This resource provides a comprehensive and easily digestible primer on all aspects of service recovery, including winning training techniques, required processes and capabilities, hiring the right customer service staff, and management's role in supporting a successful service recovery program.



AUTHENTICITY: WHAT CUSTOMERS REALLY WANT

by James H. Gilmore and B. Joseph Pine II

Our world is fraught with frauds. Consequently, people tend to instantly label things as either real or fake. That includes businesses. When considering to purchase a good or service from one provider versus another, customers today place as much weight on authenticity as they do on product value or fulfillment times. This first-of-its-kind resource plumbs the business ramifications of perceived authenticity, detailing the steps necessary for any organization to shape customer perceptions in its favor.



BRANDED CUSTOMER SERVICE: THE NEW COMPETITIVE EDGE

by Janelle Barlow and Paul Stewart

This groundbreaking work asserts that brand equity is built not only through traditional venues such as advertising and PR, but also at an interpersonal level, during the exchange between customer and service representative. In this application-based resource, Barlow and Stewart outline the essential ingredients to bringing any brand position to life at the point of service, and to ensuring that a brand gets properly supported during every customer interaction.

WORKSHOPS & EVENTS

2007 REGIONAL WORKSHOP SERIES

Thursday, November 8 Philadelphia

8:00 a.m. – 9:00 a.m. Registration and continental breakfast
9:00 a.m. – 3:45 p.m. Workshop

Did you miss the Deluxe Knowledge Exchange Expo last January? Looking for new ways to build on your customer experience design? Want to focus your efforts on small business customers? Feel like sharing what you've learned with someone else on your team?

Don't miss this opportunity to hear from the experts and your industry peers. Attend the last 2007 Deluxe Knowledge Exchange Regional Workshop. It's informative — and free.

Visit <http://www.b-there.com/breg/kesevents2007> for more details or to register.

WEB SEMINARS

Topic: Impression Recovery

Speaker: Joe Pine

Date: Early December

For exact Web seminar dates and times, visit www.deluxe.com/knowledgexchange.

KNOWLEDGE EXCHANGE EXPO

Deluxe proudly announces the 2008 Knowledge Exchange Expo. The Expo brings together the Knowledge Exchange Collaborative members, industry leaders and financial professionals to learn industry best practices, discover new trends and exchange ideas with peers. Members of the 2007 Collaborative will discuss how they explored problem resolution and the encouraging results they achieved in the pilot program. Please mark your calendars today.

Date: May 7 - 9, 2008

Location: JW Marriott Desert Ridge Resort & Spa
Phoenix, Arizona
<http://www.jwdesertridgeresort.com>

Watch for more details in the mail and in upcoming issues of *The Deluxe Knowledge Quarterly*.