

## Are You Receiving Enough Customer Complaints?

*By Jonathan Farrington*

It is said that 91% of people don't complain. They prefer to obtain their revenge by not buying from a business that has given them an inferior product or a poor service. They have a passive power and they know it! The following is a true story - only the name of the business has been changed.

Blooming Buds was a well established garden centre on the outskirts of a growing town. Two years before it closed, it had expanded to include a café, a gift shop and an organic fruit and vegetable outlet. As well as employing a core staff of ten, it took on a number of seasonal and part-time staff. The company didn't have a customer service policy nor did it believe in wasting money on training. Customers seemed happy enough. After all they hardly got any complaints; "everything in the garden was rosy."

The manager should have been a bit suspicious. No complaints doesn't mean that all customers are happy. Most of us don't bother complaining. We just walk away and don't go back.

The expansion, unsurprisingly, led to a variety of organizational and logistical problems. There were staffing shortages, managerial inexperience, reduction in quality etc. Gradually business dropped off but still, nothing was done about it.

The staff stopped telling the manager about some of the problems they had encountered because he wouldn't listen. He invested heavily in advertising, and made sizeable capital changes. He never once thought of getting some feedback from the customers. Eventually the inevitable happened. The business had to close.

### **Complaints Are Opportunities:**

Opportunities to do what?

- Evaluate how well you are doing.
- Identify weak points in your system and processes and put them right.
- See situations from the customer's point of view.
- Improve customer satisfaction.
- Create long-term loyalty: handling disgruntled customers well often leaves them feeling more positive about your organization than before.

### **Some Worrying Facts:**

One unhappy customer tells 10 to 15 others about their experience. If it's really bad they'll tell the whole world. For every complaint that could be made, around 20 people don't bother. This means 20 lost opportunities.

If you handle a complaint badly or with a "couldn't care less" attitude or, worse still, if you hide behind the "rule book", you will lose that customer for good. You can't afford to lose [customers due to ignoring their feedback]... because this will mount up according to something known as the "multiplier effect."

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**The Income Multiplier Effect:**

A potential customer goes into a leisure centre which was built last year. The centre is trying to build up its customer base. It employs 50 staff, part-time and full-time, who haven't received much training in customer service and complaint handling.

The customer asks about booking a gym session for later that day. He doesn't receive a positive reply and the receptionist's attitude is very much "take it or leave it." He shrugs and walks away.

How much has the centre lost in potential revenue? £5.00 primary spend - the price of a gym session + £5.00 secondary spend - a drink, sandwich, possibly a swim, etc. + £500.00 potential membership fees.

He will tell at least seven people about his bad experience so  $£510 \times 7 = £3,570$ . It is easy for a small amount of lost income to multiply to dangerous proportions.

**Make It Easy for Your Customers to Complain:**

Customers may well want to tell you they're unhappy about something but they either:

- Feel uncomfortable about doing so;
- Don't know how to; or
- Don't have time; it's easier to let it go.

So, give them a choice of mechanisms. For example:

- Simple questionnaires with pre-paid postage.
- Telephone help line.
- Customer service points.
- Exit surveys - face to face questions.
- Comment cards.

Let them know it's not a waste of time! Now what are you going to do with the information? File it away? Shred it for next year's Christmas decorations?

One company I know maintains a whiteboard in the reception listing the key comments/complaints made by customers, with a note of the action taken, or to be taken and by whom. Customers really feel they are part of the product and service improvement team.

Customers need to know what's in it for them if they do complain. Respond quickly to complaints. If you give a number to ring, make sure someone is always there to answer the phone. Reply within two days if that's what you promised to do.

Have an "escalation procedure" which allows for the more serious complaints to be dealt with by a senior member of staff. Directors need to be accessible, hiding away simply creates suspicion - as you will see from a recent experience I have endured, by reading my [Blog!](#)

**Summary:**

Unfortunately, when compared over time, the customers' interest levels increase while the vendors' interest levels tend to decrease. This creates a "relationship gap" and is due entirely to complacency.

Fact: It costs seven times as much to locate and sell to a new customer as it does to an existing one. That reason alone should act as sufficient incentive for us to attempt to build brick walls around relationships in order to deter predatory competitors - and there are plenty of them out there.

We must continually strive to earn the right to receive our customers' business, and one significant stride in that direction is to implement an effective customer care program.

#### **About the Author**

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