

# ARE YOUR EARS BURNING YET?

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# 10 REASONS

## YOU SHOULD ENCOURAGE CUSTOMER COMPLAINTS

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*10 compelling reasons, 12 irrefutable stats, 19 legendary quotes*

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PRESENTED BY...



# INTRODUCTION

We have been taught all of our careers that **customer complaints are bad**. And we instinctively think that if we aren't getting any complaints, we must be doing everything right, so it's best to **leave well alone**.

But, despite the best made plans, things always go wrong. Deliveries are late, products are broken, details can get lost.

**The critical thing, the secret key to true customer satisfaction, is how you handle it when these problems do occur. Because they will.**

This is why a complaining customer is your company's very best asset. And why 'complaints management' is entirely the wrong term to use when dealing with complaints.

If you're not asking for feedback and complaints, you aren't changing anything. You are simply shutting your eyes and ears to how customers feel.

They will feel how they feel whether you ask them or not. So surely it's better to know? My experience over the last 15 years running my own businesses, and advising dozens more, tells me that **inviting complaints from customers is the single best way to improve customer retention**.

Since it costs 5 times more to acquire a new customer, I would urge you to go and ask all your customers to tell you what they think - right now!

Why? Here are the top 10 reasons.

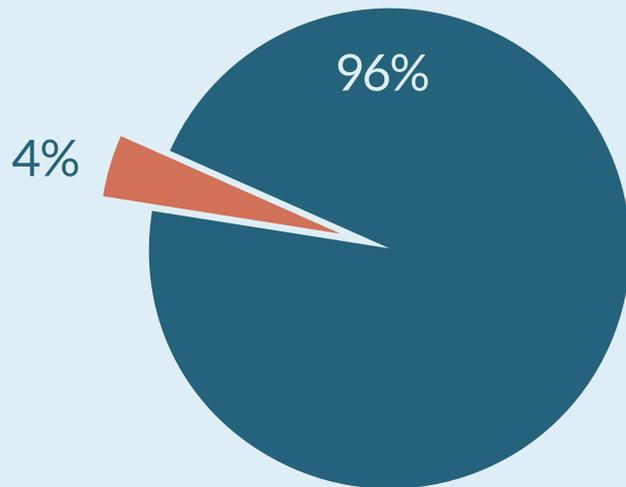
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# 1

## People are talking about your business. Isn't it better to know what they are saying?

The vast majority of unhappy customers (research shows around 96%) don't bother to complain, they simply walk away. Why? Because people find complaining stressful and hard work; they often don't know where to complain. Many worry about what the staff will think about them and they simply end up voting with their feet and never coming back to you.

So if you're only hearing from 4% of your unhappy customers, imagine what the other 96% would tell you. Think about what that 96% are saying to their peers about your company. Are your ears burning yet? They should be.



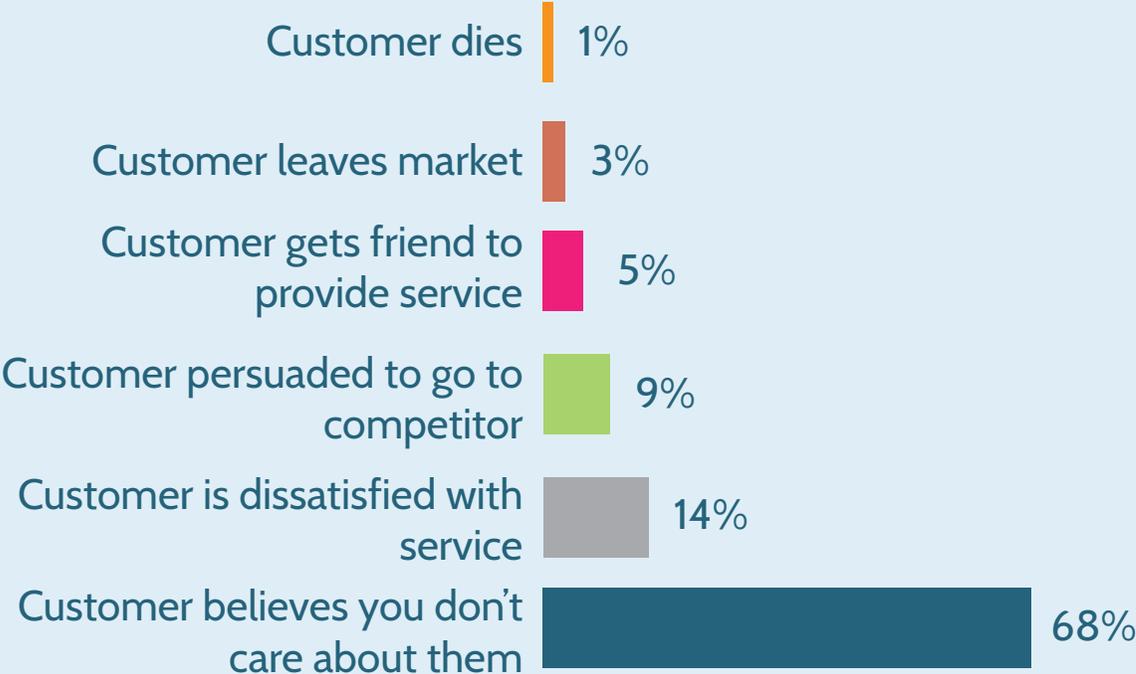
“We’ve been raised with a false belief. We mistakenly believe that criticism leads to failure. From the time we get to school, we’re taught that being noticed is almost always bad. It gets us sent to the principal’s office, not to Harvard.”

*Seth Godin*

Conversations amongst your customers and their friends happen whether you like it or not. Good feedback solicitation encourages them to have those conversations with you too.

Imagine what you could start, stop or keep doing as a result of asking for their feedback and taking appropriate action as a result. Imagine what this could do for your company's customer retention statistics.

### Why Do Customers Leave a Company?



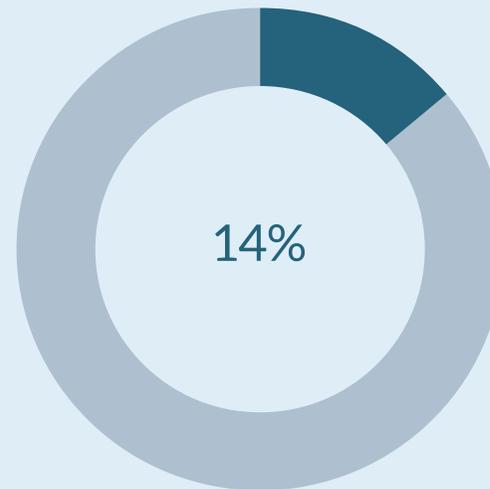
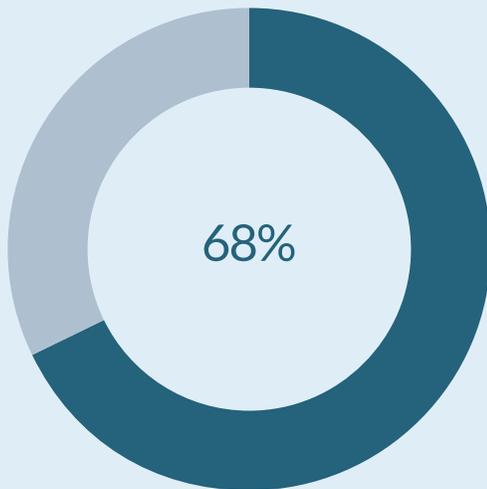
# 2

## If you are assuming your customers are happy you are probably wrong

Assumption is a dangerous thing. Do you assume your customers are happy with your business? The statistics suggest you'd be very wrong to do so.

 *68% of customers who leave you, do so because they think you are indifferent to them. Only 14% of customers leave because of truly bad service.*

These are astonishing statistics in my view. It's highly likely that your customers are leaving because they think you don't really care, and you haven't asked about them. This is incredibly easy to fix, but feedback is key here in order to understand how to make customers feel cared for.





*80% of companies believe they deliver a superior customer experience, but only 8% of their customers agree.*

Having customer service teams and a customer service manifesto is not the same thing as delivering a superior customer experience. It's not even in the same ballpark. Actions always speak louder than words.

Take this customer quote below:

“When an invitation to fill in a survey popped up on the Edmonton Public Library (EPL) website under the heading ‘Tell us what you think of us, EPL needs your feedback,’ I decided to participate.

The library staff have always been friendly and helpful. I thought in this survey I'd have an opportunity to compliment EPL and, maybe, sneak in a request for a wider choice of ebooks.

Instead, the customer satisfaction survey wanted to know if the staff greeted me when I came in, if I felt appreciated and if I thought they were listening to what I was saying. After being asked the same questions in different forms for three pages, I gave up on the process.”

She wanted to tell the library what they needed to do to improve her experience – but they aren't weren't the right questions or listening to the answer. This smacks entirely of box-ticking and manifesto rather than true customer experience delivery.

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# 3

## Bad word-of-mouth about your business travels faster than good...

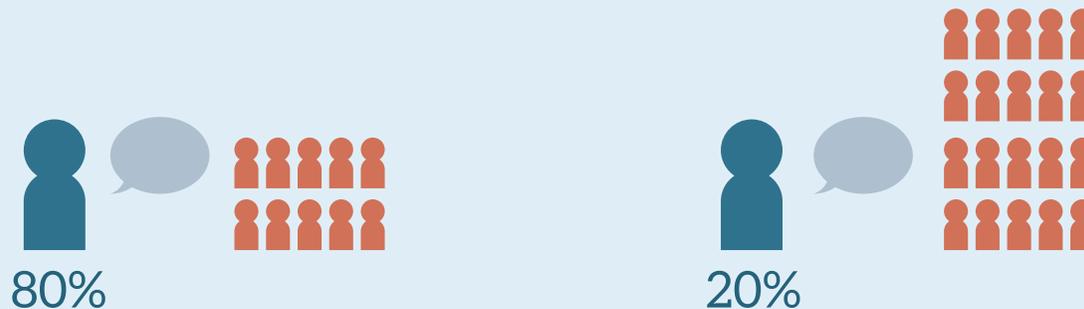
Don't be the butt of the joke. Bad service experience stories travel fast amongst social groups. They are prime material for friends to let off steam to each other and fodder for telling amusing stories.

“Customer service can be hell but add in humour and you're in story telling heaven”

*Guy Winch, psychologist & author*

Add to that the statistics of how often people tell these funny stories, and one bad experience can result in a great deal of bad feeling.

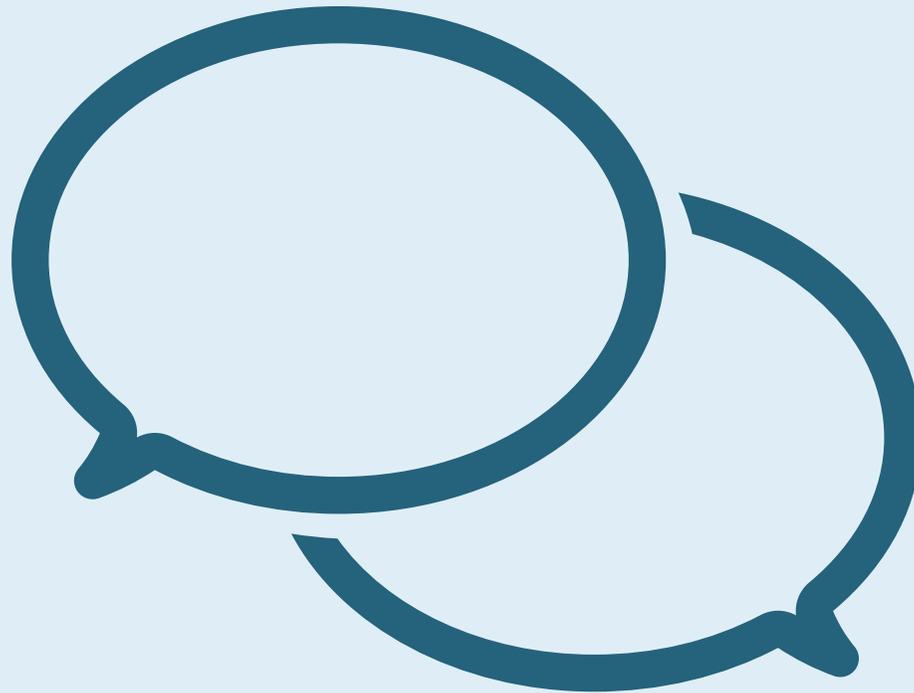
For example, a study by the University of Nottingham has shown that 80% will vent their bad service anger to at least ten people whilst 20% sound off to at least 20 others.



You can't stop the stories, and nor should you try. It's innately human to tell stories, it's how we learn and how we socialize. But by soliciting complaints early you are giving yourself the chance to turn a bad story into a good one.

“Customers who go home mad tell their story, whereas those who go home happy tell your story.”

*Jake Poore, who looked after service recovery at Disney.*

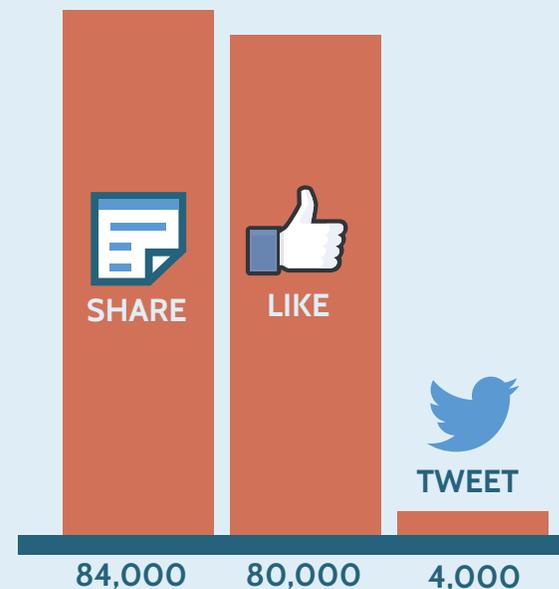


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## ... and bad customer service stories go frighteningly viral

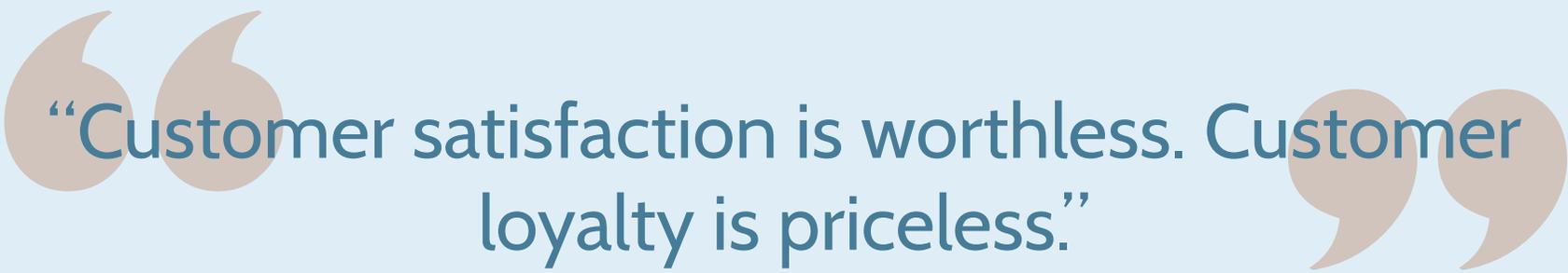
The Internet has made this phenomenon even more dangerous. Every customer now has the equivalent of a front-page article in the New York Times by creating an amusing post or video article. The all time classic is the “United Breaks Guitars” protest song, now so famous it is anchored for all time on Wikipedia.

One airline passenger’s complaint letter was so funny it was printed in The Telegraph newspaper. At the time of writing it has had 84,000 shares, 80,000 Facebook likes and 4,000 retweets.



Customers are even buying their own media space to complain about companies who don't get it right. Hasan Syed paid for a promoted tweet to shame British Airways into sorting out his father's lost luggage issue.

It's therefore even more essential to fix customer problems rapidly before before there is a chance for them to spiral out of control on social media. Ask for feedback on your service as soon as you can (ideally, at a transactional level) and fix things quickly. All of the stories above would have had a very different outcome if they'd been fixed on the spot.



“Customer satisfaction is worthless. Customer loyalty is priceless.”

*Jeffery Gitomer*

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# 5

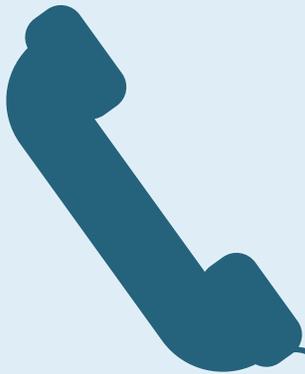
## Making it hard for customers to complain tells them you aren't interested in their feedback

Ever called a bank's complaints line to be told the queue is 25 minutes long, only to call their sales line and get straight through? We've all been there.

We shouldn't see complaints as something to be reduced or removed. The most enlightened businesses, for whom the customer experience is tantamount, actually assume mistakes are going to happen and put teams and plans in place for when they do.

“Customers don't expect you to be perfect. They do expect you to fix things when they go wrong.”

*Donald Porter, VP, British Airways*



If your business is hell-bent on reducing complaints, you'll lose out on a ton of really valuable feedback, but even worse, you'll reinforce customers' views that you don't care about them or are indifferent to them.

“The more you engage with customers, the clearer things become and the easier it is to determine what you should be doing.”

*John Russell, President, Harley Davidson*

So empower your customers to speak up where they might previously not have done, and tackle those complaints by listening carefully, apologizing where it's needed, going beyond the call of duty and fixing things quickly.

Which leads me on to...

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# 6

## Fixing problems turns angry customers into loyal advocates

Did you know that customers can often be more loyal to your business after they have experienced a service failure, than if it had never happened in the first place? Often a bad experience that was turned around makes for a happier customer and a better story than a customer who had a good experience in the first place.

Now to Disney's Jake Poore, who says, "Everyone makes mistakes, that's human. But how do you solicit those mistakes and rectify them so that the story is now possibly better than if there were no mistake at all?"

Companies with the best customer service understand the paradox: customers are often more loyal after a service failure (so long as the recovery has been swift and good) than customers who have not experienced a service failure at all.



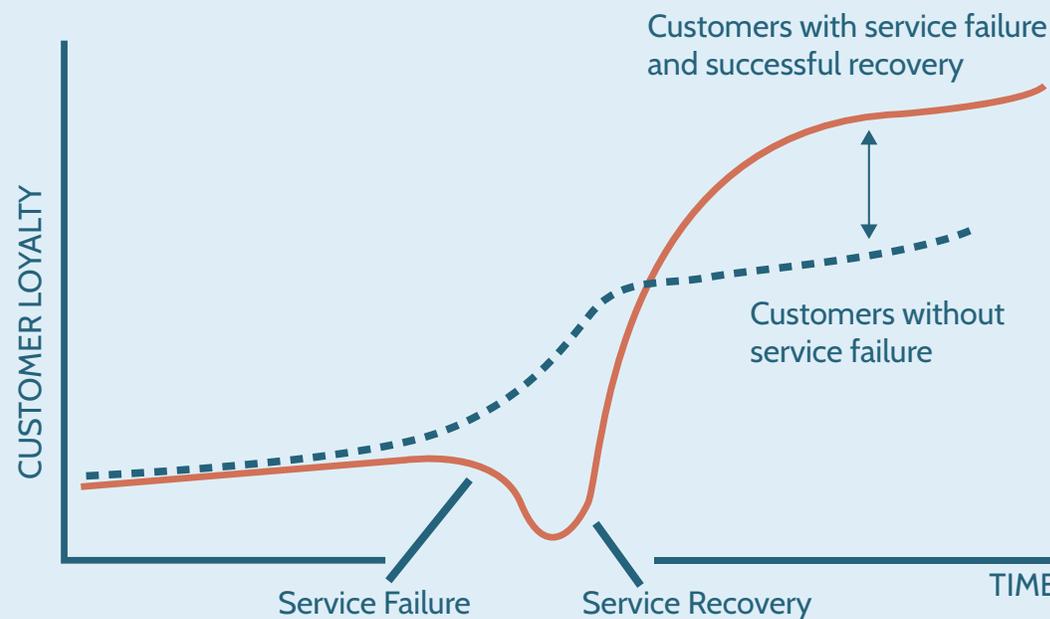
If you resolve a complaint quickly & with little fuss on the part of the customer, studies show that 9 out of 10 customers will buy your product or use your service again



Even more surprisingly, 60–75% of customers will do business with a company again if it deals with a customer service issue fairly even if the result is not in their favour.

Service recovery creates positive stories about your business that your customers can tell their friends and colleagues. Swift and thoughtful recovery actions usually cost very little but create incredibly powerful word of mouth advertising and referral.

Now we are not advocating going out and messing up for your customers just so that you can fix it brilliantly! But the service recovery paradox does make it critically important to find out whether your customers are happy or disappointed – ideally as soon as possible after the product was delivered or the service took place.



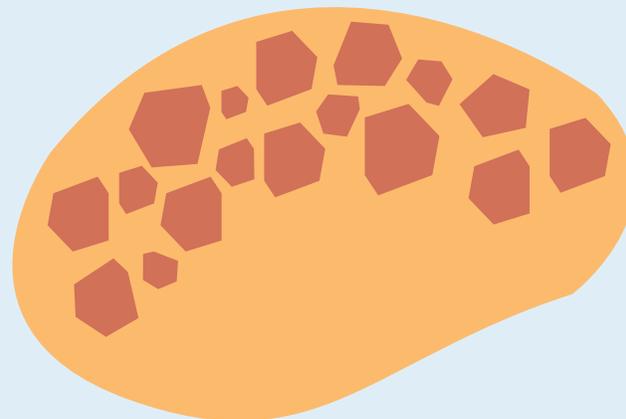
# 7

## Encouraging complaints focuses your staff on customer delight

If customer service is important to you, and you demonstrate it at every opportunity by asking customers how you can improve, your staff will become acutely aware of how their actions impact customer satisfaction.

It becomes part of the fabric of the way you do business; reducing training costs and maintaining a customer-focused culture.

Take the heartwarming example of supermarket chain Sainsbury's, who changed the name of their Tiger Bread to Giraffe Bread because a 3 year old girl wrote to them saying it looked more "giraffey" than "tigery" (and she was right!). Their customer services executive was empowered enough to make the change.



Virgin Atlantic staff are trained to think of themselves as “creators of memories”, where they use the mantra of ‘brilliant basics, and magic touches.’ Their training programmes embrace feedback and help cabin crew to think ‘I am not just a member of the on-board crew delivering a meal service, I am a creator of great memories for my on-board friends.’



“Loyal customers are those who feel a strongly held commitment to re-buy or re-patronize a specific product, service or company. They are considered a company’s biggest asset as besides providing repeat business, loyal customers spread positive word of mouth that can be up to twenty times more powerful than regular advertising”

*Guy Winch, Psychologist & Author*

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# 8

## Discussing complaints breeds an open, positive and can-do workplace culture

A number of our customers have told us that by encouraging feedback, and making an open and blameless place to talk about it within the business, they have improved the culture and environment of their company.

Ensuring that complaints are solicited (and that both staff and customers know a process is going to happen) reduces the negative impact of the inevitable complaints when they occur. It gives your teams a common language to share feedback and ideas for improving things, and it builds service recovery into methods and processes.

“[We train] all our staff to be genuinely grateful for our guests’ feedback, whether favorable or not.”

*Patrick Fiat, GM, Royal Plaza on Scotts, Singapore*

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One of our customers has a visual representation of customer feedback on the office wall, and uses the “red, amber, green, gold star” language to help teams understand customer feedback and improve.





## Soliciting complaints and fixing them builds a remarkable business

Many companies struggle to keep the customer at the heart of their business. Over time, processes, new staff and market changes can obscure the original vision of the business and make it difficult to be truly customer-centric. The best customer-serving businesses never lose sight of what their customer really wants.

By constantly and proactively listening you can introduce little touches that make customers really happy, without breaking the bank. These touches make doing business with you more interesting... making you more talked-about in the process.

Rackspace for example wants to be the 'best business you've ever interacted with'. This goal keeps them focused and keeps the staff thinking about that benchmark at all times. Ultimately, the more feedback you solicit, the more you can tailor your service to your best customers, fix problems when they arise and keep them for life.



# 10

## It's amazing what happens when you ask for feedback

Complaints are only a part of the story when you actively welcome feedback from customers.

Embracing customer feedback enables you to refine services and re-engage with customers, rather than pushing that feedback away. And once your customers know that you want to hear their views, the majority will keep on talking to you – telling you both good and bad stories about your business – giving you a significant competitive advantage.

“One disappointed customer is worth ten delighted ones”

*Seth Godin*

Quality in a service or product is not what you put into it. It is what the client or customer gets out of it.

*Peter Drucker*

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# SO WHAT DOES HAPPEN WHEN YOU SEEK OUT FEEDBACK AND COMPLAINTS?

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1. You make more money: when MBNA halved its customer defection rate, profits rose a whopping 125%
2. You find out what's really important to customers. For example, you might think product range is what matters to them, when it's actually time of delivery
3. You uncover and share good news stories which breeds similar activity amongst all your staff
4. You reward staff doing a great job – keeping them for longer, reducing cost and keeping important customer knowledge in your business
5. You shorten your market research and product development cycles – feedback will tell you what products or services your customers want to buy from you next
6. You lose fewer customers; keeping acquisition costs down and share of wallet up
7. You gain a clearer view of how to achieve even better customer satisfaction in the future
8. You create that most sought-after of assets - advocates

**So change your mindset today: don't see complaints as destructive.**

**It's tough to do – we all find criticism hard. But accept that you'll never get it right 100% of the time (no matter how good you are) and open your eyes and ears to the valuable feedback your customers want you to have. You can't lose.**



“If you work just for money, you’ll never make it, but if you love what you’re doing and you always put the customer first, success will be yours.”

*Ray Krock*

“Excellent firms don’t believe in excellence – only in constant improvement and constant change.”

*Tom Peters*

“Customers who go home mad tell their story, whereas those who go home happy tell your story.”

*Jake Poore, Disney*

“If our customers don’t like their experience, that may be the last we see of them.”

*Chris Haynes, Customer Intelligence Manager, Eurostar*

“Make a customer, not a sale.”

*Katherine Barchetti*

“Every client you keep, is one less that you need to find.”

*Nigel Sanders*

“It’s 11 A.M, have you called a customer today? Stop. Now. Call a customer. Out of the blue. How can I help? Have we delivered on every promise, implicit as well as explicit?”

*Tom Peters*



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# ABOUT THE AUTHOR

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Lindsay Willott is the co-founder of Customer Thermometer, the 1 click satisfaction monitoring service. She founded the business with the aims of creating a great product that makes a difference - a product that makes it simple to source feedback and fun for customers to use - as well as to create a company that's great to work for, and with. Customer Thermometer helps businesses in over 100 countries, including BT, Moonfruit, P&G and many more, to monitor their customers' moods and respond in real time.

Lindsay also founded The Marketing Practice, a top 10 tech marketing agency with an industry-beating, award-winning client retention rate. She is fascinated by the relationship between customer service and marketing - in a world where reputation spans both disciplines Customer Thermometer is both a powerful retention tool and a powerful marketing tool

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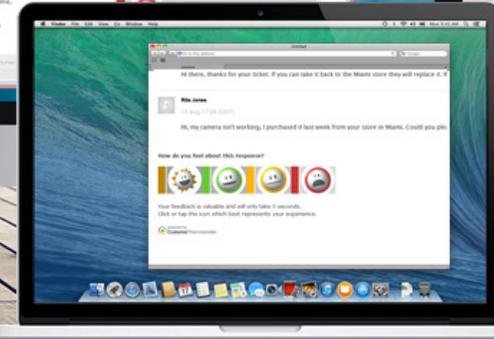
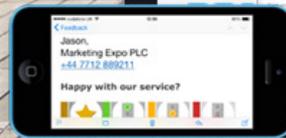


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