

COMPLAINTS ARE OPPORTUNITIES



“I hate complaining customers. They’re whiners, just looking to get something for free.”

That’s how lots of business owners, corporate executives, managers and service-level employees view customers who complain about products or services. But all too few are aware of the upside of those customer complaints.

When customers complain, they’re giving you a priceless opportunity to improve – to become even better by correcting the deficiencies in your operations. Instead of being annoyed, you should be grateful, because they’re giving you the data you need to identify issues you need to address.

If you aren’t receiving lots of complaints, it doesn’t always mean you’re providing exceptional service; it might just mean that the customers who are experiencing problems are moving on – they’re choosing to take their business elsewhere. Research shows that 50 percent of customers who experience problem simply switch vendors. Studies have also shown that 95 percent of customers – yes, 95 out of 100 customers who’ve had a bad experience! – don’t even bother to complain. They simply go away.

Obviously, those runaway customers will have a major impact on

your bottom line. Retaining just 5 percent more customers will increase your profits by 5 percent. Remember – it costs up to five times more to attract a new customer than to retain the customer you’ve got.

The research also shows that the overwhelming number of complaining customers are loyal and sincere – they want to continue doing business with you, and they’re hoping that you’ll set things right.

If you want to keep those customers – and attract many more – the first step you need to take is to make complaining easy.

Many companies invite complaints by conducting surveys, which is costly. But then they do nothing with the results. Instead of using the feedback to work hard to prevent similar complaints in the future, they let the survey results languish in a computer file.

Complaint prevention is the very foundation of quality service. When management doesn’t recognize complaints as opportunities, neither will the employees – they’ll run and hide, rather than deal with a difficult situation or an irate customer.

You must train your employees in the techniques of handling complaints, in person, on the phone, or by email. When they get in the habit of quickly resolving issues to the customer’s satisfaction, it’s magic for your business.

When customers complain, be grateful. They’re giving you a second chance to keep their business. Because getting new customers is expensive, keeping them should be a top priority. When customers complain, the best approach is to thank them, resolve their issues quickly, and use the experience to improve what you’re doing.

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

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John Tschohl is the founder and president of the Service Quality Institute with operations in more than 40 countries. One of the world’s foremost authorities on all aspects of customer service, he has developed 17 customer service training programs including Handling Irate Customers. 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.

