

[Module 5 Customer Centricity]

Lecture 4 – Handling Difficult Customers

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**Undergraduate Certificate in Notarial Law
Fundamentals for Office Assistants**

Objectives:

- To apply active complaint handling techniques to identify and address customer needs.
- To remain calm and composed when dealing with difficult or upset customers.
- To learn from complaints and avoid repetition.



**“YOUR MOST
UNHAPPY CUSTOMERS
ARE YOUR
GREATEST SOURCE
OF LEARNING”**

BILL GATES



HANDLING DIFFICULT CUSTOMERS

- **ACKNOWLEDGE THAT A PROBLEM EXISTS**
- **SHOW CONCERN THROUGH YOUR APPROACH**
- **COOL THE SITUATION DOWN**
- **ESTABLISH THE FACTS**
- **ACT AS NECESSARY**
- **LEARN FROM THE EXPERIENCE**



ACKNOWLEDGE THAT A PROBLEM EXISTS

- **FIND OUT PROBLEM:
SERVICE/PRODUCT**
- **OBSERVE CUSTOMER:
ATTITUDE/MANNER**
- **MAKE A GOOD START: APPROACH
CUSTOMER IN A SENSITIVE, PLEASANT
AND PROFESSIONAL MANNER**



SHOW CONCERN

**WHAT YOU SAY IS IMPORTANT BUT
THE CRUCIAL ASPECTS ARE:**

- **THE WAY YOU SAY IT**
- **THE WAY YOU LOOK**
- **THE WAY YOU ACT**



**ALWAYS THINK 'CONCERN' THIS IS
REFLECTED IN YOUR ACTIONS.**

**TO THINK ONE WAY AND ACT
ANOTHER IS DIFFICULT AND WILL
REVEAL YOUR ATTITUDE AS FALSE.**



“COOL” THE SITUATION

- ADDRESS CUSTOMER IN A FORMAL MANNER - IT IS MORE PERSONAL
- TAKE THEM AWAY FROM OTHER CUSTOMERS
- LET CUSTOMER RELEASE HIS/HER FRUSTRATION



- **ONCE CUSTOMER IS CALM THEN ASK FOR PROBLEM DETAILS**
- **ACT PROFESSIONALLY - NEVER LOSE YOUR TEMPER**



ESTABLISH THE FACTS

- **ASK THE RIGHT 'OPEN' QUESTIONS:
WHAT, WHEN, HOW, WHICH, WHY,
WHERE.**
- **RECORD DETAILS OF THE COMPLAINT**



- LISTEN...TO WHAT CUSTOMER ACTUALLY SAYS , NOT WHAT YOU THINK HE/SHE SAYS
- BE AWARE OF ANY OMISSIONS TO THE STORY



ACT AS NECESSARY

IF COMPLAINT IS JUSTIFIED:

- **DECIDE HOW TO “SOLVE” THE CASE**
- **IF PROBLEM IS GENUINE IT IS YOUR RESPONSIBILITY TO PROVIDE A SOLUTION AND ‘SATISFY’ CUSTOMER**
- **NEVER BLAME OTHER PERSONNEL OR DEPARTMENTS**



IF COMPLAINT IS NOT JUSTIFIED:

- **SUPPORT YOUR ANSWERS WITH GOOD FACTUAL REASONS**
- **BE FIRM BUT POLITE AND PLEASANT**



IF IN DOUBT

- **REFER THE PROBLEM TO YOUR IMMEDIATE SUPERIOR**



LEARNING POINTS FOR YOU

- **COULD YOUR ATTITUDE HAVE BEEN BETTER?**
- **COULD YOUR COMMUNICATION HAVE BEEN MORE SKILLFULL?**
- **COULD YOUR KNOWLEDGE OF THE PRODUCT OR PROCEDURES BE IMPROVED?**



LEARNING POINTS FOR YOUR ORGANISATION

- **THROUGH GENUINE PROBLEMS, WHETHER TANGIBLE (e.g. POOR PRODUCT) OR INTANGIBLE (e.g. STAFF ATTITUDE; WAITING TOO LONG) AND WHICH HAVE BEEN REPORTED TO THE 'RIGHT' PERSON TO PREVENT RE-OCCURANCE...**
- **THE ORGANISATION WILL LEARN FROM EXPERIENCE, IMPROVING STANDARD OF SERVICE & PRODUCT**



A COMPLAINT IS A

GIFT



WHY A GIFT ??

**IT IS AN OPPORTUNITY TO IMPROVE
OUR SERVICE AND STRENGTHEN
A RELATIONSHIP**



**A TYPICAL
DISSATISFIED CUSTOMER
TELLS 8-10
PEOPLE ABOUT
HIS
PROBLEM

OR MORE?????**



**OF THOSE CUSTOMERS
WHO QUIT, 68% DO SO
BECAUSE OF AN ATTITUDE
OF INDIFFERENCE BY THE
COMPANY OR A
SPECIFIC INDIVIDUAL**



Top 10 Skills and Best Practices for Handling Customer Complaints Effectively



- Addressing complaints quickly keeps your customers happy, but it also helps you avoid negative publicity.
- Handling customer complaints well can prevent investigations, lawsuits and a public relations disaster.
- But, not everyone has the right skill set, qualities and experience to handle the wide range of complaints that can arise.



1. *Humility in Customer Service:*

How It Helps in Handling Complaints

For a job that involves de-escalating issues before they become an investigation, lawsuit or lost customer, humility is essential.

A humble person is not afraid to say they are sorry, and this is a big part of the job for anyone who handles customer complaints.



Angry customers are good at deciphering fake smiles and ingenuine responses.

Humility is important because it makes it easier to appreciate that they may have a valid concern and by vocalizing it, the company has an opportunity to listen and improve.



Depending on the severity or topic of the complaint, an unsatisfied customer might react best to a simple, clear apology.

Humble people don't make excuses unless there is a legitimate explanation for the complaint.

Sometimes, it's best to apologize and start working on a resolution.



2. Empathy:

A Key Skill for Handling Customer Complaints

Without empathy, it's difficult for a person to see a situation from someone else's perspective.

They may struggle to understand why someone is angry if they themselves would not be angry in that situation.

Eventually, this person will come to think that all customer complaints are annoying and that complainants are always a nuisance.



An empathetic person can tell the customer they understand their issue and their feelings.

By meeting this need, and understanding a customer's dissatisfaction, the company will grow a loyal base and find success.



3. Compassion in Customer Complaint Resolution

Compassion differs from empathy only slightly.

Empathy is the ability to take on someone else's perspective and feel for their situation, whereas compassionate people take it a step further.

A compassionate person is motivated to relieve an unhappy person from their situation.



It's one thing to understand why someone is mad but it's another thing to have an urge to help relieve them from their hardship.

Compassion is an important quality for handling complaints because it's like a built-in desire to help others.

For a person with this skill or quality, it feels less like work and more like the right thing to do.

Compassion will make someone want to respond quickly to unsatisfied customers, which is a great quality for someone who handles social media complaints.



4. Decisiveness in Handling Complaints

Beyond empathy and compassion, anyone tasked with dealing with customer complaints must also be decisive.

The primary responsibility is resolving complaints efficiently, making quick and effective decisions essential.

The ability to assess situations and act promptly ensures that customer issues are addressed swiftly, leading to higher satisfaction and smoother resolution processes.



Complaining customers do not appreciate being put on hold or, worse, transferred from one person to the next. An already unhappy customer will grow angrier the longer they sit on hold.

Not only should the employee be able to make a decision, but they should almost always make the right one.

Customers get frustrated when they are told false information or made empty promises.

Sometimes, a final decision is out of the employee's hands. In this case, a decisive employee knows to escalate the case and explain the next steps to the customer.



5. Knowledge of the Company:

Essential for Dealing with Customer Complaints

Not only should this person be decisive, but they need extensive company knowledge to handle customer complaints effectively.

Every company should have a motto, values, mission and culture. As well as available information on services.

Depending on these, the way an employee handles a complaint will vary, and the way the customer expects them to handle the complaint will vary too.



As someone who handles customer complaints, if you aren't aware of your company's culture for customer service, it can be difficult to respond effectively.

An effective employee will know the standards set by the company regarding tone, responses and solutions.

In addition to company knowledge, this employee needs extensive knowledge of the company's products too.

Knowing about the products and services offered by the company is necessary to provide an adequate solution to an unsatisfied customer.



6. Creativity in Solving Customer Complaints

With customer complaints, you never know what you're going to get.

There's usually some form of script to follow loosely, but a vague, robotic-sounding response won't demonstrate caring and interest in a resolution.

Monotone phrases such as "I can see why you're frustrated" might be perceived as typical and impersonal.

An employee responsible for handling customer complaints needs to be creative in their response, making it more personal and showing their distinctive qualities.



This position requires an employee who is creative and capable of personalizing their response by taking the information provided in the script and integrating that with their own, unique phrases.

To effectively handle a complaint, the customer needs to know there is a human being sitting in front of them, speaking to them, or typing to them, and not a paid script-reader.



7. Effective Communication Skills

Everyone thinks they're good at communicating, but the truth is very few are.

Communication isn't just about being able to speak, it's about providing a timely response that is on topic and makes sense to the complainant.

It's also about being able to speak in a calm, cool manner even when the customer is not able to do so.



Plus, a good communicator knows that face-to-face communication is not all verbal.

While having a positive tone is important, your communication skills extend to include visual cues as well.

A good communicator knows that a nod of the head sends a far different message than crossed arms.



When responding to complaints via the telephone, employees need to be skilled in using vocal cues to make up for the lack of visual cues.

Because a customer won't know when a customer service agent is nodding, a good phone communicator throws in small verbal interjections such as "yes" or "right" to prove they're understanding.



8. Listening Skills:

A Vital Component for Proper Resolution

Great listening skills involve allowing the customer to tell their story without interruption.

If the customer is angry, which typically they are when they're making a complaint, the employee needs to let them vent before reacting or replying.

The customer needs to be calm before they can even begin to listen to the resolution.



The employee needs to be able to both listen and understand what the customer is saying.

An employee can't provide a proper resolution until they've really heard what the customer is saying, gathered the facts and asked the right questions.

What is it that the customer is really upset about?

Sometimes this can get misconstrued.

Great listening skills make it easier to uncover the real reason behind the complaint. Once the employee knows this, resolving the issue becomes easy.



9. Thick Skin: Stay Calm While Handling Customer Complaints

When all is said and done, and the end of the workday is over, it's necessary that a customer service agent can go home and forget about the day's troubles.

The right person for this role will know that it's never worth dwelling over complaints and to never take anything to heart.



A good customer service agent will understand that it's normal for customers to be angry sometimes, and that their complaints are beneficial in the long run for business.

The employee will also understand that as long as they tried their best to resolve the customer's complaint, their job is done.



10. Follow the Company Complaints Handling Policy

A complaints handling policy should include reassuring customers that you value their feedback and you are committed to resolving their issues in a fair, timely and efficient manner.

It should also:

- explain how customers can make a formal complaint
- identify the steps you will take in discussing, addressing and resolving complaints
- indicate some of the solutions you offer to resolve complaints
- inform customers about your commitment to continuous improvement





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Learning Activity

YOU AS THE CUSTOMER

Recall how one of your complaints was handled?

Positively or negatively...



To Re-Cap



Frequently Asked Questions

Why is it important to handle customer complaints effectively?

It is important to handle customer complaints effectively because doing so can prevent investigations, lawsuits, and negative publicity, as well as maintain customer satisfaction.



What are the steps to handling a customer complaint?

The five steps to handling a customer complaint are:

1. Address the complaint quickly
2. Communicate with the customer every step of the way
3. Investigate the issue
4. Correct the issue (if needed)
5. Put preventive controls in place to avoid repeat issues



How do you handle customer issues efficiently and effectively?

Handling customer issues efficiently and effectively requires employees to possess ten essential skills, including humility, empathy, compassion, decisiveness, knowledge of the company and its products, creativity, communication skills, listening skills, and thick skin.



What is the most effective channel for handling customer complaints?

The most effective channels for handling customer complaints include live chat, email, phone support, and social media.

The right channel depends on the complexity of the issue, customer preference, and available resources, but offering multiple options ensures flexibility.



What are the three major areas of customer complaints?

The three major areas of customer complaints typically include product quality issues, service delivery problems, and communication failures.

Addressing these areas with clear processes and prompt resolutions is key to effective complaint handling.



When dealing with customers face-to-face, what is a good customer service technique?

A good customer service technique when dealing with customers face-to-face is maintaining eye contact, using a calm and positive tone, and actively listening to their concerns.

Empathy, patience, and offering immediate solutions enhance the in-person experience.



What are the benefits of receiving and handling customer complaints?

Handling customer complaints effectively helps improve customer satisfaction, identify areas for business improvement, and strengthen customer loyalty.

It provides valuable insights into potential product or service improvements and can lead to positive word-of-mouth if resolved well.



Which of the following steps are effective ways of handling an upset customer?

Effective ways to handle an upset customer include listening actively, showing empathy, offering solutions, and following up.

Other steps include apologizing for any inconvenience, staying calm, and ensuring the customer feels heard and valued throughout the process.



What are the best practices for dealing with customer complaints?

Best practices for dealing with customer complaints include listening without interruption, validating the customer's emotions, offering an appropriate resolution, and following up after the complaint is resolved.

Offering compensation or a gesture of goodwill can also help in retaining customer loyalty.

**IT COSTS
SIX TIMES MORE
TO ATTRACT A
NEW CUSTOMER
THAN IT DOES
TO KEEP AN OLD ONE**



**THE CUSTOMER'S PROBLEM
IS YOUR PROBLEM
THAT IS WHAT YOU ARE THERE FOR**



*How does a customer-centric firm
view 'Customer Complaints'?*

***As a strategic opportunity to
learn about friction points and
recover loyalty.***



**IF YOU RESOLVE
A COMPLAINT
ON THE SPOT
95% WILL DO
BUSINESS AGAIN**



Delivering True Customer Centric Service



Respect Me

You say you love me, but sometimes you don't show it. In the beginning you could not do enough for me. Now you seem to take me for granted. Some days I wonder if I mean anything to you at all.

Maybe when I'm gone you'll appreciate me and all the things that I do for you. I'm responsible for the fruit on the table, the clothes you wear, welfare of your home, the thousand and one things you want and need. Why, if it weren't for me, you wouldn't have that car you drive.

I've kept quiet and waited to see how long it would take for you to realize how much you really need me. Cherish me... take good care of me... and I will take good care of you.

Who am I ?



Question: What does customer centric mean?



“Customer-centricity involves aligning organizational resources for effectively responding to the ever-changing needs of customers, while building mutually profitable relationships”

- Craig Bailey & Kurt Jensen



Benefits of Client Centric Service

- 20% of your clients give you 80% of your sales
- 10% of your clients give you 90% of your profit
- A very satisfied customer will tell 3 other people
- A dissatisfied customer will tell 11 other people
- A very dissatisfied customer will tell 20 other people
- 78% of dissatisfied customer never complain to you, they just leave
- 65% of lost customers are due to negative experience
- 75% of negative experiences are not related to the product
- The biggest reason people leave is because they don't feel appreciated
- It costs 7 times more money, time and energy to acquire than to retain a client
- It costs 5-12 times more to win back a dissatisfied customer
- Over 5 years a typical company retains less than 20% of it's key clients
- 5% increase in key account retention would increase profits by 25 to 55%



*“Someone calling themselves a customer says
that they want something called service.”*



How Many Customers Complain?

- Close to 80% of angry, unsatisfied customers never tell us.
- They vote with their feet, phone and browsers and go somewhere else.



The Angry Customer

According to **John Goodman** of **TARP Research** an **irate customer** has an **increase of loyalty** to our brand of **8% or more** if we can effectively resolve the situation in the **first call**.

Beyond that we stop negative spin in the marketplace where **on average 67 other consumers will hear about the situation**.



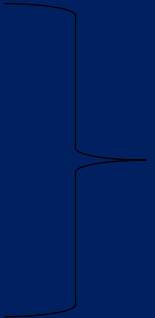
Pivot Points

- Any point where a customer comes in contact with the company. At these points we have the opportunity to provide more value, increase client satisfaction and potentially provide additional products or services.
- Alternatively it is an opportunity to “underwhelm” a member or stall the sales process.
- Also called “Moments of Truth”.



Handling Complaints

- Identify your pivot points within the context of your job.
- Brainstorm all possible:
 - Objections
 - Complaints
 - Situations
 - Problems
 - Scenarios
- Priorities these (A,B,C)
- Brainstorm solutions
- Practice delivering the solution
- Now all your direct reports in this process



Past – Present – Future



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