

Handling Customer Complaints Effectively

By Richard Jarman

Our DSL service was supposed to be up and running a couple of days after we moved into our new house. Three weeks later, I was still trying to figure out what had gone wrong. I spent hours on the phone, waiting for people to “look up my account” and “talk to their supervisor.” Turns out, someone had mysteriously cancelled my order. How did that happen? No one knew, but everyone I spoke to was “very sorry for your inconvenience,” and assured me he “would get to the bottom of this and get it resolved.” To this day, I have no idea what happened, or why it took so long to get my complaint resolved.

After spending nearly a month on the phone, getting bounced from one department to another, our DSL service miraculously appeared! Several days later, I received a call from my provider, the first time they had called me. A recorded voice said that the provider hoped my service was working well, and to let them know if I had any questions about my service.

Maybe multi-billion dollar telecommunications companies can get away with mishandling customer complaints. Most businesses can't. In fact, a recent study showed that the second most frequently stated reasons customers leave a company is that the company didn't handle their complaints well. (The company's disinterest in its customers came in first, but that's the next article.)

Another study says that it costs five times more to reach a new customer than to keep a current one. So it makes sense that we can increase profits by keeping customers happy with better complaint handling. It's never easy to hear that your shipping department messed up, or that one of your widgets is defective. But every complaint is a turning point for your company and that customer. Handle it right and the customer becomes one of your biggest fans, spreading the word about your superior customer service. Handle it badly and they may leave, and most likely they will tell several other people how terrible you are.

How can you turn customer complaints into an opportunity for your company to shine? Here are a few tips:

- 1) Fix the problem quickly. Often it doesn't really matter that you get to the root of what happened, especially if it delays solving the problem for the customer. Find out what's wrong, rectify it, then figure out what happened. Your customer will appreciate the customer-first approach.

- 2) Apologize without qualification. Never use “I'm sorry, but...” As in, “I'm sorry, but UPS must have broken it,” or, “I'm sorry, but maybe you didn't use the part correctly.”

Most customers aren't that concerned with the internal workings that caused a mistake. They want an apology and a solution. Your company should be prepared with both.

3) Empower your employees to fix problems. Few things are more irritating than being put on hold while someone finds a supervisor, the only one who is authorized to resolve customer complaints. Great companies empower everyone who deals with customers to solve problems.

4) Returned products are a silent form of complaint. If a customer returns a product, something is wrong. Your company needs to find out what happened. Were they confused about what to order? Was the product defective? Did their needs change? Was the product more expensive than they realized? Whatever the problem, you can only help them solve it if you find out what it is!

5) Encourage complaints. Many times, an unhappy customer doesn't let you know. They may not want to hurt your feelings. They may feel that nothing good will come from complaining. Your company needs to make it clear that you want to hear when your customers aren't happy. Make sure that all of your people tune in to hear even the slightest bit of dissatisfaction from your customers.

6) Develop a "no-fault" culture within your company. Your people will not want to solve a customer's problem if they believe someone will be punished for making a mistake. Instead, adopt the attitude that accidents happen, and the company cares more about making customers happy than chastising people who make mistakes.

7) Follow up! It's so easy to make sure the complaining customer is now satisfied. But very few companies take time to do it. A personal touch is best: a phone call, or a handwritten note will do wonders for your company's reputation. I'm not a fan of pre-recorded phone messages. They seem really cold and distant to me. But, I'll leave that up to you.

Taking care of an angry customer is not a lot of fun. But, it can be very profitable. Any company that implements these 7 tips will find that many of their biggest complainers turn into their most vocal fans!