Level 4
ADVANCED DIPLOMA IN
CUSTOMER SERVICE
Unit 3: Resolving Customer's Problems or Complaints
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Introduction

Any business with a customer base will encounter complaints and problems. To avoid serious issues, businesses must be able to monitor and resolve issues as and when they arise. There are various techniques and methods to monitor issues and whether they are recurring. If a problem and/or complaint seems to reoccur often, procedures must be put in place to resolve them, something which we will cover in this unit of the course.
Assessing techniques for monitoring problems

Using different techniques to assess a business and manage customers’ problems will help implement the correct methods for the organisation. Many different techniques can be used in a company to track issues such as:

- **Customer feedback** - recording what customers think of the service provided, the ease of use and the products/services provided as a whole will be a great indication of any issues that are present.

- **Records and data analysis** - looking at information that is gathered from within the company will be a huge help and some large organisations have analysts whose sole job is to check for trends in shopping patterns and identify areas for improvement.
Resolve customer's problems or complaints

● **Sales made**- knowing which products are sold the most often and the products that make the most money for a business will help to spot the most popular items. Knowing which products are not sold will show an obvious issue for a company and may lead them to streamlining their offering to less products that make the most money.

● **Returns and complaints**- when a product is returned by a consumer it is because they were not impressed by the quality of what they received or it was not what they expected. An increase in returns will show a common trend of people who are not happy with the product they have purchased and a company must work to rectify this by upgrading or improving what they offer so that clients are happy.

Each of these techniques will have different benefits and drawbacks so a company is likely to use all of them in order to gather feedback. The best technique to use will depend on a variety of things including the type of products/services that are being sold as well as the way in which these are sold.
Using problem resolution to improve products and services

When problems are encountered, a company should make a note of this. By fully understanding the issues that were found, a business will be able to spot issues that occur very often and then use this data to improve what they offer to customers. Speaking to disgruntled customers to understand exactly what their issues are, a company can find where their products or services are falling short. Once this is done, the organisation will be able to put adequate solutions in place before altering what they offer so that issues do not occur again.

By changing products and services to stop complaints prior to them coming in, the company will save time and increase their brand. By cutting out complaints and the return of products, a lot of time and energy can be saved. This is easily done in an organisation by:

- Identifying trends in data and finding common issues that arise
- Looking at ways to solve these issues in the short term
- Think about how to fix the issue so that it does not happen again
- Put in place long term fixes so that no further problems occur with the product
How resolution boosts customer loyalty

Issues are to be expected in any business and it is impossible to run a company that never encounters any problems at all. The best way to combat any issues is simply to make sure that staff can deal with any unexpected occurrences and handle complaints in an efficient way.

By handling complaints in a quick and helpful manner, a business will quickly develop a good reputation. The vast majority of clients will not expect you to be perfect. If a problem occurs, they will give you a chance to rectify things and put suitable measures in place to ensure this doesn’t happen again. By doing this the company will have shown that they are able to work through any issues that they encounter and help clients to resolve problems. Certain things must always be done when resolving customer complaints to ensure the person feels supported including:

● **Listening to exactly what the customer is saying**- by ensuring that the client is understood you will avoid any mistakes in recommending the wrong solution or insulting the person. Without fully understanding the problem you will be unable to locate a solution and dragging the process out for longer will most likely annoy the customer you are dealing with.

● **Ensure the customer feels supported**- never dismiss the person’s claims or act as though you do not care about the client. Make sure that the customer is fully supported and help them to put in place any measures that will help their situation.

● **Damage control**- try to limit the damage caused by any mistakes that are made. This could be by stopping things from affecting other areas of a product or by stopping the person from publicly shaming the organisation with bad reviews.

● **Seize the opportunity for improvement**- do your best to ensure that the situation is rectified and improvements are made where possible.

Doing all of this will help the company to improve their reputation and enhance customer loyalty. Since the majority of customer service representatives work in the business-to-business sector, loyalty is very important and when a customer knows that they are working with a company that can quickly sort any issues they will be much more at ease.
Resolve customer's problems or complaints

Negotiation techniques when issues are encountered

When issues occur in customer service you need to be able to work with clients to find a resolution. If something does go wrong in a business and problems arise then it is essential to negotiate with customers to find the right solution. This can take a lot of patience on behalf of an employee and necessary steps must be taken.

- **Understand what needs to be achieved** - the first step when negotiating something with a client is to completely understand what the customer wants and why a negotiation is needed. It may be that the client is not happy with the quality of a product or service, or that they cannot afford something so a negotiation is needed.

- **Prepare for discussions** - negotiations are often needed when a person is unsatisfied with the service they have received. For this reason, any customer service representative should be ready for discussions and be prepared for anything that a client may say. Mentally preparing for negotiations will involve going over scenarios and thinking about what the business can and can’t offer as a resolution.

- **Be confident** - being able to deal with clients to find resolutions relies on confidence. If a customer knows that you are unsure they may try to take advantage and negotiate something that the company cannot afford. Being confident will show that you can take control of the situation and let the customer know that you are sure a resolution will be found.
Resolve customer’s problems or complaints

- **Share information** - negotiation is a chance for both parties to speak about what they have encountered and find an amicable solution. To do this you need to share information with clients which could include explaining reasons why something went wrong or giving advice on how to move forward.

- **Listen** - ensure that you fully understand your customers’ needs and what they wish to get from negotiations. The customer should see that you are listening to their opinions and taking them on board.

- **Get ready to compromise** - negotiations within a business will require both parties to compromise. This often happens for a company and compromising will ensure that a customer remains happy and protects the name of the organisation. Compromises will help to settle the issue as well as stop unwanted bad reviews or bad press.

- **Confirm the solution** - once you have agreed on what should be done and found a suitable solution, you must confirm this with the customer. The last thing that you need is to disagree on the outcome of negotiations and the agreement should be put in writing (usually in the form of an email) to make sure that everyone knows what has been agreed and how to take things forward.
Identifying complaints that should prompt a review

Some complaints from customers will be unfounded and simply someone trying to get their money back after having changed their mind. Others will be much more serious and the client may have a valid reason for their complaint. In these situations, you should work to understand exactly which areas were substandard and put measures in place so that this does not happen again. Complaints that are very serious will require a change to be made to either the service offer or the service delivery.

Key terms

**Service offer**- The details of what the company will do for the customer and the level of customer service that should be provided.

**Service delivery**- This is about getting goods to a customer in a specific timeframe and making sure that goods are provided when a customer needs them.

The service offer of a company is all about what will be given to the customer. This includes the actual product or service that is sold as well as the support given to customers throughout their experience. It is essentially anything that the customer is paying for. The service offer may be re-evaluated if complaints are made about:

- The quality of a product that they purchase
- The quality of customer service that comes with the product
- The pricing of the product or service
- Any additional features that are on offer with the product or service

Should a lot of complaints be made in the above areas then it may result in a change to the service offer. The pricing of goods may be altered, the quality of manufacturing improved or more support may be provided to go alongside products and services.
Service delivery is not about what is provided but how and when it is given to a customer. Modern customers expect things to be done quickly and will want to be able to get products quickly and easily. The service delivery may be changed if a lot of complaints are made about:

- Delivery times of products
- Where products can be sourced
- The way in which support can be accessed
- The times that support lines are open

A change may be implemented to the service delivery if any of the above cause an issue for customers. This may be done through offering products and services in more retailers to make them easier to access, by opening support lines for longer hours and increasing possible delivery times for things which are sent to a client’s home.
Resolve customer's problems or complaints

Managing difficult situations

Some customers can be very tricky to deal with and in these situations you need to be very careful and do your best to stay calm no matter what. Dissatisfied customers can express their emotions in a range of ways so you should be able to use the HEAT technique to calm any customers who may be unhappy.

Hear Emphasise Apologise Take ownership

Hear

It is important to listen very carefully to the customer when they are explaining their feelings and how they think they have been unfairly treated. Show them that they have your undivided attention and ask questions about the service or product they were provided with so that you understand their frustration. Usually having someone to talk to and explain their side of the story will calm the customer somewhat and you can begin repairing any damage.

Emphasise

After the customer has been allowed to let off some steam, explain that you care and want the customer to be happy with the service they are provided. Show them that you have listened and acknowledge any lack of service they have identify which is true. Explain that you understand how this is very frustrating but that you will do your upmost to resolve any issues and to rectify the situation as quickly as possible.

Apologise

When you or the company have done wrong, you must own up to it. Say you are very sorry for the service which the client has received and reiterate to them that it is not up to your usual standards. Tell the person you will do your best to resolve the issues and that you completely understand what they are saying even if you feel they are being a little unfair. Remember that the customer is always right and when someone wants to complain you should accept responsibility for not providing a better service.
Resolve customer's problems or complaints

**Take ownership**

Passing blame off to other people at the company is not a good idea as this will give the impression that you don’t care since it is not specifically your fault. Even if the problem is due to no fault of your own, accept ownership on behalf of the company and explain that this will not happen again. Clients who receive bad service are unlikely to return but if you accept that the service was below par and acknowledge a mistake they are much more likely to give you another chance to impress.
Behaving assertively to deal with upset customers

It is not just poor service which can cause a customer to be unhappy. Stress can be caused by problems in their own lives or because of the situation they are in, or even the amount of money they are paying. Customers will react in various different ways and you need to be able to deal with them to ensure that they are cared for. When dissatisfied, some clients may become upset so you will need to be caring and appreciative of their feelings, others may become aggressive or shout.

When under pressure or annoyed people will behave in a manner which they would not dream of normally. Calming customers down so that they act rationally will be one of the best things you can do to stop the situation from deteriorating.

Acting assertively is a good way to defuse the situation if someone does start to get angry. Some people confuse assertiveness with aggression when they are two very different things. You should never be aggressive towards a customer no matter what has happened but being assertive will allow you to speak and explain things in a calm manner. Simply standing there while a customer complains will not help anyone and the client will likely work themselves up even more. What you need to do is:

● Listen at first to hear the person’s side of the story, maintain eye contact and agree with the person.
● Speak in a lower tone and remain calm at all times. If a customer begins yelling and you do the same back, then the situation will escalate very quickly and start to get out of control.
● Explain that you understand and offer some explanations as to what may have happened. The chances are that everything is due to a miscommunication so try to get to the bottom of the problem calmly and without losing your cool.
The advantages of assertive behaviour

As we mentioned previously- assertiveness is not the same as aggression. The difference is similar to the difference between being confident and being boastful. Confidence is a good trait and allows you to express your feelings and concerns while also letting other people do the same thing.

Being assertive has many advantages. You should make a conscious effort to adopt assertive behaviours when working with a dissatisfied customer as this will allow you to take control of the situation and help find a solution. By adopting this approach, you can logically ask about what the customer has experienced and how they feel they can be helped. It may be that the customer thinks they are in the right when in actual fact they are not. If this happens then you should politely explain your side of things and show that the client may have missed a certain step in a process which is why they received something they deemed below industry standards. Getting to the bottom of the issue by being assertive will allow you to communicate effectively and explain your side of things as well as listen to the customer’s complaint.
Resolve customer’s problems or complaints

Using procedures and systems to deal with issues

There are many different situations that can lead to issues within an organisation. Dealing with these in a personable and timely manner is crucial, but so is following protocol for the company that you work for. You should always make sure you are aware of the organisations procedures and systems for dealing with customer service problems and do your best to work within any guidelines.

These systems and procedures are there to make sure everything is dealt with fairly and to protect you as a company representative. If there is an issue, by following the company’s procedures you can prove you did everything within your power to deal with this exactly as you were supposed to. These different procedures will likely be in place to deal with:

- Complaints from customers
- Returns and refunds
- Discrepancies
- Faulty products
- Good service and support

Most organisations actively promote ways that customers can offer any feedback and will have systems in place that collect this data. Should these be present in the organisation you work for, then it will be necessary to give directions and advice on using these to clients.
Resolve customer’s problems or complaints

**Dealing with difficulties in a calm manner**

Even the most professional person will encounter complaints and difficult customers sometimes. People who behave in a way which makes them difficult to deal with can make your job very stressful and much harder to carry out so you need to remain calm and deal with issues in a way that is required by your business.

Your own behaviour will directly influence a customer’s temperament so you need to be collected and professional even if a person is being unfriendly. Everyone tries to mirror the behaviour and state of people that they are surrounded by so being calm and level-headed will cause this to rub off onto the client who will begin to relax. This is sometimes referred to as ‘behaviour breeds behaviour’, so reacting to unhappy customers by shouting or in an angry way will only cause the situation to escalate further. Difficult customers do not always get angry and can also show emotion by:

- Frowning
- Getting very quiet and whispering
- Crying or getting upset
- Being passive
- Getting fidgety and visually annoyed

Any of these types of behaviour can be a clear sign of an unhappy customer and you must react in a positive way and do your best to help the client work through the correct procedures to deal with their issues.
Complaints procedures

Every organisation needs a clear complaints procedure in place so that customers can express any negative aspects that they have encountered. This procedure will include specific tasks that need to be completed at certain times, for example, when refunds are to be given or any specific things that need to be done when someone complains.

Most organisations actively encourage their customers to give feedback and often give out forms for people to complete. It is important not to get too disheartened if bad comments are made. Ask the person to fill in a complaints form to formalise their view- this will give the company information that they can work with. Once a formal complaint has been lodged, the company can follow the complaints procedure in place and deal with this as swiftly as possible.

Complaints do not necessarily have to be from clients and could instead be from employees, other service providers and manufacturers. Most companies specifically tell the person what they must do to lodge a complaint and this is a very open and fair way of dealing with any problems. This can be explained on paper, over the phone or with a complaints page on a website. It typically answers queries about:

- How the complaints procedure works
- If there are any third parties that can be notified
- When the company will respond to complaints and how
- What happens next
- If there are any other tasks which must be completed to lodge a complaint or request a refund

Nobody likes complaints and they are not the best task to handle in any job role. However, it is important to remember that a clear complaints procedure should be worked through swiftly with the customer. This is the best way to make sure the situation is remedied quickly. A record of the entire process is usually kept by the company also, to show they acted according to their complaints procedure.
Resolve customer's problems or complaints

If a company you work for does not have any complaints procedures in place then it is important to ask questions of management about what to do if someone is not happy. They should be able to tell you:

- If you are able to deal with a complaint on your own
- If not, then who the complaint should be referred to
- When compensation or refunds are to be made and how to do this
- What records need to be kept about the complaint

The way in which a complaint is dealt with will depend on the mediums that are in place. Someone who is on the phone may wish to complain, in which case you must fill in a complaints form yourself as a record, or they may complain in person so will be asked to fill in the form for themselves. On the next page is an example of a complaints form that can be used in a variety of different companies and can be completed by the customer or a member of staff.

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**Customer complaint/comment**

<table>
<thead>
<tr>
<th>Date</th>
<th>Customer name/details</th>
<th>Dealt with by</th>
</tr>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>

**Complaint description / Customer comments**

**Actions taken by company**

**Feedback given from customer**

**Feedback from employee**
Resolve customer’s problems or complaints

When to pass problems to a colleague

At times it may be wise to pass over a problem to one of your colleagues so that they can deal with the issue instead of you. This should not be seen as giving up or an act of weakness and sometimes this can work to get the problem resolved much faster than usual.

Passing over issues to someone else is best to be done if:

- A client is a personal acquaintance of yours and you feel that you cannot treat them impartially
- If the customer requests to speak with someone else
- If you are finding it hard to keep calm when dealing with a client who is angry
- If you are unsure of how to deal with the problem
- If you do not have the authority to solve the issue in question

If you are to pass over any duties to a colleague, then you must ensure that they are competent and able to deal with the issues that are posed. It may be that they do not have the authority either, so you should ensure that you follow the hierarchy of the company and pass duties on to the correct person. Make sure that you give your colleague the right details about the customers including:

- Their names
- The date and time that contact was made
- Contact details of the customer and preferred contact method
- The nature of their problem
- Any correspondence that has been had with the customer
- If any promises have been made to the client and what these entail

You may also be required to let the customer know that you have passed them over to someone else who will be in touch to help.
When to escalate problems to a manager

There are times when a customers’ issues must be taken to a manager or supervisor. Working in a customer service role means that you need to understand when this is necessary and have the ability to spot signs that could lead to the problem being escalated.

If a customer is being threatening or abusive to you, your manager can be asked to step in and help with the situation. If this does happen then it is very important to stay calm and allow your manager to help deal with the situation and find a resolution. Similarly, a customer that is threatening legal proceedings or wishes to discuss things that you are not authorised to deal with (for example refunds and replacement items) then your supervisor should be called in to solve the client’s issues.
Implications of admitting liability

When dealing with complaints it is quite likely that the business has not provided a perfect service. When this happens and negotiations are entered, the company may decide to admit liability for the poor service provided. When this happens it is important to ensure that policies and procedures have been checked, as well as terms and conditions to ensure that the company is in fact liable.

Admitting liability can have a lot of impacts on an organisation which include:

- Having to pay damages to customers
- Having to refund payments that the business has taken
- Getting a poor reputation through bad service
- Possible legal action for the poor service provided

Admitting liability can be a very good thing at times. It may help to reconcile with the customer and provide them with what they need. By admitting mistakes and then rectifying these, the company will not get as many bad reviews or complaints. Usually the first step to coming up with a solution is for the company to admit responsibility for their mistakes and then help to bring customer satisfaction for their clients. At times though, admitting liability can lead to a lot of trouble. If a company is liable for poor products that risk the safety of their customers then they can face legal proceedings.

Manufacturers of products are responsible for things that do not meet regulations and what they offer to the public must be safe to use. A business has to:

- Warn customers of potential risks
- Provide information to help clients understand these risks
- Monitor the safety of products
- Take action if any problems are found
- Ensure that what they sell meets regulations and laws in place
Resolve customer's problems or complaints

Should a company not meet regulatory standards, they can face legal action and may even be forced to stop selling their goods. For example, items that are manufactured such as cars will need to meet very strict safety regulations so that they can be offered to customers. Failure to meet these standards will result in manufacturers being forced to remove the model from the market.

**Offering compensation for poor products**

Once an issue is found and liability is accepted by a company, they may look to compensate the buyer. Some businesses rely heavily on brand loyalty, this means that they will be very quick to offer replacement goods even if they are not liable for any issues. Doing this gives a range of advantages such as:

- Generating brand loyalty
- Solving any issues quickly
- Stopping complaints by providing alternatives to customers
- Developing a strong reputation for customer service and quality

Companies that offer many products will rely on repeat customers. Because of this, it is actually cost effective to give away a replacement, even when the company is not at fault, than it is to lose a customer who may purchase many more products in the future. Large companies like Apple are very well known for replacing items when required as they know that this builds brand loyalty and that the person is likely to buy a new laptop, phone or mp3 player from them again in the future.

There are, of course, some downsides to offering replacements. The main one being that this can be very expensive. Giving away free alternatives to clients when not at fault is not obligatory for a company and will eat into profits as well as make customers think that the business is to blame even if this is not the case. These drawbacks should be weighed against the increased brand loyalty when a business is deciding to offer a replacement or not.
Resolve customer’s problems or complaints

Unit Summary

In this unit you have covered the principles of dealing with complaints and difficult customers. We have also covered how to ensure that recurring problems are dealt with so they stop happening.

You should also be aware of and understand the positives and possible implications of accepting responsibility. Accepting responsibility and liability when it is appropriate can really help ease a complaint situation and make the customer feel at ease and respected. You should also now be fully aware of the need to always follow company policies and procedures.