



THE “GOSPEL TRUTH” IS A COMMON CLICHÉ.

# Is the customer always right?

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*Not really, but let's keep it between us.*

In the midst of staff and food shortages, a restaurant in Brewster, Massachusetts became the stage for an extraordinary scene—a group of customers, fed up with the prolonged wait, insisted on having their food packed up, only to theatrically dump the entire order, untouched, into the garbage.

“It’s like abuse”, said the owners of Apt Cape Cod in Brewster, Massachusetts, who made a decision to temporarily close their roadside establishment in order to provide their staff with a day of kindness. “People are always rude to restaurant workers, but this far exceeds anything I’ve seen in my 20 years.”

The owners took this step, in response to an “astronomical influx” of customers who were verbally abusive, making legal threats, and causing distress to the team members, ultimately leading some to tears, as shared by them on Facebook. According to the Washington Post, the workers shared that they were ‘beaten down and ‘disrespected’, as the industry ‘re-evaluates its long-held mantra that the customer is always right’.

## The timeless debate

Time for a history lesson...

The concept of “the customer is always right” goes way back to the late 19th century. 1893, Marshall Field established Chicago’s first department store, Marshall Field’s, introducing the concept to his business. Following suit, Henry Gordon Selfridge opened the first department store in London, known as Selfridges, in response to the growing importance of customer satisfaction. It was through the efforts of these pioneers that “the customer is always right” became popularized and adopted as a policy in American retail during the late 19th and early 20th centuries.

The critique of the popular mantra “the customer is always right” is not a recent phenomenon either. In an article published back in 1914, Frank Farrington expressed his reservations, highlighting the potential for customers to deceive, hold unrealistic expectations, or exploit store policies.

However, three decades later, Hughston McBain, the President of Marshall Field & Co., argued that while customers might occasionally be mistaken, prioritizing their satisfaction, even at the cost of short-term losses, fosters customer loyalty. This ongoing debate between Farrington and McBain continues to influence various aspects of the retail industry, including policies concerning theft prevention and product returns.

## Challenging the Customer-First Paradigm

The customer-first approach initially emerged with the aim of adopting a customer-centric mindset. Business owners and retailers swiftly realized that the prosperity of their establishments hinged upon the satisfaction and contentment of their customers. As a business owner yourself, you might have ingrained in your employees the belief that “the customer is always right” to foster an environment of overall customer gratification.

However, here’s the startling revelation: it’s plain wrong.

Paradoxically, it is the very concept that poses harm to what it actually claims to serve. It’s quite astonishing, we know, but there exist compelling reasons to discard this age-old business mantra. The once-revered notion of treating customer as an infallible deity has now become archaic, and dare we say, even passé.

## From claps to threats: The epidemic of hostility

Not all customers are right or good for your business. Some customers are abusive, unreasonable, and even detrimental to your operations. The newspapers are rich with dreadful accounts of abusive customers, surpassing anything we might have seen. In the article titled “Why People Are Acting So Abnormally,” in The Atlantic, Olga Khazan illustrates incidents where customers have engaged in aggressive behavior – such as physically assaulting gate agents at airports, exhibiting disruptive behavior on flights, throwing tantrums on ski slopes, displaying reckless driving habits – even demonstrating violence towards doctors and nurses. These examples shed light on a concerning pattern of heightened hostility and aberrant actions observed within society and the plight of the front facing staff, especially during the pandemic.

These tales are nothing short of shocking, splashed across media outlets, serving a grim reminder of the darker side of human interaction. and In an article aptly named as ‘A Nation on Hold Wants to Speak With a Manager’, writer Sarah Lyall narrate horrific incidences of customer abuse in various fields post-pandemic.

Newspapers are filled with the accounts of how America essentially went from ‘clapping for health-care workers to threatening to kill them’.

And it’s not just one industry, nerves are frayed and nearly everyone is angry. The SDA’s report revealed that 85% of retail and fast food workers encountered verbal abuse from customers, while the National Retail Association’s survey exposed a staggering 88% of retail workers reported instances of customer abuse. It is an unsettling truth: some customers can exhibit outright abusive behavior. These incidents, although not entirely surprising, are shocking – only due to the sheer prevalence of these incidents and the alarming level of aggression displayed. It is in light of these realities that the National Retail Association end up claiming on their website, “The customer is not always right.”

## Triggering The Great Resignation

This phenomenon of favoring abusive customers has the potential to solidify the pandemic-induced labor shortage as a persistent reality.

‘We all quit,’ a sign at Burger King in Lincoln, Neb., reads as workers made it to broadcast their mass departure, ‘sorry for the inconvenience’.

The fallout from angry customers is taking a toll, with a growing number of workers reaching their limit. No longer willing to endure mistreatment, employees are making a bold stand and walking away from their jobs in unprecedented numbers.

The Great Resignation phenomenon persists without any evident signs of slowing down. In November 2021, an unprecedented number of 4.5 million workers voluntarily resigned from their positions, with the restaurant and healthcare sectors witnessing a substantial surge in departures. Uncertainty looms as The Institute of Customer Service issues a statement, highlighting the grave implications this situation poses to the essential service provision in the United Kingdom.

The primary reason, one may inquire, lies in a rather revealing finding: a substantial majority of restaurant workers, specifically more than two-thirds, point to customer behavior as a significant contributing factor to the industry’s prevailing labor shortage.

## Detrimental effects to employee morale

By consistently favoring these difficult customers and reinforcing the mantra that the customer is always right, you risk negatively impacting your employees' perception and motivation. It causes resentment among employees and gives off the impression that the company doesn't support them.

In a scenario where the customer is deemed infallible, employees are left to endure customer abuse without any backing from management. This situation inevitably leads to employees seeking alternative opportunities that offer a less stressful environment. Consistently blaming and mistreating employees ultimately leads to their departure from the organization.

Hal Rosenbluth, the CEO of corporate travel agency Senbluth International, delves deep into their unique approach in his book titled "Put The Customer Second – Put Your People First and Watch 'Em Kick Butt." You may say that he took it too further in the title but just hold on. By creating a work environment that prioritizes employee well-being, including fostering empathy, boosting energy levels, and improving interpersonal interactions, organizations can ultimately enhance customer experiences. Conversely, continuously favoring customers over employees and adhering to the notion that the customer is always right sends a negative message, devaluing employees and disregarding the importance of fair treatment and respect.

## The ripple effect of incivility

Prioritizing abusive customers in terms of time and resources can lead to delays for well-behaved customers, affecting overall productivity and the level of service provided to others. Furthermore, this approach implies that individuals who exhibit abusive behavior receive better treatment and conditions compared to those who are kind and respectful. This notion has always struck us as fundamentally flawed. It is far more logical and advantageous to prioritize providing excellent service to the well-behaved customers, as it cultivates loyalty and encourages their continued patronage.

Some customers are not only abusive to the employees but they are also unreasonable with other customers which, simply put, is not great for a customer experience. Christine Porath shared a recent survey she conducted which includes data from over 2,000 individuals across more than 25 industries worldwide, representing various roles in all regions (excluding Antarctica). The participants consisted of both frontline employees and observers of their work. The key findings are as follows as published in the Harvard Business Review:

- 78% of individuals witness such behavior in their workplace on a monthly basis, with 70% witnessing it two to three times a month.
- 73% of respondents note that it is not uncommon for customers to exhibit poor behavior.
- a staggering 78% believe that incidents of customers behaving badly towards employees have become more prevalent in comparison to five years ago.
- 66% perceive an increase in instances of customers displaying negative behavior towards fellow customers compared to five years ago.

The repercussions of such incivility extend beyond the immediate impact on workers, ultimately affecting not only their well-being but also casting a shadow over bystander customers—a detrimental ripple effect that neither businesses nor society desire.

## A rise in mean in the CX world

Positive working conditions and a supportive company culture are essential for employee satisfaction and productivity. However, negativity in the workplace leads to detachment among employees and can also impact customer satisfaction.

In 2022, Netomi, an AI customer service platform, conducted a research study titled ‘The State of Customer Service’ and uncovered some startling findings.

It turns out that 33% of customers have screamed or sworn at an agent, 5% customers admitted to threatening an agent’s job and over 3% acknowledged threatening the agents personally. Agents are not holding back either as 73% customers reported that the agent has been excessively rude towards them.

To say that these findings are surprising is an understatement. This is not the customer service interaction businesses aim for when they claim to have customer-centric experiences as their core value. So, what is happening in the CX world?

If your customer support team faces relentless beratement from customers without receiving adequate support from upper management, a concerning outcome emerges. The team, left feeling unsupported and disheartened, is likely to develop animosity towards the company and their job, leading to a breakdown in employee loyalty and ultimately worse customer service. An unhappy employee simply doesn’t care about providing top-notch service.

## Effective approaches when the customer isn’t right

Now that we acknowledge the existence of customers who can be abusive and understand that they are not always right, let’s delve into effective strategies for handling such challenging situations when they arise.

- **Prioritize empathetic engagement:** Demonstrate understanding and actively listen to the customer’s concerns, emphasizing their perspective rather than focusing solely on the validity of the issue.
- **Conduct thorough investigations:** Before offering a solution, engage with the customer to uncover the underlying problem. Empower customer service staff to guide customers through their needs and find a more suitable resolution.
- **Communicate tactfully and provide coaching:** In cases where the customer is mistaken, gently inform them of the mistake without resorting to shaming. For example, when customers want to return an item bought from a different store, approach the situation with tact and understanding. At ChatPandas, we provide comprehensive training and guidance to equip employees with the necessary skills to effectively handle difficult situations.
- **Maintain a zero-tolerance policy for inappropriate behavior:** If a customer displays aggression or abuse towards staff, take a firm stance. Clearly communicate that such behavior is unacceptable, even if it means potentially losing the customer. Chatpandas recognizes the significance of employee satisfaction in delivering exceptional customer experiences. Protecting the well-being of staff and upholding integrity are paramount. A lot of employees have understood this and are taking steps. 100 retail executives, representing prominent brands such as Tesco, Sainsbury’s, Aldi, and Ikea, joined forces to write a compelling letter to the prime minister, urgently urging decisive action to protect their employees.

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## The Changing Landscape of CX – Let some customers be wrong

Balancing the pursuit of exceptional customer experiences with the well-being of employees is crucial in modern business practices. While the adage “The customer is always right” holds significance, a deeper analysis reveals its implications and relevance. Dealing with abusive customers poses a significant challenge, as their behavior can lead to employee dissatisfaction, high turnover rates, and can negatively impact customer satisfaction. Therefore, striking a thoughtful balance between meeting customer needs and maintaining a healthy work environment becomes paramount.

At ChatPandas, we make sure to establish clear policies and guidelines to safeguard employees from abusive customers empowers them to assertively handle such situations. By fostering a supportive work environment and providing resources for managing challenging interactions, we mitigate the negative impact of abusive customers and improve employee retention. Prioritizing employee well-being fosters a positive work culture, fuels sustainable growth, and elevates the customer experience within businesses.

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*Put your people first – and watch them put your customers first.*

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