

Winning and losing customers

Customer complaints can have a large impact on your business.

It's no surprise that one unhappy customer will tell many more of their experience – we've all done it. But it may come as a surprise to learn that a well-resolved complaint can bring in new customer leads – the trick is to handle the complaint through an effective system that is used by all staff.

Develop and implement a practical complaint handling system

- Establish a policy that is cost effective, practical and encourages good public relations.
- Any policy should be written. Consider giving it a name that staff and customers can identify with.
- Keep staff fully informed of the policy and any updates as they become available.
- Maintain records such as customer details; the nature of the problem; action taken; any ongoing communication with the customer, supplier, or repairer; the outcome and level of customer satisfaction.
- Chances are you will need to draw upon these records in the future. This will also help identify problem areas and gauge the success of your public relations policy.

Encourage use of the system

- Evaluate how well the system is meeting the objectives of your marketing strategy. You may consider surveying your customers.
- Ask them to include details of any grievances. The results may show that your system needs modifying.
- Publicise your complaints handling strategy and use it as a marketing tool to encourage customer feedback. This may assist you in targeting your customers' needs.

The complaint handler

The person who deals with complaints does not have to be a manager. In fact it may be more appropriate to have someone at "shop floor" level. Be sympathetic with complainants.

Remember that many people do not feel comfortable about coming forward with their problem.

Complaint handling policy

Acknowledgment of a problem and quick action will reinforce the business's credibility. If customer makes a demand that is unrealistic you should consider the following strategies:

- Advise the customer of their legal rights.
- Restate your complaint handling policy firmly but politely.
- As a last resort consider referring the customer to the Office of Fair Trading (for advice).
- Remember that a negotiated settlement leading to customer satisfaction is far better than legal proceedings.



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Common do's and don'ts

- Do what you have agreed to and act promptly.
- Do obtain feedback and update your complaints policy to cater for new trends in the marketplace.
- Do record complaints, both telephone and written.
- Do evaluate regularly. Some areas of your business may need work to reduce complaints (eg service, or sales techniques).
- Don't make unrealistic promises in the hope that the odd awkward customer will vanish.
- Don't rely on verbal commitments - make all policy decisions in writing.

Further information

The following fact sheets provide further information on these issues:

- Customer service and selling
- Increase your customer base