

How to Turn Your Customer Complaints Into Continuous Improvement For a Competitive Edge





Introduction

Many companies today have trouble utilising their customer complaints to their fullest potential. Not only do they fail to realise the value complaints provide in the long run, but they also miss key opportunities to form trusting relationships with their customers.

Your customers are ideally choosing your brand because of three critical features:

- Your products/services
- Your prices
- The customer service you provide

When the right products and services are delivered to your customer on time, at the expected quantity and quality, and billed at the expected price, everyone is happy. Ideally, this means there is little reason for customers to switch away from you, so they remain at a state of satisfied inertia.

Yet in the business world, inertia should never be taken for granted. Customers can be easily swayed by a competitor introducing a new product or service with more desirable features or a significant discount campaign. A poor customer experience is often the straw that breaks the camel's back that leads your customers to switch providers.

In fact, customers are much more likely to switch to a competitor if they have a poor experience that is not well resolved by the organisation's complaints handling department. Today you are competing not only against new competitor products and discount campaigns but also your own inability to handle complaints smoothly and to your customer's satisfaction.

Remember: you can't control your competitor's actions but you can control your own. This is why the complaints handling process is so important. The fact remains that most reasonable customers know that no organisation can get everything right all of the time, so it's not the end of the world if you receive complaints. How you manage the complaint handling process and what you do with the complaints you receive will determine whether you have created a competitive advantage or not.

THE COMPLAINTS HANDLING CYCLE CONSISTS OF THE FOLLOWING STEPS:

1. Something **CAUSES** something to go wrong
2. Customer experiences a product or a service failure
3. Customer complaints to you and effectively describe the **SYMPTOMS**
4. The symptoms are **RECORDED** as a complaint
5. Complaints Handling Team investigates the symptoms to determine party at fault
6. A formal **RESPONSE** is determined
7. The formal response is provided to customer
8. At the end of the month, the Complaints Handling Team create **REPORTS** and distribute them to appropriate company stakeholders

Notice that in this cycle, the **ROOT CAUSE** is not investigated, nor is it identified or permanently corrected to prevent other customers from being affected.

The complaints handling cycle above focuses on Recording, Responding and Reporting of symptoms and expects the recipients of the reports (usually department managers) to study the reports and improve their operation.

In order to turn customer complaints into continuous improvement for a competitive advantage, you need to have a quality focus, and not a Record, Respond and Report focus.

SO WHAT IS THE QUALITY FOCUS TO COMPLAINTS HANDLING?

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5. Complaints Handling Team investigates the symptoms to determine party at fault
6. A formal **RESPONSE** is determined
7. A formal response is provided to customer
8. Symptom patterns are detected in real time and appropriate stakeholders are notified of potential **ROOT CAUSES**
9. Potential root causes are investigated
10. The problem is found and **CONTAINED** from affecting other customers
11. Root Cause/s are identified and verified
12. **CORRECTIVE ACTIONS** to permanently fix the root causes are identified and verified will solve the problem.
13. Corrective Actions are implemented and validated that they have fixed the problem
14. **PREVENTIVE ACTIONS** are implemented to ensure problems of this nature do not happen again

As you can see, the quality focus process is markedly longer than the initial Record, Respond, and Report method. Though the initial steps remain the same, the quality focus to complaints handling means that you need to be finding, fixing and preventing root causes to customer complaints in addition to Recording, Responding and Reporting on them. The summation of these two processes are essential in instilling an effective complaints handling process that will ensure continuous improvement in the long run.

SO WHAT EXACTLY IS THE COMPLAINT HANDLING PROCESS?

The Complaints Handling Process is the process that organisations implement to deal with their customers' experiences when there is a product or service failure. It should also be used as a source for identifying the root causes of systemic failures which can in turn affect many hundreds or thousands of customers.

In fact, good complaints handling skills serve as an effective measure for competitive advantage. Not only does it reduce your customer's dissatisfaction with your organisation, but it also leads to the formation of trust between yourself and your customer.

Products and services failures are inevitable in every industry, no matter how hard we try to avoid them. An efficient, proactive and competitive complaints handling system will ultimately save you innumerable headaches, board meetings, and product recalls. So before your product/service failure happens - and it will - invest in a proper complaints handling process.



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About Complaints Pro



Designed with social media and quality assurance in mind, Complaints Pro is a modern complaints handling system that addresses all nine of the costly mistakes straight out of the box.

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