**How to deal with customer complaints**

**1. Responding to customer complaints**

In order to gather meaningful information from complaints, and in order to rectify them in a manner that is satisfactory for the customer, you must first learn how to deal with these incidents effectively. Speed is very much of the essence when dealing with customer complaints. It is important that you give a sense of urgency; the customer will want to feel that their complaint is being taken seriously, and that their concerns are being addressed promptly.

If you have a direct conversation with the customer, either by telephone or face to face, you should be prepared for a potentially difficult encounter. You may well think that you are not at fault; if you are a manufacturer, for example, the bulk of your complaints may actually be a result of customer misuse. Regardless of this, you should allow the customer to explain their problems without interruption. If they are particularly ill-tempered, giving them the opportunity to speak uninterrupted will also help to calm them down.

You should also ensure that you record the details of the complaint. It is important that you address every aspect of the customer’s concerns, and you must therefore make sufficient notes. If relevant, you should also make sure that you keep these notes with a copy of a sales receipt or invoice.

**2. Rectifying the problem**

Having identified the problem, you must then negotiate acceptable rectification. There are two schools of thought with regard to best practice in this area; one suggests that companies should give the customer what they want (normally a full refund) without question, while the other claims that the company should barter hard in order that the rectification is as cheap as possible.

At this stage it is worth remembering the importance of complaints and the value of repeat customers, as outlined above. The complaints process is perhaps the only circumstance in which you will have the opportunity to ‘buy’ customer loyalty, through efficient complaint management and a generous rectification. It is highly unlikely that the cost of this rectification will outweigh the benefits of gaining or maintaining a loyal customer. As such, it is almost always best to give the customer what they want with the minimum of fuss.

Many businesses presume this to be the end of the complaints process. However, you should always consider some sort of follow-up action that will solidify your organisation in the customer’s mind and leave them with a positive impression of your company and its customer service practices. This follow-up could be as simple as a letter of apology; the fact that you have taken the time to do this will significantly increase your standing in the eyes of the customer.

**3. Learning from your mistakes to prevent future complaints**

However, equally important are the lessons that you learn from the customer’s complaints. While dealing with a complaint in a sympathetic and efficient manner will increase customer loyalty, this loyalty will soon dissipate if your business continues to make the same mistakes. As such, you should assess the ways in which you can change your practices in order to ensure that your customers have no cause to make a similar complaint in future.

Depending on the nature of your business this may be a lengthy process; for example, if you are a manufacturer and a complaint has brought to light a fault in your product, rectifying this fault is likely to take time. In some circumstances, therefore, you will need to carry out a cost-benefit analysis. If the issues raised in the complaint affect only a small number of customers, and the work required to rectify the problem is significant, you may decide that it is not worth making any changes.

However, in all cases it is important to remember that the cost to your business of an unsatisfied customer is not limited to the lost revenue from that one individual. Rather, every customer who lodges a complaint but is unhappy with the response will tell, on average, ten other people about their experience. As such, you must be very sure of the benefits if you choose to ignore customer complaints.

Complaints management is a vital and intrinsic part of your customer service and sales processes. Complaints that go unheeded can cost your business dearly. However, a prompt, reasonable and efficient response to a complaint can win you a loyal customer, and develop your business’s reputation for top quality service.

**Question:**

***Imagine you work for Waitrose on the customer service desk.***

***An angry customer approaches the desk and demands a refund for a product (a set of wine glasses). They are claiming that 2 of the 6 glasses are broken.***

***First of all, how would you approach the conversation?***

***You go and speak to the checkout operator who says that they must have been broken when they were packed. How would you deal with the situation?***

***Would your answer differ if the checkout operator stated they were absolutely intact when they packed them because they checked?***

***How could you use this situation to better Waitrose’s customer service in the future?***

***What would happen if this complaint was not dealt with effectively?***