

FIRST+

Financial Institution Resilience & **ST**rengthening

Handling Customer Complaints

Presenter name: Terry Lennon



CapPlus
CapitalPlus Exchange



Young
Africa
Works



Webinar Objectives

1. Why customers complain
2. Tips on **resolving** customer complaints
3. What customers **expect** from their bankers who are dealing with their complaints
4. Complaint **management** system
5. How to **reduce** the number of complaints in the first place



Customer Complaints

“Your most unhappy customers are your greatest source of learning”

Bill Gates

Microsoft



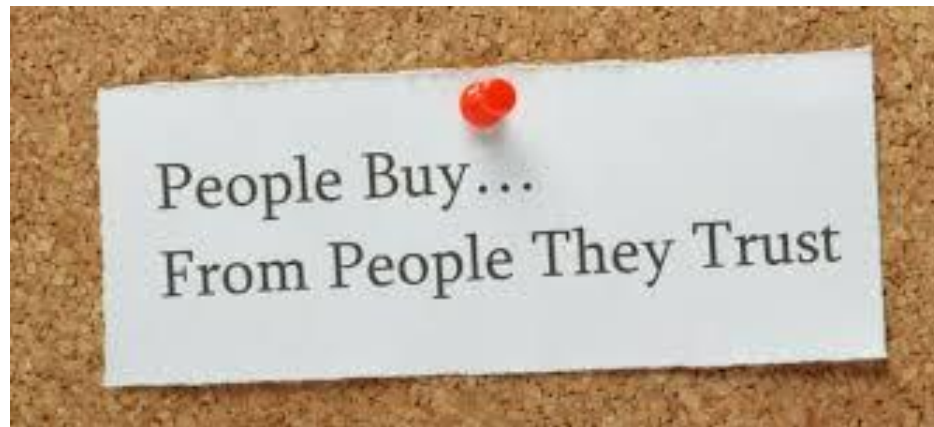
Free Customer Research

- Think of customer complaints as **free customer research**
- Your customers are telling you where / how you **need to improve**
- The complaint is **not personal** – so don't take it personally – it is about your organisation



Complaints are a Gift

- If a customer is **complaining**, you are being given a chance to **retain** that customer
- They give you the opportunity to build **long term** relationships
- Handled correctly – it increases **customer trust**



Customer Complaints

- Customer complaints are usually rooted in **legitimate problems**
- Even if you **feel** like you've done everything right the first time, you should always take every customer complaint **seriously**
- **For example**; It's understandable for a customer to become frustrated when your customer service representatives:
 - **Don't know** the ins and outs of your products or services
 - Or if your employees act **disinterested**
 - Or, even if your customers are totally **ignored**
- When customers have questions that **can't be answered** or if they **can't find someone** to answer their questions, you've got a **problem**



Apologize and Thank Your Customer

- It may feel difficult, but **swallowing your pride** and **apologizing** for your customer's poor experience will put you miles ahead of the game
- As with acknowledgment, apologizing does not mean that you agree with the customer, **nor are you taking the blame**
- It may seem **counterintuitive**, but thanking your customer for reaching out with their issue will also show that you're always trying to **improve** your business
- It demonstrates that you **understand** where they are coming from and that you are ready to **resolve** the problem for them

*thank
you*

Customer Complaints can Strengthen a Relationship

- Many customers will **continue** doing business with you after they've been dissatisfied and complained.
- In fact, a complaint is an opportunity that can actually result in the customer having a **more positive view** of your business after a complaint is resolved than before they ever had a problem.
- Being able to **assess** and **address** customer complaints **efficiently** is key to making this happen.



Identify The Type Of Customer You're Dealing With

- **A study from the University of Florida** found that when dealing with customer complaints, you may run into one of the following **types** of customers, each "motivated by different beliefs, attitudes, and needs":
 - Customers who **aren't shy** about letting you know they're **upset** - when responding, avoid mirroring their confrontational behaviour; instead, react with **firm politeness**
 - Customers who **pay well** and demand **premium support** for it - when responding, avoid excuses and just **get to the solution** - consider creating a **VIP folder** to make it easy to identify and respond to their complaints

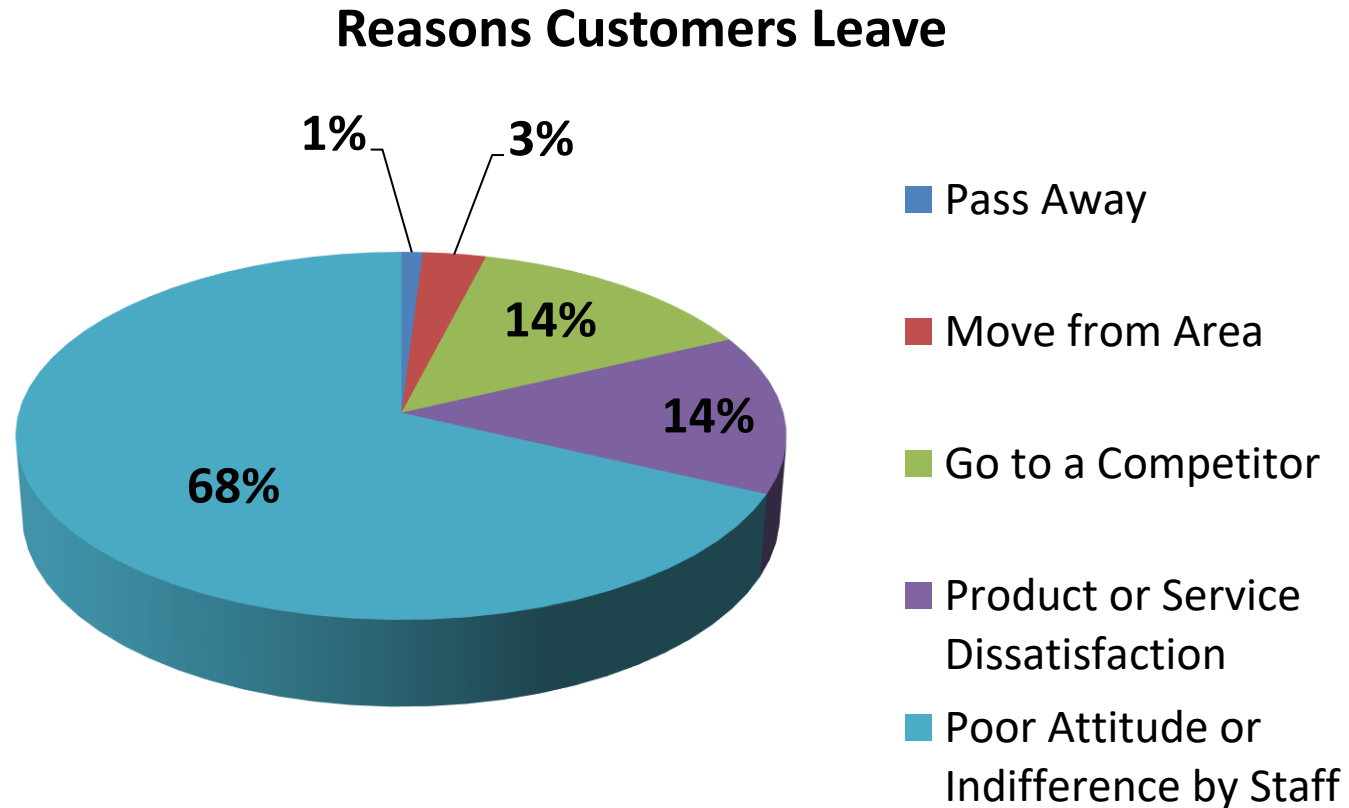


Identify The Type Of Customer You're Dealing With

- Customers who contact you **frequently** - stay **patient** and avoid coming across as **frustrated** when responding to these customers - when **satisfied**, they often become **repeat customers** and advocates for your company
- Customers who **don't want to complain** and may just take their business elsewhere **without ever letting you know** there was a problem - you'll have to actively **reach out** to these customers to solicit and **resolve** their complaints; otherwise, you may never hear their feedback
- These are **broad descriptions** of course, but being aware of different persona types can help you respond most appropriately to the real person you are assisting



5 Reasons Customers Leave



Source: *What You Do: Create Service Excellence That Wins Clients for Life* by Bob Livingston

Most Common Customer Complaints - Banks

1. Excessive / hidden **fees**
2. **Bad** customer service
3. Cheques / funds **bouncing**
4. **Overdraft** fees
5. **Not feeling wanted** – lack of **loyalty** by bank

Source: MyBankTracker Sept 2022

Most Common Customer Complaints - Banks

6. **Loan** / mortgage issues
7. Bank errors / **mistakes**
8. Bad branch **experiences**
9. **Small businesses** not handled **fairly**
10. Failing to **honour** their **promises**

Source: MyBankTracker Sept 2022

Customer Query v Customer Complaint

- Firstly, a **query** is not a **complaint** – if a customer has a query, an **honest, factual explanation** is usually all that is needed
- If the same query keeps **occurring** it suggests that you probably need to adjust the information or the service you are giving to customers
- When you do receive a **complaint**, don't **panic** or reply immediately – take your time to consider what is the issue



Complaints Need to be Resolved

- When **conflicts arise**, some people have a tendency to **deny** them, **debate** them, **shift responsibility** for them, place **blame** for them, or hold their breath **hoping** they'll **go away**
- Accept **ownership** of the problem, **collaborate** on a **solution**, and take on the burden of finding a **resolution** regardless of fault



Handling Complaints

- Complaints usually have some **validity** and can be an “**early warning system**” of conflict on the horizon
- When you view complaints this way, they can become your **ally**, helping you resolve problems and **minimize** their impact
- Complaints that go **unattended** may **evolve** into **conflicts** that could have been avoided



Handling Complaints

- **Before** you get **defensive**, take a **breath**
- When we get defensive we make it **harder** for our customer to **hear** what we're saying, and we usually **trigger** the other person's **defensiveness**, too
- Stay **calm** – you want to move towards **cooperation** — and away from **explosion**



Resolving Complaints

➤ A useful process for handling objections is to use the mnemonic **L.A.T.E.R.**

➤ **L = Listen**

➤ **A = Ask**

➤ **T = Think**

➤ **E = Engage**

➤ **R = Review**



L.A.T.E.R

L =	Listen: Don't jump in – use active listening (nodding) – everyone has the right to complain and have alternate views
A =	Ask: Get more information if you need it, e.g. clarify what really is the problem
T =	Think: Pause to think your complaint handling technique
E =	Engage: Respond using your chosen complaint handling technique
R =	Review: Check that you have addressed their concerns? Any others?

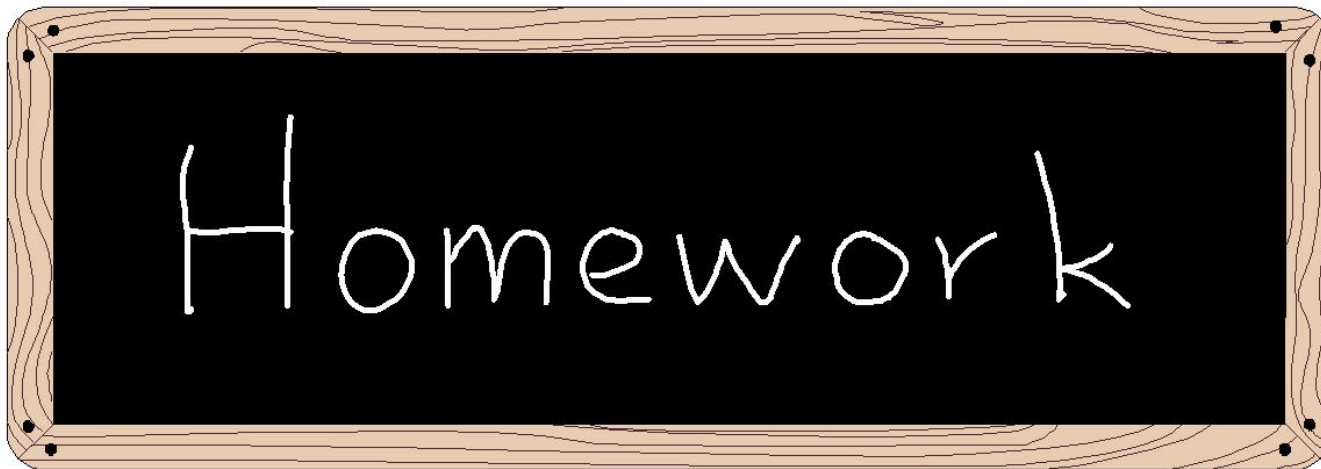
Customer Handling Technique

- When you hear a customer **complaint** or **objection**, the very first thing you say is critical:
 1. **Acknowledge**, e.g. *“Ok, I understand”*
 2. **Paraphrase**
 3. **Ask questions** to get more information
- By **probing** your customer / prospect you will get **real information** about their **concerns**



Identify Main Customer Complaints

- What are the most **frequent** complaints and objections customers raise as to why they will not do business with your bank?
- Identify **sample answers** that can **persuade** the customer to do business with you.



What are Customers Looking for....

1. What every customer wants from the person **handling** their complaint:
 1. They want to be **heard**
 2. They want to be **understood**
 3. They want to be **cared for**
 4. They want **empathy**
 5. They want a **resolution**
 6. They want **acknowledgement** that they are **valued**



Complaint Management System

- An effective **complaints management system** can help:
 - Identify opportunities for **improvement** of your processes and products/services
 - Eliminate the **root cause** of the complaints and stop problems from happening again, instead of just dealing with the complaints when the problem happens
- Deal with a complaint in its **early stages**, avoiding escalations and problems
- Improve the **company image** and customer **satisfaction** and **loyalty**



Complaint Management System

- Steps for handling the customer complaint:

1	Customer complaint received
2	Record the complaint
3	Analyse the complaint
4	Resolve the complaint
5	If complaint resolved – formally close off
6	If complaint cannot be resolved – escalate for investigation
7	Periodically review nature and cause of complaints and develop action plan to eliminate cause of complaints

Customer Complaint Policy

- Our **commitments** in complaints processing:

*“If you have received **unsatisfactory** service or have an issue with a policy or process, please contact us so that we may work to **resolve** the problem as **quickly as possible.**”*



Customer Complaint Policy

- For each complaint, we are **committed** to:
 - *Formally **acknowledge** receipt;*
 - *Provide you with **regular updates** on our progress in dealing with your complaint;*
 - *Provide you with a **response** in a **defined timeframe**;*
 - *Provide a **solution** to resolve your complaint to your **satisfaction**;*
 - *Provide you with **alternative solutions** in the event our response is not satisfactory.*
- ***Each complaint is an opportunity for us to improve the quality of our service.***



How to Reduce Customer Complaints

- **Exceed expectations** - personalise your service. Deliver a "**wow**" customer experience
- **Always be available** - be there to serve customers whenever they need you to be there - reliability and availability are vital
- **Customize how you serve** - find or develop solutions that fulfil your individual customers' specific needs – treat them as individuals
- **Be easy to deal with** - make doing business with you easy and pleasurable - try to exceed customers' expectations by creating hassle-free experiences



How to Reduce Customer Complaints

- **Put the customer first** - don't wait for opportunities to present themselves - seek them out - give customers more than they expect
- **Remember nonverbal communication** - when communicating with customers, observe their non-verbal signals and be mindful of your body language
- **Communicate constantly** - ask open questions that result in a dialogue - the more the customer talks, the more you'll learn about them



Upcoming Events

13 Oct, 10:00 **Customer Relationship Management Webinar**
Presenter: Josephine Adams

25 Oct, 11:00 **Sales and Marketing Webinar #4: Developing an MSME focused marketing and sales plan to improve sales performance**
Presenter: Terry Lennon



CapPlus
CapitalPlus Exchange



Young
Africa
Works

