

Customer Service Practices and Policies among Missoula Area Businesses February, 2010 Report

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Written Comments to Open Ended Questions

This is part six and the final part of the report on the survey of the Missoula Chamber of Commerce members with regard to their customer service policies and practices. At the end of the survey, we asked respondents to provide written descriptions of (1) the company's efforts related to customer service recovery and (2) the ways in which the company incorporates customer feedback in the business operations. We received a large number of responses (110 and 92 respectively) which indicates the interest of the respondents and the relevance of the questions to them. In order to analyze and summarize the meanings of the written comments, we identified common themes and categorized responses according to those themes.

First question: Describe company's efforts related to customer service recovery (efforts to address the concerns of unhappy/complaining customers and win them back).

We classified the 110 written responses into 5 broad categories. The largest category (50%) consists of responses which indicate a company policy of keeping the customer happy by all means. These companies follow the principle that the customer is always right and the company is determined to do whatever it takes to keep customers satisfied. While this is a fundamental principle of Customer Service, it is important to note that companies which do not have clear guidelines but rather do "whatever it takes" may provide inconsistent and costly responses to customers.

The second largest category (23%) represents responses that indicate the company trains employees and has specific policies in place for customer complaint handling and compensation. Training employees on how to handle unhappy customers and how to listen to complaints is often the most effective and least costly action. Further, the third category (10%) includes responses which indicate a company philosophy that the customer is not always right and that customer complaints should be evaluated for validity. Dealing with "devil" customers is an unfortunate reality of customer service and it is good managerial practice to discourage bad customers from taking advantage of the company. However, while doing so, it is critical to retain the right perspective and remember that bad customers can do even more damage through negative word-of-mouth advertising to others.

The fourth category (10%) includes comments suggesting a policy of referring customer complaints to managers (owners and supervisors) for resolution. Involving management in service recovery and complaint resolution ensures a high level of quality, consistency, and cost control. However, companies

need to carefully consider empowering front-line employees to avoid becoming the locus for handling customer complaints and concerns. Finally, 6% of surveyed companies seem to either not recognize customer service failure and recovery as an issue or have no process in place to address it. The following are sample verbatim comments for each category.

1. Keep the customer happy by all means. 55 responses fall in this category (50%).

“It's very important to ‘hear’ what the problem is and then address it in a very prompt manner. If a customer has a problem with us, whether they are wrong or not is not the point. The point is how they feel, therefore, they are right and we must approach each situation accordingly. It has been our experience that if you acknowledge that you are wrong chances are your relationship with the customer will become stronger, simply, because they know that you will address the situation.”

“We do everything possible to make the customer happy; sometimes to the extent of losing money.”

2. Employee training or having a policy in place to address the complaint/compensation in responding to customers. 25 responses (23%).

“Our efforts include individual counseling with employees regarding customer complaints. Sometimes we will refund some money, but more often offer compensatory services instead.”

“We train our people to lead the person away from the main area of business, away from other customers and let them talk and explain their issue. First element in addressing complaints is just LISTENING to them and understanding them. We apologize. We know that if we handle the complaint to the customers’ satisfaction, that we have a more loyal customer than we did if they had no complaint.”

3. It depends on the nature of the complaint; customer is not always right. 11 responses (10%).

“We rarely get complaints, but when we do, we take one of two actions. If the complaint is unreasonable, we don't care to retain the customer. Unfortunately "the customer is always right" policy has led too many people to interpret it as a license to abuse employees. If that's the problem, I evict the customer. However, if the customer has a reasonable complaint and expresses it in a non-abusive manner, we do everything we can to make up for the error, including apologies and free merchandise.”

“We practice Nordstrom's Policy: "Do whatever it takes to make the customer happy." If/when we realize the customer will never be happy, or we know that they are not telling the truth, we go as far as we can and inform them that for future work, they will need to seek another company to provide the level of service they are expecting as we cannot meet their expectations.”

4. Call the supervisor/manager. 12 responses (10%) fall primarily in this category.

“We take customer complaints seriously and if line managers cannot resolve complaints, then higher levels of management contact customers to attempt resolution.”

“Complaints are taken and followed up by a manager within a timely manner. Once full information is gathered, the client will be contacted and given the results. If they wish to escalate it, we help them through that procedure as well until an issue is resolved or decided on at the highest level.”

5. No policy or not recognized as an issue. 7 responses (6%).

“Right now, we don’t have a method of addressing unhappy or complaining customers. (Unfortunately) it seems we have had many unsatisfied customers in the past, and this segment of the business has not been dealt with correctly. We simply try to take care of the customer whether or not they are right or wrong.”

“No process in place; our type of business rarely encounters dissatisfied customers.”

Second Question: Describe how your company incorporates customer feedback to change company operations and how it does business.

Again, we classified the 92 written responses into 5 broad categories. The largest category of responses (33%) represents companies with a policy of evaluating customer complaints in order to identify the existence of systematic problems in the customer service delivery which can be controlled and corrected. The next largest category (23%) consists of responses which suggest the existence of ongoing marketing research mechanisms that collect customer feedback and track customer service in a systematic manner. For these companies, customer service improvement is an ongoing process. An equally large group of respondents (22%) indicated that their companies put much emphasis on the internal communication and dissemination of customer feedback. Both positive and negative feedback are used in training and motivating employees to improve customer service.

A smaller group of respondents (16%) offered more generic answers indicating that customer service is a top priority in their companies. All suggestions and complaints are considered, but it seems that these companies do not have systematic methods of tracking and responding to customer feedback. Finally, a small group of respondents (7%) stated that they either did not need to keep track of customer feedback because they did not have unhappy customers or were skeptical of its usefulness because of negative experiences with bad customers. Following are sample verbatim responses for each category.

1. Evaluation of complaints to identify systematic problems in the process which can be fixed. 30 responses (33%)

“If a customer complaint or feedback reveals a shortcoming in our procedures or policies, or proves to be a "hurdle" in accomplishing our goal of exceeding expectations, such policies and/or procedures will likely be modified accordingly. This is one of the benefits of being a "small" business that does not have to answer to a big corporate "mother ship". We can act locally and swiftly.”

“On a case-by-case basis; if a customer complaint reveals that we haven't been handling something properly, we change our procedures so that the same mistake is not made again.”

2. Ongoing formal CS/Feedback tracking systems for CS improvement. 21 responses (23%).

“We have recently implemented an NPS (Net Promoter Score) customer satisfaction process to formally and consistently survey all customers after projects, as well as a random sampling of "tickets" from our customer service desk. We are tracking our monthly score, and each department has the task of taking that information and improving our processes/service so that we can, as a company, improve our score.”

“Customer feedback and/or comment cards are available at all branch locations. The majority of these comment cards are read at staff meetings in the local markets. Feedback from customers can also be filtered through employees; we have a Best Practices website on our intranet, where ideas, suggestions are entered; if new policies or procedures are implemented the employee can earn a % of the company savings.”

3. Internal communication of customer feedback and use in training and motivating employees.

20 responses (22%)

“Our most important customer is the staff person who delivers our service. We are constantly using feedback on services to improve service training. The best way to train is with the list of compliments we've received. Employees WANT to repeat what was done great – we teach them how to do the right thing in the right way, the first time.”

“Negative as well as positive feedback is relayed to employees weekly so as to keep employees informed on how to handle such circumstances in the future.”

4. Customer Service comes first and all customer complaints and suggestions are considered.

15 responses (16%)

“We always look at how we do things in response to complaints - asking managers to explain what we did and why we didn't change our practice. We have very few complaints as business comes from a small selected "referrals" to our services so we are always working on that relationship before there are complaints.”

“On a daily basis...our reputation usually precedes us and we are known for the highest level of customer service; we always go above and beyond.”

5. Complaining is not a problem or nothing is done about customer feedback. 6 responses (7%)

“We have so few complaints that there is no need to change policy.”

“Because of those customers who do not tell the truth (about 10% of complaints) it has made us rigid and suspicious of new customers. It has made us explain in detail everything that we can and will do, and everything that is not in our realm of warranty.”