BEYOND THE ARC™ Management Consulting & Strategic Communications

Transforming Negative Sentiment into a Winning Customer Experience

When customers have a bad experience, they're often more connected to how they FEEL about it, than the issue itself. That's why you need to sharpen your focus on how people react to your business. Timely and effective communications can help you manage negative sentiment, rebuild trust, and promote loyalty.

If customers voice disgruntled opinions in public, the ripple-effect of social media could quickly turn the tide against your company, especially in financial services where consumer confidence is running low. Listen closely to what customers are saying about your business, both in direct feedback and across social networks —from key issues to trends in sentiment— so you can respond quickly to customer concerns, and tailor your communications to turn negative perceptions into positive customer experiences.

1. **Consider the risks & opportunities**
2. **Prioritize negative feedback**
3. **Transform negatives into positives**

To effectively manage negative customer feedback, we recommend a three-tiered strategy:

1. **Consider the risks and missed opportunities** of not responding to customers.
2. **Prioritize negative feedback** to focus your communications appropriately.
3. **Transform negative situations into positive engagement**.

① Consider the risks & missed opportunities of not responding to customers

Social media now wields a strong influence over public perceptions of customer experience and brands. Whether it's a few complaints or a sweeping trend of concern, when negative sentiment hits the airwaves, it introduces both risks and opportunities for a business. If you're wondering whether to respond, consider this: for customers, zero response looks like zero concern, and that can be costly for your company.

Let's look at a few examples in which banks remained silent amid serious customer experience issues. Their lack of communication fueled a rising tide of negative sentiment that could've been avoided:

● **Managing an emotionally-charged event** – When Chase Bank erroneously had an innocent customer jailed for suspected check fraud, the bank merely issued a brief statement about changing their policies. Reports noted the man received no apology and lost his job due to missing work while in jail, and across social media the public seemed to react more strongly to those sentimental facts than to the banking event itself. If Chase had offered reassuring messaging before the issue spun out of control, they might have reversed negative perceptions of being insensitive and avoiding unaccountability.
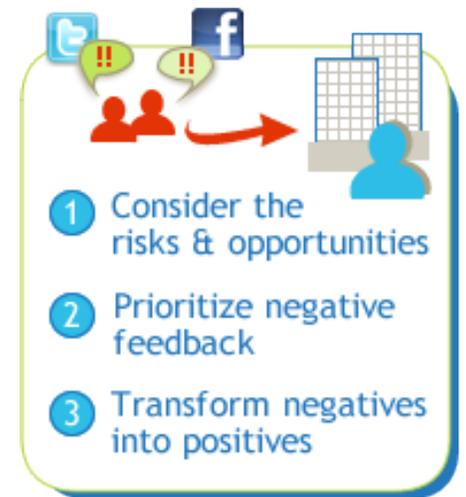
- **Managing broad-scale concerns** – Amid the mortgage crisis, lenders such as Bank of America, JP Morgan Chase, and others were caught in the controversy over "robo" signing documents to expedite foreclosures. This practice left millions of customers and potential homebuyers confused and angry, yet the banks avoided communication about it, which has bred a public sentiment that banks are ignoring their concerns. By reaching out with supportive communications, lenders could demonstrate they're paying attention to how customers feel, which goes a long way toward winning back their trust.

- **Managing corporate strategy for negative feedback** - Some financial institutions in the U.S. and overseas have taken an aggressive approach to managing negative customer feedback that's coming back to haunt them. As an example, Commonwealth Bank in Australia damaged their own reputation when word leaked out that they ordered employees to remove negative reviews they found online or risk getting fired. It's ironic when you consider reports like the 2011 Retail Consumer Report, which found that addressing negative feedback often works in a company's favor: of customers who received a response after posting negative feedback, 33% replied with a positive review, and 34% deleted the original negative review.

② Prioritize negative feedback to focus your communications appropriately

- **Get in the game to reduce the risk of negative perceptions.**
  Even if regulatory issues make your company leery of social media, it's becoming more risky not to have a readily-available, reassuring presence online because your customers expect you to be there. As customers often voice concerns online, you may receive double the negative feedback if you don't respond. Even a few thoughtful communications can show customers you're listening and ready to help, and that's a good start.

- **First, fix what's broken.**
  When you see serious complaints, engage those customers quickly. Listen to their concerns, admit any mistakes, and be clear about how you'll improve their experience. For good measure, reach out again down the road to make sure they're happy. By giving customers prompt, personal attention, they may express their appreciation with a positive review, which can improve the perception about your brand to hundreds of other customers.

- **Don't randomize, prioritize.**
  In dealing with negative sentiment, don't try to respond to everything. Focus on helping customers with legitimate concerns to create the greatest positive impact. To prioritize negative feedback, it helps to understand the severity of key issues and customer sentiment across multiple channels, but that can be daunting. A great way to accelerate these efforts is using social media analytics, which allows communication teams to tap into insights that make it easier to prioritize how and when to respond to customers.

③ Transform negative situations into positive engagement

- **Strengthen community with customers.**

  In responding to negative feedback, let customers drive the conversation. Listen to what would please them and share solutions that may benefit other customers as well. Engaging their ideas can help build a sense of community with your company, make you appear open and approachable, and inspire others to join the conversation.

- **Enhance perceptions of customer service.**

  Take advantage of negative feedback to spark innovative ways to communicate with your customers. Think beyond a simple apology or refund to what customers will not expect; what might delight them – perhaps a bonus gift or new benefit. By going the extra mile, you may win the customer's loyalty and motivate them to praise your brand to others.

- **Identify brand advocates to rally support.**

  Even when negative sentiment looms in social media, you can often find loyal customers who will defend your brand. Engage them directly to express appreciation, learn what they like about your company and how you might delight them. Your personal attention might motivate more business and prompt them to help influence positive sentiment online.

Think of negative customer feedback as part of doing business, and use it to innovate your communications. To reach both individuals and the public at large, social media is a powerful channel to quickly address key concerns, clarify misconceptions, and offer reassurance. Showing customers you're listening and that you care about how they feel can help transform negative sentiment into a winning customer experience.

Let's Talk

Beyond the Arc, Inc. is based in Berkeley, California, with offices in Seattle and Los Angeles.

Toll-free: 1. 877.676.3743

Email: info@beyondthearc.com

Website: beyondthearc.com

Blog: beyondthearc.com/blog

Social: