How to Handle Customer Complaints

With the Internet as the disgruntled customer's oyster, there are new rules for responding to rants.

By Tali Yahalom | Apr 28, 2010

Customer loyalty can be elusive, but it is imperative to running a successful business. In today's hyper-digital world, there are myriad online forums that welcome venting and complaining. With the click of a button, an unhappy client could send your company or its sales into a tailspin. "Don’t underestimate the power of a disgruntled customer," says Rebecca Morgan, an executive advisor and customer-service expert who authored Calming Upset Customers. "They wreak havoc in your organization because [complaints] upset everybody and, with these tools of Twitter and Facebook and Yelp, they can get the word out quickly."

In truth, the customer isn’t always right, and it’s tempting to engage in heated arguments, especially when it comes to defending your business, employees, and even yourself. But if customer retention is the end goal, listening intently and sticking with a calm, collected approach will help troubleshoot even the toughest complaint. Customer feedback is a "gift," says Ann Thomas, a senior consultant at Performance Research Associates, a consulting firm in South Bloomington, Minnesota, that deals with customer service-related issues. "I can’t fix the problem unless I know about it."

How should you proceed once a complaint is brought to your attention depends largely on the nature of the customer's complaint – and the severity with which it is brought.

Handling Customer Complaints: Shut Up and Listen

As simple as it sounds, the first – and most important – step to take when dealing with a complaining customer is to be quiet and listen. Often customers feel the need to vent frustration with a product or service before even considering a proactive solution. "Acknowledge the customer’s emotional state," Thomas says. Remember that a good empathy statement does not imply ownership of the problem.

Another key communication tip involves asking open-ended questions that involve the customer, Thomas says. This technique will not only divert focus from emotional frustration but also generate copious information about the problem at hand and help you arrive at the appropriate solution. "Rather than getting defensive … I need to simply listen to the customer, accept the feedback, thank the person, and then decide what to do," she adds. As a bonus, the customer might feel appreciated and cared about, alleviating some of their emotional frustration.

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Handling Customer Complaints: Don't Take Anything Personally

As frustrating as it is to be the customer with a complaint, it’s no delight being the business representative who gets yelled at for a problem likely caused by something or someone else. But, Morgan cautions, don’t take it personally. "People say stuff, and they call us names, and they say we’re incompetent. Listen to them fully without interrupting, if possible, and then help them."

Further, don't respond to accusations or offensive complaining in a way that perpetuates the argument. Comments like "You did it wrong! That’s why you’re having a problem!" will only escalate the issue rather than deflate anger. Don't get defensive. Instead, try a tactic Morgan advises: Point some of the blame on an inanimate object, such as an entry form or confusing instruction manual – problem-causing devices that, most importantly, can't yell at you. This way, Morgan says, you acknowledge there's a problem and, without finger pointing or putting anyone on the defensive, can work with the customer to agree on a mutually satisfactory solution.

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Handling Customer Complaints: Ditch the Formalities

The last thing unsatisfied customers want to hear is a recitation of your company’s return policies. "Today’s customer expects to be treated as an individual, not as just another number who’s complaining," Thomas says.

Consider the case of a department store with a 90-day deadline for returning an item. If there’s a customer who just got married, returned from her honeymoon and, at day 100, realized that a gravy plate adorned with doves is actually not her style, it’s worth looking into alternative options rather than sending her home right away. Your company should know that occasionally bending the rules will ultimately cost less it than it would to lose the customer or, worse, if the customer leaves and relays a negative story about your company.

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Handling Customer Complaints: Avoid Overcompensating

A particular four-letter word usually does the trick when seeking a solution to a customer’s complaint: fair. "One of the key phrases, which not a lot of people use, is: what would you think would be fair?" Morgan says. "That word fair does seem to bring out in people a sense of, OK, this is reasonable."

Otherwise, Morgan cautions, customers may jump at the opportunity to demand inappropriate freebies, like a fully compensated meal when a free dessert would be enough. Beside, the customer's main priority is resolving the issue. Once that's done, extra benefits or compensation are just filigree – albeit important measures to take if you want the customer to come back.

Thomas adds that if you ask the customer to propose a "fair and reasonable" solution, acting as a
partnership with you to find a resolution, chances are it will consist of less than what you would have thought to offer.

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Handling Customer Complaints: Patrol Customers’ Conversations on the Web

In today's digital age, there's no way of knowing exactly where a customer will choose to voice a complaint. From traditional hotline numbers and online feedback forms to Facebook, Twitter, and user-review sites such as Yelp, the Internet is the customer’s oyster as far as retaliation is concerned.

Customer service clientele should monitor as many media as possible to make sure all the bases are covered and no complaint goes unnoticed. Consider the case of Comcast, whose employees are authorized to use Twitter to respond to customers’ complaints online. "It shows the public that you're listening," says Morgan, who encourages employees to take advantage of these public forums and post responses on message boards.

Of course, direct communication is always the ideal, and if a customer’s contact information is given, the issue should be dealt with on a personal basis.

Morgan, who often leads seminars and has authored books about effective customer management, adds that once the complaint is resolved, it's worth asking the customer to post again on the original message board and update readers – and potential customers – who may visit the site in the future.

Dig Deeper: Responding to Online Complaints

Handling Customer Complaints: Responding in Writing

When drafting a written statement to respond to a customer's concern, the same basic rules apply as when talking to a customer over the phone or face-to-face. Start out with something positive, Morgan says, and be sure to thank the customer for bringing the problem to your attention. Answer politely and affirmatively and, if the situation merits it, ask appropriate questions that will help to investigate where a service went sour, how to smooth things over with the customer and, finally, how to prevent the problem from reoccurring.

But, Thomas warns, pay careful attention to the tone of your letter. "If you find that the little hairs on the back of your neck are standing up, or you’re clinching your jaw as you write the email," it’s probably worth your while to have a colleague edit the document before sending it.

Also, always follow up with verbal communication. Provide the best way(s) for the customer to get in touch with you – the more information you provide, like a cell phone or personal email, the more serious your troubleshooting efforts will appear to the customer. Thomas adds, "you can get a lot more done verbally than you can through writing."

Remember that when penning a response, be it on formal letterhead or in a 140-character tweet, you are
representing your company. Don’t write anything that you wouldn’t feel comfortable saying in person.

Dig Deeper: Study Ranks Cities with Best and Worst Customer Service

Handling Customer Complaints: Additional Resources

Turn Upset Customers into Satisfied, Loyal Customers. A seminar on how to calm, please and retain customers from customer service expert Rebecca Morgan. Books and audio on the topic are available here.


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