

Responding to Customer Complaints

PIPA 2008

Calgary



The McArthur Consulting Group

Customer loyalty

Research as far back as 1995 shows totally satisfied customers are more loyal than satisfied customers

- A customer who ranks your organization as a four out of five will leave you in a heartbeat for a better offer
- If you never interact with a customer and you survey them, they are likely to rank you a four out of five.
- If you screw up with a customer, and recover well, they are more likely to rank you as a five out of five
- A customer who ranks you as a five out five is six times more likely to stay with you or purchase more from you than a customer who ranks you as a four out of five*

* HBR December 1995: Thomas O. Jones and W. Earl Sasser, Jr.



The McArthur Consulting Group

Customer Loyalty

- Designing your business processes to totally satisfy customers is the first step, but you can't totally satisfy every customer all the time.
- When you fall short of expectations, a good recovery process will help enhance loyalty:
 1. Apologize
 2. Fix the problem
 3. Offer a symbolic atonement (something meaningful and relevant to the customer)
 4. Follow up



The McArthur Consulting Group

Loyalty and privacy

- My experience has shown that many customer privacy issues derive from other interactions that can be avoided or recovered from
- Having privacy concerns addressed by employees who are adept at solving customer issues can go a long way to solving problems, enhancing loyalty, and reducing costs
- Analyze your business processes to ensure that they are customer and privacy friendly
- Train your staff to understand and appropriately deal with privacy concerns
- Provide your staff with a point of contact to deal with difficult or unusual customer circumstances



The McArthur Consulting Group

Unusual requests

- “I want a copy of everything your organization has about me”
 - Typically this customer has lost trust in the organization or has been inappropriately dealt with
 - Access requests are not normally made by satisfied customers
 - Attempt to understand the customer concerns and determine how you can help. Try to get at the root of the problem.
- E.G.: wireless customer and “unauthorized” credit check
 - Was proper scripting used by agent when dealing with customer?
 - Was customer concern legitimate?



Unusual Requests

- Example of individual whose daughter opened unauthorized wireless account in her name
 - Individual claimed she never was a customer, but payments had been made from an account in her name
 - Account went into arrears and individual received collection notices per standard practice
 - Individual informed company she had an estranged daughter
 - Initial reaction was to have customer open police file for fraud, and undertake civil action against perpetrator
 - Eventual result, after complicated access requests (whose personal information was it anyway?) was to write off the account rather than incur legal costs



Issues managed right the first time

- When issues were managed appropriately the first interaction, ensuing interactions often went much more smoothly
- Not all circumstances will go the way the customer wants, but a reasonable stance will go a long way
- Sometimes it is best to “cut your losses” and resolve issues early rather than incur ongoing unprofitable interactions.
- Privacy complaints are “free” to complainants, and can be distracting to organizations



The McArthur Consulting Group

Questions?

- Contact information:

drew.mcarthur@telus.net

604 220-2105



The McArthur Consulting Group