

BSBCMM301 Process Customer Complaints - Resource



**BSB30115 Certificate
III in Business**

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COURSE INTRODUCTION

ABOUT THIS GUIDE

This learner guide covers one unit of competency that is part of the BSB30115 Certificate III in Business Training Package:

BSBCMM301 Process customer complaints

This unit describes the performance outcomes, skills and knowledge required to handle formal and informal negative feedback and complaints from customers. Operators may exercise discretion and judgement using appropriate knowledge of products, customer service systems and organisational policies to provide technical advice and support to a team.

This unit applies to individuals who are skilled operators and apply a broad range of competencies in various customer service contexts.

ABOUT ASSESSMENT

This guide contains a range of learning activities which support you in developing your competence. To apply this knowledge to your assessment you will be required to complete the assessment tools that are included in your program. The assessment is a competency based assessment, which has no pass or fail; you are either competent or not yet competent. This means that you still are in the process of understanding and acquiring the skills and knowledge required to be marked competent.

For valid and reliable assessment of this unit, a range of assessment methods will be used to assess practical skills and knowledge.

Your assessment may be conducted through a combination of the following methods:

- Third-party reports from a supervisor
- Practical demonstration of your skills in a classroom situation
- Projects and assignments
- Portfolio of evidence
- Written or verbal questioning to assess knowledge and understanding of business policies and procedures
- Oral presentation
- A combination of these methods

The assessment tool for this unit should be completed within the specified time period following the delivery of the unit. If you feel you are not yet ready for assessment, discuss this with your trainer.

To be successful in this unit you will need to be able to join you're learning to your work place, this should be achievable for those who are employed and for those who are not yet employed and you will be required to use observations of examples that can take place in a workplace environment.

ELEMENTS AND PERFORMANCE CRITERIA

- | | |
|--|---|
| 1. Respond to complaints | <ul style="list-style-type: none">1.1 Process customer complaints using effective communication according to organisational procedures established under organisational policies, legislation or codes of practice1.2 Obtain, document and review reports relating to customer complaints1.3 Make decisions about customer complaints, taking into account applicable legislation, organisational policies and codes1.4 Negotiate resolution of the complaint and obtain agreement where possible1.5 Maintain a register of complaints/disputes1.6 Inform customer of the outcome of the investigation |
| 2. Refer complaints | <ul style="list-style-type: none">2.1 Identify complaints that require referral to other personnel or external bodies2.2 Make referrals to appropriate personnel for follow-up in accordance with individual level of responsibility2.3 Forward all documents and investigation reports2.4 Follow-up appropriate personnel to gain prompt decisions |
| 3. Exercise judgement to resolve customer service issues | <ul style="list-style-type: none">3.1 Identify implications of issues for customer and organisation3.2 Analyse, explain and negotiate appropriate options for resolution with customer3.3 Propose viable options in accordance with appropriate legislative requirements and enterprise policies3.4 Ensure matters for which a solution cannot be negotiated are referred to appropriate personnel |

REQUIRED SKILLS AND KNOWLEDGE

This describes the essential knowledge and skills and their level required for this unit.

REQUIRED KNOWLEDGE

- Key provisions of relevant legislation from all forms of government that may affect aspects of business operations, such as:
 - Anti-discrimination legislation
 - Ethical principles
 - Codes of practice
 - Privacy laws
 - Occupational health and safety (OHS)
- Importance of good communication skills and the individual's role in processing customer complaints
- Organisational procedures and standards for processing complaints and recommending appropriate action

REQUIRED SKILLS

- Analytical skills to identify trends and positions of products and services
- Communication skills to:
 - Interpret customer complaints
 - Monitor and advise on customer service strategies and resolutions
- Communication skills to:
 - People with diverse abilities
 - Relate to people from culturally diverse backgrounds
- Literacy skills to:
 - Edit and proofread texts to ensure clarity of meaning and accuracy of grammar and punctuation
 - Prepare general information and papers according to target audience
 - Read and understand a variety of texts
- Problem-solving skills to:
 - Apply organisational procedures to a range of situations
 - Deal with customer enquiries or complaints
 - Exercise judgement in this application
- Self-management skills to:
 - Comply with policies and procedures
 - Consistently evaluate and monitor own performance
 - Seek learning opportunities

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required knowledge and skills, the range statement and the assessment guidelines for this Training Package.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- Applying judgement in the application of industry and/or organisational procedures
- Working with customer complaints
- Knowledge of organisational procedures and standards for processing complaints

Context of and specific resources for assessment

Assessment must ensure:

- Access to an actual workplace or simulated environment
- Access to office equipment and resources
- Examples of customer complaints
- Examples of documents relating to customer complaints policies and procedures

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- Direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- Analysis of responses to case studies and scenarios
- Demonstration of techniques
- Observation of presentations
- Oral or written questioning to assess knowledge of individual's role in processing customer complaints
- Review of documentation outlining necessary reports relating to customer complaints
- Review of complaints/disputes register

Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.

PRE-REQUISITES

This unit must be assessed after the following pre-requisite unit:

There are no pre-requisites for this unit.

TOPIC 1 – RESPOND TO COMPLAINTS

PROCESS CUSTOMER COMPLAINTS USING EFFECTIVE COMMUNICATION ACCORDING TO ORGANISATIONAL PROCEDURES ESTABLISHED UNDER ORGANISATIONAL POLICIES, LEGISLATION OR CODES OF PRACTICE

Customer complaints are usually about poor service, faulty goods or goods that don't meet the customer's needs. A skilled employee can turn a customer complaint into a positive experience for the customer.

If an employee receives a customer complaint it should be dealt with quickly and sympathetically. The customer should be thanked for taking the time to highlight a problem with service or product. The majority of customers who have a problem with a business don't complain directly to the business - they just don't deal with the business again, and they tell their friends about the faulty product or poor service they received.



The ramifications for the business are that they have definitely lost one customer and probably many more as the tale of their faulty product or service is spread by word of mouth. The business can't do anything about it because they don't know about it. Therefore the customer who complains is a person who is doing a service to the business and they should be treated accordingly.

Here are some basic steps to follow when dealing with a customer's complaint.

- Greet the customer, smile and tell them your name
- Ask the customer for their name (always be respectful and use their title Mr., Mrs., etc.). Once they have given you their name continue using it throughout the discussion
- Ask the customer the details of the complaint (it doesn't work, couldn't hear the microphone or the technician arrived late). Try not to interrupt the customer as people can become stressed when they are interrupted, particularly if it happens in the middle of a sentence
- Acknowledge their distress about the problem. This is important as they won't be interested in a solution until they have had their chance to vent their anger
- Paraphrase their problem back to them to ensure you have all the facts and they are reassured that you have been listening to them
- Offer a solution (exchange the faulty product, offer a reduction of fees)

- Give them something extra (an upgraded product, a discount on their next service, a voucher they can spend in the shop)
- Thank them for assisting you by pointing out a problem and apologise for their inconvenience. Take care not to admit liability for the problem, just apologise for their inconvenience and distress
- Record details about the complaint such as customer's name and contact details, the product or service, how you dealt with it and how the customer reacted
- Ring the customer a few days later to see if they are satisfied with their replaced product. Follow up after a problem ensures repeat business

USING EFFECTIVE COMMUNICATION

Effective communication helps us better understand a person or situation and enables us to resolve differences, build trust and respect, and create environments where creative ideas, problem solving, affection, and caring can flourish. As simple as communication seems, much of what we try to communicate to others—and what others try to communicate to us—gets misunderstood, which can cause conflict and frustration in personal and professional relationships. By learning these effective communication skills, you can better connect with your spouse, kids, friends, and coworkers.

WHAT IS EFFECTIVE COMMUNICATION?

In the information age, we have to send, receive, and process huge numbers of messages every day. But effective communication is about more than just exchanging information; it is also about understanding the emotion behind the information. Effective communication can improve relationships at home, work, and in social situations by deepening your connections to others and improving teamwork, decision-making, and problem solving. It enables you to communicate even negative or difficult messages without creating conflict or destroying trust. Effective communication combines a set of skills including nonverbal communication, attentive listening, the ability to manage stress in the moment, and the capacity to recognise and understand your own emotions and those of the person you're communicating with.¹



¹ http://www.helpguide.org/mental/effective_communication_skills.htm

Effective communication skills #1: Listening

Listening is one of the most important aspects of effective communication. Successful listening means not just understanding the words or the information being communicated, but also understanding how the speaker feels about what they're communicating.



Effective listening can:

- Make the speaker feel heard and understood, which can help build a stronger, deeper connection between you
- Create an environment where everyone feels safe to express ideas, opinions, and feelings, or plan and problem solve in creative ways
- Save time by helping clarify information, avoid conflicts and misunderstandings
- Relieve negative emotions. When emotions are running high, if the speaker feels that he or she has been truly heard, it can help to calm them down, relieve negative feelings, and allow for real understanding or problem solving to begin

Tips for effective listening:

If your goal is to fully understand and connect with the other person, listening effectively will often come naturally. If it doesn't, you can remember the following tips. The more you practice them, the more satisfying and rewarding your interactions with others will become.

- Focus fully on the speaker, his or her body language, and other nonverbal cues. If you're daydreaming, checking text messages, or doodling, you're almost certain to miss nonverbal cues in the conversation. If you find it hard to concentrate on some speakers, try repeating their words over in your head—it'll reinforce their message and help you stay focused
- Avoid interrupting or trying to redirect the conversation to your concerns, by saying something like, "If you think that's bad, let me tell you what happened to me." Listening is not the same as waiting for your turn to talk. You can't concentrate on what someone's saying if you're forming what you're going to say next. Often, the speaker can read your facial expressions and know that your mind's elsewhere
- Avoid seeming judgmental. In order to communicate effectively with someone, you don't have to like them or agree with their ideas, values, or opinions. However, you do need to set aside your judgment and withhold blame and criticism in order to fully understand a person. The most difficult communication, when successfully executed, can lead to the most unlikely and profound connection with someone

- Show your interest in what’s being said. Nod occasionally, smile at the person, and make sure your posture is open and inviting. Encourage the speaker to continue with small verbal comments like “yes” or “uh huh”²

Effective communication skills #2: Nonverbal communication

When we communicate things that we care about, we do so mainly using nonverbal signals. Wordless communication, or body language, includes facial expressions, body movement and gestures, eye contact, posture, the tone of your voice, and even your muscle tension and breathing. The way you look, listen, move, and react to another person tells them more about how you’re feeling than words alone ever can.



Developing the ability to understand and use nonverbal communication can help you connect with others, express what you really mean, navigate challenging situations, and build better relationships at home and work.

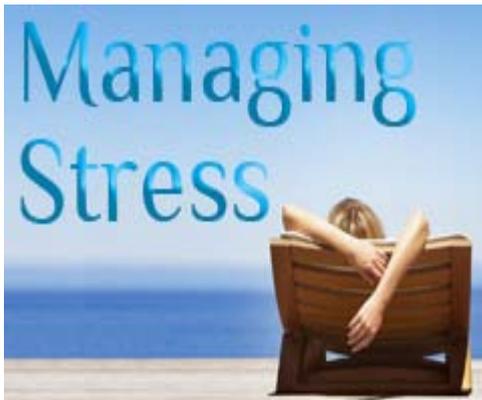
- You can enhance effective communication by using open body language—arms uncrossed, standing with an open stance or sitting on the edge of your seat, and maintaining eye contact with the person you’re talking to
- You can also use body language to emphasize or enhance your verbal message—patting a friend on the back while complimenting him on his success, for example, or pounding your fists to underline your message³

² http://www.helpguide.org/mental/effective_communication_skills.htm

³ http://www.helpguide.org/mental/effective_communication_skills.htm

Effective communication skills #3: Managing stress

In small doses, stress can help you perform under pressure. However, when stress becomes constant and overwhelming, it can hamper effective communication by disrupting your capacity to think clearly and creatively, and act appropriately. When you're stressed, you're more likely to misread other people, send confusing or off-putting nonverbal signals, and lapse into unhealthy knee-jerk patterns of behavior.



How many times have you felt stressed during a disagreement with your spouse, kids, boss, friends, or coworkers and then said or done something you later regretted? If you can quickly relieve stress and return to a calm state, you'll not only avoid such regrets, but in many cases you'll also help to calm the other person as well.

It's only when you're in a calm, relaxed state that you'll be able to know whether the situation requires a response, or whether the other person's signals indicate it would be better to remain silent.

To deal with stress during communication:

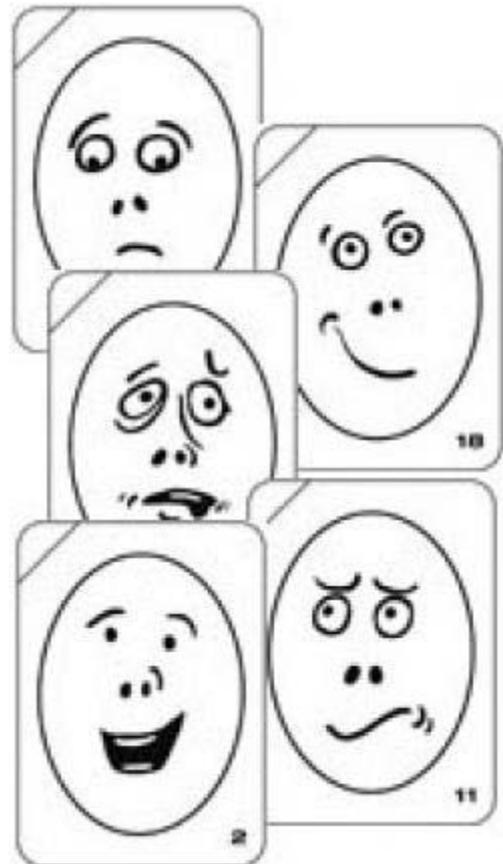
- Recognize when you're becoming stressed. Your body will let you know if you're stressed as you communicate. Are your muscles or your stomach tight and/or sore? Are your hands clenched? Is your breath shallow? Are you "forgetting" to breathe?
- Take a moment to calm down before deciding to continue a conversation or postpone it
- Bring your senses to the rescue and quickly manage stress by taking a few deep breaths, clenching and relaxing muscles, or recalling a soothing, sensory-rich image, for example. The best way to rapidly and reliably relieve stress is through the senses: sight, sound, touch, taste, and smell. But each person responds differently to sensory input, so you need to find things that are soothing to you
- Look for humor in the situation. When used appropriately, humor is a great way to relieve stress when communicating. When you or those around you start taking things too seriously, find a way to lighten the mood by sharing a joke or amusing story
- Be willing to compromise. Sometimes, if you can both bend a little, you'll be able to find a happy middle ground that reduces the stress levels for everyone concerned

- If you realize that the other person cares much more about something than you do, compromise may be easier for you and a good investment in the future of the relationship
- Agree to disagree, if necessary, and take time away from the situation so everyone can calm down. Take a quick break and move away from the situation. Go for a stroll outside if possible, or spend a few minutes meditating. Physical movement or finding a quiet place to regain your balance can quickly reduce stress⁴

Effective communication skills #4: Emotional awareness

Emotions play an important role in the way we communicate at home and work. It's the way you feel, more than the way you think, that motivates you to communicate or to make decisions. The way you react to emotionally driven, nonverbal cues affects both how you understand other people and how they understand you.

If you are out of touch with your feelings, and don't understand how you feel or why you feel that way, you'll have a hard time communicating your feelings and needs to others. This can result in frustration, misunderstandings, and conflict. When you don't address what's really bothering you, you often become embroiled in petty squabbles instead—arguing with your spouse about how the towels should be hung, for example, or with a coworker about whose turn it is to restock the copier.



Emotional awareness provides you the tools needed for understanding both yourself and other people, and the real messages they are communicating to you. Although knowing your own feelings may seem simple, many people ignore or try to sedate strong emotions like anger, sadness, and fear. But your ability to communicate depends on being connected to these feelings.

If you're afraid of strong emotions or if you insist on communicating only on a rational level, it will impair your ability to fully understand others, creatively problem solve, resolve conflicts, or build an affectionate connection with someone.

⁴ http://www.helpguide.org/mental/effective_communication_skills.htm

HOW EMOTIONAL AWARENESS CAN IMPROVE EFFECTIVE COMMUNICATION

Emotional awareness—the consciousness of your moment-to-moment emotional experience—and the ability to manage all of your feelings appropriately is the basis for effective communication.

Emotional awareness helps you:

- Understand and empathize with what is really troubling other people
- Understand yourself, including what’s really troubling you and what you really want
- Stay motivated to understand and empathize with the person you’re interacting with, even if you don’t like them or their message
- Communicate clearly and effectively, even when delivering negative messages
- Build strong, trusting, and rewarding relationships, think creatively, solve problems, and resolve conflicts

Effective communication requires both thinking and feeling! When emotional awareness is strongly developed, you’ll know what you’re feeling without having to think about it—and you’ll be able to use these emotional cues to understand what someone is really communicating to you and act accordingly.

The goal of effective communication is to find a healthy balance between your intellect and your emotions, between thinking and feeling.⁵

The above effective communication strategies are vitally important when dealing with customer complaints. You should ensure you listen attentively, watch your body language and stay calm. These things will assist you when you are trying to calm a customer or solve a customer’s issues.⁶

Your organisation will have policies and procedures that will outline the process for handling customer complaints and you should ensure you know, understand and follow these at all times when dealing with customer complaints. They will assist you to manage the complaint in the most effective manner.

⁵ http://www.helpguide.org/mental/effective_communication_skills.htm

⁶ http://www.helpguide.org/mental/effective_communication_skills.htm

Self-Test 1.1

Effective communication includes a set of skills. What are they?

- Nonverbal communication
- Effective questioning
- Attentive listening
- The ability to manage stress in the moment
- The capacity to recognise and understand your own emotions and those of the person you're communicating with
- All of the above

Self-Test 1.2

To respond effectively to customers complaints there are several things that you should do. Check the items you think would not correspond to this.

- Using effective communication skills
- Review existing reports relating to complaints
- Make timely decisions about customers complaints
- Negotiate resolutions and obtain agreements
- Give the customer what they want
- Keep a register of complaints
- Keep customers informed during complaints resolution process

OBTAIN, DOCUMENT AND REVIEW REPORTS RELATING TO CUSTOMER COMPLAINTS AND MAKE DECISIONS ABOUT CUSTOMER COMPLAINTS, TAKING INTO ACCOUNT APPLICABLE LEGISLATION, ORGANISATIONAL POLICIES AND CODES

Customer complaints are present in any organisation. They are just a part of doing business. You can never make everyone happy all of the time, so you need to establish processes and procedures for dealing with service issues that occurs throughout the organisation.

A good organisation does not hide from complaints, rather it:

- Is open to receiving a complaint
- Knows how to deal with a complaint
- Is happy to deal with the complaint
- Uses complaints as a learning exercise



A culture that hides from complaints only serves to avoid resolving the complaints and it reduces the chances that you could resolve it and make your complaining customer a loyal one.

By ignoring a complaint, you will find yourself unable to learn from your mistakes and resolve the issues that have occurred. So how can you deal with a complaint?

- Apologise
- Listen to the customer
- Find a way to move forward

You will notice that we mentioned listening to your customers. It is very important that you ensure that your staff members are fully aware of the importance of listening to your customers, and that you and your staff understand the principles of active listening and how this needs to be undertaken in order to resolve major complaints. You also need to understand:

- People should be dealt with at the appropriate level – never look down on your customers
- Use eye contact to show that you are interested in your customers and their needs
- Never make assumptions – always try to find out exactly what your customers want rather than just assuming you know them and what they want or need

What is expected of you by your organisation in relation to receiving and managing customer complaints? Where can you find a written copy of the policies, processes and expectations so you know that you and everyone else is meeting the organisational standard? Is the same process expected when you receive ‘internal’ complaints – those from other staff, teams, suppliers etc.? How were the policies in place developed? Are you sure they are the best and in line with legislation or codes of practice?

LEGISLATION

First we must consider applicable legislation and codes of practice. Every industry will have their own codes of practice and these are developed to meet the standards of the legislation. But they do have variations, usually in excess of basic requirements. It would be impossible to cover all of the codes, so be aware of these and investigate for yourself in your industry. Likewise, there are various state and Federal legislation governing sales in Australia to protect the rights of consumers but also imposes conditions on them in terms of their behaviour and expectations.

Within your industry there may be particular or special conditions. Check with your supervisor or manager to ensure that you comply with each. Basically, there are overriding conditions which affect both parties.

Customers can return something for either:

- A refund of the monies they paid
- Repair of the goods or replacement of the goods if the goods are defective
- The goods are not what was described by the salesperson or in advertising, both generally or at the place where you purchased the goods
- The customer let the salesperson know why they wanted the goods and the goods were not fit for the purpose that the salesperson was told they were wanted for

Customers do not have a right to a refund because:

- They bought goods which are the wrong size
- They changed their mind about the colour or decided they just do not like the goods any more
- Some stores will give a refund or exchange the goods for other goods or give a credit note. However, they are not obliged to do so by law

Signs, notices, explanations on sales information and dockets are all effective ways of informing the customer of the policies held by your organisation. But by far the best way is to effectively communicate in the first place.

Remember:

- Ensure you know what it is that the complaining customer actually wants
- Ensure that the products they are offered help them meet those needs
- Ensure that the products they receive work correctly and are in good condition
- Listen to your customers

Self-Test 1.3

Why should legislation and codes of practice be taken into consideration when making a decision about a customer complaint?

- So that customers rights are protected
- So the customers don't complain so much
- Because you have to so the government doesn't fine you
- So the organisation is protected

Self-Test 1.4

Fill the gaps with words from the list below:

Customer, colour, refund, size

Legislation states that a _____ does not have the right to a _____ if they bought goods which are the wrong _____; they changed their mind about the _____ or decided they just do not like the goods any more.

NEGOTIATE RESOLUTION OF THE COMPLAINT AND OBTAIN AGREEMENT WHERE POSSIBLE AND INFORM CUSTOMER OF THE OUTCOME OF THE INVESTIGATION

Once you have established exactly what the problem is, you need to fix the problem:

- Establish what your policies and processes say you can and cannot do
- Establish whether the customer's expectations are acceptable
- Negotiate with the customer – finding ways in which resolution can occur
- Keep the customer informed through the entire process



You will find that when you are dealing with a complaint, being proactive is useful in making sure that your customers are kept happy. Never leave your customer wondering what is going on, call them at every step of the process and make sure they know the status of what is going on.

Think about how you can avoid saying no to your customers, especially when they have a complaint.

The customer is already angry and does not need to be told that something they would like to happen will not be happening. Look at alternatives that you may offer, bend the rules to retain a good customer, give the customer a range of options that they can take you up on.

Once the customer has taken you up on an option for resolving a major issue that has occurred, the next step is to follow up. Do not leave the customer on their own.

Keep in contact with them, ask them if everything is OK, whether there is anything else you can do. A loyal customer can be built from simply making sure that the customer does not feel like they have been left on their own.

Provide feedback to the customer on any actions that you have taken with regards to the complaint they have made. You might, for example, tell them what changes you have made and what you and your organisation have learnt from the experience.

Learning from complaints is critical. Every complaint that your organisation receives is an opportunity for you to do things both differently and better in the future. So make sure that your complaint processes actually allow you as a manager to make positive changes to the way that the organisation does things.

There are times when no matter how hard you try you just cannot make a customer happy. In these cases, where the complaints come thick and fast, and seem like they are trivial and difficult to resolve, you may have no choice but to terminate the relationship.

Self-Test 1.5

What are three things you can do to ensure you resolve a customer complaint effectively?

- Do not leave the customer on their own
- Provide on-going feedback
- Tell them to go to another store
- Keep in contact with them
- Pretend you are listening

MAINTAIN A REGISTER OF COMPLAINTS/DISPUTES

Tracking complaints can be tedious, but there are true benefits to the process. And for accredited companies, it is a requirement under the ISO quality standards. The requirement is more than just 'busy work'. The whole point of doing it is to educate staff and improve business – you don't do it to throw it in a drawer.



The easiest way is to have a log that details who made the complaint, the time the complaint was received and the type of complaint, as well as a detailed description of the complaint and how it was resolved. At the end of the quarter, you summarise reports and determine what the issues were.

Some organisations use their complaint tracking policy as a way to improve quality. It begins with a form that is completed to document the complaint and ends with a benchmarking report. This becomes a benchmarking service where both good and bad comments are sent, and then the service can be rated against other branches, departments or previous periods. It can be a great tool for quality improvement management.

It would be impractical to think that complaints could become obsolete. Yet providers can lessen their impact and use the circumstances to change processes and improve quality. More than anything else, customers just want to know that their opinions have value and that their providers are listening.

Make sure that your organisation:

- Has a complaint procedure
- Allows any staff member to take complaints
- Has a process that ensures that all complaints are logged and dealt with by management and supervisors

Categorise the complaints that you receive so that your management can attempt to determine trends in complaints and work to resolve major issues that may be causing those complaints. Break down your complaints by time period. Look to see if there are times of the day or the year when complaints become more prevalent.

Self-Test 1.6

True or false: The complaint register is used as a continuous improvement tool.

- True
- False

TOPIC 2 - REFER COMPLAINTS

IDENTIFY COMPLAINTS THAT REQUIRE REFERRAL TO OTHER PERSONNEL OR EXTERNAL BODIES AND MAKE REFERRALS TO APPROPRIATE PERSONNEL FOR FOLLOW UP IN ACCORDANCE WITH INDIVIDUAL LEVEL OF RESPONSIBILITY

Sometimes an easy solution is not possible, and the complaint is beyond your level of authority to solve and must be passed on. If this is the case, write down the customer's details and the nature of the problem, and, if possible, speak to the person you have referred the customer to.

Let the customer know what you are doing so they do not feel excluded. It is important that the customer doesn't have to repeat the problem to your supervisor, as this can become frustrating to the customer. If immediate assistance from a supervisor is not possible, tell the customer that their complaint will be looked at as soon as your supervisor is available.

A follow up phone call after any complaint is a very good way of ensuring the customer will be a repeat customer.

Sometimes a customer can be so angry that they will raise their voice at you immediately. Do not take this personally and raise your voice back at them. Their intention is often to create a 'scene' and to make other customers uncomfortable. They hope that this will make you give them what they want immediately, to avoid upsetting other customers. In this situation, do not raise your voice, stay calm and continue to question them about their grievance.

Often you will have to repeat a question as they were so upset they didn't answer it the first time you asked. Use respectful language and don't be rude to the customer, no matter how rude and inconsiderate they are being to you. Try to move them away from other customers, or maybe take them to the office or a more isolated part of the shop. Without an audience they will settle down.

If you feel the situation is beyond your ability to deal with, call for assistance from your supervisor. When your supervisor arrives, paraphrase the customer's problems so the customer is made aware that you were paying attention. It also avoids the customer becoming upset again by having to repeat the problem.

If you can't rectify the problem yourself, or don't have the authority to implement the best possible solution, you will need to refer the complaint to another person that is able to satisfy the dissatisfied customer. The people listed below may be able to assist when you can't:

SUPERVISOR

If the issue is relatively minor and can be handled within your own department then your supervisor should be called upon for help. For example, if the product or service purchased was not satisfactory and a straight exchange was not possible, then the supervisor could authorise an upgrade of product or service if this was the best way to solve the problem.

A SENIOR MANAGER

Where a supervisor is not able to solve a problem because the issue at hand is outside their level of authority, a senior manager may need to be called in. This could happen if a customer was not being reasonable about the solutions offered or if the issue had turned into an argument or shouting match.

SECURITY

On rare occasions a situation may have escalated to the point where it can become dangerous—where arguments and shouting becomes swearing or shoving. If a situation cannot be resolved peacefully and becomes threatening then security or police may need to be called.

EXTERNAL BODIES

As a last resort, when the problem cannot be resolved internally, then outside sources may need to be involved. This could mean referring the issue to external bodies such as the Commonwealth Ombudsman, Independent Commission Against Corruption (ICAC), the police, the relevant government department or the industry body responsible for the organisation's industry. These outside authorities would investigate the matter and make an unbiased judgment when all parties have put forward their case.

You will need to keep a record of what you have done so far to settle the dispute and you will also need to keep the customer informed on what is happening with their complaint.

COMPLAINTS REQUIRING REFERRAL

It is always preferred that you can resolve the complaint at the time it is received. However, this will not always be possible. As you learn more about your organisation's policies and procedures, you should be able to resolve more complaints.

However, complaints that you do not know how to resolve or that require decisions outside of your responsibilities will need to be referred.

You may need to refer a complaint when:



You should be able to find some information about when to refer complaints in your organisation's policies and procedures

Self-Test 2.1

Check the types of complaints that you may have to refer to another person?

- Customer becomes aggressive or violent
- Customer threatens you
- The customer is a nuisance
- Risk of media attention
- Risk of damage to property
- Not enough experience to manage the complaint
- All of the above

Self-Test 2.2

A customer has come to you with a complaint that you are unable to resolve. What would you do?

- Ask another colleague to deal with the problem
- Write the concern down and give it to someone else
- Ask your supervisor or manager to deal with the problem immediately
- Ask the customer to come back at another time

FORWARD ALL DOCUMENTS AND INVESTIGATION REPORTS

It is important that once all the relevant documents have been prepared document setting out the complaint, how the immediate investigation was conducted and any other relevant facts, conclusions, findings and recommendations.

- Recommendations could include remedies for the complainant, action to improve the organisation's service delivery and action to address inappropriate conduct by an officer (e.g. through training, an appropriate disciplinary process or referral to an appropriate external authority).

All documents and investigation reports should be forward to the relevant person or authority that is dealing with the complaint, whether internal (Complaints Officer) or an external body, for the matter to be dealt with in accordance with your organisations policies and procedures and legislation.

Self-Test 2.3

Why is it important that you send ALL documents and investigation reports to the relevant authorities?

- So that the authority handling the complaint has all the information required to effectively assess the situation and make a judgement.
- So they are off your mind and someone else's problem

Self-Test 2.4

Match the responsible person with the task.

- | | |
|---------------|-------------------------|
| 1. Supervisor | A. Taking a complaint |
| 2. Manager | B. Complainant |
| 3. You | C. Person you report to |
| 4. Customer | D. Person in charge |

FOLLOW UP APPROPRIATE PERSONNEL TO GAIN PROMPT DECISIONS

It is important that you follow up within a reasonable time with the appropriate personnel to gain prompt decisions on what the outcome is. Once you have found out any information about a complaint you should (if it is within your scope of responsibility) notify the complainant.

INFORM CUSTOMER

When an investigation into a complaint is completed and decisions made, the customer needs to be informed of the outcome.

Even if some parts of the complaint are being finalised, the customer should be informed of any decisions reached.

You can inform the customer verbally or in writing. It is usually recommended that you respond verbally for smaller complaints and in writing for more complex complaints. If the complaint was lodged in writing then it is customary to respond in writing.

Always explain the outcome in a way that the customer can understand. Ensure you respond to each point made by the customer. This will help them to see that you have investigated their complaint in full.

A thorough explanation of any decisions reached should be provided, as well as an outline of the next course of action to be taken. This may include an offer to negotiate a resolution, or referral to other personnel/workers or external bodies.

Self-Test 2.5

When dealing with a complaint it is important that you follow up within a reasonable time with the appropriate personnel to gain prompt decisions on what the outcome is. This will enable the situation to be dealt with quickly and the resolution can then be put in place.

- True
- False

TOPIC 3 - EXERCISE JUDGEMENT TO RESOLVE CUSTOMER SERVICE ISSUES

IDENTIFY IMPLICATIONS OF ISSUES FOR CUSTOMER AND ORGANISATION

It is important that you have a good understanding of the organisation that you work for. If you are very familiar with the way things are done and understand your level of responsibility, you will find it easier to make decisions about how to process customer complaints.

You must make sure that you process complaints in accordance with your organisation policies and procedures. Make sure that even when you are dealing with a customer who has an unusual complaint not covered in the organisation's policies and procedures, that you should still handle that complain in a way that your organisation might like you to handle it.

USING YOUR JUDGMENT

Other than following your organisation's policies and procedures, there are times when you will have to use your best judgment for handling the complaint. It is important that you try to gauge the situation:

- Try and think how the customer is feeling
- Think about what they need.
- Think about how they want the situation to be reconciled
- Think about what to tell the customer.
- Use your common sense and be sensitive and perceptive.
- Think about what would be best for the customer and the organisation.

When a customer is not satisfied with the products or services (especially the service) they receive from an organisation, the result of their dissatisfaction may have many implications for the organisation these can be both positive and negative.

NEGATIVE IMPLICATIONS

When a customer experiences poor service or buys a faulty product, the negative implications for the organisation are likely to be:

- A reputation for poor products and services
- Loss of customers
- Loss of money
- Law suite

As a member of an organisation you can prevent all of these things from happening by handling a complaint professionally and effectively. It is important that you remember that a successfully processing of a customer's complaint can turn a negative situation into a positive situation, for both the customer and the organisation.

POSITIVE IMPLICATIONS

When dealing with complaints it is important to remember that a complaint can provide yourself and the organisation with the opportunity to identify where things are going wrong and how they can be fixed so as to better foster customer relationships. It gives you and the organisations a chance to be able to put things right and turn the complaint from a negative experience into a positive experience.

It is important to remember that a complaints should be seen as a continuous improvement tool for the organisation to use in a way to regularly improve and increase customer satisfaction.

Responding in a positive way to customer complaints has the ability to actually enhance an organisation's reputation, and thereby meeting the customers need.

Organisations can use complaints to:

- Turn a dissatisfied customer into a happy customer
- Improve service and product range
- Better understand individual client needs
- Increase client and brand loyalty

Self-Test 3.1

What types of implications might there be for a customer if the food they purchased was out of date?

- Food poisoning
- Inconvenience
- Time and money involved in returning the goods
- All the above

Self-Test 3.2

Fill the gaps with words from the list below:

Complaints, behaviours, business, chance,

_____ can be used to change the procedures in any business. They are a _____ to improve your _____ and your _____.

ANALYSE, EXPLAIN AND NEGOTIATE APPROPRIATE OPTIONS FOR RESOLUTION WITH CUSTOMER AND PROPOSE VIABLE OPTIONS IN ACCORDANCE WITH APPROPRIATE LEGISLATIVE REQUIREMENTS AND ENTERPRISE POLICIES

Where a complaint does not need to be referred, you will need to negotiate a resolution to the complaint with the customer and obtain an agreement, where possible.

Before you enter a negotiation, you need ensure that you are prepared. When making decisions you should have determined the nature of the problem and potential solutions for the customer.

You should have also defined your limits. You need to know what the maximum or minimum you will accept is, taking into account your price range, profit margin, delivery times or other points of contention.

Always consider what the other person hopes to achieve from the negotiation. This will be useful in helping you reach an agreement. Where possible, negotiate in person. Make an appointment and set out the agenda in advance.

CONDUCTING THE NEGOTIATION

When you are negotiating, stay within your limits. If you do not, the negotiation may not go in your favour.

Consider the advantages of your offer for the customer and offer rewards or incentives. Some of the resolution options available to you include:

The resolution options that you propose must meet your organisational and legislative requirements. Make sure that you are flexible and that you listen carefully to the customer during the negotiation.

By knowing your limits and being familiar with your organisation's products and services, you should be able to offer them a deal to meet their needs



Self-Test 3.3

Negotiation basically means discussing the problem and coming to an agreement on the outcome. It could mean you have to give a little or the customer may have to give a little to reach an outcome that is suitable for both parties.

- True
- False

Self-Test 3.4

What are some things you can offer when negotiating with a customer who is complaining about a product?

- Offer a refund
- Apologise
- Offer to repair or replace the item
- All of the above

ENSURE MATTERS FOR WHICH A SOLUTION CANNOT BE NEGOTIATED ARE REFERRED TO APPROPRIATE PERSONNEL

WHAT IS NEGOTIATION?

In simplest terms, negotiation is a discussion between two or more disputants who are trying to work out a solution to their problem. This interpersonal or inter-group process can occur at a personal level, as well as at a corporate or international (diplomatic) level.

Negotiations typically take place because the parties wish to create something new that neither could do on his or her own, or to resolve a problem or dispute between them.

The parties acknowledge that there is some conflict of interest between them and think they can use some form of influence to get a better deal, rather than simply taking what the other side will voluntarily give them. They prefer to search for agreement rather than fight openly, give in, or break off contact.

REFERRED TO APPROPRIATE PERSONNEL

If complaints cannot be resolved directly between the consumer and retailer or manufacturer, they should be referred to an appropriate personnel for the dispute resolution. Third-party mechanisms use the services of unbiased individuals or panels to resolve disputes through conciliation, mediation and arbitration.

Conciliation:

- A neutral conciliator brings the parties together and encourages them to find a mutually acceptable resolution to the dispute.

Mediation:

- A neutral mediator becomes actively involved in negotiations between the parties. The mediator can propose a resolution, but cannot dictate a settlement of the dispute.

Arbitration:

- An independent individual or panel hears the facts on both sides of a dispute and reaches a decision. Usually both parties have previously agreed to abide by the decision, but in some systems, only the business agrees in advance to abide by the outcome of the arbitration.

Third-party dispute resolution is advantageous to business because it enables expeditious, economical and fair complaint resolution without government regulation or legal action. In fact, government agencies encourage the use of third-party

mechanisms when complaints cannot be resolved directly between buyer and seller. Proponents of third-party systems point out that their use can help make manufacturers and retailers more responsive to consumer problems. By submitting disputes to a neutral decision-maker, a business can demonstrate goodwill through its willingness to seek unbiased solutions to consumer complaints.

ALTERNATIVE DISPUTE RESOLUTION

When direct negotiations fail, alternative dispute resolution offers proven strategies for resolving conflicts without costly and time-consuming legal action.

Alternative dispute resolution (ADR) typically achieves a high rate of success. Some studies show that ADR clients can save up to 95% of the costs they would have outlaid going to court.

In ADR, neutral third-party mediators work with disputing parties to achieve a negotiated settlement in a way that encourages common sense, seeks practical solutions and preserves business relationships.

Mediators help parties find a settlement that is acceptable to both, within a fully confidential process. ADR gives disputing parties total control over outcomes, removing the uncertainty that comes with a court judgement. When parties cannot achieve an agreed settlement, they retain the right to proceed with legal action.

Benefits of ADR:

- It imposes fewer costs than litigation.
- It is time-efficient, flexible and confidential.
- A high percentage of cases mediated in ADR settle to the satisfaction of both parties.
- A wider variety of settlement options are available.
- Parties have greater control over the process and outcome.
- Parties are required to employ best-practice professional conduct in discussions and, in doing so, minimise damage to business relationships

Self-Test 3.5

What would you do if you were unable to find a solution to a customer's complaint?

- Refer it to a supervisor or manager
- Refer them to conciliation, mediation or arbitration
- Try to avoid them
- Tell them you can't help them
- Ignore them
- None of the above

SUMMARY

Now that you have completed this unit, you should have the skills and knowledge required to handle formal and informal negative feedback and complaints from customers.

If you have any questions about this resource please ask your trainer. They will be only too happy to assist you when required.

REFERENCES

http://www.helpguide.org/mental/effective_communication_skills.htm