

## HANDLING CUSTOMER COMPLAINTS

No matter how hard you try, or how good your staff members are, it is almost inevitable that at some stage you will receive a customer complaint. Don't assume that a customer complaint is a negative experience because, if handled well, it can be a valuable asset. In fact a customer complaint can be one of the best opportunities you will have for turning an unhappy customer into a loyal customer. Even the most dissatisfied customer can become an ambassador, winning new customers for your business by word-of-mouth advertising.

Whether you win or lose customers can depend on the way you handle their complaints. Good complaint management can have a positive impact on customers.

Customers are essentially looking for their problem to be:

- easy to report;
- acknowledged; and
- dealt with quickly, sensitively and fairly.

### Handling complaints

Try putting the following points into practice:

- set up a complaints handling system and train your staff to handle complaints;
- make it easy for customers to lodge a complaint; and
- welcome customer complaints and deal with complaints promptly.

### Setting up a complaints handling system

The major cause of a breakdown in communication when handling complaints is misunderstanding. So it's wise to keep a record of all promises, agreements and undertakings. All business can benefit from a clear system for handling complaints.

#### 1. Decide how your business should handle complaints:

- involve your staff in developing a complaints handling system; and
- decide who will handle complaints, while remembering that handling complaints well is ultimately everyone's job

**2. Anticipate potential problems or mistakes, and then work out possible solutions with your staff. For example, what do we do if:**

- We're short-staffed?
- The customer is angry after we've apologised?
- We didn't deliver on time?
- The computer 'goes down'?
- The order went missing?

**3. The following steps will help you and your staff to deal with unhappy customers and should be part of your policy and procedures:**

- **listen** – Understand exactly what the problem is and let the customer know they have your full attention;
- **acknowledge problem** – Complaining can be difficult, being sympathetic and calm will help alleviate the customer's stress;
- **address the customer's needs** – Tell the customer you want to help improve the situation, ask how they would like to proceed;
- **communicate honestly** – Decide what can be done to fix the problem and tell them; and
- **follow-up** – Contact the customer within an agreed timeframe to ensure problem was resolved or to update them on how the matter is proceeding.

**4. Write down your new policy and how it will work in practice:**

- consider what you are required to do under the relevant legislation  
e.g. Australian Consumer Law or *The Consumer Affairs and Fair Trading Act*
- formalise policy with a printed policy and procedures manual
- Review complaints regularly to identify ongoing issues with products or services.

**5. Spread the word:**

- make sure all the staff understand the new policy, why it was introduced, how it will work and what they should do;
- be aware that some staff training will be necessary;
- ensure awareness of the policy is part of new staff induction; and
- encourage and even reward your employees for assisting disgruntled customers and handling their complaints well.

**6. Make it easy for your customers to complain:**

- publicise your system – let your customers know that your business welcomes complaints; and
- encourage your customers to let you know if they were satisfied with the way their complaint was handled.

**7. Test and monitor it:**

- trial the system for a set period of time; for example 2-3 months;
- assess how well the new system is working and make any necessary changes;
- discuss any problems that occurred with your staff and work out possible solutions;
- use customer feedback to highlight any problems; and
- use customer records to check how well and how quickly your staff are handling complaints.