

Call Center Times

Complaints Are Opportunities

by John Tschohl, President and Founder, Service Quality Institute - July 30, 2022

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“I hate complaining customers. They’re annoying whiners who are looking to get something free. I wish they would just go away.”

That’s how many business owners, executives, managers, and employees view customers who have complaints about the products or services they purchase. But there’s an upside to customers who complain.

When customers complain, they are giving you an opportunity to do better—to be better—by pointing out deficiencies in your operations. In the process, they are providing you with data you can use to identify areas with issues that need to be addressed.

If you receive few complaints, that doesn’t necessarily mean you provide flawless service; it might mean customers who have experienced problems with your products or service chose to do business elsewhere. Research studies show that, because of poor customer experiences, 50 percent of customers switch companies they buy from. Studies also show that 95 percent of customers who have had a bad experience do not complain.

Defecting customers have a major impact on your bottom line. A 5 percent reduction rate can increase your profits by 5 to 95 percent. That is due in large part to the fact that it can cost five times more to attract new customers than it does to retain current customers.

Research shows that complaining customers are overwhelmingly loyal and sincere. They want to continue doing business with you if you set things right. The first step you must take is to make complaining easy.

Many companies solicit complaints through surveys—which is costly—but then do nothing with the results. Instead of using that feedback to develop strategies and establish a plan of action to prevent similar complaints in the future, they often let it lie dormant in a computer file. Surveys are a waste of time and money.

Complaint prevention is the foundation of quality service for any business. When management doesn't recognize complaints as opportunities, neither do employees who would rather run and hide than deal with a difficult situation or irate customer. You must train employees in the techniques of dealing with complaints, whether it is in person, on the phone, or by email. When they do so quickly and to the customer's satisfaction, it is magic.

When customers complain, they are giving you a second chance to keep them—and their money—coming back to you. Getting new customers is expensive; keeping them should be one of your top priorities. When customers complain, thank them, resolve their issues, and use the information they provide to improve what you do and how you do it.

For more information on John Tschohl and the Service Quality Institute, visit www.customer-service.com.

John Tschohl is the founder and president of the Service Quality Institute—the global leader in customer service—with operations in more than 40 countries. He is considered one of the world's foremost authorities on all aspects of customer service and has developed 17 customer service training programs including Handling Irate Customers, that are used by companies throughout the world. His monthly strategic newsletter is available online at no charge at www.customer-service.com. He can also be reached on Facebook, LinkedIn, and Twitter.