

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.