

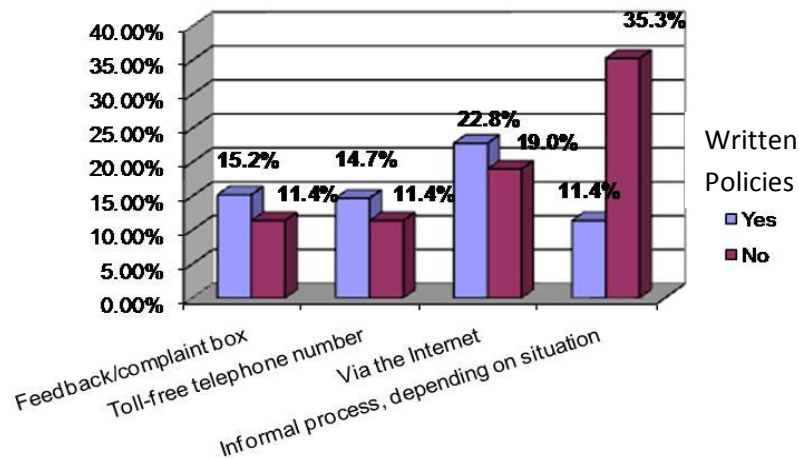
Customer Service Practices and Policies among Missoula Area Businesses
August, 2009 Report

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This is part four of the report on the survey of the Missoula Chamber of Commerce members with regard to their customer service policies and practices. As part of our study, we also conducted a statistical analysis of results to see if there were differences among respondents based on whether companies had developed written policies for handling customer complaints, whether they hired employees specifically for customer service positions, and whether they provided employee training in handling customer complaints. The Chi square test results show statistically significant differences among respondents based on these variables with a 95% confidence interval (the probability that the differences were not based on chance). The results are explained below.

A potential advantage of companies having written policies for handling customer complaints, research shows that those firms are more likely to be more systematic and consistent about attending to customer complaints and that fair and consistent resolution of these complaints is more likely to be the outcome. Survey results in Figure 1 show that these firms are more likely to receive customer feedback regardless of the venue for such feedback. One explanation is that written and streamlined policies encourage customer feedback through established processes. Importantly, firms that have written are far less likely to receive and process complaints on an informal basis (11.4% for firms with written policy versus 35.3% for those without written policies).

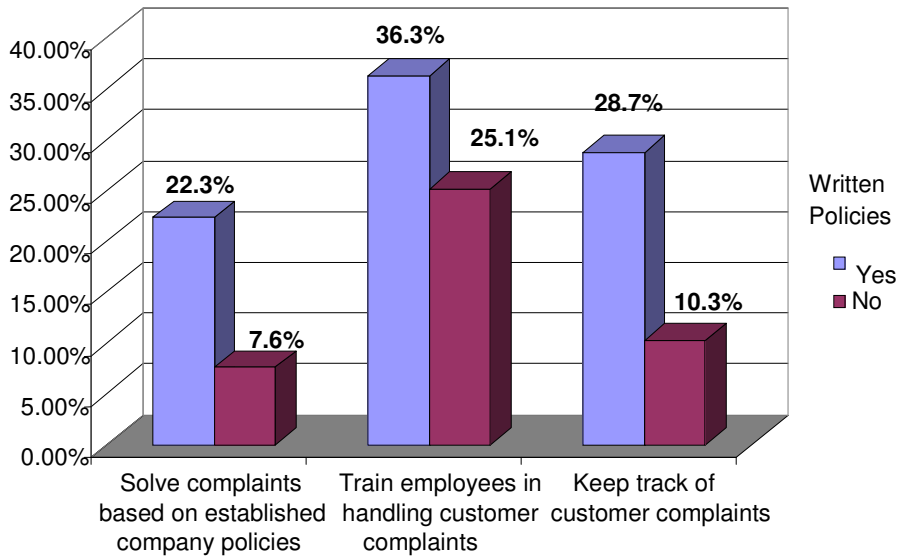
Figure 1. Methods of Receiving Customer Feedback



The information in Figure 2 reinforces this difference between the two types of firms. Compared to companies that do not have written policies, those who have written customer service policies are more likely to solve complaints based on established policies (22.3% versus 7.6%), provide training for employees in handling customer complaints (36.3% versus 25.1%), and keep track of customer complaints within the company (28.7% versus

10.3%). The overall conclusion may be that companies with written customer service policies appear to be more serious and systematic about their relationships to customers.

Figure 2. Differences in Complaint Handling Practices



As noted previously, research shows that employees who exhibit a positive attitude, can establish rapport and empathize with others are likely to do well as customer contact personnel. It follows that companies are better off looking for employees with such qualifications at the outset during the hiring process. The following findings seem to support the same conclusion (see Figure 3). Companies that hire employees specifically for customer service positions are less likely to refer complaints to managers since these employees are more capable of handling such complaints on their own (27.8% compared to 42.4%). Furthermore, these companies are more likely to train the employees they hire in methods of handling customer complaints (37.1% compared to 32.1%) since they were hired specifically for that purpose. Also, such companies seem to be more focused on feedback from their customers and more likely to keep track of the complaints they receive from customers (24.5% compared to 15.8%).

Figure 3. Differences in Complaint Handling Practices

