



A Quick Guide How to Handle Customer Complaints Effectively

People rarely complain. So when a customer tells you something is wrong it's important to sit up and take notice.

A customer complaint may be the first indication of an underlying problem – and it may have been experienced by others who, rather than complain, simply took their custom elsewhere.

So if you're in business, it pays to have a process in place to deal with customer complaints effectively. If you can respond positively and quickly then it's likely the customer will be retained.

Respond to the Customer

How a company responds to complaints is an indication of how much a company truly values its customers. If the complaint handling experience is a positive one for the customer then a company's reputation can be enhanced but if the customer is dissatisfied this will result in a loss of business and a damaged reputation.

Your complaint process must deliver:

- An acknowledgment of the complaint
- An investigation & explanation of what went wrong
- Assurances the problem will not be repeated
- Rectification of the situation with a replacement product, repair or a full refund
- An apology

Customer Complaints & Internal Communication

Complaints and the results of root cause analysis should be published throughout the organisation. Good communication raises awareness and reinforces internal quality standards; don't rely on email or an intranet announcement.

- Show the trend of customer complaints against business performance.
- Place performance charts on notice boards and make it relevant to every employee.
- Use photographs to highlight what the customer has complained about, it helps to reinforce customer (and internal) standards and expectations.
- Communicate and share information with other sites and offices (nationally and internationally), by monitoring the performance of others you have the opportunity to learn from them.
- Encourage employees to think about how they impact on quality on a day-to-day basis.
- Give employees the opportunity to observe management discussing customer feedback.

Training & Resources

Make sure the employees responsible for handling complaints are adequately trained. Good record-keeping and clear lines of communication between departments or functions are fundamental to handling complaints effectively.

If there is an upward trend or unanticipated rise in the number of complaints then it's important to have the flexibility to call upon other resources and expertise.

Problem Solving

Complaints are opportunities to improve your service so the complaint handling process should be an integral part of the business operation. It not only protects customer relations and avoids crisis management, the information collected is valuable data and can be used to identify and help tackle systemic problems.

To solve a problem, you must first recognise and understand what is causing it. If the real cause of the problem is not identified, then it's likely only the symptoms will be addressed and the problem will continue to exist. A repeat complaint on the same issue will cause a customer to question the adequacy of your previous response and doubt your integrity. Therefore identifying and eliminating the root causes of problems is paramount when handling complaints.

Root cause analysis identifies the causal factors using a structured approach with techniques designed to provide focus for identifying and resolving problems.

Action Tracking

During the complaints handling process it is important to assign actions and responsibilities to eliminate the causes of an existing nonconformity, issue or other undesirable situation. These actions should change future performance and correct the cause of the failure. Action tracking is a fundamental requirement of any customer complaint handling process.

Positive Feedback

As well as capturing and acting upon negative feedback it is equally important to record and communicate positive feedback. It's vital that people are told they are doing a good job and made to feel their efforts are appreciated. It also provides an opportunity to run an internal or external public relations campaign to ensure the site, business or organisation is recognised for its achievements.

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