

Creating a Culture that Puts Customers at the Heart of Your Complaints Handling

Sarah Cook
Managing Director
The Stairway Consultancy Ltd

Creating a Culture that Puts Customers at the Heart of Your Complaint Handling

- What do customers look for when they complain?
- How do you create a truly customer-focused culture?
- Rate your own organisation's culture



The Customer's Perspective



Quiz

- Form a pair or a trio to answer the quiz
- Introduce yourselves to each other: name, role and company



Question 1

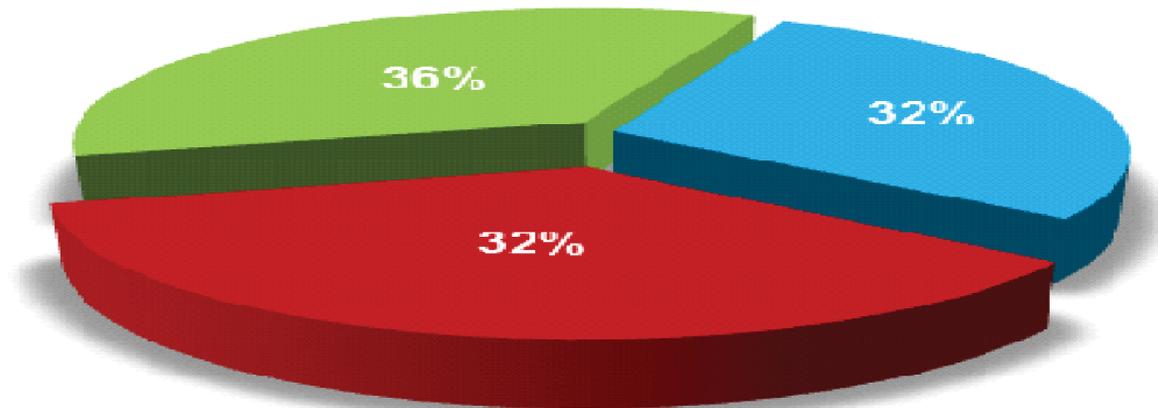
According to our research, what percentage of people who have cause to complain to a service organisation **do not** voice their complaint?

- a) 26 %?
- b) 36%?
- c) 46%?

Stairway Complaint Handling Survey

February 2012

- Had complained to a service provider in the past 12 months
- Did not complain or feel like complaining
- Had felt like complaining but did not voice their complaint



Question 1

According to our research, what percentage of people who have cause to complain to a service organisation **do not** voice their complaint?

a) 26 %?

b) 36%?

c) 46%?

Question 2

- What are the 2 factors that are most important to customers when they complain?
 - a) Receiving an apology and being treated empathetically?
 - b) Having the complaint taken seriously & resolved quickly?
 - c) Receiving a refund and compensation?

What Were You Looking for When You Complained?



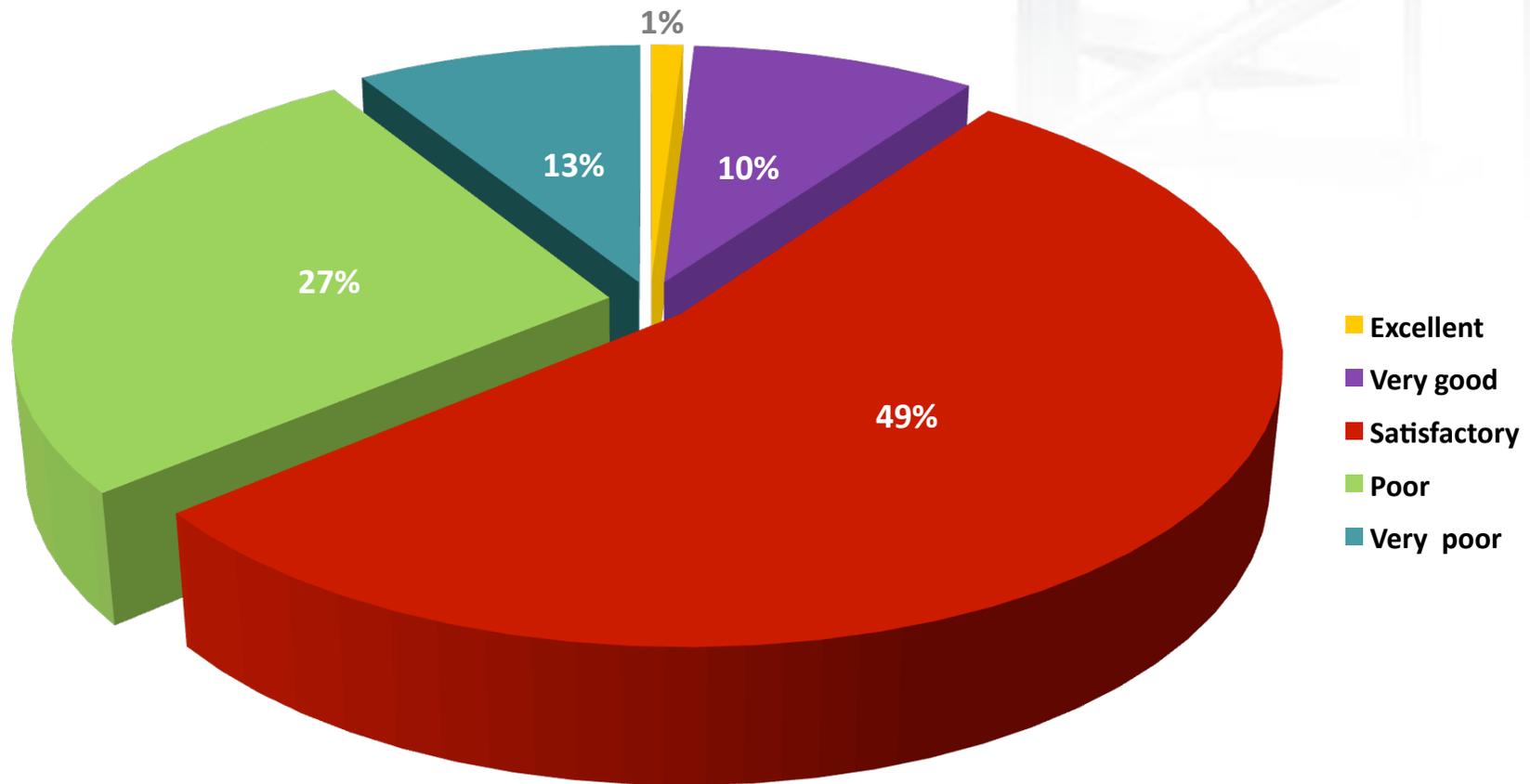
Question 2

- What are the 2 factors that are most important to customers when they complain?
 - a) Receiving an apology and being treated empathetically?
 - b) Having the complaint taken seriously & resolved quickly?**
 - c) Receiving a refund and compensation?

Question 3

- According to our survey of people who complained to which of the following is correct?
 - a) 20% of respondents were not happy with how their complaint was dealt with?
 - b) 40% of respondents were not happy with how their complaint was dealt with
 - c) 60% of respondents were not happy with how their complaint was dealt with?

How Satisfied Were You With The Way Your Complaint Was Handled?



Question 3

- According to our survey of people who complained to which of the following is correct?
 - a) 20% of respondents were not happy with how their complaint was dealt with?
 - b) 40% of respondents were not happy with how their complaint was dealt with**
 - c) 60% of respondents were not happy with how their complaint was dealt with?

What Could They Do to Improve?

'Provide a speedier resolution. Pick up the phone to deal with the situation rather than dealing with everything in writing'

'Deal with the whole situation in one go – it took several attempts to get resolved'

'Listen and be more flexible in understanding my personal situation'

'Delve deeper. Track the complaint more thoroughly'

'Provide more information on correct contact points. Make it clearer who to complain to'

What Could They Do to Improve?

'Take responsibility for following through on their promises. More staff empowerment to make quicker decisions'

'State what they would be looking to change in the future as a result'

'Provide easier access to management. Less red tape'

'Be prepared to admit they are wrong'

'Take the issue more seriously in the first place and do what they said they would do.'

The Needs of Different Age Groups



- The attitude and approach to complaints by different ages
- How they prefer to contact organisations & for them to respond

What do Consumers Look For When They Complain?

- The Silent Generation: 1925 – 1945: aged 67 and older
- Baby Boomers: 1946 – 1964, and aged between 48-66
- Generation X: 1965 to 1979, and aged between 33-47
- Generation Y: 1980 onwards and aged less than 32

Question 4

- In 2011 the proportion of complaints received from one customer group increased by 42%, which group was this?
 - a) The Silent Generation: 1925 – 1945: aged 67 and older
 - b) Baby Boomers: 1946 – 1964, and aged between 48-66
 - c) Generation X: 1965 to 1979, and aged between 33-47
 - d) Generation Y: 1980 onwards and aged less than 32

Generation Y: Under 32: 1980 onwards

Technically savvy, work to live, pampered, question authority

least likely to complain, use social media



Generation X: 1965 to 1979, aged 33-47

2 income families, divorcees, inseparable from technology,

double deviation, use the phone

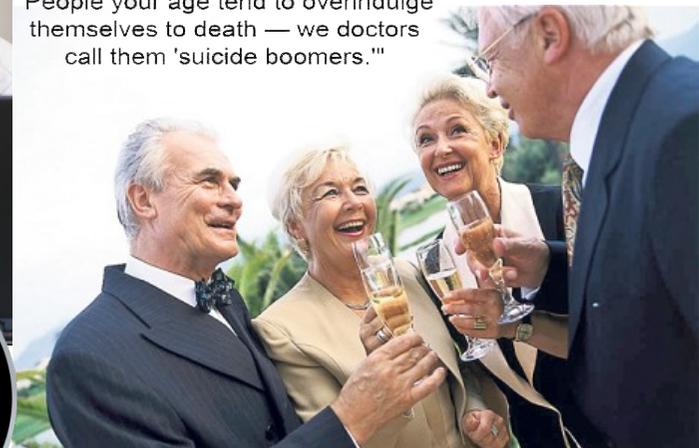


Baby Boomers, aged 48 - 64

Well established careers, work centric, confident, complain most, written response, men less satisfied

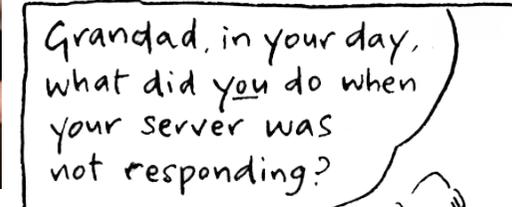


"People your age tend to overindulge themselves to death — we doctors call them 'suicide boomers.'"



The Silent Generation 65+

Retired, hardworking, loyal, submissive, technologically challenged, vulnerable



Question 4

- In 2011 the proportion of complaints received from one customer group increased by 42%, which group was this?
 - a) The Silent Generation: 1925 – 1945: aged 67 and older
 - b) Baby Boomers: 1946 – 1964, and aged between 48-66
 - c) Generation X: 1965 to 1979, and aged between 33-47
 - d) Generation Y: 1980 onwards and aged less than 32

Answer: Question 4

- In 2011 the proportion of complaints received from one customer group increased by 42%, which group was this?
 - a) The Silent Generation: 1925 – 1945: aged 67 and older**
 - b) Baby Boomers: 1946 – 1964, and aged between 48-66
 - c) Generation X: 1965 to 1979, and aged between 33-47
 - d) Generation Y: 1980 onwards and aged less than 32

Is Your Organisation Customer Focussed?



- Excellent
- Very good
- Good
- Average
- Poor



Awareness Activity

- Take pen and paper
- Hold your pen in the hand you normally do not use for writing
- Close one eye
- Write your signature on the paper



The Organisational Perspective



Your Experience as a Customer

- Think of an example of when you have received excellent service as a customer of another organisation
- Discuss with your partner/s.





What do the best in class organisations do?





John Lewis



The largest departmental store in UK.
In 2012 its annual turnover was £3.2 billion.
None of the 27,000 people who work at John Lewis is an employee – they're all 'partners' who jointly own the business.



The John Lewis Approach to Service

- Famous for its excellent customer service and good value
- Winner of national customer service awards for ten years running. Three out of four customers recommend John Lewis to others.
- Voted Britain's Favourite Retailer 2011.
- 6 founding principles of customer service "Be honest; give respect; recognise others; show enterprise; work together; achieve more"
- Used as basis for recruitment & selection & performance management
- Customer service training days before new recruits' first day.
- On-going training for all employees



Service Ethic

- Partners are empowered and encouraged to make customer service decisions themselves on-the-spot
- High levels of knowledge and expertise
- Leaders at John Lewis regularly speak to front-line staff and get them involved in improving the way things are done
- Partners regularly ask customers what they want and what they think, and action results
- Partners regularly mystery shop other stores in the group.





Zappos

- Zappos.com is the world's largest online shoe shop based in US. It has 1400 employees & over \$1 billion turnover.
- The business was recognised as one of the fastest growing retailers in the world 1999- 2008.
- In July 2009, the company was acquired by Amazon in an all-stock deal worth \$1.2 billion.
- J.D. Power Customer Service Champion, 2011.
- Consistently scores between 80 and 90 out of 100 in Net Promoter Scores.
- Zappos appeared in Fortune magazine's annual list of Best Companies to Work For in both 2010 and 2011.



Making it easy to do business with

- Every Zappos employee is empowered to deal with a complaint
- All new recruits, train working the phones for two weeks.
- Zappos's customer service number is displayed on every page of the website and calls are rated on the basis of how helpful it was for customers.
- Responses are not scripted and no time limits to the length of the calls.
- The company sends personal cards and bouquets to their customers for purchases made for special occasions like birthdays etc.



People Actions

- All critical people actions such as hiring, and evaluation are based on enhancing the customer service culture.
- Customer service is 50% of every performance review.
- Potential recruits tested on customer service skills and 'culture fit'.
- All new hires irrespective of department spend 5 weeks in 'Customer Loyalty' training.
- After the first week of training the new hires are offered a bonus amount to leave if they felt they did not fit in the company's culture.
- Managers are encouraged to spend 10% to 20% of their time with team members outside the office.



Service Profit Chain

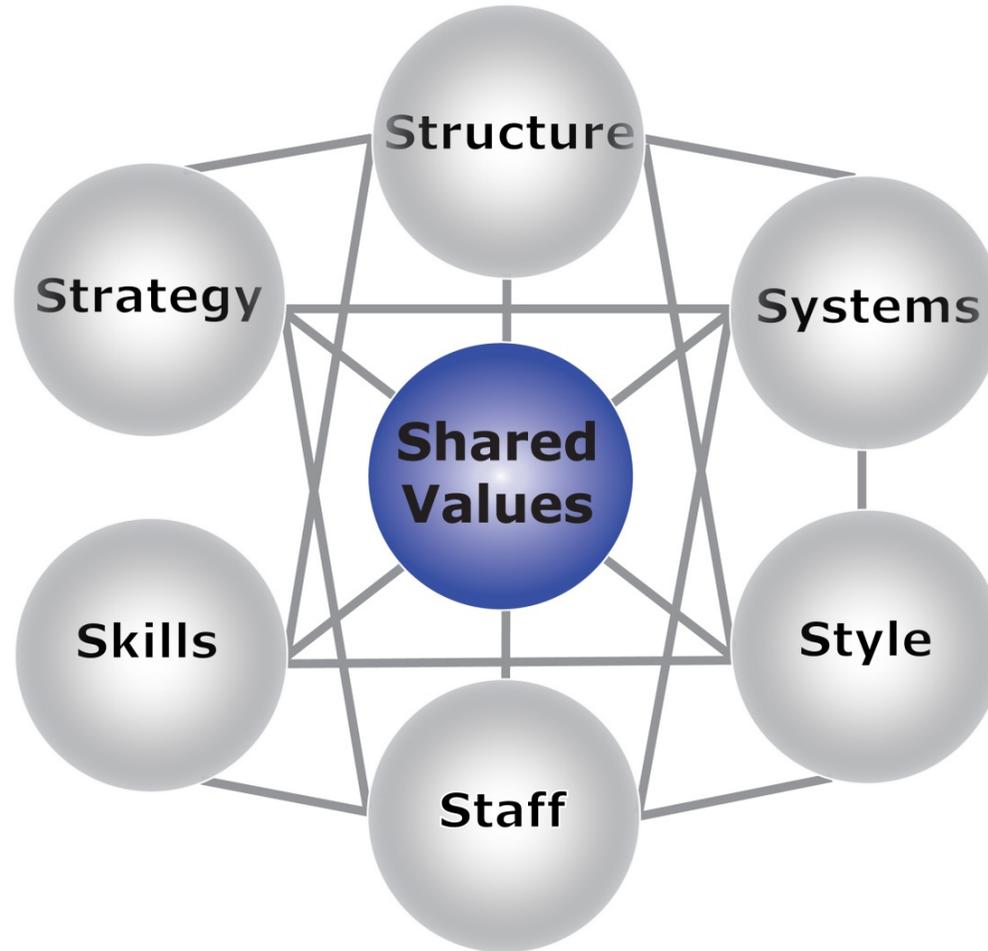
The key drivers of Profit and Growth



“We’re based on the notion that if we treat our partners well, it will lead to good customer service.” John Lewis

Customer Service Isn't Just A Department!
“We've been asked by a lot of people how we've grown so quickly, and the answer is actually really simple... We've aligned the entire organization around one mission: to provide the best customer service possible” Zappos

Engendering Cultural Change



Rate Your Organisation's Complaint Management Customer Focus

Clear **Strategy** for complaints management and learning from complaints

1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7 ___ 8 ___ 9 ___ 10

Organisational **Structure** which encourages ownership and cooperation

1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7 ___ 8 ___ 9 ___ 10

Systems and processes that help engender fair, impartial resolution

1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7 ___ 8 ___ 9 ___ 10

Leadership **Style** that role models customer focus

1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7 ___ 8 ___ 9 ___ 10

Staff who are empowered to resolve complaints

1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7 ___ 8 ___ 9 ___ 10

Skills, knowledge and behaviours training to ensure competency

1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7 ___ 8 ___ 9 ___ 10

Shared Values that encourage a customer focused ethic

1 ___ 2 ___ 3 ___ 4 ___ 5 ___ 6 ___ 7 ___ 8 ___ 9 ___ 10

Biggest Influence?

Question 5:

What exerts the greatest influence on employees as to whether they want to deliver a great service?



Answer: The line manager



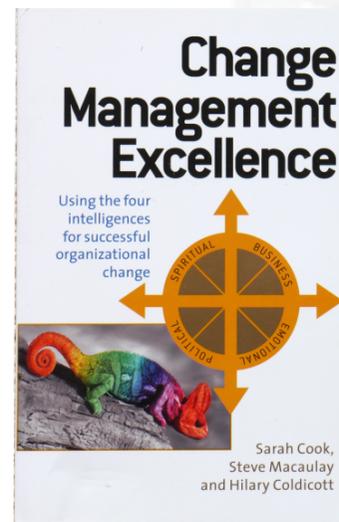
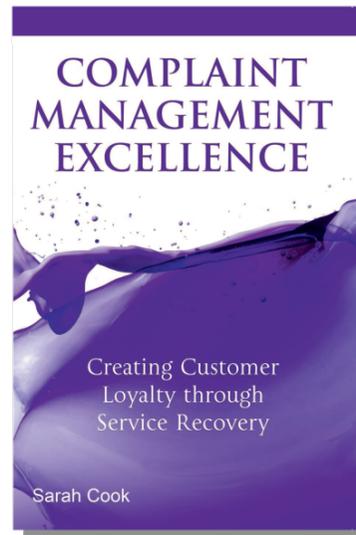
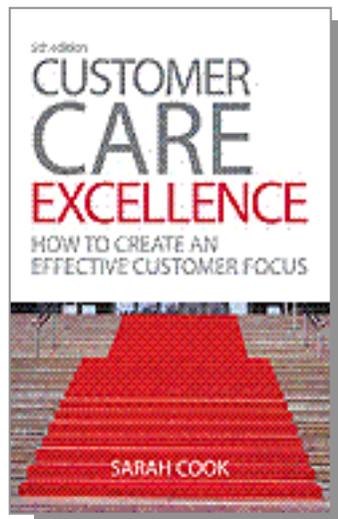
Change manager behaviour = change culture

Increasing Customer Expectations

‘ mean to stay ahead we must always strive to do better. ‘



Thank you



sarah@thestairway.co.uk

00 44 1628 526535

www.thestairway.co.uk