Complaints Management - Turning Complaints into Compliments
Learning Bites

- Understand the Customer Relation Management
- Understand the Anatomy of Complaints
- What are complaints and how to handle complaints
- Impact of complaints on an organizations business
Customer Relationship Management

“Customer information based business strategies created to increase profitable retention and acquisition across all pre-sale, sale and post-sale customer communications”
Complaints arise when CLIENTS are dissatisfied with a Product or Service.

Why do customers Complain?
Dissatisfied Customers Consequences

• About half the time, customers who have a problem with a product or service are *not likely* to tell the company about it.

• Nine out of ten of these "silent critics" will probably take their future business to a competitor.

• One out of every two customers who complain are not thoroughly satisfied with the company's efforts to solve the problem.
Courses of Action Open to a Dissatisfied Customer

Problem Arises

- Decide to Complain
  - Escalate Complaint
    - Complain to Firm at Local Level
    - Complain to Head Office
      - Complain to Outside Organization
        - Seek Legal Action
          - Problem Still Unresolved
          - Problem Now Resolved
          - Problem Still Unresolved
            - Negative Perception
              - Defection

- Take No Action
  - Switch Suppliers
    - Tell Friends of Bad Experience
      - Negative Perception
        - Defection
Typical Complaints Management Process

Input: Customer issues
- Direct communication by customer
- CFPB Complaint Channel
- Self-Identified Issue
- Other Regulatory Agency Referral

Key Challenge:
- Multiple complaint channels

Process: Response teams (de centralized)
- Compliance
- IT
- Customer Service
- Marketing
- Risk Mgmt

Key Challenge:
- De-centralized response teams

Output: Resolved complaints (non-streamlined)
- Customers
- Regulators
- Bank Stakeholders

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Impact of Effective Service Recovery on Retention

- No Problem: 84%
- Problem, but effectively resolved: 92%
- Problem Unresolved: 46%

Source: IBM-Rochester study
Complaints as Opportunities for Improvement

Complaints to a Forwarding Company

**Service**
- Delayed Delivery
- Wrong Delivery
- Inc Delivery
- Open Package
- Damaged

**Organization**
- Service Line Busy
- Rude CS Staff
- Slow Response
- Incompetence
- Others
Process Flow Diagram for Customer Complaint Resolution

Cityworks Server 2010 is currently being implemented as the PWD Work Order Management System and is being utilized for CCS.

1. Receive customer call
2. Enter complaint into Cityworks
3. EDA analyzes complaint database
4. EDA sends alert to dashboard and staff
5. Onsite Inspection
6. Sample Analysis
7. Follow-up Investigation
Operations of Complaints Handling Process

- Communication
- Complaint Receipt
- Complaint Tracking
- Complaint Acknowledgment
- Initial Complaint Assessment
- Investigation of Complaints
- Response to complaints
- Communicating the Decision
- Closing the complaint
Complaints Handling Operations – Problem Solving Tools

- Check Sheet
- Pareto Chart
- Flowchart
- Cause & Effect Diagram
- Histogram
- Scatter Diagram
- Control Chart
RESPONSE TO COMPLAINTS

Following an appropriate investigation, an organization should offer a response (for example corrective action). If the complaint cannot be immediately resolved, then it should be dealt with in a manner which will lead to its effective resolution as soon as possible.
The decision or any action taken regarding the complaint, which is relevant to the complainant or to the personnel involved, should be communicated as soon as the decision or action is taken.
Operations of Complaints Handling Process

CLOSING THE COMPLAINT

• If the complainant accepts the proposed decision or action then the decision or action should be carried out and recorded.

• If the complainant rejects the proposed decision or action then the complaint should remain open.

• An organization should continue to monitor the progress of the complaint until all internal and external options of recourse are exhausted or the complainant is satisfied.
Complaints as Performance Indicator

Measurement and monitoring of the system effectiveness

CUSTOMER SATISFACTION / DISSATISFACTION

KPI, KRA

FOREIGN PERCEPTION

SELF PERCEPTION

OBSERVATION
Customer Dissatisfaction and Satisfaction Indicators

**DISSATISFACTION INDICATORS**

- Complaints
- Lost Customers
- Returned Products

**SATISFACTION INDICATORS**

- Repeat Orders
- Referrals
- Awards / Recognitions
- Market Share Increase
- Sales / Production Increase
Thank you very much!