



CUSTOMER • RADAR



HOW TO  
**GET THE GOLD**  
FROM  
CUSTOMER  
COMPLAINTS

In the customer experience world, we often refer to customer complaints or detractors as the 'low hanging fruit'. The reason being that they've felt strongly enough about their experience that they've decided to complain, therefore giving you an opportunity to resolve their issue and turn them around. If you look at the issue from their point of view (unless they are just being difficult for the sake of it, which sometimes happens) you will quickly learn that they are telling you that your business has made a mistake. The hidden gold here them telling you exactly what you can do to improve; and improving means retaining their business and retaining more customers - **73% of consumers say friendly customer service representatives can make them fall in love with a brand!** (Source: RightNow Technologies)

Here are some of the most important reasons to **engage your detractors**:

## Complaints are free and powerful lessons for your business

This is unsolicited feedback from people who have experienced a problem and they are telling you about it. This can point you to root issues, ie. deep diving into a customer problem can show you systematic problems you may not be aware of. Fixing these pain points will not just help the person who has complained, but is likely to remedy issues for a number of other customers who have experienced the same problem, but have not complained. We know that **96% of dissatisfied customers don't complain. For every 1 complaint you know of, there are potentially 25 others that haven't complained.**

(Source: 1st Financial Training)

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LEE RESOURCES

## Convert detractors into promoters

Complaints often happen after a misunderstanding or a pain point that can be fixed quite quickly. Difference between being a detractor, as opposed to a promoter, is often a single experience. The good news is that closing the loop with a customer who has complained and resolving their issue will generally convert them into a happy customer. A powerful statistic tells us that **loyal customers are 5x as likely to repurchase, 5x as likely to forgive, 4x as likely to refer, and 7x as likely to try a new offering** (Source: Temkin Group). The value of promoters is clear. Using a customer satisfaction metric such as Net Promoter Score allows you to quickly analyse how you trend with your customers.

## Can you afford not to?!

Do you know how much each customer complaint costs your business in real revenue? Use the online calculator below to get an idea of how much money your company is losing with each customer leaving. For many companies, it is quite a sobering number. Not enabling customers to provide you direct feedback or complaints can make a customer disgruntled, quickly escalating into scathing online reviews. As many as **85% of consumers rely on these reviews as much as a personal recommendation from a friend** (Source: Broght Local), so you can see how much potential damage they can inflict to a business. Responding to these can **improve their reputation** while being seen by a wider audience to care about it's customers. When responding to a bad online review, remember to be calm and measured, respond publicly, be empathetic and solution-orientated.

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BRIGHT LOCAL

We know the potential cost that detractor feedback can have for a business. We also know that efficient resolutions cause uplift in customer experience metrics and the resulting the boost in revenue.

“S.O.S.” and “G.O.” are great ways to manage customer complaints and negative feedback. Here’s how S.O.S., a easily remembered acronym, can help you master the complaint process:

## SAY SORRY

Apologising is disarming and not confrontational for the customer. It shows you are there to understand their situation and help.

- Open the conversation with a statement like “we are really sorry that your experience wasn’t great this time and we want to fix it if we can”.
  - Keep your emotions in check. Sometimes complaints can be very emotional, as the customer feels they didn’t get what they wanted or expected.
  - Building trust and speaking in a calm and respectful way will help calm down an unhappy customer.
  - Most customers that have given strongly worded, written feedback are rarely still emotional when you respond to them quickly or speak to them in person. Feeling frustrated, people are likely to vent through feedback, but once they are engaged and listened to, the situation can easily diffuse into a normal conversation.
- Empathise, see the issue through the customer’s eyes. Try to put yourself in your customer’s shoes and imagine how you would feel in the given situation.
- Thank the customer and welcome their feedback as you continue the conversation.

## OPEN THE CONVERSATION

It is important to be open and caring for the customers’ situation, so that they know you are there to help them.

- Listening about how someone is feeling about the experience, sometimes leads to hearing about what the situation actually is. It helps to know that, during a complaint, strong emotions can come to the foreground, pushing the details of the event to the back.

- Be supportive throughout the conversation and try and get to the cause of the situation if possible.
- Make sure you understand the details of what happened.
- The complaint can often come about from a misunderstanding which can be explained and clarified, or a easy solution to their pain point.
- Ask the customer to tell you what it would take to fix the issue to their satisfaction. It is worth noting that most customers only want what they were after in the first place.

## SOLUTION

Provide a solution you think will work for both parties. Once you agree on a solution or next steps, make sure the customer is happy with that outcome.

- It is very important that you follow through on the agreed action, as this shows that you genuinely care and want to fix any issue in a timely manner.
- Make sure people in your team dealing with customer complaints are empowered to act quickly and appropriately for the customer.
- Ideally, minor complaints can be dealt with in one interaction.
- Have clear, documented guidelines on what solutions a staff member has available to them.
- Let the customer know that post-conversation, you will relay the information from the conversation to your team and learnings can be had.
- Ensure that there is an escalation process for major complaints, communicated to a manager who can act on it quickly.
- Record the process to make sure it is completed, and the business can learn.

GO will enable your business learn from complaints and continue to improve:

## GOLDEN OPPORTUNITY

A complaint is a golden opportunity to keep your customer's business before it's lost for good, and a chance to see your business from a customer perspective.

- You can build a stronger relationship with the customer and create a new raving fan because of the way you managed the issue.

## OPPORTUNITY TO LEARN

Use the learnings from your complaints to improve your business. If you don't learn from your complaints, the leaks in the bucket won't get plugged and the complaints will continue to damage your reputation. The process of dealing with complaints and closing the loop has to be a part of a wider customer experience strategy, with someone assigned specifically to dealing with customer feedback.

- Share feedback that is relevant with people in your teams to help them improve.
- Enable visibility of the feedback learnings across the business units to enable them to learn and grow.
- Measure the feedback and track improvements in customer satisfaction resulting from those improvements.

Loyal customers are the wonder drug for any business. They spend more over a longer time period and refer other customer to your business. So, don't shy away from complaints - handled with care, most detractors can be turned around to become a promoter and loyal customer. **Happy customers help make businesses more profitable and underpin growth.**

# G.O.