

## The Customer Speaks – And the Customer has a Gift

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Complaining has never had a positive meaning. It comes to us through the Latin verb *plangere*, and it originally meant to "hit," metaphorically to "beat one's breast." Today it means the utterance of pain, displeasure, or annoyance. It also means an illness or ailment, and in legal terms, it is a formal charge or accusation. In English slang, it is to quibble, raise a fuss, yammer, squawk, bitch, bewail, moan and groan, bellyache, carp, nag, pick at, give someone a hard time, find fault, gripe, whine and fret.

Small wonder that no one likes to receive complaints. Yet complaints are the most direct way customers can tell organizations their expectations have not been met - their service experience was off-brand. Customers who complain are, in most cases, giving business a second chance to keep them as customers. And it is for this reason that businesses must think of complaints as gifts.

In a recent high-profile Hong Kong magazine, restaurant personnel described complaining diners as "*moaners...whiners...demanding...explosive...rude.. self-centered...power grabbers...stupid...out-right cheaters...and devious.*" Clearly, someone with such attitudes doesn't see any gifts when confronted with a complaining customer.

Yet, complaints are an opportunity to learn about customer needs and expectations that might otherwise go unknown. They are a source of marketing information. Complaints are, by and large, a genuine and open conversation with customers who risk being treated rudely or not believed when they complain. In most cases, it is much easier for customers to simply walk away and use other suppliers. When customers walk away without saying anything, a company has virtually no direct opportunity to win back their good will and future business.

Research about complaining customers suggests that rather than being "moaners" or "out-right cheats," that:

- dissatisfied customers who actually complain to organizations are actually far and few between,
- most of them are quite honest (at least from their point of view) about their complaints, and
- they represent a rather broad sample of the buying public.

*Complaining customers are giving us an opportunity to find out what their problems are so we can help them, and so that they will be encouraged to come back and use our services and buy our products. It is as if they are giving us a "book" entitled, A Chance to Survive: Listen to Me and You'll Stay in Business. So don't say, "Go away. I've already got one book, and I don't want to read another. I'm too busy."*

- Janelle Barlow and Claus Møller, A Complaint Is a Gift.

The plain fact of the matter, and which research demonstrates very clearly, is that most customers do not complain to businesses about problems they encounter. One survey suggests that one in four customers has a problem with products purchased, but if the items purchased are relatively low in price, only one in five will bother to register a complaint. The Technical Assistance Research Programs (TARP), the most widely quoted research group focusing on complaining customers, found that 26 out of 27 people who experience poor service do not complain.

Most customers feel that complaining will only be a source of additional annoyance and a waste of time. If customers have a problem with service, rather than with a product, they are even less likely to say anything. Most customers do not know how to complain about poor service, or believe that it will do any good.

But they do not keep quiet. Customers love to talk about problems and bad service they have experienced. Complaints are one of the most favourite, socially acceptable topics of conversations at dinner tables, office gatherings, and at airports, where travellers who don't even know each other spend hours discussing their service nightmares. One research study found that 55% of travellers who have problems with airlines, hotels or rental-car companies endure in silence. But put a group of frequent travellers together, and you will quickly learn one of their preferred topics is all the bad things that can happen while travelling.

So, even though businesses may not like to receive negative feedback, customers who complain directly to them-and not to everyone else-are in every way presenting them with a gift. At least the customer is talking to the people who can help that customer change his or her attitude about that company.

What is a complaint? In simplest terms, a complaint is a statement about expectations that have not been met. That is, in the mind of the customer, you are off-brand. It is also, and perhaps more importantly, an opportunity for an organization to satisfy a dissatisfied customer by fixing a service or product breakdown. In this way, complaints are gifts customers give to businesses. The company will benefit from opening this package carefully and seeing what is inside.

Complaints define what customers want. Customer complaints tell organizations how to improve services and products-and thereby help to maintain market share.

*The selling edge trick is to establish a continuously flowing pipeline from the customer's mind to the salesperson's ear. When you keep track of what customers want and do not want, what pleases and gripes them, you can adjust your sights accordingly and stay a step ahead of competitors.*

- John Davis, IBM representative

If no one complains, there is little incentive for organizations to change their practices, products, prices, services, approaches, or systems. It is only when there are complaining customers that organizations get a wake up call to take a look at what they are doing.

It is reasonable to argue that the more complaining customers an organization is graced to receive, the more likely that organization will succeed, if it then acts on those complaints.

*One of the surest signs of a bad or declining relationship with a customer is the absence of complaints.*

- Ted Levitt, Harvard Business Review

There is probably no single area in the customer service realm that companies could benefit more from improvement than in the area of customer complaints. Consider the statistics.

- In most situations, only four percent of dissatisfied customers complain to the organization involved.
- Of the customers who do bother to say something, more than half of all the organisation's efforts to respond to this feedback reinforces the customers' initial negative reactions.

General Tyre, Inc., based in Akron Ohio, for example, learned by listening to customer complaints, that 65 percent of its dealers would buy more General Tyre products if they were able to place purchase orders through one order taker. This was a common source of customer annoyance. As a result of this information, General Tyre has undergone a complete reengineering effort, resulting in a revamped company that has cut costs and dramatically improved how it interacts with its customers, or so report General Tyre customers.

Wesbar, a trailer accessory manufacturer located in West Bend, Wisconsin, asked for and then listened to bitter complaints about product quality from consumers. As a result, Wesbar developed a range of improved products that have been standard equipment for two dozen of the larger trailer manufacturers. Even today, people say these products are unique in the marketplace.

Marina owners Nick and John Hoty of Ohio's Hoty Enterprises learned from listening to customer complaints that clean restrooms are the *"fastest way to have happy, paying customers, who will recruit more customers."*

Frigidaire Co. adopted a form packaging system that promptly diminished customer complaints about damaged parts. Frigidaire further benefited in that the packaging system simplified packing activity tenfold and saved space in its factory.

QuickPark, Inc., is a company that manages parking lots in several cities across the United States. By paying attention to customers who complained that it took too much time to process cars as they left their lots, QuickPark

instituted several changes that expedited the processing of exiting cars-pleasing customers and saving QuickPark nearly \$500,000 annually.

*Customers who take time to complain still have some confidence in the organization. Customers who complain, after all, are still customers.*

- Janelle Barlow and Claus Møller, A Complaint Is a Gift.

For businesses that need to be responsive to quickly changing market conditions, listening and rapidly responding to complaints helps the organization stay in touch with customer expectations. Convenience stores, for instance, sell items that may remain in high demand for just a few months. Customer complaints ("Why don't you carry...?") rapidly communicate changing marketplace interests to the company. Yet, how many convenience stores actively encourage such feedback from customers and then act on this information?

Other, less trendy businesses have learned this lesson as well. Market research can be static compared to the complex, dynamic, talking marketplace. Coca-Cola was blasted with complaints on its toll-free "Get-Coke" lines in 1985, when it substituted the "new Coke" for what today is known as Coke Classic. It responded immediately to the outraged public, mollified their shaken customers, and averted a potentially huge financial loss. When a company pays attention to its marketing research, it may only hear part of the story. After all, Coca-Cola had thoroughly researched the "New Coke" concept. Today, Coca-Cola is winning the cola battle.

Effective service recovery can lead to strong customer ties. Exceeding customer expectations, whether during the initial sale or when a complaint is registered, builds trust between buyers and sellers.

*In companies that plan their service recovery, frontline employees know they have the support of the company behind them to fix things that go wrong for the customer, and they are encouraged to bring complaints to the attention of management. Companies that are excellent at service recovery never stop working at it.*

- Janelle Barlow and Claus Møller, A Complaint Is a Gift.

A Hong Kong hotel recently discussed an outstanding example of how service recovery can result in strengthened customer relationships. An employee of a large American communications company who was a new resident in Hong Kong stayed at this hotel for an extended period while arranging his permanent housing. When he checked out of the hotel, he settled his large bill, and then submitted expenses to his own company. As it turns out, the hotel had undercharged the guest by about 35,000 HKD.

When the hotel discovered this a month later, an accountant contacted the man and told him he owed the additional amount. The customer was upset about paying an additional amount since he had already invoiced his own company for his expenses. For the customer to bill additionally for the stay

would not be an easy matter. He might even be forced to pay the amount out of his own pocket.

The problem kicked around several levels of the hotel's organization and finally arrived on the desk of the general manager, who asked the now frustrated former guest what the hotel should do. The man argued that he should not be billed the extra amount; the hotel had made a mistake and now it was penalizing him for its own sloppiness. The GM swallowed hard and agreed. The GM also apologized to the customer and thanked him for his business-and his patience.

The additional bill was wiped clean. A few weeks later, that same hotel guest called the hotel to book over a million HK dollars worth of rooms for his company to be occupied over the following year. He called back a second time and booked another 350,000 HKD in rooms.

The psychological principle at work here is called reciprocity. And it is one of the major reasons why businesses need not fear complaining customers. If you do something for customers to fix their problems, they will in most cases give you something in return. And what they are likely to give you is their continuing loyalty and business.

In every way, the complaining customer is giving a gift, and it would behoove businesses to view complaints this way. While most service providers could benefit from improvement in the way they handle complaints, many customers don't know how to complain effectively.

Both sides, customers and service providers, in most cases are not demonstrating their strongest abilities. In this elaborate, clumsy dance of exchanging complaints and handling them, somehow we have to make something positive happen. Customers frequently present their gifts in rather poorly wrapped packages. Customers can be upset, annoyed, and frustrated by the time they get around to saying anything, so it is frequently difficult for the service provider to see a gift in the complaint.

If organizations wait for customers to learn how to complain politely, reasonably and in the manner they want, they may wait for a while. Furthermore, every time a service representative receives an aggressively delivered complaint "gift," they may be inclined to give it back to someone else in the same aggressive packaging when they complain. This is not a situation that is conducive to pleasant social action!

Complaining is rarely fun to do. It takes a considerable amount of energy in many cases, and most customers believe that nothing will happen in any case. At least one partner in this dance has little motivation to change behaviour. Nonetheless, everyone who complains could benefit from understanding that they frequently are representing their own company when they complain.

At TMI in the United States, we have customers who will call and scream at our product fulfillment team when a mistake has occurred. On occasion, they swear. The mistake could be over something so minor as taking too long to

write down the correct spelling of the customer's name. Or having to ask the customer to repeat and then spell out the name of the street address or city. Both sides are having a difficult time in such an interaction.

The end result is that TMI staff say in meetings that they will never buy the products of the companies that these customers represent. We come full circle. Customers may be so upset with how they are treated that they won't do business with a particular company, and that company's personnel may never do business with the complainer's company because of the way the complaint was delivered!

The head of a major U.S. corporation frequently tells a story of how an oil company created a credit problem for him when as a young man he went off to Europe and forgot to make arrangements to pay his petrol credit card bill. When he became head of a package delivery service, his company was in the process of renegotiating their fuel supplier's contract. Their supplier was the same petroleum company who had treated the CEO so poorly when he was younger. He refused to sign another contract with the oil company.

This corporate executive moved on to another position to head up a major telecommunications company. Acting as a spokesperson for his company, he enjoys telling this story to large audiences, and he names the parties involved. I would be concerned that the petroleum company might retaliate by stopping doing business with the telecommunications company-and the package delivery service.

Too many of us forget that many times we represent larger interests than just ourselves. Service providers remember the attacks they have endured at the hands of violently upset customers. And they remember these complainer's companies. One of the world's renowned high-tech manufacturers, known in the field for being one of the highest quality producers around, is also well-known as being an extremely difficult customer to its vendors.

Complaints are gifts. It would be good for all of us to wrap our gifts carefully when we are the customer. When organizations calculate the benefits from teaching their staff to become more effective complaint handlers, it would also be good for them to spend time reminding their staff to represent their company well when they are customers.

**This is an article based on the business best-seller, *A Complaint Is a Gift - Using Customer Feedback as a Strategic Tool*, by Janelle Barlow and Claus Moller (Berrett-Koehler Publishers, 1996).**