

5 Ways to Turn Customer Complaints into Cash Opportunities

By Paul Rutter

Unless you work in a profession where you have absolutely no human contact whatsoever, you're bound to hear a complaint from someone every now and then. Sometimes it's a customer complaining about a product not working as promised; other times it's a complaint about your company's customer service. Whatever the complaint is, if you have any responsibility for resolving the situation, you need some clear-cut strategies for making complaints a win-win situation for all parties.

Unfortunately, many people are fearful of complaints. They view the complaining person as "a whiner," as someone "annoying" that they have to deal with. Even worse, if they suspect a customer is going to complain, they may go so far as to avoid that person. But such an approach only makes the situation worse. Realize that complaints are not necessarily bad. A complaint is actually an opportunity for improvement—a way for you to see what isn't working in your company or department so you can take action to fix it.

Consider the facts:

- A typical business hears from only 4% of its dissatisfied customers; the other 96% just go quietly away, and 91% of them will never go back;
- A typical dissatisfied customer tells more than eight people about his or her problem;
- Seven out of ten complaining customers will do business with you again if you resolve the complaint favorably.

So before you roll your eyes at the next complaint you hear, use the following guidelines to make resolving the complaint a quick and painless process.

- **Respond quickly.**

When you receive a complaint, response time is critical. If the complaining party is standing in front of you, you need to do what you can to resolve the situation right then. However, not all complaints come in through a face-to-face interaction. Complaints may also come in via e-mail, through a company survey form, or via voicemail. Additionally, you may not be able to resolve the complaint the moment you receive it in a face-to-face interaction. Therefore, set standards for your complaint response time. Depending on your company or industry, you may be able to commit to resolving complaints within thirty minutes. For other companies, a one week timeframe may be more realistic. Whatever your timeframe is, be sure to let the customer know when to expect a resolution. Remember, ignoring a problem does not make it go away, and people get more frustrated and irate when they believe you are ignoring them.

- **Be a good listener.**

One of the most important aspects of handling any complaint is to be a good listener. When people are complaining, they want to be heard. They want to express themselves and get something off their chest. And most of the time, that's *all* they want—to let you know that something displeased them. So even though you may want to "jump in" and interrupt them with facts or your side of the story, don't. Keep quiet and just let the person talk uninterrupted. When they're done talking, you'll notice that they no longer seem upset. That's because you've given them a chance to vent and to feel heard. Now they'll be more likely to listen to you as you explain the situation and what you can or can't do to resolve it. When it comes to complaints, a little silence on your part goes a long way.

- **Empower your staff with solutions.**

One reason people hate hearing complaints is that they feel there's nothing they can do to resolve a situation instantly. In many companies, an employee's only authority is to say, "I'll let my manager know about this." Realize that such an approach only makes the complaining party more upset, and it demoralizes the person receiving the complaint. Therefore, empower your employees to make decisions right on the spot. Let them know what they can and can't do for a complaining customer.

For example, your front line workers may have the authority to offer people a ten percent discount off their next purchase. The next level of employee may have the authority to offer a bigger discount or some kind of coupon or voucher for future use. And the highest level of employee may have the authority to offer something totally free to ease the complaining party.

Rather than always having to summon the manager, let your employees resolve the majority of complaints instantly, thereby giving the customer an immediate solution to the problem and giving your staff a boost of confidence that they *can* indeed handle challenges.

- **Be honest and straightforward.**

We've all heard the phrase: "The customer is always right." Well, in some situations, the customer *isn't* right. Sometimes customers are mistaken; other times they have misinterpreted events. Depending on the situation, the customer may have an idea of how the product or service *should* work, which isn't necessarily correct. In these instances, the key is to make the customer think they're right as you subtly guide them to an ideal resolution.

For example, if you work in the hospitality industry and someone complains that they couldn't enjoy some aspect of their stay because on their third night there they heard loud noises from the room next door, and now they want their entire stay to be free, be diplomatic and negotiate with the person. You could say something like, "I understand you didn't get a good night's sleep that evening. You were able to sleep very well the other four nights though. And you seemed to enjoy the free continental breakfast we provided, as well as the onsite amenities, such as the pool and fitness center. How about you enjoy a nice lunch on us at the onsite restaurant before you leave? That way you don't have to stop anywhere on your way to the airport."

With this approach you're subtly reminding the person how great so many other aspects of your service were and are offering a suitable solution to make up for the small inconvenience.

- **Give more than expected.**

If you really want to "wow" someone and turn a complaint into an opportunity, follow up with the complaining person after the complaint has been resolved. Call the person to make sure everything is okay and to see if there's anything else you can do for him or her. Since most people don't expect this extra step, it's a great way to stand out and let the person know you have his or her best interest in mind.

- **Embrace Complaints Today**

If you look at complaints objectively and have a process for dealing with them, you'll see that they really are opportunities to grow. So rather than dread complaints, embrace them. When you do, you'll see a marked improvement in repeat

business and word of mouth referrals as you continually strive to meet and exceed your customers' expectations.

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