

HANDLING CUSTOMER COMPLAINTS

When a customer feels strongly enough that their expectations have not been met, they may make a complaint.

A complaint is when a customer brings a problem to the attention of the business and expects some redress, probably over and above simply supplying the original product or service that was the cause of the complaint. Complaints are often used by regulators as one measure of the success of the business's customer service.

Working with The Institute of Customer Service, we've put together a guide on how best to handle customer complaints when they come in.



"Complaints" are defined as customers who have had a recent problem, and have told a member of staff about it. They have not necessarily lodged a formal complaint...

...and their issue may or may not be captured in a business's complaints tracking system. The research also covers 'silent sufferers' - customers who have a problem but do not report it to the business in question. In the research we examine the different reasons why these customers do not make a complaint even though they are dissatisfied, and the impact on their subsequent satisfaction.

THE BENEFITS IN PRIORITISING COMPLAINTS

Research shows...

Most would recommend a business if a complaint has been resolved efficiently.

4 out of 5 customers would spread the word if a complaint has been handled badly.

Despite the rise in complaints, only **1 in 4** employees feel qualified to handle them.

Only **1 in 3** customer facing staff are trained to deal with angry customers.

Most customers would pay more for excellent service.

THE 5 RULES OF COMPLAINTS HANDLING FOR BUSINESSES

1 HAVE A STRATEGIC PLAN...

Have a clear, flexible welcoming and open policy on complaints. A complaint is a gift when a customer gives up their time to help you improve your business.

2 TRAIN YOUR STAFF AND MANAGEMENT IN COMPLAINTS HANDLING...

Give them confidence to tackle the difficult customers and support in their actions. Excellent complaint handling isn't easy and can sometimes be stressful and feel unrewarding. Confirm the importance in providing great customer service.

3 GIVE COMPLAINING ENOUGH PRIORITY AND AUTHORITY...

Staff should be aware that complaints are a top priority item for your operation, and anyone who deals with them must have sufficient authority to resolve them completely.

4 ENSURE THAT YOU CAN PROCESS COMPLAINTS FROM ALL SOURCES...

There are 4 main ways to complain – in person, by telephone, by mail, by email/internet. Your business must be able to handle all of these efficiently.

5 SET UP PROCESSES TO LOG AND ANALYSE ALL COMPLAINTS AND SHARE WITH EVERYONE...

You can learn a lot about problems with internal processes, training, specific employees/managers, and product for free.



10 PROCESSES & ACTIONS FOR SETTING UP YOUR COMPLAINTS HANDLING

1 THANK THE CUSTOMER FOR COMPLAINING...

Say that you are sorry that the problem has happened. This is not an admission of guilt but it does demonstrate respect for the customer.

2 PUT YOURSELF IN THE PLACE OF THE CUSTOMER...

This will instantly give you an advantage, as you not only will have more empathy with the customer, but also you know your business better than them and so can hopefully see the solution quicker.

3 START WITH THE VIEW THAT THE CUSTOMER HAS A VALID POINT, NOT THAT THEY ARE TRYING TO RIP YOU OFF...

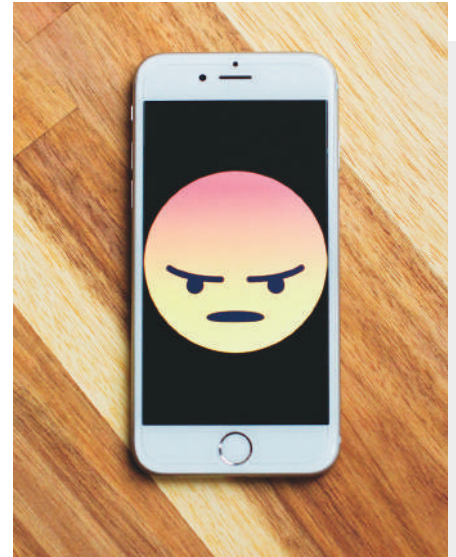
It is true that there are some professional complainers, but they are in the minority. If you are a local business, you probably know them anyway. Accepting the customer may well have a point can trigger ideas for an acceptable resolution.

4 GET ALL THE FACTS FIRST...

Let the customer give you all of the information. This will help you fully understand the situation and, if the customer is emotional, this will give them time to calm down. Don't offer the complainant free items straight away. It's very tempting to give the customer a gift, or vouchers. In many cases it is good service, but too often it is done instead of solving the problem, which can lead to more complaints about the same thing because it hasn't been fixed

5 CORRECT THE MISTAKE...

All of the other suggestions are pointless if you don't fix the problem. Make sure that your definition of the right fix is the same as the customer's.



10 PROCESSES & ACTIONS FOR SETTING UP YOUR COMPLAINTS HANDLING

6 LEARN FROM EVERY COMPLAINT...

Fix the process: Train staff in the issue and eliminate the fault. Wherever possible let the complaining customer know that they have helped you resolve a problem. They'll come back again and again and will probably spread the word.

7 MINIMISE REASONS FOR COMPLAINTS...

Do you have a continuous improvement culture? Do you check customer (and employee) satisfaction regularly? Do you check the quality of the goods sold in your business? It costs at least 5 times as much to gain a new customer than keep an existing one, and takes 56 days on average. Keeping this complaining customer should be the top priority, and at these cost ratios you can afford to be generous in your time and effort.

8 ALWAYS RESPOND...

In person complainers hopefully always get dealt with, but make sure that everyone who complains on the telephone, by letter, or by email gets a rapid and appropriate response.

9 LISTEN TO YOUR STAFF...

They nearly always care about your business, and doing a good job and are much closer to the customers than you are. Ask their views regularly and make changes when they are sensible. Make sure their complaints are handled too.

10 LEAD BY EXAMPLE...

It's not that your staff don't listen to what you say, it's that they do listen, so make sure that you are always setting the right example, and giving complaints your personal priority. Reward good complaints handling

