

Your logo

Complaint Management

Complaints as chances for customer loyalty

SEMINAR EVENT

LESERHOPE



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INTRODUCTION

Complaints make you smarter!

This is the motto of a very successful hotel manager who regularly pores over a stack of customer suggestions, complaints, and claims from his guests. From these, he has developed a number of improvements for his house.

This is hardly a new observation – however, it is still a difficult task for many companies and their employees to perceive complaints as something positive. Customer satisfaction is frequently declared to be the paramount goal, but just as frequently, the implementation of this declaration leaves a lot to be desired if a complaint actually comes to pass. In many cases, there is a lack of uncompromising commitment to customer satisfaction, or a lack of genuine interest in having customers address the company in the event of a complaint.

Complaints are a part of daily corporate life, but no one likes to process them. Accepting and settling complaints is one of the most disagreeable tasks. The menus of many restaurants state that one should not hesitate to get in touch with the staff in case of a complaint, but more often than not, reactions to friendly and sustained claims are embarrassing, unprofessional, or unfriendly.

Change your point of view! Perceive complaints as the most important information carrier in your company, since this will enable you to

- identify and eliminate weak spots,
- convert angry customers to enthusiastic customers,
- and establish active customer orientation.

Consider complaints and claims to be something positive and desirable; perceive them as chances.

Act according to the motto:

“Experience, but also claims and complaints will make you smarter.”



What is a claim?

The term “claim” describes the situation of a customer informing the manufacturer of a product or the provider of a service of the fact that their product or their service does not comply with the descriptions or features that have been expected or advertised. Due to these unfulfilled expectations, the customer is entitled to the product or service that has been advertised; an entitlement that the customer can sue for if necessary. A claim can be justified or unjustified.

What is a complaint?

A complaint arises from an undesired or undesirable condition that has been effected by the behavior of a third party, a product defect, or by handling other than directed. A complaint can be justified or unjustified as well; however, it usually takes place on the emotional and personal level and is therefore more difficult and sensitive to process than a claim which solely concerns an object.

Active claim and complaint management should convert complaining customers into enthusiastic customers, and bind them to the company in the long term. The basic conditions for this include:

- Acceptance of active claim and complaint management in the entire company
- Analysis and elimination of tasks that reflect adversely upon the customer
- Analysis of organizational processes, as well as their optimization
- Transparency of causes that lead to complaints and claims
- Sensitization of all managers, executives, and employees

Even if you only have a small number of complaints, there is still a certain percentage of silent but dissatisfied customers. Active complaint management discloses concealed negative potentials. The following checklist will allow you to verify if you have to act accordingly.

Checklist: Necessity to introduce active complaint management

Taking stock + analyzing	YES	NO
Do you record daily complaints ...		
... according to their number?	<input type="checkbox"/>	<input type="checkbox"/>
... according to their kind?	<input type="checkbox"/>	<input type="checkbox"/>
... according to their kind?	<input type="checkbox"/>	<input type="checkbox"/>
Do you evaluate them systematically?	<input type="checkbox"/>	<input type="checkbox"/>
Do you know which products / services are concerned?	<input type="checkbox"/>	<input type="checkbox"/>
Do you know the customers that complain most frequently?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have an IT system concerning complaints?	<input type="checkbox"/>	<input type="checkbox"/>
Do you make use of this system?	<input type="checkbox"/>	<input type="checkbox"/>

Prevention	YES	NO
Do you regularly test the satisfaction of your customers?	<input type="checkbox"/>	<input type="checkbox"/>
Do you involve customers and users into the improvement and development of products and services?	<input type="checkbox"/>	<input type="checkbox"/>
With regard to their most recent order, do you ask your customers, if ...		
... everything was in order?	<input type="checkbox"/>	<input type="checkbox"/>
... there are still any open questions / wishes?	<input type="checkbox"/>	<input type="checkbox"/>
... there were any problems?	<input type="checkbox"/>	<input type="checkbox"/>
Do your customers make use of these opportunities?	<input type="checkbox"/>	<input type="checkbox"/>
Do you use your know-how in order to improve ...		
... products and services?	<input type="checkbox"/>	<input type="checkbox"/>
... organizational processes?	<input type="checkbox"/>	<input type="checkbox"/>
... your customer needs analysis?	<input type="checkbox"/>	<input type="checkbox"/>

Approaches	YES	NO
Does the receptionist know who is responsible for what?	<input type="checkbox"/>	<input type="checkbox"/>
Are customers put through to those contacts right away?	<input type="checkbox"/>	<input type="checkbox"/>
Can a competent contact person be reached there at all times?	<input type="checkbox"/>	<input type="checkbox"/>
Are those contact persons trained accordingly?	<input type="checkbox"/>	<input type="checkbox"/>
Do they have the respective competences?	<input type="checkbox"/>	<input type="checkbox"/>
Is it ensured that a superior can be involved right away in the event of decisions problems?	<input type="checkbox"/>	<input type="checkbox"/>
Do you offer call-backs?	<input type="checkbox"/>	<input type="checkbox"/>
Do you thank your customers for pointing out defects?	<input type="checkbox"/>	<input type="checkbox"/>

You have more than three NO's? Then act now!

CLAIMS AS CHANCES

A study of the DG Bank shows that the pure purchasing of a product due to its high qualitative characteristics is no longer the decisive criterion for a permanent customer relationship. Customer losses are attributed to the following conditions:

Lack of customer service	68 %
Dissatisfaction with the product	14 %
Headhunted by the competition	9 %
Removal of the customer	3 %
Others	6 %

These figures illustrate that there is a considerable unused potential in the area of claim and complaint management – a potential that can actively be used by companies.

Many customers quietly change over to another provider. Active complaint management offers the chance of not only perceiving those tendencies but also of finding a possibility to make amends.

Even if the customer seems satisfied – have you asked them if they were satisfied with their purchase, your service, and your way of settling the transaction? This is already an important stepping stone of becoming active. Do not force your customer to assume an active role, which they are usually uncomfortable with anyway. If you become active yourself, complaints offer a number of opportunities for your company:

- Finding constructive solutions
- Product and service improvements
- Creating a mutually beneficial dialogue with the customer
- The possibility to make another offer
- Rethinking attitudes in the entire company
- Improving customer relationships
- Reaffirming your customers' decision to purchase

Elements of active claim and complaint management

- Systematic customer analysis
- Introduction of preventative quality policy
- Establishment of guidelines and approaches for claim and complaint management
- Inclusion of a complaint management system in the quality manual
- Establishment of an information system for claims and complaints
- Involvement of all departments into the system
- Personnel coverage
- Representation to the outside
- Continuous controlling

Successful claim management

The example of Schindlerhof – a catering and lodging enterprise – shows the effects of employing claim management. With the aid of its consistent and active complaint management in combination with TQM (Total Quality Management), Schindlerhof was the first German enterprise to win the European Quality Award.

Dissatisfied customers are not responded to later or tomorrow, but right away – no matter how small the complaint. Every claim is dealt with generously. Depending on the extent of the reclamation, gift certificates, giveaways, or free drinks are provided in the restaurant as a consolation. Even though the service is excellent, overnight guests are treated particularly forbearingly. If something was wrong with the room, the service employees know about this and will treat the guest with a particular service in the restaurant. This can only work if everyone knows what the others are doing: Perfect claim management converts dissatisfied customers into loyal customers.