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Business as Unusual: Managing Uncommon Customer Interactions

The customer experience is central to the viability of any retail or restaurant business. But while retailers and restaurants strive for all of their customer interactions to be positive, things don't always go according to plan — and it's those unusual experiences that often make headlines. And since even a single negative incident can irreparably harm an organization's brand and reputation, it's vital that businesses plan ahead and be ready to effectively respond to such incidents in order to minimize the damage.

Viral Impacts

In April 2018, two African-American men were arrested in a Philadelphia location of a national coffee chain after not making any purchases and refusing to leave when asked by store employees. Video of the arrest prompted outrage and accusations that store employees' actions had racial motives.

In June 2018, an Arizona woman described in a social media post and complaint with the state's pharmacy board how a pharmacist at a national drug store chain cited personal beliefs in refusing to fill a prescription for a drug to terminate her pregnancy. Although Arizona law allows pharmacists to refuse to fill certain prescriptions on religious or moral grounds, the incident prompted calls for a boycott of the chain on social media and elsewhere.

In November 2018, a woman filed a lawsuit against a national restaurant chain, claiming that an employee tried to cover her breast as she nursed her daughter in one of the restaurant's locations in Kentucky. The lawsuit followed a social media post in which the mother complained that the restaurant's actions violated a Kentucky law allowing women to breastfeed in public without interference.

While there's no evidence that unusual customer interactions such as these are increasing in frequency for retail and restaurant organizations, the advent of social media means that their impact can now be amplified. An event that once might have generated a story in a local newspaper that is quickly forgotten can now spread virally and have lasting, widespread effects. And misinformation can quickly become cemented as truth — in some cases, before the actual facts are even known.



The motivations of customers and others involved in such incidents have also seemingly changed. Instead of merely seeking resolutions to disputes, those involved now often use unusual interactions as the basis for broader, potentially socially-charged protests and boycotts. And then there are those who take their case to court, or use social media, the press, and other means to shine a spotlight on an incident. While those individuals may sometimes seek justice or greater awareness of issues they consider important, others are motivated by publicity or potential financial gains.

Although retail and restaurant organizations cannot completely prevent troubling incidents from occurring in their locations, they can take steps to better manage their response to such events and reduce their potential impact on brands and reputations.

Training and Education

Employees should know that although they and their employers have the right to protect their brands, they cannot take action arbitrarily. Workers should be educated about how to properly ensure that stores, restaurants, and customers comply with

federal, state, and local laws; they should also understand customers' rights, especially with regard to matters that some customers and employees might consider controversial. Training, meanwhile, should address conflict de-escalation strategies, which can help prevent difficult situations from making headlines.

Response Planning

Given the speed at which news can travel, it's important to be ready to react immediately to a potentially troubling incident. But it's also critical to gather necessary facts before responding. Before you face an incident, form a response team — which should include representatives from risk management, legal, and marketing and communications — and test how you would react to various situations. Create a process for gathering appropriate information and crafting potential responses. And determine who within the organization is qualified and trained to speak with news media and other stakeholders — such as protesters — along with the appropriate tone you should strike in social media posts and other communications.

Beware of Unintended Consequences

As important as an organization's response to a potentially damaging incident is, an improper response could make the situation worse or create additional problems where none previously existed. Before responding, consider whether a response may bring attention to an incident that might have otherwise been ignored or quickly forgotten by key stakeholders, including the public. Businesses should also be mindful of how customers might react, especially to actions that could be seen as politically motivated — for example, setting policies on whether to allow guns in stores and restaurants.

It's also important to consider whether well-intended policies could actually create new risks. For example, in an effort to prevent drug overdoses by customers in stores and restaurants, some businesses have explored the possibility of training employees to administer drugs intended to treat narcotic overdoses. Although delivering such medication could prevent drug-related deaths, it could also expose organizations and employees to liability if improperly used.



Seek Continual Improvement

After any event, response teams should evaluate lessons learned and look for ways to improve their response in the future. Risk professionals should also proactively track incidents involving other brands and consider how they would respond to similar events. And training programs should be regularly updated to reflect current laws that employees should be aware of.

Uncommon customer interactions aren't necessarily occurring more frequently, but they are making headlines like never before. With the spotlight shining on how businesses manage and respond to unusual incidents, retailers and restaurants should take steps to protect their brands while also balancing the need to respect customers' rights and avoid making matters worse.



This briefing was prepared by Marsh's Retail/Wholesale Practice, in conjunction with Marsh Risk Consulting, Texas Roadhouse, and Donna Law Firm, PC.

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