

FACT SHEET SERIES

COMPLAINTS HANDLING

Background

"Britons are shedding their reserved natures and turning into hot-blooded consumers - willing to argue at the drop of a hat and stand up for their rights, according to a new survey. Whether it is too much pasta, the Channel tunnel rail link or too much chilli, who knows? We are becoming more "passionate".

More than half of people now complain all or most of the time if they are unhappy with a product - an increase of 18% in 5 years. Complaining has become so prevalent, that two thirds of people now believe that we are better at it than before. But it is age over youth and inexperience, which increases the chances of making a complaint according to this year's National Complaints Culture Survey (NCCS). Two thirds of those over 50 complain all or most of the time if they are dissatisfied, while the under 21s are the least likely to complain." – BBC News 2006.

In 2000, the ICS joined together with the Training Specialists TMI to carry out the first National Complaints Culture Survey, which has now been repeated each year to 2006. In the last six years this has received much media and customer interest, and has helped focus attention on this key area of customer service.

Since this time, Professor Bob Johnson of Warwick Business School, in his 2001-2 ICS Breakthrough Research report "Service Excellence = Reputation = Profit", and his 2003 research "Delivering Service Excellence; The View from the Front Line" has clearly demonstrated that "what makes excellent service "excellent" and poor service "poor" is very much about how organisations deal with problems and complaints".

Therefore the professional and efficient handling of complaints is a critical factor for all organisations, in both the private and the public sector.

Real Benefits in Prioritising and Improving Complaints Handling

From ICS/TMI NCCS:

- Nearly all customers would recommend a company to their friends if a complaint had been resolved efficiently.
- Four out of five customers would spread the word if a complaint had been handled badly.
- Still not many companies seem to be listening to this key customer service point, so there are advantages to starting now.
- Despite the rise in complaints, only one in four employees feel qualified to deal with them.
- Only one in three customer-facing staff are actually trained to deal with angry customers
- Most customers would pay more for excellent service

DEFINITION OF A COMPLAINT

“An expression of dissatisfaction whether justified or not” – BS8600

GOLDEN RULES OF COMPLAINTS HANDLING FOR ORGANISATIONS

STRATEGIC PLAN

Have a clear, flexible welcoming and open policy on complaints

A complaint is a gift and you should consider yourself lucky that a customer is prepared to give up valuable time to help you improve your organisation.

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 its importance in providing great customer service.

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.

Ensure that you can process complaints from all sources

Nowadays there are 4 main ways to complain – in person, by telephone, by mail, by email/internet – and your organisation must be able to handle all of these efficiently.

Set up process to log and analyse all complaints and share with everyone

One can learn so much about problems with internal processes, training, specific employees/managers, and product – free.

PROCESS & ACTIONS

Thank the customer for complaining

You should consider yourself lucky that the customer is prepared to give up their time and money to let you know they have a problem, instead of just walking away – a complaint is a gift.

Say that you are sorry that the problem has happened

This is NOT an admission of guilt on your part, it's just good manners.

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.

Start with the view that the customer has a valid point, not that he/she are trying to rip you off

It is true that there are some professional complainers out there, but they are in the minority, and, if you are a local store, you probably know them anyway. Accepting that the customer may well have a point, even internally, may well trigger off ideas for an acceptable resolution.

Get all the facts first

Letting the customer give you all of the information helps you fully understand the situation AND, if they are emotional, will give them time to calm down.

Don't leap straight to the "free gift route"

It's very tempting to give the customer a gift, or vouchers, and in many cases, done properly, it is good service. However, 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, and also to the "training " of more professional complainers.

Correct the mistake

All of the other points are not really valid if you don't fix the problem! Make sure that your definition of the right fix is the same as the customers.

Learn from every complaint

Do something! Fix the process; train staff in the issue; eliminate the fault. Wherever possible let the complaining customer know that they have helped you resolve a problem – they'll feel great and come back again and again (and will probably tell their friends!).

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 organisation?

Remember it cost at least 5 times as much to gain a new customer than keep an existing one

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.

ALWAYS respond

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

Listen to your staff

They nearly always care about your company 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.

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.

THE CUSTOMERS' PERSPECTIVE – HOW TO COMPLAIN

What is a Complaint?

We all know that having a good moan can make one feel better, and telling everyone at work, at home, or down the pub gets it off your chest. However....

- It is a complaint when it is directed at an organisation or person who, at least theoretically, can do something about it.
- Otherwise it's a whinge.

"I don't know if I should complain or not"

It is good to complain! If you have bought a bad product, had terrible service, had a bad experience, been cheated or ripped off, or even if you just want things to get better you are unlikely to get retribution, recompense, compensation, or satisfaction unless you complain.

Richard Brennan, ex-Managing Director of TMI, comments:

"The British complaint culture has grown nicely from a somewhat reserved start. We shouldn't be afraid to complain and companies should be prepared to listen - the best ones do and their products and services are usually better as a result. Sadly it seems there's still a long way to go before consumers are taken seriously in Britain."

"I don't know how to complain"

There are 4 main ways to complain:

- In person
- By telephone
- By letter
- By email/internet

Currently the telephone remains the most popular method, and email is increasing rapidly, whilst in person is decreasing, possibly because some organisations are making this more difficult.

Which system you prefer depends upon your own personality and what you are comfortable with, the type and seriousness of the complaint, and the time you have available. It also can depend upon the complaint routes made available to you by the organisation.

"What should I do?"

Firstly read the advice above that we give to organisations. This will help you determine quickly whether the organisation with whom you are dealing has the right, or wrong attitude to complaints. Then...

Don't lose your temper

The person you are talking or writing to is rarely the person who caused the need to complain, and a courteous factual initial approach is recommended. A good organisation will welcome your complaint and want to resolve it if they can.

Be clear what you want

Is an apology enough, or do you want goods replaced, money back, actions taken, etc? Be very clear about this beforehand and let them know as soon as possible what you are looking for.

There may occasionally be times when the situation might call for compensation, but hopefully these will be rare, and only in serious cases. The ICS does not support the development of a “compensation culture” in the UK, and this could be a major deterrent for some organisations to develop a caring and listening complaints culture. It is also not appropriate for you, as the customer, to demand, e.g. the punishment or sacking of an employee, however serious the complaint. This must be determined by the organisation themselves.

Give them a chance

Good organisations care passionately about their customers, and more and more of them are realising that if they handle complaints well then many of their customers will remain loyal.

Go to the top

But ONLY after you have tried and exhausted the proper channels – customer service lines, in the shop, local manager etc. Nowadays, access to senior management in most good organisations is a lot easier than it used to be – get their names, job titles, telephone numbers, email addresses etc from their website, or call the switchboard. If you can't rack anyone down, this might tell you something!

Choose the right medium

As we said above there are 4 main ways to complain and some are more appropriate than others in certain circumstances. For example, taking faulty goods back in person would seem to make sense, as would asking for instant attention in a store if one received rude or incompetent service. However, perhaps it is more likely to get a result if one writes to, say, the doctor if the receptionist is rude or inefficient. Email is a fast and efficient way to complain, but many organisations are still not geared up to processing emails with the right priority.

Don't be fobbed off

It may help a little to know why a mistake has been made and you can judge from this as to whether you want to take it further. However, in the end it is not your fault that “the computer is down”, or “it's a computer error”, or “shipping are always doing that!” The organisation should have a process to minimise the effects of things like this so that they do not affect their customers.

Copies of the surveys, and Bob Johnston's research, can be obtained through our website at www.instituteofcustomerservice.com, from ICS Colchester on 01206 571716, or enquiries@icsmail.co.uk