

July 2005

14 Costly Mistakes That Can Lose Good Tenants

By Robert L. Cain

Strativity Group Inc. found in a 2004 survey that more than half (59 percent) of senior executives claimed they do not deserve the loyalty of their customers. Even senior executives believe that their companies don't do much of a job of treating their customers well. Imagine that. Customer service is so bad, so consistently, that senior executives in effect admit that if they didn't work there, they wouldn't do business with their own company.

With good reason, tenants hate having their complaints ignored. They will punish us by moving out, even if it costs them more in rent than it did with us.

"Companies continue to pay a great deal of lip-service to their customers and customer strategies, yet very few of them can demonstrate long-term success in forming strong, sustainable, and profitable relationships with customers. Our study demonstrates that, despite the recent pick-up in the economy, many companies have not improved their investment in customer relationships," noted Lior Arussy, Strativity's founder.

We all have noted a lack of attention to customer service by companies with whom we do business, or did business. The question arises, though, and it is the subject of this article, "How well do we do with our customer service for our tenants?" After all, our tenants pay us a lot of money—our good ones, anyway. They pay off our investments for us. They contribute to our retirement savings. So how do landlords treat their customers? Too often, we don't treat them very well. Yet, when they move for greener pastures we complain.

Sometimes our complaints are legitimate. But too often, our customers moved on for what they perceived was a landlord who cared more, who treated them better, or because of a perceived slight from their current landlord. Would you do business with you?

I have located, through Michael Baber, author of Integrated Business Leadership Through Cross Marketing, 14 things that rental property owners and managers do to drive off customers. In addition, I have researched some ideas about how to avoid those tenant-tormenting activities.

1. Being Unappreciative. This one is first, because it is the fault we most often exhibit in dealing with our tenants. Their perception, and often it is true, is that once we have them locked into a lease, we can forget about them. They can't move until the lease is up. We'll worry about next year's lease next year.

Yes, it works—kinda. People make their homes in our rental properties, and even stay. They don't complain. They are good neighbors. They take care of their homes with pride. Yes, they are good tenants. We say to ourselves, every once in a while, "we are certainly blessed to have tenants like them." And we never tell them.

It will work better if we occasionally do show some appreciation for this tenant who pays us thousands of dollars a year in rent, and whom we consider ourselves blessed to have as a customer.

Do something to reward good tenants. It doesn't have to be much, but even the smallest appreciation could mean a lot. And it could mean the difference between this tenant staying or moving when the lease is up. A thank you note for being such a good resident goes a long way. Too many times people say to themselves, "I always pay my rent on time and am careful not to bother anybody, but nobody appreciates me.

If you don't feel as if a thank you note is enough, send flowers, a box of candy, or a bottle of champagne. No matter which, the gesture will not be lost on your tenants—or forgotten.

2. Not being interested. They don't know we care unless we tell them. And how often do we act like we care?

Here's one thing to do. Survey tenants for unfulfilled expectations, then fill them. Find out if there is anything they had expected that they are not getting from their home. Suppose there are noisy neighbors and your tenant never called you. He just seethed quietly in a dark corner of his apartment, thinking about moving. He'd even started checking the newspaper to see what was available. Then he gets a survey form from you wanting to know how things are in his home. Does he ever let you know?

There is no way to know all the reasons tenants don't complain. So you have to give them the opportunity to say what's on their minds.

July 2005

3. Not listening and ignoring tenant complaints. This goes right along with number two.

The customer service manager for Quill Corporation, an independent office products dealer, has a simple motto: "A customer who is willing to complain is at least twice as loyal as one who remains silent."

Marshall Fields, the great Chicago retailer, once said, "Those who buy support me. Those who come to flatter, please me. Those who complain teach me how I may please others so they will buy. The only ones that hurt me are those who are displeased but do not complain. They refuse me permission to correct my errors and thus improve my service."

With good reason tenants hate having their complaints ignored. They will punish us by moving out, even if it costs them more in rent than it did with us. They will rationalize their choice with "you get what you pay for."

4. Unfriendliness and lack of courtesy. This is even worse than indifference. Outright rudeness to a tenant is pointless. Yes, we all feel like it sometimes. I had some tenants once who sent a laundry list of "needed" repairs with every rent check. These serious issues were such things as light bulbs burning out too often. It got so we didn't want to open the envelope with the rent check.

I was never rude to them, even though my exasperation came close to getting me to break my rule. Being rude to a customer serves no useful purpose. It doesn't even make you feel any better for more than five minutes.

Just what could be considered being rude?

- Curt replies
- Non-responsive replies
- A sneer in the voice
- Dark sarcasm
- One-upmanship
- Being "too busy to talk"
- Making fun of your tenant
- "Clever" remarks

Sometimes even when we don't intend to be rude, it comes across that way. We were just trying to be funny. Our tenant wasn't laughing. Before we make a "smart" remark, we need to consider how it *might* be taken.

5. Lack of empathy. I am talking about empathy here, not sympathy. Zig Ziglar gives the example in one of his presentations of the difference between who someone has sympathy for another person and the person who has empathy.

When the person who is complaining begins to go on about his or her troubles, the person who has sympathy feels the pain right along with the person with the problem. In fact someone who is overly sympathetic will feel the big toe ache or the hang nail even more than the one who has it. All the person with sympathy can do is commiserate.

Someone who has empathy, though, such as a good landlord, will listen to the problem, admit as how it is a problem worthy of attention, and then possibly offer a solution or a way out of the predicament. Put that big toe in ice water; lend some nail clippers to take care of that hangnail.

Listen to their problems, say, "Oh, I'm sorry to hear that, I may be able to help."

"Empathy builds trust," they say on the website, changingminds.org. "Empathy displayed can be surprising and confusing. When not expected, it can initially cause suspicion, but when sustained it is difficult not to appreciate the concern. Empathy thus quickly leads to trust."

6. Not asking questions. Too many times we jump to conclusions without having all the facts. Getting the real story requires question asking. Not just any question asking, but intelligent question asking. Huh? What's that?

Intelligent question asking means you encourage people to tell you more. University of Michigan Survey Research Center's *Interviewer's Manual* suggests that we use some of the following:

- Repeat the question or their answer. (That is like asking them to elaborate.)
- Anything else?
- Any other reason?
- Any others?
- How do you mean?
- Could you tell me more about your thinking on that?

July 2005

- Would you tell me what you have in mind?
- What do you mean?
- Why do you feel that way?
- Which would be closer to the way you feel?

Then you get the entire story, or at least as close to it as you can reasonably expect. You will hear the real reasons behind the complaint or comment, the motivation for the remarks. That gives a much better picture of the situation than just the initial complaint or comment.

Because you asked questions, you have a better grasp of the facts and won't jump to an unwarranted conclusion, taking action that could exacerbate the situation instead of fix it.

Here is an example. Parking is one of multi-family property's biggest headaches. More complaints come to owners and managers about parking than just about any other irritation. So your tenant Rick comes to you complaining that his neighbor in the complex, Joe, has been using his parking space. Both you and he know that is not a good thing, and you know that the neighbor knows the rules as well. In fact you know that the neighbor is generally an all-around good citizen. So you are puzzled.

That's why you ask questions. "Why did Joe think he could use your parking space?"

"I told him he could once, but just once," replies Rick.

"Just that one time?" you ask.

"Yeah, it was just that one time."

"How long ago was it?"

"It was last week," replies Rick.

"Has he used it any other times except once last week?"

"Now that you mention it, I did say it was okay last Saturday when he was moving in that new TV." (This is Tuesday)

"Any other times?" you ask.

"Not really."

"Not really?" you respond making a question of his statement.

"Well, when I let him use my parking space to move the TV in, he let me come in and watch the game on the TV."

"What happened then?" you ask.

"Oh, yeah, we had some beers and I might have said it was okay for him to use my space again, now that I think of it."

By asking questions the situation turns from a rules violation by one tenant to a simple misunderstanding that the two of them need to work out. By asking questions, you can keep from jumping the gun.

7. Keeping tenants waiting. This one isn't much, but it's one of those little things, that if you do it creates a bunch of goodwill. If you have an appointment with a tenant, be there on time. Some people have the mistaken notion that keeping somebody waiting gives you an edge in the power department. In fact there was a book written in the 1970s that advocated just that, Winning Through Intimidation. If your customer was coming to you, it made you look important if you kept them waiting in the waiting room, while you pretended to talk on an important phone call. But that was before the days when people expected and demanded decent to good customer service.

We know how irritated we get when the doctor or dentist keeps us waiting. Our tenants are paying us as much as we pay the doctor or dentist in most cases. Being on time shows them that we value them as customers. Respecting your tenants' time also goes along with being just a little better than other landlords. People do remember the little things.

8. Arguing with tenants. Yes, they are wrong and you are right. Any reasonable person would know that. But look at number 14. Even if you prove them wrong, even if they admit that you are right and they are wrong, deep down inside, they don't admit it. They still know they were right and you were wrong, and they didn't get what they wanted.

So what did you accomplish? You irritated your customer, and possibly created a worse situation than existed already, including making them angry. So what do you do?

Dennis Guseman, dean of the College of Business Administration at Cal State San Marcos wrote in the *North County Times*, Feb. 21, 2005: When there is a difference of opinion a company has to make a choice –does it want to keep the customer's business or not? Customers have a choice of which businesses they patronize. So, even when the company is right and the customer is wrong, it can still lose the customer's business if it does not consider the customer's perspective and take steps to satisfy him. A company can stick to its guns, stating there is no

July 2005

basis for the customer's complaint, but arguing will not change a customer's mind. Guseman also points out that there are instances where you cannot give in to the customer's demands or compromise with them. "A company should not always concede to a conflict with customers, as there is such a thing as wrong customers---those who cost more to serve than they bring to the company." We have all had tenants like that.

We simply have to be aware that by arguing with a customer, we are telling him or her that we don't value them or their opinions and must be prepared to suffer the consequences.

9. Not admitting you are wrong. But if you are wrong, and you know it, say so. Then try to correct what it was you did wrong.

10. Being undependable. Don't you hate it when people don't show up, either mentally or physically, or both? So do our tenants. It is important that we do exactly what we promise.

Always do what you say you will do. Just as important, never promise something you can't do. For example, a tenant complains about noise or inappropriate behavior from another of your tenants. Tell the complaining tenant, "I'll look into it and get back to you. If you haven't heard from me in two or three days, call me." Never under any circumstances promise to fix the problem or to do something specific by a certain time; you haven't gotten the other tenant's side of the story.

Investigate the problem and call the complaining tenant with a summary of your findings and what you are doing to correct the problem.

If you promise to deal with the situation by a certain date and time, you had better be right on time or the tenant will remember only that you didn't do what you said you would.

11. Being inconsistent. "Research shows that the number one complaint about any kind of customer service is a lack of consistency," wrote Jason Lautenschleger in [articleinsider.com](#). That's the reason large management companies use procedure manuals and checklists so they do the same things the same way every time. It means playing no favorites. It means every tenant can expect the same results whenever they have concern or repair. Ideally, that is a consistent result that reflects good customer service.

12. Criticizing tenants, especially to other tenants. Tacky, tacky, tacky. It does you no credit to complain about somebody else, especially one of your tenants.

First, any problems you are having with one of his fellow tenants are none of the other tenant's business. In fact, it could even be illegal if you talked about the wrong thing, such as late rent, or other money owed, bad references, a tenant's legal problems, or anything else that comes under the aegis of privacy.

Second, the tenant you are talking to might take what you said back to the tenant you were talking about. And even if what you said was pretty innocuous, you and I both know that it won't sound much like what you said when it is repeated to the other tenants.

Third, any tenant who is anything close to being astute will ask himself, "If he talks about them like that, how is he talking about me?"

The best and safest way to proceed is to keep your mouth shut about tenants to other tenants. Talk to the tenant you are talking to about the business at hand, about her situation, about her issues, and leave other tenants out of it.

13. Becoming angry. This customer-service mistake goes along with two others, being unfriendly or discourteous and arguing with tenants. This mistake could just as well have gone into either of those sections, but I thought it important to give it its own spot, just for emphasis.

I should be one to talk, because I become angry at people and things regularly. Does it do any good? Almost never. Does it get me my own way? Sometimes. Is it worth raising my blood pressure? I don't think so.

People like to do business with people they like and feel comfortable with. If someone, especially a tenant, is afraid of incurring the wrath of the landlord for what he considers a legitimate complaint, chances are he will just keep quiet—and move out.

Sometimes people do like confrontation and will deliberately try to stir somebody else up. When someone is angry, they make bad decisions.

About 15 years ago I edited a book for a friend of mine who had an anger problem. He had written the book to describe the hell he had gone through trying to put his life back together from the damage his anger had caused him. It was not a pretty sight. He had lost his contracting business, his wife and his family because of it. Nobody wanted to do business with him, much less live with him.

July 2005

We used to work out together at the gym, and even there the remnants of his old self would come out occasionally, especially when our other workout partner and I would do things just to get a rise out of him, such as put the weights on the bar in different orders on each side—go figure why that bugged him. A normal person would just laugh off what we did to him, and he tried, but you could see the anger well up inside him. Considering his past behaviors he did pretty well, but we would kid him about it anyway.

The point to this story is that his angry reactions didn't help him do business. Neither will mine or yours. Creative problem solving requires a calm mind. Your tenants want a problem solved when they come to you, or you want a problem solved with an intractable tenant. There is no need to mess up the entire situation by getting angry and saying something you will regret.

14. Expecting tenants to be fair. Here's where it all wraps up. It's when we expect any customer to be fair that we will be disappointed. People are usually fair in their own minds. They may be requesting something to make up for a past perceived slight that they want to toss into the deal now. It might have been that time six months ago when someone else's car was in their parking spot and they never said anything then. Now they want to wait an extra two weeks to pay the rent, and the parking issue is why they are entitled. You have probably heard all the excuses.

No it isn't fair, but in their minds they have rationalized it to be fair.

These situations are when it is most difficult to be polite, to stay calm, to be attentive, to keep from ringing in your experience with another tenant, and to keep from arguing. These situations are when it is most difficult to be in charge. But that's why we get the big bucks, isn't it?

As long as we don't expect tenants to be as rational as we are, as long as you don't expect fairness, we will all be fine.

Put this all together and ask yourself, "Would I do business with me?" Examine your answer carefully. Would you do business with you, or are you like that 59 percent of top executives who admit that their customer service and their ability to keep customers leave much to be desired?

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