

**From: A complaint is a gift
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P ix “The effective handling of complaints and good service recovery are, for many companies, the very best opportunities to show what they can really do for customers. In industries prone to unpredictable disruptions and in which many companies offer similar services, situations that demand a spontaneous response from the service provider are often the most dramatic means of demonstrating to customers that we really care about their concerns”.

P 1 “No-one likes to receive complaints. Yet this is the method by which customers tell us how to run our businesses and our organisations”.

P 3 “Customers frequently experience dissatisfaction. Employees, products, service strategies, and systems persistently get in the way of customers having a positive experience”.

If businesses are truly interested in developing a customer-oriented culture, heightening customer care, or providing total customer service, then this dissatisfaction should be of central interest. One of the most direct and meaningful ways customers can express their dissatisfaction to companies is through what we have come to call a complaint. Too bad we didn't start by calling it 'customer feedback' “.

“Rather than falling prey to the seductive allure of complaint reduction, we need to talk about complaint management or handling, except in very specific circumstances”.

P 4 “Complaints are one of the most direct and effective ways for customers to tell businesses that there is room for improvement”.

P 13 “In order for us to treat complaints as gifts, we need to achieve a complete shift in perception and attitude about the role of complaints in modern business relationships. This requires separating the message of the complaint from the emotion of being blamed, which in turn, means understanding the dynamics of disappointed people and rethinking how complaints can help us to achieve our business goals”.

“Customers who take time to complain still have some confidence in the organisation. *Customers who complain, after all, are still customers.* In most cases, it is a lot less hassle just to take their business to the competition, so those who do complain are showing some degree of loyalty”.

P 15 “The moment individuals or companies give any hint that they view complainers with suspicion, customers will fight back. Or even worse, they may go away angry and not say anything to the company but tell everyone else they know - when the company has no chance to defend itself”.

“Some individuals lack gracious skills and may appear inappropriate when they complain. They get nervous and may seem harsh, angry or even stupid. The service provider must learn to focus on the content of the complaint and not on the way the complaint is delivered. This is asking a lot of service providers, but if they can see complaints as gifts, then it really does not matter how the gifts are wrapped”.

Sir Colin Marshall on the way things were at British Airways: “We used to try to ignore complaints. We tried to make it difficult for the complainant by insisting telephone callers write in, and by adhering strictly to a rule book that allowed us to tell customers that they were at fault by breaking a BA regulation which they weren't even aware of”.

- P 23 “Businesses may never understand customer needs until there is some kind of product or service failure. Complaining customers tell the company what does not work once the product has been invented or as it is being sold or serviced”.
- P 25 “If the frequently cited statistic that 26 out of 27 service customers do not complain when things go wrong is correct, then to get an accurate count of dissatisfied customers, service companies should multiply the number of complaints they receive by 27. One hundred formal complaints equals a potential 2,700 dissatisfied customers in the service industry”.
- P 26 “If a company’s goal is to have fewer complaints this year than last, it is a very easy goal to accomplish. Staff will get the message and simply not report complaints to management. How many times have you delivered a written complaint to the front desk staff of a hotel and wondered if your complaint was passed on to the General Manager?”.
- P 29 “Some companies conduct customer satisfaction surveys to learn more about hidden complaints . This is a good idea to a point. But who normally participates in such surveys? Existing customers. Unless the company makes a point to ask everyone who used to buy, it is polling only those people who are still buying. These customers are still sufficiently satisfied that they are staying with the company. *Company satisfaction surveys are generally not a representative survey of dissatisfied customers.* They may give you some ideas, but you need to go after the ones who have left, and find out why they have left. Then the company can find some real gifts”.
- “People who complain tend *not* to be typical of the total population with unvoiced complaints”.
- P 30 “People are far more willing to listen to the advice of a good friend than they are to believe a multi-million pound advertising campaign”.
- P 33 “The more dissatisfied customers become, the more likely they are to use word of mouth to express their displeasure”.
- “But if companies make it easy for customers to complain, and handle these complaints, dissatisfaction levels will decrease, negative word of mouth will lessen, and positive word of mouth may be generated”.
- P 34 “Many companies do not appreciate the real cost of losing customers. They can tell you exactly what they are doing to win customers and how much this costs them, but they do not know how many customers they are losing, why they are being lost, or much this costs them”.
- P 38 “Dissatisfaction is a more popular topic of conversation than satisfaction”.
- P 41 “Technical Assistance Research Programme (TARP) research found that if companies can get customers to complain directly to them, they can minimise damage. Customers who do complain about their dissatisfactions are also more likely to repurchase, even if their complaint is not handled satisfactorily. In fact, TARP concluded that customers who do not complain are the least loyal customers. *Those who complain may become the most loyal customers*”.
- P 42 “Customers also feel positive about successful complaint interactions because they feel powerful and effective”. They stood up for themselves when they were not satisfied and used their communication skills to take charge of their lives”.
- P 43 The authors quote a Case Western Reserve University study which interviewed thousands of people to explore complaint behaviour and patterns: “The researchers wanted to know what people did about their bad experiences and divided their responses into three categories or ‘levels of reaction’:

Level 1: the customers spoke up and told the salesperson, retailer, or provider directly about their bad experience (complain to the company).

Level 2: the customers told people that they knew *other than the company* about their bad experience, and furthermore, they stopped buying from the company in question (complain to other people).

Level 3: the customers went to a third party such as a lawyer to initiate legal action, or a newspaper to tell of their experience in a letter to the editor, or they issued a formal complaint to an agency (complain to third party)".

"The interviewed subjects fell into four clusters and were identified as Voicers 37%; Passives 14%; Irates 21%, and Activists 28%".

P 43 Voicers - "The most desirable of dissatisfied customers, from our point of view, are the Voicers, who tell the organisation when they have had bad experiences. They assist the company in trying to improve services and products. The Voicers will let the company know when something does not please them, and they generally do not go out and tell a bunch of other people about bad service or products".

"Voicers are actively interested in getting redress for their situation. If the company does not handle them well, it is possible they will become Activists. Companies must convert *all* their dissatisfied customers into Voicers - and they will satisfy them".

P 44 Passives - "A company can provide bad service or products to this group of noncomplainers, and they will keep coming back, at least for a while. Furthermore, they will not tarnish the company's reputation by telling anyone else. More importantly, they will not complain to the company either".

P 45 "Unfortunately companies will not know much about these shoppers because they tend not to complain".

Irates - "The irates are the most lethal of the four groups. In many cases, they will not say a word to the service provider or company. But they will tell lots of people about bad service and will stop buying. The company will lose the opportunity to regain these customers' loyalty because they never come back. ...they just leave, talking all the while as they take their business elsewhere!".

P 46 Activists - "The Activists are potentially even more dangerous than the irates, particularly if they are dissatisfied with the company's response to their initial complaints and are motivated to pay the company back for the kind of service they received. These people are out for than redress, though that is undoubtedly part their motivation. They may be seeking revenge while spreading the word of the company's bad service to everyone and never again patronising the company".

P 47 "If an industry allows complaints to go unanswered until large numbers of people become Activists, then government agencies may step in and take charge. The life insurance industry in Great Britain faces this situation. Customer complaints about insurance rose by 41% in 1992 alone, and the British government is responding. Fines have been imposed for selling incorrect policies and using misleading advertising. Furthermore, banks have been allowed to move into the expanding marketplace of lifetime financial investments, having a direct impact on the insurance industry's marketshare".

P 52 "Understanding and then categorising customer complaints are useful in determining how to satisfy customers. Customers want different things depending on what has happened to them. One useful way to do this is to sort complaints into two groups:

- i complaints about things that customers want that can be 'fixed', and
- ii complaints about situations that cannot be 'fixed', but about which customers, nevertheless, want to be heard and have their feelings acknowledged.

P 59 "Complaint handling that discourages customers from speaking up includes all or some of the following reactions: apologies and nothing more; rejection; promises that are not delivered; no response at all; rude treatment; being passed on to someone else; avoiding personal responsibility; nonverbal rejection; customer interview, or customer interrogation".

P 62 "Companies that subcontract their support must carefully co-ordinate their complaint policies so that they are seamlessly carried out by outside vendors".

- P 63 “Organisational behaviour researchers have found that just as customers do not like to complain, so staff do not like to pass those complaints up the organisational hierarchy. Staff apparently feel that when they pass on bad news to their superiors, they are criticising company policymakers. So they downplay the complaint, blame the customer, or simply do not pass information along”.
- P 64 “Guarantees are a subset of ‘high hassle’ complaining. Frequently there are so many requirements to make guarantees work that most people give up before trying to implement them”.
- P 69 “If an organisation is unwilling to listen to its customers, it has no way of knowing how many customers are dissatisfied and why they are unhappy. Without information about how customers feel, organisations cannot react quickly enough to keep them. they cannot change products, service handling, or pricing because they have to get to a crisis stage before they have information to act”.
- P 72 “One of the authors complained to a hotel employee that a light directly above the screen she was using washed out the precision of her overhead slides. The employee replied evenly, ‘It can’t be, *no one* has ever complained about this in the past’. Businesses must understand that just because nobody has said anything in the past does not mean that customers do not have real complaints”.
- P 73 “According to product experts, about a 10-12% problem rate may be the lowest that most industries can achieve. It is safe to conclude that problems will always be with us. So companies need to learn about service recovery - the process of making right what went wrong. In order to engage in service recovery, however, the company must first know that a problem occurred”.
- “To ensure that customer’s complaints will come to them, organisations need to carefully manage customer expectations, beginning with how they are formed during the sales process”.
- P 75 “Do all businesses put the spotlight on themselves to find their service breakdowns and then plan how to handle them when they occur?”.
- P 76 “If an organisation actively solicits complaints and then tracks them, it can easily construct a list of regularly recurring types of service breakdowns”.
- “In companies that plan their service recovery, front-line employees know they have the support of the company behind them to fix things that go wrong for the customer, and they are encouraged to bring complaints to the attention of management. Companies that are excellent at service recovery never stop working at it”.
- P 78 “In a major study of 700 service incidents from the airline, hotel, and restaurant industries, researchers found that of all positive memories customers have of good service, fully 25 per cent started out as some kind of failure in service delivery. The lesson to management is critical. Businesses do not need to run away from service breakdowns. Each provider has a chance to turn a negative situation into a positive experience for the customer”.
- P 82 “Do all of your staff attempt to sell a positive image of your company while they are resolving customer problems?”.
- P 84 “Written complaints are a special category of complaints. In most cases, though not all, written complaints are red flags because of the effort required to write them”.

The eight-step gift formula:

1. Say ‘Thank you’.
2. Explain why you appreciate the complaint.
3. Apologise for the mistake.
4. Promise to do something about the problem immediately.
5. Ask for necessary information.
6. Correct the mistake - promptly.
7. Check customer satisfaction.
8. Prevent future mistakes.

“Most people never start by thanking someone for a complaint...your thanks should be as natural and spontaneous as the gratitude you express when you receive a present. Make sure your body language demonstrates that you appreciate the complaint and that you support your customers in their right to complain”.

P 87 “A ‘Thank you’ by itself can sound empty. You need to qualify it by saying something about how hearing the complaint will allow you to better address the problem. ‘Thank you for telling me, I’m pleased you told me so I can fix this for you’...or simply, ‘Thank you for letting me know’ “.

“Too many people begin the exchange by apologising, frequently before customers have had a chance to explain any of the details. Service providers don’t even know what they are apologising for yet”.

P 88 “Incidentally, when you apologise, use ‘I’ as much as possible, instead of ‘we’. ‘We’re sorry’ does not sound sincere. The other people you are apologising for don’t even know what is happening, and customers realise that”.

P 90 “Make certain you ask for enough information, or you will have to call back for more. Sometimes in this step you will learn what is really bothering your customers. They may tell you one thing, believing they have accurately presented the problem, but by asking a few questions you may discover their real problem is a bit different”.

“Ask what it will take to meet their needs or satisfy them. Or ask them if they will be satisfied if you do the specific thing for them that is related to their problem. Sometimes they only want to let you know something happened; they don’t necessarily want anything from you”.

“Do what you say you would do. A sense of urgency will be greatly appreciated by the customer. Rapid responses say you are serious about service recovery. A sense of urgency lets you get in balance with the customer”.

“Follow up. Call your customers back to find out what happened. Ask them directly if they are satisfied with what you did for them...if appropriate, tell them what you are doing to prevent this from happening in the future so that they feel good about having helped you with their complaints”.

“You might say that this will take too much time. Actually all it takes is s (usually) very brief telephone call. But it is a telephone call the customer will remember for a long time”.

P 91 “Make the complaint known throughout the organisation so this kind of problem can be prevented in the future. Fix the system without rushing to blame staff. *Punish your processes, not your people.* Staff members will be more likely to pass along complaints to management if they know this is the company’s approach to complaints”.

“In order for the complaint to truly be a gift for the organisation, the root causes of that complaint must be identified”.

P 96 “In this chapter, we recommend five principles that underlie many of the techniques used to handle difficult customers. These principles are based on extensive psychological research and can be used as the foundation for other techniques that you already know. They are corralling the energy of anger; pacing the customer; valuing language and timing; forming partnerships, and getting personal”.

P 97 The authors distinguish between the blaming and the bargaining phases of a customer complaint.

“In the blaming phase of anger, the service provider may become the target...service providers want to be appreciated for their efforts to help, and when they are being blamed it is not easy to remain friendly”.

“If we understand that these blaming statements are part of the anger of dissatisfied customers who are at least still communicating with us, then we may not get so defensive. Remind yourself that a complaint is a gift, and that you just happen to be receiving one that is not well wrapped”.

P 99 "The first step in handling anger is to simply hear the other person out. Listen intently. Do not interrupt; it will only make angry people get louder, exacerbating their already stressed state...when you do talk, speak to what the person was talking about or you are negating their message, which only leads to more anger".

P 100 "If you are dealing with someone who is furious and he or she is going to explode regardless of what you do, remember your audience - the rest of your customers who are watching to see what you will do. In most cases, they will be sympathetic to you unless you also become aggressive".

P 103 "Eliminate words such as 'but' and 'however' from your vocabulary when talking with customers. An upset person will only hear the words that follow 'but' and 'however' and not the ones before".

P 105 "An obvious, but frequently overlooked technique, is to use the person's name. The impersonal (Sir, Madam or Miss) drives some people crazy".

"Tell them your name. Once the customers have your name, they will feel you have nothing to hide. Give them your business card if you have one. They will feel more in control because they now have a name for future reference".

P 106 "If you need to apologise to customers, do so with your entire being. Too many people say 'sorry' in such a way that customers know they do not mean it. This is a protective 'sorry' because they went through the motions, regardless of whether they were sincere".

P 109 "By the time customers get around to writing a letter, companies can be sure that at least one of the following things is going on:

The customer:

- * is upset.
- * is dissatisfied with the outcome of their verbal complaint.
- * is trying to build a paper trail that will result in legal action.
- * was not able to find anyone to complain to in person.
- * feels uncomfortable with face-to-face complaining.
- * may have some personal reason why they could not or did not want to complain at the time.
- * may have been encouraged to write a letter of complaint".

P 112 "One thing is for sure: customers are probably upset when they write their letters. If the response letter is not satisfactory, negative feelings will be reinforced".

P 113 "When an organisation receives complaint letters, it should get back to customers rapidly...a speedy response sends a strong message of concern to the customer".

P 119 "Many companies assume a bookkeeper mentality when dealing with complaining customers. They become so frightened that someone will take advantage of them that they actually set up policies with the primary purpose to avert exploitation and not satisfy customers...normally it costs so little to surprise and delight the customer that it does not matter if there are a few who try to cheat you".

P 139 "Toll-free numbers have been available in the United States since 1967 when the service was first introduced. That year, seven million free calls were placed, according to AT&T. Twenty five years later, thirteen billion free calls were handled by AT&T alone, and AT&T now have more than 500 competitors in the toll-free business".

P 151 "If you conduct regular surveys, re-mail to or call those who have not responded. These could be the ones who are about to leave or have already abandoned your company".

"The Automobile Association of America (AAA) regularly asks every 34th caller into its system for feedback. AAA reports that it is receiving information it never got before and probably never would have received if it had simply used complaints that customers called in as its source of information".

- P 158 “How many companies have rules that annoy their customers and are unwilling to change them when customers complain?”.
- P 161 “Front-line staff have the most immediate contact with customers. If they are not encouraged to pass information from customers to managers, most complaints will languish on the front-line”.
- P 170 “A simple philosophy to describe how an organisation views complaints could be: ‘We believe that complaints from our customers are gifts. We take the attitude that customers are giving us a chance about our service or products that we may have overlooked. If we incorporate these suggestions into our approach, we will be better able to meet their needs and thereby be more successful in our venture. Because we believe complaints are gifts, we go out of our way to get as much customer feedback as we possibly can”.
- P 172 “When companies consistently refuse to deviate from policy, they say to customers in effect, ‘Our policy is more important than doing business with you’ “.
- P 173 “The moment staff have to say ‘Let me check with my manager’ customers realise that they have not been empowered. At a minimum, if staff have to check with management, *they should never announce this to the customers*”.
- P 177 “Product knowledge is also relevant...many staff have limited knowledge about the products or services their company sells...sometimes the product is complicated and expensive, and the people selling it have never owned one themselves”.
- “How can companies proactively prevent complaints from customers caused by limited staff knowledge?...It’s simple. Listen to customer complaints. They will tell you every time. Develop the content of your training programmes around customer issues”.
- P 179 “Customer satisfaction is closely tied to employee satisfaction. Customers get their needs met through product and service quality; employees get their needs met through rewards and recognition, career development, and job excitement”.
- P 182 “Just like external customers, internal customers have complaints. They also have valuable ideas that can enable companies to improve services, systems, and product quality”.
- P 192 “Many companies start quality programmes only to abandon them when other demands present themselves. If customer satisfaction is not seen as the core of the business, which is in fact the reason why a company is in business, staff will never get complaint handling right”.

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