

THE RETAIL observer

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RETAIL. DESIGN. INNOVATION. HOME.



2026
NATIONAL ROTY
REMODELER
OF THE YEAR™
AWARDS

PART 2

COMPLAINTS ARE OPPORTUNITIES

Make the most of them

Almost nothing strikes more fear in an employee's heart than a customer with a complaint. Most employees would rather have a tooth pulled without Novocain than deal with customers who aren't pleased with a product or service they purchased from your company.

Your first thought might be, "Where can I hide?" Face it: you can't. What you can – and should – do is address the situation and, in the process, retain those customers and the money they spend with you.

The first step is realizing that any complaint from a customer – or a coworker, for that matter – is an opportunity to learn and to grow. Many customers simply take their business elsewhere. Those who come to you with a complaint are giving you an opportunity to solve their problems and identify what changes you might need to make in your company's products or services.

What are the barriers that prevent you from satisfying customers? Most barriers involve procedures and policies that prevent employees from offering practical solutions and doing so in a timely manner. Identify those barriers, and eliminate them.

Are you empowered to make decisions on the spot, or are you required to send the problem up the ladder to a manager? If that's the case, you're in trouble. Many managers don't empower employees to make decisions, because they don't trust them – and they don't trust their customers. They think customers will take advantage of employees and that employees will give away the store.

When a customer comes to you with a complaint, you have cost them money by wasting their time. Make it right; pay them for their inconvenience. When you compensate them with credit for a free product or service, they'll come back to you to spend it. By compensating them, you've bought yourself a second chance. Most customers don't complain; they just stop doing business with you.

Bemiss Rolfs, former president of National Car Rental, said this about the value of positive resolution: "For every \$1 spent in courtesy adjustments, we receive \$5 in business." A study for the U.S. Office of Consumer Affairs found that 95 percent of customers who register complaints will do business with you again if they feel

their complaints were resolved quickly.

Make it easy for your customers to complain. When they do, they're actually working as your consultants. They're pointing out flaws in your products or services. If you have to compensate them for doing so, that's money well spent. Inside the reasons for most complaints is the knowledge you need to prevent them. Keep track of customer complaints so you can identify what changes the company must make to reduce or eliminate them.

Customer complaints fall into several categories, including poor customer service and low-quality goods or services. It's up to you to make their situations right. That means you must listen to their complaints, ask questions, get all the facts, apologize, offer options for solving their problems, and ask what they would like you to do for them. Don't get defensive or confrontational. Do whatever you can to satisfy your customers and retain their business. Practice service recovery and be relentless in making certain your customers are satisfied with your products and services.

Just as word-of-mouth advertising can attract customers when they tell their family and friends about your wonderful company, word-of-mouth complaining can discourage new customers from doing business with you. Studies have shown that a customer who has a complaint that is resolved to their satisfaction is more loyal to you than customers who have never voiced a complaint.

I leave you with this: Customer service, including the resolution of complaints, is less expensive than customer replacement.

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 Service Quality Institute, a global leader in customer service. He is considered one of the world's foremost authorities on all aspects of customer service, and has developed 20 customer service training programs and eight books, including *Loyal for Life*, that are used by companies throughout the world. His monthly strategic newsletter is available online at no cost at www.customer-service.com.*

