



Loss of a customer...  
...or a full service recovery?

No one enjoys criticism. But organisations that genuinely listen to their customers have much to gain by turning round poor service experiences. Nigel Ridpath explains how handling complaints well – and learning from previous mistakes – can strengthen relationships with customers and increase their loyalty.

# Customer criticism? Never look a gift horse in the mouth

**While undertaking some research**, I've recently been tracking open 'complaint boards' on the web. The results are quite startling. Filtering out the obvious 'frequent flyers', there are large numbers of customers who are genuinely upset with many household-name companies.

These people are exasperated at the apparent inability of suppliers to fix what seem to be straightforward problems. It's clear that many of these dissatisfied customers have shown remarkable loyalty but their patience is running out.

Marketers say it's much more expensive to recruit new clients than to retain existing ones. So it makes no sense to give customers with a grievance anything less than a great experience. Indeed, there is much evidence to suggest that when complainants are treated well their loyalty and service referrals both increase.

A less obvious benefit is also often overlooked. Complaints provide invaluable information about an organisation's products and services, staff performance and price.

In fact this can even be one of the most reliable sources of information about what your competitors are up to as well. Acquiring this data by any other means would be more costly and less accurate. Yet how many companies truly recognise the value of this information?

Seven attributes characterise 'world-class' complaints management:

• **Make it easy to complain**

This is counter-intuitive to many organisations but to achieve the benefits from excellent complaints management we have to open the door wide. This means an easily accessible website link and clear contact details for the complaints team. Some companies print these details on their packaging.

• **Create a dialogue with the complainant**

What customers usually want most is to be listened to. Some complaints require only a very simple response (an apology may be enough) but many cases require us to understand the context of the problem so good communication channels are essential.

• **Keep the complainant informed**

Sending an automated receipt acknowledgement is not enough. We track a parcel at every stage from supplier to the consumer but how many organisations take a similar approach with complaints? Being 'out of the loop' is one of customers' biggest frustrations.

• **Provide a consistent service**

Customers should receive the same result regardless of who deals with their complaint. This is best achieved through comprehensive and well-communicated policies and procedures, wherever possible embedded into IT systems. Empathy with the complainant is also important.

• **Resolve complaints rapidly**

This is simply good practice for some organisations. For others it is a legal requirement. The best complaint-handling teams have all the requisite skills and policies at their fingertips to deal with complaints efficiently.

• **Keep a central store of case information and correspondence**

Disconnected information, received by

post, through the contact centre, via web forms or within emails, will result in a fractured and dysfunctional service.

• **Ensure that service levels are met**

Successful companies set and publish a realistic and fair timetable for complaint handling. Organisations like those regulated by the Financial Services Authority have a compliance obligation for their service levels. With a published policy, customers know what to expect and, let's face it, it focuses the mind!

Having explored the factors that determine the best way to handle complaints, why can't every organisation claiming to be service-led offer world-class complaints management?

Many organisations still view complaints handling as a 'necessary evil'. They fail to recognise or appreciate the benefits of dealing with complaints effectively and therefore often under-resource those areas given the responsibility or provide insufficient training. Consequently, they never fail to disappoint!

Other constraints are more subtle. A phrase we hear constantly is 'needing to do more with less'. It's a reflection of the times, but efficient, effective processes, backed up by good technology support can help to improve productivity.

Creating an effective feedback loop from the complaints team back to the originating source is essential. Once in place this will prevent further complaints of a similar nature.

High quality technology support can also help by automating repetitive tasks, providing alerts when service levels are about to be exceeded, with the consistent handling of redress payments and customer self-service. All these factors help to increase productivity.

The final constraint is poor knowledge and skill levels within the team handling complaints. There is a strong argument for organisations to have some of their most talented customer service representatives working in this area.

These people still require ongoing



**Nigel Ridpath**

Nigel is responsible for customer relationship management at Information Management Group (IMGROUP), a leading UK information management specialist. He has spearheaded the development of a class-leading complaints management system and has worked in start-up organisations to multinationals, and in the public sector.

W: [www.imgroup.com](http://www.imgroup.com)

training to ensure they are familiar with every new and amended policy, product and service. This needs to be backed up by an easily searchable knowledge base for detailed information. After all, no one can retain every fact in their head.

**What else can be done to make progress towards world-class complaint handling?**

- evaluate yourself and your organisation against the 'world class' characteristics described earlier. How can you improve what you already do?
- produce detailed process, skills and technology improvement plans. These should recognise that the number of complaints you receive might increase initially because you are encouraging customers to give feedback.
- establish targets and associated monitoring systems for key performance metrics. Every plan should have realistic, measurable objectives, but think carefully how best to collect the underlying performance data.
- ensure the feedback loop provides complaint information into the business performance improvement process. Every business makes mistakes. But it's vital that complaints are not regarded as negative or personally-intended criticisms. Instead, embrace each complaint and treat it for what it is – a fantastic opportunity to constantly improve your business. Make it easy to complain, treat every person who complains with care, deal with their issues swiftly and you'll end up with what every organisation wants – a client base of loyal advocates. [E](#)